

ANNUAL REPORT & ACCOUNTS 2011-2012



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



MAHANADI BASIN POWER LIMITED

(WHOLLY OWNED SUBSIDIARY OF MCL)

FINANCIAL STATEMENTS

**For the year ending
FY: 2011-12**

MAHANADI BASIN POWER LIMITED

Regd. Office: Plot No. G-3, Mancheswar Rly. Colony, Bhubaneswar- 751017

Ref No MBPL/CS/2012/

Date : 16.05.2012

NOTICE

1st ANNUAL GENERAL MEETING

Notice is hereby given that the 1st Annual General Meeting of Mahanadi Basin Power Limited will be held at 11.00 AM on Saturday the 19th May, 2012 at the Registered Office of the Company, Plot No. G-3, Mancheswar Rly. Colony, Bhubaneswar-751017, to transact the following business:

Ordinary business

- 1 To receive, consider and adopt the audited accounts for the part financial year 2011-2012 Report of the Auditors thereon and Directors' Report.
- 2 Appointment of Directors
- 3 To sanction remuneration, as decided by the Board, payable to M/s P.K Sahoo & Co. CA, Statutory Auditors, Bhubaneswar, who were appointed by the C&AG of India for the Financial Year, 2011-2012.

"RESOLVED that pursuant to the provisions of Section 224(8)(aa) and other applicable provisions if any of the Companies Act, 1956, the sanction be and is hereby accorded for payment of remuneration and reimbursement of TA & out of pocket expenses as decided by the Board of Directors to M/s P.K Sahoo & Co. CA, Bhubaneswar, the Auditors in connection with the audit of accounts of the company for the full financial year 2011-2012."

Special Business:

- 1 Appointment of Independent Directors.

By the order of Directors
For Mahanadi Basin Power Ltd

(M. Thapliyal)
Director

REGISTERED OFFICE:

Plot No. G-3, Mancheswar Rly. Colony, Bhubaneswar-751 017.

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 Authorized Representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing 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 171 (2) (i) of the Companies Act, 1956.

- 1) Mahanadi Coalfields Limited, Jagruti Vihar, Burla, Sambalpur-768020. (Atten: Company Secretary, MCL)
- 2) Shri A. N. Sahay, CMD, MCL, Jagruti Vihar, Burla, Sambalpur-768020.
- 3) Shri S.C. Padhy, Director(Personnel), MCL, Jagruti Vihar, Burla, Sambalpur-768020.
- 4) Shri Kulamani Biswal, Director(Finance), MCL, Jagruti Vihar, Burla, Sambalpur-768020.
- 5) Shri A.K. Tiwari, Director(Tech/Op.), MCL, Jagruti Vihar, Burla, Sambalpur-768020.
- 6) Ashok Kumar Singh, Director(Tech/P&P) MCL, Jagruti Vihar, Burla, Sambalpur-768020.

Directors, MBPL

1. Shri B.N. Shukla, GM(CP&P), MCL & Director, MBPL, Sambalpur
2. Shri Abdul Kalam, Director, MBPL, 10/5, First Floor, Sarvapriya Vihar, New Dolhi-11 00! 6.

DIRECTORS' REPORT

To
The Shareholders.
Mahanadi Basin Power Limited.

Gentlemen,

I have great pleasure in presenting on behalf of the Board of Directors, the 1st Annual Report of your Company together with the audited Accounts for the year ended 31st March, 2012 along with the report of the Statutory Auditors.

Your Company "Mahanadi Basin Power Limited", (an SPV) is a wholly owned subsidiary of Mahanadi Coalfields Limited (MCL). The SPV was incorporated as 'Mahanadi Basin Power Limited' on 2.12.2011 having its Registered Office at Mancheswar Rly. Colony, Chandrasekharpur, Bhubaneswar - 751017 and commencement of business certificate was issued by RoC on 6.2.2012.

The Company would be inviting proposal on behalf of MCL to develop, operate and maintain the Proposed power project of 2x800 MW capacity Super Critical Thermal Power Plant at District Sundargarh. The Proposed Project shall be executed on a joint venture basis by the SPV in accordance with the terms and conditions of the Share Purchase-cum-Shareholders Agreement amongst the Successful Bidder, MCL and the MBPL.

2. BACKGROUND

Basundhara Coalfields of Mahanadi Coalfields Ltd situated in Sundargarh District is blessed with a huge proven geological reserve of 11.4 billion tones of coal. MCL started mining of coal in the year 1995-96 from this area. To meet the demand of coal requirement of the various power plants and other coal consumers of the state as well as of the country, MCL has a long term plan to produce 34 million tones of coal by the terminal year of 13th plan from various projects of Basundhara - Garjan Bahal Area. In the last financial year, it has produced around 12.5 Million tones of coal. This year too, MCL plans to produce 12.5 million tones of coal and at the same time out stock will pile up more than 8 million tones.

As this coal bearing area is remotely located and approximately 50Km away from the nearest highway/NH and in absence of rail infrastructure, MCL has not been able to produce the targeted quantity of coal over the years and this has further become a constraint for the capacity expansion of the company.

MCL has started various initiatives in establishing the necessary infrastructure like railway track from Jharsuguda to Basundhara, widening of the present road, construction of washery/SILOs for evacuation of the planned quantity of coal being produced from this area. However, this will take considerable time.

As Coal is the prime source of power and all power plants of the states as well as of the country require coal as the basic input of producing power, Coal companies being the nodal agency is providing and meeting the coal requirement of power plants by dispatching to these plants covering hundreds and thousands of Km distance. But, it remains a fact that the cost of transportation of coal, environmental hazards in handling coal at both sending and receiving end are of bigger concern before the country as it is taxing heavily on the end users in terms of money and pollution. Moreover evacuation of 100% coal is not possible due to lack of infrastructure.

To overcome the problem of Coal Transportation and other related environmental and social concern, MCL Board has decided to go ahead for setting up of a power project through JV Route at Basundhara Coalfields to meet the energy demand of the country.

The Board of Directors of CIL in its 255th meeting held on 17th March, 2010 accorded in-principle approval for setting of a super critical thermal power plant of 2 x800MW capacity at Basundhara Coalfields.

Also, on dated 21.12.2010, MCL got clearance from Ministry of Coal, Govt of India. the formal clearance received from Under Secretary to the Govt of India to go ahead with setting up of a power plant at Basundhara Coalfields.

The purpose of the SPV company is to select a suitable JV Partner for setting up of the proposed power project at Basundhara Coalfields. This decision was taken by MCL Board after having received the in principle approval from CIL and MoC, Govt. of India.

The selection of the JV Partner through competitive bidding is underway.

The total project cost is pegged around Rs 8,000 crore. MCL will supply coal for the power plants from its Basundhara mine and will also arrange land for the proposed power plant project.

The project will be funded through 70 per cent debt and the balance 30 per cent being equity. The SPV to be converted into a Joint Venture Company with MCL Shareholding of atleast 26% stake in the project but its share can go up to 49 per cent and the balance shareholding by the selected JV Partner.

ROLE OF MAHANADI BASIN POWER LTD (SPV)

are as under :

- Identification of Site
- Acquisition of the land
- Obtaining water linkage, fuel linkage etc.
- Conducting various technical studies and preparation of Project Information Report
- Obtaining all statutory clearances e.g. environmental, forest, defense, aviation etc.
- Conducting the Bid process including issuance of Request for Qualification (RFQ) and Request for Proposal (RFP), evaluation of the responses of RFQ and RFP and selection of successful bidder.
- The selection of the successful bidder is proposed to be based on 'Case 2' of the Guidelines for determination of tariff by Bidding Process for procurement of Power

4. CAPITAL STRUCTURE OF SPV

- a. The SPV is incorporated as a 'Public Limited Company', as per section 3(iv) Companies Act 1956. The initial paid-up capital of the SPV is Rs.5 Lac, subscribed by MCL.
- b. In order to meet the operational expenditure of the SPV for undertaking various activities prior to signing of Joint Venture Agreement with the successful bidder, the SPV is being funded by MCL for various activities being taken by SPV. The above expenditure shall be treated as loan to the SPV over which MCL can charge interest which will be recovered from the JV Partner at the time of signing of JV agreement.
- c. The expenditure incurred and liabilities undertaken by SPV on each and every aspect of the activities done by the SPV including the statutory fees, fees of the consultant, employee costs of MCL, who will be manning the SPV, the equity, loan & interest etc. would be recovered from the successful developer at the time, the successful bidder takes over the SPV along with assets and liabilities.

5. ORGANIZATIONAL STRUCTURE

As per Companies Act, 1956, the SPV has:-

- a. 7 (Seven) subscribers to the Memorandum of Association (MoA) & Articles of Association; and
- b. 4 (four) Directors. including one Independent Director as nominated by CMD, MCL on the Board of the SPV till a JV Partner is selected.
- c. Also, a CEO has been posted to carry out the day to day activities of the SPV under the supervision and control of the Board of the SPV.

6. FUNCTIONAL SUPPORT

The Company is being provided all the functional support required for the setting up and smooth functioning of the SPV. This includes furnished office space with phones, fax, computers, vehicles and all other administrative facilities necessary for day to day functioning of the SPV. Administrative and staff support are being provided and

cost incurred is allocated to separate account head of SPV which will be recovered from successful bidder by way of transfer of assets/ Liabilities.

7. ACTIVITIES OF THE COMPANY

- "In-principle" approval obtained from MoC and CIL for venturing into power generation;
- Appointed M/s PFC Consulting Ltd as Consultants for selection of JV Partner for setting up of the Power Plant;
- Expression of Interest (Eoi) conference held in Aug'2011, where more than 40 prospective power developers participated;
- MCL has incorporated "Mahanadi Basin Power Limited (MBPL) as a Special Purpose Vehicle (SPV) for setting up the Power Plant;
- Land has already been identified in the vicinity of BASundhara Coalfields;
- Water Resource Deptt of Govt. of Odisha has been approached for water allocation;
- MoEF has accorded the Terms of Reference (ToR) for conducting the Environmental Impact Assessment (EIA) studies which are in progress;
- Permission of Coal linkages has been sought from MoC on 23.11.2011;
- Application for Single window clearance from Govt. of Odisha has been submitted for obtaining clearances from various deptt of State Govt. ;

8. AUDITORS

Under Section 619(2) of the Companies Act 1956, the following Audit Firms were appointed as Statutory Auditors for the year 2011-12.

P.K. Sahu & Company,
Chartered Accountants
(SPO 082),
1113- Nayapalli
Bhubaneswar-751012 Odisha

9. BOARD OF DIRECTORS

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

1. Sri K. Biswal - Director(Finance)
2. Sri M. Thapliyal - GM(E&M)
3. Sri B.N.Shukla - GM(CP&P)
4. Sri Abdul Kalam - Independent Director

10. ACKNOWLEDGEMENTS

Your Directors express their sincere thanks to the Ministry of Coal, Coal India Limited and Mahanadi Coalfields Limited for their valuable assistance support and guidance. Your Directors also thank the various Ministries of the Central Government and State Government of Odisha for their valuable support.

11. Comments of the Comptroller and Auditor General of India under section 619(4) of the Companies Act'1956 is enclosed

(K. Biswal)
Chairman

Place : Bhubaneswar
Date : 03.05.2012

Comment of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 on the accounts of Mahanadi Basin Power Limited, Bhubaneswar for the year ended 31st March 2012.

The preparation of financial statements of Mahanadi Basin Power Limited, Bhubaneswar for the year ended 31 March 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standard prescribed by their professional body, The Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 30th April 2012.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of the Statutory Auditors on the accounts of Mahanadi Basin Power Limited, Bhubaneswar for the year ended 31st March 2012 and as such have no comment to make under Section 619(4) of the Companies Act, 1956.

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

(Nandana Munshi)
Principal Director of Commercial Audit
& Ex-Officio Member Audit Board - I
KOLKATA

Place: Kolkata Date:

15 May 2012

AUDITOR'S REPORT

TO

The Members of MAHANADI BASIN POWER LIMITED

We have audited the attached Balance sheet of MAHANADI BASIN POWER LIMITED, PLOT NO.-G-3, MANCHESWAR RLY. COLONY, BHUBANESWAR 751017 as at 31st March 2012 and also the Profit & Loss Account and the cash flow statement of the company for the year ended on that date annexed there to. These Financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted the audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. We report that:

- a) We have obtained all the information and explanation, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - b) In our opinion, proper Books of Account as required by Law have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet and the Profit & Loss Account and cash flow statement dealt with by this report are in agreement with the books of Account
 - d) According to our information no director is disqualified to hold the post of director Under section 274(l)(g) of the companies Act, 1956;
2. In our opinion and to the best of our information and according to the explanations given to us.
- a) The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standard referred to in (Sub-section (3C) of Section 211 of the Act to the extent applicable.
 - b) The said accounts together with the Notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India.
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011.

- ii) In the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.
3. As required by the Companies (Auditors Report) Order, 2003 issued by the Department of Company Affairs in terms of Section.227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report on the matters specified in the paragraphs 4 and 5 of the said Order as under;
- i)
 - a) Not Applicable
 - b) Not Applicable
 - c) Not Applicable.
 - ii) a) The Company has no stock of stores, spare parts and raw materials during the year. Hence, physical verification by management is not conducted during the year.
 - b) Not Applicable
 - c) Not Applicable
 - iii) The Company has neither granted nor taken any Loans secured or Unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956 and companies from the same management.
 - iv) In our opinion and according to tile information and explanations given to us there is adequate internal control procedure commensurate with the size of the Company and the nature of it's business for the purchase of inventory and fixed assets and with regard to sale of goods. To the best of our knowledge, we noticed no major weakness in internal control during tile course of our audit.
 - v) According to the information given to us, there are no transactions during the year that need to be entered in register maintained under section 301 of the Companies Act, 1956.
 - vi) According to information and explanations given to us the Company has not accepted any deposits from public.
 - vii) The company has no internal audit system.
 - viii) Not Applicable
 - ix) 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.
 - x) In this year of the Company, and no Profit or Loss in determined, there are no accumulated losses reported in the accounts.
 - xi) The Company has not taken any loans from any institutions or banks
 - xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 - xiii) The company does not carry on the business of a chit fund.
 - xiv) The Company does not deal or trade in shares, securities, debentures and other investments.

- xv) According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) According to the information and explanations given to us no term loans has been raised by the company during the year.
- xvii) According to the information and explanations given to us, no funds raised for short-term are used for long term, investment during the year.
- xviii) During the year, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- xix) There are no debentures outstanding in the books at any time during the year.
- xx) During the year, the Company has not raised any money by public issues.
- xxi) According to information and explanations given to us, no case of frauds on or by the Company (unit) has been noticed or reported during the year under audit.

Place: Bhubaneswar

Date 30/04/2012

For P.K.SAHOO & CO.

CHARTERED ACCOUNTANTS

Firm Registration No: 317058E

P.K.SAHOO, F.C.A

PARTNER

Membership No: 053138

MAHANADI BASIN POWER LIMITED
BALANCE SHEET
As at 31st March, 2012



(` in Rs)

	Notes		As at <u>31-03-2012</u>	As at <u>31-03-2011</u>
I EQUITY AND LIABILITIES				
(1) Shareholders' Funds				
a) Share Capital	1	500,000	-	-
b) Reserves and Surplus	2	<u>(18,400)</u>	<u>-</u>	<u>-</u>
			481,600	-
(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>	<u>-</u>
(3) Minority interest				
			-	-
(4) Current Liabilities				
a) Short Term Borrowings	6	-	-	-
b) Trade Payables	7	-	-	-
c) Other Current Liabilities	8	33,236,872	-	-
d) Short Term Provisions	9	<u>-</u>	<u>-</u>	<u>-</u>
			33,236,872	-
Total			33,718,472	-

II ASSETS

(1) Non-Current Assets

(a) Fixed Assets

i) Tangible Assets - Gross Block	10A	-	-	-
Less : Depreciation, Impairment & Provisions		<u>-</u>	<u>-</u>	<u>-</u>
Net Carrying Value			-	-
ii) Intangible Assets - Gross Block	10A	-	-	-
Less : Depreciation, Impairment & Provisions		<u>-</u>	<u>-</u>	<u>-</u>
Net Carrying Value			-	-
iii) Capital Work-in-Progress	10B		-	-
iv) Intangible Assets under Development	10C		33,218,472	-
(b) Non-Current Investments				
	11		-	-
(c) Deferred Tax Asset (Net)				
			-	-
(d) Long Term Loans & Advances				
	12		-	-
(e) Other Non-Current Assets				
	13		-	-

Balance Sheet Contd.



(* in Rs)

	Notes	As at <u>31-12-2012</u>	As at <u>31-03-2011</u>
(2) Current Assets			
(a) Current Investments	14	-	-
(b) Inventories	15	-	-
(c) Trade Receivables	16	-	-
(d) Cash & Cash equivalents	17	500,000	-
(e) Short Term Loans & Advances	18	-	-
(f) Other Current Assets	19	-	-
		500,000	-
Total		33,718,472	-

Significant Accounting Policies	33
Additional notes on Accounts	34

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

U. C Panda
Associate Finance Manager

U. Mukhopadhyay
Chief Executive Officer

M. Thapliyal
Director

K. Biswal
Chairman

As per our report of even date.

For P.K Sahoo & Co.
Chartered Accountants
FRN :317058E

P.K Sahoo ,FCA
Partner
(Membership No.: 053138)

Place : BHUBANESWAR
Date : 30th April, 2012

MAHANADI BASIN POWER LIMITED
PROFIT & LOSS ACCOUNT
For the Year ended 31st March , 2012



(in Rs)

<u>INCOMES</u>	Notes	<u>For the Year ended 31.03.2012</u>	<u>For the Year ended 31.03.2011</u>
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 of Accounts	34		

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

U. C Panda
Associate Finance Manager

U. Mukhopadhyay
Chief Executive Officer

M. Thapliyal
Director

K. Biswal
Chairman

As per our report of even date.

For P.K Sahoo & Co.
Chartered Accountants
FRN :317058E

P.K Sahoo ,FCA
Partner
(Membership No.: 053138)

Place : BHUBANESWAR
Date : 30th April, 2012

MAHANADI BASIN POWER LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2012



NOTE - 1

SHARE CAPITAL

(in Rs)

	<u>As at</u> <u>31-03-2012</u>	<u>As at</u> <u>31-03-2011</u>
<u>Authorised</u>		
(i) 50000 Equity Shares of Rs. 10/- each	500,000	
	500,000	
<u>Issued, Subscribed and Paid-up</u>		
(i) 50000 Equity Shares of Rs.10/- each fully paid up in cash	500,000	
	500,000	-

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

Name of Shareholder	No. of Shares Held (Face value of Rs. 10 each)	% of Total Shares
Mahanadi Coalfields Ltd. & its nominees	50000	100

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

MAHANADI BASIN POWER LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2012

NOTE - 2



(in Rs.)

RESERVES & SURPLUS

	As at 31-03-2012	As at 31-03-2011
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	-	-
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	-
Miscellaneous Expenditure (to the extent not written off)		
Preliminary Expenses	18,400	-
Pre-Operational Expenses	-	-
Total :	-18400	-

MAHANADI BASIN POWER LIMITED
 NOTES TO BALANCE SHEET AS AT 31.03.2012

NOTE - 3



LONG TERM BORROWINGS

(in Rs.)

	<u>As at</u> <u>31-03-2012</u>	<u>As at</u> <u>31-03-2011</u>
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.

MAHANADI BASIN POWER LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2012

NOTE - 4



(in Rs.)

OTHER LONG TERM LIABILITIES

	<u>As at</u> <u>31-03-2012</u>	<u>As at</u> <u>31-03-2011</u>
Shifting & Rehabilitation Fund		
Opening Balance	-	-
Add: Interest from Investment of the fund	-	-
Add: Contribution Received	-	-
Less: Amount utilised	-	-
Trade Payable	-	-
Security Deposits	-	-
Others (Specify Nature)	-	-
Total	-	-
CLASSIFICATION		
Secured	-	-
Unsecured	-	-

MAHANADI BASIN POWER LIMITED
 NOTES TO BALANCE SHEET AS AT 31.03.2012

NOTE - 5



(in Rs.)

LONG TERM PROVISIONS

	<u>As at</u> <u>31-03-2012</u>	<u>As at</u> <u>31-03-2011</u>
For Employee Benefits		
- Gratuity	-	-
- Leave Encashment		
- Other Employee Benefits		
- NCWA IX		-
For Foreign Exchange Transactions (Marked to Market)	-	-
OBR Adjustment Account		
Mine Closure		
For Others	-	-
TOTAL	-	-

MAHANADI COALFIELDS LIMITED
 NOTES TO BALANCE SHEET AS AT 31.03.2012

NOTE - 6



SHORT TERM BORROWINGS

(in Rs.)

	<u>As at</u> <u>31-03-2012</u>	<u>As at</u> <u>31-03-2011</u>
Loan From Bank	-	-
Loans Repayable on Demand		
Balance with Coal India Limited & other Subsidiaries of Coal India Limited	-	-
Overdraft against Pledge of Term Deposit	-	-
Other Loans and Advances		
Deferred Credits	-	-
Total :	-	-
CLASSIFICATION 1		
Secured	-	-
Unsecured	-	-

CLASSIFICATION 2

Loan Guaranteed by Directors & Others

Particulars of Loan	Rs. in lakh	Nature of Guarantee
Nil	Nil	Nil

MAHANADI BASIN POWER LIMITED
 NOTES TO BALANCE SHEET AS AT 31.03.2012
NOTE - 7



(` in Rs)

TRADE PAYABLE	<u>As at</u> <u>31-03-2012</u>	<u>As at</u> <u>31-03-2011</u>
Sundry Creditors For Supplies	-	-
For Revenue Stores	-	-
	-	-
	-	-
TOTAL	-	-

MAHANADI BASIN POWER LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2012

NOTE - 8



(in Rs.)

OTHER CURRENT LIABILITIES

	<u>As at</u> <u>31-03-2012</u>	<u>As at</u> <u>31-03-2011</u>
Current Maturities of Long Term Borrowings		
Term Loan From IBRD from CIL		
Term Loan From JBIC from CIL		
Term Loan From Liebherr France S.A., France		
Loan From Coal India Limited	-	-
Surplus fund from Coal India	-	-
Current account with MCL	33,209,400	-
 Sundry Creditors for Capital Stores		
 FOR EXPENSES :		
Salary Wages & Allowances		
Power & Fuel		
Others	27,472	
	33,236,872	-
 STATUTORY DUES :		
Sales Tax		-
Sales Tax/VAT		
Provident Fund & Pension Fund		
Central Excise Duty		
Royalty & Cess on Coal		
Stowing Excise Duty		
Clean Energy Cess		
Other Statutory Levies		
	-	-
 Income Tax Deducted at Source		
Security Deposit		
Earnest Money		
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	33,236,872	-

MAHANADI BASIN POWER LIMITED
 NOTES TO BALANCE SHEET AS AT 31.03.2012

NOTE - 9



(in Rs.)

SHORT TERM PROVISIONS

	<u>As at 31-03-2012</u>	<u>As at 31-03-2011</u>
For Employee Benefits		
- Gratuity	-	-
- Leave Encashment	-	-
- PPLB		
- PRP		
- Other Employee Benefits	-	-
- For NCWA IX		
For Proposed Dividend	-	-
For Corporate Dividend Tax	-	-
For Income Tax		
For Excise Duty on Closing Stock of Coal	-	-
For Others		
TOTAL	0	0

MAHANADI BASIN POWER LIMITED
NOTES TO THE BALANCE SHEET AS AT 31.03.2012

NOTE - 10 A
FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			IMPAIRMENT LOSS / OTHER LOSS				CARRYING VALUE		
	As on 01.4.2011	Addition during the period	Adj./Sales/ Transfer during the period	As on 31.3.2012	As on 01.4.2011	Addition during the period	Adj./Sales/ Transfer during the period	As on 01.4.2011	Addition during the period	Adj./Sales/ Transfer during the period	As on 31.3.2012	Total Depreciation/ Impairment Loss / Other Loss	As on 31.3.2012
Tangible Assets													
Land													
(a) Freehold		-											
(b) Leasehold													
Building/Water Supply/Road & Culverts													
Plant & Machinery													
Furniture & fittings/ Office Tools & Equipments/ Electrical Fittings/ Fire Arms													
Railway Sidings													
Vehicle													
Telecommunication													
Development including Roads & Culverts in mining area													
TOTAL													
For the year ended 31.03.11													
Tangible Fixed Assets													
Intangible Assets													
Development													
Software													
Prospecting & Boring													
Total													
G Total													
For the year ended 31.03.11													
Intangible Fixed Assets													

NOTE -10 B
CAPITAL WORK-IN-PROGRESS

(in Rs.)

PARTICULARS	COST			PROVISION			IMPAIRMENT LOSS / OTHER LOSS			CARRYING VALUE	
	As on 01.04.2011	Addition during the period	Adj./Sales/ Transfer during the period	As on 31.03.2012	As on 01.04.2011	Addition during the period	Adj./Sales/ Transfer during the period	As on 01.04.2011	Addition during the period	As on 31.03.2012	As at 31.03.2011
Tangible Assets											
Building/Water Supply/Road & Culverts				-				-		-	
Plant & Machinery				-				-		-	
Railway Sidings				-				-		-	
Roads & Culverts in mining area				-				-		-	
Others				-				-		-	
TOTAL				-				-		-	
As on 31.03.11											
Tangible Assets											
Surveyed off Assets											
As on 31.03.11											
Surveyed off Assets											
Grand Total		0		0	0			0	0	0	0
As on 31.03.11											
Grand Total		0		0	0			0	0	0	0

MAHANADI BASIN POWER LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2012

NOTE -10 C
INTANGIBLE ASSETS UNDER DEVELOPMENT

(in Rs)

PARTICULARS	COST		PROVISION			IMPAIRMENT LOSS / OTHER LOSS			CARRYING VALUE		
	As on 01.04.2011	Addition during the period	Adj./Sales/Transfer during the period	As on 31.03.2012	As on 01.04.2011	Addition during the period	Adj./Sales/Transfer during the period	As on 31.03.2012	Total Depreciation/ Impairment Loss / Other Loss	As on 31.03.2012	As at 31.03.2011
Intangible Assets											
Development	-	33,218,472		33,218,472	-	-	-	-	-	33,218,472	-
Prospecting & Boring											
TOTAL	-	33,218,472		33,218,472	-	-	-	-	-	33,218,472	-
For the year ended 31.03.11											
Intangible Assets											

MAHANADI BASIN POWER LIMITED
 NOTES TO BALANCE SHEET AS AT 31.03.2012
NOTE - 11

- CURRENT INVESTMENTS - Unquoted at Cost

Number of shares/bonds/s curities current period	Face value per shares/ bonds/ security current period (₹)	As at 31.3.2012 (₹ in Rs)	Number of shares/ bonds/ securities as at 31.03.2011	Face value per shares/bonds/ security as at 31.03.2011 (₹)	As at 31.03.2011 (in Rs.)
---	--	-------------------------------------	---	---	-------------------------------------

DE

Tax Free Special Bonds (Fully Paid up) :

securitisation of Sundry Debtors)

State-wise Break-up

	-	-	-	-	-
ana	-	-	-	-	-
Madhya Pradesh State Electricity Board	-	-	-	-	-
Madhya Pradesh	-	-	-	-	-
Madhya Pradesh	-	-	-	-	-
West Bengal State Electricity Board	-	-	-	-	-
West Bengal	-	-	-	-	-

Equity Shares in Subsidiaries Companies

Shakti LTD.

Madhya Pradesh Coal LTD.

Trade

% Secured Non convertible IRFC Tax free series 79 bonds

LI :

-

-

MAHANADI BASIN POWER LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2012

NOTE - 12

LONG TERM LOANS & ADVANCES

	<u>As at</u> <u>31-03-2012</u>	<u>(in Rs.)</u> <u>As at</u> <u>31-03-2011</u>
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	-	-
	-----	-----
LOAN TO EMPLOYEES		
For House Building		
- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	-	-
	-----	-----
For Motor Car and Other Conveyance		
- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	-	-
	-----	-----
For Others		
- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	-	-
	-----	-----
Less: Provision for Doubtful Loans & Advances	-	-
	-----	-----
	-----	-----
LOAN TO SUBSIDIARIES	-----	-----
- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	-	-
	-----	-----
TOTAL	-----	-----

Note

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

MAHANADI BASIN POWER LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2012

NOTE - 13



OTHER NON-CURRENT ASSETS

	As at 31-03-2012	As at 31-03-2011
		(` in Rs)
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

MAHANADI BASIN POWER LIMITED
 NOTES TO BALANCE SHEET AS AT 31-03-2012
NOTE - 14

CURRENT INVESTMENTS - Quoted / Unquoted at Cost

(in Rs.)

	Number of shares/ bonds/ securities current period	Face value per shares/bonds/se curity current period	As at 31-03-2012	Number of shares/bonds /securities previous year	Face value per shares/ bonds/ security previous year	As at 31-03-2011
NON-TRADE						
Investment in Mutual Fund (Canara Robeco interval Series 2)			-		-	-
TRADE						
8.5% Tax Free Special Bonds (Fully Paid up) (on securitisation of Sundry Debtors)	-	-	-	-	-	-
Total :	-	-	-	-	-	-

MAHANADI BASIN POWER LIMITED
NOTES TO BALANCE SHEET AS AT 31-03-2012
NOTE - 15



INVENTORIES

(Valuation as per Significant Accounting Policy No.10)

(in Rs.)

	<u>As at</u> <u>31-03-2012</u>	<u>As at</u> <u>31-03-2011</u>
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	-	-
E Press :		
Work-in-Progress and Finished Goods	-	-
C Stock of Medicine at Central Hospital		
F Prospecting & Boring/ Development Exp./Coal Blocks meant for Sale		
Total (A to F)	-	-

MAHANADI BASIN POWER LIMITED
 NOTES TO BALANCE SHEET AS AT 31-03-2012
NOTE - 16



TRADE RECEIVABLES

(` in Rs)

	As at 31-03.2012	As at 31-03.2011
Debts outstanding for a period exceeding six months from the due date		
- Secured considered goods	-	-
- Unsecured considered goods		
- Doubtful		
	0	0
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

MAHANADI BASIN POWER LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2012

NOTE - 17



CASH & BANK BALANCE

(in Rs.)

	As at 31-03-2012	As at 31-03-2011
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	500000	
- 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	-	-
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	500,000	-
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 separately.

MAHANADI BASIN POWER LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2012
NOTE - 18



SHORT TERM LOANS & ADVANCES

	<u>As at</u> <u>31-03-2012</u>	<u>(in Rs.)</u> <u>As at</u> <u>31-03-2011</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	0
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	-	-
Others		
- Secured considered goods	-	-
- Unsecured considered goods	-	-
- Doubtful	-	-
Less : Provision	-	-
Advance to Employees		
- Secured considered goods	-	-
- Unsecured considered goods	-	-
- Doubtful	-	-
Less : Provision	-	-
Current Account with Coal India Limited & other Subsidiaries of Coal India Limited and MCL's subsidiaries	-	-
LOAN ACCOUNT WITH SUBSIDIARIES		
- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	-	-
Less.: Provision	-	-
Claims Receivables		
- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	-	-
Less : Provision for Doubtful claims	-	-
Prepaid Expenses	-	-
TOTAL	-	-

Note

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

MAHANADI BASIN POWER LIMITED
NOTES TO BALANCE SHEET AS AT 31.03.2012

NOTE -19



OTHER CURRENT ASSETS

(in Rs.)

	As at 31-03-2012	As at 31-03-2011
Interest Accrued		
- Investment	-	-
- Deposit with Banks	-	-
- Others	-	-
Ex Owner's Account	-	-
Other Advances	-	-
Less : Provision	-	-
DEPOSITS		
Deposit for Customs Duty, Port Charges etc.	-	-
Deposit with Coal India Limited	-	-
Deposit for Royalty, Cess & Sales Tax	-	-
Less: Provision	-	-
Others	-	-
Less: Provision	-	-
Amount Receivable from Govt of India for transactions on behalf of Ex-Coal Board	-	-
Other Receivables	-	-
Less: Provison	-	-
TOTAL	-	-

MAHANADI BASIN POWER LIMITED
 NOTES TO PROFIT AND LOSS ACCOUNT FOR YEAR ENDED ON 31.03.2012

NOTE - 20



Revenue From Operations	(in Rs.)	
	<u>For the Year ended 31.03.2012</u>	<u>For the Year ended 31.03.2011</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.

MAHANADI BASIN POWER LIMITED
NOTES TO PROFIT AND LOSS ACCOUNT FOR YEAR ENDED ON 31.03.2012

NOTE - 21



OTHER INCOME

	<u>For the Year ended 31.03.2012</u>	<u>For the Year ended 31.03.2011</u>
<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	-	-

MAHANADI BASIN POWER LIMITED
STATEMENT OF PROFIT AND LOSS ACCOUNT FOR YEAR ENDED ON 31.03.2012

NOTE - 22



COST OF MATERIALS CONSUMED

	(in Rs.) For the Year ended <u>31.03.2012</u>	For the Year ended <u>31.03.2011</u>
Explosives		
Timber		
P O L		
HEMM Spares		
Other Consumable Stores & Spares		
TOTAL	0	0

MAHANADI BASIN POWER LIMITED
NOTES TO PROFIT AND LOSS ACCOUNT FOR YEAR ENDED ON 31.03.2012



NOTE - 23

(in Rs.)

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

	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Closing Stock of Coal	-	-
Less: Deterioration of Coal	-	-
Total (1)	-	-
Opening Stock of Coal	-	-
Less: Deterioration of Coal	-	-
Total (2)	-	-
A) Change in Inventory of Closing Stock (2-1)	-	-
Closing Stock of Workshop made finished goods and WIP	-	-
Less: Provision	-	-
Total	-	-
Opening Stock of Workshop made finished goods and WIP	-	-
Less: Provision	-	-
Total	-	-
B) Change in Inventory of Closing Stock of workshop	-	-
Press closing Job	-	-
i) Finished goods	-	-
ii) Work in progress	-	-
Less : Press opening jobs	-	-
i) Finished goods	-	-
ii) Work in progress	-	-
C) Change in Inventory of closing stock of press jobs made Finished Goods and WIP	-	-
Closing Stock of Medicines (Central Hospital)	-	-
Less Opening Stock of Medicines (Central Hospital)	-	-
D) Change in Inventory of Stock of Medicines at Central Hospitals	-	-
Total Change in Inventory of Stock(A+B+C+D)	-	-

MAHANADI BASIN POWER LIMITED
 NOTES TO PROFIT AND LOSS ACCOUNT FOR YEAR ENDED ON 31.03.2012

NOTE - 24



(in Rs.)

EMPLOYEE BENEFIT EXPENSES

	<u>For the Year ended 31.03.2012</u>	<u>For the Year ended 31.03.2011</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		-

MAHANADI BASIN POWER LIMITED
NOTES TO PROFIT AND LOSS ACCOUNT FOR YEAR ENDED ON 31.03.2012



NOTE - 25

(in Rs.)

WELFARE EXPENSES

**For the Year
ended 31.03.2012**

**For the Year
ended 31.03.2011**

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

-

-

MAHANADI BASIN POWER LIMITED
NOTES TO PROFIT AND LOSS ACCOUNT FOR YEAR ENDED ON 31.12.20



NOTE - 26

(in Rs.)

REPAIRS

**For the Year
ended 31.03.2012**

**For the Year
ended 31.03.2011**

Building
Plant & Machinery
Others

TOTAL

-

-

MAHANADI BASIN POWER LIMITED
 NOTES TO PROFIT AND LOSS ACCOUNT FOR YEAR ENDED ON 31.03.2012



NOTE - 27

CONTRACTUAL EXPENSES	For the Year ended 31.03.2012	(in Rs.) For the Year ended 31.03.2011
Transportation Charges :		
- Sand		
- Coal & Coke		
- Stores & Others etc.		
Wagon Loading		
Hiring of P&M		
Other Contractual Work		
TOTAL	-	-

MAHANADI BASIN POWER LIMITED
 NOTES TO PROFIT AND LOSS ACCOUNT FOR YEAR ENDED ON 31.03.2012



NOTE - 28

FINANCE COSTS	For the Year ended 31.03.2012	(in Rs.) For the Year ended 31.03.2011
INTEREST EXPENSE		
Deferred Payments	-	-
Bank Overdraft / Cash Credit	-	-
Interest on IBRD & JBIC Loan	-	-
CIL Fund Loan Interest	-	-
Interest to Subsidiaries	-	-
Others	-	-
TOTAL(A)	-	-
OTHER BORROWING COSTS		
Guarantee Fees on (IBRD & JBIC) Loan		
Other Expenses / Bank Charges*		
TOTAL(B)	-	-
TOTAL (A+B)	-	-

*Related to World Bank Loan Transactions only.

MAHANADI BASIN POWER LIMITED
 NOTES TO PROFIT AND LOSS ACCOUNT, FOR YEAR ENDED ON 31.03.2012



NOTE - 29

(in Rs.)

PROVISIONS

	<u>For the Year ended 31.03.2012</u>	<u>For the Year ended 31.03.2011</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)	-	-

MAHANADI BASIN POWER LIMITED
 TES TO PROFIT AND LOSS ACCOUNT FOR YEAR ENDED ON 31.03.



NOTE - 30

(in Rs.)

WRITE OFF

	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Doubtful debts	-	-
Doubtful advances	-	-
Others	-	-
TOTAL	-	-

MAHANADI BASIN POWER LIMITED
NOTES TO PROFIT AND LOSS ACCOUNT FOR YEAR ENDED ON 31.03.2012



(in Rs.)

NOTE - 31

OTHER EXPENSES	<u>For the Year ended 31.03.2012</u>	<u>For the Year ended 31.03.2011</u>
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)	-	-

MAHANADI BASIN POWER LIMITED
 NOTES TO PROFIT AND LOSS ACCOUNT FOR YEAR ENDED ON 31.03.2012



NOTE -32

(in Rs.)

PRIOR PERIOD ADJUSTMENTS

	<u>For the Year ended 31.03.2012</u>	<u>For the Year ended 31.03.2011</u>
(A) Expenditure		
Sale of Coal	-	-
Stock of Coal	-	-
Other Income	-	-
Consumption of Stores & Spares	-	-
Employees Remuneration & Benefits	-	-
Power & Fuel	-	-
Welfare Expenses	-	-
Repairs	-	-
Contractual Expenses	-	-
Other Expenditure	-	-
Interest and other financial charges	-	-
Depreciation	-	-
TOTAL (A)	-	-
(B) Income		
Sale of Coal	-	-
Stock of Coal	-	-
Other Income	-	-
Consumption of Stores & Spares	-	-
Employees Remuneration & Benefits	-	-
Power & Fuel	-	-
Welfare Expenses	-	-
Repairs	-	-
Contractual Expenses	-	-
Other Expenditure	-	-
Interest and other financial charges	-	-
Depreciation	-	-
TOTAL (B)	-	-
TOTAL (A-B)	-	-

MAHANADI BASIN POWER LIMITED

NOTE – 33

SIGNIFICANT ACCOUNTING POLICIES

1. **ACCOUNTING CONVENTION**
 - 1.1 Financial statements are prepared on historical cost convention and accrual basis of accounting following going concern concept, accounting standards and generally accepted accounting principles except otherwise stated elsewhere.
2. **BASIS OF ACCOUNTING**
 - 2.1 All expenses and income are booked initially in the natural heads of accounts and then transferred to functional heads wherever required.
3. **Recognition of Income and Expenditure.**
 - 3.1. Income and expenses are recognized on accrual basis and provision is made for all known liabilities.
 - 3.2 Liquidated damages receivables, interest on delayed payment from customers and other claims are accounted for on the basis of actual settlement.
4. **SUBSIDY/ GRANTS FROM GOVERNMENT**
 - 4.1 Subsidy/ Grants on Capital Accounts are deducted from the cost of respective assets to which they relate. The unspent amount at the year-end, if any, is shown as Current Liabilities.
 - 4.2 Subsidies/Grants on Revenue Account are credited to Profit & Loss Account under the head "Other Income" and the expenses are debited to the respective heads. The unspent amount at the year end, if any, is shown as current liabilities.
- 5.0 **FIXED ASSETS**
 - 5.1 All fixed assets are stated at cost less depreciation.
 - 5.2 **Land:** Land includes cost of acquisition, 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 are however treated as revenue expenditure.
 - 5.3 **Plant and Machinery:** Plant and Machinery include cost and expenses incurred for erection/installation and other attributable costs of bringing those assets to working conditions for their intended use.
 - 5.4 **Development:** Expenses net of income of the projects under development are booked to development and grouped under capital work in progress till the projects are brought to revenue account.
 - 5.5 **Intangible Asset:** Computer software is recognized at cost and shown as intangible assets in fixed assets schedule.
6. **DEPRECIATION**
 - 6.1 a) Depreciation on fixed assets is provided on straight-line method at the rates and manner specified in Schedule XIV of the Companies Act, 1956 (as amended).

- b) Photo copier machines at 15.83%. Depreciation on the assets added/disposed off during the year is provided on pro-rata basis with reference to the month of addition/disposal except in case of 100% depreciable items which are fully depreciated during the year of addition.

- 6.2 Value of land acquired under Coal bearing Area (Acquisition & Development) Act, 1957 are amortized on the basis of balance life of the Project. Value of leasehold land is amortized on the basis of lease period or balance life of the Project whichever is earlier.
- 6.3 Development expenditure are amortized from the year when the mine is brought under revenue, in 20 years or working life of the project whichever is less. Subsequent expenditure falling under this category shall be amortized over 20 years or balance life of the project from the year of incurrence of expenditure.
- 6.4 Assets attracting 100% depreciation, other than items costing Rs.5,000/- are taken out from the Accounts after expiry of two years following the year in which these are fully depreciated.
- 6.5 The cost of computer software is amortized in 3(three) years from the year in which it is incurred.

7. IMPAIRMENT OF ASSETS:

- 7.1 Impairment loss is recognized wherever the carrying cost 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.
- 7.2 Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased.

8. INVESTMENTS:

Long term Investments are valued at cost.

9. RETIREMENT BENEFITS/ OTHER EMPLOYEE BENEFITS

- a) Defined Contribution plans:
The company makes contribution towards Provident Fund and Pension Fund to a defined contribution retirement benefit plan for qualifying employees. The Provident fund and Pension Fund are operated by 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.
- b) Defined benefit plans:
The year end liability 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 to said fund is made on actuarial valuation.
- c) Other Employee benefits:
Further year-end liability 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 Benefits and compensation to dependents of deceased in accidents etc. are also valued on actuarial basis by applying projected unit credit method.

10. INVENTORIES

- 10.1 Stock of stores & spare parts at Central & Stores are valued at cost calculated on the basis of the weighted average method. The year-end inventory of stores & spare parts lying at collieries/sub stores/consuming centers, initially charged off, at issue price of Area Stores are valued at cost/estimated cost.
- 10.2 Provisions are made at the rate of 100% for unserviceable damaged and obsolete stores and 50% for stores & spares not moved for 5 years excepting insurance items.
- 10.3 Stock of stationery (other than lying at Printing Press), bricks, sand, medicine, (except at Central Hospitals) and scraps are not considered in inventory.

11. FOREIGN CURRENCY TRANSACTIONS

- 11.1 Foreign currency transaction is booked using exchange rates prevailing on the date of transactions.
- 11.2 Foreign currency loans in respect of fixed asset, outstanding on the Balance Sheet date are translated at the exchange rate prevalent on that day and any loss or gain arising out of such transactions is added/deducted from the cost of the fixed assets.
- 11.3 Monetary current assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at the year end rates. The difference in translation of monetary current assets and liabilities and realized gains and losses on foreign exchange transactions are recognized in the Profit & Loss account, except those relating to acquisition of fixed assets, which are capitalized.

12. BORROWING COST:

Borrowing Costs directly attributable to the acquisition or construction of qualifying assets are capitalized. Other borrowing costs are recognized as expenses in the period in which they are incurred.

13. INCOME TAX:

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

14. BALANCE WITH MAHANADI COALFIELDS LIMITED (HOLDING COMPANY)

- 14.1 Amount due to/from Mahanadi Coalfields Limited on account of loan after adjustment for conversion to equity or vice-versa from time to time is shown as Unsecured Loan.
- 14.2 Amount due / receivable for transaction booked in current account is shown under current liabilities / current assets.

15. APEX OFFICE AND INTEREST CHARGES TO HOLDING COMPANY

- 15.1 Apex office charges as levied by Holding Company are allocated to revenue projects on the basis of production.
- 15.2 Interest on loans through Holding Company for procurement of specific assets is accounted for as per terms of loan agreement and corresponding memos from them.

7. PRIOR PERIOD ADJUSTMENT:

Income / expenditure items relating to prior period(s) which do not exceed Rs.5.00 lakh in each case are treated as income / expenditure for the current year.

18. CORPORATE SOCIAL RESPONSIBILITY

CSR Reserve is created equivalent to 5% of retained earnings of the previous year, subject to minimum of Rs.5/- per tonne of production of the previous year. An amount equivalent to actual expenditure incurred during the year/period is transferred from CSR Reserve to General Reserve.

19. PROVISION:

A provision is recognized when the enterprise has a present obligation as a result of past event: it is probable that an outflow of resources embodying economic benefits 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.

20. CONTINGENT LIABILITY:

Contingent liability is a present 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 recognized because it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligation or reliable estimate of the amount can not be made. Contingent liabilities are not provided for in the accounts and are disclosed by way of notes.

MAHANADI BASIN POWER LIMITED

NOTE - 34

ADDITIONAL NOTES ON ACCOUNTS

1. The Current Account with MCL (Holding Company) represents expenditure incurred on Company incorporation Account, payment made to Consultant for selection of Joint venture Partner for setting Power Plant and other misc. expenditure.
2. Interest rate is yet to be decided and as such no provision for interest has been made.

MAHANADI BASIN POWER LIMITED, BHUBANESWAR
Cashflow Statement for the year ended on 31.03.2012

	For year ended on 31.03.2012 (Rs)	For the year ended on 31.03.2011 (Rs)
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax and extraordinary items	0	0
Adjustment for :		
Depreciation & Impairment	0	0
Exchange Rate Fluctuation	0	0
Interest / Dividend (Received)	0	0
Interest /financial charges (Paid)	0	0
Prov. against Debtors/Inventories/Other CA/ Loans & Adv	0	0
Deferred Tax Liability	0	0
Operating Profit before Working Capital changes	0	0
Adjustments for :		
Changes in Inventories	0	0
Changes in trade receivable	0	0
Changes in long term /non current loans & advance / assets	0	0
Changes in short term / current loans& advances/ assets	0	0
Changes in trade payable/ current liabilities	33236872	0
Cash generated from operations	33236872	0
Direct taxes paid	0	0
Deferred Tax Liabilities	0	0
Cash Flow before extraordinary items	33236872	0
Extraordinary items	0	0
Net Cash from operating activities	33236872	0
B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	-33218472	0
Adj. for preliminary expenses	-18400	
Short Term Deposit with CIL	0	0
Miscellaneous receipts	0	0
Acquisition of Companies	0	0
Purchase of New investment	0	0
Interest received	0	0
Dividend received	0	0
Net Cash used in investing activities	-33236872	0
C) CASH FLOW FROM FINANCING ACTIVITIES:		
World Bank Loans through CIL	0	0
Deferred Credit Loan	0	0
Exchange Rate Fluctuation	0	0
Repayment of CIL Loan	0	0
Redemption of preference share capital	0	0
Interest and financial charges	0	0
Issue of share capital	500000	0
Dividend paid	0	0
Net Cash used in financing activities	500000	0
Net increase in cash and cash equivalents	500000	0
Cash and cash equivalents as at beginning of the year	0	0
Cash and cash equivalents as at the end of the year	500000	0

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

For and on behalf of Board of Directors

Sd/-
U.C. Panda
Associate Finance Manager

Sd/-
U. Mukhopadhyay
Chief Executive Officer

Sd/-
M. Thapliyal
Director

Sd/-
K. Biswal
Chairman

As per our report of even date.

For P.K Sahoo & Co.
Chartered Accountants
FRN :317058E

P.K Sahoo, FCA
Partner
(Membership No.: 053138)

MAHANADI BASIN POWER LIMITED , BHUBANESWAR

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

REGISTRATION DETAILS :
Registered No. U40102OR2011GOI014589 State Code : 15
Balance Sheet Date : 31.03.2012

CAPITA+B10L RAISED DURING THE YEAR (AMOUNT Rs. IN LAKH)

Public issue : Nil Right issue : Nil
Bonus issue : Nil Private Placement : Nil

POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT Rs. IN LAKH)

Total Liabilities	:	33,718,472	Total Assets	:	33,718,472
Source of Funds	:			:	
Paid-up Capital	:	500000	Reserve & Surplus	:	0
Secured Loans	:	Nil	Unsecured Loans	:	0
Deferred Tax Liability	:	0	Deferred Tax Assets	:	Nil
Application Funds	:			:	
Net Fixed Assets	:	33218472	Investments	:	
Net Current /non current Assets	:	-32736872	Misc. Expenditure	:	18,400
Accumulated Losses	:			:	

PERFORMANCE OF COMPANY (AMOUNT Rs. IN LAKH)

Turnover (Total Income)	:		Total Expenditure (incl. PP Adjustment)	:	
Profit / (Loss) before Tax	:		Profit / (Loss) after Tax	:	
Earning Per Share (Rs.)	:	0	Dividend Rate %(interim) (Excl. Tax on Dividend)	:	

GENERIC NAMES OF PRINCIPAL PRODUCT OF COMPANY

Item Code No. :
Product Description : POWER/ ELECTRICITY

For and on behalf of Board of Directors

Sd/-
U.C. Panda
Associate Finance Manager

Sd/-
U. Mukhopadhyay
Chief Executive Officer

Sd/-
M. Thapliyal
Director

Sd/-
K. Biswal
Chairman

As per our report of even date.

Sd/-
For P.K Sahoo & Co.
Chartered Accountants
FRN :317058E

Sd/-
P.K Sahoo ,FCA
Partner
(Membership No.: 053138)

Place : BHUBANESWAR
Date : 30th April, 2012