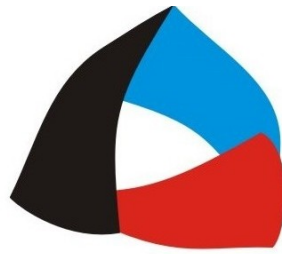


MNH SHAKTI LIMITED

(A subsidiary of Mahanadi Coalfields Limited)



MNH

7th Annual Report and Accounts 2014-15

**Regd Office: Anand Vihar , Po – Jagriti Vihar,
Sambalpur, Odisha - 768020**

CONTENTS

<i>Sl. No.</i>	<i>Subject</i>	<i>Page No.</i>
1.	Company Information	
2.	Notice	01
3.	Directors' Report	03
4.	Auditors' Report	18
5.	Comments of the Comptroller & Auditor General of India	42
6.	Secretarial Audit Report	43
7.	Extract of Annual Return	47
8.	Balance Sheet as at 31 st March, 2015	53
9.	Statement of Profit & Loss for the year Ending on 31 st March, 2015	55
10.	Notes forming part of the Balance Sheet and Statement of Profit & Loss	57
11.	Accounting Policies and Notes on Accounts	91
12.	Cash Flow Statement	101

COMPANY INFORMATION

BOARD OF DIRECTORS:

Shri J.P. Singh	-	Chairman	(w.e.f. 19.06.2013)
Shri S. Ashraf	-	Director	(w.e.f. 03.04.2013)
Shri B.P. Mishra	-	Director	(w.e.f. 15.05.2013)
Shri S. Rajagopal	-	Director	(w.e.f. 01.10.2013)
Shri P.C. Panigrahi	-	Director	(w.e.f. 27.12.2013)

CEO:

Shri R.V. Ringe (up to 24.04.2015)
Shri S. M. Jha. (w.e.f. 25.04.2015)

COMPANY SECRETARY:

Shri Sumanta Kumar Behera.

AUDITORS:

M/s Badhan & Co,
Chartered Accountants,
C/o – PLY Home, Carry Co. Lane,
Marwadi Para, Near Jhanda Chowk,
Jharsuguda, Sambalpur – 768201,
Odisha.

BANKERS:

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

UCO Bank
Jagruti Vihar Branch,
Jagruti Vihar, Burla,
Sambalpur - 768020.

Axis Bank Ltd.
RR Mall, Ashoka Talkis Road,
V.S.S. Marg,
Sambalpur - 768001.

Union Bank of India,
Besides Bazar Kolkata,
Gole Bazar,
Sambalpur - 768001.

REGISTERED OFFICE:

Anand Vihar,
P.O.- Jagruti Vihar,
Sambalpur, Odisha - 768020.

Date: 01st June, 2015

NOTICE
7TH ANNUAL GENERAL MEETING

Notice is hereby given that the 7th Annual General Meeting of MNH Shakti Ltd will be held at 12.30 PM Saturday, the 13th June, 2015 at the registered Office of the Company, Anand Vihar, PO - Jagruti Vihar, Sambalpur, Odisha, 768020 to transact the following business.

Ordinary Business:

1. To receive, consider and adopt the audited accounts for the financial year 2014-15 Report of the Auditors thereon and Director's Report.
2. To sanction remuneration, as decided by the Board , payable to M/s. Badhan & Co, Chartered Accountants, Jharsuguda, the Auditors who were appointed by the C&AG of India for the financial year, 2014-2015.

“RESOLVED that pursuant to the provisions of Section 142(1) & (2) and other applicable provisions if any of the Companies Act-2013, the sanction be and is hereby accorded for payment of remuneration and reimbursement of T.A. & out of pocket expenses as decided by the Board of Directors to M/s Badhan & Co, Chartered Accountants, Jharsuguda, the Auditors in connection with the Audit of accounts of the Company for the financial year 2014-2015.

By order of the Board of Directors
For MNH Shakti Limited

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

REGISTERED OFFICE:

Anand Vihar, PO- Jagruti Vihar, Burla, Sambalpur - 768020.

NOTE:

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

Members:

1. Mahanadi Coalfields Limited, Jagruti Vihar, Burla, Sambalpur- 768020.
(Atten: Company Secretary, MCL).
2. Neyveli Lignite Corporation Limited, Neyveli House No. 13 J, Periyar EVR High Road, Kilpauk, Chennai-600010 (Atten: Company Secretary, NLC).
3. Hindalco Industries Limited, Century Bhawan, 3rd floor, Dr. Annie Besant Road, Worli Mumbai-400025(Atten. Company Secretary, Hindalco industries Ltd.).

Auditors:

1. M/s Badhan & Co, Chartered Accountants, C/o – PLY Home, Carry Co. Lane, Marwadi Para, Near Jhanda Chowk, Jharsuguda, Sambalpur – 768201.
2. Principal Director, Office of the Principal Director of Commercial Audit and Ex- Officio Member, Audit Board- II, Old Nizam Place , 234/4 Acharya Jagadish Chandra Bose Road, Kolkata – 700 020.
3. M/s. Jayashree Mishra & Associates, Company Secretaries, Plot No. 107/D, Laxmi Narayan Krupa, Acharya Vihar, Bhubaneswar – 751013.

Directors:

1. All Directors, MNH Shakti Limited Board.

DIRECTORS' REPORT

To
The Shareholders,
MNH Shakti Limited.

Gentlemen,

I have great pleasure in welcoming you to the 7th Annual General Meeting of MNH Shakti Limited. Today, I am going to present the Seventh Annual Report of your company together with the audited accounts for the year 2014-15 along with the report of the Statutory Auditor, Secretarial Auditor and the comments of the Comptroller and Auditor General of India.

The Project Report of Talabira III mine of 6.5 MTY capacities under command area of MCL was approved by the Government of India in June 2002. However, planning Commission directed to revise the Project Report with higher capacity. Accordingly, PR of 6.5 MTY was withdrawn in Nov 2004. Later considering the request of Aditya Aluminium, a division of Hindalco Industries Limited and Neyveli Lignite Corporation Ltd for allocation of Coal block of Talabira II for their captive consumption, the Ministry of Coal, Government of India decided to jointly allocate coal blocks of Talabira II and Talabira III to Mahanadi Coalfields Ltd, Neyveli Lignite Corporation Ltd. and Hindalco Industries Ltd. And these blocks were jointly allocated by the Central Government to MCL, NLC and HIL on 10th November 2005. To ensure conservation of coal and deployment of optimum technology; the coal blocks of Talabira II and Talabira III, was decided by the Cental Government, to be mined as one mine with ultimate capacity of 20 MTY and peak capacity 23 MTY by a joint venture company to be formed between MCL on one part and NLC and HIL on the other. In the joint venture company MCL would have an equity holding of 70% where as the balance 30% equity shall be equally held by M/s Neyveli Lignite Corporation Ltd and M/s Hindalco Industries Ltd, i.e 15% each. Subsequently, a JV Company namely MNH Shakti Ltd was incorporated and registered under the Companies Act, 1956 on 16th July, 2008. Project Report of Talabira OCP (20MTY) has been approved by MCL Board (a Miniratna company) on 29.03.2008 in its 94th meeting for both Coal and Overburden outsourcing variant with initial capital outlay of 1 447.72 Cr. And the same has been approved by MNH Shakti Board in its 7th meeting held on 15th July, 2010.

The Project comprises of 994.5 Ha of coal bearing area bounded by fault F1-F1 and no coal zone in West. Eastern boundary is marked by geological block boundary / no coal zone. Northern boundary is defined by Ib river and in South it has common boundary with Talabira-I mine being operated by HINDALCO.

Mineable coal reserve of this block is 553.98 MTe (in Ib seam and Rampur seam). Mine will operate in stripping ratio of 1:1.09. Most of the coal is of G11 & G17 grade, which is suitable

for Thermal Power Plants. With ultimate capacity of 20 MTY, the mine will have a life of 34 years.

STATUS OF LAND ACQUISITION:

For Talabira III Coal Block- 1530.170 Ha of land was acquired under CBA (A&D) Act, by IB valley Area, MCL prior to joint allocation of the coal blocks and vested with MCL vide notification U/S 11(I) on 03.12.2005.

Subsequently, 383.893 Ha of land was acquired under CBA (A&D) Act for Talabira II coal Block and also vested with MCL vide notification U/s 11(I) on 26.02.2011.

Total land acquired for this project is 1914.063 Ha (excluding land required for Resettlement site and Residential colony) and involves villages Rampur, Malda and Patrapalli in Jharsuguda District & villages Talabira and Khinda in Sambalpur District. Details of land acquired is furnished below:

Tenancy land	451.829 Ha
Non Forest Govt land	424.047 Ha
Revenue Forest land	578.005 Ha
Deemed Forest land	460.182 Ha
TOTAL	1914.063 Ha

Possession of Govt (NF) Land

Subsequently, Tahsildars of Rengali and Jharsuguda Tahasils were requested to hand over the possession of Non forest Government land measuring 562.07 Acres and 378.41 Acres respectively.

On request to hand over possession of Non forest government (NF) land, the Tahasildars of Jharsuguda and Rengali raised the following demands for payment of land premium:

Jharsuguda	: 1	15,15,77,930.00	for 352.45 Acres land (excluding public utility land)
Rengali	: 1	42,19,04,000.00	for 527.38 Acres (excluding encroached land).

Both the demands were based on present sale statistics and very high. So MNH Shakti Ltd. objected both the demands and requested to modify the demands based on fair market value as on date of notification u/s 4(1) of CBA (A&D) Act for the concerned areas. After directive / clarification from Collector, Sambalpur; regarding cost of land, Tahasildar, Rengali has requested DFO, South Division, and Sambalpur for joint verification, enumeration of standing trees for assessment of the cost of standing trees. DFO, South Division, Sambalpur has assigned this job to the Range Officer, Rengali Range. Tree enumeration has been completed for Khinda village and was under progress in Talabira village.

Tahasildar, Jharsuguda again insisted for payment of their demanded amount of ₹ 15,15,77,930.00 and insisted to impose interest in case of failure in payment. After obtaining competent approval, the demanded premium of ₹ 15,15,77,930.00 was paid under protest to the Tahasildar, Jharsuguda on 22.03.2011. Similarly after receipt of revised demand notice from Tahsildar, Rengali, a sum of ₹ 11,42,66,971.00 was paid on 14.02.12, which includes land cost for 562.07 acres of Govt (NF) land of village Talabira and Khinda and cost of standing trees of village Khinda. The land will be taken possession after joint verification/demarcation. Possession of an area of 156.04 acres land of village patrapali and 199.53 acres land of village Malda (Jharsuguda District) has been taken and the remaining land of Sambalpur District will be taken possession after joint verification/demarcation.

Villagers of Talabira are resisting the Tree Enumeration on Govt. Non-Forest land of village Talabira. The matter has been informed to the state administration and also persuasion is going on with the villagers to start the work again.

Tenancy Land

For preparation of compensation roll and other R&R benefits to the Project affected Persons, Revenue Inspectors and Amins have been hired for Yadast (verification) of the land records and preparation of family genealogy etc. and the status is given below:

KHINDA VILLAGE: Total area of Tenancy land : 136.75 Acres. Yadast, family genealogy, house sketch and tree counting completed. Total Holdings: 198, Trees : 899 (on tenancy land), House sketch : 40 (on Tenancy land), 126 (on Govt land).

PATRAPALI: Total area of Tenancy land : 203.62 Acres. Yadast, family genealogy house sketch and tree counting completed. Total Holdings: 215, Trees: 798 (on Tenancy land), House sketch: 131(on Tenancy land), 118(on Govt land).

TALABIRA VILLAGE: Total area of Tenancy land: 317.79 Acres. Yadast, family genealogy, house sketch completed. Total Holdings: 204, House sketch: 19 (on Tenancy land), 170(on Govt land). Tree counting 1216 (on Tenancy Land) and work is under progress.

RAMPUR VILLAGE: Total Area of tenancy land: 49.09 acres. Total Holdings: 23, no house structure is affected. There will be no displacement from the village. Yadast, Family genealogy and tree counting completed.

MALDA VILLAGE: Total area of Tenancy land: 414.05 Acres. Total Holdings : 103, Yadast, family genealogy, completed, Trees: 5905 (on Tenancy land) has been counted, house sketch completed: 06 (on Govt land) and 04 (on tenancy land). For balance area work is under slow progress.

Structure Measurement:

One Sub-ordinate engineer (civil) has been posted at MNH Shakti Ltd, work of structure measurement started in Khinda Village. 372 out of 480 house measurement completed. Work was stopped by villagers from 22.06.2013. Persuasion with villagers is going on. A meeting was held between Chairman, MNH Shakti Limited and villagers on 03.09.2014, but some issues are still unresolved, however the work of structure measurement started in khinda village from 01.10.2013.

Socio-economic survey:

As per Orissa R&R Policy 2006, the Socio-economic survey; and socio-cultural resource mapping & infrastructural survey is to be conducted by an independent agency. Accordingly, the Government of Orissa approved the recommendation of RDC, Sambalpur for engagement of M/s Agricultural and Rural Development Consultancy Society, Bhubaneswar for conducting the said survey in respect of Talabira (II & III project). After due approval of the Board of MNH Shakti Ltd, the work order was issued to M/S ARDCOS, Bhubaneswar.

The agency has completed the field work and submitted the Preliminary Report along with Oriya version. The preliminary Report is submitted to the RDC, ND, Sambalpur & Collector Sambalpur and Collector, Jharsuguda. Now the report is to be published in the village and finalized by a committee, constituting the members from State Government, Survey agency and representatives of MNH Shakti Limited.

The agency has completed data collection of all the villages. Draft report submitted by the agency had some discrepancies and was asked to modify the report. The Agency has started inviting objections from the villagers if any for finalization of the report along with District administration. M/s ARDCOS has submitted its Final report on socio-economic survey of acquired area to Special Land Acquisition Officer, Sambalpur on 04/03/14 for further necessary action.

Rehabilitation site:

Lease Application for settlement of 94.32 acres of Govt. (Non-forest) land of village Hirma has been filed with Tahasildar, Jharsuguda for Rehabilitation site for the displaced families of Malda and Patrapali village. Lease application for settlement of 27.00 Acres of Govt. (Non- Forest) Land of village Dantamura has been filed with the Tahasildar, Rengali for Rehabilitation site for the displaced Families of Talabira village. Lease application for settlement of 57.65 Acres of Govt. (Non- Forest) Land of village Khinda has been filed with the Tahasildar, Rengali for Rehabilitation site for the displaced Families of Khinda village. Tahasildar Rengali issued notice for Proclamation for R&R site.

Site For Colony & Town- ship:

Lease Application for settlement of 78.32 acres of Govt. (Non-forest) land of village GURUPALI (On the side of State Highway No.10) has been filed with the Tahasildar, Rengali for Colony

and Town-ship site. Tahasildar agreed for 19.45 acres land which is free for encroachment and tree growth. Also in continuation with above application for 27 Ac. Land in Bamaloai village has been filed with Tahasildar, Rengali.

STATUS OF FOREST DIVERSION:

Proposal for Diversion of 687.624 Ha of forest land was submitted to the CCF (Nodal), Bhubaneswar, on 21.01.2009 which was returned for compliance of certain observations on 17.02.2009. The proposal was resubmitted to CCF (Nodal) after compliance of the observation on 12.05.2010. After scrutiny, the proposal has been forwarded to DFO, North Division Sambalpur with State Serial No. 393/10 dated 26.05.2010 for demarcation of Forest land, preparation of scheme for compensatory afforestation, sample enumeration, revision of cost benefit analysis etc.

In the meantime an agency M/S Centre for Envotech Management Consultancy, Bhubaneswar has been engaged for execution of Forest Diversion Proposal and obtaining Forest Clearance (Stage I and Stage II) under F. C. Act, 1980. Work order has been issued to the agency on 04.11.2010.

Mean while, the DFO, Sambalpur, North Division (Nodal DFO) asked to modify the proposal for diversion of total forest land acquired for the project, which is 1038.187 Ha.

Modified diversion proposal submitted to DFO on 18.11.2011 for diversion of 1034.136 Ha of forest land and forest land to be undisturbed in safety zone is 4.051 Ha. (Total 1038.187 Ha). Demarcation of Forest land, pillar posting and tree enumeration works are under progress.

As per requirement of the MoEF, DGPS survey of the forest land, Geo-referencing and preparation of digital map on shape file and authentication of the same by ORSAC, an open e-tender has been floated on 09.04.2012.

The revised mining plan has been prepared by CMPDIL and submitted to the Advisor (Project) on 08.10.2011 for approval, which was approved on 11.1.2012

For DGPS survey, Geo-referencing of forest land, preparation of Digital Map on shape file and authentication of the same by ORSAC and concerned DFO. DGPS field survey completed. Digital map prepared on shape file and submitted to DFO (N) Sambalpur on dt.08.10.2012, Which was forwarded by DFO (N) Sambalpur to ORSAC BBSR for authentication. On 30.11.2012 M/S ORSAC BBSR informed that the vetting of forest proposal will be carried out only after completion of Mining lease boundary through DGPS by ORSAC. Vide letter No. 4400, dt. 02/11/2012 M/S ORSAC, BBSR has been awarded the work of digitization of Mining Lease boundary mapping of Talabira (II & III) OCP. An amount of 121,05,469.00 has been deposited on dt 10/12/2012. An amount of 110.40 lakh has been paid to M/S ORSAC, BBSR towards the processing fees for authentication of forest diversion

proposal. Vide Letter No. 955(2), Dated 21.03.2013, M/s ORSAC has submitted authenticated map of forest area 1038.18 Ha. to DFO (N), Sambalpur.

2074.349 Ha of degraded forest land has been identified in Jharsuguda and Sambalpur district for compensatory afforestation. The site is surveyed and compensatory afforestation scheme is approved by both the DFOs. However, DFO (N) Sambalpur inform to identify 846 ha, non-forest Land for compensatory afforestation in lieu of forest land to be diverted for Talabira OCP. As MNH Shakti Ltd. is a Joint Venture Company with Private agencies allotting the Degraded forest land twice the area of diversion of Forest land does not arise as in the case of Public sector undertaking, though CEO MNH Shakti Ltd submitted representation to DFO(N) Sambalpur that the MNH Shakti Ltd. is public sector undertaking.

During the review meeting of forest diversion proposals held on dt 07/01/2013 at office of CCF(Nodal) BBSR. CCF(Nodal), BBSR requested Chief Conservator of Forest MCL that clarification from Ministry of Environment and Forest, Govt. of India under Forest(Conservation) Act 1980, may be requested as to whether non-forest Land required for compensatory afforestation or double the extent of forest land, as MCL made a joint venture with private companies.

CEO, MNH Shakti Ltd requested vide letter no. 1274, dt, 25.01.13 to DG (Environment), MoEF, New Delhi for clarification regarding CA Lands in degraded forest land will be accepted for MNH Shakti Ltd. Accordingly AIGF MoEF New Delhi issued Office–Memorandum on 8th April 13, stating that the request of MNH Shakti Ltd. may be accepted only if it certified by Ministry of Coal that it is a Central PSU under their administrative control.

The Under Secretary to Govt. of India MoC issued Office-Memorandum, stating that the MNH Shakti Ltd. is a Govt. Company in terms of Section 617 of Companies Act, 1956 and a central PSU/central govt. undertaking is also a subsidiary company of Mahanadi Coalfields Limited. AIGF, MoEF New Delhi issued letter on 3/7/13 to The Principal Secretary (Forest) Bhubaneshwar, Govt.of Odisha. On 8/7/13 CEO MNH Shakti Ltd. requested CCF (N) BBSR & DFO (N) Sambalpur to consider our case in light of letter issued By MoEF New Delhi.

The Collector Jharsuguda issued certificate under FR. Act.2006 for all four villagers i.e. Malda, Patrapali, Rampur and Dumermunda. The collector Sambalpur issued certificate under FR Act.2006 for Talabira village.

Forest Diversion Proposal forwarded to RCCF Sambalpur by DFO(N) on 14/8/13. RCCF Sambalpur inspected the forest area proposed for diversion on 24/01/14 and recommended the proposal to Addl. PCCF Bhubaneshwar on 1/2/14. The PCCF Bhubaneshwar after scrutiny has forwarded the proposal to Principal Sec. to Govt., Forest & Environment Department Odisha, Bhubaneshwar on 22/3/14.

STATUS OF ENVIRONMENTAL CLEARANCE

Form-I for EMP clearance was submitted to MoEF on 09.03.07. Expert Committee meeting for Terms of Reference (TOR) was held on 09.05.07. Approved Terms of Reference (TOR) was intimated on 23.05.07.

The required studies as below were completed and submitted to CMPDI, RI-VII, Bhubaneswar for incorporation in EMP:

- i) Study of Baseline data on Air, Water and Noise completed by CMPDI.
- ii) Taxonomical enumeration of Flora and Fauna in Core and Buffer zone of Talabira OCP done by Sambalpur University
- iii) Base line data on soil quality completed by ISM, Dhanbad.
- iv) Epidemiological study conducted by VSS Medical College, Burla

Public hearing was scheduled on 08.12.2010 and 19.12.2010 for Jharsuguda and Sambalpur districts respectively. Public hearing of Sambalpur district was conducted on 19.12.2010. Public hearing for Jharsuguda district could not be conducted on 08.12.2010 as a group of persons stopped the officials of State Govt and State Pollution Control Board from reaching the venue of the hearing. Proceedings of the both were sent to MoEF by SPCB, Bhubaneswar.

Final EIA/EMP has been submitted to MoEF on 30.03.2011 for consideration towards environmental clearance. A letter from Director, MoEF has been received and informed that the project falls under No-Go Area and was de listed from the list of pending projects.

In the mean time, in the meeting of Group of Ministers (GoM) it has been decided to do away with Go/NO-Go concepts. In the light of decision of GoM, to do away from Go/ No-Go concepts, a letter from CGM/CEO, MNH Shakti Ltd has been sent to the Director, MoEF to consider the case again.

CGM/CEO, MNH Shakti Ltd has sent a letter to the Secy. MoEF on 25.01.2012 and a letter to the Director General MoEF on 02.02.2012 to give necessary advice to the environment wing of the Ministry to enlist the proposal again in the light of decision of GoM regarding Go/ No-Go concepts.

The public hearing of Jharsuguda district again rescheduled on 23.05.2013 at Malda Village, which was conducted subsequently. The report of public hearing of Jharsuguda district has been forwarded by the Under Secretary, OCPB to the Secretary, MoEF vide letter no. 16123/ ND II PH/453, dated: 9.07.2012.

EAC meeting held on 09/01/2013 at SCOPE Complex, New Delhi, & discussed the EIA-EMP proposal of Talabira OCP in detail. EAC minutes Circulated. Committee advised for

some more study such as : Conduct cumulative impact assessment study within 10 km of project area, in situ ore leaching, Coal gasification and use of carbonaceous shale in power generation, sequential mining to use the back coalfield area as agriculture land etc. CMPDIL, RI-VII, BBSR wrote a letter to CMPDIL, Ranchi for guidelines for following:

- (i) Cumulative impact assessment study within 10km of project area.
- (ii) In situ ore leaching, Coal gasification.
- (iii) Use of carbonaceous cell in power generation.

CMPDIL, Ranchi sent guidelines for cumulative impact assessment and action has been taken accordingly. CMPDIL, RI-VII, BBSR floated tender for conducting Cumulative impact assessment within 10 km project area.

On 26/6/13 CMPDIL BBSR submitted report /study for all points except the cumulative impact assessment study within 10 km of project area. On 8/7/13 interim reply submitted to Director IA MoEF New Delhi and requested for consider the case for next EAC meeting. On 3/10/13 EAC meeting was held at scope complex, & discussed the EIA- EMP proposal of Talabira OCP, for further consideration. Minutes of meeting is awaited. EAC Minutes received through e-mail on 4 Nov. 2013 and Committee sought following information:

- (i) To generate air quality data for one month so as to revalidate the data.
- (ii) CMPDIL has been engaged for undertaking a Cumulative Assessment study.
- (iii) Stone revetment (pitching) with grassing and plantation on the top of Embankment of the Reservoir shall be done.
- (iv) There shall be no external OB dump. The internal dump should be brought to the ground level and the voids should be below 40 Mt. of depth.
- (v) Transport of coal shall be by rail. It was noted that dispatch from railway siding has been planned with pay loader loading till silo is commissioned. It was desired that no pay loader loading shall be done and that all dispatches be done through silo.
- (vi) The CSR cost should be Rs. 5 per Tonnes of Coal produced which should be adjusted as per the annual inflation.

CMPDIL BBSR RI VII issued work order M/s Ecomen Lakhnow for collection of Base line data and work started from 31/10/13. On 11/1/14 reply of above six points submitted to MoEF New Delhi for consideration. EAC further considered Talabira EC, on 27/02/14 in its 12th EAC meeting. During meeting EAC informed that one ERC (NGO) has given representation with regard to issue of EIA & TOR, change in land use, impact on forest and wildlife, impact on Hirakund reservoir, and Ib river basin, impact of transportation and OB disposal etc.

MNH Shakti Limited submitted reply on these issue to EAC on 5/3/14. EAC desired that the proponent may respond in detail to the issues raised in the letter of ERC for further deliberation by committee. MNH Shakti Limited submitted reply on these issue to EAC on 5/3/14.

EAC has recommended the Environmental Clearance of Talabira – II & III OCP in its minutes of the 15th EAC meeting held on 28.06.2014 at New Delhi, subject to the outcome of the investigation of CBI and also the judgment of honorable Supreme Court of India with certain specific conditions.

1. Additionally stone pitching with grassing and plantation on the top of the embankment of the reservoir shall be undertaken to prevent seepage or erosion.
2. The proponent has to provide flood embankment based on a hydrological study and approval by Flood and Irrigation Department.
3. Approval of the State Government for the road transportation of coal from the mine area to the end user.
4. Wildlife Management Plan be prepared and approval from Wildlife Conservation Board to be obtained. The recommendations of the Wildlife Board shall be implemented in toto.
5. Dumper movement shall be restricted to core area only. However, interim transportation up to a distance of around 12 Km is permitted for three years by road by mechanically covered trucks.

RAILWAY SIDING:

Work order has been issued to M/s RITES for preparation of feasibility study report for Railway siding for dispatching 20 MT Coal per annum by Rail. M/s RITES Limited has submitted draft feasibility report on 28.08.2012 to take up from Lapanga station. Recently, a joint meeting was held on 03.10.2012 at MCL HQ. Between M/s RITES and MCL. (In presence of Officials of MNH Shakti Ltd.), wherein, M/s RITES has been requested for making a plan on bigger scale showing the surface features and MNH Shakti Ltd. has also been advised to make a plan of same scale with reference to different infrastructures of mine and future alignment if required, railway track alignment in lease hold area are to be situated towards Bheden River, M/S Rites to prepare plan. M/s RITES ltd. submitted the revised Plan on 26/11/2012. CEO MNH Shakti Ltd, communicated the matter to GM (CP& P), vide letter No. 1199 dt. 21/12/2012. GM (CP&P), vide letter No. 1442 dt 12/01/2013 confirm that the modified alignment of Rly. Infrastructure seems to be correct, provided that It will not interfere any other activities.

CMPDIL was intimated to assess the suitability of the proposed alignment. However, CMPDI, Vide Letter No. 727, Dt. 20.03.2013 advised other options also which was examined by GM (CP&P) and agreed for the existing proposal.

CMPDIL, RI – VII confirm the modification alignment of Railway infrastructure and M/s RITES has been communicated for confirmation of Draft feasibility report by CEO Vide letter No. MNH/CEO/2013-14/55, dated 23.04.2013. M/s RITES raised demand for 1% Codal charges Rs. 2.56 Cr. (Estimated DPR of Rs. 256 Cr.) to be deposited at East Coast Railways Division as advance. The proposal is under technical scrutiny. Rs 2.27 cr. Codal charges deposited to East Coast Rly. Bhubaneshwar on 7/9/2013. A meeting with East coast Railway and M/s RITES was held on 25/10/13, E.Co.Railway advised M/s RITES to submit clarification on certain points, regarding RTC, No. of Silo and others.

Accordingly CEO MNH shakti written letter to M/s NLC and M/s HINDALCO to submit destination of coal for End use. Still reply from M/s NLC is awaited. Meantime a meeting with officials of M/s RITES, MCL and MNH was conducted on 10/1/14 regarding clarification to be submitted to M/s RITES. As advised by E.CO. Rly. Bhubaneshwar, RTC has been applied to Railway Board on 24/03/14.

PRESENT STATUS:

The Hon'able Supreme Court of India has given a judgment on 24th September, 2014 on the allotment of coal blocks made by the Screening Committee of the Government of India, as also the allotments made through the Government dispensation route are arbitrary and illegal. Coal blocks allotted to Private parties or the Govt. company having JV with private parties' w.e.f. 1993 are cancelled. In light of the Supreme Court judgment, Talabira – II & III coal block also stand cancelled with immediate effect from 24.09.2014. (As the block coming under Schedule – I category).

In light of the Supreme Court judgment, MoC issued a letter on 1st October, 2014 regarding furnishing of certain information in Annexure – III with respect to Talabira – II mine to all JV partners. All JV partner has already submitted the information to MoC.

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

Disclosure on the above matter is not required as the Company has been incorporated in 2008-09 and no such activity has yet been started.

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. Acquisition of land, forest clearance and environmental problems are some of the critical factors which are monitored continuously by the management.

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.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

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

NOMINATION COMMITTEE:

The company has not formed the nomination committee yet.

CORPORATE SOCIAL RESPONSIBILITY:

The company is under development stage, during the year there is no expenditure towards CSR activities.

CAPITAL STRUCTURE:

The authorized Equity Share Capital of the Company as on 31.03.2015 is ¹ 10000.00 Lakh and the Issued and Subscribed Equity Capital is ¹ 8510.00 Lakh, which the Share holders of the Company have contributed as detailed below:-

Name of the Share holder	Amount in 1’ Lakh
Mahanadi Coalfields Limited	5957.00
Neyveli Lignites Corporation Limited	1276.50
Hindalco Industries Limited	1276.50

FINANCIAL REVIEW

The mines of the Company Talabira II and Talabira III are under development. So as per the Accounting Policies of the Company, all expenditure incurred during the period has been capitalised and therefore Statement of Profit & Loss for the period under review is showing nil balance at the end of the financial year 2014 – 15. Salient features of financial data out of the Accounts are as below.

Balance Sheet items

(1 in lakh)

Sl.No.	Particulars	Current Year 2014-15	Previous Year 2013-14
1.	Authorized Share Capital	10000.00	10000.00
2.	Paid up Share Capital	8510.00	8510.00
3.	Gross Fixed Assets	2675.05	2671.81
4.	Depreciation Provision	294.26	213.64
5.	Net Fixed Assets	2380.79	2458.17
6.	Capital Work In Progress	2569.28	2542.50
7.	Cash and Cash Equivalents (Including Deposits)	3374.14	3728.33
8.	Other Current Assets	53.13	137.31
9.	Short Term Loans & Advances	146.78	114.38
10.	Short Term Borrowing	63.24	516.01
11.	Trade Payables	0.00	0.00
12.	Other Current Liabilities	0.97	3.97
13.	Short Term Provision	2.06	2.86
14.	Preliminary Expenses Capitalized	52.15	52.15

Income & Expenditures directly transferred to Balance Sheet**(Capital Work in Progress Note-10C)**

(1 in lakh)

Sl.No.	Rev. Expenditure Transferred to Balance Sheet	Current Year 2014-15	Previous Year 2013-14
1.	CMPDIL expenses Rev	39.55	23.60
2.	Employee Remuneration & wages	155.08	252.02
3.	Contractual Payment (Amin. Salary)	0.97	0.00
4.	Repair expenses	0.12	0.25
5.	Bank Charges for B.G/ Others	0.23	60.83
6.	Vehicle Hire expenditure	12.93	14.57
7.	Meeting expenses	0.95	1.97
8.	Audit fees	1.58	0.76
9.	Travelling Expenses	9.34	18.62
10.	Rent for Building	3.00	3.60
11.	Medical Reimbursement	2.45	5.16
12.	Printing & Stationery	1.80	2.50
13.	Director's fee	0.00	0.75
14.	Interest to loan from MCL	27.03	181.00
15.	EMP/R&D and other contractual Expenses	20.71	0.00
16.	Other Expenses	1.83	32.86
17.	Depreciation	80.99	79.43
18.	Total Expenditure	358.56	677.92
19.	Less: Interest income on Fixed Deposit & Others	331.78	319.18
20.	Net expenditure Transferred to Balance Sheet (Scheduled – 10C)	26.78	358.74

AUDITORS :

Under Section 139 of the Companies Act, 2013, the following Audit Firm was appointed as Statutory Auditor of the Company to Audit the Accounts for the year 2014-15:-

M/s Badhan & Co,
Chartered Accountants,
C/o – PLY Home, Carry Co. Lane,
Marwadi Para, Near Jhanda Chowk,
Jharsuguda, Sambalpur – 768201,
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 2014-15:-

M/s Jayashree Mishra & Associates,
Practicing Company Secretary
Plot No. 107/D,
1st Floor,
Laxmi Narayan Krupa,
Acharya Vihar,
Bhubaneswar – 771013.

BOARD OF DIRECTORS:

The following persons were the Directors of the company during the period under report:

Shri J.P. Singh	-	Chairman
Shri S. Ashraf	-	Director
Shri B.P. Mishra	-	Director
Shri S. Rajagopal	-	Director
Shri P.C. Panigrahi	-	Director

Details on composition of the Board, attendance of the Directors individually:-

Name of Directors	Category	Board Meetings	
		Held during the tenure	Attended
Shri J.P.Singh	Non -Executive	4	4
Shri S. Rajagopal	Non -Executive	4	3
Shri P.C. Panigrahi	Non -Executive	4	3
Shri S. Ashraf	Govt. nominee	4	0
Shri B.P. Mishra	Non -Executive	4	4

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 31.03.2015, 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 that period.
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act, 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 31.03.2015 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.

PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered office of the company during business hours on working days of the company up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the company secretary in advance

BANKER'S NAME AND ADDRESS:

Sl. No.	Name	Branch Address
1	State Bank of India	MCL Complex Branch, Jagruti Vihar, Burla, Sambalpur PIN - 768020
2	UCO Bank	Jagruti Vihar Branch (Code 1890)Jagruti Vihar, Burla,Sambalpur.PIN – 768020
3	Axis Bank Ltd. Sambalpur	RR Mall, Ashoka Talkis Road,V.S.S. Marg, Sambalpur, Odisha, PIN - 768001
4	Union Bank of India	Besides Bazar Kolkata,Gole Bazar, Sambalpur - 768001

C & A G COMMENTS:

Comments of the Comptroller & Auditor General of India on the Accounts of the Company for the year ended 31st March 2015 is annexed herewith.

AUDITOR'S REPORT/ SECRETARIAL AUDIT 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. As required under section 204 (1) of the Companies Act, 2013 the Company has obtained a secretarial audit report annexed herewith.

EXTRACT OF ANNUAL RETURN:

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

ACKNOWLEDGEMENT:

Your Directors are grateful to the CMD MCL for his valuable guidance, support and cooperation for the progress of the Company.

Your Directors express sincere thanks to the local administration for their help and cooperation extended from time to time for the development of the Company.

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

ADDENDA:

The following papers are enclosed:-

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

Date: 01.06.2015
Place: Sambalpur

Sd/-
(J.P. Singh)
Chairman, MNH Shakti Limited

INDEPENDENT AUDITOR'S REPORT

TO,

THE MEMBERS OF MNH SHAKTI LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of MNH SHAKTI LIMITED ("the Company"), which comprise the Balance Sheet as at 31/03/2015, the Statement of Profit and Loss, the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31/03/2015, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013. We give in the Annexure A statements on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the cash flow statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on 31/03/2015 taken on record by the Board of Directors, none of the directors is disqualified as 31/03/2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Date : 08.05.2015
Place : Sambalpur

FOR Badhan & Co
(Chartered Accountants)
Reg No. :004008C

Sd/-
GAURAV AGRAWAL
Partner
M.No. : 422586

Annexure to the Independent Auditors' Report

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

(1) In Respect of Fixed Assets

The company is in process of maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

As explained to us, Fixed assets of the company has been physically verified by the management during the year.

(2) In Respect of Inventory

The company has no stock of stores, spares parts and raw materials during the year. Hence physical verification by management is not conducted during the year.

Not applicable.

Not applicable.

(3) Loans and advances to parties covered under section 189

No

(a) N.A

(b) N.A

(4) Internal Control in reference to Purchase of Inventory and Fixed Assets and whether there is continue failure of Internal control

In our opinion and according to the information and explanations given to us there are adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, to the best of our knowledge ,We noticed no major weakness in internal control.

(5) Rules followed while accepting Deposits

According to information and explanation given to us the company has not accepted any deposits from public.

(6) Maintenance of cost records

The Company has not maintained cost records during the year.

(7) According to the information and explanations given to us in respect of statutory dues

a) As the company has no direct staff except employees on deputation from MCL,

the deduction and deposit of provident fund dues is not applicable during the year. Further as the company has not started production and sale during the year, no statutory dues is payable to the govt.

b) The company is capitalizing all its revenue income and expenditure under the head Intangible assets under development since it has not commenced its commercial production. Therefore interest earned on FDR with banks is also capitalized. However Income Tax Department is considering it as a revenue income and thus the matter is pending before the Department.

c) N.A

(8) Company which has been registered for a period less than five years and accumulated losses are more than 50% of Net worth, Reporting of cash Losses

The company's accumulated losses at the end of the financial year are less than fifty percent of its net worth and it has not incurred cash losses in the current and immediately preceding financial year.

(9) Default in Repayment of Loans taken from Bank or Financial Institutions

The company has not taken any loans from any institution or banks.

(10) Terms for Loans and Advances from Banks or Financial Institutions prejudicial to the interest of the company

According to the information and explanations given to us, the company has not given guarantee for loans taken by others from bank or financial institutions.

(11) Application versus purpose for which Loan Granted

According to the information and explanations given to us, no terms loans has been raised by the company during the year.

(12) Reporting of Fraud During the Year Nature and Amount

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

Date : 08/05/2015
Place : Sambalpur

FOR Badhan & Co
(Chartered Accountants)
Reg No. : 004008C
Sd/-
GAURAV S. AGRAWAL
(Partner)
Membership No : 422586

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

COMPANY : **MNH SHAKTI LIMITED.
ANAND VIHAR , BURLA, SAMBALPUR**

FINANCIAL YEAR : **2014 - 15**

Corporate Governance and Audit Committee

- | | | |
|---|---|---|
| 1 | Whether the Company has been listed on the stock exchanges? If yes, the names of the stock exchanges may please be indicated? If so, whether the provisions of listing agreement of SEBI are being followed by the Company? | Since the Company is not listed the clause is Not Applicable. |
| 2 | Whether the Company has 50% independent directors on their Board as required under SEBI guidelines? | Not Applicable |
| 3 | Whether the Company has formed an Audit Committee in compliance with Section 177 of the Companies Act, 2013. If not, indicate the extent of non-compliance? | Not Applicable |
| 4 | Whether Audit Committee has discussed the qualifications made in the Auditor's report as well as important comments, audit paras of Government Audit and has given recommendations for taking appropriate corrective action in the next year's accounts? | Not Applicable |
| 5 | Whether the Audit Committee has examined the replies to paragraphs, mini reviews, sectoral reviews, comprehensive appraisals, etc included in various Audit reports of the C & AG before their submission to Government Audit/Committee on Public Undertakings? | Not Applicable |
| 6 | Whether the Audit Committee has reviewed and discussed with Management, and the internal & external auditors, the adequacy and effectiveness of the accounting and financial controls, including the Company's financial and risk management policies? | Not Applicable |
| 7 | Whether the Board of Directors (BOD) has reported in the Director's Report to the shareholders compliance to | Yes, the BOD has reported in the Director's |

their responsibility statement under section 134(5) of the Companies Act, 2013?

Report to the Shareholders compliance to the responsibility statement under section 134(5) of the Companies Act, 2013.

For Badhan &
Co.Chartered
Accountants,

Sd/-
CA Gaurav Agrawal
(Partner)
M. No. - 422586

Date: 08/05/2015
Place: Sambalpur

I. Business Risk.

Comment on:

- | | |
|--|--|
| 1 Any new Statutory or Regulatory requirement or change in Government Policy that could impair the financial stability or profitability of the entity. | We were informed by the management of the Company that there are no Statutory or Regulatory requirements or change in Govt. policy that could impair the financial stability or profitability of the entity. |
| 2 Unusually rapid growth especially compared with that of other companies in the same Industry. | Company is under development. |
| 3 The process used for identification of business risk and steps taken to mitigate it by the Management. | Company is under development. |
| 4 Unrealistically aggressive sales or profitability incentive programs, if any. | Not Applicable |
| 5 Whether the Company has a system of making a business plan, short term/long term & review of the same vis-a-vis the actual? | Yes, the company has a system of making a plan & reviewing the plan from time to time and monitored by the Board of Directors of the company |
| 6 The capital expenditure/capital invested not put to use. | The Company has not started its business operation i.e. Coal Mining. |
| 7 The cost benefits analysis of major capital expenditure/ expansion including IRR and payback period. 8 The existence of Marco, Sector and Operation threats that could drive fundamental changes in business model. Indicate in brief. | The Company has not started its business operation i.e. Coal Mining. |

8. The existence of Marco, Sector and Operation threats that could drive fundamental changes in business model. Indicate in brief. NO

II. Disinvestment (if applicable)

1. What is the mode of disinvestment (i.e. Trade Sale, Management & Employees Buy Out, Mass Privatization, Public Auction, Flotation, Liquidation, Private Placement). *Not Applicable*

2. What is the present stage of disinvestment process?

3. If the Company has been selected for disinvestment, please report:

a) Has the Company accounted for all its assets (including intangible assets), liabilities, income, and expenditure as per the requirement of relevant Accounting Standards and nothing is left out of books?

b) Whether the assets of the Company, especially land, valued at nominal cost has revalued keeping in view the market rate for consideration of the net worth of the Company at the time of sale?

c) Whether the committed reserves and general reserves created over the years are disclosed distinctly? If utilization of general reserves is substantial, specify the conditions of utilization and whether these conditions are covered under the by-laws/articles of the Company and provisions of the Companies Act, 2013?

d) Whether any investment was made by the Company during the process of Disinvestment? If so,

Whether such investments were in the interests of the Company or did they have the effect of extending undue advantage to the Bidders?

III. System of Accounts & Financial Control

1. Whether the allocation of duties and responsibilities including the delegation of powers at various levels of management is fair/proper/justifiable and the same have been adequately defined? Yes, delegation of power defining the power is existing.

2. Examine the systems of accounts & financial control being followed by the Company and give your views as regards their deficiencies along with suggestions for remedial measures.
- The company has been incorporated on 16th July 2008. During the period 1st April 2014 to March 2015 of financial year 2014 - 15, all payment liabilities for MNH Shakti Limited have been discharged by the Holding Company, Mahanadi Coalfields Limited on behalf of the Company and subsequently passed on the debits to the company. Further, the Holding Company, Mahanadi Coalfields Limited has also passed on all the expenditure incurred for the development of the Talabira II and Talabira III mines to the company during the financial year 2014 – 15.
3. Please report which of the accounting policies adopted by the Company are not in the conformity with the accounting policies applicable to the industry/companies in the same sector, particularly the Government Companies. What is the impact of such policies on the accounts?
- The Company is following the accounting policies of its holding company Mahanadi Coalfields Limited.
4. Notes to Accounts, qualification in Auditor's Report and comments of the C & AG may be reviewed for the last 3 years and state whether the management has taken rectificatory action?
- Not applicable
5. Whether the Company has a clear credit policy, policy for providing for doubtful debts/write offs & liquidated damages? Analyse the reasons such as non-completion
- Not applicable

of performance tests, litigation, retention sale, etc. for significant sundry debtors and report thereon.	
6. Please report whether the system of giving discount to promote sales is fair? Whether the instructions for allowing discount are issued in writing and communicated properly to sales outlets.	Not applicable
7. Examine and indicate whether the Company has a system of monitoring the timely recovery of outstanding dues? Highlight the significant instances of failure of the system, if any.	Not applicable
8. What is the system of obtaining confirmation of balances from debtors/creditors and other parties? Indicate separately the amount of balances remained unconfirmed from Government Departments/PSUs and Private parties and their percentage to total amount under each head.	No debtor - Not applicable
9. Please report whether there are any cases of waiver of debts/loans/interest etc, if yes, the reasons therefore and the amount involved.	Not applicable
10. Is there an adequate system of timely lodging of claims with outside parties? Whether the claims are properly monitored?	Not applicable
11. Indicate whether the credit obtained (including overdrafts) is monitored regularly and the terms of loans are not such that they have a negative impact on the earnings of the Company. Examine the system of effective utilization of loans & the system of obtaining statutory benefits.	Not applicable
12. Whether any incidence involving improper use of wastage of funds was noticed.	NO
13. Examine and comment upon the reasonableness of assumptions made by the Actuary in providing for employee benefits as per Accounting Standard 15.	All the employees posted in MNH Shakti are out of the payroll of Mahanadi Coalfields Limited. It is learnt that Mahanadi Coalfields Limited has provided the Gratuity and Leave

Encashment liabilities etc as per the actuarial valuation in the books.

14. Whether work flow and document flow is in place to ensure proper controls and system commensurate with the delegation of work?

YES

Iv. Fraud/Risk

1. Whether the Company has an effective and delineated fraud policy consistent with regulatory requirements as well as the entity's business needs?

Not applicable

2. Whether the Company has formulated 'code of conduct' for senior management?

Not applicable

3. How the Company has dealt with reported frauds and what are the remedial measures taken for preventing recurrence?

As reported to us no fraud has been committed on the company or by the company.

4. Are there any cases of violation of delegated Financial Powers during the period under report, which warrants "in-depth audit"? If yes please give a list of such cases.

We have not come across any case of violation of delegated financial powers during the period under report.

5. Does the Company have separate vigilance Department/ wing? To what extent is it effective in its duty and whether its reports are submitted to the Board?

Not yet

6. Whether the Management is designed and put in place an adequate Prevention and Detection Controls to prevent, reduce and discover the fraud and other irregularities?

No separate vigilance department is existing in the company. The vigilance department of the Holding company, Mahanadi Coalfields Limited covers vigilance function.

7. Whether the Company has 'whistle blowing' policy?

NO

8. Whether the fraud policy has been periodically reviewed and evaluated to determine whether it was designed and implemented to achieve optimal effectiveness?	YES
V. Assets (including Inventory)	
1. What is the position regarding maintenance of records such as fixed assets register, etc,?	The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The locations of fixed assets within area units have not been specified in some cases.
2. Examine whether the Company has prescribed the following in regard to the management of stores: (a) Maximum and minimum limits of stores and spares etc. (b) Economic order quantity for procurement of stores.	Not applicable
3. Whether ABC analysis has been adopted to control the inventory? If not, impact on inventory may be analyzed.	Not applicable
4. Whether regulations made for the purpose of control over stores, including stock taking and valuation of stock, stores, & work-in progress at the end of the financial year are adequate and duly enforced?	Not applicable
5. Does the work in progress contain any item, which has remained under work in progress, for an unduly long time? Attach a list of such items indicating amount, period of pendency and reasons.	Not applicable
6. Examine and comment on the system of physical verification, valuation, treatment of non-moving & slow moving items, their disposal & abnormal excess & shortages in respect of closing stock items.	Not applicable
7. Examine and comment of the system of valuation of fixed assets, survey-off procedure & provision for assets & specific capital spares surveyed-off.	We have examined the system of valuation of fixed assets. It is found

to be in order. The company is a new company, therefore till date no survey off case has been detected. The company has as per the Board decision shall follow all the rules and manuals of MCL including the survey off policy /procedure.

- | | |
|---|----------------|
| 8. List out the surplus/obsolete/non-moving items of stores, raw material, finished goods lying unused at the end of last 3 years. | Not applicable |
| 9. Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government or other authorities? | Not applicable |
| 10. Are there any lapses in the internal control system right from ordering till the consumption of stores? If yes, the same may be highlighted. | Not applicable |
| 11. List out the assets and Plant & Machinery items, which have not been in use over a considerable period of time (say 5 years) and the reasons thereof. | Not applicable |
| 12. Whether there are instances of huge losses incurred due to sale of goods at prices lower than the prevailing market prices, citing poor quality as a reason, immediately subsequent to the balance sheet date? | Not applicable |
| 13. Whether the norms for storage losses have been fixed? What is the basis on which storage losses are regularized? Indicate the abnormal storage losses suffered during the year under audit and amount realized there against. | Not applicable |
| 14. Demurrage/Wharf age incurred during the year and reasons thereof. | Not applicable |
| 15. Whether the company has conducted physical verification of Fixed Assets during the year and a formal report is being prepared for the same? | YES |

16. Whether there is a policy to review and implement impairment of assets? YES

VI. Investment

1. Whether the Company has laid down an investment policy duly approved by the competent Authority? If yes, please indicate the following: Not applicable

(a) Is it in accordance with the provisions of Section 179 of the Companies Act, 2013 and other laws, rules & regulations, Government directives applicable to the company?

(b) Whether investments made were judicious and in accordance with the investment policy?

(c) Is the shortfall in market value of the current investment and permanent diminution in the value of long-term investments reflected in the books? If not, describe the failure.

2. Whether the deposits with banks/financial institutions and others have been in accordance with laws, rules, regulations, Government directives, etc., as applicable. YES

3. Whether there has been grant of large loans to or placement of deposits with other PSUs or enterprises not related with the business of the Company. NIL

4. Whether the Company has significant investment in an industry or product line noted for rapid change? NIL

5. Whether the investments made in the subsidiaries have been valued properly keeping in view the financial position of the subsidiary? If not, extent of diminution in the value of investments. NIL

6. Whether any surplus funds are invested? Is there any effect on availability of funds for working capital because of investment leading to borrowings at higher rates? NIL

7. How often market value is reviewed and whether profits are made on sale of investments? N.A.

VII. Liabilities and Loans

- | | |
|---|----------------|
| 1. Give the total amount of loans (including interest, penal interest, & commitment charges separately) where defaults were made in repayment as at the end of the accounting period. | NIL |
| 2. Whether guarantee fee payable to the Government of India as per term of loan agreement had been accounted for properly? | NIL |
| 3. Whether any part or whole of the Loans from Government and / or interest accrued thereon have been either converted into equity or waived by the Government; if so, its impact on the financial position of the Company. | NIL |
| 4. Are the terms of the loan agreements such that they make the entity especially vulnerable to changes in the interest rates? | NIL |
| 5. Check the loan profile of the Company to find out whether the high cost debts were swapped with low cost market borrowings. | Not applicable |
| 6. Whether there have been receipts of large loans from other PSUs or enterprises not related with the business of the Company. | NIL |
| 7. Whether any study was conducted to avail any other instruments or derivatives instead of high cost loans? | NIL |

VIII. Award and Execution of Contracts

- | | |
|---|---|
| 1. Whether Company has devised a proper system of tendering for awarding of various contracts? | Yes, Proper system of tendering has been devised for awarding of various contracts. |
| 2. Whether the Company has an efficient system for monitoring and adjusting advances to contractors/ suppliers. | YES |
| 3. Whether the Company has settled all the issues viz: Performance Guarantee (PG) Tests, recovery of Liquidity Damages (LDs), and final payments etc soon after | Not applicable |

- the commissioning of the Project? Are there any cases of inordinate delay without sufficient justification?
4. Whether there are any disputes/claims unsettled for a long time? NIL
 5. What is the procedure followed by the Company for purchasing propriety items? What is the procedure for ascertaining the authenticity of the propriety items certificate given by an official based on which tendering is not resorted to and goods are purchased from a particular supplier? No such cases found.
- IX. Costing Systems** Not applicable
1. Whether the Company has any cost policy?
 2. Are the cost accounts being reconciled with financial accounts?
 3. Whether the Company is computing the cost of major operations, jobs, products, processes and services regularly? If not, describe the failures.
 4. Whether the Company has an effective system for identification of idle labour-hours and idle machine-hours?
 5. Was cost audit ordered in the case of the Company? If so, highlight the major deficiencies pointed out in the latest cost audit report.
 6. Examine the accounting treatment of rejects and scraps for determination of cost of production. State the impact by products and joint products in determining costs.
 7. Whether there is any system to evaluate the abnormal losses and taking remedial measures to control such losses?
 8. What is the method being followed by the Company to charge overheads? How is the overhead rate being arrived at? In case of cost plus contracts, are the overheads being recovered completely or not?

X. Internal Audit System

- | | |
|---|---|
| 1. Whether the Company is having Internal Audit Section manned by staff of their own or whether the Company has hired the services of CAs as Internal Auditors? Give your comments on the Internal Audit System stating whether its reporting status, scope of work, level of competence, etc, are adequate? If not, describe the shortcomings thereof. Is there an adequate compliance mechanism on internal audit observations? | No Internal Audit System is working in the Company. |
| 2. Whether internal audit standards/manual/guidelines have been prescribed and they are in practice? | Not applicable |
| 3. Whether the internal Audit Reports were discussed by Audit Committee? | Not applicable |
| 4. Whether Internal Audit is independent and reports directly to the Chairman/Head of the Company? | Not applicable |
| 5. If Internal Audit is outsourced then whether the selection process is fair and transparent? | Not Applicable |
| 6. Whether entities which are not under the jurisdiction of the professional institute are being given the work of Internal Audit? | Not Applicable |
| 7. Does the Internal Audit report contain any serious irregularity which needs immediate attention of Management/ Government? | Not Applicable |
| 8. What is the total impact of all shortcomings/deficiencies pointed out in the latest Internal Audit Report and pending for compliance as on date? | Not Applicable |
| 9. Whether mistakes/shortcomings pointed out in the latest report is of the same kind/type as pointed out in earlier reports? | Not Applicable |

XI. Legal/Arbitration Cases:

- | | |
|---|--|
| 1. Number of pending legal/arbitration cases indicating the age-wise analysis and reasons for their pendency. | A Demand notice was received from income tax department for the F.Y 2011 – 12 of |
|---|--|

	Rs.181.73 lakh and further appeal has been filed with higher tax authority.
2. Details of new cases and cases settled during the year.	Nil
3. Whether any norms/procedures exist/proposed to be laid down for large legal expenses (Foreign & Local) incurred / to be incurred.	Not applicable
4. Is there any system to ensure proper documentation (like maintaining minutes if the meetings, foreseeing contingencies, foreign exchange fluctuations etc.) before Agreement with foreign parties as well as Indian parties?	Not applicable
XII. EDP Audit	EDP Department has not been setup for the company.
1. Whether the organization has an approved IT strategy or Plan?	Not applicable
2. If the auditee has computerized its operations or part of it, assess and report, how much of the data in the Company is in electronic format, which of the major areas such as Financial Accounting, Sales Accounting, Personnel information, Payroll, Materials/Inventory Management, etc, have been computerized.	Not applicable
3. Indicate how this impacts on your work of auditing the Accounts and whether your audit is through or around the computer.	Not applicable
4. Has the Company evolved proper security policy for Data/ Software/Hardware?	Not applicable
5. Identify the areas in which the auditor is of the view that the built-in-checks and validations in the computer environment are not adequate or were not being exercised with proper authority.	Not applicable
6. Comment on any problem faced in extracting information from computer files due to lack of back up of past records	Not applicable

or due to record corruption. Is there a document retention policy?

- | | |
|--|----------------|
| 7. Whether any software is unutilized or underutilized due to lack of trained staff or any proper operating manual/ documentation etc.? | Not applicable |
| 8. Comment whether changes made in the software have the approval of Management and the same has been documented properly and the lead time given to staff to get accustomed to it before making it fully operational. | Not applicable |
| 9. Whether the BOD is briefed regularly about the new IT Strategy, if any, proposed to be incorporated for the Company as a whole, for which large funds are sanctioned. This is particularly relevant to organizations where the entire IT activity is to be made online in due course. | Not applicable |
| 10. Whether the systems department is responsible for both hiring/buying EDP equipment Hardware & Software and also certifying their 'usability' before final payment (both functions should be separate with the user departments involved in the latter). | Not applicable |
| 11. Whether the Company has detailed/comprehensive list of all reports/statements which can be generated by the system in use? | Not applicable |
| 12. Whether there is an effective IT Steering Committee? | Not applicable |
| 13. Whether there exists effective disaster recovery plan for EDP Department which is periodically reviewed and evaluated? | Not applicable |
| 14. Whether any of the findings and recommendations noted in the EDP Audit Report was considered significant and whether the issues were satisfactorily resolved? | Not applicable |

XIII. Environmental Management.

- | | |
|--|---|
| 1. Compliance of the various Pollution Control Acts and the impact thereof and policy of the Company in this regard may be checked and commented upon. | The company is under development and mining activity has not yet started. |
|--|---|

XIV. Corporate Social Responsibility

- | | |
|--|---|
| 1. How is the Company discharging its Corporate Social Responsibility? | The Company is under development and no operational activity has yet been started. Therefore, it is not applicable to this company. |
| 2. Whether any Board approved policy is in place and is being properly followed? | N.A. |
| 3. Whether there is a system of fixation of targets for CSR activities? | N.A. |
| 4. Whether adequate mentoring mechanism exists for implementation of CSR activities? | N.A. |

XV. General

- | | |
|---|--|
| 1. Indicate whether the Company has entered into a Memorandum of Understanding with its administrative ministry? If yes, have the targets in MOU been split unit-wise? If so, attach a unit-wise statement of targets and achievements against the parameters in MOU. | As informed by the management that the Company had not entered any Memorandum of Understanding with its administrative ministry. |
| 2. Whether contribution of employer and employee to Provident Fund is kept separately out of business and proper safeguard of the same is taken care of? | The Provident Fund dues are deducted by MCL as all the employees are in the payroll of MCL/CIL. |
| 3. Does the Company present a case for energy audit? If yes, has the audit been conducted by a specialized agency? | No |
| 4. Where land acquisition is involved in setting up new projects an enquiry as to whether settlement of dues and rehabilitation of those affected are being done expeditiously and in a transparent manner to ensure that the benefits go to the really affected people and is not diverted to agents and intermediaries including political parties? | Yes, the land acquisition matter is being looked into by the holding company MCL. The Company is taking up steps for settlement of dues and rehabilitation of affected persons. At |

present survey work is in progress.

5. Whether the Company has done any mergers and acquisitions during the year? Whether a thorough need analysis was done before Merger or acquisition? Whether shareholders acceptance was taken before decision on merger/acquisition was arrived at? What was the impact thereof on the profitability of the Company?
- No

Annexure – II

**REPORT PURSUANT TO SUB DIRECTIONS ALONG WITH GENERAL DIRECTIONS
AS IN ANNEXURE-I UNDER SECTION 143(5) OF
THE COMPANIES ACT, 2013**

- | | |
|--|-------------------------------|
| 1. Whether target of production has been fixed on realistic basis considering the annual capacity of mines determined by DPR. In case of major deviation, the reasons thereof need to be stated. | Not applicable |
| 2. Whether the technology introduced i.e. Longwall/Surface miner etc. is compatible with geological conditions of mines. | Not applicable |
| 3. Whether the organization has absorbed the technology stated in (2) above for the best interest of the Company. If the technology is yet to be fully absorbed what were the constraints. | Not applicable |
| 4. Whether proper size of coal, improvement in ash percentage, etc. are achieved or not. | Not applicable |
| 5. Whether the Company has determined / analyzed the reclaimable quantity from coal rejects in dump. | Not applicable |
| 6. Whether the Company has policy of waste management and disposal of scrap. | No policy yet been framed |
| 7. Whether the Company has formulated policy for deployment of Drill, Shovel, Dumper combination and proper maintenance and operation of the same. | No policy yet been formulated |
| 8. Whether the weighbridges have been installed in all the dispatch points, If not, how the Company ensured avoiding of loss on payment of under loading and over loading charges. | Not applicable |
| 9. Is there proper method of valuation of closing stock of coal, etc? Whether stock measurement was done keeping | Not applicable |

- in view the contour map and whether physical stock measurement reports are accompanied by contour map in all cases.
10. Whether indisposed stocks of coal, etc. were identified and age wise analysis carried out. Whether valuation of such stock was per the standard accounting practice. Not applicable
 11. Have the conversion factors applied to stock (from volume to weight) been duly approved by the competent authority? If not, reasons thereof. Not applicable
 12. Whether indents of Areas/Branches for fund assistance were reconciled with remittances received from Head Quarters office and accountal thereof have been made for the purpose for which the remittances were received. Not applicable
 13. Whether there is a uniform policy for valuation of assets awaiting survey-off and already surveyed off. If so, whether the policy is uniformly followed? Not yet formulated any policy
 14. Whether treatment of Development Expenditure was proper and as per Standard Accounting Policy of the Company. Yes, The company is following the accounting policy of holding company.
 15. Whether Companies Act / Government of India orders / other statutory requirements have been strictly complied with. As per the information and explanation given the Company has complied with the requirement of Companies Act/Govt.of India Orders, other statutory requirement except as other wise reported.
 16. Whether the Coal – OBR ratio was properly calculated and the same was in accordance with the procedure laid down by the Company? Whether such ratios were reviewed by the Company every five years as per the policy of the Company. If not, details of related mines and reasons for non-review may be indicated. The Coal OBR ratio is computed by CMPDIL.
 17. Whether proper classification/allocation/appropriation of expenditure between coal production and overburden removed during the year have been done for the purpose of OBR Accounting. Not applicable

- | | |
|--|------------------------------|
| 18. Whether the assets are impaired. The methodology adopted by the Company needs to be examined in depth. | Not applicable at this stage |
| 19. Has the Company regularized the deficiencies noticed during earlier years in maintenance of fixed assets register, adjustments of deposits, port charges, adjustment of old balance of debtors, points covered by Internal Audit Report etc. | Not applicable |
| 20. Whether capital expenditure incurred on assets not belonging to the Company has been properly identified and accounted for as per established accounting principles. | No such asset is existing |
| 21. Whether the nature of the environmental expenditure has been booked and classified accordingly. | Yes |
| 22. Headquarters office closing/control entries should be vouched in depth. | Not applicable |
| 23. In case any adverse opinion, given in your report, is technical in nature, a brief of the opinion of the expert(s) (if any) needs to be submitted to this office through a separate report. | Not applicable |
| 24. Whether the Company's investments are redeemed as per the terms of the contract. Whether suitable clauses are kept in investment proposals to safeguard against falling rate of interest. | Not applicable |
| 25. Whether loans taken from financial institution(s) are repaid as per the terms of the contract. Whether suitable clauses are kept in loan proposals for prepayment, etc | Not applicable |

For Badhan & Co.
Chartered Accountants

Sd/-
(CA Gaurav Agrawal)
Partner
M. No – 422586

Place: Sambalpur
Date: 08.05.2015

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (B) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MNH SHAKTI LIMITED FOR THE YEAR ENDED 31ST MARCH 2015.

The preparation of consolidated financial statements of MNH Shakti Limited for the year ended 31st March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under Section 139(7) read with section 129(4) of the Act is/are responsible for expressing opinion of the financial statements under section 143 read with section 129(4) 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 vide their Audit Report dated 08.05.2015.

I on behalf of the Comptroller and Auditor General of India, have decided not to conduct supplementary audit of the consolidated financial statements of MNH Shakti Limited for the year ended 31 March 2015 and as such have no comments to make under section 143(6)(b) read with section 129(4) of the Act.

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

Sd/-

**(Yashodhara Ray Chaudhuri)
Principal Director of Commercial Audit
& Ex-officio Member Audit Board-II, Kolkata**

Dated: 29.05.2015
Kolkata

Form No. MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR 2014-15

[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,
MNH Shakti Limited,
Anand Vihar,
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. MNH Shakti Limited (hereinafter called 'the Company') for the financial year ended 31st March, 2015. 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, 2015, 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.
 - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not applicable during the period under report.
 - b. 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.
 - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable during the period under report.
 - d. 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.
 - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- Not applicable during the period under report.
 - f. 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 Company has represented to Ministry of Coal, Government of India, for nominating Independent Directors and Woman Director(s) on Board of SEBI, so that the mandatory Nomination and Remuneration Committee can be constituted as per the Act and the DPE Guidelines on Corporate Governance. 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 Jayashree Mishra & Associates
Company Secretaries

Sd/-

CS Jayashree Mishra

M. Number: 31853

C.P Number: 11730

Place: Bhubaneswar

Date : 07.05.2015

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,
MNH Shakti Limited,
Anand Vihar,
Po. Jagruti Vihar, Burla,
Sambalpur, Orissa – 768020.
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 Jayashree Mishra & Associates
Company Secretaries

Sd/-

CS Jayashree Mishra
M. Number: 31853
C.P Number: 11730

Place: Bhubaneswar
Date : 07.05.2015

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

As on the financial year ended on 31/03/2015 of MNH SHAKTI LIMITED

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN:- **U10100OR2008GOI010171**
- ii) Registration Date: **16/07/2008**
- iii) Company Name: **MNH SHAKTI LIMITED**
- iv) Category of the Company: -
 1 Public Company ()
 2 Private company (✓)
- v) Sub Category of the Company:- [Please tick whichever are applicable]
- | | |
|------------------------------------|-----|
| Government Company | (✓) |
| Small Company | () |
| One Person Company | () |
| Subsidiary of Foreign Company | () |
| NBFC | () |
| Guarantee Company | () |
| Limited by shares | (✓) |
| Unlimited Company | () |
| Company having share capital | (✓) |
| Company not having share capital | () |
| Company Registered under Section 8 | () |
- vi) Address **Anand Vihar, Po - Jagruti Vihar, Burla**
 Town / City : **Sambalpur**
 State : **Odisha**
 Country Name : **India**
 Pin Code: **768020**
 Fax Number : **0663-2542001**
 Email Address : **csmnhshaktitld@gmail.com**
 Website :
- vii) Whether shares listed on recognized Stock Exchange(s) - Yes/**No**"
- vii) Name, Address and Contact details of Registerer and Transfer agent, if any **Nil**

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Coal	1000	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
	Mahanadi Coalfields Limited At/Po - Jagruti Vihar, Burla Sambalpur - 768020.Odisha	U10102OR1992 GOI003038	Holding	70	Sec - 2 (87)

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian	0	0	0	0	0	0	0	0	0
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	85100000	85100000	100	0	85100000	85100000	100	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	0	85100000	85100000	100	0	85100000	85100000	100	0
B. Public Shareholding	0	0	0	0	0	0	0	0	0
1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	85100000	85100000	100	0	85100000	85100000	100	0

ii) **Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Mahandi Coalfields Limited	59570000	70	Nil	59570000	70	Nil	0
2	Hindalco Industries Limited	12765000	15	Nil	12765000	15	Nil	0
3	Neyveli Lignite Corporation Limited	12765000	15	Nil	12765000	15	Nil	0

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	85100000	100	85100000	100
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	85100000	100	85100000	100

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
	At the beginning of the year	85100000	100	85100000	100
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year (or on the date of separation, if separated during the year)	85100000	100	85100000	100

v) **Shareholding of Directors and Key Managerial Personnel:**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	0	0	0	0

V. INDEBTEDNESS

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		----	----	---	---	
	Gross salary	0	0	0	0	0
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	0	0
1	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0	0
2	Stock Option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0	0	0
5	Others, please specify	0	0	0	0	0
	Total (A)	0	0	0	0	0
	Ceiling as per the Act	0	0	0	0	0

B. Remuneration to other directors:

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

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel (in 1)			
		CEO	Company Secretary	CFO	Total
	Gross salary	2381292	767326	NIL	3148618
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	NIL	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	NIL	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	NIL	
2	Stock Option	0	0	NIL	
3	Sweat Equity	0	0	NIL	
4	Commission	0	0	NIL	
	- as % of profit	0	0	NIL	
	others, specify...	0	0	NIL	
5	Others, please specify	0	0	NIL	
	Total	2381292	767326	NIL	3148618

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

BALANCE SHEET
As at 31st. March, 2015

(8 in Lakh)

	Notes	As at <u>31/03/2015</u>	As at <u>31/03/2014</u>
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
a) ShareCapital	1	8,510.00	8,510.00
b) Reserves and Surplus	2	(52.15)	(52.15)
		<u>8,457.85</u>	<u>8,457.85</u>
(2) Non-Current Liabilities			
a) Long Term Borrowings	3	-	-
b) Deferred Tax Liability (Net)			
c) Other Long Term Liabilities	4	-	-
d) Long Term Provisions	5	-	-
		<u>-</u>	<u>-</u>
(3) Minority interest			
		-	-
(4) Current Liabilities			
a) Short Term Borrowings	6	63.24	516.01
b) Trade Payables	7	-	-
c) Other Current Liabilities	8	0.97	3.97
d) Short Term Provisions	9	2.06	2.86
		<u>66.27</u>	<u>522.84</u>
Total		8,524.11	8,980.69
II ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
i) Tangible Assets - Gross Block	10A	2,675.05	2,671.81
Less : Depreciation, Impairment & Provisions		<u>294.26</u>	<u>213.64</u>
Net Carrying Value		<u>2,380.79</u>	<u>2,458.17</u>
ii) Intangible Assets - Gross Block	10A	-	-
Less : Depreciation, Impairment & Provisions		<u>-</u>	<u>-</u>
Net Carrying Value		<u>-</u>	<u>-</u>
iii) Capital Work-in-Progress	10B	262.95	262.96
iv) Intangible Assets under Development	10C	2,306.32	2,279.54
(b) Non-Current Investments			
(c) Deferred Tax Asset (Net)	11	-	-
(d) Long Term Loans & Advances	12	-	-
(e) Other Non-Current Assets	13	-	-

Balance Sheet Contd.

(8 in Lakh)

	Notes	As at <u>31/03/2015</u>	As at <u>31/03/2014</u>
(1) Current Assets			
(a) Current Investments	14	-	-
(b) Inventories	15	-	-
(c) Trade Receivables	16	-	-
(d) Cash & Cash equivalents	17	3,774.14	3,728.23
(e) Short Term Loans & Advances	18	146.78	114.38
(f) Other Current Assets	19	53.13	137.31
		3,574.05	3,980.02
Total		8,524.11	8,980.69

Significant Accounting Policies 33

Additional Notes on Accounts 34

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

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

Sd/-
P.C. Panigrahi
Director

Sd/-
S.K. Behera
Company Secretary

Sd/-
S.M. Jha
Chief Executive Officer

Sd/-
J.P. Singh
Chairman

As per our report of given date For &
on behalf of **M/s Badhan & Co.**
Chartered Accountants

Sd/-
(CA Gaurav Agrawal)
Partner
(Membership No -422586)
Firm Regd. No – 004008C

Date: 08.05.2015
Place: Sambalpur

STATEMENT OF PROFIT & LOSS
For the peroid 31st March, 2015

(8 in Lakh)

<u>INCOMES</u>	Notes	For the Year ended 31.03.2015	For the Year ended 31.03.2014
Sale of Coal	20	-	-
Less: Excise Duty		-	-
Other Levies		-	-
Revenue From Operations		-	-
Other Income	21	-	-
Total Revenue		-	-
<u>EXPENSES</u>			
Cost of Materials Consumed	22	-	-
Change in inventories of finished goods, work in progress and Stock in trade	23	-	-
Employee benefit expenses	24	-	-
Power & Fuel			
Welfare Expenses	25	-	-
Repairs	26	-	-
Contractual Expenses	27	-	-
Finance Costs	28	-	-
Depreciation/Amortization/Impairment			
Provisions	29	-	-
Write off	30	-	-
Overburden Removal Adjustment			
Other Expenditures	31	-	-
Total Expenses		-	-
Profit/Loss before extraordinary items , exceptional items and tax		-	-
Prior Period Adjustment [Charges / (Incomes)]	32	-	-
Exceptional Items		-	-
Profit/Loss before extraordinary items and tax		-	-
Extraordinary Items [Charges/(Incomes)]		-	
Profit/Loss before Tax		-	-

Less : Tax Expense

- Current year (including wealth tax)
- Deferred Tax
- Earlier years

Profit/Loss after Tax

-	-
---	---

Basic and Diluted Earnings per Share (in Rs.)

(Face Value of Rs. 10/- per share)

Significant Accounting Policies 33

Additional Notes on Accounts 34

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

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

Sd/-
S.M. Jha
Chief Executive Officer

Sd/-
P.C. Panigrahi
Director

Sd/-
J.P. Singh
Chairman

Sd/-
S.K. Behera
Company Secretary

As per our report of given date For &
on behalf of **M/s Badhan & Co.**
Chartered Accountants

Sd/-
(CA Gaurav Agrawal)
Partner

Date: 08.05.2015
Place: Sambalpur

(Membership No -422586)
Firm Regd. No – 004008C

NOTES TO BALANCE SHEET
As at 31st. March, 2015
NOTE - 1

(8 in Lakh)

SHARE CAPITAL

	As at <u>31/03/2015</u>	As at <u>31/03/2014</u>
<u>Authorised</u>		
100000000 Equity Shares of Rs. 10/- each	10,000.00	10,000.00
	10,000.00	10,000.00

Issued, Subscribed and Paid-up

85100000 Equity Shares of Rs.10/- each fully paid up in cash	8510.00	8,510.00
	8,510.00	8,510.00

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

Name of Shareholder	No. of Shares Held (Face value of 1 10 each)	% of Total Shares
Mahanadi Coalfields Ltd	59570000	70
Hindalco Industries Ltd	12765000	15
Neyveli Lignite Corporation Ltd.	12765000	15
	85100000	100

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

As at 31st March, 2015

NOTE - 2

(8 in Lakh)

RESERVES & SURPLUS	As at 31/03/2015	As at 31/03/2014
RESERVES :		
Capital Reserve		
As per last Balance Sheet	-	-
Add: Addition during the year	-	-
Less: Adjustment During the year	-	-
	-	-
Capital Redemption Reserve		
As per last Balance Sheet		
Add: Addition during the year	-	-
Less: Adjustment During the year	-	-
	-	-
Reserve for Foreign Exchange Transactions		
As per last Balance Sheet	-	-
Add: Addition during the year	-	-
Less: Adjustment During the year	-	-
	-	-
CSR Reserve		
As per last Balance Sheet		
Add: Addition during the year/period		
Less: Transfer to General Reserve		
	-	-
General Reserve		
As per last Balance Sheet		
Add: Transfer from Profit & Loss Account	-	
Add:/ Less: Adjustment During the year/period		
	-	-
Surplus in Profit & Loss Account		
As per last Balance Sheet		
Profit/(Loss) after Tax During the Year/ period		
Profit/(Loss) available for Appropriation	0.00	-
Appropriation		
Reserve for Foreign Exchange Transaction	-	-
Transfer to General Reserve	-	
Transfer to CSR Reserve		
Interim Dividend	-	
Proposed Dividend on Equity Shares		
Corporate Dividend Tax		-
Corporate Dividend Tax - earlier year	0.00	-
Miscellaneous Expenditure (to the extent not written off)		
Preliminary Expenses	52.15	52.15
Pre-Operational Expenses	-	-
Total :	(52.15)	(52.15)

As at 31st March, 2015

NOTE - 3

(8 in Lakh)

LONG TERM BORROWINGS

**As at
31/03/2015**

**As at
31/03/2014**

Loan from CIL

- for IBRD	-	-
- for JBIC	-	-
Export Development Corp., Canada	-	-
Liebherr France S.A., France	-	-

Loan From Coal India Limited

- -

Total

-

-

CLASSIFICATION 1

Secured	-	-
Unsecured	-	-

CLASSIFICATION 2

Loan Guaranteed by Directors & Others

Particulars of Loan	₹ in lakh	Nature of Guarantee
Nil	Nil	Nil

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

As at 31st March, 2015**NOTE - 4**

(8 in Lakh)

OTHER LONG TERM LIABILITIES	As at <u>31/03/2015</u>	As at <u>31/03/2014</u>
Shifting & Rehabilitation Fund		
Opening Balance	-	-
Add: Interest from Investment of the fund	-	-
Add: Contribution Received	-	-
Less: Amount utilised	-	-
Trade Payable	-	-
Security Deposits	-	-
Others (Specify Nature)	-	-
Total	-	-
CLASSIFICATION		
Secured	-	-
Unsecured	-	-

NOTE - 5

(8 in Lakh)

LONG TERM PROVISIONS	As at <u>31/03/2015</u>	As at <u>31/03/2014</u>
For Employee Benefits		
- Gratuity	-	-
- Leave Encashment	-	-
- Other Employee Benefits	-	-
- NCWA IX	-	-
For Foreign Exchange Transactions (Marked to Market)	-	-
OBR Adjustment Account	-	-
Mine Closure	-	-
For Others	-	-
TOTAL	-	-

As at 31st March, 2015

NOTE - 6

(8 in Lakh)

SHORT TERM BORROWINGS

	As at <u>31/03/2015</u>	As at <u>31/03/2014</u>
Loan From Bank	-	-
Loans Repayable on Demand		
Balance with Mahanadi Coalfields Limited & other Subsidiaries of Coal India Limited	63.24	516.01
Overdraft against Pledge of Term Deposit	-	-
Other Loans and Advances		
Deferred Credits	-	-
Total :	63.24	516.01
CLASSIFICATION 1		
Secured	-	-
Unsecured	63.24	516.01

CLASSIFICATION 2

Loan Guaranteed by Directors & Others

Particulars of Loan	₹ in lakh	Nature of Guarantee
Nil	Nil	Nil

NOTE - 7

(8 in Lakh)

TRADE PAYABLE

	As at <u>31/03/2015</u>	As at <u>31/03/2014</u>
Sundry Creditors For Supplies		
For Revenue Stores	-	-
Total	-	-

As at 31st March, 2015

NOTE - 8

(8 in Lakh)

OTHER CURRENT LIABILITIES	As at 31/03/2015	As at 31/03/2014
Current Maturities of Long Term Borrowings		
Term Loan From IBRD from CIL		
Term Loan From JBIC from CIL		
Term Loan From Liebherr France S.A., France		
Loan From Coal India Limited	-	-
Surplus fund from Coal India	-	-
Current account with Subsidiaries	-	-
Sundry Creditors for Capital Stores		-
FOR EXPENSES :		
Salary Wages & Allowances		
Power & Fuel		
Others	1.74	4.51
	1.74	4.51
STATUTORY DUES :		
SalesTax	-	0.24
Sales Tax/VAT	-	-
Provident Fund & Pension Fund	-	-
Central Excise Duty	-	-
Royalty & Cess on Coal	-	-
Stowing Excise Duty	-	-
Clean Energy Cess	-	-
Other Statutory Levies	-	0.02
		0.26
Income Tax Deducted at Source	0.16	0.08
Security Deposit	(1.94)	(1.85)
Earnest Money	1.01	0.97
Advance & Deposit from customers / others		-
Interest Accrued and due on Borrowings	-	-
Interest Accrued but not due on Borrowings	-	-
Cess Equilisation Account	-	-
Current Account with IICM	-	-
Unpaid Dividend	-	-
Ex-Owner Account	-	-
Advance deposit other Pre-Nationalisation	-	-
Gratuity	-	-
Others Liabilities	-	-
TOTAL	0.97	3.97
Note : Loan repayment Liebherr France during 2014-15	Euro	NIL
Loan repayment IBRD during 2014-2015	USD	NIL
Loan repayment JBIC during 2014-2015	Yen	NIL

As at 31st March, 2015

NOTE - 9

(8 in Lakh)

SHORT TERM PROVISIONS

	As at <u>31/03/2015</u>	As at <u>31/03/2014</u>
For Employee Benefits		
- Gratuity	-	-
- Leave Encashment	-	-
- PPLB	2.06	2.86
- PRP		
- Other Employee Benefits	-	-
- For NCWA IX		
For Proposed Dividend	-	-
For Corporate Dividend Tax	-	-
For Income Tax		
For Excise Duty on Closing Stock of Coal	-	-
For Others	-	-
TOTAL	2.06	2.86

M N H SHAKTI LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2015
NOTE - 10 A
FIXED ASSETS

(8 in Lakh)

PARTICULARS	GROSS BLOCK			DEPRECIATION			IMPAIRMENT LOSS / OTHER LOSS				CARRYING VALUE		
	As on 01.04.2014	Addition during the period	Adj./ Sales/ Transfer during the period	As on 01.04.2014	Addition during the period	Adj./ Sales/ Transfer during the period	As on 01.04.2014	Addition during the period	Adj./ Sales/ Transfer during the period	As on 31.03. 2015	Total Depreciation/ Impairment Loss/ Other Loss	As on 31.03. 2014	As on 31.03. 2015
Tangible Assets													
Land													
(a) Freehold													
(b) Leasehold	2,658.45	-	-	208.88	78.19	-	287.07	-	-	-	287.07	2,371.38	2,449.57
Building/Water Supply/Road & Culverts	-	3.61	-	-	-	-	-	-	-	-	-	3.61	-
Plant & Machinery													
Furniture & fittings/Office Tools & Equipments/ Electrical Fittings/ Fire Arms	13.36	-	0.37	4.76	2.80	0.37	7.19	-	-	-	7.19	5.80	8.60
Railway Sidings	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-
Telecommunication	-	-	-	-	-	-	-	-	-	-	-	-	-
Development including Roads & Culverts in mining area	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	2,671.81	3.61	0.37	213.64	80.99	0.37	294.26	-	-	-	294.26	2,380.79	2,458.17
For the Year ended 31.03.2015													
Tangible Fixed Assets	2,671.81	3.61	0.37	213.64	80.99	0.37	294.26	-	-	-	294.26	2,380.79	2,458.17
Intangible Assets													
Development	-	-	-	-	-	-	-	-	-	-	-	-	-
Software	-	-	-	-	-	-	-	-	-	-	-	-	-
Prospecting & Boring	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-
G Total	2,671.81	3.61	0.37	213.64	80.99	0.37	294.26	-	-	-	294.26	2,380.79	2,458.17

M N H SHAKTI LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2015
NOTE - 10 B
CAPITAL WORK-IN-PROGRESS

(8 in Lakh)

PARTICULARS	COST			PROVISION			IMPAIRMENT LOSS / OTHER LOSS			Total Depreciation/ Impairment Loss / Other Loss	CARRYING VALUE	
	As on 01.04.2014	Addition during the period	Adj./ Sales/ Transfer during the period	As on 01.04.2014	Addition during the period	Adj./ Sales/ Transfer during the period	As on 01.04.2014	Addition during the period	Adj./ Sales/ Transfer during the period		As on 31.03.2015	As on 31.03.2014
Tangible Assets												
Building/Water Supply/ Road & Culverts	-	-	-	-	-	-	-	-	-	-	-	-
Plant & Machinery	-	-	-	-	-	-	-	-	-	-	-	-
Railway Sidings	262.95	-	-	-	-	-	-	-	-	262.95	262.95	-
Roads & Culverts in mining area	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	262.95	262.96	-	-	-	-	-	-	-	262.95	262.95	-
As on 31.03.2015												
Tangible Assets												
Surveyed off Assets												
As on 31.03.2015	- 0											- 0
Surveyed off Assets												
Grand Total	262.95	262.96	0	0	-	0	-	0	0	262.95	262.95	262.95

M N H SHAKTI LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2015
NOTE - 10 C
INTANGIBLE ASSETS UNDER DEVELOPMENT

(8 in Lakh)

PARTICULARS	COST			PROVISION			IMPAIRMENT LOSS / OTHER LOSS			Total Depreciation/ Impairment Loss / Other Loss	CARRYING VALUE	
	As on 01.04.2014	Addition during the period	Adj./ Sales/ Transfer during the period	As on 01.04.2014	Addition during the period	Adj./ Sales/ Transfer during the period	As on 01.04.2014	Addition during the period	Adj./ Sales/ Transfer during the period		As on 31.03.2015	As on 31.03.2014
Intangible Assets												
Development	1,147.88	26.78	-	-	-	-	-	-	-	-	1,174.66	1,147.88
Prospecting & Boring	1,131.66	-	-	-	-	-	-	-	-	-	1,131.66	1,131.66
TOTAL	2,279.54	26.78	-	-	-	-	-	-	-	-	2,306.32	2,279.54
For the year ended 31.03.2015												
Intangible Assets	2,279.54	26.78	-	-	-	-	-	-	-	-	2,306.32	2,279.54

As at 31st. March, 2015

NOTE - 11

NON - CURRENT INVESTMENTS - Unquoted at Cost

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

As at 31st. March, 2015

NOTE - 12

(8 in Lakh)

LONG TERM LOANS & ADVANCES**As at
31/03/2015****As at
31/03/2014****LOANS**

ADVANCE TO SUPPLIERS & CONTRACTORS

For Capital

- Secured considered good
- Unsecured considered good
- Doubtful

-

-

-

-

Less : Provision for Doubtful Loans and Advances

-

-

For Revenue

- Secured considered good
- Unsecured considered good
- Doubtful

-

-

-

-

-

-

Less : Provision for Doubtful Loans and Advances

-

-

-

-

Security Deposits

- Secured considered good
- Unsecured considered good
- Doubtful

-

-

-

-

-

-

Less : Provision for Doubtful Loans and Advances

-

-

-

-

Deposit for P&T, Electricity etc.

- Secured considered good
- Unsecured considered good
- Doubtful

-

-

-

-

-

-

Less : Provision for bad and doubtful trade receivables

-

-

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-

LOAN TO EMPLOYEES

For House Building		
- Secured considered good	-	-
- Unsecured considered good		
- Doubtful	-	-
	<hr/>	<hr/>
	-	-
For Motor Car and Other Conveyance		
- Secured considered good	-	-
- Unsecured considered good		
- Doubtful	-	-
	<hr/>	<hr/>
	-	-
For Others		
- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	-	-
	<hr/>	<hr/>
	-	-
Less: Provision for Doubtful Loans & Advances	-	-
	<input type="text" value="-"/>	<input type="text" value="-"/>

LOAN TO SUBSIDIARIES

- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	-	-
	<hr/>	<hr/>
	-	-

TOTAL

<input type="text" value="-"/>	<input type="text" value="-"/>
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Note

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

* This Loan should include interest accrued thereon.

As at 31st. March, 2015

NOTE - 13

(8 in Lakh)

OTHER NON-CURRENT ASSETS

	As at <u>31/03/2015</u>	As at <u>31/03/2014</u>
Long Term Trade Receivable		
- Secured considered goods	-	-
- Unsecured considered goods	-	-
- Doubtful	-	-
Less: Provision for bad and doubtful trade receivables	-	-
Exploratory Drilling Work	-	-
- Secured considered goods	-	-
- Unsecured considered goods	-	-
- Doubtful	-	-
Less: Provision for bad and doubtful trade receivables	-	-
Other Receivables	-	-
- Secured considered goods	-	-
- Unsecured considered goods	-	-
- Doubtful	-	-
Less: Provision	-	-
TOTAL	-	-

Note

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

As at 31st. March, 2015

NOTE - 14

(8 in Lakh)

CURRENT INVESTMENTS - Quoted / Unquoted at Cost

	Number of shares/ bonds/ securities current period	Face value per shares/ bonds/ security current period	As at 31/03/2015	Number of shares/ bonds/ securities previous year	Face value per shares/ bonds/ security previous year	As at 31/03/2014
NON-TRADE						
Investment in Mutual Fund (Canara Robeco interval Series 2)			-	-	-	-
TRADE						
8.5% Tax Free Special Bonds (Fully Paid up) - (on securitisation of Sundry Debtors)			-	-	-	-
Total :			-	-	-	-

As at 31st. March, 2015

NOTE - 15

(8 in Lakh)

INVENTORIES

(Valuation as per Significant Accounting Policy No.10)

	As at 31/03/2015	As at 31/03/2014
Stock of Coal	-	-
Coal stock Under Development	-	-
Less : Provision	-	-
A Stock of Coal (Net)	-	-
Stock of Stores & Spare Parts (at cost)	-	-
Stores -in -transit	-	-
Less : Provision	-	-
Loss of Assets	-	-
Less : Provision	-	-
B Net Stock of Stores & Spare Parts (at cost)	-	-
<u>Workshop Jobs :</u>		
Work-in-progress and Finished Goods	-	-
Less : Provision	-	-
C Net Stock of Workshop Jobs	-	-
<u>Press :</u>		
Work-in-Progress and Finished Goods	-	-
E Stock of Medicine at Central Hospital	-	-
F Prospecting & Boring/ Development Exp./Coal Blocks meant for Sale	-	-
Total (A to F)	-	-

As at 31st. March, 2015
ANNEXURE TO NOTE - 15
(Qty in lakh tonnes) (value in ₹ lakh)

(8 in Lakh)

Reconciliation of closing stock adopted in Account with Book stock as at the end of the Year **Table:A**

	OVERALL STOCK		NON-VENDABLE STOCK		VENDABLE STOCK	
	Qty.	Value	Qty.	Value	Qty.	Value
1. (A) Opening stock as on 01.04.14						
(B) Adjustment in Opening Stock					0.00	0.00
2. Production for the year					0.00	0.00
3. Sub-Total (1+2)					0.00	0.00
4. Off- Taxe for the period :						
(A) Outside Despatch					0.00	0.00
(B) Coa feed to Washeries					0.00	0.00
(C) Own Consumption					0.00	0.00
TOTAL(A)					0.00	0.00
5. Derived Stock					0.00	0.00
6. Measured Stock					0.00	0.00
7. Difference (5-6)					0.00	0.00
8. Break-up of Difference:						
(A) Excess within 5%					0.00	0.00
(B) Shortage within 5%					0.00	0.00
(C) Excess beyond 5%					0.00	0.00
(D) Shortage beyond 5%					0.00	0.00
9. Closing stock adopted in A/c.(6-8A+8B)					0.00	0.00

As at 31st. March, 2015
ANNEXURE TO NOTE - 15

(8 in Lakh)

Table:B

Summary of Closing Stock of Coal

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

Note : The total value in the table B should tally with the net sales (less transportation and loading cost, and incentives on sales and other

As at 31st. March, 2015

NOTE - 16

(8 in Lakh)

TRADE RECEIVABLES

	As at <u>31/03/2015</u>	As at <u>31/03/2014</u>
Debts outstanding for a period exceeding six months from the due date		
- Secured considered goods	-	-
- Unsecured considered goods		
- Doubtful	-	-
Less : Provision for bad & doubtful debts	-	-
Other Debts		
- Secured considered goods	-	-
- Unsecured considered goods		
- Doubtful	-	-
Less : Provision for bad & doubtful debts	-	-
Total	-	-

Note

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

As at 31st. March, 2015

NOTE - 17

(8 in Lakh)

CASH & BANK BALANCE

	<u>As at</u>		<u>As at</u>
	<u>31/03/2015</u>		<u>31/03/2014</u>
Cash & Cash Equivalents			
Balances with Scheduled Banks			
- SBI Dividend Account (unpaid/unclaimed dividend account)			
- In Deposit Accounts with maturity upto 3 months			
- In Current Accounts	-		-
State Bank of India	3.24		0.15
UCO Bank	1.82		2.09
Axis Bank	0.13		0.09
Union Bank	0.01	5.20	2.33
- In Cash Credit Accounts	-		-
Balances with Non-Scheduled Banks	-		-
In account with Banks outside India	-		-
Remittance - in transit			
Cheques, Drafts and Stamps on hand			
Cash in hand	-		-
Deposit with Scheduled Banks under Shifting and Rehabilitation Fund Scheme with maturity upto 3 months			-
	-		
Other Bank Balances			
Balances with Scheduled Banks			
- In Deposit Accounts with maturity more than 3 months	-		-
State Bank of India	-		408.00
UCO Bank	3,368.94		3,318.00
Deposit with Scheduled Banks under Shifting and Rehabilitation Fund Scheme with maturity more than 3 months	-		-
Deposit with Scheduled Banks under mine Closure Plan Scheme	-		-
Total	3,374.14		3,728.33
Maximum amount outstanding with Banks other than Scheduled Banks at any time during the year	Nil		Nil
Note:			
1) Balances with banks to the extent held as margin money or security against the borrowings/others	-		-
2) Bank deposit of more than 12 months maturity shall be disclosed seperately.	-		-

As at 31st. March, 2015

NOTE - 18

(8 in Lakh)

SHORT TERM LOANS & ADVANCES

	As at <u>31/03/2015</u>	As at <u>31/03/2014</u>
LOANS		
ADVANCE		
(Recoverable in cash or in kind or for value to be received)	-	-
ADVANCE TO SUPPLIERS & CONTRACTORS	-	-
For Revenue		
- Secured considered goods	-	-
- Unsecured considered goods	-	-
- Doubtful	-	-
	0.00	0.00
Less : Provision for bad and doubtful Advances	-	-
ADVANCE PAYMENT OF STATUTORY DUES		
SalesTax		
- Secured considered goods	-	-
- Unsecured considered goods	-	-
- Doubtful	-	-
	-	-
Less : Provision	-	-
	-	-
Advance Income Tax / Tax Deducted at Source by banks on fixed deposits	92.99	51.40
	-	-
	92.99	51.40
Others		
- Secured considered goods	-	-
- Unsecured considered goods	-	-
- Doubtful	-	-
	-	-
Less : Provision	-	-
	-	-
	92.99	51.40
Advance to Employees		
- Secured considered goods	-	-
- Unsecured considered goods	6.01	15.20
- Doubtful	-	-
	6.01	15.20
Less : Provision	-	-
	6.01	15.20

Current Account with Coal India Limited & other
Subsidiaries of Coal India Limited and MCL's
subsidiaries

LOAN ACCOUNT WITH SUBSIDIARIES

- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	-	-
	-	-
Less : Provision	-	-
	-	-
 Claims Receivables		
- Secured considered good	-	-
- Unsecured considered good	47.78	47.78
- Doubtful	-	-
	47.78	47.78
Less : Provision for Doubtful claims	-	-
	47.78	47.78
 Prepaid Expenses	-	-
	53.79	62.98
 TOTAL	146.78	114.38

Note

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

As at 31st. March, 2015

NOTE - 19

(8 in Lakh)

OTHER CURRENT ASSETS

	As at <u>31/03/2015</u>	As at <u>31/03/2014</u>
Interest Accrued		
- Investment		
- Deposit with Banks	53.13	137.31
- Others	-	-
Ex Owner's Account	-	-
Other Advances	-	-
Less : Provision	-	-
DEPOSITS		
Deposit for Customs Duty, Port Charges etc.	-	-
Deposit with Coal India Limited	-	-
Deposit for Royalty, Cess & Sales Tax	-	-
Less: Provision	-	-
Others	-	-
Less: Provision	-	-
Amount Receivable from Govt of India for transactions on behalf of Ex-Coal Board	-	-
Other Receivables	-	-
Less: Provison	-	-
TOTAL	53.13	137.31

Points that should be considered while making notes.**1. Contingent liabilities and commitments (to the extent not provided for)**

- (i) Contingent liabilities shall be classified as:
 - (a) Claims against the company not acknowledged as debt;
 - (b) Guarantees;
 - (c) Other money for which the company is contingently liable
- (ii) Commitments shall be classified as:
 - (a) Estimated amount of contracts remaining to be executed on capital account and not provided for;
 - (b) Uncalled liability on shares and other investments partly paid
 - (c) Other commitments (specify nature).

2. The amount of dividends proposed to be distributed to equity and preference shareholders for the period and the related amount per share shall be disclosed separately. Arrears of fixed cumulative dividends on preference shares shall also be disclosed separately.

3. Where in respect of an issue of securities made for a specific purpose, the whole or part of the amount has not been used for the specific purpose at the balance sheet date, there shall be indicated by way of note how such unutilized amounts have been used or invested.

4. If, in the opinion of the Board, any of the assets other than fixed assets and non-current investments do not have a value on realization in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion, shall be stated

5. This note should be cross referenced to Note No. 5 & Note No. 9

The Position of various provisions as on 31.03.2013 is given below:

Provisions	Opening Balance	Addition during the Year	Write Back/Adj. During the year	Closing Balance
For Proposed Dividend	—	—	—	—
For Corporate Dividend Tax	—	—	—	—
For Gratuity	—	—	—	—
For Leave Encashment	—	—	—	—
For Other Employee Benefits	—	—	—	—
For Income Tax	—	—	—	—
For Foreign Exchange Transactions (Market to Market)	—	—	—	—
Cost of Stowing Lag	—	—	—	—
OBR Adjustment Account	—	—	—	—
Land Reclamation	—	—	—	—
Bad & Doubtful debts	—	—	—	—
Provision for Doubtful Advances & Claims	—	—	—	—
CWIP	—	—	—	—
Other Provisions-Fixed Assets	—	—	—	—

6. The Bifurcation of Sundry creditors for Supplies - For Capital & For revenue between Micro, Small 7 Medium Enterprises and others should be stated in Notes by cross referencing it to Note 7.

**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED ON 31.03.2015**

NOTE - 20

(8 in Lakh)

Revenue From Operations	For the Year <u>ended 31.03.2015</u>	For the Year <u>ended 31.03.2014</u>
GROSS SALES		
Less : Statutory Levies		
Excise Duty	-	-
Royalty	-	-
Cess on Coal	-	-
Stowing Excise Duty	-	-
Central Sales Tax	-	-
Clean Energy Cess	-	-
State Sales Tax/VAT	-	-
Orissa Entry Tax	-	-
	-	-
TOTAL LEVIES	-	-
Revenue From Operations (NET SALES)	-	-

*Sales will include incentives from customers.

**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED ON 31.03.2015**

NOTE - 21

(8 in Lakh)

OTHER INCOME

	For the Year ended 31.03.2015	For the Year ended 31.03.2014
<u>Income From Long Term Investments</u>		
Dividend from Joint Ventures	-	
Interest from	-	
- Government Securities (8.5% Tax Free Special Bonds) (Trade)	-	
- 7.55% Non convertible IRFC Tax Free Bonds 2021 series (Non-trade)	-	-
<u>Income From Current Investments</u>		
Dividend from Mutual Fund Investments		-
Interest from		
- Government Securities (8.5% Tax Free Special Bonds) (Trade)		-
- 7.55% Non convertible IRFC Tax Free Bonds 2021 series(Non-Trade)	-	-
<u>Income From Others</u>		
Interest :		
From Deposit with Banks		
From Loans and Advances to Employees		
From Income Tax Refunds	-	
From CIL on parking of fund		
Others		-
Apex Charges	-	-
Subsidy for Sand Stowing & Protective Works	-	-
Profit on Sale of Assets		
Recovery of Transportation & Loading Cost		
Gain on Foreign exchange Transactions	-	-
Exchange Rate Variance	-	-
Lease Rent		
Liability Write Backs	-	-
Guarantee Fees from subsidiaries	-	-
Other non-operating Income		
TOTAL	-	-

**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED ON 31.03.2015**

NOTE - 22

(8 in Lakh)

COST OF MATERIALS CONSUMED

	<u>For the Year ended 31.03.2015</u>	<u>For the Year ended 31.03.2014</u>	
Explosives	-	-	
Timber	-	-	
P O L	-	-	
HEMM Spares	-	-	
Other Consumable Stores & Spares	-	-	
TOTAL	<table border="1"><tr><td style="text-align: center;">-</td></tr></table>	-	-
-			

**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED ON 31.03.2015**

NOTE - 23

(8 in Lakh)

CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

	<u>For the Year ended 31.03.2015</u>	<u>For the Year ended 31.03.2014</u>
Closing Stock of Coal		
Less: Deterioration of Coal		
Total (1)	-	-
Opening Stock of Coal		
Less: Deterioration of Coal		
Total (2)	-	-
A) Change in Inventory of Closing Stock (2-1)	-	-
Closing Stock of Workshop made finished goods and WIP	-	-
Less: Provision	-	-
Total	-	-
Opening Stock of Workshop made finished goods and WIP	-	-
Less: Provision	-	-
Total	-	-
B) Change in Inventory of Closing Stock of workshop	-	-
Press closing Job	-	-
i) Finished goods	-	-
ii) Work in progress	-	-
Less : Press opening jobs		
i) Finished goods	-	-
ii) Work in progress	-	-
C) Change in Inventory of closing stock of press jobs made Finished Goods and WIP	-	-
Closing Stock of Medicines (Central Hospital)		
Less Opening Stock of Medicines (Central Hospital)		
D) Change in Inventory of Stock of Medicines at Central Hospitals	-	-
Total Change in Inventory of Stock(A+B+C+D)	-	-

**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED ON 31.03.2015**

NOTE - 24

(8 in Lakh)

EMPLOYEE BENEFIT EXPENSES

	<u>For the Year ended 31.03.2015</u>	<u>For the Year ended 31.03.2014</u>
Salary, Wages, Allowances ,Bonus & Benefits		
Exgratia	-	-
PRP	-	-
Provision for NCWA IX	-	-
Contribution to P.F. & Other Funds	-	-
Gratuity	-	-
Leave Encashment	-	-
VRS	-	-
Workmen Compensation	-	-
Other Employee Benefits	-	-
TOTAL	-	-

**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED ON 31.03.2015**

NOTE - 25

(8 in Lakh)

WELFARE EXPENSES

	<u>For the Year ended 31.03.2015</u>	<u>For the Year ended 31.03.2014</u>
Medical Expenses	-	-
Medical Expenses for retired employees	-	-
Grants to Schools & Institutions	-	-
Sports & Recreation	-	-
Canteen & Creche	-	-
Power - Township	-	-
Hire Charges of Bus, Ambulance etc.	-	-
CSR Expenses	-	-
Community Development	-	-
Environmental Expenses	-	-
Tree Plantation	-	-
Other Expenses	-	-
TOTAL	-	-

**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED ON 31.03.2015**

NOTE - 26

(8 in Lakh)

REPAIRS

	<u>For the Year ended 31.03.2015</u>	<u>For the Year ended 31.03.2014</u>
Building	-	-
Plant & Machinery	-	-
Others	-	-
TOTAL	-	-

**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED ON 31.03.2015**

NOTE - 27

(8 in Lakh)

CONTRACTUAL EXPENSES

	<u>For the Year ended 31.03.2015</u>	<u>For the Year ended 31.03.2014</u>
Transportation Charges :		
- Sand	-	-
- Coal & Coke	-	-
- Stores & Others etc.	-	-
Wagon Loading	-	-
Hiring of P&M	-	-
Other Contractual Work	-	-
TOTAL	-	-

**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED ON 31.03.2015**

NOTE - 28

(8 in Lakh)

FINANCE COSTS

	<u>For the Year ended 31.03.2015</u>	<u>For the Year ended 31.03.2014</u>
INTEREST EXPENSE		
Deferred Payments	-	-
Bank Overdraft / Cash Credit	-	-
Interest on IBRD & JBIC Loan	-	-
CIL Fund Loan Interest	-	-
Interest to Subsidiaries	-	-
Others	-	-
TOTAL(A)	-	-
OTHER BORROWING COSTS		
Guarantee Fees on (IBRD & JBIC) Loan	-	-
Other Expenses / Bank Charges*	-	-
TOTAL(B)	-	-
TOTAL (A+B)	-	-

*Related to World Bank Loan Transactions only.

**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED ON 31.03.2015**

NOTE - 29

(8 in Lakh)

PROVISIONS	<u>For the Year ended 31.03.2015</u>	<u>For the Year ended 31.03.2014</u>
(A) PROVISION MADE FOR		
Doubtful debts	-	-
Doubtful advances & Claims	-	-
Foreign exchange Transaction	-	-
Stores & Spares	-	-
Reclamation of Land/Mine Closure Expenses	-	-
Surveyed of Fixed Assets/Capital WIP	-	-
Others	-	-
TOTAL (A)	-	-
(B) PROVISION WRITTEN BACK		
Doubtful debts	-	-
Doubtful advances & Claims	-	-
Stores & Spares	-	-
Reclamation of Land	-	-
Surveyed of Fixed Assets/Capital WIP	-	-
Others	-	-
TOTAL (B)	-	-
TOTAL (A - B)	-	-

**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED ON 31.03.2015**

NOTE - 30

(8 in Lakh)

WRITE OFF	<u>For the Year ended 31.03.2015</u>	<u>For the Year ended 31.03.2014</u>
Doubtful debts	-	-
Doubtful advances	-	-
Others	-	-
TOTAL	-	-

**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED ON 31.03.2015**

NOTE - 31

(8 in Lakh)

OTHER EXPENSES	For the Year ended 31.03.2015	For the Year ended 31.03.2014
Travelling expenses	-	-
- Domestic	-	-
- Foreign	-	-
Training Expenses	-	-
Telephone & Postage	-	-
Advertisement & Publicity	-	-
Freight Charges	-	-
Demurrage	-	-
Donation / Subscription	-	-
Security Expenses	-	-
Service Charges of CIL	-	-
Hire Charges	-	-
CMPDI Expenses	-	-
Legal Expenses	-	-
Bank Charges	-	-
Guest House Expenses	-	-
Consultancy Charges	-	-
Under Loading Charges	-	-
Loss on Sale/Discard/Surveyed of Assets	-	-
Auditor's Remuneration & Expenses	-	-
- For Audit Fees	-	-
- For Taxation Matters	-	-
- For Company Law Matters	-	-
- For Management Services	-	-
- For Other Services	-	-
- For Reimbursement of Expenses	-	-
Rehabilitation Charges	-	-
Royalty & Cess	-	-
Central Excise Duty	-	-
Rent	-	-
Rates & Taxes	-	-
Insurance	-	-
Loss on Exchange Rate Variance	-	-
Lease Rent	-	-
Rescue/Safety Expenses	-	-
Dead Rent/Surface Rent	-	-
Siding Maintenance Charges	-	-
Land/Crops Compensation	-	-
Miscellaneous Expenses	-	-
TOTAL (A)	-	-

**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED ON 31.03.2015**

NOTE - 32

(8 in Lakh)

PRIOR PERIOD ADJUSTMENTS

	<u>For the Year ended 31.03.2015</u>	<u>For the Year ended 31.03.2014</u>
(A) Expenditure		
Sale of Coal	-	-
Stock of Coal	-	-
Other Income	-	-
Consumption of Stores & Spares	-	-
Employees Remuneration & Benefits	-	-
Power & Fuel	-	-
Welfare Expenses	-	-
Repairs	-	-
Contractual Expenses	-	-
Other Expenditure	-	-
Interest and other financial charges	-	-
Depreciation	-	-
TOTAL (A)	-	-
(B) Income		
Sale of Coal	-	-
Stock of Coal	-	-
Other Income	-	-
Consumption of Stores & Spares	-	-
Employees Remuneration & Benefits	-	-
Power & Fuel	-	-
Welfare Expenses	-	-
Repairs	-	-
Contractual Expenses	-	-
Other Expenditure	-	-
Interest and other financial charges	-	-
Depreciation	-	-
TOTAL (B)	-	-
TOTAL (A-B)	-	-

NOTE – 33

SIGNIFICANT ACCOUNTING POLICIES

1.0 Accounting Convention:

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

2.0 Subsidies / Grants from Government:

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

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

3.0 Fixed Assets:

3.1 Land:

Value of land includes cost of acquisition and cash rehabilitation expenses and resettlement cost incurred for concerned displaced persons. Other expenditure incurred on acquisition of land viz. compensation in lieu of employment etc. is, however, treated as revenue expenditure.

3.2 Plant & Machinery:

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

3.3 Railway Siding:

Pending commissioning, payments made to the railway authorities for construction of railway sidings are shown in Note 10B under capital Work –in-progress.

3.4 Development:

Expenses net of income of the projects / mines under development are booked to Development Account and grouped under Capital Work-in-Progress till the projects

/ mines are brought to revenue account. Except otherwise specifically stated in the project report to determine the commercial readiness of the project to yield production on a sustainable basis and completion of required development activity during the period of constructions, projects and mines under development are brought to revenue considering the following criteria:

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

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

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

5.0 **Investments:**

Current investments are valued at the lower of cost and fair value as at the Balance Sheet date. Investments in mutual fund are considered as current investments.

Non-Current investments are valued at cost.

6.0 **Inventories:**

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

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

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

6.2 **Stores & Spares:**

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

- 6.2.2 Stock of stores & spare parts at central & area stores are valued at cost calculated on the basis of weighted average method. The year-end inventory of stores & spare parts lying at collieries / sub-stores / drilling camps/ consuming centres, initially charged off, are valued at issue price of Area Stores, Cost / estimated cost. Workshop jobs including work-in-progress are valued at cost.
- 6.2.3 Stores & spare parts include loose tools.
- 6.2.4 Provisions are made at the rate of 100% for unserviceable, damaged and obsolete stores and at the rate of 50% for stores & spares not moved for 5 years.
- 6.3 Stock of stationery (other than lying at printing press), bricks, sand, medicine (except at Central Hospitals), aircraft spares and scraps are not considered in inventory.

7.0 **Depreciation:**

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

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

- 7.2 The residual value of all assets for depreciation purpose is considered as 5% of the original cost of the asset except those item of assets covered under para 7.3.
- 7.3 In case of assets namely Coal tub, winding ropes, haulage ropes, stowing pipes & safety lamps the technically estimated useful life has been determined to be one year with a nil residual value.

7.4 Depreciation on the assets added/ disposed of during the year is provided on pro-rata basis with reference to the month of addition/disposal, except on those assets with one year useful life and nil residual value as mentioned under para 7.3, which are fully depreciated in the year of their addition. These Assets are taken out from the assets after expiry of two years following the year in which these are fully depreciated.

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

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

8.0 **Impairment of Asset:**

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

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

9.0 **Foreign Currency Transactions:**

9.1 Balance of foreign currency transactions is translated at the rates prevailing on the Balance Sheet date and the corresponding effect is given in the respective accounts. Transactions completed during the period are adjusted on actual basis.

9.2 Transactions covered by cross currency swap options contracts to be settled on future dates are recognised at the rates prevailing on the Balance Sheet date, of the underlying foreign currency. Effects arising out of such contracts are taken into accounts on the date of settlement.

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

a) Defined contributions plans:

The company has defined contribution plans for payment of Provident Fund and Pension Fund benefits to its employees. Such Provident Fund and Pension Fund are maintained and operated by the Coal Mines Provident Fund (CMPF)

Authorities. As per the rules of these schemes, the company is required to contribute a specified percentage of pay roll cost to the CMPF Authorities to fund the benefits.

b) Defined benefits plans:

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

c) Other employee benefits:

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

11.0 **Recognition of Income and Expenditure:**

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

11.1 **Sales**

- a) Revenue in respect of sales is recognised when the property in the goods with the risks and rewards of ownership are transferred to the buyer.
- b) Sale of coal is net of statutory dues and accepted deduction made by customer on account of quality of coal.
- c) The revenue recognition is done where there is reasonable certainty of collection. On the other hand, revenue recognition is postponed in case of uncertainty as assessed by management.

11.2 **Dividend**

Dividend income is recognised when right to receive is established.

12.0 **Borrowing Costs:**

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

13.0 **Taxation:**

Provision of current income tax is made in accordance with the Income Tax Act., 1961. Deferred tax liabilities and assets are recognised at substantively enacted tax rates, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

14.0 **Provision:**

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

15.0 **Contingent Liability:**

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

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

16.0 **Overburden Removal (OBR) Expenses :**

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

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

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

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

17.0 **Prior Period Adjustments and Prepaid Expenses:**

Income / expenditures relating to prior period and prepaid expenses, which do not exceed ¹ 10 Lakh in each case, are treated as income / expenditure of current year.

(A SUBSIDIARY COMPANY OF MAHANADI COALFIELDS LTD)**Note – 34****ADDITIONAL NOTES ON ACCOUNTS****1. SHARE CAPITAL:**

The proportionate share holding and the share capital paid by the Joint venture partners at the end of 31.03.15 are given below.

Name of Shareholders	No. of Share Held (of Rs.10/- each)	Share Value (Rs in Lakh)	% of Total Shares
Mahanadi Coalfields Limited	59570000	5957.00	70
Hindalco Industries Limited	12765000	1276.50	15
Neyveli Lignite Corporation Limited	12765000	1276.50	15
Total	85100000	8510.00	100

2. CONTINGENT LIABILITIES:

MNH Shakti Limited has submitted a bank Guarantee for Rs. 159.02 Crore to Ministry of Coal as per terms of coal block allotment (Talabira II & III), during the financial year 2010-11. The date of submission of Bank Guarantee is 02.02.2011. As per the terms of block allotment the Bank Guarantee has to be renewed on yearly basis till the date of targeted production. The Bank Guarantee was expired on 31.01.2015 and not renewed till date.

A Demand notice was received from income tax department for the financial year 2011-12 of Rs. 181.73 Lakh and further appeal has been filed with higher tax authority.

3. SHORT TERM LOANS & ADVANCES:

Short Term Loans and Advances include Rs. 140.77 Lakh (P.Y. 99.18 lakh) Income Tax receivable from Income Tax Department as the TDS deducted in the year 2009-10, 2010-11, 2011-2012, 2012-13, 2013-14 and 2014-15.

4. CASH & CASH EQUIVALENTS:

Cash and Bank balance include Rs. 3368.94 lakh (P.Y. 3318.00 Lakh) deposited in Short Term Deposits at UCO Bank, Jagruti Vihar Branch. The deposits are interest

bearing and the accrued interest on the deposits amounting to Rs. 53.13 Lakh (P.Y. 137.31 lakh) have been accounted for on 31.03.15.

5. OTHER CURRENT ASSETS:

Other Current Assets (Note-19) include Accrued interest on deposits of Rs. 53.13 Lakh.

6. DRILLING AND BORING EXPENDITURE:

Prospecting and boring expenditure has been booked on the basis of debit advice received from MCL, the holding company, which is shown in Note- 10C of the Balance Sheet.

7. TAX MATTER:

TDS deducted by bank on interest on deposits upto the year ended 31.03.2015 is Rs. 140.77 Lakh, which has been shown in Short Term Loans & Advances in Note – 18 of Balance Sheet.

8. SHORT TERM BORROWINGS:

Short Term Borrowing (Note-6) includes Rs. 63.24 Lakh (P.Y. Rs. 516.01 lakh) is credit balance of Current Account, Mahanadi Coalfields Ltd.

9. TRANSFER TO DEVELOPMENT:

The company has not yet started mining operation and under development hence all expenditure incurred on revenue account has been transferred to Note – 10 (capital work in progress) during the quarter.

10. AUDIT FEE:

The Auditor remuneration:-

For Audit Fees	Rs. 0.73 Lakh
Out of pocket and travelling expenses	Rs. 0.85 Lakh

	Rs 1.58 Lakh
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11. RESERVE & SURPLUS:

Reserve & Surplus (Note-2) include Preliminary Expenses of Rs. 52.15 Lakh consisting of expenditure for filing fees, Registration fees and other incidental Fees & Expenses in relation to formation and incorporation of the Company and increase of Authorized Share Capital of the company.

12. OTHER:

- a) All the expenditures of the current year have been directly charged to Capital Work in Progress (Note-10) as per revised Schedule of Companies Act.
- b) Items/Expenditure pertaining to previous year has been regrouped/ reclassified wherever necessary for uniformity and comparison.

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

Sd/-
P.C. Panigrahi
Director

Sd/-
S. K. Behera
Company Secretary

Sd/-
S.M. Jha
Chief Executive Officer

Sd/-
J.P. Singh
Chairman

As per our report of given date
For & on behalf of **M/s Badhan & Co.**
Chartered Accountants

Sd/-
(CA Gaurav Agrawal)
Partner

Date: 08.05.2015
Place: Sambalpur

(Membership No -422586)
Firm Regd. No – 004008C

Cashflow Statement for the period ended on 31.03.2015

(8 in Lakh)

	<u>For the period ended 31.03.2015</u>	<u>Previous Year ended 31.03.2014</u>
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax and extraordinary items	0.00	0.00
Adjustment for :		
Depreciation & Impairment	80.99	79.43
Exchange Rate Fluctuation	0.00	0.00
OBR Adjustment	0.00	0.00
Interest / Dividend (Received)	0.00	0.00
Interest / Dividend (Paid)	0.00	0.00
Prov. against Debtors/Inventories/Other CA/ Loans & Adv	0.00	0.00
Adjustment for Opening Deferred Tax Assets	0.00	0.00
Deferred Tax Liability	0.00	0.00
 Operating Profit before Working Capital changes	 80.99	 79.43
Adjustments for :		
Changes in Investments	0.00	0.00
Changes in Inventories	0.00	0.00
Changes in Sundry Debtors	0.00	0.00
Changes in Other Current Assets	84.18	11.49
Changes in Short term Loans and Advances	(32.40)	29.63
Reduction in General Reserve	0.00	0.00
Changes in Current Liabilities	(456.57)	268.67
Cash generated from operations	(323.80)	389.22
 Direct taxes paid	 0.00	 0.00
Deferred Tax Liabilities	0.00	0.00
Cash Flow before extraordinary items	(323.80)	389.22
Extraordinary items	0.00	0.00
Net Cash from operating activities	<u>(323.80)</u>	<u>389.22</u>
 B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase/ Sale of Fixed Assets(Other than P&B,Dev.)	(3.61)	(262.96)
Purchase of Fixed Assets(P&B,Dev.)-CWIP	(26.78)	(358.74)
Short Term Deposit with CIL	0.00	0.00
Miscellaneous receipts	0.00	0.00
Acquisition of Companies	0.00	0.00
Change in Investments	0.00	0.00
Interest received	0.00	0.00
Dividend received	0.00	0.00
Preliminary Expenses	0.00	0.00
Net Cash used in investing activities	<u>(30.39)</u>	<u>(621.70)</u>

Cashflow Statement Contd.....

(8 in Lakh)

	For the period ended 31.03.2015	Previous Year ended 31.03.2014
C CASH FLOW FROM FINANCING ACTIVITIES:		
World Bank Loans through CIL	0.00	0.00
Deferred Credit Loan	0.00	0.00
Exchange Rate Fluctuation	0.00	0.00
Repayment of CIL Loan		
Redemption of preference share capital	0.00	0.00
Interest and financial charges	0.00	0.00
Dividend paid	0.00	0.00
Issue of Share Capital	0.00	0.00
Net Cash used in financing activities	<u>0.00</u>	<u>0.00</u>
Net increase in cash and cash equivalents	<u>(354.19)</u>	<u>(232.49)</u>
Cash and cash equivalents as at beginning of the year	<u>3728.33</u>	<u>3960.82</u>
Cash and cash equivalents as at the end of the year	3374.14	3728.33

Notes:

1. The aforesaid statement is prepared on indirect method
2. The figures of the previous year have been reclassified to confirm to current year classification.
3. The Previous year figures given are audited ones as on 31.03.14 for the entire 2013-14.

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

Sd-
S.M. Jha
Chief Executive Officer

Sd/-
P.C. Panigrahi
Director

Sd/-
J.P. Singh
Chairman

Sd/-
S.K. Behera
Company Secretary

As per our report of given date
For & on behalf of **M/s Badhan & Co.**
Chartered Accountants

Sd/-
(CA Gaurav Agrawal)
Partner

Date: 08.05.2015
Place: Sambalpur

(Membership No -422586)
Firm Regd. No – 004008C