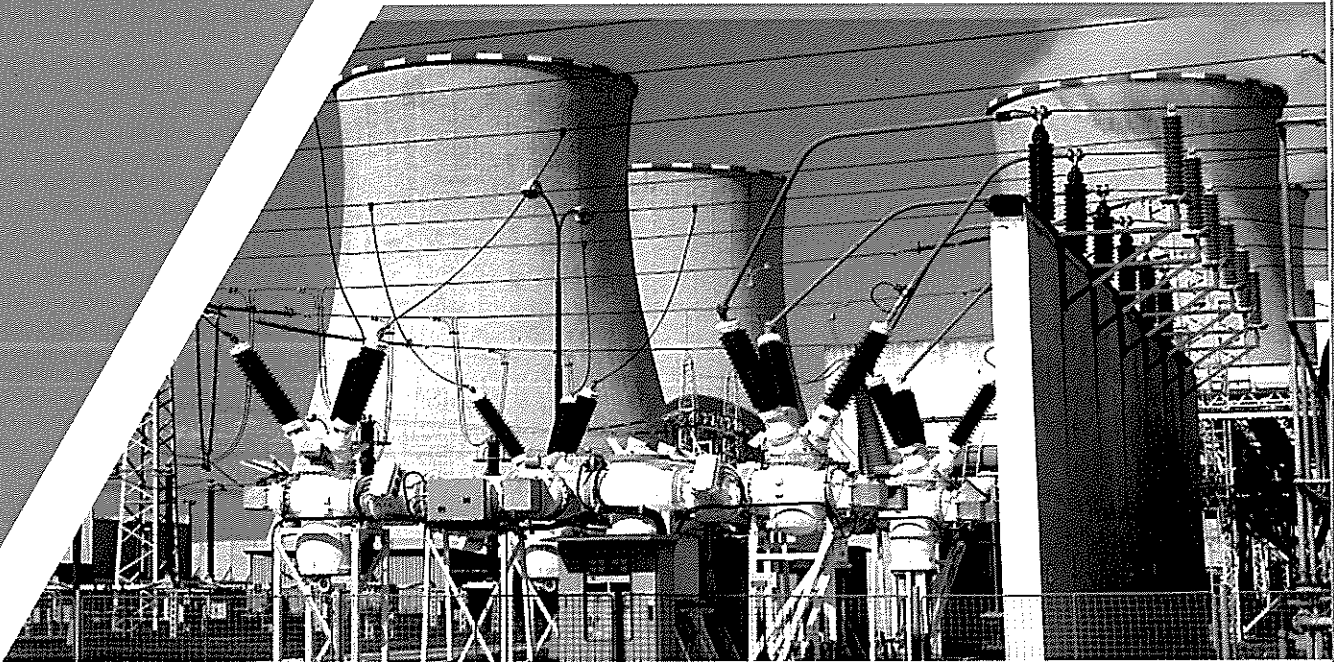


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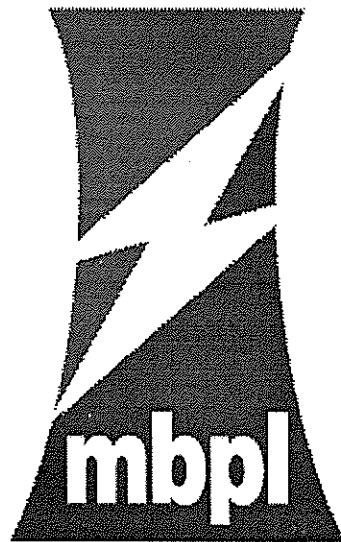
Annual Report & Accounts



MAHANADI BASIN POWER LIMITED
(A subsidiary of Mahanadi Coalfields Limited)

ANNUAL REPORT & ACCOUNTS

2016 - 2017



**Mahanadi
Basin
Power
Limited**

Mahanadi Basin Power Limited
(A Wholly Owned Subsidiary Company of MCL)

Regd. Office: Plot No. G-3, Gadakana, Chadrasesharpur,
Bhubaneswar - 751017 (Odisha).

‘VISION’ of the Company” To grow consistently along with the surroundings converting constraints into opportunities towards energy security and sustainable development of the country”

‘MISSION’ of the Company” Generate and provide reliable power At competitive price with innovative and eco-friendly Technologies and contribute to society”

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Present Management (As on 13.07.2017)

Chairman	Shri L.N. Mishra
Director	Shri J.P. Singh
Director	Shri O.P. Singh (w.e.f. 30.06.2017)

Management During 2016-17

Chairman	Shri L.N. Mishra
Chairman	Shri J.P. Singh
Director	Shri K.K. Parida (up to 30.06.2017)

Bankers

State Bank of India, Bhubaneswar
Union Bank of India, Sambalpur

Statutory Auditors

Das & Das,
Chartered Accountants,
Bhubaneswar-751006

MAHANADI BASIN POWER LIMITED

Regd. Office:G-3 Gadakana, Chandrasekharpur
Bhubaneswar-751017

Ref. No. MBPL/CS/AGM-6/2017/

Date: 12.06.2017

NOTICE 6th ANNUAL GENERAL MEETING

Notice is hereby given that the 6thAnnual General Meeting of Mahanadi Basin Power Limited will be held at 10.00 AM on Thursday the 13.07.2017 at Registered office-Plot No.G-3, Gadakana, Chandrasekharpur, Bhubaneswar-751017 (Odisha) to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2017 including the Audit Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended on that date and the Reports of Board of Directors, Statutory Auditor and Comptroller and Auditor General of India thereon.
2. To sanction remuneration, as decided by the Board, payable M/s Das & Das, Chartered Accountants, Statutory Auditors, Bhubaneswar, who were appointed by the C&AG of India as a Statutory Auditors of the Company for the Financial Year, 2016-17 by passing the following resolution:

"RESOLVED that pursuant to the provisions of Section 142(1) & (2) and other applicable provisions, if any of the Companies Act, 2013, the sanction be and is hereby accorded for payment of remuneration and reimbursement of T.A. & out of pocket expenses as decided by the Board of Directors to M/s Das & Das, Chartered Accountants, Bhubaneswar, the Auditors in connection with the audit of accounts of the Company for the part financial year 2016-17"

By order of the Board of Directors
For Mahanadi Basin Power Ltd.

Sd/-
(A.K. Singh)
Authorised Signatory

REGISTERED OFFICE :

Plot No.G-3, Gadakana, Chandrasekharpur, Bhubaneswar-751017 (Odisha).

NOTE:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Corporate members intending to send their Authorised Representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
2. The Shareholders are requested to give their consent for calling the Annual General Meeting at a shorter notice pursuant to the Provisions under Section 101(1) of the Companies Act, 2013.

Members

- 1) Mahanadi Coalfields Limited, Jagruti Vihar, Burla, Sambalpur-768020.
- 2) Shri A. K. Jha, CMD, MCL, Jagruti Vihar, Burla, Sambalpur-768020.
- 3) Shri J.P. Singh, Director (Tech/Operation) MCL, Jagruti Vihar, Burla, Sambalpur-768020.
- 4) Shri K.K.Parida, Director (Finance), MCL, Jagruti Vihar, Burla, Sambalpur-768020.
- 5) Shri L.N. Mishra, Director (Personnel), MCL, Jagruti Vihar, Burla, Sambalpur-768020.
- 6) Shri O.P. Singh, Director (Technical/P&P), MCL, Jagruti Vihar, Burla, Sambalpur-768020.
- 7) Shri M.L. Prajapat, GM (Planning), MCL, Jagruti Vihar, Burla, Sambalpur-768020.

Auditors

M/s Das & Das, Chartered Accountants, Bhubaneswar-751006.

Directors

- 1) Shri L.N. Mishra, (DIN :07437632) Director (Personnel), MCL, Jagruti Vihar, Burla, Sambalpur-768020.
- 2) Shri J.P. Singh, (DIN :06620453) Director (Tech/Operation) MCL, Jagruti Vihar, Burla, Sambalpur-768020.
- 3) Shri O.P. Singh, (DIN : 07627471) Director (Technical), MCL, Jagruti Vihar, Burla, Sambalpur-768020.

DIRECTORS' REPORT

To

The Shareholders,
Mahanadi Basin Power Limited.

Gentlemen,

I have great pleasure in presenting on behalf of the Board of Directors, the 6th Annual Report of your Company together with the audited Accounts for the year ended 31st March 2017 along with the reports of the Statutory Auditors and Comments of the Comptroller and Auditor General of India.

Your Company "Mahanadi Basin Power Limited", (an SPV) is a wholly owned subsidiary of Mahanadi Coalfields Limited (MCL). The SPV was incorporated as '**Mahanadi Basin Power Limited**' on 2.12.2011 having its Registered Office at Plot No.G-3, Gadakana, Chandrasekharpur, Bhubaneswar- 751017 (Odisha) and commencement of business of certificate was issued by RoC, Cuttack on 06.02.2012.

The Company would be inviting proposal on behalf of MCL to develop, operate and maintain the proposed power project of 2X800 MW Super Critical Thermal Power Plant at District Sundargarh, The Proposed Project shall be executed on an EPC basis.

1. FINANCIAL PERFORMANCE: -

(Amount in ₹)

PARTICULARS	2016-17	2015-16
Income for the year	0	4735.00
Expenditure for the year excluding Depreciation and Amortization Exp.	146660.00	233361.00
Profit or Loss before Depreciation and Amortization Exp.	(146660.00)	(228626.00)
Less: Depreciation and Amortization Exp.	0	0
Profit or Loss after Depreciation and Amortization Exp. But before Tax	(146660.00)	(228626.00)
Less: Current Tax	0	0
Profit or Loss After Tax	(146660.00)	(228626.00)

The Company is in construction stage and operational activities have not yet been started. Hence, all the expenditure incurred by company, which is directly attributable to Project during F.Y. 2016-17, has been capitalized and other indirect expenses charged to "Profit and Loss Statement. During the financial year 2016-17 the Company has taken Rs. 188567010.00 Unsecured long Term Loans from Mahanadi Coalfields Limited (Holding Company).

The Standalone Ind AS financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under to comply with the Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of Rule 7 of The Companies (Accounts) Rules, 2014) and the relevant provisions of the Companies Act, 1956 / Companies Act, 2013, as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluated all recently issued or revised accounting standards on an ongoing basis. The Company has disclosed standalone audited Ind AS financial results on a quarterly and an annual basis.

2. DIVIDEND: -

The Company didn't declare any dividend during the year.

3. RESERVES: -

The Company didn't transfer any amount in Reserves.

4. ROLE OF MAHANADI BASIN POWER LTD (SPV): -

A. Identification of Site. B. Acquisition of the land. C. Obtaining water linkage, fuel linkage etc. D. Conducting various technical studies and preparation of Project Information Report. E. Obtaining all statutory clearances e.g. environmental, forest, defence, aviation etc. F. Selection of Consultancy & owner engineer to provide service for preparation of specification for the power plant of MCL/MBPL, selection of suitable EPC contractor through open tendering, Pre-contract service, Post contract service, Project Monitoring service, Plant take over service, O&M documents review, sub inspection, Quality assurance, testing service and posting of site engineers and any other left out jobs required for the Power Plant.

5. ACTIVITIES OF THE COMPANY- CURRENT STATUS: -

A. Land-Approval from Ministry of Coal: As land was acquired by MCL under The Coal Bearing Area Act, 1957, approval was sought from MoC for leasing of land to MBPL. Letter has been written by MCL to MoC on 22nd June 2012 for obtaining permission to lease land by MCL to MBPL. MCL requested MoC for a letter of confirmation on leasing out the land to MBPL on 27.02.2015

However, during discussion with the official of MoC, it was clarified that if MCL holds 100% shareholding pattern in the SPV Company i.e. MBPL, no permission or approval is required from MoC as the SPV will continue to be a Govt. Company and as such there will not be any land transfer issue. CIL Board is empowered to take decision on the issue of investment and diversification etc. MCL has requested to Jt. Secretary, MoC for a letter of confirmation on leasing out the land to MBPL.

MoC had asked some documentary support of vesting of land from SECL to MCL. MCL submitted the requisite documents to MoC on 31.03.2016. Further, as desired, officials from MCL/MBPL visited the office of MoC (LA) on 13.05.2016 to discuss with JS(FA), MoC.

MoC has accorded 'in-principle' approval for leasing of 858.60 Acres of land to MBPL acquired by MCL at Tiklipara, Sardega & part of Gopalpur village for the purpose of the proposed Super Critical Thermal Power Plant of MBPL for a period of 50 years subject to following terms & conditions on 12.07.2016:

- (i) This leasing shall not constitute a right or title of MBPL for said land, not shall it entitle the MBPL to alienate or further dispose of this land at its own will. Hence, MBPL shall not create any such encumbrance which shall tantamount to alienation or disposal of land.
- (ii) In case of any matter or dispute arising out of any aspect of this lease, it shall be referred to MCL, whose decision in the matter shall be final and binding on MBPL.
- (iii) This permission is being given subject to the condition that MBPL shall remain a Government Company as defined in Companies Act. The permission shall cease as and when MBPL becomes a 'Non-Government Company". A clause to this effect shall be entered in Lease-Agreement.

B. Forest Land Diversion-The proposal of Forest Land Diversion has been submitted to PCCF office on 22.04.2013. State SI. No.595/13 dated on 7.06.2013 has been received by MBPL. 100% of Forest land has been demarcated by M/s PFCC Ltd. The tree enumeration work has been completed by M/s PFCC Ltd. Letter given to Collector, Sundargarh for conducting PalliSabha at Gopalpur, Sardega&Tiklipara villages. Pillar-posting job is completed, necessary fee towards DGPS Survey also deposited to ORSAC for authentication of DGPS survey on 30.05.2016. After receipt of authentication of DGPS map from ORSAC, the Forest Land Diversion proposal will upload in the web site of Forest Deptt. Govt. of Odisha for Forest Clearance.

C. Single Window Clearances from IPICOL-Application has submitted to IPICOL in December 2011. IPICOL advised that application is to be submitted through Govt. of Odisha (GoO). Govt.of Odisha directed IPICOL in April 2012 to accept the application. Application was finally submitted to IPICOL in May 2012. The necessary processing fee amounting of Rs. 1000/- and Security Deposit amounting to Rs. 75,00,000 /- for allotment of 50 cusec water along with Form "J" has been submitted to Department of Water Resources on 19.02.2013. WRD Deptt. Recommended for allocating 50 cusec water from Hirakud Reservoir. State Level Single Window Clearance High Level Clearance Authority (HLCA) of Govt of Odisha in its 16th meeting held on 29/09/2015 has approved the project "in principle". Further, Water Allocation Committee of Govt. of Odisha, in its 61st meeting held on 25.02.2015 recommended for allocation of 49 cusec of water from Hirakud Reservoir to the proposed TPP of MBPL to the Pr. Secretary (WRD) on 24.11.2015. IPICOL communicated the proceedings of the 59th SLSWCA meeting held on 13.01.2016 indicating the confirmation for approval of 2 x 800 MW power project of MBPL, a wholly owned subsidiary of MCL, from which State Govt. will get 50% power at full cost.

D. Environmental Clearance-Rapid EIA Report along with requisite fees submitted to State Pollution Control Board (SPCD), Odisha on 14.02.2013 to conduct the Public Hearing. The public hearing meeting was held on 27.11.2013 successfully at Jagannath Mandir of Village Tikilipada, Sundargarh District in association with concerned District & Panchayat authorities by State Pollution Control Board. All documents submitted to MoEF. MBPL case will be heard after getting (i) Coal Linkage, (ii) Water Linkage and (iii) Fly Ash utilization plan. Member Secretary, MoEF has been requested for enlisting the project for hearing in forthcoming EAC for consideration for Grant of EC on 11.04.2016.

E. Fuel Linkage: MCL requested Ministry of Coal for allocation of coal linkage for the power project on 23rd November 2011. MCL again requested on 14th May 2012 and 22.09.2012. SLC (MoC) recommended for coal allocation to the tune of 9.0 MTPA for the proposed STPP through special dispensation route MoC and advised to apply for allocation of Coal linkage after observing all formalities. MCL requested Addl. Secretary of MoC for a letter of confirmation on the issuance of coal linkage on 03.04.2015. As desired, fresh application for Coal Linkage submitted to Ministry of Power through Central Electricity Authority (CEA). CEA team visited the site Project of MBPL on 01.11.2015. As desired by CEA, requisite information including documents submitted to CEA on 04.02.2016. CEA has recommended the case to MoP for consideration of Coal Linkage on 11.03.2016. After scrutiny, MoP sought certain clarification and the same are submitted on 13.05.2016.

After adoption of New Coal Linkage Policy by Govt. of India, as advised by Chief Electricity Authority (CEA), New Delhi, fresh application submitted to Ministry of Power through CEA on 27.05.2017.

F. Coal Transportation Study- Inception Report based on preliminary investigation submitted to MCL in June, 2012 Coal is proposed to be transported through a pipe conveyor of about 8-10 Km.

G. Civil Aviation (NoC for Chimney height): NoC for height clearance from Airport Authority of India has been approved and issued on 30.05.2016.

H. Defence (NoC for Chimney height): NoC for height clearance from Ministry of Defence has been approved and issued on 12.06.2017.

6. SUBSIDIARY/ JV COMPANIES:-

Your company is a wholly owned subsidiary of Mahanadi Coalfields Ltd (MCL) and it does not have any Subsidiary/ JV companies.

7. FIXED DEPOSITS:-

Your Company has not accepted any deposit from the Public during the year as defined under Section 73 of the Companies Act, 2013 and the Rules made there under.

8. RISK MANAGEMENT:-

Due importance given for risk identification, assessment and its control in different functional areas of the Company for an effective risk management process because of inherent risk,

external and internal, necessary control measures are regularly taken. Acquisition of land, Forest clearance and environmental problems are some of the critical factors which are monitored continuously by the management.

9. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:-

Being a Govt. Company, The activities of the Company are open for audit by C&AG, Vigilance, CBI etc.

10. CORPORATE SOCIAL RESPONSIBILITY:-

Corporate Social Responsibility is not applicable on Mahanadi Basin Power Limited as per the provisions of The Companies Act, 2013.

11. CAPITAL STRUCTURE: -

The Authorised Equity Share Capital of the Company as on 31.3.2017 continued at Rs.5 lac, divided into 50000 Equity Shares of Rs.10/- each. The paid up Equity Share Capital of the Company as on 31.3.2017 stand uncharged at Rs.5 lac. The entire Equity Share Capital is held by Mahanadi Coalfields Limited (MCL) and its nominees.

12. ORGANIZATIONAL STRUCTURE: -

As per The Companies Act, 2013, the SPV has 7 (Seven) subscribers to the Memorandum of Association (MoA) & Articles of Association; and 3 (Three) Directors as nominated by CMD, MCL on the Board of the SPV Also, a CEO has been posted to carry out the day-to-day activities of the SPV under the supervision and control of Board of SPV.

13. FUNCTIONAL SUPPORT: -

The Company is being provided all the functional support required for the setting up and smooth functioning of the SPV. This includes furnished office space with phones, fax, computers, vehicles and all other administrative facilities necessary for day-to-day functioning of the SPV. Administrative and staff support are being provided and cost incurred is allocated to separate account head of SPV which along with interest will be set off against the equity to be contributed by MCL in the SPV.

14. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUTGO: -

The Company has not carried any activities relating to the conservation of energy. The Company has not acquired any technologies during the year under review. As the Company has not carried out any activities relating to the export and import during the Financial year. There is no foreign exchange expenses and foreign income during the financial Year.

15. BOARD OF DIRECTORS: -

The following persons have been nominated as Directors on the Board of Mahanadi Basin Power Ltd:

1. Shri L.N. Mishra - Director (Personnel), MCL.
2. Shri J.P. Singh - Director (Technical / Operation), MCL.
3. Shri K.K. Parida - Director (Finance), MCL (up to 30.06.2017)
4. Shri O.P. Singh - Director (Technical), MCL (From 30.06.2017)

16. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:-

SI No.	Particulars	Date	Meeting Place
1	23 rd BOD Meeting	17.05.2016	MBPL Registered Office, Bhubaneswar
2	24 th BOD Meeting	09.08.2016	MCL HQ, Burla Sambalpur.
3	25 th BOD Meeting	10.11.2016	MCL HQ, Burla Sambalpur.
4	26 st BOD Meeting	25.01.2017	MCL HQ, Burla Sambalpur.

17. DETAILS ON COMPOSITION OF THE BOARD, ATTADENCE OF THE DIRECTORS INDIVIDUALLY:-

Name of Directors	Category	Board Meetings	
		Held During the Tenure	Attended
Sri L.N. Mishra	Non- Executive	4	4
Shri J.P. Singh	Non- Executive	4	4
Shri K.K. Parida	Non- Executive	4	4
Shri O.P. Singh	Non- Executive	0	0

18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF COMPANY ACT, 2013: -

The Company didn't given Loans, Guarantee or Investment during the year.

19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188 COMPANY ACT, 2013: -

The Company didn't have any Contracts or Arrangement with Related Parties during the year.

20. DIRECTORS' RESPONSIBILITY STATEMENT:-

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- That in the preparation of Accounts for the Financial Year ending 2016-17, the applicable Accounting Standards have been followed (except as disclosed in the Notes on Accounts) along with proper explanation relating to material departures;
- That the directors have selected such Accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give and true and fair view of the state of affairs of the Company at the end of financial year and of the profit or loss of the Company for that period;

- c. That the Directors have been taken sufficient care for the maintenance of the adequate Accounting Records in accordance with the provision of this Act for safeguarding of Assets of the company and for preventing and detecting frauds and other irregularities;
- d. That the Directors have prepared the Accounts for Financial Year ending 2016-17 on a Going Concern Basis;
- e. That the Directors have laid down the internal financial controls to be followed by the company and that such financial controls are adequate and are operating effectively.
- f. That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

21. STATUTORY AUDITORS: -

Under Section 139 (5) of the Companies Act, 2013 M/s Das & Das, Chartered Accountants, (SPO205), 22 Metro Cottage, 1st Floor, Chintamaneswar Temple Lane, Cuttack Road, Bhubaneswar was appointed as Statutory Auditors for the year 2016-17 by C & AG of India, New Delhi.

22. AUDITORS REPORT: -

Independent Auditors Report on Financial statement of the Mahanadi Basin Power Limited for the F.Y. 2016-17 is annexed herewith along with Management reply if any, qualification, reservation or adverse remark or disclaimer made by the auditors in his report.

23. EXTRACT OF ANNUAL RETURN:-

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith.

24. C & A G COMMENTS:-

Comments of the Comptroller and Auditor General of India under section 143(6) (b) of the Companies Act, 2013 on the accounts of Mahanadi Basin Power Limited for the year ended 31st March, 2017 is annexed herewith.

25. ACKNOWLEDGEMENTS: -

- a) Your Directors express their sincere thanks to the Ministry of Coal, Coal India Limited and Mahanadi Coalfields Limited for their valuable assistance support and guidance. Your Directors also thank various Ministries of the Central Government and State Government of Odisha for their valuable support.
- b) The Directors also record their appreciation of the services rendered by the Auditors, the officers and staff of the Comptroller & Auditors General of India and Registrar of Companies, Odisha.
- c) The Directors also extend there thanks to various important citizens of Sundargarh and those residing in the coalfield areas of Odisha for their co-operation from time to time.

26. ADDENDA:

The Following papers are enclosed:-

1. Report of the Statutory Auditors who have been appointed under section 139 of Companies Act, 2013.
2. Extract of Annual Return.
3. Comment of the Comptroller and Auditor General of India under section 143(6)(b) read with section 129(4) of the Companies Act, 2013.

Place: Bhubaneswar
Date: 13.07.2017

Sd/-
(L.N. Mishra)
Chairman, MBPL

Independent Auditor's Report

To the Members of M/s Mahanadi Basin Power Ltd.

Report on the Standalone IND AS Financial Statements

On the basis of the audit observation made by the Comptroller & Auditors General of India, this revised audit report has been prepared in lieu of the earlier report dated 23rd May 2017, as the same was not in conformity with the Ind AS financial reporting framework which is standard and applicable to the Company as per the Companies Act, 2013.

We have audited the accompanying standalone IND AS financial statements of **M/s Mahanadi Basin Power Ltd., ("the Company)** which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

Management's Responsibility for the standalone IND AS financial statements

The Company's Board of Directors is responsible for the preparation of these standalone Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (herein after referred to as "the Act") that give a true and fair view of the standalone financial position, standalone financial performance including other comprehensive income, standalone cash flows and standalone changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under. The respective Board of Directors of the companies is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the standalone Ind AS financial statements by the Directors of the Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters, which are required to be included in the audit, report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and

plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manners or enquired and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the standalone financial position of the Group, as at 31 March 2017 and its standalone financial performance including other comprehensive income, its standalone cash flows and the standalone changes in equity for the year then ended.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A** statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose so four audit of the aforesaid standalone Ind AS financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid standalone Ind AS financial statements have been kept so far as it appears from our examination of those books.
 - (c) The standalone balance sheet, the standalone statement of profit and loss, the standalone statement of cash flows and standalone statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the standalone Ind AS financial statements.
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.

- (e) On the basis of the written representations received from the directors of the Company as on 31 March 2017 taken on record by the Board of Directors of the Company, none of the Directors of the companies is disqualified as on 31 March 2017 from being appointed as a Director of that company in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations, which would impact its financial positions.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. During the period from 8 November 2016 to 30 December 2016 the Company had no transaction in specified bank notes (SBN).

Report pursuant to directions issued by office of C & AG u/s 143(5) of the Companies Act, 2013

Reports pursuant to direction issued by Comptroller and Auditor General of India as per section 143(5) of the Companies Act, 2013 has been reported vide "**Annexure C**" attached. No action is required on such directions as company is in initial stage and it has no impact on the accounts and financial statement of company.

For and on behalf of

DAS & DAS
CHARTERED ACCOUNTANTS
Firm's Registration No.: 322926E

Sd/-

RAJENDRA KUMAR DASH, FCA
PARTNER
Membership No: 057342

PLACE: BHUBANESWAR
DATE: 20.06.2017.

Annexure-A

Annexure to the Auditors' Report

The Annexure referred to in our report to the members of Mahanadi Basin Power Ltd. ('the Company') for the year ended 31 March 2017. We report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
(c) The title deeds of immovable properties are held in the name of the company.
2. The Company has not any Inventories during the year; hence physical verification by management is not conducted;
3. In our opinion and according to the information and explanations given to us, the company has not granted any loans, secured or unsecured to Companies, Firms, LLP, other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security;
5. 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.
6. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
7. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and recordsAs the Company has no direct staff except employees on deputation from MCL, the deduction and deposit of provident fund dues is not applicable during the year. Further as the Company has not started production and sale during the year, no statutory dues is payable to the Government. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.
(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 during the year.

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures during the year.
9. Based upon the audit procedures performed and the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
10. Based upon the audit procedures performed and the information and explanations given to us, 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.
11. The Company has not paid managerial remuneration during the year hence provisions of section 197 read with Schedule V to the Companies Act, 2013 is not applicable.
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards;
14. Based upon the audit procedures performed and the information and explanations given to us, 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, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
15. Based upon the audit procedures performed and the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of

DAS & DAS
CHARTERED ACCOUNTANTS
Firm's Registration No.: 322926E

Sd/-
RAJENDRA KUMAR DASH, FCA
PARTNER
Membership No: 057342

PLACE: BHUBANESWAR
DATE: 20.06.2017

Annexure-B

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

In conjunction with our audit of the standalone Ind AS financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of **Mahanadi Basin Power Limited** (“the Company”), as of 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 state 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 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, 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, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control state in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For and on behalf of

DAS & DAS
CHARTERED ACCOUNTANTS
Firm's Registration No.: 322926E

Sd/-

RAJENDRA KUMAR DASH, FCA
PARTNER
Membership No: 057342

PLACE: BHUBANESWAR
DATE: 20.06.2017

ANNEXURE – C

COMPANY NAME: MAHANADI BASIN POWER LIMITED, BHUBANESWAR ODISHA

FINANCIAL YEAR: 2016-17

Report pursuant to directions issued by office of C & AG u/s 143(5) of the Companies Act, 2013

Sl.No.	Direction	Statutory Auditor's Reply
1.	Whether the company has clear title / lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available?	As informed to us the Company doesn't have any land and building in the Financial Statements hence clear title /lease deed for freehold and leasehold respectively not applicable.
2.	Whether there are any cases of waiver/ write off of debts/loans/interest etc. if yes, the reasons there for and amount involved.	As per information given to us, there was no case of waiver of debt/ loans/ interest etc. during the year of audit.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.	Proper records wherever necessary are maintained for inventories lying with third parties. As informed to us the Company has not received any gift from Govt. or other authorities.

**For DAS & DAS,
CHARTERED ACCOUNTANTS
Firm's Registration No.: 322926E**

**Sd/-
RAJENDRA KUMAR DAS, FCA
PARTNER
MEMBERSHIP NO: - 057342**

BHUBANESWAR, ODISHA- 751006

DATE: 20.06.2017

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31/03/2017 of MAHANADI BASIN POWER LIMITED

[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN:- **U40102OR2011GOI14589**
- ii) Registration Date: **02/12/2011**
- iii) Company Name **MAHANADI BASIN POWER LIMITED**
- iv) Category of the Company: - 1 Public Company (✓)
2 Private company ()
- v) Sub Category of the Company:- [Please tick whichever are applicable]
- | | |
|------------------------------------|-----|
| Government Company | (✓) |
| Small Company | () |
| One Person Company | () |
| Subsidiary of Foreign Company | () |
| NBFC | () |
| Guarantee Company | () |
| Limited by shares | (✓) |
| Unlimited Company | () |
| Company having share capital | (✓) |
| Company not having share capital | () |
| Company Registered under Section 8 | () |
- vi) Address **Plot No.- G-3, Gadakana, Chandrasekharpur**
Town / City : **Bhubaneswar**
State : **Odisha**
Country Name : **India**
Pin Code: **751017**
Fax Number : **0674-2748042**
Email Address: **mbplaccts@gmail.com**
Website :
- vii) Whether shares listed on recognized Stock Exchange(s) - Yes/No"
- vii) Name,Address and Contact details of Registerer and Transfer agent, if any **Nil**

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Power	15	Nil

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
	Mahanadi Coalfields Limited At/Po - Jagruti Vihar, Burla Sambalpur - 768020.Odisha	U10102OR1992 GOI003038	Holding	100	Sec - 2 (87)

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	0	0	0	0	0	0	0	0	0
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	50000	50000	100	0	50000	50000	100	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	0	50000	50000	100	0	50000	50000	100	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0

2. Non-Institutions

a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	50000	50000	100	0	50000	50000	100	0

ii) **Shareholding of Promoters**

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	MAHANADI COALFIELDS LIMITED	49400	98.8	0	49400	98.8	0	0
2	ANIMESH NANDAN SAHAY, NOMINEE OF MCL	100	0.2	0	0	0	0	(0.2)
3	ANIL KUMAR JHA, NOMINEE OF MCL	0	0	0	100	0.2	0	0.2
4	PURNA CHANDRA PANIGRAHI, NOMINEE OF MCL	100	0.2	0	0	0	0	(0.2)
5	LILA HANU HISHRA, NOMINEE OF MCL	0	0	0	100	0.2	0	0.2
6	ARUN KUMAR TIWARI, NOMINEE OF MCL	100	0.2	0	0	0	0	(0.2)
7	OM PRAKASH SINGH, NOMINEE OF MCL	0	0	0	100	0.2	0	0.2
8	JASWINDER PAL SINGH, NOMINEE OF MCL	100	0.2	0	100	0.2	0	0
9	BHOLANATHSHUKLA, NOMINEE OF MCL	100	0.2	0	0	0	0	(0.2)
10	M L PRAJAPAT, NOMINEE OF MCL	0	0	0	100	0.2	0	0.2
11	KHIROD KUMAR PARIDA, NOMINEE OF MCL	100	0.2	0	100	0.2	0	0.2
	TOTAL	50000	100	0	50000	100	0	0

iii) **Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	50000	100	50000	100
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
3	At the End of the year	50000	100	50000	100

iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	0	0	0	0
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
3	At the End of the year (or on the date of separation, if separated during the year)	0	0	0	0

v) **Shareholding of Directors and key Managerial Personnel.**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	400	0.80	400	0.80
	Purna Chandra Panigrahi, Nominee of MCL	100	0.20	100	0.20
	Jaswinder Pal Singh, Nominee of MCL	100	0.20	100	0.20
	Bholanath Shukla, Nominee of MCL	100	0.20	100	0.20
	Khirod Kumar Parida, Nominee of MCL	100	0.20	100	0.20
2.	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	Purna Chandra Panigrahi, Nominee of MCL (Share Transfer to Lila Nand Mishra 17.05.2016)	100	0.20	0	0
	Bholanath Shukla, Nominee of MCL (Share Transfer to M.L. Prajapat 17.05.2016)	100	0.20	0	0
	Lila Nand Mishra, Nominee of MCL	0	0	100	0.20

3.	At the End of the year	400	0.80	400	0.80
	Lila Nand Mishra, Nominee of MCL	100	0.20	100	0.20
	Jaswinder Pal Singh, Nominee of MCL	100	0.20	100	0.20
	Khirod Kumar Parida, Nominee of MCL	100	0.20	100	0.20

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	160967798.00	0	160967798.00
ii) Interest due but not paid	0	0 0		0
iii) Interest accrued but not due	0	0 0		0
Total (i+ii+iii)	0	160967798.00	0	160967798.00
Change in Indebtedness during the financial year		0		0
* Addition	0	27599212.00	0	27599212.00
* Reduction	0	0 0		0
Net Change	0	27599212.00	0	27599212.00
Indebtedness at the end of the financial year				
i) Principal Amount	0	188567010.00	0	188567010.00
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	188567010.00	0	188567010.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0 0 0 0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0 0 0 0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0 0 0 0	0
2.	Stock Option	0 0 0 0	0
3.	Sweat Equity	0 0 0 0	0

4.	Commission - as % of profit - others, specify...	0	0	0	0	0
5.	Others, please specify	0	0	0	0	0
	Total (A)	0	0	0	0	0
	Ceiling as per the Act					

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
1.	Independent Directors	0	0	0	0	0
	Fee for attending board committee meetings	0	0	0	0	0
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (1)	0	0	0	0	0
2.	Other Non-Executive Directors	0	0	0	0	0
	Fee for attending board committee meetings	0	0	0	0	0
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (2)	0	0	0	0	0
	Total (B)=(1+2)	0	0	0	0	0
	Total Managerial Remuneration	0	0	0	0	0
	Overall Ceiling as per the Act					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO	Company Secretary	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0

2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission	0	0	0	0
	- as % of profit	0	0	0	0
	Others, specify...	0	0	0	0
5.	Others, please specify	0	0	0	0
	Total	0	0	0	0

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made,if any (give Details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

COMMENT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENT OF MAHANADI BASIN POWER LIMITED FOR THE YEAR ENDED 31ST MARCH 2017.

The preparation of financial statements of Mahanadi Basin Power Limited for the year ended 31 March 2017 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 is responsible for expressing opinion on these financial statements under Section 143 of the Act, 2013 based on independent audit in accordance with the Standard on auditing prescribed under section 143(10). This is stated to have been done by them vide their Revised Audit Report dated 20th June 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143 (6) (a) Act of the financial statements of Mahanadi Basin Power Limited for the year ended 31st March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquires of the statutory auditor and company personnel and a selective examination of some the accounting records. On the basis of my audit nothing significant has come to my knowledge, which would give rise to any comment upon, supplementary to Statutory Auditor's Report.

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

Sd/-

(Praveer Kumar)

**Principal Director of Commercial Audit
& Ex-Officio Member Audit Board – I, Kolkata.**

**Palace: Kolkata
Date: 23.06 .2017**



**Mahanadi
Basin
Power
Limited**

MAHANADI BASIN POWER LIMITED

(WHOLLY OWNED SUBSIDIARY OF MCL)

FINANCIAL STATEMENTS

**For the Year Ending
FY: 2016-17**

MAHANADI BASIN POWER LIMITED BALANCE SHEET



(in Rs.)

	Note No.	As at		
		31- 03- 2017	31- 03- 2016 Restated	1- 04- 2015 Restated
ASSETS				
Non-Current Assets				
(a) Property, Plant & Equipments	3	809,148.00	892,392.00	948,177.00
(b) Capital Work in Progress	4	-	-	-
(c) Exploration and Evaluation Assets	5	-	-	-
(d) Other Intangible Assets	6	184,411,748.00	152,565,006.00	124,567,037.00
(e) Intangible Assets under Development				
(f) Investment Property				
(g) Financial Assets				
(i) Investments	7	-	-	-
(ii) Loans	8	-	95,630.00	106,430.00
(iii) Other Financial Assets	9	7,501,000.00	7,501,000.00	7,521,356.00
(i) Deferred Tax Assets (net)				
(j) Other non-current assets	10	-	-	-
Total Non-Current Assets (A)		192,721,896.00	161,054,028.00	133,143,000.00
Current Assets				
(a) Inventories	12	-	-	-
(b) Financial Assets				
(i) Investments	7	-	-	-
(ii) Trade Receivables	13	-	-	-
(iii) Cash & Cash equivalents	14	62,515.00	520,955.00	996,458.00
(iv) Other Bank Balances	15	-	-	-
(v) Loans	8	-	-	-
(vi) Other Financial Assets	9	-	-	-
(c) Current Tax Assets (Net)				
(d) Other Current Assets	11	410,100.00	1,965,478.00	2,143,109.00
Total Current Assets (B)		472,615.00	2,486,433.00	3,139,567.00
Total Assets (A+B)		193,194,511.00	163,540,461.00	136,282,567.00

Balance Sheet Contd.



EQUITY AND LIABILITIES	Note No.	As at		
		31- 03- 2017	31- 03- 2016 Restated	1- 04- 2015 Restated
(in Rs.)				
Equity				
(a) Equity Share Capital	16	500,000.00	500,000.00	500,000.00
(b) Other Equity	17	-393,686.00	-247,026.00	-18,400.00
Equity attributable to equityholders of the company		106,314.00	252,974.00	481,600.00
Non-Controlling Interests		-	-	-
Total Equity (A)		106,314.00	252,974.00	481,600.00
Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	188,567,010.00	160,967,798.00	-
(ii) Trade Payables	19	-	-	-
(iii) Other Financial Liabilities	20	-	-	-
(b) Provisions	21	-	-	-
(c) Deferred Tax Liabilities (net)		-	-	-
(d) Other Non-Current Liabilities	22	-	-	-
Total Non-Current Liabilities (B)		188,567,010.00	160,967,798.00	-
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	-	-	-
(ii) Trade payables	19	-	-	-
(iii) Other Financial Liabilities	20	2,909,773.00	709,709.00	134,074,708.00
(b) Other Current Liabilities	23	306,414.00	273,980.00	87,995.00
(c) Provisions	21	1,305,000.00	1,336,000.00	1,638,264.00
(d) Current Tax Liabilities (net)		-	-	-
Total Current Liabilities (C)		4,521,187.00	2,319,689.00	135,800,967.00
Total Equity and Liabilities (A+B+C)		193,194,511.00	163,540,461.00	136,282,567.00

The Accompanying Notes form an integral part of Financial Statements.

Sd/-
(M.C. Saini)
Assistant Manager
(Finance)

As per our limited review report of even date
For DAS & DAS
Chartered Accountants
Firm Regn No:322926E

Sd/-
(K.R. Rajeev)
Chief Executive
Officer

Sd/-
(J.P. Singh)
Director
DIN -06620453

Sd/-
(CA Umakanta Baral)
Partner
Membership No. 500024

Sd/-
(L.N. Mishra)
Chairman
DIN-07437632

Place : BHUBANESWAR

Date : 23.05.2017

MAHANADI BASIN POWER LIMITED
PROFIT & LOSS STATEMENT

For the Year ended 31st March, 2017



(in Rs.)

	Note No.	For The Year Ended 31.03.2017	For The Year Ended 31.03.2016
Revenue from Operations	24		
A Sales (Net)		-	-
B Other Operating Revenue (Net)		-	-
(I) Revenue from Operations (A+B)		-	-
(II) Other Income	25	-	4,735.00
(III) Total Income (I+II)		-	4,735.00
(IV) EXPENSES			
Cost of Materials Consumed	26	-	-
Purchases of Stock-in-Trade			
Changes in inventories of finished goods/work in progress and Stock in trade	27	-	-
Employee Benefits Expense	28	-	-
Power & Fuel		-	-
Corporate Social Responsibility Expense	29	-	-
Repairs	30	-	-
Contractual Expense	31	20,269.00	-
Finance Costs	32	-	-
Depreciation/Amortization/ Impairment expense		-	-
Provisions	33	-	-
Write off	34	-	-
Other Expenses	35	126,391.00	233,361.00
Total Expenses (IV)		146,660.00	233,361.00
(V) Profit before exceptional items and Tax (III-IV)		-146,660.00	-228,626.00
(VI) Exceptional Items			
(VII) Profit before Tax (V-VI)		-146,660.00	-228,626.00
(VIII) Tax expense	36	-	-
(IX) Profit for the period from continuing operations (VII-VIII)		-146,660.00	-228,626.00
(X) Profit/(Loss) from discontinued operations		-	-
(XI) Tax exp of discontinued operations		-	-
(XII) Profit/(Loss) from discontinued operations (after Tax) (X-XI)		-	-
(XIII) Share in JV's/Associate's profit/(loss)		-	-
(XIV) Profit for the Period (IX+XII+XIII)		-146,660.00	-228,626.00



(in Rs.)

	Note No.	For The Year Ended 31.03.2017	For The Year Ended 31.03.2016
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
(XV) Total Other Comprehensive Income	37	<u>-</u>	<u>-</u>
(XVI) Total Comprehensive Income for the period (XIV+XV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		- 146,660.00	-228,626.00
Profit attributable to:		-146,660.00	-228,626.00
Owners of the company		-	-
Non-controlling interest			
Total Comprehensive Income attributable to:		-146,660.00	-228,626.00
Owners of the company			
Non-controlling interest			
(XVII) Earnings per equity share (for continuing operation):			
(1) Basic		-2.93	-4.57
(2) Diluted		-2.93	-4.57
(XVIII) Earnings per equity share (for discontinued operation):			
(1) Basic		-	-
(2) Diluted		-	-
(XIX) Earnings per equity share (for discontinued & continuing operation):			
(1) Basic		-2.93	-4.57
(2) Diluted		-2.93	-4.57

The accompanying Notes form an integral part of Financial Statements.

Sd/-
(M.C. Saini)
Assistant Manager
(Finance)

Sd/-
(J.P. Singh)
Director
DIN -06620453

Place : BHUBANESWAR
Date : 23.05.2017

As per our limited review report of even date
For DAS & DAS
Chartered Accountants
Firm Regn No:322926E

Sd/-
(CA Umakanta Baral)
Partner
Membership No. 500024

Sd/-
(K.R. Rajeev)
Chief Executive
Officer

Sd/-
(L.N. Mishra)
Chairman
DIN-07437632



MAHANADI BASIN POWER LIMITED
STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31.03.2017

A. EQUITY SHARE CAPITAL

Particulars	Balance as at 01.04.2015	Changes in Equity Share Capital During The Year	Balance as at 31.03.2016	Balance as at 01.04.2016	Changes in Equity Share Capital During The Year	Balance as at 31.03.2017
50000 Equity Share @10 each	500000.00	0.00	500000.00	500000.00	0.00	500000.00

B. OTHER EQUITY

	Preference Share Capital	CSR Redemption Reserve	CSR Reserve	Sustainable Development Reserve	General Reserve	Other Reserves	Retained Earnings	Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of foreign operation	Other items of Comprehensive Income (Specify nature)	Money received against share warrants	Total of Other equity attributable to equityholders	Non-Controlling Interests	Total
Balance as at 01.04.2015	-	-	-	-	-	-	-8,400.00	-	-	-	-	-	-	-	-18,400.00	-	-18,400.00
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 01.04.2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-28,626.00	-	-	-	-	-	-	-	-28,626.00	-	-28,626.00
Dividends (including Dividend tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31.03.2016	-	-	-	-	-	-	-247,026.00	-	-	-	-	-	-	-	-247,026.00	-	-247,026.00
Balance as at 01.04.2016	-	-	-	-	-	-	-247,026.00	-	-	-	-	-	-	-	-247,026.00	-	-247,026.00
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 01.04.2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-146,660.00	-	-	-	-	-	-	-	-146,660.00	-	-146,660.00
Dividends (including Dividend tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31.03.2017	-	-	-	-	-	-	-393,686.00	-	-	-	-	-	-	-	-393,686.00	-	-393,686.00

Heads not relevant shall be deleted (pending analysis)



(in Rs.)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 : PROPERTY, PLANT AND EQUIPMENTS

	Freehold Land	Other Land	Land Reclamation/ Site Restoration Costs	Building (including water supply, roads and culverts)	Plant and Equip- ments	Telecom- munication	Railway Sidings	to be separated Furniture and Fixtures	Office Equip- ments	Vehicles Aircraft	Other Mining Infrastruc- ture	Surveyed off Assets	Others	Total
Gross Carrying Amount:														
As at 1 April 2015	-	-	-	-	-	-	-	922,478.00	188,766.00	-	-	-	-	1,111,246.00
Additions	-	-	-	-	-	-	-	-	158,990.00	-	-	725.00	-	159,715.00
Deletions/Adjustments	-	-	-	-	-	-	-	-	-14,500.00	-	-	-	-	-14,500.00
As at 31 March 2016	-	-	-	-	-	-	-	922,478.00	333,256.00	-	-	725.00	-	1,256,461.00
As at 1 April 2016	-	-	-	-	-	-	-	922,478.00	333,256.00	-	-	725.00	-	1,256,461.00
Additions	-	-	-	-	-	-	-	-	210,000.00	-	-	-	-	210,000.00
Deletions/Adjustments	-	-	-	-	-	-	-	-	-70,000.00	-	-	-	-	-70,000.00
As at 31 March 2017	-	-	-	-	-	-	-	922,478.00	473,256.00	-	-	725.00	-	1,396,461.00

	Freehold Land	Other Land	Land Reclamation/ Site Restoration Costs	Building (including water supply, roads and culverts)	Plant and Equip- ments	Telecom- munication	Railway Sidings	Furniture and Fixtures	Office Equip- ments	Vehicles Aircraft	Other Mining Infrastruc- ture	Surveyed off Assets	Others	Total
Accumulated Depreciation and Impairment														
As at 1 April 2015	-	-	-	-	-	-	-	117,198.00	45,871.00	-	-	-	-	163,069.00
Charge for the year	-	-	-	-	-	-	-	78,920.00	135,855.00	-	-	-	-	214,775.00
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-	-	-	-	-13,775.00	-	-	-	-	-13,775.00
As at 31 March 2016	-	-	-	-	-	-	-	196,118.00	167,951.00	-	-	-	-	364,069.00
As at 1 April 2016	-	-	-	-	-	-	-	196,118.00	167,951.00	-	-	-	-	364,069.00
Charge for the year	-	-	-	-	-	-	-	78,920.00	162,796.00	-	-	-	-	241,716.00
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-	-	-	-	-18,472.00	-	-	-	-	-18,472.00
As at 31 March 2017	-	-	-	-	-	-	-	275,038.00	312,275.00	-	-	-	-	587,313.00

	Freehold Land	Other Land	Land Reclamation/ Site Restoration Costs	Building (including water supply, roads and culverts)	Plant and Equip- ments	Telecom- munication	Railway Sidings	Furniture and Fixtures	Office Equip- ments	Vehicles Aircraft	Other Mining Infrastruc- ture	Surveyed off Assets	Others	Total
Net Carrying Amount														
As at 31 March 2017	-	-	-	-	-	-	-	647,440.00	160,983.00	-	-	725.00	-	809,148.00
As at 31 March 2016	-	-	-	-	-	-	-	726,360.00	165,307.00	-	-	725.00	-	892,392.00
As at 1 April 2015	-	-	-	-	-	-	-	805,280.00	142,897.00	-	-	-	-	948,177.00

Reconciliation of Carrying value as per Ind AS and Previous GAAP as on 01.04.2015

	Freehold Land	Other Land	Land Reclamation/ Site Restoration Costs	Building (including water supply, roads and culverts)	Plant and Equip- ments	Telecom- munication	Railway Sidings	Furniture and Fixtures	Office Equip- ments	Vehicles Aircraft	Other Mining Infrastruc- ture	Surveyed off Assets	Others	Total
Gross Carrying Amount:														
As at 1 April 2015	-	-	-	-	-	-	-	922,478.00	188,766.00	-	-	-	-	1111,246.00
Accumulated Depreciation and Impairment														
As at 1 April 2015	-	-	-	-	-	-	-	117,198.00	45,871.00	-	-	-	-	163,069.00
Net carrying amount	-	-	-	-	-	-	-	805,280.00	142,897.00	-	-	-	-	948,177.00

Instruction

As per Ind AS 101 para DTAA - Net carrying amount of PPE shall be taken as deemed cost from the date of transition Therefore, Gross Carrying amount on 01.04.2015 Less Accumulated Depreciation and Impairment i.e. net carrying amount shall be the carrying amount as at 01.04.2015 Same instruction applies to Note 2, 3 and 4 ahead

- 1- Other Land It includes Land acquired under Coal Bearing Areas (Acquisition and Development) Act, 1957 and Land Acquisition Act, 1984.
- 2- The assets and liabilities taken over from Coal Mines Labour Welfare Organisation and Coal Mines Rescue Organisation, for which no quantitative details are available, have not been incorporated in the accounts pending determination of value thereof.
- 3- Depreciation has been provided as per Schedule II of the Companies Act, 2013. However, pending completion of technical assessment to segregate the value of certain assets embedded within a different class of asset, depreciation has been provided on these assets on the basis of useful life applicable as per Schedule II of the Companies Act, 2013 for the un-segregated class of asset.
- 4- The above heads include Enabling assets viz. Roads, railway sidings etc (Head wise breakup is to be given)
5. During the current financial year impairment in respect of property, plant and equipment amounting to NIL has been charged to the Statement of Profit & Loss.

NOTES TO THE FINANCIAL STATEMENTS



(in Rs.)

NOTE 4 : CAPITAL WIP

	Building (including water supply, roads and culverts)	Plant and Equipments	Railway Sidings	Other Mining infrastructure/ Development	Others	Total
Gross Carrying Amount:						
As at 1 April 2015	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Capitalisation/ Deletions	-	-	-	-	-	-
As at 31 March 2016	-	-	-	-	-	-
As at 1 April 2016	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Capitalisation/ Deletions	-	-	-	-	-	-
As at 31 March 2017	-	-	-	-	-	-
Provision and Impairment						
As at 1 April 2015	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-	-
As at 31 March 2016	-	-	-	-	-	-
As at 1 April 2016	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-	-
As at 31 March 2017	-	-	-	-	-	-
Net Carrying Amount						
As at 31 March 2017	-	-	-	-	-	-
As at 31 March 2016	-	-	-	-	-	-
As at 1 April 2015	-	-	-	-	-	-

Note: The above heads include Enabling assets viz. Roads, railway sidings etc which is work in progress (Head wise breakup is to be given)

Reconciliation of Carrying value as per Ind AS and Previous GAAP as on 01.04.2015

	Building (including water supply, roads and culverts)	Plant and Equipments	Railway Sidings	Development	Others	Total
Gross Carrying Amount:						
As at 1 April 2015	-	-	-	-	-	-
Provision and Impairment						
As at 1 April 2015	-	-	-	-	-	-
Net Carrying amount	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 : EXPLORATION AND EVALUATION ASSETS



(in Rs.)

	Exploration and Evaluation Costs
Gross Carrying Amount:	
As at 1 April 2015	-
Additions	-
Deletions/Adjustments	-
As at 31 March 2016	-
As at 1 April 2016	-
Additions	-
Deletions/Adjustments	-
As at 31 March 2017	-
Provision and Impairment	
As at 1 April 2015	
Charge for the year	
Impairment	
Deletions/Adjustments	
As at 31 March 2016	-
As at 1 April 2016	-
Charge for the year	
Impairment	
Deletions/Adjustments	
As at 31 March 2017	-
Net Carrying Amount	
As at 31 March 2017	-
As at 31 March 2016	-
As at 1 April 2015	-
Reconciliation of Carrying value as per Ind AS and Previous GAAP as on 01.04.2015	
Gross Carrying Amount:	
As at 1 April 2015	-
Provision and Impairment	
As at 1 April 2015	-
Net Carrying amount	-

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 : INTANGIBLE ASSETS



(in Rs.)

	Computer Software	Coal Blocks meant for sale	Others	Total
Gross Carrying Amount:				
As at 1 April 2015	-	-	124,567,037.00	124,567,037.00
Additions	-	-	27,997,969.00	27,997,969.00
Deletions/Adjustments	-	-	-	-
As at 31 March 2016	-	-	152,565,006.00	152,565,006.00
As at 1 April 2016	-	-	152,565,006.00	152,565,006.00
Additions	-	-	31,846,742.00	31,846,742.00
Deletions/Adjustments	-	-	-	-
As at 31 March 2017	-	-	184,411,748.00	184,411,748.00
Amortisation and Impairment				
As at 1 April 2015	-	-	-	-
Charge for the year	-	-	-	-
Impairment	-	-	-	-
Deletions/Adjustments	-	-	-	-
As at 31 March 2016	-	-	-	-
As at 1 April 2016	-	-	-	-
Charge for the year	-	-	-	-
Impairment	-	-	-	-
Deletions/Adjustments	-	-	-	-
As at 31 March 2017	-	-	-	-
Net Carrying Amount				
As at 31 March 2017	-	-	184,411,748.00	184,411,748.00
As at 31 March 2016	-	-	152,565,006.00	152,565,006.00
As at 1 April 2015	-	-	124,567,037.00	124,567,037.00
Reconciliation of Carrying value as per Ind AS and Previous GAAP as on 01.04.2015				
Gross Carrying Amount:				
As at 1 April 2015	-	-	124,567,037.00	124,567,037.00
Provision and Impairment				
As at 1 April 2015	-	-	-	-
Net Carrying amount	-	-	124,567,037.00	124,567,037.00

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 7 : INVESTMENTS



(in Rs.)

	As at		
	31.03.2017	31.03.2016 (Restated)	01.04.2015 (Restated)
Non Current			
<u>Investment in Shares</u>			
<u>Equity Shares in Subsidiary/Joint Venture Companies</u>	-	-	-
Others			
Total :			
Aggregate amount of unquoted investments:			
Aggregate amount of quoted investments:	-	-	-
Market value of quoted investments:	-	-	-
Aggregate amount of impairment in value of investments:	-	-	-

Refer note 39 (1) for classification

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 7 : INVESTMENTS Contd...



(in Rs.)

Number of units current year/ (previous year) (In ₹)	NAV	As at		
		31.03.2017	31.03.2016 (Restated)	01.04.2015 (Restated)

Current

TRADE (Unquoted)

Mutual Fund Investment

Canara Robeco Liquid Fund	-	0.00	-	-
SBI Premier Liquid Fund	-	0.00	-	-
UTI Money Market Fund	-	0.00	-	-
Union KBC	-	0.00	-	-
Total :			-	-
Aggregate of Quoted Investment:			-	-
Aggregate of unquoted investments:			-	-
Market value of Quoted Investment:			-	-
Aggregate amount of impairment in value of investments:			-	-

Refer note 39 (1) for classification

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 8 : LOANS



(in Rs.)

	As at		
	31.03.2017	31.03.2016 (Restated)	01.04.2015 (Restated)
Non-Current			
Loans to Related parties			
- Secured, considered good	-		
- Unsecured, considered good	-		
- Doubtful	-		
Less: Provision for doubtful loans	-		
	-	-	-
Loans to Employees			
- Secured, considered good	-	95630.00	106430.00
- Unsecured, considered good	-	-	-
- Doubtful	-	-	-
Less: Provision for doubtful loans	-	-	-
	-	95,630.00	106,430.00
Other Loans (to be specified in note)			
- Secured, considered good	-	-	-
- Unsecured, considered good	-	-	-
- Doubtful	-	-	-
Less: Provision for doubtful loans	-	-	-
	-	-	-
TOTAL	-	95,630.00	106,430.00
CLASSIFICATION			
Secured, considered good			
Unsecured, Considered good			
Doubtful			
Less: Provision for doubtful loans			

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 8 : LOANS



(in Rs.)

	As at		
	31.03.2017	31.03.2016 (Restated)	01.04.2015 (Restated)
Current			
Loans to Related parties			
- Secured, considered good	-	-	-
- Unsecured, considered good	-	-	-
- Doubtful	-	-	-
Less: Provision for doubtful loans	-	-	-
	-	-	-
Loans to Employees			
- Secured, considered good	-	-	-
- Unsecured, considered good	-	-	-
- Doubtful	-	-	-
Less: Provision for doubtful loans	-	-	-
	-	-	-
Other Loans (to be specified in note)			
- Secured, considered good	-	-	-
- Unsecured, considered good	-	-	-
- Doubtful	-	-	-
Less: Provision for doubtful loans	-	-	-
	-	-	-
TOTAL			
CLASSIFICATION			
Secured, considered good			
Unsecured, Considered good			
Doubtful			

Note: Loans to Employees

Loans to employees includes house building loans and vehicle loans provided to CIL employees to be segregated into current and non-current

Refer note 39 (1) for classification

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 9 : OTHER FINANCIAL ASSETS



(in Rs.)

	As at		
	31.03.2017	31.03.2016 (Restated)	01.04.2015 (Restated)
Non Current			
Bank deposits	-	-	-
Deposits with bank under			
- Mine Closure Plan	-	-	-
- Shifting & Rehabilitation Fund scheme	-	-	-
Receivable from Escrow Account for Mine Closure Expenses	-	-	-
Other deposits (to be specified in note)	7501000.00	7501000.00	7521356.00
Less : Provision for doubtful deposits	-	-	-
	7,501,000.00	7,501,000.00	7,521,356.00
Other receivables	-	-	-
Less: Provision	-	-	-
TOTAL	7,501,000.00	7,501,000.00	7,521,356.00

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 9 : OTHER FINANCIAL ASSETS



(in Rs.)

	As at		
	31.03.2017	31.03.2016 (Restated)	01.04.2015 (Restated)
Current			
Surplus Fund with CIL (for subsidiaries)	-	-	-
Receivable from Escrow Account for Mine Closure Expenses	-	-	-
Current Account with			
- Subsidiaries	-	-	-
- IICM	-	-	-
Interest accrued on			
- Investments	-	-	-
- Bank Deposits	-	-	-
- Others (specify in note)	-	-	-
Other deposits (to be specified in note)	-	-	-
Less : Provision for doubtful deposits	-	-	-
Claims receivables	-	-	-
Less : Provision for doubtful claims	-	-	-
Other receivables	-	-	-
Less : Provision for doubtful claims	-	-	-
TOTAL	-	-	-

Refer note 39 (1) for classification

Note:

Bank Deposits consists of deposits with bank with initial maturity of more than 12 months

Instruction:

1. Deposit under MCP and Rehab will be shown here which are expected to be received after 12 months (current portion is segregated into Cash and cash equivalents and other bank balance)
2. Receivables beyond 1 year from Escrow Account for expenses incurred under MCP will be included here

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10 : OTHER NON-CURRENT ASSETS



(in Rs.)

	As at		
	31.03.2017	31.03.2016 (Restated)	01.04.2015 (Restated)
(i) Capital Advances	-	-	-
Less : Provision for doubtful advances	-	-	-
(ii) Advances other than capital advances			
(a) Security Deposit for utilities	-	-	-
Less :Provision for doubtful deposits	-	-	-
(a) Other Deposits (to be specified in note)	-	-	-
Less :Provision for doubtful deposits	-	-	-
(b) Advances to related parties	-	-	-
(c) Advance for Revenue	-	-	-
Less :Provision for doubtful advances	-	-	-
(d) Exploratory drilling work (for Eastern Coalfields Ltd)	-	-	-
Less: Provision	-	-	-
TOTAL	-	-	-

Note:

1. Security deposits are to segregated into financial assets and other than financial assets. Financial assets will be shown under Other Deposits of Note 8
2. Advance for R&D is to be segregated into current and non-current portion and to be specified in note that the same is included in advance to related parties

NOTES TO THE FINANCIAL STATEMENTS

NOTE -11 : OTHER CURRENT ASSETS



(in Rs.)

	As at		
	31.03.2017	31.03.2016 (Restated)	01.04.2015 (Restated)
(a) Advance for Capital	-	-	-
Less : Provision for doubtful advances	-	-	-
(b) Advance for Revenue	-	-	-
Less : Provision for doubtful advances	-	-	-
(c) Advance payment of statutory dues	308100.00	308100.00	-
Less : Provision for doubtful advances	-	-	-
	308,100.00	308,100.00	-
(d) Advance to Related Parties	-	-	-
(e) Advance to Employees	102,000.00	1,657,378.00	2,143,109.00
Less : Provision for doubtful advances	-	-	-
	102,000.00	1,657,378.00	2,143,109.00
(f) Advance- Others (to be specified in note)	-	-	-
Less : Provision for doubtful claims	-	-	-
(g) Deposit for utilities	-	-	-
Less: Provision	-	-	-
(h) Deposits- Others (to be specified in note)	-	-	-
Less: Provision	-	-	-
(i) CENVAT CREDIT receivable	-	-	-
(j) MAT CREDIT ENTITLEMENT	-	-	-
(k) Prepaid Expenses	-	-	-
TOTAL	410,100.00	1,965,478.00	2,143,109.00

Instructions:

1. Deposit under protest to be included in Other deposits and to be clarified in note)

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 12 : INVENTORIES

(As taken, valued and certified by the Management)



(in Rs.)

	As at		
	31.03.2017	31.03.2016 (Restated)	01.04.2015 (Restated)
(a) Stock of Coal	-	-	-
Coal under Development	-	-	-
Less : Provision	-	-	-
Stock of Coal (Net)	-	-	-
(b) Stock of Stores & Spares (at cost)	-	-	-
Add: Stores-in-transit	-	-	-
Less : Provision	-	-	-
Net Stock of Stores & Spares (at cost)	-	-	-
(c) Stock of Medicine at Central Hospital			
(d) Workshop Jobs:			
Work-in-progress and Finished Goods	-	-	-
Less: Provision	-	-	-
Net Stock of Workshop Jobs	-	-	-
(e) Press Jobs:			
Work-in-progress and Finished Goods			
Total	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 13 : TRADE RECEIVABLES



(in Rs.)

	As at		
	31.03.2017	31.03.2016 (Restated)	01.04.2015 (Restated)
Current			
Trade receivables			
- Secured, considered good			
- Unsecured, considered good			
- Doubtful			
Less : Provision for bad & doubtful debts			
Total			
Note:			
Debt outstanding for a period less than six months from the due date	-	-	-
Debt outstanding for a period exceeding six months from the due date	-	-	-
Doubtful debt	-	-	-

Refer note 39 (1) for classification

Instructions:

Other receivables not related to operations of the business shall be included in Other Financial assets

Ageing is to be added in notes

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 14 : CASH AND CASH EQUIVALENTS



(in Rs.)

	As at		
	31.03.2017	31.03.2016 (Restated)	01.04.2015 (Restated)
(a) Balances with Banks			
- in Deposit Accounts			
- in Current Accounts	52515.00	510955.00	986458.00
- in Cash Credit Accounts			
(b) Bank Balances outside India			
(c) Cheques, Drafts and Stamps in hand			
(d) Cash on hand			
(e) Cash on hand outside India			
(f) Others- Permanent Advance/ Imprest (to be specified in note)	10000.00	10000.00	10000.00
Total Cash and Cash Equivalents	62515.00	520955.00	996458.00
Bank Overdraft			
Total Cash and Cash Equivalents(net of Bank Overdraft)	62,515.00	520,955.00	996,458.00

- 1 Cash and cash equivalents comprises cash on hand and at bank, sweep accounts and term deposits held with banks with original maturities of three months or less.
- 2 Cash and Cash Equivalents balance not available for use by the company includes.....
- 3 Disclosure and the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as per specified format in notification no. NOTIFICATION NO. GSR 308(E) [F.NO.17/62/2015-CL-V-(VOL.I)], DATED 30-3-2017
- 4 Maximum amount outstanding with Banks other than Scheduled Banks at any time during the year

Refer note 39 (1) for classificationn

Note:

- 1 Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments, other earmarked balances shall be disclosed separately.
- 2 Repatriation restrictions, if any, in respect of cash and bank balances shall be separately stated.
- 3 Bank deposits with more than 12 months maturity shall be disclosed separately.
- 4 * To be in Escrow Account

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 15 : OTHER BANK BALANCES



(in Rs.)

	As at		
	31.03.2017	31.03.2016 (Restated)	01.04.2015 (Restated)
Balances with Banks			
- Deposit accounts	-	-	-
- Mine Closure Plan	-	-	-
- Shifting and Rehabilitation Fund scheme	-	-	-
- Unpaid dividend accounts	-	-	-
- Dividend accounts	-	-	-
Total	-	-	-

Note : Balances with banks to the extent held as margin money or security against the borrowings/others

Other Bank Balances comprise term deposits and other bank deposits which are expected to realise in cash within 12 months after the reporting date.

Refer note 39 (1) for classification

Note:

- 1 Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments, other earmarked balances shall be disclosed separately.
- 2 Repatriation restrictions, if any, in respect of cash and bank balances shall be separately stated.
- 3 Bank deposits with more than 12 months maturity shall be taken to other financial assets
- 4 Escrow Account Details

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 16 : EQUITY SHARE CAPITAL



	As at		
	31.03.2017	31.03.2016 (Restated)	01.04.2015 (Restated)
(in Rs.)			
<u>Authorised</u>			
50000 Equity Shares of ₹ 10/- each	500000.00	500000.00	500000.00
	500,000.00	500,000.00	500,000.00
<u>Issued, Subscribed and Paid-up</u>			
50000 Equity Shares of Rs.10/- each fully paid up in cash	500000.00	500000.00	500000.00
	500,000.00	500,000.00	500,000.00

1 Shares in the company held by each shareholder holding more than 5% Shares

Name of Shareholder	No.of Shares held	% of Total Shares
Mahandi Coalfields Ltd. (Holding company) & its nominees	50000	100

2 During the period, the company has not issued or bought back any shares.



(in Rs.)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 17 : OTHER EQUITY

	Equity portion of Preference Share Capital	Other Reserves			General Reserve	Retained Earnings	Non-Controlling Interest	Total
		Capital Redemption reserve	Capital reserve	CSR Reserve				
Balance as at 01.04.2015	-	-	-	-	-	-18,400.00	-	-18,400.00
Additions during the year	-	-	-	-	-	-	-	-
Adjustments during the year	-	-	-	-	-	-	-	-
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance as at 01.04.2015	-	-	-	-	-	-18,400.00	-	-18,400.00
Transfer to Retained Earnings	-	-	-	-	-	-	-	-
Transfer from Other reserves/Retained earnings	-	-	-	-	-	-	-	-
Total comprehensive income during the year	-	-	-	-	-	-228,626.00	-	-228,626.00
Appropriations	-	-	-	-	-	-	-	-
Transfer to General reserve	-	-	-	-	-	-	-	-
Transfer to Other reserves	-	-	-	-	-	-	-	-
Interim Dividend	-	-	-	-	-	-	-	-
Final Dividend	-	-	-	-	-	-	-	-
Corporate Dividend tax	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-
Balance as at 31.03.2016	-	-	-	-	-	-247,026.00	-	-247,026.00
Balance as at 01.04.2016	-	-	-	-	-	-247,026.00	-	-247,026.00
Additions during the year	-	-	-	-	-	-	-	-
Adjustments during the year	-	-	-	-	-	-	-	-
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance as at 01.04.2016	-	-	-	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-	-	-	-
Transfer from Other reserves/Retained earnings	-	-	-	-	-	-	-	-
Total comprehensive income during the year	-	-	-	-	-	-146,660.00	-	-146,660.00
Appropriations	-	-	-	-	-	-	-	-
Transfer to General reserve	-	-	-	-	-	-	-	-
Transfer to Other reserves	-	-	-	-	-	-	-	-
Interim Dividend	-	-	-	-	-	-	-	-
Final Dividend	-	-	-	-	-	-	-	-
Corporate Dividend tax	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-
Balance as at 31.03.2017	-	-	-	-	-	-393,686.00	-	-393,686.00

NOTES TO THE FINANCIAL STATEMENTS

NOTE 18: BORROWINGS



(in Rs.)

	As at		
	31.03.2017	31.03.2016 (Restated)	01.04.2015 (Restated)
Non-Current			
Banque Nationale De Paris and Natexis Banque, France			
Term Loans			
-From Banks	-	-	-
-From Other Parties	-	-	-
Loans from Related Parties			
Other Loans (to be specified in note)			
Loan From MCL	188,567,010.00	160,967,798.00	
Total	<u>188,567,010.00</u>	<u>160,967,798.00</u>	
CLASSIFICATION			
Secured	-	-	-
Unsecured	188,567,010.00	160,967,798.00	-
Current			
Loans repayable on demand			
-From Banks	-	-	-
-From Other Parties	-	-	-
Loans from Related Parties			
Other Loans (to be specified in note)			
Total	<u>-</u>	<u>-</u>	<u>-</u>
CLASSIFICATION			
Secured	-	-	-
Unsecured	-	-	-

Effective Interest rate in each case and Maturity date for each borrowing to be included in detailed note already given.

Refer note 39(1) for classification

Current Accounts with MCL Holding Company The current account balances with the Subsidiary Companies are reconciled on regular intervals, and the same as on 31.03.2017 has been reconciled. Adjustment arising out of reconciliation are carried out continuously. However, revenue expenses pending adjustment are provided for.

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 19 :TRADE PAYABLES



(in Rs.)

	As at		
	31.03.2017	31.03.2016 (Restated)	01.04.2015 (Restated)
Current			
Trade Payables for Micro, Small and Medium Enterprises	-	-	-
Other Trade Payables for			
-Stores and Spares	-	-	-
-Power and Fuel	-	-	-
-Others (to give major breakup in note)	-	-	-
TOTAL	<u>-</u>	<u>-</u>	<u>-</u>

Refer note 39(1) for classification

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 20 : OTHER FINANCIAL LIABILITIES



(in Rs.)

	As at		
	31.03.2017	31.03.2016 (Restated)	01.04.2015 (Restated)
Non Current			
Security Deposits			
Earnest Money	-	-	-
Others (to be specified in note)			
	<u>-</u>	<u>-</u>	<u>-</u>
Current			
Surplus fund from Subsidiaries (only for CIL)			
Current Account with			
- Subsidiaries/ Holding Company (MCL)	-	-	133,974,927.00
- IICM			
Current maturities of long-term debt			
Unpaid dividends			
Security Deposits	11461.00	13361.00	7637.00
Earnest Money			
Others (to be specified in note)	2898312.00	696,348.00	92,144.00
TOTAL	<u>2,909,773.00</u>	<u>709,709.00</u>	<u>134,074,708.00</u>

Note: Unpaid dividend includes interim dividend declared but 30 days have not been lapsed so as to transfer in Unpaid Dividend account

Others shall include MT bond money received and shall be classified into Current and Non-Current

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 21 : PROVISIONS



(in Rs.)

	As at		
	31.03.2017	31.03.2016 (Restated)	01.04.2015 (Restated)
Non Current			
Employee Benefits			
- Gratuity	-	-	-
- Leave Encashment	-	-	-
- Other Employee Benefits	-	-	-
Mine Closure	-	-	-
Overburden Removal	-	-	-
Others (to be specified in note)	-	-	-
TOTAL	-	-	-
Current			
Employee Benefits			
- Gratuity	-	-	-
- Leave Encashment	-	-	-
- Ex- Gratia	-	-	-
- Performance Related Pay	-	-	-
- Other Employee Benefits	1,278,000.00	1,200,000.00	1,400,000.00
Mine Closure	-	-	-
Excise Duty on Closing Stock of Coal	-	-	-
Others (to be specified in note)	27,000.00	136,000.00	238,264.00
TOTAL	1,305,000.00	1,336,000.00	1,638,264.00

Instructions

Actuarial valuation is to be shown under provisions, actual payable during the year is to be shown in current liabilities

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 22: OTHER NON CURRENT LIABILITIES



	(in Rs.)	
As at	31.03.2016	01.04.2015
31.03.2017	(Restated)	(Restated)

Shifting & Rehabilitation Fund (only for CIL)

Opening balance

Add: Interest from investment of the fund (Net of TDS)

Add: Contribution received

Less: Amount released to subsidiaries during the year

Deferred Income

Total

-	-	-
---	---	---

Note: Amount payable for cess and other disputes is to be shown under current liability

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 23 : OTHER CURRENT LIABILITIES



(in Rs.)

	As at		
	31.03.2017	31.03.2016 (Restated)	01.04.2015 (Restated)
Capital Expenditure	-	-	-
Statutory Dues:			
Sales Tax/Vat	-	-	-
Provident Fund & Others	-	-	-
Central Excise Duty	-	-	-
Royalty & Cess on Coal	-	-	-
Stowing Excise Duty	-	-	-
Clean Energy Cess	-	-	-
National Mineral Exploration Trust	-	-	-
District Mineral Foundation	-	-	-
Service Tax - Under Reverse Mechanism	-	-	81779.00
Other Statutory Levies	-	-	-
Income Tax deducted/collected at Source	<u>306414.00</u>	<u>273980.00</u>	<u>6216.00</u>
Advance for Coal Import	-	-	-
Advance from customers / others	-	-	-
Tax on Dividend Distribution	-	-	-
Shifting & Rehabilitation Fund (only for CIL)	-	-	-
Others liabilities (to be specified in note)	-	-	-
TOTAL	<u>306,414.00</u>	<u>273,980.00</u>	<u>87,995.00</u>

* No amount is due for payment to Investor Education & Protection Fund.

Instructions

Ex owner account and dues for pre-nationalisation transactions shall be added to other liabilities

Salary & Wages

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 24 : REVENUE FROM OPERATIONS



(in Rs.)

	For The Year Ended 31.03.2017	For The Year Ended 31.03.2016
A. Sales of Coal	-	-
Less :Other Statutory Levies		
Royalty	-	-
Cess on Coal	-	-
Stowing Excise Duty	-	-
Central Sales Tax	-	-
Clean Energy Cess	-	-
State Sales Tax/VAT	-	-
National Mineral Exploration Trust	-	-
District Mineral Foundation	-	-
Other Levies	-	-
Total Levies	-	-
Sales (Net) (A)	-	-
B. Other Operating Revenue		
Facilitation charges for coal import		
Subsidy for Sand Stowing & Protective Works		
Loading and additional transportation charges	-	-
Less: Excise Duty	-	-
Less : Other Statutory Levies	-	-
Other Operating Revenue (Net) (B)	-	-
Revenue from Operations (A+B)	-	-

NOTES TO THE FINANCIAL STATEMENTS

NOTE 25 : OTHER INCOME



(in Rs.)

	For The Year Ended 31.03.2017	For The Year Ended 31.03.2016
<u>Interest Income</u>		
Deposits with Banks		
Investments		
Loans (to be segregated in the note into Employees/related Parties		
Funds parked within Group		
Others (to be specified in Note)		
<u>Dividend Income</u>		
Investments in Subsidiaries		
Investments in Mutual Funds		
<u>Other Non-Operating Income</u>		
Profit on Sale of Assets		
Gain on Foreign exchange Transactions		
Exchange Rate Variance		
Lease Rent		
Liability / Provision Write Backs		
Excise Duty on Decrease in Stock		
Miscellaneous Income	-	4735.00
Total	<u>-</u>	<u>4735.00</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 26 : COST OF MATERIALS CONSUMED



(in Rs.)

	For The Year Ended 31.03.2017	For The Year Ended 31.03.2016
Explosives		-
Timber		-
Oil & Lubricants		-
HEMM Spares		-
Other Consumable Stores & Spares		-
Total	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 27 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE



(in Rs.)

	For The Year Ended 31.03.2017	For The Year Ended 31.03.2016
Opening Stock of Coal	-	-
Add: Adjustment of opening stock	-	-
Less: Deterioration of Coal	-	-
Less:-		
Closing Stock of Coal	-	-
Less: Deterioration of Coal	-	-
A Change in Inventory of Coal	-	-
Opening Stock of Workshop made finished goods and WIP	-	-
Add: Adjustment of Opening Stock	-	-
Less: Provision	-	-
Less:		
Closing Stock of Workshop made finished goods and WIP	-	-
Less: Provision	-	-
B Change in Inventory of workshop	-	-
Press Opening Job		
i)Finished Goods		
ii)Work in Progress	-	-
Less: Press Closing Job		
i)Finished Goods		
ii)Work in Progress	-	-
C Change in Inventory of Closing Stock of Press Job	-	-
Change in Inventory of Stock in trade (A+B+C) { Decretion / (Accretion) }	-	-

NOTES TO THE FINANCIAL STATEMENTS

NOTE 28 : EMPLOYEE BENEFITS EXPENSES



(in Rs.)

	For The Year Ended 31.03.2017	For The Year Ended 31.03.2016
Salary, Wages, Allowances ,Bonus etc.	-	-
Provision for National Coal Wages Agreement (NCWA) - X*	-	-
Ex-Gratia	-	-
Performance Related Pay	-	-
Contribution to P.F. & Other Funds	-	-
Gratuity	-	-
Leave Encashment	-	-
VRS	-	-
Workman Compensation	-	-
Medical Expenses for existing employees	-	-
Medical Expenses for retired employees	-	-
Grants to Schools & Institutions	-	-
Sports & Recreation	-	-
Canteen & Creche	-	-
Power - Township	-	-
Hire Charges of Bus, Ambulance etc.	-	-
Other Employee Benefits	-	-
	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 29 : CORPORATE SOCIAL RESPONSIBILITY EXPENSE



	For The Year Ended 31.03.2017	For The Year Ended 31.03.2016
CSR Expenses (explain in note)	-	-
Total	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 30 : REPAIRS



	For The Year Ended 31.03.2017	For The Year Ended 31.03.2016
Building	-	-
Plant & Machinery	-	-
Others	-	-
Total	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 31 : CONTRACTUAL EXPENSES



(in Rs.)

	For The Year Ended 31.03.2017	For The Year Ended 31.03.2016
Transportation Charges :		
- Sand		-
- Coal		-
- Stores & Others		-
Wagon Loading		-
Hiring of Plant and Equipments		-
Other Contractual Work	20,269.00	-
Total	20,269.00	-

NOTES TO THE FINANCIAL STATEMENTS

NOTE 32 : FINANCE COSTS



(in Rs.)

	For The Year Ended 31.03.2017	For The Year Ended 31.03.2016
Interest Expenses		
Borrowings		-
Unwinding of discounts (breakup in notes)		-
Funds parked within Group		
Others (to be specific in note)		
Other Borrowing Costs	-	
Total	-	-

Note: Other borrowing costs shall include bank commitment charges and other charges

NOTES TO THE FINANCIAL STATEMENTS

NOTE 33 : PROVISIONS (NET OF REVERSAL)



(in Rs.)

	For The Year Ended 31.03.2017	For The Year Ended 31.03.2016
(A) Provision made for		
Doubtful debts	-	-
Doubtful Advances & Claims	-	-
Stores & Spares	-	-
Others (specify in note)	-	-
Total(A)	<u>-</u>	<u>-</u>
(B) Provision Reversal		
Doubtful debts	-	-
Doubtful Advances & Claims	-	-
Stores & Spares	-	-
Others (specify in note)	-	-
Total(B)	<u>-</u>	<u>-</u>
Total (A-B)	<u>-</u>	<u>-</u>

Note : Others
Capital WIP
Surveyed off
Others

NOTES TO THE FINANCIAL STATEMENTS

NOTE 34 : WRITE OFF (Net of past provisions)



(in Rs.)

	For The Year Ended 31.03.2017	For The Year Ended 31.03.2016
Doubtful debts		
Less :- Provided earlier	-	-
Doubtful advances	<u>-</u>	<u>-</u>
Less :- Provided earlier	-	-
Stock of Coal	<u>-</u>	<u>-</u>
Less :- Provided earlier	-	-
Others	<u>-</u>	<u>-</u>
Less :- Provided earlier	-	-
Total	<u>-</u>	<u>-</u>

Note: Provision on PPE/Capital WIP and other assets shall be included in Others (segregation in explanatory note)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 35 : OTHER EXPENSES



(in Rs.)

	For The Year Ended 31.03.2017	For The Year Ended 31.03.2016
Travelling expenses		
- Domestic	-	10,683.00
- Foreign	-	1,188.00
Training Expenses	-	-
Telephone & Postage	1,231.00	-
Advertisement & Publicity	-	-
Freight Charges	-	-
Demurrage	-	-
Donation/Subscription	-	-
Security Expenses	-	-
Service Charges of CIL	-	-
Hire Charges	-	-
CMPDI Charges	-	-
Legal Expenses	-	-
Bank Charges	255.00	2,850.00
Guest House Expenses	-	-
Consultancy Charges	-	-
Under Loading Charges	-	-
Loss on Sale/Discard/Surveyed of Assets	-	-
Auditor's Remuneration & Expenses		
- For Audit Fees	69,000.00	68,600.00
- For Taxation Matters	-	-
- For Other Services	-	-
- For Reimbursement of Exps.	16,500.00	16,500.00
Internal & Other Audit Expenses	-	-
Rehabilitation Charges	-	-
Royalty & Cess	-	-
Central Excise Duty	-	-
Rent	-	-
Rates & Taxes	-	-
Insurance	-	-
Loss on Foreign Exchange Transactions	-	-
Loss on Exchange Rate Variance	-	-
Lease Rent	-	-
Rescue/Safety Expenses	-	-
Dead Rent/Surface Rent	-	-
Siding Maintenance Charges	-	-
Land/Crops Compensation	-	-
R & D expenses	-	-
Environmental & Tree Plantation Expenses	-	-
Miscellaneous expenses	39,405.00	133,540.00
Total	126,391.00	233,361.00

NOTES TO THE FINANCIAL STATEMENTS

NOTE 36 : TAX EXPENSE



	For The Year Ended 31.03.2017	For The Year Ended 31.03.2016
Current Year		
Deferred tax		
MAT Credit Entitlement		
Earlier Years		
Total	<u> -</u>	<u> -</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 37 : OTHER COMPREHENSIVE INCOME



(in Rs.)

	For The Year Ended 31.03.2017	For The Year Ended 31.03.2016
(A) (i) Items that will not be reclassified to profit or loss		
Changes in revaluation surplus		
Remeasurement of defined benefit plans		
Equity instrument through OCI		
Fair value changes relating to own credit risk of financial liabilities designated at FVTPL		
Share of OCI in Joint ventures		
	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		
Changes in revaluation surplus		
Remeasurement of defined benefit plans		
Equity instrument through OCI		
Fair value changes relating to own credit risk of financial liabilities designated at FVTPL		
Share of OCI in Joint ventures		
	-	-
Total (A)	-	-
(B) (i) Items that will be reclassified to profit or loss		
Exchange differences in translating the financial statements of a foreign operation		
Debt instrument through OCI		
The effective portion of gains and loss on hedging instruments in a cash flow hedge		
Share of OCI in Joint ventures		
	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		
Exchange differences in translating the financial statements of a foreign operation		
Debt instrument through OCI		
The effective portion of gains and loss on hedging instruments in a cash flow hedge		
Share of OCI in Joint ventures		
	-	-
Total (B)	-	-
Total (A+B)	-	-

MAHANADI BASIN POWER LIMITED, BHUBANESWAR

Cashflow Statement for the year ended on 31.03.2017



(Indirect Method)

	For the year ended on 31.03.2017	For the year ended on 31.03.2016
(in Rs.)		
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax and extraordinary items	-146660.00	-228626.00
Adjustment for :		
Depreciation & Impairment	0.00	0.00
Exchange Rate Fluctuation	0.00	0.00
Interest / Dividend (Received)	0.00	0.00
Interest /financial charges (Paid)	0.00	0.00
Prov. against Debtors/Inventories/Other CA/ Loans & Adv	0.00	0.00
Deferred Tax Liability	0.00	0.00
Operating Profit before Working Capital changes	-146660.00	-228626.00
Adjustments for :		
Changes in Inventories	0.00	0.00
Changes in trade receivable	0.00	0.00
Changes in long term /non current loans & advance / assets	95630.00	31156.00
Changes in short term / current loans& advances/ assets	1555378.00	177630.00
Changes in trade payable/ current liabilities	2201498.00	-133481278.00
Cash generated from operations	3852506.00	-133272492.00
Direct taxes paid	0.00	0.00
Deferred Tax Liabilities	0.00	0.00
Cash Flow before extraordinary items	3705846.00	-133501118.00
Extraordinary items	0.00	0.00
Net Cash from operating activities	<u>3705846.00</u>	<u>-133501118.00</u>
B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	-31763498.00	-27942183.00
Adj. for preliminary expenses	0.00	0.00
Short Term Deposit with CIL	0.00	0.00
Miscellaneous receipts	0.00	0.00
Acquisition of Companies	0.00	0.00
Purchase of New investment	0.00	0.00
Interest received	0.00	0.00
Dividend received	0.00	0.00
Net Cash used in investing activities	<u>-31763498.00</u>	<u>-27942183.00</u>
C) CASH FLOW FROM FINANCING ACTIVITIES:		
World Bank Loans through CIL / Loan from MCL	27599212	160967798
Deferred Credit Loan	0	0
Exchange Rate Fluctuation	0	0
Repayment of CIL Loan	0	0
Redemption of preference share capital	0	0
Interest and financial charges	0	0
Issue of share capital	0	0
Dividend paid	0	0
Net Cash used in financing activities	<u>27599212</u>	<u>160967798</u>
Net increase in cash and cash equivalents	<u>-458440</u>	<u>-475503</u>
Cash and cash equivalents as at beginning of the year	520955	996458
Cash and cash equivalents as at the end of the year	<u>62515</u>	<u>520955</u>

The aforesaid statement is prepared on indirect method
The figures of the previous year have been reclassified
to confirm to current year classification.

For and on behalf of Board of Directors

Sd/-
(M.C. Saini)
Assistant Manager
(Finance)

Sd/-
(J.P. Singh)
Director
DIN -06620453

Place : BHUBANESWAR
Date : 23.05.2017

As per our limited review report of even date
For DAS & DAS
Chartered Accountants
Firm Regn No:322926E

Sd/-
(CA Umakanta Baral)
Partner
Membership No. 500024

Sd/-
(K.R. Rajeev)
Chief Executive
Officer

Sd/-
(L.N. Mishra)
Chairman
DIN-07437632

MAHANADI BASIN POWER LIMITED

Note- 1: CORPORATE INFORMATION

Mahanadi Basin Power Limited (MBPL), a wholly owned subsidiary Company of Mahanadi Coalfields with headquarters at Bhubaneswar, Odisha was incorporated on 2nd December 2011. Mahanadi Basin Power Limited was established for set up 2*800 Super Critical Thermal Power Project at Basundhara Coalfields Area of Sundargarh District, Odisha.

The Company is mainly engaged in producing of power. Mahanadi Basin Power is in development stage. Till date not start operational activity. MBPL has no subsidiaries company & joint venture.

MAHANADI BASIN POWER LIMITED

Note -2: SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended 31st March 2016, the Company prepared its financial statements in accordance with Accounting Standards (AS) notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 in accordance with companies (Accounting Standards), Rules 2006 (erstwhile - Indian GAAP). These financial statements for the year ended 31st March 2017 are the first financial statements of the Company prepared in accordance with Ind AS.

Refer to Note No. 40 for information on first time adoption of Ind AS.

The financial statements have been prepared on historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments in para 2.15).

2.1.1 Rounding of amounts

Amounts in these financial statements have, unless otherwise indicated, been rounded to 'rupees' up to two decimal points.

2.2 Basis of consolidation

2.2.1 Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date when control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated.

Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. A member of the group normally uses accounting policies as adopted by the group for like transactions and events in similar circumstances. In case of significant deviations, appropriate adjustments are made to the group member financial statement to ensure conformity with the groups accounting policies.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

2.2.2 Associates

Associates are all entities over which the group has significant influence but no control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted in accordance with Ind AS 105

The entity impairs its net investment in the associates on the basis of objective evidence.

2.2.3 Joint arrangements

Joint arrangements are those arrangements where the group is having joint control with one or more other parties.

Joint control is the contractually agreed sharing of control of the arrangement which exist only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint Arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

2.2.4 Joint Operations

Joint operations are those joint arrangements whereby the group is having rights to the assets and obligations for the liabilities relating to the arrangements.

Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

2.2.5 Joint ventures

Joint ventures are those joint arrangements whereby the group is having rights to the net assets of the arrangements.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Investments in Joint venture are accounted for using the equity method of accounting, after initially being recognized at cost, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted in accordance with Ind AS 105.

The entity impairs its net investment in the joint venture on the basis of objective evidence.

2.2.6 Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

2.2.7 Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any fair value of consideration paid or received is recognised within equity

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.3 Current and non-current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when:

- (a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- (b) it holds the asset primarily for the purpose of trading;
- (c) it expects to realise the asset within twelve months after the reporting period; or
- (d) the asset is cash or a cash equivalent (as defined in Ind AS 7) unless the asset is 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.

An entity shall classify a liability as current when:

- (a) it expects to settle the liability in its normal operating cycle;
- (b) it holds the liability primarily for the purpose of trading;
- (c) the liability is due to be settled within twelve months after the reporting period; or
- (d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period (see paragraph 73). Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

2.4 Revenue recognition

2.4.1 Sales revenue

Revenue from the sale of goods shall be recognised when all the following conditions have been satisfied:

- (a) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the entity; and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes, levies or duties collected on behalf of the government/ other statutory bodies.

However, based on the educational material on Ind AS 18 issued by The Institute of Chartered Accountants of India, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer, which forms part of the cost of production, irrespective of whether the goods are sold, or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, other taxes, levies or duties are not considered to be received by the Company on its own account and excluded from net revenue.

2.4.2 Interest

Interest income is recognised using the Effective Interest Method.

2.4.3 Dividend

Dividend income from investments is recognised when the rights to receive payment is established.

2.4.4 Other Claims

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty on realisation.

2.4.5 Rendering of Services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits associated with the transaction will flow to the entity;
- (c) the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

2.5 Grants from Government

Government Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in Statement of Profit & Loss on a systematic basis over the periods in which the company recognises as expenses the related costs against which the grants are intended to compensate.

Government Grants related to assets are presented in the balance sheet by setting up the grant as deferred income.

Grants related to income are presented as part of profit or loss under the general heading 'Other Income'.

Government Grants which cannot reasonably have a value placed upon them and transaction with government which cannot be separated from normal trading transactions of the entity and are in the nature of government assistance from which the entity have directly benefited and if material are indicated separately in the notes.

2.6 Leases

A **finance lease** is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

An **operating lease** is a lease other than a finance lease.

2.6.1 Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

2.6.1.1 Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

2.6.1.2 Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term

2.6.2 Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as **operating leases**. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as lease income.

Leases are classified as **finance leases** when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.7 Non-current assets held for sale

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely those significant changes to the plan will be made or that the plan will be withdrawn.

2.8 Property, Plant and Equipment(PPE)

Land is carried at historical cost. Historical cost includes expenditure, which are directly attributable to the acquisition of the land like, rehabilitation expenses, resettlement cost and compensation in lieu of employment incurred for concerned displaced persons etc.

All other Property, plant and equipment are stated at carrying value including, less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises:

- (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- (b) any costs 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.
- (c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

Costs of the day-to-day servicing described as for the 'repairs and maintenance' are recognised in the statement of profit and loss in the period in which the same are incurred.

Subsequent cost of replacing parts of an item of property, plant and equipment are recognised in the carrying amount of the item, 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. The carrying amount of those parts that are replaced is derecognised in accordance with the derecognition policy mentioned below.

When major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement 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. Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognised.

An item of Property, plant or equipment is derecognised upon disposal or when no future economic benefits are expected from the continued use of assets. Any gain or loss arising on the disposal or retirement of an item of property plant and equipment is recognised in profit and loss.

Depreciation on property, plant and equipment, except freehold land, is provided as per cost model on straight line basis over the estimated useful lives of the asset as follows:

Leasehold Land	: Life of the project
Building	: 3-60 years
Roads	: 3-10 years
Telecommunication	: 3-9 years
Railway Sidings	: 15 years
Plant and Equipment	: 5-15 years
Office equipment	: 3-6 years
Furniture and Fixtures	: 8-10 years
Vehicles	: 8-10 years
Others	:

The residual value of Property, plant and equipment for depreciation purpose is considered as 5% of the original cost of the asset except some items of assets viz., Coal tub, winding ropes, haulage ropes, stowing pipes & safety lamps the technically estimated useful life has been determined to be one year with a nil residual value.

The estimated useful life of the assets is reviewed at the end of each financial year.

Depreciation on the assets added / disposed of during the year is provided on pro-rata basis with reference to the month of addition / disposal.

Value of land acquired under Coal Bearing Area (Acquisition & Development) Act, 1957 is amortised on the basis of the balance life of the project. Value of leasehold land is amortised on the basis of lease period or balance life of the project whichever is earlier.

Fully depreciated assets, retired from active use are disclosed separately as surveyed off assets at its residual value under Property, plant Equipment and are tested for impairment.

Capital Expenses incurred by the company on construction/development of certain assets which are essential for production, supply of goods or for the access to any existing Assets of the company are recognised as Enabling Assets under Property, Plant and Equipment.

Transition to Ind AS

The company elected to continue with the carrying value as per cost model (for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP.

2.9 Mine Closure, Site Restoration and Decommissioning Obligation

The company's obligation for land reclamation and decommissioning of structures consists of spending at both surface and underground mines in accordance with the guidelines from Ministry of Coal, Government of India. The company estimates its obligation for Mine Closure, Site Restoration and Decommissioning based upon detailed calculation and technical assessment of the amount and timing of the future cash spending to perform the required work. Mine Closure expenditure is provided as per approved Mine Closure Plan. The estimates of expenses are escalated for inflation, and then discounted at a discount rate that reflects current market assessment of the time value of money and the risks, such that the amount of provision reflects the present value of the expenditures expected to be required to settle the obligation. The company records a corresponding asset associated with the liability for final reclamation and mine closure. The obligation and corresponding assets are recognised in the period in which the liability is incurred. The asset representing the total site restoration cost (as estimated by Central Mine Planning and Design Institute Limited) as per mine closure plan is recognised as a separate item in PPE and amortised over the balance project/mine life.

A specific escrow fund account is maintained to set aside the fund required to settle the obligation as per the approved mine closure plan. The progressive mine closure expenses incurred on year to year basis forming part of the total mine closure obligation is initially recognised as receivable from escrow account with the concurrence of the certifying agency and thereafter adjusted with the obligation in the year in which the amount is withdrawn.

The value of the provision is progressively increased over time as the effect of discounting unwinds; creating an expense recognised as financial expenses.

2.10 Exploration and Evaluation Assets

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

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

The above includes employee remuneration, materials and fuel used, payments to contractors etc.

As the intangible component represents an insignificant/indistinguishable portion of the overall expected tangible costs to be incurred and recouped from future exploitation, these costs along with other capitalised exploration costs are recorded as exploration and evaluation asset.

Exploration and evaluation costs are capitalised on a project by project basis pending determination of technical feasibility and commercial viability of the project and disclosed as a separate line item under non-current assets. They are subsequently measured at cost less accumulated impairment/provision.

Once proved reserves are determined and development of mines/project is sanctioned, exploration and evaluation assets are transferred to "Development" under capital work in progress. However, in case of proved reserves are not determined; the exploration and evaluation asset is derecognised.

2.11 Development Expenditure

When proved reserves are determined and development of mines/project is sanctioned, capitalised exploration and evaluation cost is recognised as assets under construction and disclosed as a component of capital work in progress under the head "Development". All subsequent development expenditure is also capitalised. The development expenditure capitalised is net of proceeds from the sale of coal extracted during the development phase.

Commercial Operation

The project/mines are brought to revenue; when commercial readiness of a project/mine to yield production on a sustainable basis is established either on the basis of conditions specifically stated in the project report or on the basis of the following criteria:

- (a) From 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) 2 years of touching of coal, or
- (c) From the beginning of the financial year in which the value of production is more than total, expenses.

Whichever event occurs first;

On being brought to revenue, the assets under capital work in progress are reclassified as a component of property, plant and equipment under the nomenclature "Other Mining Infrastructure". Other Mining Infrastructure are amortised from the year when the mine is brought under revenue in 20 years or working life of the project whichever is less.

2.12 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation (calculated on a straight-line basis over their useful lives) and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised. Instead, the related expenditure is recognised in the statement of profit or loss and other comprehensive income in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss.

Exploration and Evaluation assets attributable to blocks identified for sale or proposed to be sold to outside agencies are however, classified as Intangible Assets and tested for impairment.

Cost of Software recognized as intangible asset, is amortised on straight line method over a period of legal right to use or three years, whichever is less; with a nil residual value.

2.13 Impairment

The Company assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2.14 Investment Property

Property (land or a building or part of a building or both) held to earn rentals or for capital appreciation or both, rather than for, use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of businesses are classified as investment property.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

Investment properties are depreciated using the straight-line method over their estimated useful lives.

2.15 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.

2.15.1 Financial assets

2.15.1.1 Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

2.15.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

2.15.2.1 Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised 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 amortised cost using the effective interest rate (EIR) method. Amortised 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 amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

2.15.2.2 Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

2.15.2.3 Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

2.15.2.4 Equity investments in subsidiaries, associates and Joint Ventures

In accordance of Ind AS 101 (First time adoption of Ind AS), the carrying amount of these investments as per previous GAAP as on the date of transition is considered to be the deemed cost. Subsequently Investment in subsidiaries, associates and joint ventures are measured at cost.

2.15.2.5 Other Equity Investment

All other equity investments in scope of Ind AS 109 are measured at fair value through profit or loss.

For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

2.15.2.6 Derecognition

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.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2.15.2.7 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 amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Lease receivables under Ind AS 17
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

2.15.3 Financial liabilities

2.15.3.1 Initial recognition and measurement

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

2.15.3.2 Subsequent measurement

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

2.15.3.3 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

2.15.3.4 Financial liabilities at amortised cost

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

2.15.3.5 Derecognition

A financial liability is derecognised 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 between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in profit or loss.

2.15.4 Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments

and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

2.15.5 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.16 Borrowing Costs

Borrowing costs are expensed as incurred except where they are directly attributable to the acquisition, construction or production of qualifying assets i.e. the assets that necessarily takes substantial period of time to get ready for intended use, in which case they are capitalised as part of the cost of those asset up to the date when the qualifying asset is ready for its intended use.

2.17 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period. Taxable profit differs from "profit before income tax" as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are reassessed at the end of each reporting year and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.18 Employee Benefits

2.18.1 Short-term Benefits

All short-term employee benefits are recognized in the period in which they are incurred.

2.18.2 Post-employment benefits and other long term employee benefits

2.18.2.1 Defined contributions plans

A defined contribution plan is a post-employment benefit plan for Provident fund and Pension under which the company pays fixed contribution into fund maintained by a separate statutory body (Coal Mines Provident Fund) constituted under an enactment of law and the company will have no legal or constructive obligation to pay further amounts. Employees for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of profit and loss in the periods during which services render obligations.

2.18.2.2 Defined benefits plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity, leave encashment are defined benefit plans (with ceilings on benefits). The company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return of their service in the current and prior periods. The benefit is discounted to determine its present value and reduced by the fair value of plan assets, if any. The discount rate is based on the prevailing market yields of Indian Government securities as at the reporting date that have maturity dates approximating the terms of the company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The application of actuarial valuation involves making assumptions about discount rate, expected rates of return on assets, future salary increases, mortality rates etc. Due to the long-term nature of these plans, such estimates are subject to uncertainties. An actuary using the projected unit credit method performs the calculation annually. When the calculation results in to the benefit to the company, the recognised asset is limited to the present value of the economic benefits available in the form of any future refunds from the plan or reduction in future contributions to the plan. An economic benefit is available to the company if it is realisable during the life of the plan, or on settlement of plan liabilities.

Re-measurement of the net defined benefit liability, which comprise actuarial gain and losses considering the return on plan assets (excluding interest) and the effects of the assets ceiling (if any, excluding interest) are recognised immediately in the other comprehensive income. The

company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit and loss.

When the benefits of the plan are improved, the portion of the increased benefit relating to past service by employees is recognised as expense immediately in the statement of profit and loss.

2.18.3 Other Employee benefits

Certain other employee benefits namely benefit on account of LTA, LTC, Life Cover scheme, Group personal Accident insurance scheme, settlement allowance, post-retirement medical benefit scheme and compensation to dependents of deceased in mine accidents etc., are also recognised on the same basis as described above for defined benefits plan. These benefits do not have specific funding.

2.19 Foreign Currency

The company's reported currency and the functional currency for majority of its operations is in Indian Rupees (INR) being the principal currency of the economic environment in which it operates.

Transactions in foreign currencies are converted into the reported currency of the company using the exchange rate prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies outstanding at the end of the reporting period are translated at the exchange rates prevailing as at the end of reporting period. Exchange differences arising on the settlement of monetary assets and liabilities or on translating monetary assets and liabilities at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognised in statement of profit and loss in the period in which they arise.

Non-monetary items denominated in foreign currency are valued at the exchange rates prevailing on the date of transactions.

2.20 Stripping Activity Expense/Adjustment

In case of opencast mining, the mine waste materials ("overburden") which consists of soil and rock on the top of coal seam is required to be removed to get access to the coal and its extraction. This waste removal activity is known as 'Stripping'. In opencast mines, the company has to incur such expenses over the life of the mine (as technically estimated by CMPDIL and recorded in the project report).

Therefore, as a policy, in the mines with rated capacity of one million tonnes per annum and above, cost of Stripping is charged on technically evaluated average stripping ratio (COAL: OB) at each mine with due adjustment for stripping activity asset and ratio-variance account after the mines are brought to revenue. Net of 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.

The reported quantity of overburden as per record is considered in calculating the ratio for OBR accounting where the variance between reported quantity and measured quantity is within the lower of the two alternative permissible limits, as detailed hereunder:-

Annual Quantum of OBR Of the Mine	Permissible limits of variance	
	I	II
	%	Quantum (in Mill. Cu. Mtr.)
Less than 1 Mill. CUM	+/- 5%	0.03
Between 1 and 5 Mill. CUM	+/- 3%	0.20
More than 5 Mill. CUM	+/- 2%	NIL

However, where the variance is beyond the permissible limits as above, the measured quantity is considered.

2.21 Inventories

2.21.1 Stock of Coal

Inventories of coal/coke are stated at lower of cost and net realisable value. Cost of inventory is calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Book stock of coal is considered in the accounts where the variance between book stock and measured stock is up to +/- 5% and in cases where the variance is beyond +/- 5% the measured stock is considered. Such stock are valued at net realisable value or cost whichever is lower. Coke is considered as a part of stock of coal.

Coal & coke-fines are valued at lower of cost or net realisable value and considered as a part of stock of coal.

Slurry (coking/semi-coking), middling of washeries and by products are valued at net realisable value and considered as a part of stock of coal.

2.21.2 Stores & Spares

The Stock of stores & spare parts (which also includes loose tools) at central & area stores are considered as per balances appearing in priced stores ledger and are valued at cost calculated on the basis of weighted average method. The inventory of stores & spare parts lying at collieries / sub-stores / drilling camps/ consuming centres are considered at the yearend only as per physically verified stores and are valued at cost.

Provisions are made at the rate of 100% for unserviceable, damaged and obsolete stores and spares and at the rate of 50% for stores & spares not moved for 5 years.

2.21.3 Other Inventories

Workshop jobs including work-in-progress are valued at cost. Stock of press jobs (including work in progress) and stationary at printing press and medicines at central hospital are valued at cost.

However, Stock of stationery (other than lying at printing press), bricks, sand, medicine (except at Central Hospitals), aircraft spares and scraps are not considered in inventory considering their value not being significant.

2.22 Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

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. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the company, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent Assets are not recognised in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

2.23 Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per shares is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per shares and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

2.24 Judgements, Estimates and Assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period. Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements has been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

2.24.1 Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

2.24.1.1 Formulation of Accounting Policies

Accounting policies are formulated in a manner that result 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.

In the absence of an Ind AS that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a) relevant to the economic decision-making needs of users and
- b) reliable in that financial statements :
 - (i) represent faithfully the financial position, financial performance and cash flows of the entity;
 - (ii) reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
 - (iii) are neutral, i.e. free from bias;
 - (iv) are prudent; and
 - (v) are complete in all material respects on a consistent basis

In making the judgment management refers to, and considers the applicability of, the following sources in descending order:

- (a) the requirements in Ind ASs dealing with similar and related issues; and
- (b) the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Framework.

In making the judgment, management considers the most recent pronouncements of International Accounting Standards Board and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The Company operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geomining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. In the absence of specific accounting literature, guidance and standards in certain specific areas which are in the process of evolution. The Company continues to strive to develop accounting policies in line with the development of accounting literature and any development therein shall be accounted for prospectively as per the procedure laid down above more particularly in Ind AS 8.

2.24.1.2 Materiality

Ind AS applies to items, which are material. Management uses judgment in deciding whether individual items or groups of item are material in the financial statements. Materiality is judged by reference to the size and nature of the item. The deciding factor is whether omission or misstatement could individually or collectively influences the economic decisions that users make on the basis of the financial statements. Management also uses judgement of materiality for determining the compliance requirement of the Ind AS. In particular circumstances either the nature or the amount of an item or aggregate of items could be the determining factor. Further an entity may also be required to present separately immaterial items when required by law.

2.24.1.3 Operating lease

Company has entered into lease agreements. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

2.24.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

2.24.2.1 Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. Company considers individual mines as separate cash generating units for the purpose of test of impairment. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to other mining infrastructures. The key assumptions used to determine the recoverable amount for the different CGUs, are disclosed and further explained in respective notes.

2.24.2.2 Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details on taxes are disclosed in Note 39.

2.24.2.3 Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates.

Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables of the country. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rate.

2.24.2.4 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

2.24.2.5 Intangible asset under development

The Company capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a project report is formulated by Central Mine Planning and Design Institute Limited.

2.24.2.6 Provision for Mine Closure, Site Restoration and Decommissioning Obligation

In determining the fair value of the provision for Mine Closure, Site Restoration and Decommissioning Obligation, assumptions and estimates are made in relation to discount rates, the expected cost of site restoration and dismantling and the expected timing of those costs. The Company estimates provision using the DCF method considering life of the project/mine based on following assumptions:

- Estimated cost per hectare as specified in guidelines issued by ministry, Government of India
- Discount rate – 8%

2.25. Abbreviation used:

a.	CGU	Cash generating unit
b.	DCF	Discounted Cash Flow
c.	FVTOCI	Fair value through Other Comprehensive Income
d.	FVTPL	Fair value through Profit & Loss
e.	GAAP	Generally accepted accounting principle
f.	Ind AS	Indian Accounting Standards
g.	OCI	Other Comprehensive Income
h.	P&L	Profit and Loss
i.	PPE	Property, Plant and Equipment
j.	SPPI	Solely Payment of Principal and Interest
k.	EIR	Effective Interest Rate

MAHANADI BASIN POWER LIMITED**NOTE –38: ADDITIONAL NOTES ON ACCOUNTS**

The Current Account with MCL (Holding Company) represents expenditure incurred on Company incorporation Account, payment made to Consultant for setting Power Plant, Salary of executives and staffs, for purchase of furniture, payment of application fee for coal linkage, consent fee to State Pollution Control Board for environmental clearance, security deposit for allotment of water and other misc. expenditure.

Interest of Rs. 13224360.00 has been paid for the F.Y. 2016-17 to MCL (Holding Company) on current account balances as per rate approved at 142nd meeting of the Board of Directors of MCL held on 25th September 2012.

MAHANADI BASIN POWER LIMITED**NOTE – 39: ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017****1. Fair Value measurement****(A) Financial Instruments by Category**

(₹ in Rs)

	31 st March 2017			31 st March 2016				1 April 2015		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost	Cost	FVTPL	FVTOCI	Amortised cost
Financial Assets										
Investments :										
Secured Bonds										
Preference Share in Subsidiary										
Mutual Fund										
Loans						95630				106430
Deposits & receivable			7501000			7501000				7521356
Trade receivables										
Cash & cash equivalents			62515			520955				996458
Other Bank Balances										
Financial Liabilities										
Borrowings			188567010			160967798				
Trade payables										
Security Deposit and Earnest money										
Other Liabilities			2909773			709709				134074708

The company considers that the "Security Deposits" does not include a significant financing component. The milestone payments (security deposits) coincide with the company's performance and the contract requires amounts to be retained for reasons other than the provision of finance. The withholding of a specified percentage of each milestone payment is intended to protect the interest of the company, from the contractor failing to adequately complete its obligations under the contract'. Accordingly transaction cost of Security deposit is considered as fair value at initial recognition and subsequently measured at amortised cost.

(B) Fair value hierarchy

Table below shows Judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value – recurring fair value measurement	31 st March 2017			31 st March 2016			1 April 2015		
	Level I	Level II	Level III	Level I	Level II	Level III	Level I	Level II	Level III
Financial Assets at FVTPL									
Investments :									
Mutual Fund									
Financial Liabilities									
If any item	-	-	-	-	-	-	-	-	-

Financial assets and liabilities measured at amortised cost for which fair values are disclosed at 31st March, 2017	31 st March 2017			31 st March 2016			1 April 2015		
	Level I	Level II	Level III	Level I	Level II	Level III	Level I	Level II	Level III
Financial Assets at FVTPL									
Investments :									
Equity Shares in JV									
Mutual Fund									
Financial Liabilities									
Preference Share									
Borrowings			188567010			160967798			
Trade payables									
Security Deposit and Earnest money									
Other Liabilities			2909773			709709			134074708

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price and are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

3. This is the case for unlisted equity securities, preference shares borrowings, security deposits and other liabilities taken included in level 3.

Valuation technique used in determining fair value

Valuation techniques used to value financial instruments include:

- The use of quoted market prices of instruments
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

Fair value measurements using significant unobservable inputs

At present there are no fair value measurements using significant unobservable inputs.

(Vi) Fair values of financial assets and liabilities measured at amortised cost

	31 st March 2017		31 st March 2016		1 April 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets	7501000	7501000	7501000	7501000	7521356	7521356
Loans			95630	95630	106430	106430
Financial liabilities	2909773	2909773	709709	709709	134074708	134074708
Borrowings	188567010	188567010	160967798	160967798		
Security Deposit and Earnest money						

The carrying amounts of trade receivables, short term deposits, cash and cash equivalents, trade payables are considered to be the same as their fair values, due to their short-term nature.

Other Financial asset accounted at amortised cost is not carried at fair value only if same is not material.

The fair values for loans, security deposits and investment in preference shares were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy.

Significant estimates: the fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Company uses its judgment to select a method and makes suitable assumptions at the end of each reporting period.

2. RISK ANALYSIS AND MANAGEMENT

Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that is derived directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a risk committee that advises, inter alia, on financial risks and the appropriate financial risk governance framework for the Group. The risk committee provides assurance to the Board of Directors that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

The Group is exposed to market risk, credit risk and liquidity risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and Cash equivalents, trade receivables financial asset measured at amortised cost	Ageing analysis	Department of public enterprises (DPE guidelines), diversification of bank deposits credit limits and other securities
Liquidity Risk	Borrowings and other liabilities	Periodic cash flows	Availability of committed credit lines and borrowing facilities
Market Risk-foreign exchange	Future commercial transactions, recognised financial assets and liabilities not denominated in INR	Cash flow forecast sensitivity analysis	Regular watch and review by senior management and audit committee.
Market Risk-interest rate	Cash and Cash equivalents, Bank deposits and mutual funds	Cash flow forecast sensitivity analysis	Department of public enterprises (DPE guidelines), Regular watch and review by senior management and audit committee.

The group risk management is carried out by the board of directors as per DPE guidelines issued by Government of India. The board provides written principals for overall risk management as well as policies covering investment of excess liquidity.

- A. **Credit Risk:** Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as including outstanding receivables.
- B. **Credit risk management:** Macro - economic information (such as regulatory changes) is incorporated as part of the fuel supply agreements (FSAs) and e-auction terms

Fuel Supply Agreements

As contemplated in and in accordance with the terms of the NCDP, we enter into legally enforceable FSAs with our customers or with State Nominated Agencies that in turn enters into appropriate distribution arrangements with end customers. Our FSAs can be broadly categorized into:

- FSAs with customers in the power utilities sector, including State power utilities, private power Utilities (“PPUs”) and independent power producers (“IPPs”);
- FSAs with customers in non-power industries (including captive power plants (“CPPs”)); and
- FSAs with State Nominated Agencies.

In addition to the FSA forms discussed above, WCL currently supplies coal under certain “cost plus” coal supply agreements.

E-Auction Scheme

The E-Auction scheme of coal has been introduced to provide access to coal for customers who were not able to source their coal requirement through the available institutional mechanisms under the NCDP for various reasons, for example, due to a less than full allocation of their normative requirement under NCDP, seasonality of their coal requirement and limited requirement of coal that does not warrant a long-term linkage. The quantity of coal to be offered under E-Auction is reviewed from time to time by the MoC.

A. Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors forecasts of the group’s liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the group in accordance with practice and limits set by the group.

Financing arrangements

- (i) The group had access to the following undrawn borrowing facilities at the end of the reporting period:

	31.03.2017	31.03.2016	01.04.2015
Expiring within one year (Bank overdraft and other facilities)			
Expiring beyond one year (Bank Loans)			

- (ii) Maturities of financial liabilities

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities 31.03.2017	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 2 years	2 year to 5 years	Total
Borrowings						
Obligation under finance lease						
Trade payables						
Other financial liabilities						
Total						

Contractual maturities of financial liabilities 31.03.2016	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 2 years	2 year to 5 years	Total
Borrowings						
Obligation under finance lease						
Trade payables						
Other financial liabilities						
Total						

Contractual maturities of financial liabilities 01.04.2015	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 2 years	2 year to 5 years	Total
Borrowings						
Obligation under finance lease						
Trade payables						
Other financial liabilities						
Total						

B. Market risk

a) Foreign currency risk

The group is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk in respect of foreign operation is considered to be insignificant. The group also imports and risk is managed by regular follow up. Company has a policy which is implemented when foreign currency risk becomes significant.

b) Cash flow and fair value interest rate risk 107(33)(a),

The Company's main interest rate risk arises from bank deposits with change in interest rate exposes the Company to cash flow interest rate risk. Company policy is to maintain most of its deposits at fixed rate.

Company manages the risk using guidelines from Department of public enterprises (DPE), diversification of bank deposits credit limits and other securities

3. Employee Benefits: Recognition and Measurement (Ind AS-19)

Provident Fund:

Company pays fixed contribution towards Provident Fund and Pension Fund at pre-determined rates to a separate trust named Coal Mines Provident Fund (CMPF), which invests the fund in permitted securities. The contribution towards the fund during the year is ₹ ___ Crore (₹ ___ Crore) has been recognized in the Statement of Profit & Loss (Note 28).

4. Unrecognised items:**a) Contingent Liabilities**

Claims against the Company not acknowledged as debts (including interest, wherever applicable)

(₹ in Rs)

Claims against the company not acknowledged as debt			
		31.03.2017	31.03.2016
1	Central Govt. Royalty (NMET) Central Excise Clean Energy Cess Demurrage Perquisite Tax Railway Restoration Charges Service Tax Income Tax i. Any Other Item (disclose the nature)	-	-
2	State Govt. and Local authorities Sales Tax Stamp Duty Royalty Water Tax Entry Tax/OET Land dispute Surface Rent Any Other Item(disclose the nature)		
3	Central Public Sector Enterprises Suit against the company under litigation Any Item (disclose the nature)		
4	Others Resettlement & Rehabilitation Cost Compensation Coal Transportation Arbitration & Civil Suits Other Suits against the co. Any Other Item (disclose the nature)		
	Total		

Note: The list is illustrative and can be modified as per requirement

b) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for:

Others:

c) Letter of Credit:

As on 31.03.2017 outstanding letters of credit is Nil and bank guarantee issued is Nil (As at 31.03.2016 Nil).

5. Other Information**a) Government Assistance**

Subsidy for Sand Stowing & Protective Works includes ¹ Nil received from Ministry of Coal, Government of India in terms of Coal Mines (Conservation & Development) Act, 1974 towards reimbursement of expenditure incurred for the Sand Stowing & Protective Works by NEC during the F.Y. 2016-17.

b) Provisions

The position and movement of various provisions except those relating to employee benefits which are valued actuarially, as on 31.03.2017 are given below: (₹ in Rs)

Provisions	Opening Balance as on 1.04.2016	Addition during the year	Write back/ Adj. during the year	Unwinding of discounts	Closing Balance as on 31.03.2017
Note 3:-Property, Plant and Equipment: Accumulated Depreciation Impairment of Assets :	364069	241716	18472		587313
Note 4:- Capital Work in Progress : Against CWIP Impairment					
Note 5:- Exploration and Evaluation Assets : Provision Impairment					
Note 6:- Other Intangible Assets Provision Impairment					
Note 8:- Loans : Provision for Doubtful Loans :					
Note 9:- Other Financial Assets: Claim receivables : Other Receivables :					
Note 10:- Other Non-Current Assets : Doubtful Advances Exploratory Drilling Work Against Security Deposit for Utilities Other Deposits					

Note 11:- Other Current Assets : Advances for Revenue : Advance Payment Against Statutory Dues: Other Deposits: Advances to Employees					
Note 12:-Inventories : Stock of Coal Stock of Stores & Spares WIP & Finished Goods					
Note 13:-Trade Receivables : Provision for bad & doubtful debts :					
Note 20 :- Non-Current & Current Provision : Performance related pay NCWA-X Mine Closure Others					

c) Segment Reporting

In accordance with the provisions of Ind AS 108 'operating segment', the operating segment used for presenting segment information are identified based on internal reports used by BOD to allocate resources to the segments and assess their performance. The BOD is the group of Chief operating decision maker within the meaning of Ind AS 108.

The Board of directors consider a business from a prospect of significant product offerings and have decided that presently there is one single reportable segment being sale of Coal. Information of financial performance and net asset is presented in the consolidated information of p/L and Balance sheet.

Revenue by destination is a follows

	India	Other countries
Revenue		

Revenue by customer is as follows

Customer name	Amount (in Crores)	Country
Name of each parties having more than 10% of Net sales value		
Others		

Net current asset by location are as follows

	India	Other countries
Net Current Asset		

d) Related Party Transactions within Group

The Company being a Government related entity is exempt from the general disclosure requirements in relation to related party transactions and outstanding balances with the controlling Government and another entity under same Government.

Company has entered into transactions with its holding Company & other co-subidiaries which include Apex charges, Rehabilitation charges, CMPDIL Expenses, R&D Expenses, Lease rent, IICM charges and other expenditure incurred by or on behalf of other subsidiaries through current account.

As per Ind AS 24, following are the disclosures regarding nature and amount of significant transactions.

Name of the Company	Nature of relationship	Amount of transactions during the year
Mahanadi Coalfields Ltd.	100% Holding Company	

e) Insurance and escalation claims

Insurance and escalation claims are accounted for on the basis of admission/final settlement.

f) Provisions made in the Accounts

Provisions made in the accounts against slow moving/non-moving/obsolete stores, claims receivable, advances, doubtful debts etc. are considered adequate to cover possible losses.

g) Current Assets, Loans and Advances etc.

In the opinion of the Management, assets other than fixed assets and non-current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

h) Current Liabilities

Estimated liability has been provided where actual liability could not be measured.

i) Balance Confirmations

Balance confirmation/reconciliation is carried out for cash & bank balances, certain loans & advances, long term liabilities and current liabilities. Provision is taken against all doubtful unconfirmed balances.

Pursuant to notification no. G.S.R 632 E dated 14.08.2015 issued by the Ministry of Mines (Government of India) regarding formation of National Mineral Exploration Trust Fund u/s 9C of the Mines & Minerals (Development and Regulation) Amendment Act, 2015 (MMDR Act), Company has implemented collection from customers additional royalty @ 2% on royalty during FY 2015-16.

k) Value of imports on CIF basis

(₹ in Rs)

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Raw Material		
Capital Goods		
Stores, Spares & Components		

l) Expenditure incurred in Foreign Currency

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Travelling Expenses		
Training Expenses		
Consultancy Charges		
Interest		
Stores and Spares		
Capital Goods		
Others		

m) Earning in Foreign Exchange:

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Travelling Expenses		
Training Expenses		
Consultancy Charges		

n) Total Consumption of Stores and Spares

Particulars	For the year ended 31.03.2017		For the year ended 31.03.2016	
	Amount	% of total consumption	Amount	% of total consumption
(i) Imported Materials				
(ii) Indigenous				

o) Statement of Opening Stock, Production, Purchases, Turnover and Closing Stock of Coal

	For the year ended 31.03.2017		For the year ended 31.03.2016	
	Qty.	Value	Qty.	Value
Opening Stock				
Production				
Sales				
Own Consumption				
Write Off				
Closing Stock				

P) Details of Loans given, Investments made and Guarantee given covered u/s 186(4) of the Companies Act, 2013

Loans given and Investments made are given under the respective heads.

Corporate guarantees given by the company in respect of loans as at 31.03.2017

Name of the Company	As at 31.03.2017	As at 31.03.2016

q) Significant accounting policy

Significant accounting policy (Note-38) has been suitably modified / re-drafted over previous period, as found necessary to elucidate the accounting policies adopted by the Company in accordance with Indian Accounting Standards (Ind ASs) notified by Ministry of Corporate Affairs (MCA) under the Companies (Indian Accounting Standards) Rules, 2015.

The impact of change in accounting policy and other changes to comply with Ind AS in Net Profit is stated below:

Reconciliation of Profit between IND AS and previous Indian GAAP

(₹ in Crores)

Sl. No.	Nature of Adjustments	Year ended 31.03.2016
	Net Profit as per previous Indian GAAP (after tax)	
1	Remeasurement of Mine Closure Provision as per Ind AS 16 (Net of tax)	
2	Actuarial loss/gain on remeasurement of employee defined benefit plan as per Ind AS 19 recognised in "Other Comprehensive Income" (Net of tax)	
3	Effect of adjustments relating to Prior period (Net of tax)	
	Net Profit as per Ind AS (after tax) attributable to equityshareholders	
	Other Comprehensive Income (after tax)	
	Total Comprehensive Income as per Ind AS (after tax) attributable to equityshareholders	

MAHANADI BASIN POWER LIMITED

Note 40: First time adoption of Ind AS

These financial statements, for the year ended 31 March 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

Exemptions applied Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

i) Fair value measurement of financial assets or financial liabilities (Ind AS 101.D20)

First-time adopters may apply Ind AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS. Therefore, unless a first-time adopter elects to apply Ind AS 109 retrospectively to day one gain or loss transactions, transactions that occurred prior to the date of transition to Ind AS do not need to be retrospectively restated.

As a first time adopter of Ind AS, the Company has opted to apply Ind AS 109 prospectively.

ii) Mine Closure, Site Restoration and Decommissioning Obligation in Property, Plant and Equipment (Ind AS 101.D21)

Appendix 'A' to Ind AS 16 Changes in Existing Decommissioning, Restoration and Similar Liabilities requires specified changes in a decommissioning, restoration or similar liability to be added to or deducted from the cost of the asset to which it relates; the adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life. A first-time adopter need not comply with these requirements for changes in such liabilities that occurred before the date of transition to Ind AS. In other words, a first-time adopter will not need to estimate what provision would have been calculated at earlier reporting dates. Instead, the decommissioning liability is calculated at the date of transition and it is assumed that the same liability (adjusted only for the time value of money) existed when the asset was first acquired/constructed.

As a first time adopter of Ind AS, the Company has calculated the Mine Closure, Site Restoration and Decommissioning Obligation at the date of transition assuming that the same liability (present value) existed when the asset was first acquired/constructed.

Reconciliation of equity as at 1st April 2015 (date of transition to Ind AS)

(₹ in Rs.)

	Foot Note	Indian GAAP	Adjustment	Ind AS
ASSETS				
Non-Current Assets				
(a) Property, Plant & Equipments		948177.00	-	948177.00
(b) Capital Work in Progress		-	-	-
(c) Exploration and Evaluation Assets		-	-	-
(d) Investment Property		-	-	-
(e) Intangible Assets		124567037.00		124567037.00
(f) Intangible Assets under Development		-	-	-
(g) Non-Current Assets Held for Sale		-	-	-
(h) Financial Assets		-	-	-
(i) Investments		-	-	-
(ii) Loans		106430.00	-	106430.00
(iii) Other Financial Assets		7521356.00	-	7521356.00
(i) Deferred Tax Assets (net)		-	-	-
(j) Other non-current assets		-	-	-
Total Non-Current Assets (A)		133143000.00	-	133143000.00
Current Assets				
(a) Inventories		-	-	-
(b) Financial Assets		-	-	-
(i) Investments		-	-	-
(ii) Trade Receivables		-	-	-
(iii) Cash & Cash equivalents		996458.00	-	996458.00
(iv) Other Bank Balances		-	-	-
(v) Loans		-	-	-
(vi) Other Financial Assets		-	-	-
(c) Current Tax Assets (Net)		-	-	-
(d) Other Current Assets		2143109.00	-	2143109.00
Total Current Assets (B)		3139567.00	-	3139567.00
Total Assets (A+B)		136282567.00	-	136282567.00

EQUITY AND LIABILITIES	Foot Note	Indian GAAP	Adjustment	Ind AS
Equity				
(a) Equity Share Capital		500000.00	-	500000.00
(b) Other Equity		(18400.00)	-	(18400.00)
Equity attributable to equity holders of the company		-	-	-
Non-Controlling Interests		-	-	-
Total Equity (A)		481600.00		481600.00
Liabilities	Foot Note	Indian GAAP	Adjustment	Ind AS
Non-Current Liabilities		-	-	-
(a) Financial Liabilities		-	-	-
(i) Borrowings		-	-	-
(ii) Trade Payables		-	-	-
(iii) Other Financial Liabilities		-	-	-
(b) Provisions		-	-	-
(c) Other Non-Current Liabilities		-	-	-
Total Non-Current Liabilities (B)		-	-	-
Current Liabilities		-	-	-
(a) Financial Liabilities		-	-	-
(i) Borrowings		-	-	-
(ii) Trade payables		-	-	-
(iii) Other Financial Liabilities		134074708.00	-	134074708.00
(b) Other Current Liabilities		87995.00	-	87995.00
(c) Provisions		1638264.00	-	1638264.00
Total Current Liabilities (C)		135800967.00	-	135800967.00
Total Equity and Liabilities (A+B+C)		136282567.00	-	136282567.00

Reconciliation of equity as at 31st March 2016 (date of transition to Ind AS)

(₹ in Rs.)

	Foot Note	Indian GAAP	Adjustment	Ind AS
ASSETS				
Non-Current Assets				
(a) Property, Plant & Equipments		892392.00	-	892392.00
(b) Capital Work in Progress		-	-	-
(c) Exploration and Evaluation Assets		-	-	-
(d) Investment Property		-	-	-
(e) Intangible Assets		152565006.00	-	152565006.00
(f) Intangible Assets under Development		-	-	-
(g) Non-Current Assets Held for Sale		-	-	-
(h) Financial Assets		-	-	-
(i) Investments		-	-	-
(ii) Loans		95630.00	-	95630.00
(iii) Other Financial Assets		7501000.00	-	7501000.00
(i) Deferred Tax Assets (net)		-	-	-
(j) Other non-current assets		-	-	-
Total Non-Current Assets (A)		161054028.00	-	161054028.00
Current Assets				
(a) Inventories		-	-	-
(b) Financial Assets		-	-	-
(i) Investments		-	-	-
(ii) Trade Receivables		-	-	-
(iii) Cash & Cash equivalents		520955.00	-	520955.00
(iv) Other Bank Balances		-	-	-
(v) Loans		-	-	-
(vi) Other Financial Assets		-	-	-
(c) Current Tax Assets (Net)		-	-	-
(d) Other Current Assets		1965478.00	-	1965478.00
Total Current Assets (B)		2486433.00	-	2486433.00
Total Assets (A+B)		163540461.00	-	163540461.00

EQUITY AND LIABILITIES	Foot Note	Indian GAAP	Adjustment	Ind AS
Equity				
(a) Equity Share Capital		500000.00	-	500000.00
(b) Other Equity		(246026.00)	-	(247026.00)
Equity attributable to equity holders of the company		-	-	-
Non-Controlling Interests		-	-	-
Total Equity (A)		252974.00	-	252974.00
Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities		-	-	-
(i) Borrowings		160967798.00	-	160967798.00
(ii) Trade Payables		-	-	-
(iii) Other Financial Liabilities		-	-	-
(b) Provisions		-	-	-
(c) Other Non-Current Liabilities		-	-	-
Total Non-Current Liabilities (B)		160967798.00	-	160967798.00
Current Liabilities				
(a) Financial Liabilities		-	-	-
(i) Borrowings		-	-	-
(ii) Trade payables		-	-	-
(iii) Other Financial Liabilities		709709.00	-	707709.00
(b) Other Current Liabilities		273980.00	-	273980.00
(c) Provisions		1336000.00	-	1336000.00
Total Current Liabilities (C)		2319689.00	-	2319689.00
Total Equity and Liabilities (A+B+C)		163540461.00	-	163540461.00

Reconciliation of profit or Loss for the year ended 31.03.2016

(₹ in Rs.)

	Foot Note	Indian GAAP	Adjustments	Ind AS
Revenue from Operations		-	-	-
Sales (Net)		-	-	-
Other Operating Revenue (Net)		-	-	-
Revenue from Operations (A+B)		-	-	-
Other Income		4735.00	-	4735.00
Total Income (I+II)		4735.00	-	4735.00
EXPENSES				
Cost of Materials Consumed		-	-	-
Changes in inventories of finished goods/work in progress and Stock in trade		-	-	-
Employee Benefits Expense		-	-	-
Power Expense		-	-	-
Corporate Social Responsibility Expense		-	-	-
Repairs		-	-	-
Contractual Expense		-	-	-
Finance Costs		-	-	-
Depreciation/Amortization/ Impairment expense		-	-	-
Provisions		-	-	-
Write off		-	-	-
Stripping Activity Adjustment		-	-	-
Other Expenses		233361.00	-	233361.00
Total Expenses (IV)		233361.00	-	233361.00
Profit before Tax (V-VI)		228626.00	-	228626.00
Tax expense		-	-	-
Profit for the Period (IX+XII+XIII)		228626.00	-	228626.00
Other Comprehensive Income		-	-	-
A (i) Items that will not be reclassified to profit or loss		-	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-	-
B (i) Items that will be reclassified to profit or loss		-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-
Total Other Comprehensive Income		-	-	-
Total Comprehensive Income for the period (XIV+XV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		228626.00	-	228626.00

r) Others

1. Previous period's figures have been restated as per Ind AS and regrouped and rearranged wherever considered necessary.
2. Previous period's figures in Note No. 1 to 37 are in brackets.
3. Note 3 to 23 form part of the Balance Sheet as at 31st March 2017 and 24 to 37 form part of Statement of Profit & Loss for the year ended on that date. Note – 38 represents Significant Accounting Policies, Note – 39 represents Additional Notes to the Financial Statements and Note-40 First time adoption of Ind AS.

Sd/-
(M.C. Saini)
Assistant Manager
(Finance)

Sd/-
(J.P. Singh)
Director

Sd/-
(CA Umakanta Baral)
Partner
Membership No. 500024

Sd/-
(K.R. Rajeev)
Chief Executive
Officer

Sd/-
(L.N. Mishra)
Chairman

Place : BHUBANESWAR

Date : 23.05.2017