

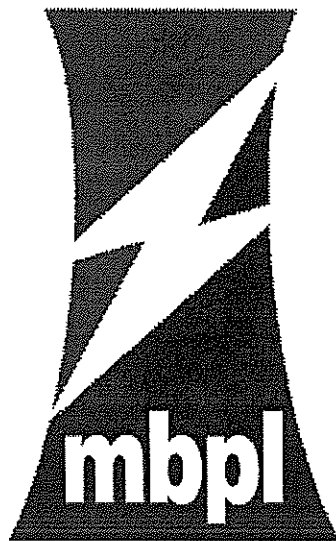
ANNUAL REPORT & ACCOUNTS 2015-2016



MAHANADI BASIN POWER LIMITED
(Wholly Owned Subsidiary of Mahanadi Coalfields Limited)
Regd. Office : Plot No. G-3, Mancheswar Rly. Colony
Bhubaneswar – 751 017

ANNUAL REPORT & ACCOUNTS

2015 - 2016



**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 02.07.2016)

Chairman	Shri L.N. Mishra
Director	Shri J.P. Singh
Director	Shri K.K. Parida

Management During 2015-16

Chairman	Shri L.N. Mishra	(From 01-02-2016)
Chairman	Shri P.C. Panigrahi	(Up to 31.01.2016)
Director	Shri B.N. Shukla	(Up to 14.09.2015)
Director	Shri J.P. Singh	
Director	Shri K.K. Parida	

Bankers

State Bank of India
Union Bank of India

Statutory Auditors

Das & Das,
Chartered Accountants,
Bhubaneswar-751006

Registered Office Address:

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

MAHANADI BASIN POWER LIMITED

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

Ref. No. MBPL/CS/AGM-5/2016/

Date: 18.06.2016

NOTICE 5th ANNUAL GENERAL MEETING

Notice is hereby given that the 5thAnnual General Meeting of Mahanadi Basin Power Limited will be held at 10.00 AM on Saturday the 2nd July, 2016 at Registered Office of the Company, Plot No. G-3, Gadakana, Chandrasekharpur, Bhubaneswar-751017 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited accounts for the part financial year 2015-16 Report of the Auditors thereon and Directors' Report.
2. To sanction remuneration, as decided by the Board, payable to M/s Das & Das, Chartered Accountants, Statutory Auditors, Bhubaneswar, who were appointed by the C&AG of India for the Financial Year, 2015-16.

"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 2015-16"

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

Sd/-
(K.K. Parida)
Director

REGISTERED OFFICE :

Plot No. G-3, 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 A.K. Tiwari, Director (Tech/Op.), MCL, Jagruti Vihar, Burla, Sambalpur-768020.
- 4) Shri J.P. Singh, Director (Tech/P&P) MCL, Jagruti Vihar, Burla, Sambalpur-768020.
- 5) Shri L.N. Mishra, Director (Personnel), MCL, Jagruti Vihar, Burla, Sambalpur-768020.
- 6) Shri K.K.Parida, Director (Finance), 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, MBPL

1. Shri L.N. Mishra, Chairman, MBPL/ Director (Personnel), MCL, Jagruti Vihar, Burla, Sambalpur-768020
2. Shri J.P. Singh, Director, MBPL/ Director (Tech/P&P) MCL, Jagruti Vihar, Burla, Sambalpur-768020.
3. Shri K.K.Parida, Director, MBPL/ Director (Finance), 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 5th Annual Report of your Company together with the audited Accounts for the year ended 31st March 2016 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.

FINANCIAL PERFORMANCE:-

(Amount in ₹)

PARTICULARS	2015-16	2014-15
Income for the year	4735.00	0
Expenditure for the year excluding Depreciation and Amortization Exp.	233361.00	0
Profit or Loss before Depreciation and Amortization Exp.	(228626.00)	0
Less: Depreciation and Amortization Exp.	0	0
Profit or Loss after Depreciation and Amortization Exp. But before Tax	(228626.00)	0
Less: Current Tax	0	0
Profit or Loss After Tax	(228626.00)	0

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 "Profit and Loss Statement. During the financial year 2015-16 the Company has taken Rs. 133974927.00 Unsecured long 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.

DIVIDEND: -

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

RESERVES: -

The Company didn't transfer any amount in Reserves.

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.

ACTIVITIES OF THE COMPANY- CURRENT STATUS: -

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.

Forest Land Diversion-The proposal of Forest Land Diversion has been submitted to PCCF office on 22.04.2013. State Sl. 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 Palli Sabha 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.

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.

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 JagannathMandir 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.

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.

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.

SUBSIDIARY/ JV COMPANIES:-

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

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.

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.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY:-

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

CORPORATE SOCIAL RESPONSIBILITY:-

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

CAPITAL STRUCTURE.

The Authorised Equity Share Capital of the Company as on 31.3.2016 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 31.3.2016 stand uncharged at Rs.5 lac. The entire Equity Share Capital is held by Mahanadi Coalfields Limited (MCL) and its nominees.

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 the Board of the SPV.

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.

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.

BOARD OF DIRECTORS:-

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

- | | | | | |
|----|---------------------|---|----------------------------|---------------------|
| 1. | Sri L.N. Mishra | - | Director (Personnel), MCL | (W.e.f. 31.01.2016) |
| 2. | Shri J.P. Singh | - | Director (Technical), MCL. | |
| 3. | Shri K.K. Parida | - | Director (Finance), MCL. | |
| 4. | Shri B.N. Shukla | - | GM.(CP&P), MCL | (Upto 14.09.2015) |
| 5. | Shri P.C. Panigrahi | - | Director (Personnel), MCL | (Upto 31.01.2016) |

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:-

SI No.	Particulars	Date	Meeting Place
1	18 th BOD Meeting	22.04.2015	MCL HQ, Burla Sambalpur.
2	19 th BOD Meeting	08.06.2015	MBPL Registered office, Bhubaneswar
3	20 th BOD Meeting	20.07.2015	MBPL Registered office, Bhubaneswar
4	21 st BOD Meeting	24.10.2015	MBPL Registered office, Bhubaneswar
5	22 nd BOD Meeting	22.01.2016	MCL HQ, Burla Sambalpur.

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	Nil	Nil
Shri J.P. Singh	Non- Executive	5	4
Shri K.K. Parida	Non- Executive	5	5
Shri B.N. Shukla	Non- Executive	3	3
Shri P.C. Panigrahi	Non- Executive	5	5

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

The Company does not given Loans, Guarantee or Investment during the year.

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

The Company does not have any Contracts or Arrangement with Related Parties during the year.

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:

- a) That in the preparation of Accounts for the Financial Year ending 2015-16, the applicable Accounting Standards have been followed (except as disclosed in the Notes on Accounts) along with proper explanation relating to material departures;
- b) 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 2015-16 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.

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 2015-16 by C & AG of India, New Delhi.

AUDITORS REPORT: -

Independent Auditors Report on Financial statement of the Mahanadi Basin Power Limited for the F.Y. 2015-16 is annexed herewith along with Management reply if any, qualification, reservation or adverse remark or disclaimer made by the auditors in his report.

EXTRACT OF ANNUAL RETURN:-

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

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, 2016 is annexed herewith.

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 their thanks to various important citizens of Sundargarh and those residing in the coalfield areas of Odisha for their co-operation from time to time.

ADDENDA:

The Following papers are enclosed:-

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

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

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of **M/sMahanadi Basin Power Ltd., ("the Company")** which comprise the Balance Sheet as at 31 March 2016, 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.

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 and presentation of these standalone 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 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 standalone 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (i) In the case of the balance sheet, of the state of affairs of the Company as at 31 March 2016;
- (ii) In the case of the statement of profit and loss, of the profit for the year ended on that date; and
- (iii) In the case of the cash flow statement, of the cash flows for the year ended on that date.

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 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 standalone 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 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act; and

- (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 C".
- (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 litigation, 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.

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 B** 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 DAS, FCA
PARTNER
Membership No: 057342

PLACE: BHUBANESWAR
DATE: 23rd May, 2016.

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, 2016. 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, 2016 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 DAS, FCA
PARTNER
Membership No: 057342

PLACE: BHUBANESWAR
DATE: 23rd May, 2016.

Annexure-B

COMPANY NAME: MAHANADI BASIN POWER LIMITED, BHUBANESWAR, ODISHA
FINANCIAL YEAR: 2015-16

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**

BHUBANESWAR, ODISHA- 751006
DATE: 23rd May 2016.

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

Annexure-C

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 **Mahanadi Basin Power Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the 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 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 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 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 DAS, FCA
PARTNER
Membership No: 057342

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31/03/2016 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	100	0.2	0	0
3	PURNA CHANDRA PANIGRAHI, NOMINEE OF MCL	100	0.2	0	100	0.2	0	0
4	ARUN KUMAR TIWARI, NOMINEE OF MCL	100	0.2	0	100	0.2	0	0
5	JASWINDER PAL SINGH, NOMINEE OF MCL	100	0.2	0	100	0.2	0	0
6	BHOLANATH SHUKLA, NOMINEE OF MCL	100	0.2	0	100	0.2	0	0
7	MANOJ THAPLIYAL, NOMINEE OF MCL	100	0.2	0	0	0	0	(0.2)
8	KHIROD KUMAR PARIDA, NOMINEE OF MCL	0	0	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

iv) **Shareholding Pattern 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
	Manoj Thapliyal, 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
	Manoj Thapliyal, Nominee of MCL (Share Transfer to Khirod Kumar Parida 22.04.2015)	100	0.20	0	0
	Khirode Kumar Parida, Nominee of MCL	0	0	100	0.20

3.	At the End 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

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	133974927.00	0	133974927.00
Reduction	0	0	0	0
Net Change	0	133974927.00	0	133974927.00
Indebtedness at the end of the financial year				
(i) Principal Amount	0	133974927.00	0	133974927.00
(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	133974927.00	0	133974927.00

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 Statements of Mahanadi Basin Power Limited for the year ended 31st March 2016.

The preparation of financial statements of Mahanadi Basin Power Limited for the year ended 31 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 Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act, 2013 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 Audit Report dated 23rd May 2016.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Mahanadi Basin Power Limited for the year ended 31st March 2016 under section 143(6) (a) of the Companies Act, 2013.

**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: 07.06 .2016



**Mahanadi
Basin
Power
Limited**

MAHANADI BASIN POWER LIMITED

(WHOLLY OWNED SUBSIDIARY OF MCL)

FINANCIAL STATEMENTS

**For the Year Ending
FY: 2015-16**

MAHANADI BASIN POWER LIMITED
BALANCE SHEET
As at 31st March 2016



	Notes	As at 31.03.2016	As at 31.03.2015
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
a) Share Capital	1	500,000 .00	500,000 .00
b) Reserves and Surplus	2	<u>(247,026.00)</u>	<u>(18,400.00)</u>
		252,974.00	481,600 .00
(2) Non-Current Liabilities			
a) Long Term Borrowings	3	160967798.00	-
b) Deferred Tax Liability (Net)	4	-	-
c) Other Long Term Liabilities	4	-	-
d) Long Term Provisions	5	-	-
		<u>160967798.00</u>	-
(3) Minority interest			
		-	-
(4) Current Liabilities			
a) Short Term Borrowings	6	-	-
b) Trade Payables	7	-	81,779.00
c) Other Current Liabilities	8	2319689.00	135,719,188.00
d) Short Term Provisions	9	-	-
		<u>2319689.00</u>	<u>135,800,967.00</u>
Total		163,540,461.00	136,282,576.00

II ASSETS**(1) Non-Current Assets****(a) Fixed Assets**

i) Tangible Assets - Gross Block	10A	1,255,736.00	1,111,246.00
Less : Depreciation, Impairment & Provisions		<u>364,069.00</u>	<u>163,069.00</u>
Net Carrying Value		891,667.00	948,177.00
ii) Intangible Assets - Gross Block	10A	-	-
Less : Depreciation, Impairment & Provisions		-	-
Net Carrying Value		-	-
iii) Capital Work-in-Progress	10B	-	-
iv) Intangible Assets under Development	10C	152,565,731.00	124,567,037.00
(b) Non-Current Investments			
	11	-	-
(c) Deferred Tax Asset (Net)			
	12	7,596,630.00	7,627,786.00
(d) Long Term Loans & Advances			
	13	-	-
(e) Other Non-Current Assets			
		-	-

Balance Sheet Contd.



	Notes	As at 31.03.2016	As at 31.03.2015
(2) Current Assets			
(a) Current Investments	14	-	-
(b) Inventories	15	-	-
(c) Trade Receivables	16	-	-
(d) Cash & Cash equivalents	17	520,955.00	996,458.00
(e) Short Term Loans & Advances	18	1,965,478.00	2,143,109.00
(f) Other Current Assets	19	-	-
		2,486,433.00	3,139,567.00
Total		163,540,461.00	136,282,567.00

Significant Accounting Policies 33
Additional notes on Accounts 34

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

Sd/-
M.C. Saini
Assistant Finance Manager

Sd/-
Dr. A.K. Samantaray
Chief Executive Officer

Sd/-
K.K. Parida
Director

Sd/-
L.N. Mishra
Chairman

As per our report of even date.

For **Das & Das**
Chartered Accountants
FRN :322926E

Sd/-
Rajendra Kumar Das, FCA
Partner
(Membership No.: 057342)

Place : BHUBANESWAR
Date : 23.05.2016

MAHANADI BASIN POWER LIMITED
PROFIT & LOSS STATEMENT

For the Year ended 31st March, 2016



(in Rs.)

<u>INCOMES</u>	Notes	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Sale of Coal	20	-	-
Less: Excise Duty		-	-
Other Levies		-	-
Revenue From Operations		-	-
Other Income	21	4,735.00	-
Total Revenue		4,735.00	-
<u>EXPENSES</u>			
Cost of Materials Consumed	22	-	-
Change in inventories of finished goods, work in progress and Stock in trade	23	-	-
Employee benefit expenses	24	-	-
Power & Fuel			
Welfare Expenses	25	-	-
Repairs	26	-	-
Contractual Expenses	27	-	-
Finance Costs	28	-	-
Depreciation/Amortization/Impairment Provisions			
Write off	29	-	-
Overburden Removal Adjustment	30	-	-
Other Expenditures	31	233,361.00	-
Total Expenses		233,361.00	-
Profit/Loss before extraordinary items, exceptional items and tax		(228,626.00)	-
Prior Period Adjustment [Charges / (Incomes)]	32	-	-
Exceptional Items			
Profit/Loss before extraordinary items and tax		(228,626.00)	-
Extraordinary Items [Charges/(Incomes)]			
Profit/Loss before Tax		(228,626.00)	-
Less : Tax Expense			
- Current year (including wealth tax)		-	-
- Deferred Tax			
- Earlier years			
Profit/Loss after Tax		(228,626.00)	-
Basic and Diluted Earnings per Share (in Rs.) (Face Value of Rs. 10/- per share)		-	-
Significant Accounting Policies	33		
Additional notes of Accounts	34		

The Notes referred to above form an integral part of Profit & Loss Account

Sd/-

M.C. Saini

Assistant Finance Manager

Sd/-

L.N. Mishra
Chairman

Sd/-

Dr. A.K. Samantaray
Chief Executive Officer

Sd/-

K.K. Parida
Director

For Das & Das
Chartered Accountants
FRN :322926E

Sd/-
Rajendra Kumar Das, FCA
Partner
(Membership No.: 057342)

Place : BHUBANESWAR
Date : 23.05.2016

MAHANADI BASIN POWER LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2016

NOTE - 1

SHARE CAPITAL

	As at 31.03.2016	As at 31.03.2015
<u>Authorised</u>		
(i) 50000 Equity Shares of Rs. 10/- each	500,000.00	500,000.00
	500,000.00	500,000.00
<u>Issued, Subscribed and Paid-up</u>		
(i) 50000 Equity Shares of Rs. 10/- each fully paid up in cash	500,000.00	500,000.00
	500,000.00	500,000.00

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. & its nominees	50000	100

2) The company has been incorporated on December 2nd , 2011 and is in development stage.

MAHANADI BASIN POWER LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2016

NOTE - 2

RESERVES & SURPLUS

	<u>As at</u> <u>31.03.2016</u>	<u>As at</u> <u>31.03.2015</u>
RESERVES :		
Capital Reserve		
As per last Balance Sheet	-	-
Add: Addition during the year	-	-
Less: Adjustment During the year	-	-
	-	-
Capital Redemption Reserve		
As per last Balance Sheet	-	-
Add: Addition during the year	-	-
Less: Adjustment During the year	-	-
	-	-
Reserve for Foreign Exchange Transactions		
As per last Balance Sheet	-	-
Add: Addition during the year	-	-
Less: Adjustment During the year	-	-
	-	-
CSR Reserve		
As per last Balance Sheet	-	-
Add: Addition during the year/period	-	-
Less: Transfer to General Reserve	-	-
	-	-
General Reserve		
As per last Balance Sheet	-	-
Add: Transfer from Profit & Loss Account	-	-
Add:/ Less: Adjustment During the year/period	-	-
	-	-
Surplus in Profit & Loss Account		
As per last Balance Sheet	-	-
Profit/(Loss) after Tax During the Year/ period	-228626.00	-
Profit/(Loss) available for Appropriation	(228,626.00)	-
<u>APPROPRIATION</u>		
Reserve for Foreign Exchange Transaction	-	-
Transfer to General Reserve	-	-
Transfer to CSR Reserve	-	-
Interim Dividend	-	-
Proposed Dividend on Equity Shares	-	-
Corporate Dividend Tax	-	-
Corporate Dividend Tax - earlier year	-	-
	-228626.00	0
Miscellaneous Expenditure (to the extent not written off)		
Preliminary Expenses	18,400.00	18,400.00
Pre-Operational Expenses	-	-
Total :	-2470026.00	-18,400.00

**MAHANADI BASIN POWER LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2016**

NOTE - 3

LONG TERM BORROWINGS

	As at 31.03.2016	As at 31.03.2015
Loan from CIL		
- for IBRD		
- for JBIC		
Export Development Corp., Canada	-	-
Liebherr France S.A., France		
Loan From Coal India Limited	-	-
Loan From MCL	160967798.00	
Total	160967798.00	-
CLASSIFICATION 1		
Secured	-	-
Unsecured	160967798.00	-

CLASSIFICATION 2

Loan Guaranteed by Directors & Others

Particulars of Loan	in lakh	Nature of Guarantee
Nil	Nil	Nil

Note: 1. Amount outstanding in foreign currency is to be disclosed.
2. State Security & Terms of Repayment of each line item.

MAHANADI BASIN POWER LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2016

NOTE - 4

OTHER LONG TERM LIABILITIES

	<u>As at</u> <u>31.03.2016</u>	<u>As at</u> <u>31.03.2015</u>
Shifting & Rehabilitation Fund		
Opening Balance	-	-
Add: Interest from Investment of the fund	-	-
Add: Contribution Received	-	-
Less: Amount utilised	-	-
	[]	[]
Trade Payable	-	-
Security Deposits	-	-
Others (Specify Nature)	-	-
Total	[]	[]
CLASSIFICATION		
Secured	-	-
Unsecured	-	-

MAHANADI BASIN POWER LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2016



(in Rs.)

NOTE - 5**LONG TERM PROVISIONS**

	As at <u>31.03.2016</u>	As at <u>31.03.2015</u>
For Employee Benefits		
- Gratuity	-	-
- Leave Encashment		
- Other Employee Benefits		
- NCWA IX		
For Foreign Exchange Transactions (Marked to Market)	-	-
OBR Adjustment Account		
Mine Closure	-	-
For Others		
TOTAL	-	-

MAHANADI BASIN POWER LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2016

NOTE - 6



(in Rs.)

SHORT TERM BORROWINGS

	As at 31.03.2016	As at 31.03.2015
Loan From Bank	-	-
Loans Repayable on Demand		
Balance with Coal India Limited & other Subsidiaries of Coal India Limited	-	-
Overdraft against Pledge of Term Deposit	-	-
Other Loans and Advances		
Deferred Credits	-	-
Total :	-	-
CLASSIFICATION 1		
Secured	-	-
Unsecured	-	-

CLASSIFICATION 2

Loan Guaranteed by Directors & Others

Particulars of Loan	in lakh	Nature of Guarantee
Nil	Nil	Nil

MAHANADI BASIN POWER LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2016

NOTE - 7

TRADE PAYABLE

	As at 31.03.2016	As at 31.03.2015
Sundry Creditors For Supplies		
Service tax payable (Reverse Machinsem)	-	81,779.00
	-	81,779.00
For Revenue Stores	-	-
TOTAL	-	81,779.00

MAHANADI BASIN POWER LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2016

NOTE - 8

OTHER CURRENT LIABILITIES	As at 31.03.2016	As at 31.03.2015
Current Maturities of Long Term Borrowings		
Term Loan From IBRD from CIL		
Term Loan From JBIC from CIL		
Term Loan From Liebherr France S.A., France		
Loan From Coal India Limited	-	-
Surplus fund from Coal India	-	-
Current account with MCL	-	133,974,927.00
Sundry Creditors for Capital Stores		
 FOR EXPENSES :		
Salary Wages & Allowances	1,200,000.00	1,638,264.00
Power & Fuel		
Others	778451.00	41,208.00
	1978451.00	135,654,399.00
 STATUTORY DUES :		
SalesTax		
Sales Tax/VAT		
Provident Fund & Pension Fund		
Central Excise Duty		
Royalty & Cess on Coal		
Stowing Excise Duty		
Clean Energy Cess		
Other Statutory Levies		
	-	-
Income Tax Deducted at Source	273,980.00	6,216.00
Security Deposit	13,361.00	7,637.00
Earnest Money	-	-
Advance & Deposit from customers / others	3,897.00	936.00
Interest Accrued and due on Borrowings	-	-
Interest Accrued but not due on Borrowings	-	-
Cess Equilisation Account	-	-
Current Account with IICM	-	-
Unpaid Dividend	-	-
Ex-Owner Account	-	-
Advance deposit other Pre-Nationalisation	-	-
Gratuity		
Security Deposit from Management Trainee	50,000.00	50,000.00
Others Liabilities		
TOTAL	2319689.00	135,719,188.00

MAHANADI BASIN POWER LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2016

NOTE - 9

SHORT TERM PROVISIONS

	As at <u>31.03.2016</u>	As at <u>31.03.2015</u>
For Employee Benefits		
- Gratuity	-	-
- Leave Encashment	-	-
- PPLB		
- PRP		
- Other Employee Benefits	-	-
- For NCWA IX		
For Proposed Dividend	-	-
For Corporate Dividend Tax	-	-
For Income Tax		
For Excise Duty on Closing Stock of Coal	-	-
For Others		
TOTAL	-	-



MAHANADI BASIN POWER LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2016
NOTE - 10 A
FIXED ASSETS

(in Rs.)

PARTICULARS	GROSS BLOCK			DEPRECIATION			IMPAIRMENT LOSS / OTHER LOSS			Total Depreciation/ Impairment Loss / Other Loss	CARRYING VALUE	
	As on 01.04.2015	Addition during the period	Adj./ Sales/ Transfer during the period	As on 31.03.2016	As on 01.04.2015	Addition during the period	Adj./ Sales/ Transfer during the period	As on 01.04.2015	Addition during the period		Adj./ Sales/ Transfer during the period	As on 31.03.2016
Tangible Assets												
Land												
(a) Freehold												
(b) Leasehold												
Building/Water Supply/Road & Culverts												
Plant & Machinery												
Furniture & fittings/Office Tools & Equipments/ Electrical Fittings/ Fire Arms	1,111,246.00	158,990.00	(14,500.00)	1,255,736.00	163,069.00	214,775.00	(13,775.00)	364,069.00			891,667.00	948,177.00
Railway Sidings												
Vehicle												
Telecommunication												
Development including Roads & Culverts in mining area												
TOTAL	1,111,246.00	158,990.00	(14,500.00)	1,255,736.00	163,069.00	214,775.00	(13,775.00)	364,069.00			891,667.00	948,177.00
For the Year ended 31.03.2016												
Tangible Fixed Assets												
Intangible Assets												
Development												
Software												
Prospecting & Boring												
Total												
G Total	1,111,246.00	158,990.00	(14,500.00)	1,255,736.00	163,069.00	214,775.00	(13,775.00)	364,069.00			891,667.00	948,177.00
For the Year ended 31.03.2016												
Intangible Fixed Assets												

MAHANADI BASIN POWER LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2016



(in Rs.)

NOTE - 10 B

CAPITAL WORK-IN-PROGRESS

PARTICULARS	COST			PROVISION			IMPAIRMENT LOSS / OTHER LOSS			Total Depreciation/ Impairment Loss / Other Loss	CARRYING VALUE	
	As on 01.04.2015	Addition during the period	Adj./ Sales/ Transfer during the period	As on 01.04.2015	Addition during the period	Adj./ Sales/ Transfer during the period	As on 01.04.2015	Addition during the period	Adj./ Sales/ Transfer during the period		As on 31.03.2016	As on 31.03.2015
Tangible Assets												
Building/Water Supply/ Road & Culverts				-			-			-		
Plant & Machinery				-			-			-		
Railway Sidings				-			-			-		
Roads & Culverts in mining area				-			-			-		
Others				-			-			-		
TOTAL												
As on 31.03.2016				-			-			-		
Tangible Assets												
Surveyed off Assets												
As on 31.03.2016				-			-			-		
Surveyed off Assets												
Grand Total		0	0	0		0	0		0	0		0
As on 31.03.2016												
Grand Total		0	0	0		0	0		0	0		0



MAHANADI BASIN POWER LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2016

NOTE - 10 C

INTANGIBLE ASSETS UNDER DEVELOPMENT

(in Rs.)

PARTICULARS	COST			PROVISION			IMPAIRMENT LOSS / OTHER LOSS			Total Depreciation/ Impairment Loss / Other Loss	CARRYING VALUE	
	As on 01.04.2015	Addition during the period	Adj./ Sales/ Transfer during the period	As on 01.04.2015	Addition during the period	Adj./ Sales/ Transfer during the period	As on 01.04.2015	Addition during the period	Adj./ Sales/ Transfer during the period		As on 31.03.2016	As on 31.03.2015
Intangible Assets Development	124,567,037	27,998,694	152,565,731	-	-	-	-	-	-	-	152,565,731	124,567,037
Prospecting & Boring												
TOTAL	124,567,037	27,998,694	152,565,731	-	-	-	-	-	-	-	152,565,731	124,567,037
For the year ended 31.03.2015												
Intangible Assets	124,567,037	27,998,694	152,565,731	-	-	-	-	-	-	-	152,565,731	124,567,037

MAHANADI BASIN POWER LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2016



NOTE - 11

(in Rs.)

NON - CURRENT INVESTMENTS - Unquoted at Cost

TRADE	Number of shares/ bonds/ securities current period	Face value per shares/ bonds/ security current period (Rs)	As at	Number of shares/ bonds/ securities as at 31.03.2015	Face value per shares/ bonds/ security as at 31.03.2014(Rs)	As at
			31.03.2016 (in Rs)			31.03.2016 (in Rs)
8.5% Tax Free Special Bonds (Fully Paid up) :						
(on securitisation of Sundry Debtors)						
<u>Major State-wise Break-up</u>						
UP	-	-	-	-	-	-
Haryana	-	-	-	-	-	-
Maharashtra State Electricity Board						
Madhya Pradesh	-	-	-	-	-	-
Gujarat	-	-	-	-	-	-
West Bengal State Electricity Board						
Others	-	-	-	-	-	-
Non-Trade						
7.55 % Secured Non convertible IRFC Tax free						
2021 series 79 bonds						
Total :			-			-

MAHANADI BASIN POWER LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2016



(in Rs.)

LONG TERM LOANS & ADVANCES	NOTE -12	As at 31.03.2016	As at 31.03.2015
LOANS			
ADVANCE TO SUPPLIERS & CONTRACTORS			
For Capital			
- Secured considered good	-	-	-
- Unsecured considered good	-	-	-
- Doubtful	-	-	-
Less : Provision for Doubtful Loans and Advances	-	-	-
For Revenue			
- Secured considered good	-	-	-
- Unsecured considered good	-	-	-
- Doubtful	-	-	-
Less : Provision for Doubtful Loans and Advances	-	-	-
Security Deposits			
- Secured considered good	-	-	-
- Unsecured considered good	-	-	-
- Doubtful	-	-	-
Less : Provision for Doubtful Loans and Advances	-	-	-
Deposit for P&T, Electricity etc.			
- Secured considered good	7,596,630.00	7,627,786.00	7,627,786.00
- Unsecured considered good	-	-	-
- Doubtful	-	-	-
Less : Provision for bad and doubtful trade receivables	-	-	-
	7,596,630.00	7,627,786.00	7,627,786.00
LOAN TO EMPLOYEES			
For House Building			
- Secured considered good	-	-	-
- Unsecured considered good	-	-	-
- Doubtful	-	-	-
For Motor Car and Other Conveyance			
- Secured considered good	-	-	-
- Unsecured considered good	-	-	-
- Doubtful	-	-	-
For Others			
- Secured considered good	-	-	-
- Unsecured considered good	-	-	-
- Doubtful	-	-	-
Less: Provision for Doubtful Loans & Advances	-	-	-
LOAN TO SUBSIDIARIES			
- Secured considered good	-	-	-
- Unsecured considered good	-	-	-
- Doubtful	-	-	-
TOTAL	7,596,630.00	7,627,786.00	7,627,786.00

Note

	CLOSING BALANCE		MAXIMUM AMOUNT DUE AT ANY TIME DURING	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Due by the Companies under the same management (With name of the Companies)	Nil	Nil	Nil	Nil
Due by the parties in which the Director(s) of company is /are interested	Nil	Nil	Nil	Nil

* This Loan should include interest accrued thereon.

MAHANADI BASIN POWER LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2016



(in Rs.)

NOTE - 13**OTHER NON-CURRENT ASSETS**

	As at 31.03.2016	As at 31.03.2015
Long Term Trade Receivable		
- Secured considered goods	-	-
- Unsecured considered goods	-	-
- Doubtful	-	-
	<hr/>	<hr/>
Less: Provision for bad and doubtful trade receivables	-	-
	<hr/>	<hr/>
Exploratory Drilling Work		
- Secured considered goods	-	-
- Unsecured considered goods	-	-
- Doubtful	-	-
	<hr/>	<hr/>
Less: Provision for bad and doubtful trade receivables	-	-
	<hr/>	<hr/>
Other Receivables		
- Secured considered goods	-	-
- Unsecured considered goods	-	-
- Doubtful	-	-
	<hr/>	<hr/>
Less: Provision	-	-
	<hr/>	<hr/>
TOTAL	-	-

Note

	CLOSING BALANCE		MAXIMUM AMOUNT DUE AT ANY TIME DURING	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Due by the Companies under the same management (With name of the Companies)	Nil	Nil	Nil	Nil
Due by the parties in which the Director(s) of company is /are interested	Nil	Nil	Nil	Nil

MAHANADI BASIN POWER LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2016



(in Rs.)

NOTE - 14

CURRENT INVESTMENTS - Quoted / Unquoted at Cost

	Number of shares/ bonds/ securities current period	Face value per shares/ bonds/ security current period	As at <u>31.03.2016</u>	Number of shares/ bonds/ securities previous year	Face value per shares/ bonds/ security previous year	As at <u>31.03.2015</u>
NON-TRADE						
Investment in Mutual Fund (Canara Robeco interval Series 2)	-	-	-	-	-	-
TRADE						
8.5% Tax Free Special Bonds (Fully Paid up) (on securitisation of Sundry Debtors)	-	-	-	-	-	-
Total :	-	-	-	-	-	-

MAHANADI BASIN POWER LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2016



(in Rs.)

NOTE - 15**INVENTORIES**

(Valuation as per Significant Accounting Policy No.10)

	As at 31.03.2016	As at 31.03.2015
Stock of Coal		
Coal stock Under Development		
Less : Provision		
A Stock of Coal (Net)	-	-
Stock of Stores & Spare Parts (at cost)		
Stores -in -transit		
Less : Provision		
Loss of Assets		
Less : Provision		
B Net Stock of Stores & Spare Parts (at cost)	-	-
<u>Workshop Jobs :</u>		
Work-in-progress and Finished Goods	-	-
Less : Provision	-	-
C Net Stock of Workshop Jobs	-	-
<u>Press :</u>		
Work-in-Progress and Finished Goods	-	-
C Stock of Medicine at Central Hospital		
F Prospecting & Boring/ Development Exp./ Coal Blocks meant for Sale		
Total (A to F)	-	-

MAHANADI BASIN POWER LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2016
ANNEXURE TO NOTE - 15
(Qty in lakh tonnes) (value in Rs)

Table:A

Reconciliation of closing stock adopted in Account with Book stock as at the end of the 31st March 2016.

	OVERALL STOCK		NON-VENDABLE STOCK		VENDABLE STOCK	
	Qty.	Value	Qty.	Value	Qty.	Value
1. (A) Opening stock as on 01.04.13	-	-	-	-	0	0.00
(B) Adjustment in Opening Stock	-	-	-	-	0	0.00
2. Production for the year	-	-	-	-	0	0.00
3. Sub-Total (1+2)	-	-	-	-	0	0.00
4. Off- Take for the period :						
(A) Outside Despatch	-	-	-	-	0	0.00
(B) Coal feed to Washeries	-	-	-	-	0	0.00
(C) Own Consumption	-	-	-	-	0	0.00
TOTAL(A)	-	-	-	-	0	0.00
5. Derived Stock	-	-	-	-	0	0.00
6. Measured Stock	-	-	-	-	0	0.00
7. Difference (5-6)	-	-	-	-	0.00	0.00
8. Break-up of Difference:						
(A) Excess within 5%	-	-	-	-	0.00	0.00
(B) Shortage within 5%	-	-	-	-	-	-
(C) Excess beyond 5%	-	-	-	-	-	-
(D) Shortage beyond 5%	-	-	-	-	-	-
9. Closing stock adopted in A/c. (6-8A+8B)	-	-	-	-	0	0.00

Table:B

Summary of Closing Stock of Coal

	Coking		Raw Coal		Non-Coking		Washed / Deshale Coal		Other Products		Total	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Opening Stock (Audited)	-	-	-	-	-	-	-	-	-	-	-	-
Less: Non-vendable Coal	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted Opening Stock (Vendable)	-	-	-	-	-	-	-	-	-	-	-	-
Production	-	-	-	-	-	-	-	-	-	-	-	-
Offtake	-	-	-	-	-	-	-	-	-	-	-	-
(A) Outside Despatch	-	-	-	-	-	-	-	-	-	-	-	-
(B) Coal feed to Washeries	-	-	-	-	-	-	-	-	-	-	-	-
(C) Own Consumption	-	-	-	-	-	-	-	-	-	-	-	-
Closing Stock	-	-	-	-	-	-	-	-	-	-	-	-
Less: Shortage	-	-	-	-	-	-	-	-	-	-	-	-
Closing Stock	-	-	-	-	-	-	-	-	-	-	-	-

MAHANADI BASIN POWER LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2016



(in Rs.)

NOTE - 16**TRADE RECEIVABLES**

	As at 31.03.2016	As at 31.03.2015
Debts outstanding for a period exceeding six months from the due date		
- Secured considered goods	-	-
- Unsecured considered goods		
- Doubtful		
	<hr/>	<hr/>
	0	0
Less : Provision for bad & doubtful debts	<hr/>	<hr/>
	-	-
Other Debts		
- Secured considered goods	-	-
- Unsecured considered goods		
- Doubtful		
	<hr/>	<hr/>
	-	-
Less : Provision for bad & doubtful debts	<hr/>	<hr/>
	-	-
Total	<hr/> -	<hr/> -

Note

	CLOSING BALANCE		MAXIMUM AMOUNT DUE AT ANY TIME DURING	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Due by the Companies under the same management (With name of the Companies)	Nil	Nil	Nil	Nil
Due by the parties in which the Director(s) of company is /are interested	Nil	Nil	Nil	Nil

MAHANADI BASIN POWER LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2016

NOTE - 17

CASH & BANK BALANCE	As at <u>31.03.2016</u>	As at <u>31.03.2015</u>
Cash & Cash Equivalents		
Balances with Scheduled Banks		
- SBI Dividend Account (unpaid/unclaimed dividend account)	-	-
- In Deposit Accounts with maturity upto 3 months		
- In Current Accounts	510955.00	986458.00
- In Cash Credit Accounts	10000.00	10000.00
- Permanent Advance / Imprest		
Balances with Non-Scheduled Banks	-	-
In account with Banks outside India	-	-
Remittance - in transit	-	-
Cheques, Drafts and Stamps on hand	-	-
Cash in hand	-	-
Deposit with Scheduled Banks under Shifting and Rehabilitation Fund Scheme with maturity upto 3 months	-	-
Other Bank Balances		
Balances with Scheduled Banks		
- In Deposit Accounts with maturity more than 3 months		
Deposit with Scheduled Banks under Shifting and Rehabilitation Fund Scheme with maturity more than 3 months	-	-
Deposit with Scheduled Banks under mine Closure Plan Scheme	-	-
Total	520955.00	996458.00
Maximum amount outstanding with Banks other than Scheduled Banks at any time during the year	Nil	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.

MAHANADI BASIN POWER LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2016



(in Rs.)

NOTE - 18

SHORT TERM LOANS & ADVANCES

	As at 31.03.2016	As at 31.03.2015
LOANS		
ADVANCE (Recoverable in cash or in kind or for value to be received)		
ADVANCE TO SUPPLIERS & CONTRACTORS		
For Revenue		
- Secured considered goods	-	-
- Unsecured considered goods	-	-
- Doubtful	-	-
	0	0
Less : Provision for bad and doubtful Advances	0	0
	-	-
ADVANCE PAYMENT OF STATUTORY DUES		
Sales Tax		
- Secured considered goods	-	-
- Unsecured considered goods	-	-
- Doubtful	-	-
	-	-
Less : Provision	-	-
	-	-
Advance Income Tax / Tax Deducted at Source	308100.00	-
	-	-
	308,100.00	-
Others		
- Secured considered goods	-	-
- Unsecured considered goods	-	-
- Doubtful	-	-
	-	-
Less : Provision	-	-
	-	-
	308,100.00	-
Advance to Employees		
- Secured considered goods	1,657,378.00	2,143,109.00
- Unsecured considered goods	-	-
- Doubtful	1,657,378.00	2,143,109.00
	-	-
Less : Provision	1,657,378.00	2,143,109.00
Current Account with Coal India Limited & other Subsidiaries of Coal India Limited and MCL's subsidiaries		
LOAN ACCOUNT WITH SUBSIDIARIES		
- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	-	-
	-	-
Less : Provision	-	-
	-	-
Claims Receivables		
- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	-	-
	-	-
Less : Provision for Doubtful claims	-	-
	-	-
Prepaid Expenses		
	1,657,378.00	2,143,109.00
TOTAL	1,965,478.00	2,143,109.00

Note

	CLOSING BALANCE		MAXIMUM AMOUNT DUE	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Due by the Companies under the same management (With name of the Companies)	Nil	Nil	Nil	Nil
Due by the parties in which the Director(s) of company is /are interested	Nil	Nil	Nil	Nil

MAHANADI BASIN POWER LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2016



(in Rs.)

NOTE - 19**OTHER CURRENT ASSETS**

	As at 31.03.2016	As at 31.03.2015
Interest Accrued		
- Investment	-	-
- Deposit with Banks	-	-
- Others	-	-
Ex Owner's Account	-	-
Other Advances	-	-
Less : Provision	-	-
DEPOSITS		
Deposit for Customs Duty, Port Charges etc.	-	-
Deposit with Coal India Limited	-	-
Deposit for Royalty, Cess & Sales Tax	-	-
Less: Provision	-	-
Others	-	-
Less: Provision	-	-
Amount Receivable from Govt of India for transactions on behalf of Ex-Coal Board	-	-
Other Receivables	-	-
Less: Provison	-	-
TOTAL	-	-

**MAHANADI BASIN POWER LIMITED
NOTES TO PROFIT AND LOSS STATEMENT
FOR YEAR ENDED ON 31.03.2016**



NOTE - 20

(in Rs.)

Revenue From Operations

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
A. Sales of Coal		
Less: Excise Duty		
Less : Other Levies		
Royalty		
Cess on Coal		
Stowing Excise Duty		
MP transit fees/Orissa Entry		
Central Sales Tax		
Clean Energy Cess		
State Sales Tax/VAT		
Orissa Entry Tax		
TOTAL LEVIES	_____ -	_____ -
Net Sales (A)	[] -	[] -
B Facilitation Charges for coal import	-	-
Less: Excise duty		
Less: Other Levies		
Other Operating Revenue (B)	[]	[]
C Revenue From Operations (A + B)	[] -	[] -

MAHANADI BASIN POWER LIMITED
NOTES TO PROFIT AND LOSS STATEMENT
FOR YEAR ENDED ON 31.03.2016



(in Rs.)

NOTE - 21

OTHER INCOME	For the Year ended 31.03.2016	For the Year ended 31.03.2015
<u>Income From Long Term Investments</u>		
Dividend from Joint Ventures	-	-
Interest from		
- Government Securities (8.5% Tax Free Special Bonds) (Trade)		
- 7.55% Non convertible IRFC Tax Free Bonds 2021 series (Non-trade)		
<u>Income From Current Investments</u>		
Dividend from Mutual Fund Investments		
Interest from		
- Government Securities (8.5% Tax Free Special Bonds) (Trade)	-	-
- 7.55% Non convertible IRFC Tax Free Bonds 2021 series(Non-Trade)	-	-
<u>Income From Others</u>		
Interest :		
From Deposit with Banks		
From Loans and Advances to Employees		
From Income Tax Refunds	-	-
From CIL on parking of fund		
Others	4,735.00	
Apex Charges	-	-
Subsidy for Sand Stowing & Protective Works		
Profit on Sale of Assets		
Recovery of Transportation & Loading Cost		
Gain on Foreign exchange Transactions	-	-
Exchange Rate Variance	-	-
Lease Rent		
Liability Write Backs	-	-
Guarantee Fees from subsidiaries	-	-
Other non-operating Income		
TOTAL	4,735.00	-

MAHANADI BASIN POWER LIMITED
NOTES TO PROFIT AND LOSS STATEMENT
FOR YEAR ENDED ON 31.03.2016



(in Rs.)

NOTE - 22

COST OF MATERIALS CONSUMED

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Explosives		
Timber		
P O L		
HEMM Spares		
Other Consumable Stores & Spares		
TOTAL	-	-

MAHANADI BASIN POWER LIMITED
NOTES TO PROFIT AND LOSS STATEMENT
FOR YEAR ENDED ON 31.03.2016



(in Rs.)

NOTE - 23**CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE**

	<u>For the Year ended 31.03.2016</u>	<u>For the Year ended 31.03.2015</u>
Closing Stock of Coal		
Less: Deterioration of Coal		
Total (1)	-	-
Opening Stock of Coal		
Less: Deterioration of Coal		
Total (2)	-	-
A) Change in Inventory of Closing Stock (2-1)	-	-
Closing Stock of Workshop made finished goods and WIP	-	-
Less: Provision	-	-
Total	-	-
Opening Stock of Workshop made finished goods and WIP	-	-
Less: Provision	-	-
Total	-	-
B) Change in Inventory of Closing Stock of workshop	-	-
Press closing Job	-	-
i) Finished goods	-	-
ii) Work in progress	-	-
Less : Press opening jobs	-	-
i) Finished goods	-	-
ii) Work in progress	-	-
C) Change in Inventory of closing stock of press jobs made Finished Goods and WIP	-	-
Closing Stock of Medicines (Central Hospital)		
Less Opening Stock of Medicines (Central Hospital)		
D) Change in Inventory of Stock of Medicines at Central Hospitals	-	-
Total Change in Inventory of Stock(A+B+C+D)	-	-

MAHANADI BASIN POWER LIMITED
NOTES TO PROFIT AND LOSS STATEMENT
FOR YEAR ENDED ON 31.03.2016



(in Rs.)

NOTE - 24**EMPLOYEE BENEFIT EXPENSES**

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Salary, Wages, Allowances ,Bonus & Benefits	-	-
Exgratia	-	-
PRP	-	-
Contribution to P.F. & Other Funds	-	-
Gratuity	-	-
Leave Encashment	-	-
VRS	-	-
Workmen Compensation	-	-
Post retirement medical benefit for existing employees	-	-
Medical Expenses	-	-
Medical Expenses for retired employees	-	-
Grants to Schools & Institutions	-	-
Sports & Recreation	-	-
Canteen & Creche	-	-
Power - Township	-	-
Hire Charges of Bus, Ambulance etc.	-	-
Other Employee Benefits	-	-
TOTAL	-	-

MAHANADI BASIN POWER LIMITED
NOTES TO PROFIT AND LOSS STATEMENT
FOR YEAR ENDED ON 31.03.2016



(in Rs.)

NOTE - 25

Corporate Social Responsibility Expenses	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Medical Expenses		
Medical Expenses for retired employees		
Grants to Schools & Institutions		
Sports & Recreation		
Canteen & Creche		
Power - Township		
Hire Charges of Bus, Ambulance etc.		
CSR Expenses		
Community Development		
Environmental Expenses		
Tree Plantation		
Other Expenses		
TOTAL	<input type="text"/>	<input type="text"/>

**MAHANADI BASIN POWER LIMITED
NOTES TO PROFIT AND LOSS STATEMENT
FOR YEAR ENDED ON 31.03.2016**



NOTE - 26

REPAIRS	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Building		
Plant & Machinery		
Others		
TOTAL	-	-

**MAHANADI BASIN POWER LIMITED
NOTES TO PROFIT AND LOSS STATEMENT
FOR YEAR ENDED ON 31.03.2016**



NOTE - 27

CONTRACTUAL EXPENSES	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Transportation Charges :		
- Sand		
- Coal & Coke		
- Stores & Others etc.	-	-
Wagon Loading		
Hiring of P&M		
Other Contractual Work		
TOTAL	-	-

MAHANADI BASIN POWER LIMITED
NOTES TO PROFIT AND LOSS STATEMENT
FOR YEAR ENDED ON 31.03.2016



NOTE - 28

FINANCE COSTS	For the Year ended 31.03.2016	For the Year ended 31.03.2015
INTEREST EXPENSE		
Deferred Payments	-	-
Bank Overdraft / Cash Credit	-	-
Interest on IBRD & JBIC Loan	-	-
CIL Fund Loan Interest	-	-
Interest to Subsidiaries	-	-
Others	-	-
TOTAL(A)	-	-
OTHER BORROWING COSTS		
Guarantee Fees on (IBRD & JBIC) Loan	-	-
Other Expenses / Bank Charges*	-	-
TOTAL(B)	-	-
TOTAL (A+B)	-	-

*Related to World Bank Loan Transactions only.

MAHANADI BASIN POWER LIMITED
NOTES TO PROFIT AND LOSS STATEMENT
FOR YEAR ENDED ON 31.03.2016



NOTE - 29

PROVISIONS

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
(A) PROVISION MADE FOR		
Doubtful debts	-	-
Doubtful advances & Claims	-	-
Foreign exchange Transaction	-	-
Stores & Spares	-	-
Reclamation of Land/Mine Closure Expenses		
Surveyed of Fixed Assets/Capital WIP		
Others	-	-
TOTAL (A)	-	-
(B) PROVISION WRITTEN BACK		
Doubtful debts		
Doubtful advances & Claims		
Stores & Spares	-	-
Reclamation of Land	-	-
Surveyed of Fixed Assets/Capital WIP	-	-
Others	-	-
TOTAL (B)	-	-
TOTAL (A-B)	-	-

MAHANADI BASIN POWER LIMITED
NOTES TO PROFIT AND LOSS STATEMENT
FOR YEAR ENDED ON 31.03.2016



NOTE - 30

WRITE OFF	<u>For the Year</u> <u>ended 31.03.2016</u>	<u>For the Year</u> <u>ended 31.03.2015</u>
Doubtful debts	-	-
Doubtful advances	-	-
Others	-	-
TOTAL	-	-

MAHANADI BASIN POWER LIMITED
NOTES TO PROFIT AND LOSS STATEMENT
FOR YEAR ENDED ON 31.03.2016



NOTE - 31

OTHER EXPENSES

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Travelling expenses		
- Domestic		
- Foreign		
Training Expenses	10,683.00	
Telephone & Postage	1,188.00	
Advertisement & Publicity		
Freight Charges		
Demurrage		
Donation / Subscription		
Security Expenses		
Service Charges of CIL		
Hire Charges		
CMPDI Expenses		
Legal Expenses		
Bank Charges	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	68,600.00	
- For Taxation Matters		-
- For Company Law Matters		-
- For Management Services		-
- For Other Services		-
- For Reimbursement of Expenses	16,500.00	
Rehabilitation Charges		
Royalty & Cess		
Central Excise Duty		
Rent		
Rates & Taxes		
Insurance		
Loss on Exchange Rate Variance		
Lease Rent		-
Rescue/Safety Expenses		
Dead Rent/Surface Rent		
Siding Maintenance Charges		
Land/Crops Compensation		
Miscellaneous Expenses	133,540.00	
TOTAL (A)	233,361.00	-

MAHANADI BASIN POWER LIMITED
NOTES TO PROFIT AND LOSS STATEMENT
FOR YEAR ENDED ON 31.03.2016



(in Rs.)

NOTE - 32**PRIOR PERIOD ADJUSTMENTS**

	<u>For the Year</u> <u>ended 31.03.2016</u>	<u>For the Year</u> <u>ended 31.03.2015</u>
(A) Expenditure		
Sale of Coal		
Stock of Coal	-	-
Other Income	-	-
Consumption of Stores & Spares		
Employees Remuneration & Benefits	-	-
Power & Fuel	-	-
Welfare Expenses	-	-
Repairs	-	-
Contractual Expenses	-	-
Other Expenditure	-	-
Interest and other financial charges	-	-
Depreciation	-	-
TOTAL (A)	-	-
(B) Income		
Sale of Coal		
Stock of Coal	-	-
Other Income		
Consumption of Stores & Spares	-	-
Employees Remuneration & Benefits		
Power & Fuel	-	-
Welfare Expenses	-	-
Repairs	-	-
Contractual Expenses		
Other Expenditure	-	-
Interest and other financial charges	-	-
Depreciation		
TOTAL (B)	-	-
TOTAL (A-B)	-	-

MAHANADI BASIN POWER LIMITED
NOTE – 33
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 therein, except otherwise stated.

1.1 Use of estimate:

In preparing the financial statements in conformity with Accounting Principles generally accepted in India, management is sometimes required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liability as at the date of financial statements and the amount of revenue and expenses during the reported period. Actual results may differ from those estimates. Any revision to such estimate is recognized in the period in which the same is determined.

2.0 Subsidies / Grants from Government:

2.1 Subsidies / Grants on capital account are deducted from the cost of respective assets to which they relate. The unspent amount at the Balance Sheet date, if any, is shown as current liabilities.

2.2 Subsidies / Grants on revenue account are credited to Statement of Profit & Loss as income and the relevant expenses are debited to the respective heads of expenses. The unspent amount at the Balance Sheet date, if any, is shown as current liabilities.

2.3 Subsidies / Grants from Government received as an implementing agency

2.3.1 Certain Grant / Funds received under S&T, PRE, EMSC, CCDA etc. as an implementing agency and used for creation of assets are treated as Capital Reserve and depreciation thereon is debited to Capital Reserve Account. The ownership of the asset created through grants lies with the authority from whom the grant is received.

2.3.2 Grant / Funds received as Nodal/Implementing Agency are accounted for on the basis of receipts and disbursement.

3.0 Fixed Assets:

3.1 Land:

Value of land includes cost of acquisition, cash rehabilitation expenses, resettlement cost and compensation in lieu of employment incurred for concerned displaced persons.

3.2 Plant & Machinery:

Plant & Machinery includes cost and expenses incurred for erection / installation and other attributable costs of bringing those assets to working conditions for their intended use.

3.3 Railway Siding:

Pending commissioning, payments made to the railway authorities for construction of railway sidings are shown in Note 12 – “Long Term Loans & Advances” under Advances for Capital.

3.4 Development:

Expenses net of income of the projects / mines under development are booked to Development Account and grouped under Capital Work-in-Progress till the projects / mines are brought to revenue account. Except otherwise specifically stated in the project report to determine the commercial readiness of the project to yield production on a sustainable basis and completion of required development activity during the period of constructions, projects and mines under development are brought to revenue considering 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.

3.5 Leases:

3.5.1 Operating Lease

- i) Assets given on lease are capitalised and depreciated as per the depreciation policy. Lease rentals received are recognised as income over the lease period.
- ii) Lease rentals paid for assets taken on lease are recognised as expense over the lease period.

3.5.2 Finance Lease

- i) Assets taken on finance lease are capitalized at lower of the fair value of the asset and present value of the minimum lease payments.

An amount equal to the capitalized amount is shown as lease liability.

The principal component in lease rental is adjusted against lease liability and interest component is charged to the Statement of Profit & Loss as finance cost.

The asset is depreciated as per the depreciation policy. If the leased asset is returnable to the lessor on expiry of lease period, full cost is depreciated over its useful life or lease period, whichever is less.

ii) Assets given on finance lease are shown as lease receivables at an amount equal to net investment in the leased asset. Principal component of the lease receipts are adjusted against outstanding lease receivables and interest is recognised as income.

4.0 **Prospecting & Boring and other Development Expenditure:**

The cost of exploration and other development expenditure incurred in one "Five year" plan period will be kept in Capital work-in-progress till the end of subsequent two "Five year" plan periods for formulation of projects, before it is written-off, except in the case of Blocks identified for sale or proposed to be sold to outside agency which will be kept in inventory till finalisation of sale.

5.0 **Investments:**

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

Investments in mutual fund are considered as current investments.

Non-Current investments are carried at cost. However, when there is a decline, other than temporary, in the value of the long term investment, the carrying amount is reduced to recognize the decline

6.0 **Inventories:**

6.1 Book stock of coal / coke 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.

6.1.1 Coal & coke fines are valued at lower of cost or net realisable value.

6.1.2 Slurry (coking/semi-coking), middling of washeries and by products are valued at net realisable value.

6.2 **Stores & Spares:**

6.2.1 The closing stock of stores and spare parts has been considered in the accounts as per balances appearing in priced stores ledger of the Central Stores and as per physically verified stores lying at the collieries/units.

- 6.2.2 Stock of stores & spare parts (which also includes loose tools) at central & area stores are valued at cost calculated on the basis of weighted average method. The year-end inventory of stores & spare parts lying at collieries / sub-stores / drilling camps/ consuming centres, initially charged off, are valued at issue price of Area Stores, Cost / estimated cost. Workshop jobs including work-in-progress are valued at cost. Similarly stock of stationery at printing press and medicines at central hospital are valued at cost.
- 6.2.3 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.
- 6.2.4 Provisions are made at the rate of 100% for unserviceable, damaged and obsolete stores and at the rate of 50% for stores & spares not moved for 5 years.

7.0 **Depreciation/amortisation:**

7.1 Depreciation on fixed assets is provided on straight line method on the basis of useful life specified in Schedule II of Companies Act 2013 except for assets mentioned below, for which depreciation is provided on the basis of technically estimated useful life which are lower than that envisaged as per schedule II of Companies Act, 2013 to depict a more true and fair rate of depreciation:-

Telecommunication equipment	: - 6 years and 9 years
Photocopying machine	: - 4 years
Fax machine	: - 3 years
Mobile phone	: - 3 years
Digitally enhance cordless telephone	: - 3 years
Printer & Scanner	: - 3 years
Earth Science Museum	: - 19 years
High volume respiratory dust samplers	: - 3 years
Certain equipment /HEMM	: - 7 years and 6 years as applicable.
SDL (equipment)	: - 5 years
LHD (equipment)	: - 6 years

- 7.2 The residual value of all assets for depreciation purpose is considered as 5% of the original cost of the asset except those item of assets covered under Para 7.3
- 7.3 In case of assets namely 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.
- 7.4 Depreciation on the assets added / disposed of during the year is provided on pro-rata basis with reference to the month of addition / disposal, except on those assets with one year useful life and nil residual value as mention under Para 7.3, which are fully depreciated

in the year of their addition. These Assets are taken out from the Assets after expiry of two years following the year in which these are fully depreciated.

- 7.5 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.
- 7.6 Prospecting, Boring and Development expenditure are amortised from the year when the mine is brought under revenue in 20 years or working life of the project whichever is less.
- 7.7 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.

8.0 **Impairment of Asset:**

Impairment loss is recognised wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognized as an expense in the statement of profit and loss and carrying amount of the asset is reduced to its recoverable amount.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased.

9.0 **Foreign Currency Transactions:**

- 9.1 Balance of foreign currency transactions is translated at the rates prevailing on the Balance Sheet date and the corresponding effect is given in the respective accounts. Transactions completed during the period are adjusted on actual basis.
- 9.2 Transactions covered by cross currency swap options contracts to be settled on future dates are recognised at the rates prevailing on the Balance Sheet date, of the underlying foreign currency. Effects arising out of such contracts are taken into accounts on the date of settlement.

10.0 **Retirement benefits / other employee benefits:**

a) Defined contributions plans:

The company has defined contribution plans for payment of Provident Fund and Pension Fund benefits to its employees. Such Provident Fund and Pension Fund are maintained and operated by the Coal Mines Provident Fund (CMPF) Authorities. As per the rules of these schemes, the company is required to contribute a specified percentage of pay roll cost to the CMPF Authorities to fund the benefits.

b) Defined benefits plans:

The liability on the Balance Sheet date on account of gratuity and leave encashment is provided for on actuarial valuation basis by applying projected unit credit method. Further the company has created a Trust with respect to establishment of Funded Group Gratuity (cash accumulation) Scheme through Life Insurance Corporation of India. Contribution is made to the said fund based on the actuarial valuation.

c) **Other employee benefits:**

Further liability on the Balance Sheet date of certain other employee benefits viz. benefits on account of LTA/ LTC; Life Cover Scheme, Group Personal Accident Insurance Scheme, Settlement Allowance, Post-Retirement Medical Benefits Scheme and compensation to dependants of deceased in mines accidents etc. are also valued on actuarial basis by applying projected unit credit method.

11.0 **Revenue Recognition:**

11.1 **Sales**

- a) Revenue in respect of sales is recognised when the property in the goods with the risks and rewards of ownership are transferred to the buyer and there is no significant uncertainty as to its reliability.
- b) Sale of coal are net of statutory dues and accepted deduction made by customer on account of quality of coal.
- c) The revenue recognition is done where there is reasonable certainty of collection. On the other hand, revenue recognition is postponed in case of uncertainty as assessed by management.

11.2 **Interest**

Interest from deposits with banks is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

11.3 **Dividend**

Dividend income is recognised when right to receive is established.

11.4 **Other Claims**

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

12.0 **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.

13.0 **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.

14.0 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.

15.0 Contingent Liability:

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 cannot be made.

Contingent liabilities are not provided for in the accounts and are disclosed by way of Notes.

16.0 Overburden Removal (OBR) Expenses :

In open cast mines with rated capacity of one million tonnes per annum and above, cost of OBR is charged on technically evaluated average ratio (COAL:OB) at each mine with due adjustment for advance stripping and ratio-variance account after the mines are brought to revenue. Net of balances of advance stripping and ratio variance at the Balance Sheet date is shown as cost of removal of OB under the head Non - Current Assets/ Long Term 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%	-

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

17.0 Prior Period Adjustments and Prepaid Expenses:

Income / expenditures relating to prior period and prepaid expenses, which do not exceed ₹ 0.10 crore in each case, are treated as income / expenditure of current year.

MAHANADI BASIN POWER LIMITED

NOTE – 34

ADDITIONAL NOTES ON ACCOUNTS

1. 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.
2. Interest of Rs. 11939921.41 has been paid for the year of F.Y. 2015-16 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.

Sd/-
M.C. Saini
Assistant Finance Manager

Sd/-
Dr. A.K. Samantaray
Chief Executive Officer

Sd/-
K.K. Parida
Director

Sd/-
L.N. Mishra
Chairman

Sd/-
Rajendra Kumar Das, FCA
Partner
(Membership No.: 057342)

Place : BHUBANESWAR

Date : 23.05.2016

MAHANADI BASIN POWER LIMITED, BHUBANESWAR

Cashflow Statement for the year ended on 31.03.2016



	For the year ended on 31.03.2016 (Rs)	For the year ended on 31.03.2015 (Rs)
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax and extraordinary items	-228626	0
Adjustment for :		
Depreciation & Impairment	0	0
Exchange Rate Fluctuation	0	0
Interest / Dividend (Received)	0	0
Interest /financial charges (Paid)	0	0
Prov. against Debtors/Inventories/Other CA/ Loans & Adv	0	0
Deferred Tax Liability	0	0
Operating Profit before Working Capital changes	-228626	0
Adjustments for :		
Changes in Inventories	0	0
Changes in trade receivable	0	0
Changes in long term /non current loans & advance / assets	31156	-1064630
Changes in short term / current loans& advances/ assets	177630	-2138108
Changes in trade payable/ current liabilities	-133481278	27110834
Cash generated from operations	-133272498	24866296
Direct taxes paid	0	0
Deferred Tax Liabilities	0	0
Cash Flow before extraordinary items	-133501118	24866296
Extraordinary items	0	0
Net Cash from operating activities	<u>-133501118</u>	<u>24866296</u>
B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	-27042183	-27248585
Adj. for preliminary expenses	0	0
Short Term Deposit with CIL	0	0
Miscellaneous receipts	0	0
Acquisition of Companies	0	0
Purchase of New investment	0	0
Interest received	0	0
Dividend received	0	0
Net Cash used in Investing activities	<u>-27942183</u>	<u>-27248585</u>
C) CASH FLOW FROM FINANCING ACTIVITIES:		
World Bank Loans through CIL	160967798	0
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>160967798</u>	<u>0</u>
Net increase in cash and cash equivalents	<u>-475503</u>	<u>-2382289</u>
Cash and cash equivalents as at beginning of the year	996458	3378747
Cash and cash equivalents as at the end of the year	<u>520955</u>	<u>996458</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 Finance Manager

Sd/-
Dr. A.K. Samantaray
Chief Executive Officer

Sd/-
K.K. Parida
Director

Sd/-
L.N. Mishra
Chairman

As per our report of even date.
For Das & Das
Chartered Accountants
FRN :322926E

Sd/-
Rajendra Kumar Das, FCA
Partner
(Membership No.: 057342)

Place : BHUBANESWAR
Date : 23.05.2016