



# **MAHANADI COAL RAILWAY LIMITED**

**(A subsidiary of Mahanadi Coalfields Limited)**

## **8<sup>th</sup> Annual Report and Accounts 2022-23**

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



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**COMPANY INFORMATION**

**MANAGEMENT DURING 2022-23**

**CHAIRMAN**

Shri O. P. Singh (w.e.f. 13.03.2019)

**DIRECTORS**

Shri Keshav Rao (w.e.f. 16.12.2020)

Shri K.K. Roul (w.e.f. 10.01.2019)

Shri A. Narendra (Up to 09.05.2022)

Shri B. K. Dash (w.e.f. 28.07.2021)

Shri S. L. Gupta (Upto 20.10.2022)

Shri P. R. Parhi (w.e.f. 09.05.2022)

Shri Surender Singh (w.e.f. 20.10.2022)

Ms. Ragni Advani (w.e.f. 01.06.2022)

Shri S. Nayak CEO

Shri B. K. Parida COO

Shri S. K. Behera CFO

**STATUTORY AUDITOR**

M/s Narendra K Jain & Associates  
Chartered Accountants,  
Balangir, Odisha.

**SECRETARIAL AUDITOR**

M/s Sushanta Pradhan & Associates,  
Practicing Company Secretary,  
Sambalpur, Odisha-768004.

**BANKERS**

**State Bank of India,**  
Sambalpur

**ICICI Bank**  
Bhubaneswar

**Axis Bank Ltd**  
Sambalpur

**REGISTERED OFFICE**

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

## NOTICE OF 8<sup>th</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 8th Annual General Meeting of Mahanadi Coal Railway Limited is scheduled to be held at **12.30 PM on Wednesday, the 9th August, 2023** at MCL Office, Gadakana, Chandrasekharpur, Bhubaneswar, Odisha - 751017 through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following business.

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2023 including the Audited Balance Sheet as at 31st March, 2023 and Statement of Profit and Loss for the year ended on that date and the Reports of Board of Directors, Statutory Auditor and Comptroller and Auditor General of India thereon or Mahanadi Coal railway Limited.
2. To re-appoint Shri Keshav Rao (DIN: 08651284), as Director, who is liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
3. To re-appoint Mr. Manoranjan Mallik (DIN: 10060496), as Director, who is liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

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

Date: 05.08.2023  
Place: Sambalpur

Sd/-  
(S. K. Behera)  
Company Secretary

### Note:

1. Body Corporate are entitled to appoint authorized representatives for the purpose of voting through remote e-voting or for participation and voting in the meeting held through VC/OAVM. Corporate Members are, therefore, requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their Representative to attend and vote on their behalf before or at the AGM.
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.
3. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 13th January, 2021 read with circulars dated 8th April, 2020, 13th April, 2020 (collectively referred to as 'Circulars') permitted the holding of the Annual General Meeting ("AGM") through VC (Video Conferencing)/ OAVM (Other Audio Visual Means), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act") and MCA Circulars, the Company is providing an option to its members to attend the AGM through VC/ OAVM.
4. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and proxy need not be a member of the Company. Since, this AGM is being held in accordance with the Circular through VC/OAVM, the facility for appointment of proxies by the members will not be available for this AGM and hence the Proxy Form is not annexed to the notice.

5. Participation of the members through VC/OAVM will be counted for the purpose of reckoning the quorum for the AGM as per Section 103 of the Act.

6. The Company will provide VC / OAVM facility to its Members for participating at the AGM. Facility to join the meeting shall be opened thirty minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.

7. Pursuant to the provisions of Section 171(1)(b) and 189(4) of the Companies Act, 2013, the registers required to be kept open for inspection at every Annual General Meeting of the company, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to cosecymcrl@gmail.com.

8. Where a poll is demanded by the members, the members attending through VC/OAVM shall send their votes to cosecymcrl@gmail.com.

9. The Notice of the AGM and Attendance Slip is being sent in electronic mode to members whose e-mail IDs are registered with the Company unless the members have registered a request for a hard copy of the same. Physical copy of the Notice of AGM and Attendance Slip is being sent to those members who have not registered their e-mail IDs with the Company.

10. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses with the Company at its registered office address.

11. Member(s) are requested to notify immediately any change in their address/E-mail ID to the Company at the Registered Office.

12. In case of any query, Members may send an email to cosecymcrl@gmail.com or contact the designated person. (Contact No. 9438877329).

**Members:**

1. Mahanadi Coalfields Limited, Jagruti Vihar, Burla, Sambalpur- 768020. (Atten: Company Secretary, MCL).
2. IRCON International Limited, C-4, District Centre, Saket, New Delhi - 110017. (Atten: Company Secretary, IRCON).
3. Odisha Industrial Infrastructure Development Corporation, IDCO Tower, Janpath, Bhubaneswar - 22 (Atten. Managing Director, IDCO)
4. Shri O. P. Singh, Director (Tech/Op), MCL, Jagruti Vihar, Burla, Sambalpur-768020.
5. Shri A. Hussain, GM(Mining), MCL, Jagruti Vihar, Burla, Sambalpur-768020.
6. Shri K. K. Roul, GM(L&R), MCL, Jagruti Vihar, Burla, Sambalpur - 768020.
7. Shri Surendra Singh, ED, IRCON International Limited, C-4, District Centre, Saket, New Delhi-110017.

**Auditors:**

1. M/s Narendra K Jain & Associates, Chartered Accountants, Balangir, Odisha.
2. Director General of Audit (Coal), Old Nizam Place, 234/4, Acharya Jagadish Chandra Bose Road, Kolkata - 700020.
3. M/s Sushanta Pradhan & Associates, Practicing Company Secretary, Sambalpur, Odisha.

## DIRECTORS' REPORT

Dear Members,

On behalf of the Board of Directors of your Company, it is my privilege and honor to present the 8<sup>th</sup> Annual Report of your Company together with the audited Financial Statements for the year 2022-23 along with the report of the Statutory Auditors and the comments of the Comptroller and Auditor General of India.

### 1. ORGANISATION:

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

As per the MoU, IDCO share of equity shall correspond to the value of land provided by the Govt. of Odisha (GoO) or 10 % whichever is more. If the value of land provided by GoO exceeds 10% of the equity, the shareholding percentage of IDCO and MCL shall stand modified accordingly. GoO shall provide land owned by State Govt. (Revenue and Forest land) and value of such land shall be adjusted towards its equity. Cost of compensatory afforestation, net present value, wildlife management plan, demarcation, felling and other charges for diversion proposal of forest plan under the Forest (Conservation) Act, 1980 shall be borne by MCRL. It has been envisaged to carry out preliminary activities through IRCON, having domain expertise on railway projects and to act as implementing agency for undertaking the construction work in two phases. MCRL shall enter into separate agreements with Ministry of Railways for Concession, Operation & Maintenance of assets.

### Brief Details of the project of MCRL.

Angul-Balaram-Putugadia-Jarapada and one leg to Tentuloi (68 Km) section has been identified by MCRL as its 1<sup>st</sup> project during its 1<sup>st</sup> Board meeting held on 11.09.2015. The project consists primarily of 3 legs, (1) Angul- Balaram, (2) Balaram-Putugadia and (3) Jarapada-Putugadia-Tentuloi. Land for the Angul-Balaram leg of the corridor has already been acquired by MCL. Land for the Balaram-Putugadia and Jarapada-Putugadia-Tentuloi legs are being acquired under the Railways Act, 1989 as the entire project is declared as special railway project.

**1. HIGHLIGHTS OF PERFORMANCE:**

**A) Establishment of MCRL Office**

Mahanadi Coal Railway Limited (MCRL) has set-up its Office at 5<sup>th</sup> floor of 11 storied OSHB Building on Plot No. A/ 32, Kharavel Nagar, Sachivalaya Marg, Bhubaneswar for development of Rail Corridor in Talcher area in the state of Odisha for evacuation of coal. The office is functioning at the said address from 01.02.2017.

**B) Detailed Project Report (DPR)**

DPR of Angul-Balaram-Putagadia–Jarapada and one leg upto Tentuloi (about 68 Km) has been approved in principle by Railway Board on 27.10.2017. Final approval of DPR by East Coast Railway has been accorded on 31.01.2018. COM, East Coast Railway sent the proposal to Railway Board on 29.01.2018 for approval of inflated mileage of 60% and for sanction as Railway project. The approval from Railway for inflated mileage of 60% and Special Railway Project has been obtained. Total cost of the project is Rs. 1,700 Crore including inflation, Project Management and interest during construction.

**C) Land**

IDCO had initiated land acquisition for M/s Brahmani Railway Limited (BRL) for comprehensive corridor to accommodate the railway, road and also water pipeline. Govt. of Odisha has published 6(1) notification on May, 2015 under LA Act, 1894 for land requirement of M/s Brahmani Railway Limited / IDCO.

It has been decided by Board of Director of the Company in its meeting held on 21.03.2016 to reduce the width of land to accommodate only the rail line and additional land required for maintenance/approach road. Accordingly, fresh survey has been undertaken up and revised land schedule prepared.

The entire alignment of MCRL corridor strategically kept within the notified land boundary of M/s Brahmani Railway Limited / IDCO. Now as the entire project is declared as Railways Special Project vide The Gazette of India notification no 4171 dated 23<sup>rd</sup> October, 2018, the land acquisition is being done under the Railways Act (RAA-2008).

Competent Authority has been nominated under section 7(A) through The Gazette of India notification no 0709 dated 14<sup>th</sup> February, 2020. 20A Gazette Notification has been issued through East Coast Railway, Bhubaneswar on 09.06.2022.

**(D) Present Land Acquisition Status (For Phase II)**

**(i) Tenancy Land :-**

202.42 ha of Private land is being acquired under Railway Act (Amendment) – 2008. 20A gazettee notification under Railway Act (Amendment) - 2008 has been published on 10.06.2022.

**(ii) Forest Land :-**

Final/Stage-II forest clearance has been received on 22.02.2023 for 125.355 ha (310 Ac.) of forest land. Enumeration of trees is under progress before felling of trees by OFDC.

**(iii) Government Land :-**

Collector, Angul has sent the alienation proposal to Govt. of Odisha on 27.01.2023. Govt. of Odisha cleared the proposal on 01.02.2023 with direction to Collector, Angul for alienation and grant of working permission for 42.10 ha of land.

**(E) Completion of Angul – Balram Rail link (Phase I)**

During 6<sup>th</sup> BOD meeting, it was decided that the work between Angul-Balram Section will be taken irrespective of financial closure. Requisite funds for this portion of the project shall be arranged by MCL in the form of loan. Accordingly, M/s IRCON has awarded the work for Angul-Balram section to M/S Laxmi Enterprises, Jharkhand on 16.11.2018 with an estimated cost of Rs 64.69 crore and completion period of 09 months.

After authorization of ECoR for opening to traffic, regular goods trains are now running in the section w.e.f. 14.11.2022. ECoR is in the process of issue of commercial notification for the purpose of COD after which revenue apportionment as per Concession Agreement may take place. The matter is being pursued with ECoR.

**F) Phase – II Progress**

4 tenders for earthwork and bridges covering entire Phase-II have been invited on 03.03.2023 and 24.03.2023. ESP and L-section drawings have been submitted to ECoR for approval on 17.03.2023.

**G) Handing over of Phase-II (Balram-Putagadia-Jarpada-Tentuloi link , 54 Km) to Railways.**

During review meeting held on 22.02.2023 by Hon'ble Minister of Railways and Hon'ble Minister of Coal, it has been proposed during the meeting that MCRL Phase – II in SPM mode may be considered for handing over to Railways. Further, Director (Tech/P&P) of MCL requested GM/ ECoR taking considered view on implementation of Phase II by Railway vide his letter dated 29.03.2023.

**H) Financial Closure :**

BOB vide their letter dated 21.02.2023 have again requested for acceptance of their sanctioned term loan dated 16.12.2022 and also requested for justification in support of the demand for moratorium. BOD vide their letter dated 13.03.2023 have again requested to provide proper financial model with justification for the moratorium.

**1. CAPITAL STRUCTURE:**

The authorized and paid up capital of the Company Rs.100,00,00,000/- (Rupees One Hundred Crore) divided into 10,00,00,000 (Ten Crore) equity shares of Rs. 10 each. The paid up capital of the Company as on 31.03.2023 is Rs. 90,00,50,000/-.

Sl.	Name of the Promoter Company	Shareholding pattern as on 31.03.2023	Shareholding pattern as on 31.03.2022
1	Mahanadi Coalfields Limited	71.107%	71.107%
2	IRCON International Limited	28.887%	28.887%
3	Odisha Industrial Infrastructure Development Corporation	0.006%	0.006%
	Total	100%	100%



**4. FINANCIAL RESULTS:**

Financial Results for the financial year 2022-23 are given below:

Particulars	For the Year ended on 31.03.2023 (Rs in Lakh)
Income for the year	5.87
Expenditure for the year excluding Depreciation and Amortization Exp.	49.31
Profit or Loss before Depreciation and Amortization Exp.	(43.44)
Less: Depreciation and Amortization Exp.	0.00
Profit or Loss after Depreciation and Amortization Exp. but before Tax	(43.44)
Less: Current Tax	0.00
Profit or Loss after Tax	(43.44)

The Company is in construction stage and operational activities have not yet been started. Hence, all the expenditure incurred by the Company, which is directly attributable to Project during F.Y. 2022-23, has been capitalized and other indirect expenses has been charged to "Profit and Loss Statement. Upto the financial year 2022-23, the Company has taken Rs.24569.60/- Lakh as Unsecured Short Term Loans from Mahanadi Coalfields Limited (Holding Company).

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013 in terms of Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act, 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 hereto in use. Management evaluated all recently issued or revised accounting standards on an ongoing basis. The Company has disclosed standalone audited financial results on quarterly and annual basis.

**5. DIVIDEND:**

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

**6. RESERVES:**

The Company didn't transfer any amount in Reserves.

**7. CONTRIBUTION TO THE EXCHEQUER: NIL**

**8. SUBSIDIARY/ JV COMPANIES:**

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

**9. DEPOSITS:**

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

**10. RISK MANAGEMENT:**

Due importance is given for risk identification, assessment and its control in different functional areas of the Company for an effective risk management process because of inherent risk, external and internal, necessary control measures are regularly taken. The Management monitors all critical factors continuously.

**11. RELATED PARTY TRANSACTION:**

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

**12. PARTICULARS OF LOANS GURANTEES OR INVESTMENTS:**

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

**13. VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

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

**14. AUDITORS:**

Under Section 139 of the Companies Act, 2013, the following Audit Firm was appointed as Statutory Auditor of the Company for the financial year 2022-23:

M/s Narendra K Jain & Associates, Chartered Accountants, Balangir, Odisha.

Under Section 204 of the Companies Act 2013, the following Firm was appointed as Secretarial Auditor of the Company to conduct the secretarial audit for the year 2022-23:-

M/s Sushanta Pradhan & Associates, Practicing Company Secretary, Building No.F/3, Sahayog Nagar, Budharaja, Sambalpur, Odisha-768004.

**15. BOARD OF DIRECTORS:**

The Board of Directors of Mahanadi Coal Railway Limited consists of 07 (Seven) members, viz., Chairman and 02 (two) Directors as nominees of MCL, 02 (two) Directors as nominee of IRCON, 01 (one) Director as nominee of IDCO and 01 (one) Director as nominee from MoR.

The Composition of Board of Directors as on 31.03.2023 is as under:

Sl. No.	Name	Designation	Date of Appointment
1.	Shri O. P. Singh	Chairman	13.03.2019
2.	Shri K. Rao	Director	16.12.2020
3.	Shri K. K. Roul	Director	10.01.2020
4.	Shri Surender Singh	Director	01.10.2021
5.	Shri Ragni Advani	Director	01.06.2022
6.	Shri B. K. Dash	Director	28.07.2021
7.	Shri P. R. Parhi	Director	09.05.2022

**16. BOARD MEETINGS:**

The Board met six (06) times during the financial year 2022-23 on 05.04.2022, 02.05.2022, 20.05.2022, 21.07.2022, 20.10.2022 and 18.01.2023. The details of the Board meetings and Directors attendance held during the financial year are given as under.

Sl. No.	Name of Directors	Category	Held during the tenure	Attended
1	Shri O. P. Singh	Non-Executive Director	6	6
2	Shri K. Rao	Non-Executive Director	6	6
3	Shri K. K. Roul	Non-Executive Director	6	4
4	Shri S. L. Gupta	Non-Executive Director	4	4
5	Shri Surender Singh	Non-Executive Director	5	5
6	Ms. Ragni Advani	Non-Executive Director	3	3
7	Shri A. Narendra	Non-Executive Director	2	2
8	Shri P. R. Parhi	Non-Executive Director	4	4
9	Shri B. K. Dash	Non-Executive Director	6	4

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

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

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

Information as per Section 197 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable to your company as no employee in the Company was drawing more than Rs. 5,00,000/- per month or Rs. 60,00,000 per annum or in excess of that drawn by Managing Director or Whole-time Director or manager and holds by himself or along with spouse and dependent children, not less than two percent of the equity shares of the Company.

**19. DIRECTORS' RESPONSIBILITY STATEMENT:**

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

1. That in the preparation of the Annual Accounts for the Financial Year ended 31.03.2023, the applicable Accounting Standards have been followed (except as disclosed in the Additional Notes on Accounts) along with proper explanation relating to material departures.
2. That the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit or Loss of the Company for the year under review.
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the Directors have prepared the Accounts for the Financial Year ended 31.03.2023 on a 'Going Concern' basis.
5. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**20. BANKER'S NAME AND ADDRESS:**

Sl. No.	Name	Branch Address
1	State Bank of India	MCL Complex Branch, Jagruti Vihar, Burla, Sambalpur.
2	ICICI Bank	Sachivalaya Marg, Burma Nagar, Unit-4, Bhubaneswar - 751001
3	Axis Bank	Budharaja, Sambalpur

**21. C & A G COMMENTS:**

Comments of the Comptroller & Auditor General of India on the Accounts of the Company for the year ended 31<sup>st</sup> March, 2023 is annexed herewith.

**22. AUDITOR'S REPORT:**

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

Act, 2013. The report is annexed herewith.

**23. Extract of Annual Return:**

Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return (Form No. MGT-7) is uploaded on the website of MCL in the link: [http://www.mahanadicoal.in/Financial/anual\\_report.php](http://www.mahanadicoal.in/Financial/anual_report.php)

**24. ACKNOWLEDGEMENT:**

Your Directors acknowledge with deep sense of appreciation the co-operation, valuable support and guidance received from the Ministry of Coal, Ministry of Railways and Government of Odisha, Coal India Limited, Mahanadi Coalfields Limited, IRCON International Limited and Odisha Industrial Infrastructure Development Corporation. Your Directors also express their sincere thanks to the District Administration and to all those, who have directly or indirectly extended their help and cooperation from time to time for the development of the Rail Corridor.

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

Your Directors also record their appreciation for the services rendered by the Officers and staff of the Director General of Audit (Coal), O/o the Comptroller & Auditor General of India and Registrar of Companies, Odisha.

**25. ADDENDA:**

The following documents are annexed:

1. Information regarding Conservation of Energy, Technology absorption and Foreign Exchange earnings and Outgo, (Annexure-I).
2. Report of the Statutory Auditor under Section 139 of the Companies Act, 2013, (Annexure-II).
3. Report of Secretarial Auditor (Annexure-III).
4. Comment of the Comptroller and Auditor General of India under section 143(6) (b) of the Companies Act 2013, (Annexure-IV).

Date:01.08.2023  
Place: Sambalpur

Sd/-  
(O. P. Singh)  
Chairman

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

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

**(A) Conservation of energy-**

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

**(B) Technology absorption-**

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

**(C) Foreign exchange earnings and Outgo-**

The Company's has been incorporated on 31<sup>st</sup> August, 2015 and no such activity has yet been started. Therefore, there are not any transaction w.r.t. foreign exchange earnings or Outgo.

(Rs in Lakhs)

Particulars	2022-23
Total Foreign Exchange Received (F.O.B. Value of Export)	-
Total Foreign Exchange used:	
i) Raw Materials	-
ii) Consumable Stores	-
iii) Capital Goods	-
iv) Foreign Travels	-
v) Others	-

To the Members of  
MAHANADI COAL RAILWAY LIMITED

***Report on the Audit of the Financial Statements***

**Opinion**

We have audited the Ind AS financial statements of MAHANADI COAL RAILWAY LIMITED (“the Company”), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss, statement of changes in equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements including summary of the significant accounting policies and other explanatory information (herein after referred to as “financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (‘the Act’) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2023 and its loss, the changes in Equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of the most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

**Information Other than the Financial Statements and Auditor’s Report Thereon**

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board’s Report including Annexure to Board’s Report, but does not include the financial statements and our auditor’s report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent

with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance, statement of changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder. 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.

In preparing the financial statements, management is responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standard on Auditing specified under section 143(10) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of the most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other legal and regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("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-1", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. We are enclosing our report in terms of section 143(5) of the Act, on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us in the "Annexure-2" on the directions and sub directions issued by Comptroller and Auditor General of India.
3. As required by Section 143(3) of the Act, we report that:
  - i. 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 of the aforesaid Ind AS Financial Statements.

- ii. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Ind AS Financial Statements have been kept by the Company so far as it appears from our examination of those books.
- iii. The Balance Sheet, the Statement of Profit and Loss, the statement of changes in Equity and the Statement of Cash flow dealt with by this Report are in agreement with the relevant books of account maintained for the preparation of the Ind AS financial Statements.
- iv. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- v. We are informed that the provision of section 164(2) of the Act in respect of disqualification of the directors are not applicable to the company, being a Government Company in the terms of notification no G.S.R 463(E) dated 5th June 2015, issued by the Ministry of Corporate Affairs.
- vi. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-3". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- vii. 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, 2021, in our opinion and to the best of our information and according to the explanations given to us:
  - a. As explained to us the Company does not have any pending litigation which would impact its financial position in its Ind AS financial statements.
  - b. As explained to us the Company has not entered into any derivative contracts and the Company has not foreseen any material losses on long term contracts, hence no provision has been made on this account.
  - c. The Company does not have to transfer any amount to Investor Education & Protection und as required under section 125(2) of the Companies Act, 2013, the delay in transferring any amount to the Fund does not arise.

**For Narendra K. Jain & Associates,  
Chartered Accountants.  
FRN : 322048E**

Sd/-  
**(CA. N K Jain)**  
Partner  
M. No.:- 085121

Place: Balangir  
Date : 24.04.2023

### **Annexure-1 to the Independent Auditor's Report**

Statement referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Mahanadi Coal Railway Limited on the Ind AS financial statements for the year ended 31st March, 2023, we report that:

- (i) In respect of Company's Property, Plant and Equipment and Intangible Assets:
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment and relevant details of right-of-use assets.
  - b) As per information available the Property Plant and Equipment and right-of-use assets of the company have been physically verified by the management during the year and no material discrepancy was noticed on such verification and in our opinion the periodicity of such physical verification is reasonable having regard to the size of the Company and nature of its assets.
  - c) According to the information and explanations given to us the company does not hold any immovable property and hence no title deeds are held.
  - d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - e) No proceedings have been initiated during the year or are pending against the Company as at 31st March 2023 for holding any benami property under Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii)
  - a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
  - b) The Company has not been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) The company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, during the year, in respect of which:
  - a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
  - b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are prima facie, not prejudicial to the Company's interest.
  - c) In respect of loans granted, the schedule of repayment of principal and payment of interest has been stipulated and repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
  - d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

- e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence reporting under clause 3(iii)(f) is not applicable.

The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms Limited Liability Partnerships or any other parties.

- iv) As per the information and explanations given to us and on the basis of examination of the records the company, the company has not granted any loans/ investments/ guarantees/ security hence reporting in respect of compliance of section 185 and 186 of the Companies Act, 2013 does not arise.
- (v) The Company has not accepted any deposit within the meaning of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Hence reporting under clause 3(v) of the Order is not applicable.
- (vi) The company has not commenced any business/service and hence the provision of 3(vi) of the Order not applicable to the company.
- (vii) In respect of statutory dues:
  - a) In our opinion, the Company has been generally been regular in depositing undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs duty, Excise duty, Value added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There is no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2023 for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income tax, sales tax, Goods and Service Tax, customs duty, central excise duty and value added tax which has not been deposited on account of any dispute.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961.
- (ix)
  - a) The company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
  - b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
  - c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
  - d) The Company has not raised any funds on short term basis during the year hence,

reporting under clause 3(ix)(d) of the Order is not applicable.

- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.  
b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debenture (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) a) No fraud by the Company and material fraud on the Company has been noticed or reported during the year.  
b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto date of this report.  
c) As per the information and explanations provided to us by the Company no whistle blower complaints has been received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- (xii) The Company is not a Nidhi company hence reporting under clause (xii) of the Order is not applicable.
- (xiii) The company being a Central government controlled enterprise and having related party transactions has disclosed relevant particulars as required under Paragraph 26 of Ind AS24.
- (xiv) The provisions of internal audit systems requirement are not applicable to the Company and hence reporting under clause (xiv)(a) and (xiv)(b) of the Order not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, clause (xv) of paragraph 3 of the said order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company and hence reporting under clause 3(xvi)(a), (b), (c) and (d) of the Order is not applicable.
- (xvii) The company has not commenced any business/service during the year. It has incurred cash loss during the financial year covered by our audit and also in the immediately preceding financial year on account of preoperative expenses incurred by the company.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.

- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payments of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when the fall due within a period of one year from the balance sheet date. We however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts upto the date of audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when the fall due.
- (xx) The provisions of section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility (CSR) are not applicable to the Company. Hence reporting under clause 3(xx)(a) and (b) of the Order is not applicable.

**For Narendra K. Jain & Associates,  
Chartered Accountants.  
FRN : 322048E**

Place: Balangir  
Date : 24.04.2023

Sd/-  
**(CA. N K Jain)**  
Partner  
**M. No.:- 085121**

**Annexure - 2 to the Independent Auditor's Report  
Report pursuant to Direction and Additional Direction u/s 143(5) of the Companies  
Act, 2013 to Statutory Auditors for the year 2022-23**

Sl. No.	PARTICULAR	Auditors Reply
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any may be stated.	The Company has NO system in place to process all the accounting transactions through IT system.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by the lender to the company due to the company's in ability to repay the loan? If yes, the financial impact may be stated.	As per our information and explanations given to us, there is no restructuring/ waiver/write off of debts/ loans/interest etc. by any lender.
3	Whether fund received/receivable for specific schemes from Central/State agencies were properly accounted for /utilized as per its term and conditions? List the cases of deviation.	As per information and explanations given to us the Company has not received/ receivable any fund for specific schemes from Central/State agencies.

**For Narendra K. Jain & Associates,  
Chartered Accountants.  
FRN : 322048E**

Place: Balangir  
Date : 24.04.2023

Sd/-  
(CA. N K Jain)  
Partner  
M. No.:- 085121

### **Annexure - 3 to the Independent Auditor's Report**

Report on the Internal Financial Controls over financial reporting of under clause (i) of Sub – section 3 of the section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Mahanadi Coal Railway Limited ('the Company') as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended and as on date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.



A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of 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, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Narendra K. Jain & Associates,  
Chartered Accountants.  
FRN : 322048E**

Place: Balangir  
Date : 24.04.2023

Sd/-  
(CA. N K Jain)  
Partner  
M. No.:- 085121

**Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR 2022-23**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Mahanadi Coal Railway Limited,  
Po. Jagruti Vihar, Burla,  
Sambalpur, Orissa – 768020.  
India.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Mahanadi Coal Railway Limited (hereinafter called 'the Company') for the financial year ended 31st March, 2023. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023, according to the provisions of:

- (i) The Companies Act, 2013 (the Act), and the Rules made there under;
- (ii) The Companies Act, 1956 and Rules made there under, to the extent for specified sections not yet notified;
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under; Not applicable during the period under report.
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; Not applicable during the period under report.
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; Not applicable during the period under report.

- (vi) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act') - Not applicable during the period under report.
- (vii) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - Not applicable during the period under report.
- (viii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 - Not applicable during the period under report.
- (ix) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not applicable during the period under report.
- (x) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- Not applicable during the period under report.
- (xi) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable during the period under report.
- (xii) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not applicable during the period under report.
- (xiii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- Not applicable during the period under report.
- (xiv) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- Not applicable during the period under report.

2. We have relied on the representation made by the Company and its Officers for systems and mechanism adopted by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major heads/groups of Acts, Laws and Regulations as applicable to the Company like:

- a. Factories Act, 1948;
- b. Industrial Disputes Act, 1947;
- c. Industrial Laws relating to Trade Unions, Apprentices, Industrial employment, Motor transport workers, etc.
- d. Acts prescribed related to Mining activities;
- e. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, bonus, gratuity, provident fund, ESIC, compensation, maternity benefits, labour welfare, etc;
- f. Act prescribed under Environment and conservation;
- g. Business Laws relating to Contracts, Stamps, Competitions etc.

**We further report that:**

The Board of Directors of the Company have been duly constituted as required under the provisions of the Act. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions are carried out unanimously while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that on the basis of documents and explanations provided by the Management, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Sushanta Pradhan & Associates  
Company Secretaries

Sd/-  
CS Sushanta Pradhan  
M. Number: 29239  
C.P Number: 14238  
UDIN: A029239E000507288

Place: Sambalpur  
Date : 15.06.2023

This report is to be read with our letter of event date which is annexed as Annexure-A and forms an integral part of this report.

**Annexure A**

To  
The Members,  
Mahanadi Coal Railway Limited,  
Po. Jagruti Vihar, Burla,  
Sambalpur, Orissa – 768020.  
India.  
India.

Our report of event date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verifications were done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, followed by the Company provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Sushanta Pradhan & Associates  
Company Secretaries

Sd/-  
CS Sushanta Pradhan  
M. Number: 29239  
C.P Number: 14238  
UDIN: A029239E000507288

Place: Sambalpur  
Date : 15.06.2023

**Annexure -IV**

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MAHANADI COAL RAILWAY LIMITED FOR THE YEAR ENDED 31 MARCH 2023

The preparation of financial statements of Mahanadi Coal Railway Limited for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 24 April 2023.

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 Coal Railway Limited for the year ended 31 March 2023 under Section 143(6)(a) of the Act.

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

Sd /-  
(Atul Prakash)  
PRINCIPAL DIRECTOR OF AUDIT (COAL), KOLKATA

Place : Kolkata

Dated : 20 June 2023.

# **MAHANADI COAL RAILWAY LIMITED**

**(A Subsidiary of Mahanadi Coalfields Limited)**

## **FINANCIAL STATEMENTS FOR THE YEAR 2022-23**

**Regd Office: MCL Office , Po – Jagruti Vihar,  
Sambalpur, Odisha, 768020**

**MAHANADI COAL RAILWAY LIMITED**  
**BALANCE SHEET AS AT 31.03.2023**

(₹ in Lakhs)

<b>ASSETS</b>	<b>Note No.</b>	<b>As at</b>	
		<b>31.03.2023</b>	<b>31.03.2022</b>
<b>Non-Current Assets</b>			
(a) Property, Plant & Equipment	3	16.35	19.61
(b) Capital Work in Progress	4	31,089.69	18,215.77
(c) Exploration and Evaluation Assets	5	-	-
(d) Intangible Assets	6.1	-	-
(e) Intangible Assets under Development	6.2	-	-
(f) Financial Assets		-	-
(i) Investments	7	-	-
(ii) Loans	8	-	-
(iii) Other Financial Assets	9	-	-
(g) Deferred Tax Assets (Net)		-	-
(h) Other Non-Current Assets	10	10,078.65	6,938.26
<b>Total Non-Current Assets (A)</b>		<b>47,184.69</b>	<b>25,173.64</b>
<b>Current Assets</b>			
(a) Inventories	12	-	-
(b) Financial Assets		-	-
(i) Investments	7	-	-
(ii) Trade Receivables	13	-	-
(iii) Cash & Cash equivalents	14	65.78	434.77
(iv) Other Bank Balances	15	-	-
(v) Loans	8	-	-
(vi) Other Financial Assets	9	2.42	3.11
(c) Current Tax Assets (Net)		0.58	0.84
(d) Other Current Assets	11	0.06	0.11
<b>Total Current Assets (B)</b>		<b>68.84</b>	<b>438.83</b>
<b>Total Assets (A+B)</b>		<b>41,253.53</b>	<b>25,612.47</b>



**MAHANADI COAL RAILWAY LIMITED  
BALANCE SHEET AS AT 31.03.2023**

(₹ in Lakhs)

<b><u>EQUITY AND LIABILITIES</u></b>	<b>Note No.</b>	<b>31.03.2023</b>	<b>31.03.2022</b>
<b>Equity</b>			
(a) Equity Share Capital	16	9,000.50	9,000.50
(b) Other Equity	17	-136.88	-93.44
<b>Equity attributable to equityholders of the company</b>		<b>8,863.62</b>	<b>8,907.06</b>
Non-Controlling Interests		-	-
<b>Total Equity (A)</b>		<b>8,863.62</b>	<b>8,907.06</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	-	-
(ii) Lease Liabilities		-	-
(ii) Trade Payables		-	-
(iii) Other Financial Liabilities	20	-	-
(b) Provisions	21	-	-
(c) Deferred Tax Liabilities (net)		-	-
(d) Other Non-Current Liabilities	22	-	-
<b>Total Non-Current Liabilities (B)</b>		<b>-</b>	<b>-</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	-	-
(ii) Lease liabilities		-	-
(iii) Trade payables	19	-	-
(I) Total outstanding dues of micro and small enterprises		-	-
(II) Total outstanding dues of Creditors other than micro and small enterprise		29.95	9.41
(iii) Other Financial Liabilities	20	32,324.69	16,680.76
(b) Other Current Liabilities	23	35.27	15.24
(c) Provisions	21	-	-
(d) Current Tax Liabilities (net)		-	-
<b>Total Current Liabilities (C)</b>		<b>32,389.91</b>	<b>16,705.41</b>
<b>Total Equity and Liabilities (A+B+C)</b>		<b>41,253.53</b>	<b>25,612.47</b>

The Accompanying Notes No. 1 to 38 form an integral part of the Financial Statements.

As per our Audit report annexed

On behalf of the Board

Sd/-  
(S.K. Behera)  
Company Secretary

Sd/-  
(B. K. Parida)  
Chief Financial Officer

Sd/-  
(S. Nayak)  
Chief Executive Officer

Sd/-  
(Keshav Rao)  
Director  
DIN: 08651284

Sd/-  
(O.P Singh)  
Chairman  
DIN: 07627471

For Narendra K Jain & Associates  
Chartered Accountants  
Firm Reg. No. - 322048E

Sd/-  
(CA N K Jain)  
Proprietor  
(Membership No. 085121 )

Date: 24.04.2023  
Place: BALANGIR

**MAHANADI COAL RAILWAY LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2023**

	Note No.	For the year ended 31.03.2023	(₹ in Lakhs) For the year ended 31.03.2022
<b>Revenue from Operations</b>			
A. Sales (Net of statutory levies)	24	-	-
B. Other Operating Revenue (Net of statutory levies)		-	-
<b>(I) Revenue from Operations (A+B)</b>		-	-
(II) Other Income	25	5.87	6.33
<b>(III) Total Income (I+II)</b>		<b>5.87</b>	<b>6.33</b>
<b>(IV) Expenses</b>			
Cost of Materials Consumed	26	-	-
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods/work in progress and Stock in trade	27	-	-
Employee Benefits Expense	28	-	-
Power Expense		-	-
Corporate Social Responsibility Expense	29	-	-
Repairs	30	-	-
Contractual Expense	31	-	-
Finance Costs	32	-	-
Depreciation/Amortization/ Impairment		-	-
Provisions	33	-	-
Write off	34	-	-
Stripping Activity Adjustment			
Other Expenses	35	49.31	8.26
<b>Total Expenses (IV)</b>		<b>49.31</b>	<b>8.26</b>
<b>(V) Profit before Share of Joint Venture/Associate's profit/(loss) (III-IV)</b>		<b>-43.44</b>	<b>-1.92</b>
(VI) Share of Joint Venture /Associate's profit/(loss)		-	-
(VI) Exceptional Items		-	-
<b>(VII) Profit before Tax (V+VI)</b>		<b>-43.44</b>	<b>-1.92</b>
<b>(VIII) Tax expense</b>	36		
Current Tax		-	-
Deferred Tax		-	-
<b>Total Tax Expenses (VIII)</b>		-	-
<b>(IX) Profit for the period from continuing operations (VII-VIII)</b>		<b>-43.44</b>	<b>-1.92</b>
(X) Profit/(Loss) from discontinued operations		-	-
(XI) Tax exp of discontinued operations		-	-
(XII) Profit/(Loss) from discontinued operations (after Tax) (X-XI)		-	-
<b>(XIII) Profit for the Period (IX+X+XI+XII)</b>		<b>-43.44</b>	<b>-1.92</b>

**MAHANADI COAL RAILWAY LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2023**

	Note No.	For the year ended 31.03.2023	(₹ in Lakhs) For the year ended 31.03.2022
<b>(XIV) Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss	37	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>(XV) Total Other Comprehensive Income</b>		<u>-</u>	<u>-</u>
<b>(XVI) Total Comprehensive Income (XIV+XV) (Comprising Profit (Loss) and Other Comprehensive Income)</b>		<b>-43.44</b>	<b>-1.92</b>
Profit attributable to:			
Owners of the company		-43.44	-1.92
Non-controlling interest		-	-
		<u>-43.44</u>	<u>-1.92</u>
Other Comprehensive Income attributable to:			
Owners of the company		-	-
Non-controlling interest		-	-
		<u>-</u>	<u>-</u>
Total Comprehensive Income attributable to:			
Owners of the company		-43.44	-1.92
Non-controlling interest		-	-
		<u>-43.44</u>	<u>-1.92</u>
(XVII) Earnings per equity share (for continuing operation):			
(1) Basic		-0.05	-0.01
(2) Diluted		-0.05	-0.01
(XVIII) Earnings per equity share (for discontinued operation):			
(1) Basic		-	-
(2) Diluted		-	-
(XIX) Earnings per equity share (for discontinued & continuing operation):			
(1) Basic		-0.05	-0.01
(2) Diluted		-0.05	-0.01

The Accompanying Notes No. 1 to 38 form an integral part of the Financial Statements.

**Sd/-**  
**(S.K. Behera)**  
**Company Secretary**

**Sd/-**  
**(B. K. Parida)**  
**Chief Financial Officer**

**Sd/-**  
**(S. Nayak)**  
**Chief Executive Officer**

**Sd/-**  
**(Keshav Rao)**  
**Director**  
**DIN: 08651284**

**Sd/-**  
**(O.P Singh)**  
**Chairman**  
**DIN: 07627471**

For Narendra K Jain & Associates  
Chartered Accountants  
Firm Reg. No. - 322048E  
**Sd/-**  
**(CA N K Jain)**  
Proprietor  
(Membership No. 085121 )

**Date: 24.04.2023**  
**Place: BALANGIR**

**CASH FLOW STATEMENT (INDIRECT METHOD)**

(₹ in Lakhs)

	<b>For the Period ended 31.03.2023</b>	<b>For the Period ended 31.03.2022</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Total Comprehensive Income before tax	(43.44)	(1.92)
Adjustments for :	-	-
Depreciation / Impairment of Fixed Assets	-	-
Interest from Bank Deposits	-	-
Finance cost related to financing activity	-	-
Interest / Dividend from investments	-	-
Profit / Loss on sale of Fixed Assets	-	-
Provisions made & write off during the period	-	-
Liability write back during the period	-	-
<b>Operating Profit before Current/Non Current Assets and Liabilities</b>	<b>(43.44)</b>	<b>(1.92)</b>
<b>Adjustment for :</b>	-	-
Trade Receivables	-	-
Inventories	-	-
Short/Long Term Loans/Advances & Other Current Assets	(3,139.39)	(6,105.79)
Short/Long Term Liabilities and Provisions	15,684.50	4,395.57
<b>Cash Generated from Operation</b>	<b>12,545.11</b>	<b>1,710.23</b>
Income Tax Paid/Refund	-	-
<b>Net Cash Flow from Operating Activities (A)</b>	<b>12,501.67</b>	<b>1,712.15</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(12,865.44)	(6,923.80)
Investment in Bank Deposit	5.22	3.30
Change in investments	-	-
Investment in joint venture	-	-
Interest pertaining to Investing Activities	-	-
Interest / Dividend from investments	-	-
<b>Net Cash from Investing Activities (B)</b>	<b>(12,870.66)</b>	<b>(6,927.10)</b>

**CASH FLOW STATEMENT (INDIRECT METHOD) Contd ...**

(₹ in Lakhs)

	For the Period ended 31.03.2023	For the Period ended 31.03.2022
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>8,995.50</b>
Issue of Share Capital	-	-
Repayment of Borrowings	-	-
Short Term Borrowings	-	-
Interest & Finance cost pertaining to Financing Activities	-	-
Receipt of Shifting & Rehabilitation Fund	-	-
Dividend & Dividend Tax	-	-
Buyback of Equity Share Capital	-	-
<b>Net Cash used in Financing Activities ( C )</b>	<b>-</b>	<b>8,995.50</b>
<b>Net Increase / (Decrease) in Cash &amp; Bank Balances (A+B+C)</b>	<b>368.99</b>	<b>356.25</b>
<b>Cash &amp; Bank Balance (opening balance)</b>	<b>434.77</b>	<b>78.52</b>
<b>Cash &amp; Bank Balance (closing balance)</b>	<b>65.78</b>	<b>434.77</b>

(All figures in bracket represent outflow.)

For and behalf of Board of Directos

As per our Audit report annexed

Sd/-  
(S.K. Behera)  
Company Secretary

Sd/-  
(B. K. Parida)  
Chief Financial Officer

Sd/-  
(S. Nayak)  
Chief Executive Officer

Sd/-  
(Keshav Rao)  
Director  
DIN: 08651284

Sd/-  
(O.P Singh)  
Chairman  
DIN: 07627471

For Narendra K Jain & Associates  
Chartered Accountants  
Firm Reg. No. - 322048E  
Sd/-  
(CA N K Jain)  
Proprietor  
(Membership No. 085121 )

Date: 24.04.2023  
Place: BALANGIR

**MAHANADI COAL RAILWAY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31.03.2023**  
**A. EQUITY SHARE CAPITAL**

As at 31st March 2023

(₹ in Lakhs)

Particulars	Balance as at 01-04-2022	Changes in Equity Share Capital due to prior period errors	Restated Balance as at 01-04-2022	Changes in equity share capital during the current period	Balance as at 31.03.2023
90005000 Equity Shares of ₹ 10/- each fully paid up	9,000.50	-	9,000.50	-	9,000.50

As at 31st March 2022

Particulars	Balance as at 01-04-2021	Changes in Equity Share Capital due to prior period errors	Restated Balance as at 01-04-2021	Changes in equity share capital during the current period	Balance as at 31.03.2022
50000 Equity Shares of ₹ 10/- each fully paid up	5.00	-	5.00	8,995.50	9,000.50

**B. OTHER EQUITY**

Particulars	Capital Redemption reserve	General Reserve	Retained Earnings	Remeasurement of Defined Benefits Plans (net of Tax) - (OCI)	Total
<b>Balance as at 01-04-2022</b>	-	-	-93.44	-	-93.44
Total Comprehensive Income for the period	-	-	-43.44	-	-43.44
Interim Dividend	-	-	-	-	-
Final Dividend	-	-	-	-	-
Transfer to/from General Reserve	-	-	-	-	-
Adjustments during the period (trf to HQ)	-	-	-	-	-
<b>Balance as at 31.03.2023</b>	-	-	-136.88	-	-136.88

Particulars	Capital Redemption reserve	General Reserve	Retained Earnings	Remeasurement of Defined Benefits Plans (net of Tax) - (OCI)	Total
<b>Balance as at 01-04-2021</b>	-	-	-91.51	-	-91.51
Total Comprehensive Income for the period	-	-	-1.92	-	-1.92
Interim Dividend	-	-	-	-	-
Final Dividend	-	-	-	-	-
Transfer to/from General Reserve	-	-	-	-	-
Adjustments during the period (trf to HQ)	-	-	-	-	-
<b>Balance as at 31.03.2022</b>	-	-	-93.44	-	-93.44

As per our Audit report annexed

On behalf of the Board

Sd/-  
(S.K. Behera)  
Company Secretary

Sd/-  
(B. K. Parida)  
Chief Financial Officer

Sd/-  
(S. Nayak)  
Chief Executive Officer

Sd/-  
(Keshav Rao)  
Director  
DIN: 08651284

Sd/-  
(O.P Singh)  
Chairman  
DIN: 07627471

For Narendra K Jain & Associates  
Chartered Accountants  
Firm Reg. No. - 322048E

Sd/-  
(CA N K Jain)  
Proprietor  
(Membership No. 085121)

Date: 24.04.2023  
Place: BALANGIR

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Note 1: CORPORATE INFORMATION**

#### **Company Overview**

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

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

### **Note 2: SIGNIFICANT ACCOUNTING POLICIES**

#### **2.1 Basis of preparation of financial statements**

- i. The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the section 133 of Companies Act, 2013 ("The Act") Indian Accounting Standards) Rules, 2015.
- ii. The financial statements have been prepared on historical cost basis of measurement, except for
  - certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments in para 2.14);
  - Defined benefit plans- plan assets measured at fair value;
  - Inventories at Cost or NRV whichever is lower (refer accounting policy in para no. 2.20).

##### **2.1.1 Rounding of amounts**

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

#### **2.2 Current and Non-Current Classification**

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

- (a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- (b) it holds the asset primarily for the purpose of trading;
- (c) it expects to realise the asset within twelve months after the reporting period; or
- (d) the asset is cash or a cash equivalent (as defined in Ind AS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is treated as current by the Company when:

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

All other liabilities are classified as non-current.

## **2.3 Revenue recognition**

### **Revenue from contracts with customers**

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The principles in Ind AS 115 are applied using the following five steps:

#### **Step 1 : Identifying the contract:**

The Company account for a contract with a customer only when all of the following criteria are met:

- a) the parties to the contract have approved the contract and are committed to perform their respective obligations;
- b) the Company can identify each party's rights regarding the goods or services to be transferred;
- c) the Company can identify the payment terms for the goods or services to be transferred;
- d) the contract has commercial substance (i.e. the risk, timing or amount of the Company's future cash flows is expected to change as a result of the contract); and
- e) it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. The amount of consideration to which the Company will be entitled may be less than the price stated in the contract if the consideration is variable because the Company may offer the customer a price concession, discount, rebates, refunds, credits or be entitled to incentives, performance bonuses, or similar items.

#### *Combination of contracts*

The Company combines two or more contracts entered into at or near the same time with the same customer (or related parties of the customer) and account for the contracts as a single contract if one or more of the following criteria are met:



- a) the contracts are negotiated as a package with a single commercial objective;
- b) the amount of consideration to be paid in one contract depends on the price or performance of the other contract; or
- c) the goods or services promised in the contracts (or some goods or services promised in each of the contracts) are a single performance obligation.

#### *Contract modification*

The Company account for a contract modification as a separate contract if both of the following conditions are present:

- a) the scope of the contract increases because of the addition of promised goods or services that are distinct and
- b) the price of the contract increases by an amount of consideration that reflects the company's stand-alone selling prices of the additional promised goods or services and any appropriate adjustments to that price to reflect the circumstances of the particular contract.

#### **Step 2 : Identifying performance obligations:**

At contract inception, the Company assesses the goods or services promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer either:

- a) a good or service (or a bundle of goods or services) that is distinct; or
- b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

#### **Step 3: Determining the transaction price**

The Company consider the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

When determining the transaction price, a Company consider the effects of all of the following:

- Variable consideration;
- Constraining estimates of variable consideration;
- The existence of significant financing component;
- Non – cash consideration;
- Consideration payable to a customer.

An amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items. The promised consideration can also vary if the company's entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event.

In some contracts, penalties are specified. In such cases, penalties are accounted for as per the substance of the contract. Where the penalty is inherent in determination of transaction price, it form part of variable consideration.

The Company includes in the transaction price some or all of an amount of estimated variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between when it transfers a promised goods or service to a customer and when the customer pays for that good or service will be one year or less.

The Company recognizes a refund liability if the Company receives consideration from a customer and expects to refund some or all of that consideration to the customer. A refund liability is measured at the amount of consideration received (or receivable) for which the company does not expect to be entitled (i.e. amounts not included in the transaction price). The refund liability (and corresponding change in the transaction price and, therefore, the contract liability) is updated at the end of each reporting period for changes in circumstances.

After contract inception, the transaction price can change for various reasons, including the resolution of uncertain events or other changes in circumstances that change the amount of consideration to which the Company expects to be entitled in exchange for the promised goods or services.

**Step 4 : Allocating the transaction price:**

The objective when allocating the transaction price is for the Company to allocate the transaction price to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer.

To allocate the transaction price to each performance obligation on a relative stand-alone selling price basis, the Company determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocate the transaction price in proportion to those stand-alone selling prices.

**Step 5: Recognizing revenue:**

The Company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised good or service to a customer. A good or service is transferred when (or as) the customer obtains control of that good or service.

The Company transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- a) the customer simultaneously receives and consumes the benefits provided by the company's performance as the Company performs;
- b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced;
- c) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For each performance obligation satisfied over time, the Company recognizes revenue over time by measuring the progress towards complete satisfaction of that performance obligation.

The Company applies a single method of measuring progress for each performance obligation satisfied over time and the Company applies that method consistently to similar performance obligations and in similar circumstances. At the end of each reporting period, the Company re-measure its progress towards complete satisfaction of a performance obligation satisfied over time.

Company apply output methods to recognize revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. Output methods include methods such as surveys of performance completed to date, appraisals of results achieved, milestones reached, time elapsed and units produced or units delivered.

As circumstances change over time, the Company update its measure of progress to reflect any changes in the outcome of the performance obligation. Such changes to the Company's measure of progress is accounted for as a change in accounting estimate in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

The Company recognizes revenue for a performance obligation satisfied over time only if the Company can reasonably measure its progress towards complete satisfaction of the performance obligation. When (or as) a performance obligation is satisfied, the company recognize as revenue the amount of the transaction price (which excludes estimates of variable consideration that are constrained that is allocated to that performance obligation).

If a performance obligation is not satisfied over time, the Company satisfies the performance obligation at a point in time. To determine the point in time at which a customer obtains control of a promised good or service and the Company satisfies a performance obligation, the Company consider indicators of the transfer of control, which include, but are not limited to, the following:

- a) the Company has a present right to payment for the good or service;
- b) the customer has legal title to the good or service;
- c) the Company has transferred physical possession of the good or service;
- d) the customer has the significant risks and rewards of ownership of the good or service;
- e) the customer has accepted the good or service.

When either party to a contract has performed, the Company present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the company's performance and the customer's payment. The Company present any unconditional rights to consideration separately as a receivable.

Contract assets:

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade receivables:

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays

consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment made or due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

### **Interest**

Interest income is recognised using the Effective Interest Method.

### **Dividend**

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

### **Other Claims**

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation and can be measured reliably.

## **2.4 Grants from Government**

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

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

Government Grants related to assets are presented in the balance sheet by setting up the grant as deferred income and are recognised in Statement of Profit and Loss on systematic basis over the useful life of asset.

Grants related to income (i.e. grant related to other than assets) are presented as part of statement of profit and loss under the head 'Other Income'.

A government grant/assistance that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs, is recognised in profit or loss of the period in which it becomes receivable.

The Government grants or grants in the nature of promoter's contribution should be recognised directly in "Capital Reserve" which forms part of the "Shareholders fund".

## **2.5 Leases**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### **2.5.1 Company as a lessee**

At the commencement date, a lessee shall recognise a right-of-use asset at cost and a lease liability at the present value of the lease payments that are not paid at that date for all leases unless the lease term is 12 months or less or the underlying asset is of low value.

Subsequently, right-of-use asset is measured using cost model whereas, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.

Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless the costs are included in the carrying amount of another asset applying other applicable standards.

Right-of-use asset is depreciated over the useful life of the asset, if the lease transfers ownership of the asset to the lessee by the end of the lease term or if the cost of the right-to-use asset reflects that the lessee will exercise a purchase option. Otherwise, the lessee shall depreciate the right-to-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

### 2.5.2 Company as a lessor

All leases as either an operating lease or a finance lease.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset

**Operating leases**-lease payments from operating leases are recognised as income on either a straight-line basis unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

**Finance leases**-assets held under a finance lease is initially recognised in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease using the interest rate implicit in the lease to measure the net investment in the lease.

### 2.6 Non-current assets held for sale

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

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

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

## 2.7 Property, Plant and Equipment (PPE)

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

After recognition, an item of allother Property, plant and equipmentare carried at its cost less any accumulated depreciation and any accumulated impairment losses under Cost Model. The cost of an item of property, plant and equipment comprises:

- a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Company incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item depreciated separately. However, significant part(s) of an item of PPE having same useful life and depreciation method are grouped together in determining the depreciation charge.

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

Subsequent cost of replacing parts significant in relation to the total cost of an item of property, plant and equipment are recognised in the carrying amount of the item, if it is probable that future economic benefits associated with the item will flow to the Company; and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is derecognised in accordance with the derecognition policy mentioned below.

When major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if it is probable that future economic benefits associated with the item will flow to the Company; and the cost of the item can be measured reliably. Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognised.

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

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

Other Land

(incl. Leasehold Land)	:	Life of the project or lease term whichever is lower
Building	:	3-60 years
Roads	:	3-10 years
Telecommunication	:	3-9 years

Railway Sidings	:	15 years
Plant and Equipment	:	5-30 years
Computers and Laptops	:	3 Years
Office equipment	:	3-6 years
Furniture and Fixtures	:	10 years
Vehicles	:	8-10 years

Based on technical evaluation, the management believes that the useful lives given above best represents the period over which the management expects to use the asset. Hence the useful lives of the assets may be different from useful lives as prescribed under Part C of schedule II of companies act, 2013.

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

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

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

Value of "Other Land" includes land acquired under Coal Bearing Area (Acquisition & Development) (CBA) Act, 1957, Land Acquisition Act, 1894, Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (RFCTLAAR) Act, 2013, Long term transfer of government land etc., which is amortised on the basis of the balance life of the project; and in case of Leasehold land such amortisation is based on lease period or balance life of the project whichever is lower.

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

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

### **Transition to Ind AS**

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

### **2.9 Exploration and Evaluation Assets**

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

- acquisition of rights to explore
- researching and analysing historical exploration data;
- gathering exploration data through topographical, geo chemical and geo physical studies;

- exploratory drilling, trenching and sampling;
- determining and examining the volume and grade of the resource;
- surveying transportation and infrastructure requirements;
- Conducting market and finance studies.

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

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

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

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

## **2.10 Development Expenditure**

### Commercial Operation

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

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

Whichever event occurs first;

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

## **2.11 Intangible Assets**

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

Internally generated intangibles, excluding capitalised development costs, are not capitalised. Instead, the related expenditure is recognised in the statement of profit and loss and other comprehensive income



in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

An intangible asset with an indefinite useful life is not amortised but is tested for impairment at each reporting date.

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

Exploration and Evaluation assets attributable to blocks identified for sale or proposed to be sold to outside agencies (i.e. for blocks not earmarked for CIL) are however, classified as Intangible Assets and tested for impairment.

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

Research and Development is recognised as an expenditure as and when incurred.

## **2.12 Impairment of Assets (other than financial assets)**

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

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognised in the Statement of Profit and Loss.

## **2.13 Investment Property**

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

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

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

## **2.14 Financial Instruments**

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

### **2.14.1 Financial assets**

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

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

#### **2.14.2 Subsequent measurement**

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

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

##### **2.14.2.1 Debt instruments at amortised cost**

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

##### **2.14.2.2 Debt instrument at FVTOCI**

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

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

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

#### **2.14.2.3 Debt instrument at FVTPL**

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

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

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

#### **2.14.2.4 Equity investments in subsidiaries, associates and Joint Ventures**

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

In case of consolidated financial statement, Equity investments in associates and joint ventures are accounted as per equity method as prescribed in para 10 of Ind AS 28.

#### **2.14.2.5 Other Equity Investment**

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

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

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

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

#### **2.14.2.6 Derecognition**

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

- The rights to receive cash flows from the asset have expired, or

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

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

#### **2.14.2.7 Impairment of financial assets (other than fair value)**

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Lease receivables under Ind AS 17
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

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

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

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

#### **2.14.3 Financial liabilities**

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

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

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

##### **2.14.3.2 Subsequent measurement**

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

#### **2.14.3.3 Financial liabilities at fair value through profit or loss**

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

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

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

#### **2.14.3.4 Financial liabilities at amortised cost**

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

#### **2.14.3.5 Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in profit or loss.

#### **2.14.4 Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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

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

#### 2.14.5 Offsetting of financial instruments

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

#### 2.14.6 Cash & Cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

#### 2.15 Borrowing Costs

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

## 2.16 Taxation

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

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

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

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

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

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

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

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

## **2.17 Employee Benefits**

### **2.17.1 Short-term Benefits**

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

### **2.17.2 Post-employment benefits and other long term employee benefits**

#### **2.17.2.1 Defined contributions plans**

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

#### **2.17.2.2 Defined benefits plans**

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

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

Re-measurement of the net defined benefit liability, which comprise actuarial gain and losses considering the return on plan assets (excluding interest) and the effects of the assets ceiling (if any, excluding interest) are recognised immediately in the other comprehensive income. The company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit and loss.

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



### **2.17.3 Other Employee benefits**

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

### **2.18 Foreign Currency**

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

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

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

### **2.20 Inventories**

#### **2.20.1 Stores & Spares**

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

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

#### **2.20.3 Other Inventories**

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

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

## **2.21 Provisions, Contingent Liabilities &Contingent Assets**

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required

to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

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

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the company, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

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

## **2.22 Earnings per share**

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

## **2.23 Judgements, Estimates and Assumptions**

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

### **2.23.1 Judgements**

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

### 2.23.1.1 Formulation of Accounting Policies

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

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

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

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

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

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

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

The financial statements are prepared on going concern basis using accrual basis of accounting.

### 2.23.1.2 Materiality

Ind AS applies to items which are material. Management uses judgement in deciding whether individual items or groups of item are material in the financial statements. Materiality is judged by reference to the nature or magnitude or both of the item. The deciding factor is whether omitting or misstating or obscuring an information could individually or in combination with other information influence decisions that primary users make on the basis of the financial statements. Management also uses judgement of materiality for determining the compliance requirement of the Ind AS. Further, the company may also be required to present separately immaterial items when required by law.

W.e.f. 01.04.2019 Errors/omissions discovered in the current year relating to prior periods may be treated as immaterial and adjusted during the current year, if all such errors and omissions in aggregate do not exceed 1% of total assets as per the last audited financial statement of the Company.

### **2.23.1.3 Operating lease**

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

### **2.23.2 Estimates and assumptions**

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

#### **2.23.2.1 Impairment of non-financial assets**

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

#### **2.23.2.2 Taxes**

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

#### **2.23.2.3 Defined benefit plans**

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

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

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

#### **2.23.2.4 Fair value measurement of financial instruments**

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

#### **2.23.2.5 Intangible asset under development**

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

#### **2.24 Abbreviation used:**

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

**MAHANADI COAL RAILWAY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**NOTE 3 : PROPERTY, PLANT AND EQUIPMENT**

(₹ in Lakhs)

	Freehold Land	Other Land	Land Reclamation/ Site Restoration Costs	Building (including water supply, roads and culverts)	Plant and Equipments	Telecommunication	Railway sidings	Furniture and Fixtures	Office Equipments	Vehicles	Other Infrastructure	Surveyed off Assets	Rail Corridor	Others	Total
<b>Gross Carrying Amount:</b>															
As at 1st April 2021	-	-	-	-	-	-	-	32.96	2.02	-	-	-	-	-	34.95
Additions	-	-	-	-	-	-	-	-	1.40	-	-	-	-	-	1.40
Deletions/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31st March 2022</b>	-	-	-	-	-	-	-	<b>32.96</b>	<b>3.42</b>	-	-	-	-	-	<b>36.38</b>
As at 1st April 2022	-	-	-	-	-	-	-	32.96	3.42	-	-	-	-	-	36.38
Additions	-	-	-	-	-	-	-	-	1.96	-	-	-	-	-	1.96
Deletions/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31st March 2023</b>	-	-	-	-	-	-	-	<b>32.96</b>	<b>5.38</b>	-	-	-	-	-	<b>38.34</b>
<b>Accumulated Depreciation and Impairment</b>															
As at 1st April 2021	-	-	-	-	-	-	-	12.14	1.33	-	-	-	-	-	13.47
Charge for the year	-	-	-	-	-	-	-	3.01	0.29	-	-	-	-	-	3.30
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31st March 2022</b>	-	-	-	-	-	-	-	<b>15.15</b>	<b>1.62</b>	-	-	-	-	-	<b>16.77</b>
As at 1st April 2022	-	-	-	-	-	-	-	15.15	1.62	-	-	-	-	-	16.77
Charge for the period	-	-	-	-	-	-	-	4.63	0.59	-	-	-	-	-	5.22
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31st March 2023</b>	-	-	-	-	-	-	-	<b>19.78</b>	<b>2.21</b>	-	-	-	-	-	<b>21.99</b>
<b>Net Carrying Amount</b>															
As at 31st March 2022	-	-	-	-	-	-	-	13.18	3.17	-	-	-	-	-	16.35
As at 31st March 2023	-	-	-	-	-	-	-	17.81	1.80	-	-	-	-	-	19.61

**1. Title deeds of Immovable Properties not held in name of the Company**

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Freehold Land		Not Applicable	Not Applicable		
Other land		Not Applicable	Not Applicable		

## MAHANADI COAL RAILWAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 4 : CAPITAL WORK IN PROGRESS**

(₹ in Lakhs)

	Building (including water supply, roads and culverts)	Plant and Equipments	Railway Sidings	Other infrastructure/ Development	Rail Corridor under Construction	Solar Project	Others	Total
<b>Gross Carrying Amount:</b>								
As at 1st April 2021				1,437.93	9,848.84		-	11,286.77
Additions				609.49	6,319.51		-	6,929.00
Capitalisation/ Deletions							-	-
<b>As at 31st March 2022</b>	-	-	-	2,047.42	16,168.35		-	18,215.77
As at 1st April 2022	-	-	-	2,047.42	16,168.35		-	18,215.77
Additions				1,284.57	11,589.35			12,873.92
Capitalisation/ Deletions							-	-
<b>As at 31st March 2023</b>	-	-	-	3,331.99	27,757.70	-	-	31,089.69
<b>Accumulated Impairment</b>								
As at 1st April 2021							-	-
Charge for the year Impairment							-	-
Deletions/Adjustments							-	-
<b>As at 31st March 2022</b>	-	-	-	-	-		-	-
As at 1st April 2022	-	-	-	-	-		-	-
Charge for the period Impairment	-	-	-	-	-		-	-
Deletions/Adjustments	-	-	-	-	-		-	-
<b>As at 31st March 2023</b>	-	-	-	-	-	-	-	-
<b>Net Carrying Amount</b>								
<b>As at 31st March 2023</b>	-	-	-	3,331.99	27,757.70	-	-	31,089.69
<b>As at 31st March 2022</b>	-	-	-	2,047.42	16,168.35	-	-	18,215.77

**Capital-Work-in Progress (CWIP)**

(₹ in Lakhs)

**(a) Ageing schedule for Capital-work-in Progress:**

	Amount in CWIP for a period of					Total
	Less than 1 year	1-2 years	2-3 years		More than 3 years	
<b>Projects in progress:</b>						
Building (including water supply, roads and culverts)						-
Plant and Equipments						-
Railway Sidings						-
Other infrastructure/Development	1,284.57	609.49	437.89		1,000.04	3,331.99
Rail Corridor under Construction	11,589.35	6,319.51	4,603.73		5,245.11	27,757.70
Solar Project						-
Others						-
<b>Projects temporarily suspended:</b>						
<b>(Mention name of Head (viz. Building/Plant &amp; Equip))</b>						
Project Name						
Project Name						
Project Name	-	-	-		-	-
<b>Total</b>	<b>12,873.92</b>	<b>6,929.00</b>	<b>5,041.62</b>		<b>6,245.15</b>	<b>31,089.69</b>

**(b) Overdue capital-work-in progress**

	To be completed in				
	Less than 1 year	1-2 years		2-3 years	More than 3 years
<b>Projects in progress:</b>					
<b>Building (including water supply, roads and culverts)</b>					
		-		-	-
		-		-	-
		-		-	-
<b>Plant and Equipments</b>	-	-		-	-
	-	-		-	-
<b>Railway Sidings</b>	-	-		-	-
	-	-		-	-
<b>Other infrastructure/Development</b>	-	-		-	-
	-	-		-	-
<b>Rail Corridor under Construction</b>	-	-		-	-
	-	-		-	-
<b>Others</b>	-	-		-	-
	-	-		-	-
<b>Projects temporarily suspended:</b>					
<b>(Mention name of Head (viz. Building/Plant &amp; Equip))</b>					
Project Name 1	-	-		-	-
Project Name 2	-	-		-	-
<b>Total</b>	-	-		-	-



MAHANADI COAL RAILWAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

**NOTE 6.1 : INTANGIBLE ASSETS**

(₹ in Lakhs)

	Computer Software	Intangible Exploratory Assets	Others	Total
<b>Gross Carrying Amount:</b>				
As at 1st April 2021			-	-
Additions		-	-	-
Capitalisation/ Deletions	-	-	-	-
<b>As at 31st March 2022</b>	-	-	-	-
As at 1st April 2022	-	-	-	-
Additions		-	-	-
Deletions/Adjustments	-	-	-	-
<b>As at 31st March 2023</b>	-	-	-	-
<b>Amortisation and Impairment</b>				
As at 1st April 2021		-	-	-
Charge for the year		-	-	-
Impairment		-	-	-
Deletions/Adjustments		-	-	-
<b>As at 31st March 2022</b>	-	-	-	-
As at 1st April 2022	-	-	-	-
Charge for the period				-
Impairment	-			0.00
Deletions/Adjustments				0.00
<b>As at 31st March 2023</b>	-	-	-	-
<b>Net Carrying Amont</b>				
<b>As at 31st March 2023</b>	-	-	-	-
<b>As at 31st March 2022</b>	-	-	-	-

## MAHANADI COAL RAILWAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 6.2 : INTANGIBLE ASSETS UNDER DEVELOPMENT**

(₹ in Lakhs)

	ERP under Development
<b>Gross Carrying Amount:</b>	
As at 1st April 2021	-
Additions	-
Capitalisation/ Deletions	-
<b>As at 31st March 2022</b>	-
As at 1st April 2022	-
Additions	-
Deletions/Adjustments	-
<b>As at 31st March 2023</b>	-
<b>Amortisation and Impairment</b>	
As at 1st April 2021	-
Charge for the year	-
Impairment	-
Deletions/Adjustments	-
<b>As at 31st March 2022</b>	-
As at 1st April 2022	-
Charge for the period	-
Impairment	-
Deletions/Adjustments	-
<b>As at 31st March 2023</b>	-
<b>Net Carrying Amount</b>	
<b>As at 31st March 2023</b>	-
<b>As at 31st March 2022</b>	-

**MAHANADI COAL RAILWAY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE - 7 : INVESTMENTS**

(₹ in Lakhs)

NON CURRENT INVESTMENTS	% of holding	No. of shares/units	Face Value per share	As at	
				31.03.2023	31.03.2022
Equity Shares in Subsidiary Companies				-	-
<b>Total (A)</b>				-	-
Investments in Secured Bonds (quoted)				-	-
Investments Others				-	-
<b>Total (B)</b>				-	-
 <b>Grand Total (A+B)</b>				-	-
Aggregate amount of unquoted investments:				-	-
Aggregate amount of quoted investments:				-	-
Market Value of Quoted Investment				-	-
Aggregate amount of impairment in value of investments:				-	-

## MAHANADI COAL RAILWAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 7 ( contd.)

## INVESTMENTS

(₹ in Lakhs)

Current	No. of units	Weighted Average NAV (in ₹ )	As at	
			31.03.2023	31.03.2022
<b>Mutual Fund Investment</b>				
<b>Investments in Secured Bonds (quoted)</b>			0	-
<b>Investments in Inter Corporate Deposits (ICD)</b>			0	-
<b>Total :</b>			-	-
Aggregate of unquoted investments:			-	-
Aggregate of Quoted Investment:			-	-
Market value of Quoted Investment:			-	-
Aggregate amount of impairment in value of investments:			-	-
<b>NOTE - 8 : LOANS</b>				
<b>Non-Current</b>				
<b>Loans to related parties</b>				
- Secured, considered good			-	-
- Unsecured, considered good			-	-
- Have significant increase in credit risk			-	-
- Credit impaired			-	-
Less: Allowance for doubtful loans			-	-
<b>Loans to other than related parties</b>				
<b>Loans to body corporate and employees</b>				
- Secured, considered good			-	-
- Unsecured, considered good			-	-
- Credit impaired			-	-
Less: Allowance for doubtful loans			-	-
<b>TOTAL</b>			-	-
<b>Current</b>				
<b>Loans to related parties</b>				
- Secured, considered good			-	-
- Unsecured, considered good			-	-
- Have significant increase in credit risk			-	-
- Credit impaired			-	-
Less: Allowance for doubtful loans			-	-
<b>Loans to body corporate and employees</b>				
- Secured, considered good			-	-
- Unsecured, considered good			-	-
- Have significant increase in credit risk			-	-
- Credit impaired			-	-
Less: Allowance for doubtful loans			-	-
<b>TOTAL</b>			-	-

1. For dues from directors - Refer Note 38(3)(A)

Details of non current loans to related parties	31.03.2023		31.03.2022	
	Gross Amount Outstanding	% to the total gross loans	Gross Amount Outstanding	% to the total gross loans
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties	-	-	-	-
<b>Total</b>	-	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE - 9 : OTHER FINANCIAL ASSETS**

	(₹ in Lakhs)	
	As at	
	<u>31.03.2023</u>	<u>31.03.2022</u>
<b>Non Current</b>		
Bank Deposits with more than 12 months maturity	-	-
Deposit in Bank under Mine Closure Plan	-	
Security Deposit	-	
Less : Allowance for doubtful Security deposits	-	-
	<u>-</u>	<u>-</u>
Other Deposit and Receivables	-	
Less : Allowance for doubtful deposits & receivables	-	
	<u>-</u>	<u>-</u>
<b>TOTAL</b>	<u>-</u>	<u>-</u>
<b>Current</b>		
Current Account Balance with Holding Co./Subsidiaries/HQ	-	
Less : Allowance for doubtful balances with Subsidiaries	-	-
	<u>-</u>	<u>-</u>
Interest accrued	0.69	2.28
Other Deposit & Receivables	1.72	0.84
Less : Allowance for doubtful deposits & receivables	-	
	<u>1.72</u>	<u>0.84</u>
Security Deposit	-	-
Less : Allowance for doubtful Security deposits	-	-
	<u>-</u>	<u>-</u>
<b>TOTAL</b>	<u>2.41</u>	<u>3.11</u>

1. For dues from directors - Refer Note 38(3)(A)

## MAHANADI COAL RAILWAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE 10 : OTHER NON-CURRENT ASSETS

	(₹ in Lakhs)	
	As at	
	<u>31.03.2023</u>	<u>31.03.2022</u>
(i) Capital Advances	10,070.23	6,936.79
Less : Allowance for doubtful Advances	-	-
	<u>10,070.23</u>	<u>6,936.79</u>
(ii) Advances other than capital advances		
(a) Security Deposit for utilities	8.42	1.48
Less : Allowance for doubtful deposits	-	-
	<u>8.42</u>	<u>1.48</u>
(b) Other Deposits and Advances	-	-
Less : Allowance for doubtful deposits	-	-
	<u>-</u>	<u>-</u>
(c) Progressive Expense incurred	-	-
<b>TOTAL</b>	<u><b>10,078.65</b></u>	<u><b>6,938.27</b></u>

## NOTE -11 : OTHER CURRENT ASSETS

	As at	
	<u>31.03.2023</u>	<u>31.03.2022</u>
(a) Advance payment of statutory dues	-	-
Less : Allowance for doubtful Statutory dues	-	-
	<u>-</u>	<u>-</u>
(b) Advance to Related Parties	-	-
(c) Other Deposits and Advances <sup>1</sup>	0.06	0.11
Less : Allowance for doubtful other deposits and advances	-	-
	<u>0.06</u>	<u>0.11</u>
(d) Progressive Expense incurred	-	-
(e) Input Tax Credit Receivable	-	-
<b>TOTAL</b>	<u><b>0.06</b></u>	<u><b>0.11</b></u>

**MAHANADI COAL RAILWAY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE - 12: INVENTORIES**

(₹ in Lakhs)

	As at	
	<u>31.03.2023</u>	<u>31.03.2022</u>
(a) Stock of Coal under Development	-	-
<b>Stock of Coal</b>	<u>-</u>	<u>-</u>
(b) Stock of Stores & Spares (net)	-	-
Add: Stores-in-transit	-	-
<b>Net Stock of Stores &amp; Spares</b>	<u>-</u>	<u>-</u>
(c) Stock of Medicine at Central Hospital	-	-
(d) Workshop Jobs and Press jobs	-	-
<b>Total</b>	<u><u>-</u></u>	<u><u>-</u></u>

Method of valuation : Refer Note No. 2.20 - Significant Accounting Policies on "Inventories".

**NOTE - 13: TRADE RECEIVABLES**

	As at	
	<u>31.03.2023</u>	<u>31.03.2022</u>
<b>Current</b>		
Trade receivables		
Secured considered good	-	-
Unsecured considered good	-	-
Credit impaired	-	-
	<u>-</u>	<u>-</u>
Less : Allowance for bad & doubtful debts	-	-
	<u>-</u>	<u>-</u>
<b>Total</b>	<u><u>-</u></u>	<u><u>-</u></u>

1. For dues from directors - Refer Note 38(3)(A)

## MAHANADI COAL RAILWAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 14 : CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

	As at	
	<u>31.03.2023</u>	<u>31.03.2022</u>
(a) Balances with Banks		
in Deposit Accounts	-	
in Current Accounts		
- Interest Bearing (CLTD)	57.52	57.70
- Non Interest Bearing	8.26	377.07
in Cash Credit Accounts	-	-
(b) Bank Balances outside India	-	-
(c) Cheques, Drafts and Stamps in hand	-	-
(d) Cash on hand	-	-
(e) Others	-	-
<b>Total Cash and Cash Equivalents</b>	<u><b>65.78</b></u>	<u><b>434.77</b></u>

Cash and cash equivalents comprises cash on hand and at bank, sweep accounts and term deposits held with banks with original maturities of three months or less.

## NOTE - 15 : OTHER BANK BALANCES

	As at	
	<u>31.03.2023</u>	<u>31.03.2022</u>
Balances with Banks		
Deposits	-	
Other Deposits - for specific purposes	-	
<b>Total</b>	<u><b>-</b></u>	<u><b>-</b></u>

Other Bank Balances comprise Deposits - for specific purposes and bank deposits which are expected to realise in cash within 12 months after the reporting date.



**MAHANADI COAL RAILWAY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE - 16 : EQUITY SHARE CAPITAL**

(₹ in Lakhs)

	As at	
<b>Authorised</b>	<b>31.03.2023</b>	<b>31.03.2022</b>
(a) Balances with Banks 10,000,00,00 Equity Shares of ₹ 10/- each (10,000,00,00 Equity Shares of ₹ 10/- each)	10,000.00 <b>10,000.00</b>	10,000.00 <b>10,000.00</b>
<b><u>Issued, Subscribed and Paid-up</u></b>		
90005000 Equity Shares of ₹10/- each fully paid up (50000 Equity Shares of ₹ 10/- each fully paid up)	9,000.50 <b>9,000.50</b>	9,000.50 <b>9,000.50</b>

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

Name of Shareholder	No. of Shares Held (Face value of ₹ 10 each)	% of Total Shares	% Change during the year
Mahanadi CoalFields Limited and its nominees	64000000	71.107	7.107
IRCON International Limited and its nominees	26000000	28.887	2.887

2. Reconciliation of equity shares outstanding at the beginning and at the end of reporting period:-

Particular	Number of Share	Amount (₹ in Lakh)
Balance as on 31.03.2017	50,000	5.00
Add/(Less) :	-	0.00
Balance as on 31.03.2018	50,000	5.00
Add/(Less) :	0.00	0.00
Balance as on 31.03.2019	50,000	5.00
Add/(Less) :	-	-
Balance as on 31.03.2020	50,000	5.00
Add/(Less) :	-	-
Balance as on 31.03.2021	50,000	5.00
Add/(Less) :	89,955,000	
Balance as on 31.03.2022	90,005,000	9,000.50
Add/(Less) :	-	
Balance as on 31.03.2023	90,005,000	9,000.50

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

## MAHANADI COAL RAILWAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 17 : OTHER EQUITY**

(₹ in Lakhs)

Particulars	Capital Redemption reserve	General Reserve	Retained Earnings	Remeasurement of Defined Benefits Plans (net of Tax) - (OCI)	Total
<b>Balance as at 01-04-2022</b>	<b>0.00</b>	<b>0.00</b>	<b>(93.44)</b>	<b>0.00</b>	<b>(93.44)</b>
Total Comprehensive Income for the period			(43.44)	0.00	(43.44)
Interim Dividend					0.00
Final Dividend					0.00
Transfer to/from General Reserve		0.00			0.00
Adjustments during the period (trf to HQ)					0.00
<b>Balance as at 31.03.2023</b>	<b>0.00</b>	<b>0.00</b>	<b>(136.88)</b>	<b>0.00</b>	<b>(136.88)</b>

(₹ in Lakhs)

Particulars	Capital Redemption reserve	General Reserve	Retained Earnings	Remeasurement of Defined Benefits Plans (net of Tax) - (OCI)	Total
<b>Balance as at 01-04-2021</b>	<b>0.00</b>	<b>0.00</b>	<b>(91.51)</b>	<b>0.00</b>	<b>(91.51)</b>
Total Comprehensive Income for the period	0.00	0.00	(1.92)	0.00	(1.92)
Interim Dividend	0.00	-	0.00	-	0.00
Final Dividend	0.00	-	-	-	-
Transfer to/from General Reserve	0.00	-	0.00	-	-
Adjustment during the year	-	-	0.00	0.00	0.00
<b>Balance as at 31.03.2022</b>	<b>0.00</b>	<b>0.00</b>	<b>(93.44)</b>	<b>0.00</b>	<b>(93.44)</b>

MAHANADI COAL RAILWAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 18 : BORROWINGS

(₹ in Lakhs)

	31.03.2023	As at 31.03.2022
	<u>                    </u>	<u>                    </u>
<b>Non-Current</b>		
<b>Term Loans</b>		
From Banks	-	-
<b>Total</b>	<u>                    </u>	<u>                    </u>

**CLASSIFICATION**

Secured	-	-
Unsecured	-	-

**Current**

Loans repayable on demand		
From Bank		
- Bank overdrafts	-	-
- Other loan from banks	-	-
From Others	-	-
Current maturities of long-term borrowings	-	-
<b>Total</b>	<u>                    </u>	<u>                    </u>

**CLASSIFICATION**

Secured	-	-
Unsecured	-	-

## MAHANADI COAL RAILWAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 19 : TRADE PAYABLES

(₹ in Lakhs)

	As at	
	31.03.2023	31.03.2022
<b>Current</b>		
Micro, Small and Medium Enterprises	-	-
Other than Micro, Small and Medium Enterprises	29.95	9.41
<b>TOTAL</b>	<b>29.95</b>	<b>9.41</b>

**Trade payables -Total outstanding dues of Micro & Small enterprises**

a) Principal & Interest amount remaining unpaid but not due as at year end	-	-
b) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
d) Interest accrued and remaining unpaid as at year end	-	-
e) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

**Trade Payables aging schedule**

Particulars	Outstanding for following periods from transaction date				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**Unbilled Dues****NOTE - 20 : OTHER FINANCIAL LIABILITIES****Non Current**

Security Deposits	-	-
Earnest Money	-	-
Others	-	-

**Current**

Current account with MCL	24,569.60	15,134.37
Current account with IRCON	5,493.49	44.00
Security Deposits	-	-
Earnest Money	0.60	0.60
Payable for Capital Expenditure	1,007.31	917.96
Liability for Employee Benefits	18.77	172.72
Others	1,234.91	411.10
<b>TOTAL</b>	<b>32,324.69</b>	<b>16,680.76</b>

**MAHANADI COAL RAILWAY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE - 21 : PROVISIONS**

(₹ in Lakhs)

	As at	
	31.03.2023	31.03.2022
<b>Non Current</b>		
<b><u>Employee Benefits</u></b>		
Gratuity	-	-
Leave Encashment	-	-
Post Retirement Medical Benefits	-	-
Other Employee Benefits	-	-
	-	-
<b>Other Provisions</b>		
Others	-	-
<b>TOTAL</b>	-	-
<b>Current</b>		
<b><u>Employee Benefits</u></b>		
Gratuity	-	-
Leave Encashment	-	-
Post Retirement Medical Benefits	-	-
Ex- Gratia	-	-
Performance Related Pay	-	-
Other Employee Benefits	-	-
	-	-
<b>Other Provisions</b>		
Others	-	-
<b>TOTAL</b>	-	-

## MAHANADI COAL RAILWAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 22 : OTHER NON CURRENT LIABILITIES

(₹ in Lakhs)

	<b>31.03.2023</b>	<b>As at 31.03.2022</b>
Deferred Income	-	-
<b>Total</b>	-	-

## NOTE - 23 : OTHER CURRENT LIABILITIES

(₹ in Lakhs)

	<b>31.03.2023</b>	<b>As at 31.03.2022</b>
Statutory Dues	35.27	15.24
Advance from customers / others	-	-
Others liabilities	-	-
<b>TOTAL</b>	<b>35.27</b>	<b>15.24</b>

MAHANADI COAL RAILWAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 24 : REVENUE FROM OPERATIONS

(₹ in Lakhs)

	For the Year ended 31.03.2023	As at For the Year ended 31.03.2022
<b>A. Sales of Coal</b>	-	-
Less: Statutory Levies	-	-
<b>Sales of Coal (Net) (A)</b>	-	-
<b>B. Other Operating Revenue</b>		
Loading and additional transportation charges	-	-
Less : Statutory Levies	-	-
	-	-
Evacuation Facility Charges	-	-
Less: Statutory Levies	-	-
	-	-
Revenue from services	-	-
Less: Statutory Levies	-	-
	-	-
<b>Other Operating Revenue (Net) (B)</b>	-	-
<b>Revenue from Operations (A+B)</b>	-	-

## MAHANADI COAL RAILWAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 25 : OTHER INCOME

(₹ in Lakhs)

	For the Year ended <u>31.03.2023</u>	As at For the Year ended <u>31.03.2022</u>
Interest Income	5.87	6.33
Dividend Income from Mutual funds	-	-
<b><u>Other non-operating income</u></b>		
Profit on Sale of Assets	-	-
Gain on Foreign Exchange Transactions	-	-
Gain on Sale of Mutual Fund	-	-
Lease Rent	-	-
Liability/Provision Written Back	-	-
Fair value changes (net)	-	-
Miscellaneous Income	-	-
<b>Total</b>	<b><u>5.87</u></b>	<b><u>6.33</u></b>

## NOTE 26 : COST OF MATERIALS CONSUMED

Explosives	-	-
Timber	-	-
Oil & Lubricants	-	-
HEMM Spares	-	-
Other Consumable Stores & Spares	-	-
<b>Total</b>	<b><u>-</u></b>	<b><u>-</u></b>

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

Opening Stock of Coal	-	-
Closing Stock of Coal	-	-
<b>A. Change in Inventory of Coal</b>	<b><u>-</u></b>	<b><u>-</u></b>
Opening Stock of Workshop made finished goods ,WIP and Press Jobs	-	-
Closing Stock of Workshop made finished goods and WIP and Press Jobs	-	-
<b>B. Change in Inventory of workshop</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Change in Inventory of Stock in trade (A+B) { Decretion / (Accretion) }</b>	<b><u>-</u></b>	<b><u>-</u></b>

## NOTE 28 : EMPLOYEE BENEFITS EXPENSES

Salary and Wages (incl. Allowances and Bonus etc.)	-	-
Contribution to P.F. & Other Funds	-	-
Staff welfare Expenses	-	-
<b>Total</b>	<b><u>-</u></b>	<b><u>-</u></b>

## NOTE 29 : CORPORATE SOCIAL RESPONSIBILITY EXPENSE

CSR Expenses	-	-
<b>Total</b>	<b><u>-</u></b>	<b><u>-</u></b>



**MAHANADI COAL RAILWAY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE related to CSR**

(₹ in Lakhs)

For the Year ended <b>31.03.2023</b>	For the Year ended <b>31.03.2022</b>
--	--

**A. Activity wise break-up of CSR Expenses (including excess spent):**

Eradicating hunger, poverty and malnutrition	-	-
Promoting education, including special education and employment enhancing vocation skills	-	-
Gender equality and measures for reducing inequalities faced by socially and economically backward groups	-	-
Environmental sustainability	-	-
Protection of national heritage, art and culture	-	-
Benefit of armed forces veterans, war widows and their dependents	-	-
Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports	-	-
Contribution to fund set up by the Central government for socio economic development	-	-
Contribution to incubators or research and development projects	-	-
Contributions to Universities and Research Institutes	-	-
Rural development projects	-	-
Slum area development	-	-
Disaster management, including relief, rehabilitation and reconstruction activities	-	-
<b>Total</b>	-	-

**B. CSR Expenditure Break-up**

<b>Amount spent during the period/year on:</b>		
(i) Construction/Acquisition of any asset	-	-
(ii) on purposes other than (i) above	-	-
<b>Total</b>	-	-

## MAHANADI COAL RAILWAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

	For the Year ended 31.03.2023	For the Year ended 31.03.2022
<b>NOTE 30 : REPAIRS</b>		
Building	-	-
Plant & Machinery	-	-
Others	-	-
<b>Total</b>	<u>-</u>	<u>-</u>
<b>NOTE 31 : CONTRACTUAL EXPENSES</b>		
Transportation Charges	-	-
Wagon Loading	-	-
Hiring of Plant and Equipments	-	-
Other Contractual Work	-	-
<b>Total</b>	<u>-</u>	<u>-</u>
<b>NOTE 32 : FINANCE COSTS</b>		
<b>Interest Expenses</b>		
Unwinding of discounts	-	-
Other Borrowing Costs	-	-
	<u>-</u>	<u>-</u>
<b>NOTE 33 : PROVISIONS</b>		
Doubtful debts	-	-
Doubtful Advances & Claims	-	-
Stores & Spares	-	-
Others	-	-
<b>Total</b>	<u>-</u>	<u>-</u>
<b>NOTE 34 : WRITE OFF ( Net of past provisions )</b>		
Doubtful debts	-	-
Less :- Provided earlier	-	-
	<u>-</u>	<u>-</u>
Doubtful advances	-	-
Less :- Provided earlier	-	-
	<u>-</u>	<u>-</u>
Others	-	-
Less :- Provided earlier	-	-
	<u>-</u>	<u>-</u>
<b>Total</b>	<u>-</u>	<u>-</u>

**MAHANADI COAL RAILWAY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 35 : OTHER EXPENSES**

(₹ in Lakhs)

	<b>For the Year ended 31.03.2023</b>	<b>For the Year ended 31.03.2022</b>
Travelling expenses	0.55	0.20
Training Expenses		
Telephone & Internet	0.64	0.26
Advertisement & Publicity		
Freight Charges		
Demurrage		
Security Expenses		
Service Charges of CIL		
Hire Charges	-	3.52
Consultancy Charges to CMPDIL		
Legal Expenses	-	0.06
Consultancy Charges	9.55	0.17
Under Loading Charges		
Loss on Sale/Discard/Surveyed of Assets		
Auditor's Remuneration & Expenses		
For Audit Fees	0.93	0.90
For Taxation Matters		
For Other Services		
For Reimbursement of Exps.	0.45	0.45
Internal & Other Audit Expenses	0.40	
Rehabilitation Charges	-	
Lease Rent & Hiring Charges	17.64	
Rates & Taxes		
Insurance		
Loss on Exchange rate variance		
Other Rescue/Safety Expenses		
Siding Maintenance Charges		
R & D expenses		
Environmental & Tree Plantation Expenses		
Donations, Rewards & Grants		
Miscellaneous expenses	19.16	2.70
<b>Total</b>	<b>49.31</b>	<b>8.26</b>

## MAHANADI COAL RAILWAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE 36 : TAX EXPENSE

(₹ in Lakhs)

	For the Year ended 31.03.2023	For the Year ended 31.03.2022
Current Year	-	-
Deferred tax	-	-
Earlier Years	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## NOTE 37 : OTHER COMPREHENSIVE INCOME

**(A) (i) Items that will not be reclassified to profit or loss**

Remeasurement of defined benefit plans	-	-
	-	-

**(ii) Income tax relating to items that will not be reclassified to profit or loss**

Remeasurement of defined benefit plans	-	-
	-	-
<b>Total (A)</b>	<b>-</b>	<b>-</b>

**(B) (i) Items that will be reclassified to profit or loss**

Share of OCI in Joint ventures	-	-
	-	-

**(ii) Income tax relating to items that will be reclassified to profit or loss**

Share of OCI in Joint ventures-	-	-
	-	-
<b>Total (B)</b>	<b>-</b>	<b>-</b>
<b>Total (A+B)</b>	<b>-</b>	<b>-</b>

MAHANADI COAL RAILWAY LIMITED

**NOTE – 38: ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2023**

**1. Unrecognized items**

**a) Contingent Liabilities**

**I. Claims against the company not acknowledged as debt**

Particulars	Central Government	State Government and local authorities	Central Public Sector Enterprises	Others	Total
Opening balance as on 01-04-2022					0
Addition during the period	-	-	-	-	0
Claims settled during the period					
a. From opening balance	-	-	-	-	-
b. Out of addition during the period	-	-	-	-	-
<b>Closing balance as on 31-03-2023</b>	-	-	-	-	-

Contingent Liability			
Sl. No.	Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
1	<b>Central Government</b>		
	Income Tax	-	-
	Central Excise	-	-
	Clean Energy Cess	-	-
	Central Sales Tax	-	-
	Service Tax	-	-
	Others	-	-
	<b>Sub-Total</b>	-	-
2	<b>State Government and Local Authorities</b>		
	Royalty	-	-
	Environment Clearance	-	-
	Sales Tax/VAT	-	-
	Entry Tax	-	-
	Electricity Duty	-	-
	Others	-	-
	<b>Sub-Total</b>	-	-
3	<b>Central Public Sector Enterprises</b>		
	Arbitration Proceedings	-	-
	Suit against the company under litigation	-	-
	Others	-	-
	<b>Sub-Total</b>	-	-
4	<b>Others: (If any)</b>		
	Miscellaneous - Land & Others		
	Employee Related & Etc.	-	-
	<b>Sub-Total</b>	-	-
	<b>Grand Total</b>	-	-

**II. Guarantee**

As on 31.03.2023 Bank guarantee issued is ₹ 0.00.

**III. Letter of Credit & letter of Comfort**

As on 31.03.2023 outstanding letter of credit is ₹ 0.00 and letter of comfort is ₹ 0.00 .

**(b) Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for: ₹ 0.00.

Other Commitments: ₹ 0.00 .

## ANNUAL REPORT - 2022-23

### 2. Authorised Capital

(₹ in Lakhs)

	31.03.2023	31.03.2022
10,000,00,00 Equity Shares of ₹ 10/- each	10000	10000

### 3. Related Party Informations

#### i) Post Employment Benefit Fund and others

##### (a) Trust

- 1) Coal India Employees Gratuity Fund
- 2) Coal Mines Provident Fund (CMPF)
- 3) Coal India Superannuation Benefit Fund Trust
- 4) Contributory Post Retirement Medicare Scheme for Non- Executives Modified
- 5) CIL Executive Defined Contribution Pension Trust

##### (b) Society

- (a) Indian Institute of Coal Management (IICM) - (Registered Society)
- (b) Coal India Sports Promotion Association (CISPA) - (Registered Society)

#### (iii) Key Managerial Personnel

Name	Designation	W.e.f
Shri O.P. Singh	Chairman	01.03.2019
Shri Keshav Rao	Director	16.12.2020
Shri K. K. Roul	Director	10.01.2020
Shri Manoranjan Mallik	Director	01.02.2023
Smt. Ragini Advani	Director	21.07.2022
Shri Surender Singh	Director	20.10.2022
Shri Priyaranjan Parhi	Director	09.05.2022
Shri S. Nayak	CEO	05.12.2021
Shri B. K. Parida	CFO	01.04.2022
Shri S. K. Behera	Company Secretary	28.06.2022

#### (iv) Remuneration of Key Managerial Personnel

(₹ in Lakh)

Sl. No.	Payment to CMD, Whole Time Directors and Company Secretary	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
i)	<b>Short Term Employee Benefits</b>		
	Gross Salary	6.03	0
	Medical Benefits	0	0.01
	Perquisites and other benefits	0	0.61
ii)	<b>Post-Employment Benefits</b>		
	Contribution to P.F. & other fund	0	0.13
iii)	<b>Termination Benefits</b>		
	<b>Total</b>	<b>6.03</b>	<b>0.75</b>

#### (v) Payment to Independent Directors

(₹ in Lakh)

Sl. No.	Payment to Independent Directors	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
i)	Sitting Fees	-	0.00

#### (vi) Balances Outstanding with Key Management Personnel as on 31-03-2022

(₹ in Lakh)

Sl. No.	Payment to Independent Directors	31-03-2023	31-03-2022
i)	Amount Payable	Nil	Nil
ii)	Amount Receivable	Nil	Nil

**(A)**

No Trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or member.

**B. Related Party Transactions within Group**

MCRL has entered into transactions with its holding company various expenditure incurred by holding company through current account. As per Ind AS 24, following are the disclosures regarding nature and amount of significant transactions

**i) Subsidiary Companies**

**Outstanding balances as on 31-03-2023 and transactions for the period then ended**

(₹ in Lakh)

Name of Related Parties	Apex Charges	Rehabilitation Charges	Dividend Paid	Sale of Assets	Interest on Funds parked by subsidiaries	Others (interest on Current account during the year)	Current Account Balances (Payables)	Outstanding Balances Receivables
Mahanadi Coalfields Limited						1,091.37	24,569.60	
IRCON International Ltd							5493.49	1,153.00
<b>Total</b>	-	-	-	-	-	<b>1,091.37</b>	<b>30,063.09</b>	<b>1,153.00</b>

**Outstanding balances as on 31-03-2022 and transactions for the period then ended**

(₹ in Lakh)

Name of Related Parties	Apex Charges	Rehabilitation Charges	Dividend Paid	Sale of Assets	Interest on Funds parked by subsidiaries	Others	Current Account Balances (Payables)/ Receivables	Outstanding Balances (Payables)/ Receivables
Mahanadi Coalfields Limited							(15,134.37)	
IRCON International Ltd							(44.00)	1,166.00
<b>Total</b>	-	-	-	-	-	-	<b>(15,178.37)</b>	<b>1,166.00</b>

**C. Entities under the control of the same government:**

The Company is a Central Public Sector Undertaking (CPSU) controlled by Central Government by holding majority of shares (Refer Note-16). The Company being a Government entity is exempt from the general disclosure requirements in relation to related party transactions and outstanding balances with the controlling Government and another entity under same Government. The following transactions have been entered at arm's length price with entities under the control of the same Government.

**4. Misc. Informations**

**(a) Significant accounting policy**

Significant accounting policy (Note-2) has been drafted to elucidate the accounting policies adopted by the Company in accordance with Indian Accounting Standards (Ind ASs) notified by Ministry of Corporate Affairs (MCA) under the Companies (Indian Accounting Standards) Rules, 2015.

**(b) Change in accounting policy**

For better understanding of the users of the financial statements, Significant Accounting Policy has been modified/rephrased in section 2.11 Intangible Assets and 2.17 Employee Benefits and 2.23.2 Estimates and Assumptions. However, there is no financial impact of the aforesaid change.

**(c) Recent pronouncements**

On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013. The amendment revised Division I, II & III of Schedule III and are applicable from April 1, 2021. The Company has included the amendments on its financial statements from 1st quarter accounts of 2021-22 onwards.

**(d) Others**

- i. Previous period/year figures have been restated, regrouped and rearranged wherever considered necessary.
- ii. Due to change in useful life of few fixed assets effective from FY 22-23, the depreciation charged during the year has been increased by ₹ 0.45 lakhs.
- iii. Note – 1 and 2 represents Corporate information and Significant Accounting Policies respectively, Note 3 to 23 form part of the Balance Sheet as at 31.03.2023 and 24 to 37 form part of Statement of Profit & Loss for the year ended on that date. Note – 38 represents Additional Notes to the Financial Statements."

## 5 Fair Value Measurement

## (a) Financial Instruments by Category

(₹ in Lakh)

	31-03-2023		31-03-2022	
	FVTPL	AMORTISED COST	FVTPL	AMORTISED COST
<b>Financial Assets</b>				
Investments :	-	-	-	-
Preference Shares	-	-	-	-
- Equity Component	-	-	-	-
- Debt Component	-	-	-	-
Secured Bonds	-	-	-	-
Mutual Fund/ ICD	-	-	-	-
Loans	-	-	-	-
Deposits & receivable	-	2.41	-	3.11
Trade receivables*	-	-	-	-
Cash & cash equivalents	-	65.78	-	434.77
Other Bank Balances	-	-	-	-
	-	-	-	-
<b>Financial Liabilities</b>				
Borrowings	-	-	-	-
Trade payables	-	-	-	-
Security Deposit and Earnest money		0.60		0.60
Lease Liabilities	-	-	-	-
Other Liabilities	32,324.09			16,680.16

## (b) Fair value hierarchy

Table below shows judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard.

	31-03-2023		31-03-2022	
	Level 1	Level 3	Level 1	Level 3
<b>Financial Assets at FVTPL</b>				
Investments :				
Mutual Fund/ ICD	-	0.00	-	0.00

Financial assets and liabilities measured at amortised cost for which fair values are disclosed at 31-03-2023	31-03-2023		31-03-2022	
	Level 1	Level 3	Level 1	Level 3
<b>Financial Assets</b>	-	-	-	-
Investments* :	-	-	-	-
Preference Shares	-	-	-	-
- Equity Component	-	-	-	-
- Debt Component	-	-	-	-
Secured Bonds	-	-	-	-
Loans	-	-	-	-
Deposits & receivable	-	2.41	-	3.11
Trade receivables*	-	-	-	-
Cash & cash equivalents	-	65.78	-	434.77
Other Bank Balances	-	-	-	-
	-	-	-	-
<b>Financial Liabilities</b>				
Borrowings	-	-	-	-
Trade payables	-	-	-	-
Security Deposit and Earnest money	-	0.60	-	0.60
Lease Liabilities	-	-	-	-
Other Liabilities	-	32,324.09	-	16,680.16



A brief of each level is given below.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes Mutual fund which is valued using closing Net Asset Value (NAV) as at the reporting date.

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

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investments, security deposits and other liabilities included in level 3.

**(c) Valuation technique used in determining fair value**

Valuation techniques used to value financial instruments include the use of quoted market prices (NAV) of instruments in respect of investment in Mutual Funds.

**(d) Fair value measurements using significant unobservable inputs**

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

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

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

The Company considers that the Security Deposits does not include a significant financing component. The security deposits coincide with the company's performance and the contract requires. Significant estimates: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgment to select a method.

**6. Financial Risk Management**

**Financial risk management objectives and policies**

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

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

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the financial statements.

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

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

**A. Credit Risk:**

Credit risk arises when a counterparty defaults on contractual obligations resulting in financial loss to the company.

Provision for expected credit loss: Company provides for expected credit risk loss for doubtful/ credit impaired assets, by lifetime expected credit losses (Simplified approach). Refer Note - 13, Trade Receivables

**Significant estimates and judgments for Impairment of financial assets**

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates.

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The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

### B. Liquidity Risk

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

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

### C. Market risk

#### a) Foreign currency risk

Foreign currency risk arises from future commercial transactions and recognised assets or liabilities denominated in a currency that is not the Company's functional currency (INR). The Company is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk in respect of foreign operation is considered to be insignificant. The Company also imports and risk is managed by regular follow up. Company has a policy which is implemented when foreign currency risk becomes significant.

#### b) Cash flow and fair value interest rate risk

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

Company manages the risk using guidelines issued by Department of Public Enterprises (DPE) on diversification of bank deposits credit limits and other securities.

### D) Capital management

The company being a government entity manages its capital as per the guidelines of Department of Investment and Public Asset Management under Ministry of Finance.

**Capital Structure of the company is as follows:**

(₹ in Lakhs)

	31-03-2023	31-03-2022
Equity Share capital	9,000.50	5.00
Long term debt	-	-

## 7 Employee Benefits: Recognition and Measurement (Ind AS-19)

Employees are deputed from MCL and IRCON, Salary is paid by the parent company and necessary debit transferred to the company.

## 8 Other Information

### (a) Provisions

The position and movement of various provisions as per Ind AS-37 except those relating to employee benefits which are valued actuarially, as on 31.03.2022 are given below:

Provisions	Opening Balance as on 01-04-2022	Addition during the year	Write back/ Adj./ Paid during the Year	Closing Balance as on 31.03.2023
<b>Note 3:- Property, Plant and Equipments :</b>				
Impairment of Assets :				-
<b>Note 4:- Capital Work in Progress :</b>				
Against CWIP :				-
<b>Note 5:- Exploration And Evaluation Assets :</b>				
Provision and Impairment :				-
<b>Note 8:- Loans :</b>				
Other Loans :				-
<b>Note 9:- Other Financial Assets:</b>				
Other Deposits and Receivables				-
Security Deposit for utilities				-
Current Account with Subsidiaries				-
Claims & other receivables				-
<b>Note 11:- Other Current Assets :</b>				
Advances for Revenue :				-
Advance payment of statutory dues:				-
Other Advances and Deposits to Employees				-
<b>Note 13:- Trade Receivables :</b>				
Provision for bad & doubtful debts :				-
<b>Note 21 :- Non-Current &amp; Current Provision :</b>				
Ex- Gratia				-
Performance Related Pay				-
Other Employee Benefits				-
Provision for National Coal Wage Agreement X				-
Provision for Executive Pay Revision				-
Site Restoration/Mine Closure				-

**(b) Earnings per share**

Sl. No.	Particular	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
i)	Net profit after tax attributable to Equity Share Holders ₹ in Crore	-43.44	-1.92
ii)	Weighted Average no. of Equity Shares Outstanding	90005000	0
iii)	Basic and Diluted Earnings per Share in Rupees (Face value ₹ 10/- per share)	(₹ 0.05)	(₹ 0.01)

**(b) Lease**

Sl. No.	Name of the Area	Name of the Lessee	Asset given on lease	Agreement valid period	Lease rent per annum	Remarks

**(c) Insurance and escalation claims**

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

**(d) Provisions made in the Accounts**

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

**(e) Current Assets, Loans and Advances etc.**

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

**(f) Current Liabilities**

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

**(g) Disaggregated revenue information :**

The table below presents disaggregated revenues from contract with customers information as per requirement of Ind AS 115, Revenue From Contract with Customer:

Disaggregated revenue information	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
<b>Types of goods or service</b>		
- Power	-	-
- Others	-	-
Total revenue from Sale of Power & others	-	-
<b>Types of customers</b>		
- Power sector	-	-
- Non-Power Sector	-	-
- Others or Services	-	-
Total revenue from Sale of Power & others	-	-
<b>Types of contract</b>		
- Others	-	-
Total revenue from Sale of power & others	-	-
<b>Timing of goods or service</b>		
- Goods transferred at a point in time	-	-
- Goods transferred over time	-	-
- Services transferred at a point in time	-	-
- Services transferred over time	-	-
<b>Total revenue from Sale of Power &amp; others</b>		

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(g) Ratios

Description	For The Period Ended 31.03.2023	For The Period Ended 31.03.2022	Variance
<b>(a) Current Ratio:</b> The current ratio indicates a company's overall liquidity position. It is widely used by banks in making decisions regarding the advancing of working capital credit to their clients. Current ratio has been calculated as Current Assets divided by Current liabilities.	0.0021	0.0263	-92%
<b>(b) Debt-Equity Ratio:</b> Debt-to-equity ratio compares a Company's total debt to shareholders equity. Both of these numbers can be found in a Company's balance sheet. Debt-Equity Ratio has been calculated as total debt divided by Shareholder's Equity.	0.0000	0.0000	0%
<b>(c) Debt Service Coverage Ratio:</b> Debt Service coverage ratio is used to analyse the firm's ability to pay-off current interest and instalments. Debt Service Coverage Ratio is calculated as Earning available for debt service divided by Debt Service. Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc. Debt service = Interest & Lease Payments + Principal Repayments "Net Profit after tax" means reported amount of "Profit / (loss) for the period" and it does not include items of other comprehensive income.	0.0000	0.0000	0%
<b>(d) Return on Equity Ratio:</b> It measures the profitability of equity funds invested in the Company. The ratio reveals how profitability of the equity-holders' funds have been utilized by the Company. It also measures the percentage return generated to equity-holders. The ratio is computed as: (Net Profits after taxes less Preference Dividend (if any) divided by Average Shareholder's Equity	-0.0049	-0.0002	2163%
<b>(e) Inventory turnover ratio:</b> This ratio also known as stock turnover ratio and it establishes the relationship between the cost of goods sold during the period or sales during the period and average inventory held during the period. It measures the efficiency with which a Company utilizes or manages its inventory. Inventory turnover ratio is calculated as Cost of goods sold OR sales divided by Average Inventory. Average inventory is (Opening + Closing balance / 2) When the information opening and closing balances of inventory is not available then the ratio can be calculated by dividing COGS OR Sales by closing balance of Inventory.	0.0000	0.0000	0%
<b>(f) Trade Receivables turnover ratio:</b> It measures the efficiency at which the firm is managing the receivables. Trade receivables turnover ratio = Net Credit Sales / Avg. Accounts Receivable Net credit sales consist of gross credit sales minus sales return. Trade receivables includes sundry debtors and bills receivables. Average trade debtors = (Opening + Closing balance / 2) When the information about credit sales, opening and closing balances of trade debtors is not available then the ratio can be calculated by dividing total sales by closing balances of trade receivables.	0.0000	0.0000	0%
<b>(g) Trade payables turnover ratio:</b> It indicates the number of times sundry creditors have been paid during a period. It is calculated to judge the requirements of cash for paying sundry creditors. It is calculated by dividing the net credit purchases by average creditors. Trade payables turnover ratio = Net Credit Purchases / Average Trade Payables Net credit purchases consist of gross credit purchases minus purchase return When the information about credit purchases, opening and closing balances of trade creditors is not available then the ratio is calculated by dividing total purchases by the closing balance of trade creditors.	0.0000	0.0000	0%
<b>(h) Net capital turnover ratio:</b> It indicates a company's effectiveness in using its working capital. The working capital turnover ratio is calculated as follows: net sales divided by the average amount of working capital during the same period. Net capital turnover ratio = Net Sales / Working Capital Net sales shall be calculated as total sales minus sales returns. Working capital shall be calculated as current assets minus current liabilities.	0.0000	0.0000	0%
<b>(i) Net profit ratio:</b> It measures the relationship between net profit and sales of the business. Net Profit Ratio = Net Profit / Net Sales Net profit shall be after tax. Net sales shall be calculated as total sales minus sales returns.	0.0000	0.0000	0%
<b>(j) Return on Capital employed:</b> Return on capital employed indicates the ability of a company's management to generate returns for both the debt holders and the equity holders. Higher the ratio, more efficiently is the capital being employed by the company to generate returns. ROCE = Earning before interest and taxes / Capital Employed Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	-0.0049	-0.0002	2169%
<b>(k) Return on investment (Refer: Note-7):</b> Return on investment (ROI) is a financial ratio used to calculate the benefit received by the company in relation to its investment cost. The higher the ratio, the greater the benefit earned.			
(i) ROI on Equity Investment in Unlisted Subsidiaries: Dividend/Average Investment in Equity of Subs.	0.0000	0.0000	0%
(ii) ROI on Equity Investment in Joint ventures: ROI = Dividend Received/Average Investment in Equity of JV	0.0000	0.0000	0%
(iii) ROI on Fixed Income Investment (Bonds/Debentures etc.) = Interest income/ Average Investment	0.0000	0.0000	0%
(iv) ROI on Mutual fund = Dividend+Capital gain+Fair value gain(Loss)/Average Investment	0.0000	0.0000	0%
(v) ROI on deposits (With Banks, Fis incl ICDs) = Interest income/ Average Investment	0.0000	0.0000	0%

For and behalf of the Board of Directors

**Sd/-**  
**(S.K. Behera)**  
**Company Secretary**

**Sd/-**  
**(B. K. Parida)**  
**Chief Financial Officer**

**Sd/-**  
**(S. Nayak)**  
**Chief Executive Officer**

**Sd/-**  
**(Keshav Rao)**  
**Director**  
**DIN: 08651284**

**Sd/-**  
**(O.P Singh)**  
**Chairman**  
**DIN: 07627471**

**For Narendra K Jain & Associates**  
**Chartered Accountants**  
**Firm Reg. No. - 322048E**

**Sd/-**  
**(CA N K Jain)**  
**Proprietor**  
**(Membership No. 085121 )**

**Date: 24.04.2023**  
**Place: BALANGIR**