

MAHANADI COAL RAILWAY LIMITED

(A subsidiary of Mahanadi Coalfields Limited)

2015-16 Annual Report & Accounts





MAHANADI COAL RAILWAY LIMITED

(A subsidiary of Mahanadi Coalfields Limited)

1st Annual Report and Accounts 2015-16

**Regd Office:- Jagruti Vihar, Burla
Sambalpur, Odisha - 768020**



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COMPANY INFORMATION

MANAGEMENT DURING – 2015 - 16

CHAIRMAN

Shri J. P. Singh (w.e.f. 11.09.2015)

DIRECTORS

Shri K. K. Parida (w.e.f. 31.08.2015)

Shri A. K. Pandey (w.e.f. 31.08.2015)

Shri A. K. Gupta (w.e.f. 31.08.2015)

Shri A. K. Singh (w.e.f. 31.08.2015)

Shri B. K. Joshi (w.e.f. 31.08.2015)

CHIEF FINANCIAL OFFICER

Shri G. Anantharamakrishnan (w.e.f. 03.10.2015)

STATUTORY AUDITORS

Bijay Dhaniram & Co
Chartered Accountants,
Mararwaripara,
Dhobigali,
Sambalpur – 768001,
Odisha.

BANKERS

State Bank of India,
MCL Complex Branch,
Jagruti Vihar, Burla,
Sambalpur - 768020.

REGISTERED OFFICE

Mahanadi Coal Railway Limited, Jagruti Vihar, Burla, Sambalpur, Odisha-768020.

BOARD OF DIRECTORS AS ON 1st August, 2016

CHAIRMAN

Shri J. P. Singh (w.e.f. 11.09.2015)

DIRECTORS

Shri K. K. Parida (w.e.f. 31.08.2015)

Shri L. N. Mishra (w.e.f. 06.06.2016)

Shri A. K. Gupta (w.e.f. 31.08.2015)

Shri A. K. Singh (w.e.f. 31.08.2015)

Shri M. S. Mathur (w.e.f. 12.04.2016)

Shri S. K. Mohanty (w.e.f. 01.06.2016)

NOTICE OF ANNUAL GENERAL MEETING

Date: 21st July, 2016

Notice is hereby given that the 1st Annual General Meeting of Mahanadi Coal Railway Limited will be held at 1.00 PM Monday, the 1st August, 2016 at the registered Office of the Company, Jagruti Vihar, Burla, Sambalpur, Orissa - 768020 to transact the following business.

Ordinary Business:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2016 including the Audit Balance Sheet as at 31st March, 2016 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 appoint Directors in place of Shri K. K. Parida (DIN - 07015077), Director who retires by rotation in terms of Section 152(6) of the Companies Act 2013 and being eligible, offers himself for re-appointment.
3. To appoint Directors in place of Shri A. K. Gupta, (DIN - 07263307), Director who retires by rotation in terms of Section 152(6) of the Companies Act 2013 and being eligible, offers himself for re-appointment.
4. To authorise Board of Directors of the Company to fix the remuneration of the Statutory Auditors of the Company for the Financial Year 2016-17, in terms of the Section 139(5) read with section 142 of the Companies Act, 2013 and to pass the following resolution, with or without modification(s), as Ordinary Resolution:

"RESOLVED THAT pursuant to Section 142 of the Companies Act - 2013, the Board of Directors of the Company be and hereby authorized to fix the remuneration of the Auditors of the Company to be appointed by Comptroller & Auditor General of India under Section 139(5) for the Financial Year 2016-17."

By order of the Board of Directors
For Mahanadi Coal Railway Limited

Sd/-
(J. P. Singh)
Chairman
DIN :- 06620453

Registered Office:
Jagruti Vihar , Burla, Sambalpur – 768020.

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.
2. Proxies, to be effective, must be received by the Company not less than 48 hours before the meeting.
3. Corporate members intending to send their Authorised Representatives to attend the meeting and requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
4. Pursuant to provisions of Section 105 of the Companies Act, 2013, read with the applicable rules thereon, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy, who shall not act as a proxy for any other member.
5. 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.
(Atten: Company Secretary, MCL).
2. IRCON International Limited, C-4, District Centre, Saket, New Delhi - 110017
(Atten: Company Secretary, IRCON).
3. Odisha Industrial Infrastructure Development Corporation, IDCO Tower, Janpath, Bhubaneswar - 22 (Atten. Managing Director, IDCO)
4. Shri Jaswinder Pal Singh, Director (Tech./P&P), Mahanadi Coalfields Limited, Jagruti Vihar, Burla, Sambalpur – 768020.
5. Shri Khirod Kumar Parida, Director (Finance), Mahanadi Coalfields Limited, Jagruti Vihar, Burla, Sambalpur - 768020.
6. Shri. Akhilesh Kumar Pandey, General Manager (Civil), Mahanadi Coalfields Limited, Jagruti Vihar, Burla, Sambalpur - 768020.
7. Shri Anil Kumar Gupta, General Manager (PPP), IRCON International Limited, C-4, District Centre, Saket, New Delhi-110017.

Auditors:

1. M/s. Bijay Dhaniram & Co , Chartered Accountants, Mararwaripara, Dhobigali, Sambalpur- 768001 .
2. Principal Director, Office of the Principal Director of Commercial Audit and Ex-Officio Member, Audit Board- II, Old Nizam Place , 234/4, Acharya Jagadish Chandra Bose Road, Kolkata – 700020.

Directors:

1. All Directors, Mahanadi Coal Railway Limited Board.

CHAIRMAN'S STATEMENT

Dear Shareholders,

It gives me immense pleasure to welcome you all on this special occasion of 1st Annual General Meeting of the Company and present you the Annual Report of your Company for the year 2015-16 including the Directors' Report and the Audited Accounts for the financial year ending on 31st March, 2016 which have already been circulated to you and with your permission, I take them as read.



Mining in India is a major economic activity, which contributes significantly to the economy of India. The coal sector in India is performing well due to the various initiatives taken by the new Government, empowering the industry. Coal India, the world's biggest coal miner, is targeting a 100 percent rise has seen a 7 percent growth year-on-year and this growth will be sustained in the days to come.

There has been a shortage of coal supply in the country regardless of its sufficient availability of coal. In India there is around 123 billion tonnes of coal reserves, yet the India is importing a lot of coal but the Government has worked out a plan on the basis of anticipated demand for producing about 1.5 billion tonnes of coal by 2020. Presently, Coal India Limited (CIL) contributes about 81% of the overall coal production of India. It has been producing about 537 million tonnes of coal. The Govt. is planning to double the CIL production to a billion tonnes of coal and 500 million tonnes by non-CIL entities.

Mahanadi Coalfields Limited (MCL), a subsidiary of CIL, is a major contributor in the coal extraction and dispatch. Its coal production was 137.9 MT in the financial year 2015-16 and has progressively gone up year after year. It's planned to produce 250 MT in the year 2019-20. Higher production pose logistics demands for faster evacuation of coal by modernizing the loading facilities such as introduction of rapid loading system (RLS) and SILO etc and environmental friendly transport system from mines. MCL has been emphasizing the need for improvement in rail infrastructure to evacuate coal faster from its mines and minimizing pollution in the environment.

Coal evacuation and Railway Infrastructure:

Mahanadi Coalfields Limited (MCL), a subsidiary of Coal India Limited (CIL), has been a leading player in extracting and supplying coal for thermal power generation from its wide spread operational areas located in the state of Odisha. In order to meet the growing coal needs of the country, MCL has embarked upon expansion plans to extract more and more from its existing as well as new coalfields. As majority of coal dispatches take place through rail mode, MCL felt the need of Rail linkage in the existing and upcoming operational areas to meet the logistic challenges foreseen on account of coal evacuation.

Inadequate rail infrastructure and a lack of dedicated freight infrastructure have impeded the growth of India's coal supply. With the bulk of coal reserves concentrated in the eastern area of the country in the states of Jharkhand, Chhattisgarh and Odisha, and with coal-fired generating plants located in nearly all the Indian states, rail plays a critical role in coal supply.

Coal India has always been mentioned that the issue of lower output is not related to production but to logistics. Coal stocks are lying at the mines waiting to be evacuated but are not been done on account of lack of proper transportation mode. Even though there are railway tracks there are not enough rakes available to clear the inventory. Road connectivity between consumers and mineral zones is either missing or is in a poor state.

Following are the major challenges being faced in coal transportation:

- Lack of availability of proper transportation mode for produced coal
- Mismatch between the demand and supply of railway wagons
- Lack of infrastructure to support a coal movement at full capacities
- Some of the steps to improve the transport facilities and infrastructural requirements in order to compliment the coal industry rather than hamper its progress are as follows:
 - ▶ Enhanced road connectivity across mineral zones and consumers
 - ▶ Infrastructure developments driven by PPP
 - ▶ Restructuring and/or reallocation of railway networks to connect with the coal bearing areas
 - ▶ Doubling of railway routes at places where coal movement is higher
 - ▶ Enhancing port capacities as well as evacuation efficiency and augmenting the existing capacities from existing ports

Considering the important of such rail linkage, a Memorandum of Understanding (MoU) was signed between Ministry of Coal, Ministry of Railways and the Govt. of Odisha on 20th April, 2015 for the formation of rail corridors. As a corollary to synchronize the efforts in developing rail network, MCL joined hands by entering into a separate MoU on 20th May, 2015 with IRCON International Limited (IRCON) and Odisha Industrial Infrastructure Development Corporation (IDCO) to create Special Purpose Vehicle (SPV) for develop rail corridor in the state of Odisha, thus, an idea of forming a separate company was conceived in the name of Mahanadi Coal Railway Limited (MCRL).

Vision 2020:

Coal India Limited (CIL), the Maharatna coal mining monolith had unveiled its roadmap, of strategies to be adopted, to attain the 1 Billion Tonne (BT) coal production mark by 2019-20. With the projected coal demand of the country hovering around 1,200 Million Tonnes

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(MTs) by 2019-20, at an envisaged growth rate of 7%, CIL is expected to chip in 1 BT, of which, 908 MTs is the expected contribution from the identified projects.

The two CIL subsidiaries Sambalpur based Mahanadi Coalfields Limited and the Bilaspur based South Eastern Coalfields Limited are expected to play a pivotal role in CIL's quest of attaining the 1 BT production with 250 MTs and 240 MTs respectively.

Joint Venture:

MCL, IRCON and IDCO have joined hands to improve rail connectivity in the state of Odisha by forming a Joint venture Company i.e., Mahanadi Coal Railway Limited (MCRL) on 31st of August 2015. Such a venture creates synergy by seeking administrative support from Central and State Govt., Technical support from Railways and commercial support from MCL to meet the logistic challenges. MCRL has been incorporated to establish Rail Corridor in the state of Odisha. It has been conceptualized to sustain in the venture through a participative business model by investing in rail infrastructure and sharing of revenue generated from the traffic out of rail corridor.

Acknowledgements:

I acknowledge the support of stakeholders in all spheres to develop the Rail Corridor in the state and express my sincere appreciation on behalf of the Board of Directors, Shareholders and the management of the Company, to Ministry of Coal, Ministry of Railways, Government of Odisha, Coal India Limited and Mahanadi Coalfields Limited, for their constant guidance and support. I shall continue to seek the same in future too. I also sincerely thank all officials and associates for their dedication and hard work in this venture.

Thanking you,

Sd/-
(J. P. Singh)
Chairman
DIN – 06620453

DIRECTORS' REPORT

Dear Members,

On behalf of the Board of Directors of your Company, It is my privilege and honour to present the 1st Annual Report of your company together with the audited Financial Statements for the year 2015-16 along with the report of the Statutory Auditors and the comments of the Comptroller and Auditor General of India.

1. HIGHLIGHTS OF PERFORMANCE:

Project Implementation Agreement between MCRL and IRCON for carrying out the Rail Infrastructure Projects was finalised and signed on 19.04.2016.

Project decided to be taken up through SPV are:

1st PHASE

a. Angul –Balram- Jarpada link at Talcher CF (69.10 KM) which consists of Angul - Balram (Kalinga) link (14.2 Km)

2nd PHASE

Jharpada – Radhikapur- Tentuloi- Budhapunk – as phase - II (136 KM approx)(This will serve approximately 30 new coal blocks, both CIL & Non CIL)

IRCON, the implementing agency of MCRL has already started and completed the initial survey of Angul –Balram- Jarpada link at Talcher (69.10 KM) which consists of Jarpada – Kalinga- Angul link (14.20 Km). Feasibility Study Report shall be submitted to Railways for approval and subsequently DPR shall be made to take up the construction of this line. This project is proposed to be completed by 31.12.2019.

2. ORGANISATION:

Memorandum of Understanding (MoU) was signed between Mahanadi Coalfields Limited (MCL), IRCON International Limited (IRCON) and Odisha Industrial Infrastructure Development Corporation (IDCO) to create a Special Purpose Vehicle (SPV) for develop rail corridor in the state of Odisha, thus, an idea of forming a separate company was conceived in the name of Mahanadi Coal Railway Limited (MCRL) with an equity participation ratio of 64:26:10, incorporated on 31st of August 2015. Such a venture creates synergy by seeking administrative support from Central and State Govt., Technical support from Railways and commercial support from MCL to meet the logistic challenges faced by coal mines. It has been conceptualized to sustain in the venture through a participative business model by investing in rail infrastructure and sharing of revenue generated from the traffic out of rail corridor.

Mahanadi Coal Railway Limited

As per MoU, IDCO share of equity shall correspond to the value of land provided by the Govt. of Odisha (GoO) or 10 % whichever is more. If the value of land provided by GoO exceeds 10 % of the equity, the shareholding percentage of IDCO and MCL shall stand modified accordingly. GoO shall provide land owned by state govt. (Revenue and Forest land) and value of such land shall be adjusted towards its equity. Cost of compensatory afforestation, net present value, wildlife management plan, demarcation, felling and other charges for diversion proposal of forest plan under Forest Conservation Act shall be borne by MCRL. It has been envisaged to carry out preliminary activities through IRCON, having domain expertise on railway projects and to act as implementing agency for undertaking the construction work in two phases. MCRL shall enter into separate agreements with Ministry of Railways for Concession, Operation & Maintenance of assets.

3. CAPITAL STRUCTURE:

During the year under review, there is no change in the Authorised, Issued and Paid up Capital of the Company, which stood at Rs. 5.00 Lakh. The equity shareholding patterns of the promoters companies are as follows:

Name of the company	Shareholding patternAs on 31-03-2016	Shareholding pattern As on 31-08-2015
1. Mahanadi Coalfields Limited	64%	64%
2. IRCON International Limited	26%	26%
1. Odisha Industrial Infrastructure Development Corporation	10%	10%
Total	100%	100%

4. FINANCIAL RESULTS:

Financial Results for the financial year 2015-16 are given below:

Particulars	For the Year Ended on 31-03-2016 (Rs)
Income for the year	2,170.00
Expenditure for the year excluding Depreciation and Amortization Exp.	17,080.00
Profit or Loss before Depreciation and Amortization Exp.	(14,910.00)
Less: Depreciation and Amortization Exp.	0.00
Profit or Loss after Depreciation and Amortization Exp. But before Tax	(14,910.00)
Less: Current Tax	0.00
Profit or Loss After Tax	(14,910.00)

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. 2015-16, has been capitalized and other indirect expenses charged to Statement of Profit and Loss. During the financial year 2015-16. The Company has taken Rs.20000000.00 Unsecured Short Term Loans from Mahanadi Coalfields Limited (Holding Company).

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) 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 financial results on a quarterly and an annual basis.

5. DIVIDEND:

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

6. RESERVES:

The Company didn't transfer any amount in Reserves

7. CONTRIBUTION TO THE EXCHEQUER:

NIL

8. SUBSIDIARY/ JV COMPANIES:

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

9. 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.

10. RISK MANAGEMENT:

Due importance is 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. The Management monitors all critical factors continuously.

11. RELATED PARTY TRANSACTION:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons, which may have potential conflict with interest of the company at large.

12. PARTICULARS OF LOANS GURANTEES OR INVESTMENTS:

Pursuant to the clarification dated February 13, 2015 issued by Ministry of Corporate Affairs and Section 186 (4) & (11) and of the Companies Act, 2013 requiring disclosure in the financial statements of full particulars of the investment made, loan given or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee is disclosed.

13. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

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

14. AUDITORS:

Under Section 139 of the Companies Act 2013, the following Audit Firm was appointed as Statutory Auditor of the Company for the financial year 2015-16:

M/s Bijay Dhaniram & Co
Chartered Accountants
Mararwaripara, Dhobigali,
Sambalpur – 768001,
Odisha.

15. BOARD OF DIRECTORS:

The Board of Directors of Mahanadi Coal Railway Limited consists of 6 (Six) members, viz., Chairman and 2(two) Directors as nominee of MCL, 2 (two) Directors as nominee of IRCON and 1 (one) Director as nominee of IDCO.

The Composition of Board of Directors as on 31.03.2016 is as under:

Sl. No.	Name	Designation	Date of Appointment
1.	Shri J. P. Singh	Chairman	(w.e.f. 11.09.2015)
2.	Shri K. K. Parida	Director	(w.e.f. 31.08.2015)
3.	Shri A. K. Pandey	Director	(w.e.f. 31.08.2015)
4.	Shri A. K. Gupta	Director	(w.e.f. 31.08.2015)
5.	Shri A. K. Singh	Director	(w.e.f. 31.08.2015)
6.	Shri B. K. Joshi	Director	(w.e.f. 31.08.2015)

16. BOARD MEETINGS:

Three Board meetings were held during the Financial year 2015-16. The maximum time gap between two meetings was not more than 120 days. The details of the Board meetings held during the period are given as under.

Meeting No.	Date of Meeting	Time	Venue of Meeting
1 st	11.09.2015	2.30 PM	MCL Office, Plot No. G-3, Chandrasekharpur, Bhubaneswar-751017
2 nd	11.12.2015	3.00 PM	CIL Office, Kolkata
3 rd	21.03.2016	11.30 AM	MCL Office, Plot No. G-3, Chandrasekharpur, Bhubaneswar-751017

Details on attendance of the Directors individually:

Name of Directors	Category	Board Meetings	
		Held during the tenure	Attended
Shri J. P. Singh	Chairman, Non -Executive	3	3
Shri K. K. Parida	Non -Executive	3	3
Shri A. K. Pandey	Non -Executive	3	3
Shri A. K. Gupta	Non -Executive	3	3
Shri A. K. Singh	Non -Executive	3	3
Shri B. K. Joshi	Non -Executive	3	3

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO:

Information in accordance with the provision of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 regarding Conservation of Energy, Technology absorption and Foreign Exchange earnings and Outgo is Annexed to this Report.

18. INFORMATION UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014, REGARDING EMPLOYEES REMUNERATION:

Information as per Section 197 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014,

is not applicable to your company as no employee in the company was drawing more than Rs. 5,00,000/- per month or Rs. 60,00,000 per annum or in excess of that drawn by Managing Director or Whole-time Director or manager and holds by himself or along with spouse and dependent children, not less than two percent of the equity shares of the company.

19. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section- 134 (5) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, it is hereby confirmed:-

1. That in the preparation of the Annual Accounts for the Financial Year ended 31.03.2016, the applicable Accounting Standards have been followed (except as disclosed in the Additional Notes on Accounts) along with proper explanation relating to material departures.
2. 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 a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit or Loss of the Company for the year under review.
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act - 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the Directors have prepared the Accounts for the Financial Year ended 31.03.2016 on a 'Going Concern' basis.
5. 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.

20. BANKER'S NAME AND ADDRESS:

Sl. No.	Name	Branch Address
1	State Bank of India	MCL Complex Branch, Jagruti Vihar, Burla, Sambalpur, PIN - 768020

21. C & A G COMMENTS:

Comments of the Comptroller & Auditor General of India on the Accounts of the Company for the year ended 31st March 2016 is annexed herewith.

22. AUDITOR'S REPORT:

The observation made in the Auditors' Report read together with relevant notes thereon are self explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013. The report is annexed herewith.

23. EXTRACT OF ANNUAL RETURN:

The extract of the Annual Return of the Company in form MGT-9 for the year under report pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014 is annexed herewith.

24. ACKNOWLEDGEMENT:

Your Directors acknowledge with deep sense of appreciation the co-operation, valuable support and guidance received from the Ministry of Coal, Ministry of Railways and Government of Odisha, Coal India Limited, Mahanadi Coalfields Limited, IRCON International Limited and Odisha Industrial Infrastructure Development Corporation.

Your Directors also express their sincere thanks to the District administration and to all those, who have directly and indirectly extends their help and cooperation from time to time for the development of the Rail Corridor.

Your Directors express their deep felt thanks and best wishes to all the shareholders for their continued support and reposing trust on the management. Your Directors would like to place on record their appreciation for the untiring efforts and contributions made by the employees and associates at all levels to achieve the progress so far and moving closer towards reality.

Your Directors also record their appreciation of the services rendered by the Officers and staff of the Principal Director of Commercial Audit & Ex-officio Member Audit Board – II, Kolkata, O/o the Comptroller & Auditor General of India and Registrar of Companies Odisha.

25. ADDENDA:

The following documents are annexed:

1. Information regarding Conservation of Energy, Technology absorption and Foreign Exchange earnings and Outgo, (Annexure – I).
2. Extract of Annual Return (Form No. MGT – 9), (Annexure – II).
3. Report of the Statutory Auditor under Section 139 of the Companies Act 2013, (Annexure – III).
4. Comment of the Comptroller and Auditor General of India under section 143(6) (b) of the Companies Act 2013, (Annexure – IV).

Date: 04.07.2016
Place: Sambalpur

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO

(Information under Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) the Companies (Accounts) Rules, 2014 and forming part of the Report of the Directors.)

(A) Conservation of energy-

- (i) The steps taken or impact on conservation of energy: NIL
- (ii) The steps taken by the company for utilising alternate sources of energy: NIL
- (iii) The capital investment on energy conservation equipments: NIL

(B) Technology absorption-

- (i) The efforts made towards technology absorption: NIL
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution: NIL
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- : NIL
- (iv) The expenditure incurred on Research and Development: NIL

(C) Foreign exchange earnings and Outgo-

The Company's has been incorporated on 31st August, 2015 and no such activity has yet been started

(Rs in Lakhs)

Particulars	2015-2016
Total Foreign Exchange Received (F.O.B. Value of Export)	-
Total Foreign Exchange used:	
i) Raw Materials	-
ii) Consumable Stores	-
iii) Capital Goods	-
iv) Foreign Travels	-
v) Others	-

INDEPENDENT AUDITOR'S REPORT

To,

THE MEMBERS OF MAHANADI COAL RAILWAY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of MAHANADI COAL RAILWAY LIMITED ("the Company"), which comprise the Balance Sheet as at 31/03/2016, the Statement of Profit and Loss, the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

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

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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.

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

- (i) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013. We give in the Annexure-A statements on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
- (ii) As required under section 143 (5) of the Companies Act 2013, we give in Annexure – B to this report, a statement on the directions, issued by the Comptroller and Auditor General of India after complying the suggested methodology of audit, the actions taken thereon and its impact on the accounts and financial statements of the company.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- (c) The Balance Sheet, the Statement of Profit and Loss, and the cash flow statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31/03/2016 taken on record by the Board of Directors, none of the directors is disqualified as 31/03/2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Date : 17.05.2016
Place : Sambalpur

For Bijay Dhaniram & Co
(Chartered Accountants)
Regd. No – 324629E

Sd/-
(B. K. Agrawal)
Proprietor

Annexure -A

Annexure to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i) In Respect of Fixed Assets:

The company has not any fixed assets during the year. Hence physical verification by management is not conducted during the year.

ii) In Respect of Inventories:

The company has no stock of stores, spares parts and raw materials during the year.

iii) Loans and advances to parties covered under section 189 of Companies Act – 2013:

No Loans and advances to parties covered under section 189 of Companies Act – 2013 has given during the year, hence:

- (a) Not Applicable
- (b) Not Applicable
- (c) Not Applicable

IV) Loans, investments, guarantees, and security:

In respect of loans, investments, guarantees, and security the section 185 and 186 of the Companies Act, 2013 have been complied with.

v) Accepting Deposits from public:

According to information and explanation given to us the company has not accepted any deposits from public, therefore this clause is not applicable to the company.

vi) Maintenance of cost records under Section 148 of the Companies Act – 2013:

vii) In respect of statutory dues: NIL

viii) Default in Repayment of Loans taken from Bank or Financial Institutions:

The company has not taken any loans from any financial institutions or banks; hence, this clause is not applicable.

ix) Moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised:

The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans; hence, this clause is not applicable.

x) Reporting of Fraud During the Year (Nature and Amount):

According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

xi) Managerial Remuneration:

The company has not paid any managerial remuneration during the year.

xii) Provision related to Nidhi company:

Not Applicable.

xiii) Related party Transaction in compliance with sections 177 and 188 of Companies Act, 2013:

According to information and explanation given to us there is no transaction with related party during the year.

xiv) Preferential allotment or private placement of shares or fully or partly convertible debentures during the year:

The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the reporting period.

xv) Non-cash transactions with directors or persons connected with him:

The company has not entered into any non-cash transactions with directors or persons connected with him during the reporting period.

xvi) Registration under section 45-IA of the Reserve Bank of India Act, 1934:

Not Applicable.

Date : 17.05.2016
Place: Sambalpur

**For Bijay Dhaniram & Co
(Chartered Accountants)
Regd. No – 324629E**

**Sd/-
(B. K. Agrawal)
Proprietor**

Annexure -B

REPORT PURSUANT TO DIRECTIONS UNDER SECTION 143(5) OF
THE COMPANIES ACT, 2013

COMPANY : MAHANADI COAL RAILWAY LIMITED.
JAGRUTI VIHAR , BURLA,
SAMBALPUR

FINANCIAL YEAR : 2015 – 16

Sl. No.	Direction issued	Statutory Auditor's Replay
1.	Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	Not Applicable
2.	Please report whether there are any cases of waiver/write off of debts/loans/interest etc, if yes, the reasons therefore and the amount involved.	As per information given to us, there was no case of waiver/write off of debt/loans/interest etc. During the year under audit
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government or other authorities?	Not Applicable

Date : 17.05.2016
Place : Sambalpur

For Bijay Dhaniram & Co
(Chartered Accountants)
Regd. No – 324629E

Sd/-
(B. K. Agrawal)
Proprietor
M. No - 060126

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

We have audited the internal financial controls over financial reporting of **M/s. Mahanadi Coal Railway Limited** (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

FOR BIJAY DHANIRAM & CO.
(Chartered Accountants)
Reg No. :324629E

CA BIJAY KUMAR AGRAWAL
Proprietor
M.No. : 060126

Date : 17TH MAY,2016
Place : SAMBALPUR

Annexure – IV

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MNH SHAKTI LIMITED FOR THE YEAR ENDED 31ST MARCH 2016.

The preparation of financial statements of Mahanadi Coal Railway Limited for the year ended 31st March 2016 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 auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion of the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 17.05.2016.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct supplementary audit of the financial statements of Mahanadi Coal Railway Limited for the year ended 31 March 2016 under section 143 (6) (a) of the Act.

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

Sd/-

(Praveer Kumar)

**Pr. Director of Commercial Audit
& Ex-officio Member, Audit Board-II, Kolkata**

Dated: 14.06.2016
Kolkata

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 31/03/2016 of
MAHANADI COAL RAILWAY 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:- **U60100OR2015GOI019349**
- ii) Registration Date: **31/08/2015**
- iii) Company Name : **MAHANADI COAL RAILWAY 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 **At/Po - Jagruti Vihar, Burla**
Town / City : **Sambalpur**
State : **Odisha**
Country Name : **India**
Pin Code: **768020**
Fax Number : **0663-2542977**
Email Address : **Mcr131082015@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	Transport via railways	49110 and 49120	100

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	64	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	0	0	0	0	0	0	0	0	0
1. Institutions	0	0	0	0	0	0	0	0	0
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 upto 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	Mahandi Coalfields Limited	32000	64	NIL	32000	64	NIL	NIL
2	IRCON International Limited	13000	26	NIL	13000	26	NIL	NIL
3	Odisha Industrial Infrastructure Development Corporation	5000	10	NIL	5000	10	NIL	NIL

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
	At the beginning of the year	50000	100	100	85100000
	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):	NO CHANGE			
	At the End of the year	50000	100	100	85100000

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	NIL			
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):	NIL			
3.	At the End of the year (or on the date of separation, if separated during the year)	NIL			

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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 (i.e. 31.08.2015)					
(i)	Shri Jaswinder Pal Singh	100	0.2	100	0.2
(ii)	Shri Khirod Kumar Parida	100	0.2	100	0.2
(iii)	Shri Akhilesh Kumar Pandey	100	0.2	100	0.2
(iv)	Shri Anil Kumar Gupta	100	0.2	100	0.2
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					
(i)	Shri Jaswinder Pal Singh	100	0.2	100	0.2
(ii)	Shri Khirod Kumar Parida	100	0.2	100	0.2
(iii)	Shri Akhilesh Kumar Pandey	100	0.2	100	0.2
(iv)	Shri Anil Kumar Gupta	100	0.2	100	0.2

Shares were held on beneficial interest.

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	0	0	0
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	0	0	0
Change in Indebtedness during the financial year			0	0
* Addition	0	20000000	0	20000000
* Reduction	0	0	0	0
Net Change	0	20000000	0	20000000
Indebtedness at the end of the financial year				
i) Principal Amount	0	20000000	0	20000000
ii) Interest due but not paid	0	832500	0	832500
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	20832500	0	20832500

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
		-----	-----
	Gross salary		
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-----	-----
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-----	-----
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-----	-----
2	Stock Option	-----	-----
3	Sweat Equity	-----	-----
4	Commission - as % of profit - others, specify...	-----	-----
5	Others, please specify		
	Total (A)	-----	-----
	Ceiling as per the Act		

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors	Total Amount
		---	---
1	Independent Directors	---	---
	Fee for attending board committee meetings	---	---
	Commission	---	---
	Others, please specify	---	---
	Total (1)	---	---
2	Other Non-Executive Directors	---	---
	Fee for attending board committee meetings	---	---
	Commission	---	---
	Others, please specify	---	---
	Total (2)	---	---
	Total (B)=(1+2)	---	---
	Total Managerial Remuneration	---	---
	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		
				Total
1	Gross salary	----		----
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	----		----
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	----		----
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	----		----
2	Stock Option	----		----
3	Sweat Equity	----		----
4	Commission	----		----
	- as % of profit	----		----
	others, specify...	----		----
5	Others, please specify	----		----
	Total	----		----

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

**BALANCE SHEET
As at 31st. March, 2016**

(Figures in ₹)

Particulars	Notes	As at <u>31/03/2016</u>	
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
a) Share Capital	1	500,000.00	
b) Reserves and Surplus	2	(65,180.00)	434,820.00
c) Money Received against Share Warrants		<u>-</u>	-
(2) Share Application money pending allotment			
(3) Non-Current Liabilities			
a) Long Term Borrowings		-	
b) Deferred Tax Liability (Net)		-	
c) Other Long Term Liabilities		-	
d) Long Term Provisions		<u>-</u>	-
(4) Minority interest			
(5) Current Liabilities			
a) Short Term Borrowings	3	20,799,520.00	
b) Trade Payables		-	
c) Other Current Liabilities	4	99,700.00	20,899,220.00
d) Short Term Provisions		<u>-</u>	
Total			<u>21,334,040.00</u>
II ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
i) Tangible Assets - Gross Block		-	
Less : Depreciation, Impairment & Provisions		<u>-</u>	
Net Carrying Value			-
ii) Intangible Assets - Gross Block		-	
Less : Depreciation, Impairment & Provisions		<u>-</u>	
Net Carrying Value			-
iii) Capital Work-in-Progress	5		832,500.00
iv) Intangible Assets under Development			-
(b) Non-Current Investments			
(c) Deferred Tax Asset (Net)			
(d) Long Term Loans & Advances			
(e) Other Non-Current Assets			

Balance Sheet Contd.

	Notes		(Figures in ₹)
			As at 31/03/2016
(2) Current Assets			
(a) Current Investments		-	
(b) Inventories		-	
(c) Trade Receivables		-	
(d) Cash & Cash equivalents	6	499,370.00	
(e) Short Term Loans & Advances	7	20,000,000.00	
(f) Other Current Assets	8	2,170.00	
		<u>20,501,540.00</u>	
Total			<u>21,334,040.00</u>
Significant Accounting Policies	11		
Additional Notes on Accounts	12		

The Notes referred to above form an integral part of Balance Sheet

Sd/-
(S. K. Behera)
Asst. Manager (Finance)

Sd/-
(G. Anantharamakrishnan)
Chief Financial Officer

For Bijay Dhaniram & Co.
Chartered Accountants
Firm Reg. No. - 324629E

Sd/-
(K.K. Parida)
Director

Sd/-
(J. P. Singh)
Chairman

Sd/-
(B. K. Agrawal)
Proprietor
M No. 060126

Date : 17.05.2016
Place : Sambalpur

STATEMENT OF PROFIT & LOSS
For the period from 31st August, 2015 to 31st March, 2016

(Figures in ₹)

Particulars	Notes	For the Year ended <u>31/03/2016</u>
<u>INCOMES</u>		
Revenue From Operations		-
Other Income	9	2,170.00
Total Revenue		2,170.00
<u>EXPENSES</u>		
Cost of Materials Consumed		-
Purchases of Stock-in-Trade		-
Change in inventories of finished goods, work in progress and Stock in trade		-
Employee benefit expenses		-
Finance Costs		-
Depreciation and Amortization expense		-
Other Expenditures	10	17,080.00
Total Expenses		17,080.00
Profit/Loss before exceptional items and tax		(14,910.00)
Exceptional Items		-
Profit/Loss before Tax		(14,910.00)
Less : Tax Expense		-
- Current year (including wealth tax)		-
- Deferred Tax		-
- Earlier years		-
Profit/Loss for the period from continuing operations		(14,910.00)
Profit/(loss) from discontinued operations		-
Tax expense of discontinued operations		-
Profit/(loss) from Discontinued operations (after tax) (VIII-IX)		-
Profit/(loss) for the period (VII+X)		(14,910.00)

Contd.

(Figures in ₹)

Notes

**For the Year ended
31/03/2016**

Earnings per equity share (in ₹) (Face Value of Rs. 10/- per share)

Basic	(0.30)
Diluted	(0.30)

Significant Accounting Policies	11
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Additional Notes on Accounts	12
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The Notes referred to above form an integral part of Statement of Profit & Loss

Sd/-
(S. K. Behera)
Asst. Manager (Finance)

Sd/-
(G. Anantharamakrishnan)
Chief Financial Officer

For Bijay Dhaniram & Co.
Chartered Accountants
Firm Reg. No. - 324629E

Sd/-
(K.K. Parida)
Director

Sd/-
(J. P. Singh)
Chairman

Sd/-
(B. K. Agrawal)
Proprietor
M No. 060126

Date : 17.05.2016
Palce : Sambalpur

**NOTES TO BALANCE SHEET
As at 31st. March, 2016**

NOTE - 1

(Figures in ₹)

SHARE CAPITAL

**As at
31/03/2016**

Authorised:

50000 Equity Shares of Rs. 10/- each

500,000.00

500,000.00

Issued, Subscribed and Paid-up:

50000 Equity Shares of Rs.10/- each fully paid up

500,000.00

500,000.00

Total

Note: 1) Shares in the company held by each shareholder holding more than 5% shares

Name of Shareholder	No. of Shares Held (Face value of Rs. 10 each)	% of Total Shares
Mahanadi coalfields Ltd and its nominees	32000	64
IRCON International Limited and its nominees	13000	26
Odisha Industrial Infrastructure Development Corporation	5000	10
Total	50000	100

2) During the year, there is no change in the number of shares.

NOTE - 2

RESERVES & SURPLUS

(Figures in ₹)

RESERVES :

**As at
31/03/2016**

Surplus in Profit & Loss Account

As per last Balance Sheet

Profit/(Loss) after Tax During the Year/ period

(14,910.00)

Profit/(Loss) available for Appropriation

(14,910.00)

Miscellaneous Expenditure

(to the extent not written off)

Preliminary Expenses

(50,270.00)

Pre-Operational Expenses

(50,270.00)

Total

(65,180.00)

**NOTES TO BALANCE SHEET
As at 31st. March, 2016**

NOTE - 3

SHORT TERM BORROWINGS

		(Figures in ₹)
		As at <u>31/03/2016</u>
Loans Repayable on Demand:		
Balance with Mahanadi Coalfields Limited	20799520.00	20799520.00
Total		20,799,520.00
Classification- 1		
Secured		-
Unsecured		20,799,520.00
Classification- 2		
Loan Guaranteed by Directors & Others		Nil

NOTE - 4

OTHER CURRENT LIABILITIES

		(Figures in ₹)
		As at <u>31/03/2016</u>
FOR EXPENSES :		
Salary Wages & Allowances	-	-
Power & Fuel	-	-
Others	<u>16,450.00</u>	16,450.00
STATUTORY DUES :		
Income Tax Deducted at Source	83,250.00	
Others Liabilities	<u>-</u>	83,250.00
Total		<u>99,700.00</u>

NOTES TO BALANCE SHEET
As at 31st March, 2016

NOTE - 5
CAPITAL-WORK-IN-PROGRESS

(Figures in ₹)

PARTICULARS	COST			PROVISION			IMPAIRMENT LOSS / OTHER LOSS				CARRYING VALUE		
	As on 31.08.2015	Addition during the period	Adj./ Sales/ Transfer during the period	As on 31.03.2016	Addition during the period	Adj./ Sales/ Transfer during the period	As on 31.08.2015	Addition during the period	Adj./ Sales/ Transfer during the period	As on 31.03.2016	Total Depreciation/ Impairment Loss / Other Loss	As on 31.03.2016	As on 31.08.2015
WORK-IN-PROGRESS:													
Development - Revenue Expenses	-	8,32,500.00	-	8,32,500.00	-	-	-	-	-	-	-	8,32,500.00	-
Development - Capital Expenses (Under Construction)	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	-	8,32,500.00	-	8,32,500.00	-	-	-	-	-	-	-	8,32,500.00	-
WORK-IN-PROGRESS As on 31.08.2015	-	-	-	-	-	-	-	-	-	-	-	-	-

The revenue expenses amounting to ₹ 8,32,500 incurred during the year attributable to the Project Cost and accordingly has been capitalised as per the applicable Accounting Standard and has been shown under Capital Work in Progress.

NOTES TO BALANCE SHEET

As at 31st. March, 2016

NOTE - 6

CASH & BANK BALANCE

(Figures in ₹)

Cash & Cash Equivalents:		As at 31/03/2016
Balances with Scheduled Banks		-
- In Current Accounts	-	-
State Bank of India	499,370.00	499,370.00
Balances with Non-Scheduled Banks		-
In account with Banks outside India		-
Remittance - in transit		-
Cheques, Drafts and Stamps on hand		-
Cash in hand		-
Total		499,370.00

Maximum amount outstanding with Banks other than Scheduled Banks at any time during the year

Nil

Note:

- 1) Balances with banks to the extent held as margin money or security against the borrowings/others
- 2) Bank deposit of more than 12 months maturity shall be disclosed seperately.

Nil

Nil

NOTE - 7

SHORT TERM LOANS & ADVANCES

(Figures in ₹)

Loans:

Advances:

(Recoverable in cash or in kind or for value to be received)

Advance to Suppliers & Contractors for capital
IRCON International Limited

- Secured considered good	-	
- Unsecured considered good	20,000,000.00	20,000,000.00
- Doubtful	-	

Less : Provision for bad and doubtful Advances

Total

20,000,000.00

Note:

Due by the Companies under the same management
(With name of the Companies)

Due by the parties in which the Director(s) of company
is /are interested

Nil

Nil

NOTES TO BALANCE SHEET
As at 31st. March, 2016

NOTE - 8

OTHER CURRENT ASSETS

(Figures in ₹)

As at
31/03/2016

Interest Accrued:

- Deposit with Banks	2,170.00	
- Others	-	2,170.00
Total		<u>2,170.00</u>

NOTES TO STATEMENT OF PROFIT & LOSS
For the year ended on 31st March, 2016

NOTE - 9

OTHER INCOME

(Figures in ₹)

As at
31/03/2016

income from Others:

Interest (Gross) from deposit with Bank	2170.00	2170.00
Total		<u>2,170.00</u>

NOTE - 10

OTHER EXPENDITURES

(Figures in ₹)

As at
31/03/2016

Payment to Auditors :

Audit fees	11,450.00	
Out of Pocket expenses	5,000.00	
Others	-	16450.00
Bank Charges		630.00
Total		<u>17,080.00</u>

CASH FLOW STATEMENT

For the period from 31st August, 2015 to 31st March, 2016

(Figures in ₹)

Particulars	For the year ended <u>31/03/2016</u>
A) CASH FLOW FROM OPERATING ACTIVITIES:	
Net Profit before tax and extraordinary items	(14910.00)
Adjustment for :	
Non operating income and expenses	-
Operating Profit before Working Capital changes	(14910.00)
Adjustments for working capital changes:	
Short/Long-term Loans/ Advances & other Current Assets	(20002170.00)
Short/Long-term Liabilities and Provisions	20899220.00
Cash generated from operations	882140.00
Less, Taxes paid	-
Net Cash from operating activities (A)	882140.00
B) CASH FLOW FROM INVESTING ACTIVITIES:	
Purchase of Fixed Assets(P&B,Dev.)-CWIP	(832500.00)
Preliminary Expenses	(50270.00)
Net Cash used in investing activities (B)	(882770.00)
C) CASH FLOW FROM FINANCING ACTIVITIES:	
Interest and financial charges	-
Issue of Share Capital	500000.00
Net Cash used in financing activities (C)	500000.00
Net increase in cash and cash equivalents (A+B+C)	499370.00
Cash and cash equivalents as at beginning of the year	0.00
Cash and cash equivalents as at the end of the year	499370.00

Notes:

1. The aforesaid statement is prepared on indirect method.

Sd/-
(S. K. Behera)
Asst. Manager (Finance)

Sd/-
(G. Anantharamkrishnan)
Chief Financial Officer

For Bijay Dhaniram & Co.
Chartered Accountants
Firm Reg. No. - 324629E

Sd/-
(K.K. Parida)
Director

Sd/-
(J. P. Singh)
Chairman

Sd/-
(B. K. Agrawal)
Proprietor
M No. 060126

Date: 17.05.2016
Place: Sambalpur

NOTE – 11

SIGNIFICANT ACCOUNTING POLICIES

1.0 ACCOUNTING CONVENTION:

Financial statements are prepared under the historical cost convention and on accrual basis of accounting and going concern concept, in accordance with the generally accepted accounting principles in India and the relevant provisions of the Companies Act, 2013 including accounting standards notified there under , except otherwise stated.

2.0 RECOGNITION OF INCOME AND EXPENDITURE:

2.1 Income and Expenditure are generally recognised on accrual basis and provision is made for all known liabilities.

3.0 FIXED ASSETS:

3.1 CAPITAL WORK-IN-PROGRESS:

All project related expenditure viz, civil works, machinery under erection, construction and erection materials, pre-operative expenditure, expenditure directly related to the project and incidental to setting up project facilities, borrowing cost incurred prior to the date of commencement of commercial operation, and trail run expenditure are shown under Capital Work-in-Progress. These expenses are net of recoveries and income (net of tax) from project specific surplus fund.

4.0 INVESTMENTS:

Current investments are valued at the lower of cost and fair value as at the Balance Sheet date.

Non-Current investments are valued at cost.

5.0 BORROWING COSTS:

Borrowing Cost directly attributable to the acquisition or construction of qualifying assets is capitalised. Other borrowing costs are recognised as expenses in the period in which they are incurred.

6.0 TAXATION:

Provision of current income tax is made in accordance with the Income Tax Act., 1961. Deferred tax liabilities and assets are recognised at substantively enacted tax rates, subject to the consideration of prudence, on timing difference, being the

difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

7.0 PROVISION:

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the balance sheet date.

8.0 CONTINGENT LIABILITY AND ASSETS:

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations can not be made. Contingent liabilities are not provided for in the accounts and are disclosed by way of Notes.

Contingent Assets are neither recognized nor disclosed in the financial statements.

9.0 USE OF ESTIMATES:

The presentation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affects the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reported period. Difference between the actual result and estimates are recognised in the period in which the results are known/materialised.

10.0 PREOPERATIVE EXPENSES:

Indirect expenditure incurred during the year and not related to project cost is debited to Statement of Profit & Loss as per the provisions of AS – 26.

11.0 PRIOR PERIOD ADJUSTMENTS AND PREPAID EXPENSES:

Income / expenditures relating to prior period and prepaid expenses, which do not exceed ₹ 10 Lakh in each case, are treated as income / expenditure of current year.

NOTE – 12

ADDITIONAL NOTES ON ACCOUNTS

1. PERIOD OF FINANCIAL STATEMENTS:

The company Mahanadi Coal Railway Limited was Incorporated on 31.08.2015, a joint venture company of MCL, IRCON and IDCO with an equity participation ratio of 64:26:10. Hence the 1st financial statements are prepared for the period 31.08.2015 to 31.03.2016 and previous year figures has not been disclosed.

2. CONTINGENT LIABILITIES:

The Contingent liability provides in the books: Nil.

3. SHORT TERM LOANS & ADVANCES:

Short Term Loans and Advances include ₹ 2,00,000,00 has been paid to IRCON International Limited for taking up preliminary activities of the projects as per the MoU.

4. OTHER CURRENT ASSETS:

Current Assets (Note- 8) include Accrued interest on deposits ₹ 2170.

5. SHORT TERM BORROWINGS:

Short Term Borrowing (Note-3) includes ₹ 2,07,99,520 as credit balance of Current Account with Mahanadi Coalfields Ltd.

6. TRANSFER TO DEVELOPMENT:

The company under development stage, hence the expenditure of ₹ 8,32,500 (interest on Current account balance with MCL) directly related to project has been transferred to Note – 5 under the head Capital Wok in Progress during the year as per applicable accounting standard.

7. AUDIT FEE:

The Auditors remuneration

For Audit Fees	₹ 11,450/-
Out of pocket and travelling expenses	₹ 5,000/-

Total	₹ 16,450/-
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8. RESERVE & SURPLUS:

Reserve & Surplus (Note-2) include Preliminary Expenses of ₹ 50,270 consisting of expenditure for filing fees, Registration fees and other incidental Fees & Expenses in relation to formation and incorporation of the Company.

9. EARNING PER EQUITY SHARE:

Sl. No.	Particulars	Current Year
(A)	Profit/(Loss) after Tax (₹)	(14910.00)
(B)	Number of Equity Shares /Weighted Average Number of shares outstanding	50000
(C)	Basic/Diluted earning per share (₹) – (A)/(B)	(0.30)
(D)	Nominal value of an Equity Share (₹)	10.00

10. TAX MATTER:

No provision for current tax has been made in view of loss.

11. RELATED PARTY DISCLOSURE:

In view of the exemption granted to State controlled enterprises as regard related party relationship with other State controlled enterprise and there being no transaction with other related enterprises and parties, no such disclosure under the Accounting Standard (AS-18) on Related Party Disclosure is required.

12. OTHER:

- a) All such other expenses which are of administrative nature and not attributable to the project has been charged to Statement of Profit and Loss.

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Asst. Manager (Finance)

Sd/-
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Proprietor
M No. 060126

Place : Sambalpur
Date : 17.05.2016