

ANNUAL REPORT & ACCOUNTS

2020-21



**Mahanadi
Basin
Power
Limited**

Mahanadi Basin Power Limited
(A Wholly Owned Subsidiary Company of MCL)

Regd. Office: Plot No. G-3, Gadakana, Chadrasesharpur,
Bhubaneswar - 751017 (Odisha).

'VISION'

“To grow consistently along with the surroundings converting constraints into opportunities towards energy security and sustainable development of the Country”

'MISSION'

“Generate and provide reliable power at competitive price with innovative and eco-friendly technologies and contribute to society”

CONTENTS:

<i>Sl. No.</i>	<i>Subject</i>	<i>Page No.</i>
1.	Management/Bankers/Auditors	1
2.	Notice	2
3.	Directors' Report.	3
4.	Auditors' Report and Management's Reply.	12
5.	Comments of the Comptroller & Auditor General of India.	23
6.	Balance Sheet as at 31 st March, 2021.	25
7.	Profit & Loss Statement for the year ending 31st March, 2021.	27
8.	Cash Flow Statement.	29
9.	Notes forming part of the Balance Sheet and Profit & Loss Statement.	31

Present Management (As on 10.05.2021)

Name	Designation	W.e.f
Shri Keshav Rao (DIN: 08651284)	Chairman	10/01/2020
Shri A. Hussain (DIN: 08407634)	Director	22/03/2019
Shri A. K. Singh (DIN: 08667576)	Director	10/01/2020
Shri S.K. Bhuyan	CEO	16.03.2021

Management During 2020-21

Chairman	Shri K. Rao (w.e.f. 10.01.2020)
Director	Shri A. Hussain (w.e.f. 22.03.2019)
Director	Shri B.C. Mishra (Upto 31.12.2020)
Director	Shri A. K. Singh (w.e.f.10.01.2020)
CEO	Shri S.K. Bhuyan(w.e.f. 16.03.2021)

Bankers

State Bank of India, Bhubaneswar
Union Bank of India, Sambalpur

Statutory Auditors

Nayak Rath & Associates,
Chartered Accountants,
Bhubaneswar

NOTICE
10th ANNUAL GENERAL MEETING

Notice is hereby given that the 10th Annual General Meeting of Mahanadi Basin Power Limited will be held at 4.00 PM on Tuesday the 15th June, 2021 at MCL HQs, Jagruti Vihar, Burla, Sambalpur, Odisha - 768020 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited accounts for the part financial year 2020-21, Report of the Auditors thereon and Directors' Report.
2. To appoint Director in place of Shri A. K. Singh, Director (DIN 08667576), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
3. To appoint Director in place of Shri Anwar Hussain, Director (DIN: 08407634) who retires by rotation in terms of Section 152(6) of the Companies Act 2013 and being eligible, offers himself for re-appointment.

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

Sd/-
(A. K. Singh)
Company Secretary, MCL

REGISTERED OFFICE:

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

NOTE:

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

DIRECTORS' REPORT

To

**The Shareholders,
Mahanadi Basin Power Limited.**

Gentlemen,

I have great pleasure in presenting on behalf of the Board of Directors, the 10th Annual Report of your Company together with the audited Accounts for the year ended 31st March 2021 along with the reports of the Statutory Auditors and Comments of the Comptroller and Auditor General of India.

Your Company "Mahanadi Basin Power Limited", (an SPV) is a wholly owned subsidiary of Mahanadi Coalfields Limited (MCL). The SPV was incorporated as 'Mahanadi Basin Power Limited' on 02.12.2011 having its Registered Office at Plot No.G-3, Gadakana, Chandrasekharpur, Bhubaneswar- 751017 (Odisha) and certificate of commencement of business was issued by RoC, Cuttack on 06.02.2012.

The Company would be inviting proposal on behalf of MCL to develop, operate and maintain the proposed power project of 2X800 MW Super Critical Thermal Power Plant at District Sundargarh, The Proposed Project shall be executed on an EPC basis.

FINANCIAL PERFORMANCE:

PARTICULARS	2020-21 (Rs. in Lakh)	2019-20 (Rs. in Lakh)
Income for the year	0	0
Expenditure for the year excluding Depreciation and Amortization Exp.	2.48	2.69
Profit or Loss before Depreciation and Amortization Exp.	(2.48)	(2.69)
Less: Depreciation and Amortization Exp.	.041	0.66
Profit or Loss after Depreciation and Amortization Exp. But before Tax	(2.89)	(3.35)
Less: Current Tax	0	0
Profit or Loss After Tax	(2.89)	(3.35)

The Company is in construction stage and operational activities have not yet been started. Hence, all the expenditure incurred by the Company, which is directly attributable to Project during F.Y. 2020-21 has been capitalized and other indirect expenses has been charged to Profit and Loss Statement. During the financial year 2020-21, the Company has taken Rs. 2690.53 Lakh Unsecured long Term Loans from Mahanadi Coalfields Limited (the Holding Company).

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013 in terms of Rule 7 of The Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013, as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluated all recently issued or revised accounting standards on an ongoing basis. The Company has disclosed standalone audited financial results on a quarterly and an annual basis.

DIVIDEND:

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

RESERVES:

The Company didn't transfer any amount in Reserves.

ROLE OF MAHANADI BASIN POWER LTD (SPV):

- a) Identification of Site.
- b) Acquisition of the land.
- c) Obtaining water linkage, fuel linkage etc.
- d) Conducting various technical studies and preparation of Project Information Report.
- e) Obtaining all statutory clearances e.g. environmental, forest, defense, aviation etc.
- f) Selection of Consultancy & owner engineer to provide service for preparation of specification for the power plant of MCL/MBPL, selection of suitable EPC contractor through open tendering, Pre-contract service, Post contract service, Project Monitoring service, Plant take over service, O&M documents review, sub inspection, Quality assurance, testing service and posting of site engineers and any other left out jobs required for the Power Plant.

ACTIVITIES OF THE COMPANY- CURRENT STATUS:

Land:

Land was acquired by MCL under The Coal Bearing Area Act, 1957. MoC has accorded 'in-principle' approval for leasing of 858.60 Acres of land to MBPL acquired by MCL at Tiklipara, Sardega & part of Gopalpur village for the purpose of the proposed Super Critical Thermal Power Plant of MBPL for a period of 50 years subject to following terms & conditions on 12.07.2016:

- i) This leasing shall not constitute a right or title of MBPL for said land, not shall it entitle the MBPL to alienate or further dispose of this land at its own will. Hence, MBPL shall not create any such encumbrance which shall tantamount to alienation or disposal of land.

- ii) In case of any matter or dispute arising out of any aspect of this lease, it shall be referred to MCL,
- iii) This whose decision in the matter shall be final and binding on MBPL.

Permission is being given subject to the condition that MBPL shall remain a Government Company as defined in Companies Act. The permission shall cease as and when MBPL becomes a 'Non-Government Company'. A clause to this effect shall be entered in the Lease-Agreement.

The draft MoU proposal for land leasing submitted to MCL. The leasing agreement formalities are being done at MCL HQ through a Committee.

Forest Land Diversion:

The proposal of Forest Land Diversion has been submitted to PCCF office on 22.04.2013. State SI. No.595/13 dated on 7.06.2013 has been received by MBPL. 100% of Forest land has been demarcated by M/s PFCC Ltd. The tree enumeration work has been completed by M/s PFCC Ltd. Letter given to Collector, Sundargarh for conducting Palli Sabha at Gopalpur, Sardega & Tiklipara villages. Pillar-posting job is completed. ORSAC, the nodal agency for survey certification, completed DGPS survey and the DGPS map was submitted by ORSAC on 30.09.2019. Application for stage-I needs to be uploaded in the website for diversion of Forest Land.

Single Window Clearances from IPICOL:

Application has submitted to IPICOL in December 2011. IPICOL advised that application is to be submitted through Govt. of Odisha (GoO). Govt. of Odisha directed IPICOL in April 2012 to accept the application. Application was finally submitted to IPICOL in May 2012. The necessary processing fee amounting of Rs. 1,000/- and Security Deposit amounting to Rs. 75,00,000/- for allotment of 50 cusec water along with Form "J" has been submitted to Department of Water Resources on 19.02.2013. WRD Deptt. Recommended for allocating 50 cusec water from Hirakud Reservoir. State Level Single Window Clearance High Level Clearance Authority (HLCA) of Govt. of Odisha in its 16th meeting held on 29/09/2015 has approved the project 'in principle'. Further, Water Allocation Committee of Govt. of Odisha, in its 61st meeting held on 25.02.2015 recommended for allocation of 49 cusec of water from Hirakud Reservoir to the proposed TPP of MBPL to the Pr. Secretary (WRD) on 24.11.2015. IPICOL communicated the proceedings of the 59th SLSWCA meeting held on 13.01.2016 indicating the confirmation for approval of 2 x 800 MW power project of MBPL, a wholly owned subsidiary of MCL, from which State Govt. will get 50% power at full cost.

Environmental Clearance:

Rapid EIA Report along with requisite fees submitted to State Pollution Control Board (SPCD), Odisha on 14.02.2013 to conduct the Public Hearing. The public hearing meeting was held on 27.11.2013 successfully at Jagannath Mandir of Village Tiklipada, Sundargarh District in association with concerned District & Panchayat authorities by State Pollution Control Board. All documents

submitted to MoEF. MBPL case will be heard after getting (i) Coal Linkage, (ii) Water Linkage and (iii) Fly Ash utilization plan. Member Secretary, MoEF has been requested on 08.10.2017 for enlisting the project for hearing in forthcoming EAC for consideration for Grant of EC after receipt of firm Coal Linkage & Water allocation.

Fuel Linkage:

MCL requested Ministry of Coal for allocation of coal linkage for the power project on 23rd November 2011. MCL again requested on 14th May, 2012 and 22.09.2012. SLC (MoC) recommended for coal allocation to the tune of 9.0 MTPA for the proposed STPP through special dispensation route MoC and advised to apply for allocation of Coal linkage after observing all formalities. MCL requested Addl. Secretary of MoC for a letter of confirmation on the issuance of coal linkage on 03.04.2015. As desired, fresh application for Coal Linkage was submitted to Ministry of Power through Central Electricity Authority (CEA). CEA team visited the site Project of MBPL on 01.11.2015. As desired by CEA, requisite information including documents was submitted to CEA on 04.02.2016. CEA has recommended the case to MoP for consideration of Coal Linkage on 11.03.2016. After scrutiny, MoP sought certain clarification and the same are submitted on 13.05.2016. After adoption of New Coal Linkage Policy by Govt. of India, as advised by Chief Electricity Authority (CEA), New Delhi, fresh application submitted to Ministry of Power through CEA on 27.05.2017.

The Standing Linkage Committee (SLC), Ministry of Coal in its meeting dated 29.06.2017 has recommended to CIL for issue of Coal Linkage to MBPL of MCL vide letter no: 23014/3/2017-CLD, Dt:17/07/2017 of Under Secretary to Govt. of India (MoC). Firm Coal Allocation has been granted by Coal India as per the recommendation of SLC during its CLOA meeting dated 25.08.2017. CLOA recommended that LoA may be issued to the plant of MBPL from MCL after observing the necessary commercial formalities.

Coal Transportation Study:

Inception Report based on preliminary investigation submitted to MCL in June, 2012. Coal is proposed to be transported through a pipe conveyor of about 8-10 Km.

Civil Aviation (NoC for Chimney height):

NoC for height clearance from Airport Authority of India has been approved and issued on 30.05.2016.

Defence (NoC for Chimney height):

NoC for height clearance from Ministry of Defence has been approved and issued on 12.06.2017.

Joint Venture Status:

A meeting was organized under the Chairmanship of Special Secretary, MoC on 12.08.2016 for exploring the JVC between MCL/CIL and NLC India Ltd for Power Generation as MCL has no expertise in Power Business.

MBPL Board in its 25th meeting held on 10.11.2016, agreed 'in principle' for adopting JV mode and restructuring of equity capital and recommended for placing the same before MCL Board & CIL Board for approval.

MCL Board in its 192nd meeting held on 10.06.2017 agreed to recommend the proposal to CIL for further deliberation and approval for adoption of JV mode with NTPC & restructuring of equity capital in MBPL.

Accordingly, a proposal duly agreed by CMD, MCL has been submitted to the GM(PMD), CIL on 24.08.2017 for approval of CIL. As desired by CIL, certain information has been furnished on 04.10.2017. CIL desired to obtain the fresh consent of NTPC for formation of JV. NTPC has put some prerequisite conditions before formation of JV. MBPL is looking into the implication of those conditions on the clearances already obtained by MBPL. Meanwhile, there were some changes in Govt. Policies. As Odisha is a surplus power state, GoO was reluctant to purchase power from MBPL also there is more impact on renewable energy than thermal power.

MBPL Board in its 45th meeting held on 21.09.2020 agreed 'in principle' for adopting JV mode with NALCO to set up a CPP-Smelter and restructuring of equity capital and recommended for placing the same before MCL Board & CIL Board for approval.

MCL Board in its 228th meeting held on 26.12.2020 agreed to recommend the proposal to CIL for further deliberation and approval for adoption of JV of MCL & NTPC with a nominal paid-up capital in the ratio of 74:26 respectively.

CIL Board approved the proposal on 18/01/2021 and forwarded the same to MoC on 27/01/2021. CIL also engaged M/S Deloitte Touche Tohmatsu India for providing consultancy and program management for diversification and value addition.

NITI Aayog on 21/2/2021 approved the formation of SPV of MCL in JV with NALCO.

SUBSIDIARY/ JV COMPANIES:

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

FIXED DEPOSITS:

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

RISK MANAGEMENT:

Due importance 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.

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

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

CORPORATE SOCIAL RESPONSIBILITY:

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

CAPITAL STRUCTURE:

The Authorised Equity Share Capital of the Company as on 31.3.2021 continued at Rs.5,00,000 (Rupees Five lakh) only, divided into 50,000 Equity Shares of Rs.10/- each. The paid up Equity Share Capital of the Company as on 31.3.2021 stands unchanged at Rs.5,00,000. The entire Equity Share Capital is held by Mahanadi Coalfields Limited (MCL) and its nominees.

ORGANIZATIONAL STRUCTURE:

As per the Companies Act, 2013, the SPV has 07 (Seven) subscribers to the Memorandum of Association (MoA) & Articles of Association; and 04 (Four) Directors as nominated by CMD, MCL on the Board of the SPV. Also, a CEO has been posted to carry out the day-to-day activities of the SPV under the supervision and control of the Board of the SPV.

FUNCTIONAL SUPPORT:

The Company is being provided all the functional support required for the setting up and smooth functioning of the SPV. This includes furnished Office space with phones, fax, computers, vehicles and all other administrative facilities necessary for day-to-day functioning of the SPV. Administrative and staff support are being provided and cost incurred is allocated to separate account head of SPV which along with interest will be set off against the equity to be contributed by MCL in the SPV.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUTGO:

The Company has not carried any activities relating to the conservation of energy. The Company has not acquired any technologies during the year under review. As the Company has not carried out any activities relating to the export and import during the financial year. There is no foreign exchange expenses and foreign income during the financial Year.

BOARD OF DIRECTORS:

The following persons have been nominated as Directors on the Board of Mahanadi Basin Power Ltd as on 31st March, 2021:

Name	Designation	W.e.f
Shri Keshav Rao (DIN: 08651284)	Chairman	10/01/2020
Shri B.C. Mishra (DIN: 08521192)	Director	27/06/2019
Shri Anwar Hussain (DIN: 08407634)	Director	22/03/2019
Shri A. K. Singh (DIN: 08667576)	Director	10/01/2020

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

Sl No.	Particulars	Date	Meeting Place
1	43 th BOD Meeting	30.05.2020	MCL HQ, Burla, Sambalpur
2	44 th BOD Meeting	06.08.2020	MCL HQ, Burla, Sambalpur
3	45 th BOD Meeting	21.09.2021	MCL HQ, Burla, Sambalpur
4	46 st BOD Meeting	19.01.2021	MCL HQ, Burla, Sambalpur

DETAILS ON COMPOSITION OF THE BOARD, ATTENDANCE OF THE DIRECTORS INDIVIDUALLY DURING THE YEAR 2020-21:

Name of Directors	Category	Board Meetings	
		Held During the Tenure	Attended
Shri Keshav Rao	Non- Executive	04	04
Shri B.C. Mishra	Non- Executive	04	02
Shri Anwar Hussain	Non- Executive	04	04
Shri A. K. Singh	Non- Executive	04	04

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

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) That in the preparation of Accounts for the Financial Year ending 31.03.2021, the applicable Accounting Standards have been followed (except as disclosed in the Notes on Accounts) along with proper explanation relating to material departures;
- b) That the directors have selected such Accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit or loss of the Company for that period;
- c) That the Directors have been taken sufficient care for the maintenance of the adequate Accounting Records in accordance with the provision of this Act for safeguarding of Assets of the company and for preventing and detecting frauds and other irregularities;
- d) That the Directors have prepared the Accounts for Financial Year ending 31.03.2021 on a Going Concern Basis;
- e) That the Directors have laid down the internal financial controls to be followed by the company and that such financial controls are adequate and are operating effectively.
- f) That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATUTORY AUDITORS:

Under Section 139 (5) of the Companies Act, 2013 M/s Nayak Rath & Associates, Chartered Accountants, Bhubaneswar was appointed as Statutory Auditors for the year 2020-21 by C & AG of India, New Delhi.

AUDITORS REPORT:

Independent Auditors Report on Financial statement of the Mahanadi Basin Power Limited for the F.Y. 2020-21 is annexed herewith along with Management reply if any, qualification, reservation or adverse remark or disclaimer made by the auditors in his report.

C & A G COMMENTS:

Comments of the Comptroller and Auditor General of India under section 143(6) (b) of the Companies Act, 2013 on the Accounts of Mahanadi Basin Power Limited for the year ended 31st March, 2021 is annexed herewith.

Extract of Annual Return:

Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return (Form No. MGT-9) is uploaded on the website of MCL in the link: http://www.mahanadicoal.in/Financial/annual_report.php

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 various Ministries of the Central Government and State Government of Odisha for their valuable support.

The Directors also record their appreciation of the services rendered by the Auditors, the officers and staff of the Comptroller & Auditors General of India and Registrar of Companies, Odisha.

The Directors also extend their thanks to various important citizens of Sundargarh and those residing in the Coalfield areas of Odisha for their co-operation from time to time.

ADDENDA:

The Following papers are enclosed:

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

Place: Sambalpur
Date: 12.06.2021

Sd/-
(Keshav Rao)
Chairman
(DIN: 08651284)

INDEPENDENT AUDITOR'S REPORT

**To the Members of
MAHANADI BASIN POWER LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the Ind AS financial statements of **MAHANADI BASIN POWER LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss, statement of changes in equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements including summary of the significant accounting policies and other explanatory information (herein after referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2021 and its loss, the changes in Equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Material Uncertainty Relating to Going Concern

That the company has accumulated losses exceeding the share capital and reserves and its Net Worth has been fully eroded. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. As per the information and explanations given to us and representations made by the management, the company is in the development phase and is being backed the PSU promoter of the company and they will be infusing capital in the company in the near future for on-going capital project and other activities of the company and accordingly the financial statements of the Company has been prepared on a "Going Concern" basis.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of the most significance in our audit of the financial statements of the current period. These matters were

addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure-1", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. We are enclosing our report in terms of section 143(5) of the Act, on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us in the "Annexure-2" on the directions and sub directions issued by Comptroller and Auditor General of India.
3. As required by Section 143(3) of the Act, we report that:
 - i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Ind AS Financial Statements.
 - ii. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Ind AS Financial Statements have been kept by the Company so far as it appears from our examination of those books.
 - iii. The Balance Sheet, the Statement of Profit and Loss, the statement of changes in Equity and the Statement of Cash flow dealt with by this Report are in agreement with the relevant books of account maintained for the preparation of the Ind AS financial Statements.
 - iv. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - v. We are informed that the provision of section 164(2) of the Act in respect of disqualification of the directors are not applicable to the company, being a Government Company in the terms of notification no G.S.R 463(E) dated 5th June 2015, issued by the Ministry of Corporate Affairs.
 - vi. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate

report in "Annexure-3". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- vii. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, all directors of the company are non-executive directors and no remuneration paid during the year.
- viii. 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:
 - a. As explained to us the Company does not have any pending litigation which would impact its financial positioning its Ind AS financial statements.
 - b. As explained to us the Company has not entered into any derivative contracts and the Company has not foreseen any material losses on long term contracts, hence no provision has been made on this account.
 - c. The Company does not have to transfer any amount to Investor Education & Protection und as required under section 125(2) of the Companies Act, 2013, the delay in transferring any amount to the Fund does not arise.

FOR NAYAK RATH & ASSOCIATES,
CHARTERED ACCOUNTNATS,
FRN : 021051N

Sd/-
(CA AURABINDA RATH)
PARTNER

Place : Bhubaneswar
Dated : 24th day of May, 2021

Membership No. 062603
UDIN: 21062603AAAAAT6291

Annexure-1 to the Independent Auditor's Report

Statement referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of **Mahanadi Basin Power Limited** on the Ind AS financial statements for the year ended 31st March, 2021, we report that:

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) As per information available the fixed assets of the company have been physically verified by the management during the year and no material discrepancy was noticed on such verification and in our opinion the periodicity of such physical verification is reasonable having regard to the size of the Company and nature of its assets.
- c) According to the information and explanations given to us the company does not hold any immovable property and hence no title deeds are held.
- (ii) As explained to us the company has no stock of stores, spare parts and raw materials during the year. Hence the requirement of clause (ii) of paragraph 3 of the said order is not applicable to the company.
- (iii) As per the information and explanations given to us and on the basis of examination of the records, we noticed that the company has no loans and advances to parties covered under section 189 of the Companies Act, 2013 has been given during the year.
- (iv) As per the information and explanations given to us and on the basis of examination of the records the company, the company has not granted any loans/ investments/ guarantees/ security hence reporting in respect of compliance of section 185 and 186 of the Companies Act, 2013 does not arise.
- (v) The Company has not accepted any deposit within the meaning of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. The directives issued by the Reserve Bank of India are not applicable to the Company.
- (vi) The company has not commenced any business/service and hence the provision of 3(vi) of the Order not applicable to the company.
- (vii) (a) According to the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of customs, goods and service tax, cess or any other statutory dues, to the extent applicable, have been regularly deposited with appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as at 31st March, 2021 for a period of more than six months from the date of becoming payable.
- (b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income tax, sales tax, Goods and Service Tax, customs duty, central excise duty and value added tax which has not been deposited on account of any dispute.
- (viii) On the basis of our examination of records and according to the information and explanations given to us, the Company has not taken any loans or borrowing from financial institution,

bank or Government. The Company has not issued any debentures. Therefore, clause (viii) of paragraph 3 of the said order is not applicable to the Company.

- (ix) As per information and explanations given to us the Company has not raised any money by way of initial public offer (including debt instruments) and terms loans during the year. Accordingly paragraph 3 (is) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
- (xii) The Company is not a Nidhi company. Therefore, clause (xii) of paragraph 3 of the said order is not applicable to the Company.
- (xiii) The company being a Central government controlled enterprise and having related party transactions has disclosed relevant particulars as required under Paragraph 26 of Ind AS24.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, clause (xv) of paragraph 3 of the said order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

FOR NAYAK RATH & ASSOCIATES,
CHARTERED ACCOUNTNATS,
FRN : 021051N

Sd/-
(CA AURABINDA RATH)
PARTNER

Place : Bhubaneswar
Dated : 24th day of May, 2021

Membership No. 062603
UDIN: 21062603AAAAAT6291

**Annexure - 2 to the Independent Auditor's Report
Report pursuant to Direction and Additional Direction u/s 143(5) of the
Companies Act, 2013
to Statutory Auditors for the year 2020-21**

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

FOR NAYAK RATH & ASSOCIATES,
CHARTERED ACCOUNTNATS,
FRN : 021051N

Sd/-
(CA AURABINDA RATH)
PARTNER

Place : Bhubaneswar
Dated : 24th day of May, 2021

Membership No. 062603
UDIN: 21062603AAAAAT6291

Annexure - 3 to the Independent Auditor's Report

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

We have audited the internal financial controls over financial reporting of **Mahanadi Basin Power Limited** ('the Company') as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended and as on date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR NAYAK RATH & ASSOCIATES,
CHARTERED ACCOUNTANTS,
FRN : 021051N

Sd/-

(CA AURABINDA RATH)
PARTNER

Place : Bhubaneswar
Dated : 24th day of May 2021

Membership No. 062603
UDIN: 21062603AAAAAT6291

COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of **Mahanadi Basin Power Limited** for the year ended 31st March 2021 in accordance with the directions/sub-directions issued by the office of the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013 and certify that we have complied with all Directions/ Sub-Directions issued to us.

FOR NAYAK RATH & ASSOCIATES,
CHARTERED ACCOUNTANTS,
FRN : 021051N

Sd/-
(CA AURABINDA RATH)
PARTNER

Place : Bhubaneswar
Dated : 24th day of May, 2021

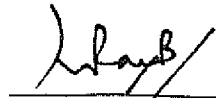
Membership No. 062603
UDIN: 21062603AAAAAT6291

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MAHANADI BASIN POWER LIMITED FOR THE YEAR ENDED 31 MARCH 2021.

The preparation of financial statements of Mahanadi Basin Power Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide Audit Report dated 24 May 2021.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Mahanadi Basin Power Limited for the year ended 31 March 2021 under Section 143(6)(a) of the Act.

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



**(Mausumi Ray Bhattacharyya)
DIRECTOR GENERAL OF AUDIT (COAL)
KOLKATA**

Place : Kolkata

Dated : 11th June, 2021



MAHANADI BASIN POWER LIMITED

(WHOLLY OWNED SUBSIDIARY OF MCL)

FINANCIAL STATEMENTS

**For the Year Ending
FY: 2020-21**

BALANCE SHEET
BALANCE SHEET AS AT 31.03.2021

(₹ in Lakh)

	Note No.	As at 31.03.2021	As at 31.03.2020
<u>ASSETS</u>			
Non-Current Assets			
(a) Property, Plant & Equipments	3	2.28	3.17
(b) Capital Work in Progress	4	2,020.94	1,911.59
(c) Exploration and Evaluation Assets	5	-	-
(d) Intangible Assets	6	-	-
(e) Financial Assets			
(i) Investments	7	-	-
(ii) Loans	8	-	-
(iii) Other Financial Assets	9	75.11	75.11
(f) Deferred Tax Assets (net)			
(g) Other non-current assets	10	-	-
Total Non-Current Assets (A)		2,098.33	1,989.87
Current Assets			
(a) Inventories	12	-	-
(b) Financial Assets			
(i) Investments	7	-	-
(ii) Trade Receivables	13	-	-
(iii) Cash & Cash equivalents	14	2.06	5.40
(iv) Other Bank Balances	15	-	-
(v) Loans	8	-	-
(vi) Other Financial Assets	9	-	-
(c) Current Tax Assets (Net)		3.08	3.08
(d) Other Current Assets	11	0.01	0.01
Total Current Assets (B)		5.15	8.49
Total Assets (A+B)		2,103.48	1,998.36

BALANCE SHEET Contd. ...

(₹ in Lakh)

<u>EQUITY AND LIABILITIES</u>	Note No.	As at 31.03.2021	As at 31.03.2020
Equity			
(a) Equity Share Capital	16	5.00	5.00
(b) Other Equity	17	(601.78)	(598.89)
Total Equity (A)		(596.78)	(593.89)
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	-	-
(ii) Other Financial Liabilities	20	-	-
(b) Provisions	21	-	-
(c) Other Non-Current Liabilities	22	-	-
Total Non-Current Liabilities (B)		-	-
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	-	-
(ii) Trade payables	19	-	-
Total Outstanding dues of micro and small enterprises		-	-
Total Outstanding dues of creditors other than micro and small enterprises		-	-
(iii) Other Financial Liabilities	20	2,698.56	2,591.60
(b) Other Current Liabilities	23	1.70	0.65
(c) Provisions	21	-	-
Total Current Liabilities (C)		2,700.26	2,592.25
Total Equity and Liabilities (A+B+C)		2,103.48	1,998.36

The Accompanying Notes form an integral part of Financial Statements and on behalf of the Board of Directors.

Sd/-
(S. K. Behera)
Dy. Mgr (Fin.)

Sd/-
(B. Nayak)
Chief Financial Officer

Sd/-
(S.K. Bhuyan)
Chief Executive Officer

Sd/-
(A. K. Singh)
Director
DIN-08667576

Sd/-
(K. Rao)
CHAIRMAN
DIN-08651284

As per our report of even date
For NAYAK RATH & ASSOCIATES
Chartered Accountants
Firm Regn No: 021051N

Sd/-
(CAAURABINDA RATH)
Partner
Membership No. 062603

Place : Bhubaneswar
Date : 24.05.2021

STATEMENT OF PROFIT & LOSSFor the Year ended 31st March, 2021

(₹ in Lakh)

	Note No.	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
Revenue from Operations			
A		-	-
B		-	-
		-	-
(I) Revenue from Operations (A+B)		-	-
(II) Other Income		-	-
(III) Total Income (I+II)		-	-
(IV) EXPENSES		-	-
Cost of Materials Consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods/work in progress and Stock in trade		-	-
Employee Benefits Expense		-	-
Power & Fuel		-	-
Corporate Social Responsibility Expense		-	-
Repairs		-	-
Contractual Expense		-	-
Finance Costs		-	-
Depreciation/Amortization/ Impairment expense		0.41	0.66
Provisions		-	-
Write off		-	-
Other Expenses	25	2.48	2.69
Total Expenses (IV)		2.89	3.35
(V) Profit before exceptional items and Tax (III-IV)		(2.89)	(3.35)
(VI) Exceptional Items		-	-
(VII) Profit before Tax (V-VI)		(2.89)	(3.35)
(VIII) Tax expense		-	-
(IX) Profit for the period from continuing operations (VII-VIII)		(2.89)	(3.35)

STATEMENT OF PROFIT & LOSS

(₹ in Lakh)

Note No.	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
(X) Profit/(Loss) from discontinued operations	-	-
(XI) Tax exp of discontinued operations	-	-
(XII) Profit/(Loss) from discontinued operations (after Tax) (X-XI)	-	-
(XIII) Share in JV's/Associate's profit/(loss)	-	-
(XIV) Profit for the Period (IX+XII+XIII)	(2.89)	(3.35)
Other Comprehensive Income		
A (i) Items that will not be reclassified to profit or loss		
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-
B (i) Items that will be reclassified to profit or loss	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-
(XV) Total Other Comprehensive Income	-	-
(XVI) Total Comprehensive Income for the period (XIV+XV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)	(2.89)	(3.35)
Profit attributable to:		
Owners of the company	(2.89)	(3.35)
Non-controlling interest	-	-
Total Comprehensive Income attributable to:		
Owners of the company	(2.89)	(3.35)
Non-controlling interest	-	-
(XVII) Earnings per equity share (for continuing operation):		
(1) Basic (Rs.)	(5.78)	(6.70)
(2) Diluted (Rs.)	(5.78)	(6.70)
(XVIII) Earnings per equity share (for discontinued operation):		
(1) Basic (Rs.)	-	-
(2) Diluted (Rs.)	-	-
(XIX) Earnings per equity share (for discontinued & continuing operation):		
(1) Basic (Rs.)	(5.78)	(6.70)
(2) Diluted (Rs.)	(5.78)	(6.70)

The Accompanying Notes form an integral part of Financial Statements.

For and on behalf of Board of Directors.

Sd/-
(S. K. Behera)
Dy. Mgr (Fin.)

Sd/-
(B. NAYAK)
CHIEF FINANCIAL OFFICER

Sd/-
(S.K. Bhuyan)
Chief Executive Officer

Sd/-
(A. K. Singh)
Director
DIN-08667576

Sd/-
(K. Rao)
CHAIRMAN
DIN--08651284

As per our report of even date
For NAYAK RATH & ASSOCIATES
Chartered Accountants
Firm Regn No: 021051N

Sd/-
(CAAURABINDA RATH)
Partner
Membership No. 062603

Place : Bhubaneswar

Date : 24.05.2021

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03.21 (INDIRECT METHOD)

(₹ in Lakh)

	For the Period Ended 31.03.2021	For the Year Ended 31.03.2020
CASH FLOW FROM OPERATING ACTIVITIES		
Total Comprehensive Income before tax	(2.89)	(3.35)
Adjustments for :		
Depreciation / Impairment of Fixed Assets	0.41	0.66
Interest from Bank Deposits	-	-
Finance cost related to financing activity	-	-
Unwinding of Discount	-	-
Profit / Loss on sale of Fixed Assets	-	-
Exchange Rate Fluctuation	-	-
Interest/Dividend from investments	-	-
Provisions made & write off during the period	-	-
Operating Profit before Current/Non Current Assets and Liabilities	(2.48)	(2.69)
Adjustment for :		
Inventories	-	-
Trade Receivables	-	-
Non current Loans,Advances,Other Financial Assets,Other Assets	-	-
Current Loans,Advances,Other Financial Assets,Other Assets	-	1.13
Current/Non Current Provisions, Other Financial Liabilities and Other Liabilities	108.01	143.59
Cash Generated from Operation	108.01	144.72
Income Tax Paid/Refund	-	-
Net Cash Flow from Operating Activities	(A) 105.53	142.03
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets/CWIP	(108.87)	(138.49)
Profit/Loss on sale of Fixed Assets	-	-
Change in Investments	-	-
Interest pertaining to Investing Activities	-	-
Interest/Dividend from Investments	-	-
Net Cash from Investing Activities	(B) (108.87)	(138.49)
CASH FLOW FROM FINANCING ACTIVITIES		
Change in borrowings	-	-
Repayment of CIL Loan	-	-
Redemption of preference share capital	-	-
Interest and Finance cost pertaining to Finance Activities	-	-
Dividend on Equity Shares	-	-
Tax on Dividend on Equity Shares	-	-
Buyback of Equity Share Capital	-	-
Tax on Buy Back of Equity Share Capital	-	-
Net Cash used in Financing Activities	(C) -	-
Net Increase / (Decrease) in Cash & Bank Balances (A+B+C)	(3.34)	3.54
Cash and cash equivalents as at beginning of the year	5.40	1.86
Cash and cash equivalents as at the end of the year	2.06	5.40

(All figures in bracket represent outflow.)

The aforesaid statement is prepared on indirect method.

The figures of the previous year have been reclassified to confirm to current period classification.

For and on behalf of the Board of Directors

Sd/-
(S. K. Behera)
Dy. Mgr (Fin.)

Sd/-
(B. Nayak)
Chief Financial Officer

Sd/-
(S.K. Bhuyan)
Chief Executive Officer

Sd/-
(A. K. Singh)
Director
DIN-08667576

Sd/-
(K. Rao)
CHAIRMAN
DIN--08651284

As per our report of even date
For **NAYAK RATH & ASSOCIATES**
Chartered Accountants
Firm Regn No: 021051N

Sd/-
(CAAURABINDA RATH)
Partner
Membership No. 062603

Place : Bhubaneswar
Date : 24.05.2021

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31.03.2021

(₹ in Lakhs)

A. EQUITY SHARE CAPITAL

Particulars	Balance as at 01.04.2019	Changes In Equity Share Capital During The Year	Balance as at 31.03.2020	Balance as at 01.04.2020	Changes In Equity Share Capital During The Year at	Balance as 31.03.2021
	5.00	-	5.00	5.00	-	5.00
50000 Equity Share @10 each	5.00	-	5.00	5.00	-	5.00

B. OTHER EQUITY

	Other Reserves		General Reserve	Retained Earnings Surplus	Other Comprehensive Income	Total
	Capital Redemption reserve	Capital Reserve				
Balance as at 01.04.2019	-	-	-	(595.54)	-	(595.54)
Other adjustment	-	-	-	-	-	-
Changes in Accounting policy	-	-	-	-	-	-
Prior period errors	-	-	-	-	-	-
Restated balance as at 01.04.2019	-	-	-	(595.54)	-	(595.54)
Additions during the year	-	-	-	-	-	-
Adjustments during the year	-	-	-	(3.35)	-	(3.35)
Profit for the period	-	-	-	-	-	-
Remeasurement of Defined Benefit Plans (net of Tax)	-	-	-	-	-	-
Appropriations	-	-	-	-	-	-
Transfer to Retained Earnings (HQ)	-	-	-	-	-	-
Transfer to / from Other reserves	-	-	-	-	-	-
Interim Dividend	-	-	-	-	-	-
Final Dividend	-	-	-	-	-	-
Corporate Dividend tax	-	-	-	-	-	-
Balance as at 31.03.2020	-	-	-	(598.89)	-	(598.89)
Additions during the year	-	-	-	-	-	-
Adjustments during the year	-	-	-	-	-	-
Profit for the period	-	-	-	(2.89)	-	(2.89)
Remeasurement of Defined Benefit Plans (net of Tax)	-	-	-	-	-	-
Appropriations	-	-	-	-	-	-
Transfer to Retained Earnings (HQ)	-	-	-	-	-	-
Transfer to / from Other reserves	-	-	-	-	-	-
Interim Dividend	-	-	-	-	-	-
Final Dividend	-	-	-	-	-	-
Corporate Dividend Tax	-	-	-	(601.78)	-	(601.78)
Balance as at 31.03.2021	-	-	-	(601.78)	-	(601.78)

Note- 1: CORPORATE INFORMATION

Mahanadi Basin Power Ltd, a wholly owned subsidiary of Mahanadi Coalfields Limited (MCL) was incorporated in the year 2011 to set up a 2x800 MW Coal based Super-critical Thermal Power Project in the vicinity of Basundhara-Garajanbahal coal mines at Sundargarh District of Odisha.

Note -2: SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended 31st March 2016, the Company prepared its financial statements in accordance with Accounting Standards (AS) notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 in accordance with companies (Accounting Standards), Rules 2006 (erstwhile - Indian GAAP).

The financial statements have been prepared on historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments in para 2.13.1).

2.1.1 Rounding of amounts

Amounts in these financial statements have, unless otherwise indicated, been rounded to 'rupees in Lakhs' up to two decimal points.

2.2.1 Associates

Associates are all entities over which the group has significant influence but no control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost, except when the investment or a portion thereof, is classified as held for sale, in which case it is accounted in accordance with Ind AS 105

The entity impairs its net investment in the associates on the basis of objective evidence.

2.2.2 Joint arrangements

Joint arrangements are those arrangements where the group is having joint control with one or more other parties.

Joint control is the contractually agreed sharing of control of the arrangement which exist only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint Arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

2.2.3 Joint Operations

Joint operations are those joint arrangements whereby the group is having rights to the assets and obligations for the liabilities relating to the arrangements.

Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

2.2.4 Joint ventures

Joint ventures are those joint arrangements whereby the group is having rights to the net assets of the arrangements.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Investments in Joint venture are accounted for using the equity method of accounting, after initially being recognized at cost, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted in accordance with Ind AS 105.

The entity impairs its net investment in the joint venture on the basis of objective evidence.

2.2.5 Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

2.2.6 Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any fair value of consideration paid or received is recognised within equity

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.3 Current and non-current Classification

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

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

An entity shall classify a liability as current when:

- (a) It expects to settle the liability in its normal operating cycle;
- (b) It holds the liability primarily for the purpose of trading;
- (c) The liability is due to be settled within twelve months after the reporting period; or
- (d) It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period (see paragraph 73). Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

2.4 Revenue recognition

Ind AS 115, Revenue from Contracts with Customers supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue recognition, and it applies to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which a Company expects to be entitled in exchange for transferring goods or services to a customer. Mahanadi Basin Power Limited ('MBPL' or 'the company') has adopted Ind AS 115 using the retrospective method of adoption.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

Revenue from contracts with customers

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

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

Step 1: Identifying the contract:

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

- a) the parties to the contract have approved the contract and are committed to perform their respective obligations;

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

Combination of contracts

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

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

Contract modification

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

The scope of the contract increases because of the addition of promised goods or services that are distinct and

The price of the contract increases by an amount of consideration that reflects the company's stand-alone selling prices of the additional promised goods or services and any appropriate adjustments to that price to reflect the circumstances of the particular contract.

Step 2: Identifying performance obligations:

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

- a) a good or service (or a bundle of goods or services) that is distinct; or

- b) A series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Step 3: Determining the transaction price

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

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

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

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

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

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

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

The Company recognizes a refund liability if the Company receives consideration from a customer and expects to refund some or all of that consideration to the customer. A refund

liability is measured at the amount of consideration received (or receivable) for which the company does not expect to be entitled (i.e. amounts not included in the transaction price). The refund liability (and corresponding change in the transaction price and, therefore, the contract liability) is updated at the end of each reporting period for changes in circumstances.

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

Step 4: Allocating the transaction price:

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

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

Step 5: Recognizing revenue:

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

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

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

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

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

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

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

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

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

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

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

Contract assets:

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

Trade receivables:

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

Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment made or due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

Interest

Interest income is recognised using the Effective Interest Method.

Dividend

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

Other Claims

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

2.5 Grants from Government

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

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

Government Grants related to assets are presented in the balance sheet by setting up the grant as deferred income.

Grants related to income are presented as part of profit or loss under the general heading 'Other Income'.

Government Grants which cannot reasonably have a value placed upon them and transaction with government which cannot be separated from normal trading transactions of the entity and are in the nature of government assistance from which the entity have directly benefited and if material are indicated separately in the notes.

2.6 Leases

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

2.6.1 Company as a lessee

At the commencement date, a lessee shall recognise a right-of-use asset at cost and a lease liability at the present value of the lease payments that are not paid at that date.

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

2.6.2 Company as a lessor

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

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

Operating leases-

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

Finance leases-

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

Subsequently, finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease."

2.7 Non-current assets held for sale

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

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

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

2.8 Property, Plant and Equipment(PPE)

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

All other Property, plant and equipment are stated at carrying value including, less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises:

- (a) Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- (b) Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

- (c) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

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

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

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

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

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

Leasehold Land	: Life of the project
Building	: 3-60 years
Telecommunication	: 3-9 years
Plant and Equipment	: 5-30 years
Office equipment	: 3-6 years
Furniture and Fixtures	: 10 years
Vehicles	: 8-10 years
Laptop & Computers	: 3 Years

Others :

The residual value of Property, plant and equipment for depreciation purpose is considered as 5% of the original cost of the asset.

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

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

Value of leasehold land is amortised on the basis of lease period or balance life of the project whichever is earlier.

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

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

Transition to Ind AS

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

2.9 Development Expenditure

All expenditure directly related to the project is capitalised under the head development.

2.10 Intangible Assets

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

Internally generated intangibles, excluding capitalised development costs, are not capitalised. Instead, the related expenditure is recognised in the statement of profit or loss and other comprehensive income in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the

amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss.

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

Exploration and Evaluation assets attributable to blocks identified for sale or proposed to be sold to outside agencies are however, classified as Intangible Assets and tested for impairment.

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

2.11 Impairment

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

2.12 Investment Property

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

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

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

2.13 Financial Instruments

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

2.13.1 Financial assets

2.13.1.1 Initial recognition and measurement

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

2.13.2 Subsequent measurement

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

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

2.13.2.1 Debt instruments at amortised cost

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

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

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

2.13.2.2 Debt instrument at FVTOCI

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

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

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

2.13.2.3 Debt instrument at FVTPL

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

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

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

2.13.2.4 Equity investments in subsidiaries, associates and Joint Ventures

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

2.13.2.5 Other Equity Investment

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

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

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

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

2.13.2.6 Derecognition

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

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

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

2.13.2.7 Impairment of financial assets

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Lease receivables under Ind AS 17
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

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

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

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

2.13.3 Financial liabilities

2.13.3.1 Initial recognition and measurement

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

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

2.13.3.2 Subsequent measurement

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

2.13.3.3 Financial liabilities at fair value through profit or loss

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

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

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

2.13.3.4 Financial liabilities at amortised cost

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

2.13.3.5 Derecognition

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

2.13.4 Reclassification of financial assets

The Company determines projects classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are

Equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines projects change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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

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

2.13.5 Offsetting of financial instruments

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

2.14 Borrowing Costs

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

2.15 Taxation

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

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

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

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

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

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

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

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

2.16 Employee Benefits

2.16.1 Short-term Benefits

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

2.16.2 Post-employment benefits and other long term employee benefits

2.16.2.1 Defined contributions plans

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

2.16.2.2 Defined benefits plans

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

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

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

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

2.16.3 Other Employee benefits

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

2.17 Inventories

2.17.1 Stores & Spares

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

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

2.17.2 Other Inventories

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

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

2.18 Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

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

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

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

2.19 Earnings per share

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

2.20 Judgements, Estimates and Assumptions

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

estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

2.20.1 Judgements

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

2.20.1.1 Formulation of Accounting Policies

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

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

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

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

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

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

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

2.20.1.2 Materiality

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

W.e.f. 01.04.2019 Errors/Omissions discovered in the current year relating to prior periods are treated as immaterial and adjusted during the current year, if all such errors and omissions in aggregate does not exceed 1% of total revenue from Operation (net of statutory levies) as per the last audited financial statement of the company.

2.20.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated

Financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

2.20.2.1 Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. Company considers individual projects as separate cash generating units for the purpose of test of impairment. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the

Growth rate used for extrapolation purposes. The key assumptions used to deterproject the recoverable amount for the different CGUs, are disclosed and further explained in respective notes.

2.20.2.2 Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to deterproject the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details on taxes are disclosed in Note 25.

2.20.2.3 Defined benefit plans

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

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

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

2.20.2.4 Fair value measurement of financial instruments

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

2.20.2.5 Intangible asset under development

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

2.21 Abbreviation used:

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 : PROPERTY, PLANT AND EQUIPMENTS

(₹ In Lakhs)

	Free- hold Land	Other Land	Land Reclamation/ Site Restoration Costs	Building (including water supply, roads and culverts)	Plant and Equip- ments	P&M Stores	Telecom- muni- cation	Railway Stidings	Furniture and Fixtures	Office Equip- ments	Vehicles	Aircraft	Other Mining Infra- structure	Surveyed off Assets	Others	Total
Gross Carrying Amount:																
As at 1st April 2019	-	-	-	-	-	-	-	-	9.22	2.24	-	-	-	0.05	-	11.52
Additions	-	-	-	-	-	-	-	-	-	0.70	-	-	-	-	-	0.70
Deletions/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2020	-	-	-	-	-	-	-	-	9.22	2.94	-	-	-	0.05	-	12.22
As at 1 April 2020	-	-	-	-	-	-	-	-	9.22	2.94	-	-	-	0.05	-	12.22
Additions	-	-	-	-	-	-	-	-	-	0.70	-	-	-	-	-	0.70
Deletions/Adjustments	-	-	-	-	-	-	-	-	-	(2.10)	-	-	-	-	-	(2.10)
As at 31st March, 2021	-	-	-	-	-	-	-	-	9.22	1.54	-	-	-	0.05	-	10.82
Accumulated Depreciation and Impairment																
As at 1st April 2019	-	-	-	-	-	-	-	-	5.43	1.46	-	-	-	-	-	6.89
Charge for the year	-	-	-	-	-	-	-	-	1.08	0.66	-	-	-	-	-	1.75
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-	-	-	-	-	0.41	-	-	-	-	-	0.41
As at 31st March 2020	-	-	-	-	-	-	-	-	6.51	2.54	-	-	-	-	-	9.05
As at 1 April 2020	-	-	-	-	-	-	-	-	6.51	2.54	-	-	-	-	-	9.05
Charge for the year	-	-	-	-	-	-	-	-	1.08	0.41	-	-	-	-	-	1.49
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-	-	-	-	-	(2.00)	-	-	-	-	-	(2.00)
As at 31st March, 2021	-	-	-	-	-	-	-	-	7.59	0.95	-	-	-	-	-	8.54
Net Carrying Amount																
As at 31st March, 2021	-	-	-	-	-	-	-	-	1.63	0.60	-	-	-	0.05	-	2.28
As at 31st March 2020	-	-	-	-	-	-	-	-	2.71	0.41	-	-	-	0.05	-	3.17

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakh)

NOTE 4 : CAPITAL WIP

	Building (including water supply, roads and culverts)	Plant and Equipments	Railway Sidings	Other Mining infrastruc- ture/ Development	Rail Corridor Development Expenses	Rail Corridor under Construc- tion	Others	Total
Gross Carrying Amount:								
As at 1 st April 2019	-	-	-	1,772.31	-	-	-	1,772.31
Additions	-	-	-	139.29	-	-	-	139.29
Capitalisation	-	-	-	-	-	-	-	-
Adjustment/Deletions	-	-	-	-	-	-	-	-
As at 31st March 2020	-	-	-	1,911.59	-	-	-	1,911.59
As at 1 April 2020	-	-	-	1,911.59	-	-	-	1,911.59
Additions	-	-	-	109.35	-	-	-	109.35
Capitalisation	-	-	-	-	-	-	-	-
Adjustment/Deletions	-	-	-	-	-	-	-	-
As at 31st March, 2021	-	-	-	2,020.94	-	-	-	2,020.94
Provision & Impairment								
As at 1 st April 2019	-	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-	-	-	-
As at 31st March 2020	-	-	-	-	-	-	-	-
As at 1 April 2020	-	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-	-	-	-
As at 31st March, 2021	-	-	-	-	-	-	-	-
Net Carrying Amount								
As at 31st March, 2021	-	-	-	2,020.94	-	-	-	2,020.94
As at 31st March 2020	-	-	-	1,911.59	-	-	-	1,911.59

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 : EXPLORATION AND EVALUATION ASSETS

(₹ in Lakh)

	Exploration and Evaluation Costs
Gross Carrying Amount:	
As at 1 st April 2019	-
Additions	-
Capitalisation	
Deletions/Adjustments	-
As at 31st March 2020	-
As at 1 April 2020	-
Additions	-
Capitalisation	
Deletions/Adjustments	-
As at 31st March, 2021	-
Provision and Impairment	
As at 1 st April 2019	-
Charge for the year	-
Impairment	-
Deletions/Adjustments	-
As at 31st March 2020	-
As at 1 April 2020	-
Charge for the year	-
Impairment	-
Deletions/Adjustments	-
As at 31st March, 2021	-
Net Carrying Amount	
As at 31st March, 2021	-
As at 31st March 2020	-

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 : INTANGIBLE ASSETS

(₹ in Lakh)

	Computer Software	Intangible Exploratory Assets	Others (specify in note)	Total
Gross Carrying Amount:				
As at 1 st April 2019	-	-	-	-
Additions	-	-	-	-
Deletions/Adjustments	-	-	-	-
As at 31st March 2020	-	-	-	-
As at 1 st April 2020	-	-	-	-
Additions	-	-	-	-
Deletions/Adjustments	-	-	-	-
As at 31st March, 2021	-	-	-	-
Provision and Impairment				
As at 1 st April 2019	-	-	-	-
Charge for the year	-	-	-	-
Impairment	-	-	-	-
Deletions/Adjustments	-	-	-	-
As at 31st March 2020	-	-	-	-
As at 1 st April 2020	-	-	-	-
Charge for the year	-	-	-	-
Impairment	-	-	-	-
Deletions/Adjustments	-	-	-	-
As at 31st March, 2021	-	-	-	-
Net Carrying Amount				
As at 31st March, 2021	-	-	-	-
As at 31st March 2020	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 7 : INVESTMENTS

(₹ in Lakh)

	No. of shares/units	Face Value per share	As at	
			31.03.2021	31.03.2020
NON CURRENT INVESTMENT				
<u>Investment in Shares</u>				
Equity Shares in Subsidiary Companies	-	-	-	-
Total : (A)	-	-	-	-
Investments in Secured Bonds (quoted)				
Total : (B)	-	-	-	-
Grand Total (A+B)				
Aggregate amount of unquoted investments:	-	-	-	-
Aggregate amount of quoted investments:	-	-	-	-
Market value of quoted investments:	-	-	-	-

NOTE - 7) cont.

INVESTMENTS

(₹ in Lakh)

Current	Number of units	NAV (In Rs.)	As at	
	current year/ (previous year)		31.03.2021	31.03.2020
Mutual Fund Investment				
Total :	-	-	-	-
Aggregate of Quoted Investment:	-	-	-	-
Aggregate of unquoted investments:	-	-	-	-
Market value of Quoted Investment:	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 8 : LOANS

(₹ in Lakh)

	As at	
	31.03.2021	31.03.2020
Non-Current		
Others Loans		
- Secured, considered good	-	-
- Unsecured, considered good		
- Have significant increase in credit risk	-	-
- Credit impaired	-	-
Less: Allowance for doubtful loans	-	-
TOTAL	-	-
 Current		
Others Loans		
- Secured, considered good	-	-
- Unsecured, considered good	-	-
- Have significant increase in credit risk	-	-
- Credit impaired	-	-
Less: Allowance for doubtful loans	-	-
TOTAL	-	-

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 9 : OTHER FINANCIAL ASSETS

	(₹ in Lakh)	
	As at	
	31.03.2021	31.03.2020
Non Current		
Bank deposits	-	-
Securities Deposits for utilities	-	-
Less: Allowance for doubtful deposit	-	-
Other deposits & Receivable	75.11	75.11
Less : Allowance for doubtful deposits and Receivable	-	-
	75.11	75.11
TOTAL	75.11	75.11
Current		
Current maturities of long term loan	-	-
Interest Accrued	-	-
Claims & Other receivables	-	-
Less : Allowance for doubtful claims	-	-
	-	-
TOTAL	-	-

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 10 : OTHER NON-CURRENT ASSETS

(₹ in Lakh)

	As at	
	31.03.2021	31.03.2020
(i) Capital Advances	-	
Less : Provision for doubtful advances	-	
(ii) Advances other than capital advances		
(a) Security Deposit for utilities	-	
Less : Provision for doubtful deposits	-	
(b) Other Deposits and Advances	-	
Less : Provision for doubtful deposits	-	
(c) Advances to related parties	-	
TOTAL	-	

NOTE - 11 : OTHER CURRENT ASSETS

(₹ in Lakh)

	As at	
	31.03.2021	31.03.2020
(a) Advance for Revenue (goods & services)	-	-
Less : Provision for doubtful advances	-	-
(b) Advance payment of statutory dues	-	-
Less : Provision for doubtful advances	-	-
(c) Advance to Related Parties	-	-
(d) Other Advance and deposit	0.01	0.01
Less : Provision for doubtful advances	-	-
(e) Input Tax Credit	-	-
Less: Provision	-	-
TOTAL	0.01	0.01

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 12 : INVENTORIES

(₹ in Lakh)

	As at	
	31.03.2021	31.03.2020
(a) Stock of Stores & Spares (at cost)	-	-
Add: Stores-in-transit	-	-
Net Stock of Stores & Spares (at cost)	-	-
(b) Workshop Jobs and press jobs	-	-
Total	-	-

NOTE - 13 : TRADE RECEIVABLES

(₹ in Lakh)

	As at	
	31.03.2021	31.03.2020
Current		
Trade receivables		
- Secured, considered good	-	-
- Unsecured, considered good	-	-
- Have significant increase in credit risk	-	-
- Credit impaired	-	-
Less : Allowance for bad & doubtful debts	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 14 : CASH AND CASH EQUIVALENTS

(₹ in Lakh)

	As at	
	31.03.2021	31.03.2020
(a) Balances with Banks		
- in Deposit Accounts	-	-
- in Current Accounts		
a. Interest bearing (CLTD Accounts etc)	-	-
b. Non-Interest bearing	2.06	5.40
- in Cash Credit Accounts	-	-
(b) Bank Balances outside India	-	-
(c) Cheques, Drafts and Stamps in hand	-	-
(d) Cash on hand	-	-
(e) Cash on hand outside India	-	-
(f) Others	-	-
Total Cash and Cash Equivalents	2.06	5.40

Note:

- 1 Cash and cash equivalents comprises cash on hand, cash at bank, sweep accounts and term deposits held with banks with original maturities of three months or less.
- 2 The balances as per statement of bank accounts are:-Interest Bearing (CLTD) Account-Rs.0.00 lakhs Non-Interest Bearing- Rs. 2.06 lakhsThe variation in balances as compared to Note-14 (a) is NIL. The balances are duly reconciled through bank reconciliation statements.

NOTE - 15 : OTHER BANK BALANCES

(₹ in Lakh)

	As at	
	31.03.2021	31.03.2020
Balances with Banks		
- Deposit accounts	-	-
- Deposit accounts (For specific purpose)	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 16 : EQUITY SHARE CAPITAL

(₹ in Lakh)

	As at	
	31.03.2021	31.03.2020
Authorised		
50000 Equity Shares of Rs 10/- each	5.00	5.00
	5.00	5.00
Issued, Subscribed and Paid-up		
50000 Equity Shares of Rs 10/- each fully paid up in cash	5.00	5.00
	5.00	5.00

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
Mahandi Coalfields Ltd.(Holding company) & its nominees	50000	100

- 2 During the period, the company has not issued or bought back any shares.

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakh)

NOTE 17 : OTHER EQUITY

	Other Reserves		General Reserve	Retained Earnings (Surplus)	Other Comprehensive Income	Total Equity
	Capital Redemption reserve	Capital reserve				
Balance as at 01.04.2019	-	-	-	(595.54)	-	(595.54)
Other Adjustments	-	-	-	-	-	-
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated Balance as at 01.04.2019	-	-	-	(595.54)	-	(595.54)
Addition during the Period/Transfer to Retained Earnings	-	-	-	-	-	-
Adjustment during the year	-	-	-	-	-	-
Profit For the year	-	-	-	(3.35)	-	(3.35)
Remeasurement of Defined Benefits Plan (Net of Tax)	-	-	-	-	-	-
Appropriations	-	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-	-
Transfer to/from Other reserves	-	-	-	-	-	-
Interim Dividend	-	-	-	-	-	-
Final Dividend	-	-	-	-	-	-
Corporate Dividend tax	-	-	-	-	-	-
Balance as at 31.03.2020	-	-	-	(598.89)	-	(598.89)
Additions during the period/Transfer from retained earning	-	-	-	-	-	-
Adjustments during the year	-	-	-	(2.89)	-	(2.89)
Profit For the year	-	-	-	-	-	-
Remeasurement of Defined Benefits Plan (Net of Tax)	-	-	-	-	-	-
Appropriations	-	-	-	-	-	-
Transfer to/from General reserves	-	-	-	-	-	-
Transfer to/from Other reserves	-	-	-	-	-	-
Interim Dividend	-	-	-	-	-	-
Final Dividend	-	-	-	-	-	-
Corporate Dividend tax	-	-	-	-	-	-
Balance as at 31.03.2021	-	-	-	(601.78)	-	(601.78)

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 18: BORROWINGS

(₹ in Lakh)

	As at 31.03.2021	31.03.2020
Non-Current		
Term Loans		
- From Banks	-	-
- Other Loans	-	-
Total	-	-
CLASSIFICATION		
Secured	-	-
Unsecured	-	-
Current		
Loans repayable on demand		
- From Banks	-	-
- From Other Parties	-	-
Loans from Related Parties	-	-
Other Loans	-	-
Total	-	-
CLASSIFICATION		
Secured	-	-
Unsecured	-	-

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 19 : TRADE PAYABLES

	(₹ in Lakh)	
	As at	
	31.03.2021	31.03.2020
Current		
Trade Payables for Micro, Small and Medium Enterprises	-	-
Other Trade Payables for		
- Stores and Spares	-	-
- Power and Fuel	-	-
- Others Expenses	-	-
TOTAL	-	-

Ageing of dues to MSME and interest thereon if any.

Period	31-Mar-21	31-Mar-20
Dues within 15 days	-	-
Dues within 16 to 30 days	-	-
Dues within 31 to 45 days	-	-
Dues beyond 45 days	-	-
Total MSME creditors	-	-

	As at 31-03-2021	As at 31-03-2020
Trade payable - Total outstanding dues of Micro & Small enterprises	-	-
Principal and Interest amount remaining unpaid but not due as at period end.	-	-
Interest paid by the company in terms of Section -16 of the Micro, small and medium enterprises development Act - 2006 along with the amount of the payment made to the supplier beyond the appointed day during the period.	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year but without adding the interest specified under Micro, Small and Medium Enterprises development Act - 2006.	-	-
Interest accrued and remaining unpaid as at period end.	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprises	-	-

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 20 : OTHER FINANCIAL LIABILITIES

(₹ in Lakh)

	As at	
	31.03.2021	31.03.2020
Non Current		
Security Deposits	-	-
Earnest Money	-	-
Others	-	-
	<u>-</u>	<u>-</u>
Current	-	-
Current Account with	-	-
- Subsidiaries/ Holding Company (MCL)	2,690.53	2,583.29
Current maturities of long-term debt	-	-
Unpaid dividends	-	-
Security Deposits	3.08	3.08
Earnest Money	0.05	0.05
Payable for Capital Expenditure	-	-
- Liability for Salary Wages and Allowances	2.20	2.80
Others	2.70	2.37
TOTAL	<u>2,698.56</u>	<u>2,591.60</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 21 : PROVISIONS

(₹ in Lakh)

	As at	
	31.03.2021	31.03.2020
Non Current		
Employee Benefits		
- Gratuity	-	-
- Leave Encashment	-	-
- Other Employee Benefits	-	-
-Others	-	-
	-	-
TOTAL	-	-
Current		
Employee Benefits		
- Gratuity	-	-
- Leave Encashment	-	-
- Ex- Gratia	-	-
- Performance Related Pay	-	-
- Other Employee Benefits	-	-
- NCWA-X	-	-
- Executive Pay Revision	-	-
TOTAL	-	-

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 22 : OTHER NON CURRENT LIABILITIES

(₹ in Lakh)

	As at	
	31.03.2021	31.03.2020
Deferred Income	-	-
Total	-	-

NOTE - 23 : OTHER CURRENT LIABILITIES

(₹ in Lakh)

	As at	
	31.03.2021	31.03.2020
Statutory Dues:	1.70	0.65
Advance from customers / others	-	-
Others liabilities	-	-
TOTAL	1.70	0.65

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 24 : OTHER EXPENSES

(₹ in Lakh)

	For the Period Ended 31.03.2021	For The Year Ended 31.03.2020
Travelling expenses		
- Domestic	-	-
- Foreign	-	-
Training Expenses	-	-
Telephone & Postage	0.01	0.00
Advertisement & Publicity	-	-
Freight Charges	-	-
Donation/Subscription	-	-
Security Expenses	-	-
Hire Charges	-	-
Legal Expenses	-	-
Bank Charges	0.01	0.01
Guest House Expenses	-	-
Consultancy Charges	0.44	0.80
Loss on Sale/Discard/Surveyed of Assets	-	-
Auditor's Remuneration & Expenses	-	-
- For Audit Fees	1.00	0.93
- For Taxation Matters	-	-
- For Other Services	-	-
- For Reimbursement of Exps.	0.50	0.50
Internal & Other Audit Expenses	-	-
Interest and Penalty	-	-
Interest Others	-	-
Rent	-	-
Rates & Taxes	-	-
Printing & Stationary	0.48	0.37
Lease Rent	-	-
Rescue/Safety Expenses	-	-
Land/Crops Compensation	-	-
R & D expenses	-	-
Environmental & Tree Plantation Expenses	-	-
Miscellaneous expenses	0.05	0.08
Total	2.48	2.69

NOTE – 25 : ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS FOR PERIOD ENDED 31ST MARCH, 2021

1. Fair Value measurement

(a) Financial Instruments by Category

(₹ in lakh)

	31.03.2021		31.03.2020	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial Assets				
Investments :	0.00	0.00	0.00	0.00
Secured Bonds	0.00	0.00	0.00	0.00
Co-Operative Shares	0.00	0.00	0.00	0.00
Mutual Fund/ICD	0.00	0.00	0.00	0.00
Loans	0.00	0.00	0.00	0.00
Deposits & receivable	0.00	75.11	0.00	75.10
Trade receivables	0.00	0.00	0.00	0.00
Cash & cash equivalents	0.00	2.06	0.00	5.40
Other Bank Balances	0.00	0.00	0.00	0.00
Financial Liabilities				
Borrowings	0.00	0.00	0.00	0.00
Trade payables*	0.00	0.00	0.00	0.00
Security Deposit and Earnest money	0.00	3.13	0.00	3.12
Other Liabilities*	0.00	2695.43	0.00	2588.48

(b) Fair value hierarchy

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

(₹ in lakh)

Financial assets and liabilities measured at fair value	31.03.2021		31.03.2020	
	Level 1	Level 3	Level 1	Level 3
Financial Assets at FVTPL				
Investments :				
Mutual Fund/ICD	0.00	0.00	0.00	0.00

Financial assets and liabilities measured at amortised cost for which fair values are disclosed	31.03.2021		31.03.2020	
	Level 1	Level 3	Level 1	Level 3
Financial Assets				
Investments :	0.00	0.00	0.00	0.00
Secured Bonds	0.00	0.00	0.00	0.00
Co-Operative Share	0.00	0.00	0.00	0.00
Loans	0.00	0.00	0.00	0.00
Deposits & receivable	0.00	75.11	0.00	75.10
Trade receivables	0.00	0.00	0.00	0.00
Cash & cash equivalents	0.00	2.06	0.00	5.40
Other Bank Balances	0.00	0.00	0.00	0.00
Financial Liabilities				
Borrowings	0.00	0.00	0.00	0.00
Trade payables	0.00	0.00	0.00	0.00
Security Deposit and Earnest money	0.00	3.13	0.00	3.12
Other Liabilities	0.00	2695.43	0.00	2588.48

A brief of each level is given below:

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

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

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

(c) Valuation technique used in determining fair value

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

(d) Fair value measurements using significant unobservable inputs.

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

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

- The carrying amounts of trade receivables, short term deposits, cash and cash equivalents, trade payables are considered to be the same as their fair values, due to their short-term nature.
- The Company considers that the Security Deposits does not include a significant financing component. Security deposits coincide with the company's performance and the contract requires amounts to be retained for reasons other than the provision of finance. The withholding of a specified percentage of each milestone payment is intended to protect the interest of the Company, from the contractor failing to adequately complete its obligations under the contract. Accordingly, transaction cost of Security deposit is considered as fair value at initial recognition and subsequently measured at amortised cost.

Significant estimates: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgment to select a method and makes suitable assumptions at the end of each reporting period.

2. FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

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

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

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

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

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

Credit risk management:

Receivables arise mainly out of sale of Coal. Sale of Coal is broadly categorized as sale through fuel supply agreements (FSAs) and e-auction.

Macro - economic information (such as regulatory changes) is incorporated as part of the fuel supply agreements (FSAs) and e-auction terms.

Provision for expected credit loss: The Company provides for expected credit risk loss for doubtful/ credit impaired assets, by lifetime expected credit losses (Simplified approach). Expected Credit Losses for trade receivables under simplified approach:-

As at 31.03.2021

(₹ in lakh)

Ageing	Due for 2 months	Due for 6 months	Due for 1 year	Due for 2 year	Due for 3 year	Due for more than 3 year	Total
Gross carrying amount	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expected loss rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expected credit losses (Loss allowance provision)	0.00	0.00	0.00	0.00	0.00	0.00	0.00

As at 31.03.2020

(₹ in lakh)

Ageing	Due for 2 months	Due for 6 months	Due for 1 year	Due for 2 year	Due for 3 year	Due for more than 3 year	Total
Gross carrying amount	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expected loss rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expected credit losses (Loss allowance provision)	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Reconciliation of loss allowance provision – Trade receivables

(₹ in lakh)

Loss allowance on 01.04.2020	0.00
Change in loss allowance	0.00
Loss allowance on 31.03.2021	0.00

Significant estimates and judgments for Impairment of financial assets

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting year.

Liquidity Risk

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

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

Market risk**a) Foreign currency risk**

Foreign currency risk arises from future commercial transactions and recognised assets or liabilities denominated in a currency that is not the Company's functional currency(INR). The Company is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk in respect of foreign operation is considered to be insignificant. The Company also imports

and risk is managed by regular follow up. Company has a policy which is implemented when foreign currency risk becomes significant.

b) Cash flow and fair value interest rate risk

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

Company manages the risk using guidelines from Department of public enterprises (DPE), diversification of bank deposits credit limits and other securities.

Capital management

The Company being a government entity manages its capital as per the guidelines of Department of investment and public asset management under ministry of finance.

Capital Structure of the Company is as follows:

(₹ in lakh)

	31.03.2021	31.03.2020
Equity Share capital	5.00	5.00
Long term debt	0.00	0.00

3. Employee Benefits: Recognition and Measurement (Ind AS-19)

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

4. Unrecognized items

a) Contingent Liabilities

I. Claims against the Company not acknowledged as debt

(₹ in lakh)

	Central Govt.	State Govt. and Local authorities	Central Public Sector Enterprises	Others	Total
Opening as on 01.04.2020	0.00	0.00	0.00	0.00	0.00
Addition during the period	0.00	0.00	0.00	0.00	0.00
Claim settled during the year:					
a. From Opening Balance	0.00	0.00	0.00	0.00	0.00
b. Out of addition during the year	0.00	0.00	0.00	0.00	0.00
Closing as on 31.03.2021	0.00	0.00	0.00	0.00	0.00

(₹ in lakh)

Sl. No.	Particulars	<u>Contingent Liability</u>	
		As at 31.03.2021	As at 31.03.2020
1	Central Government		
	Income Tax	0.00	0.00
	Central Excise	0.00	0.00
	Clean Energy Cess	0.00	0.00
	Central Sales Tax	0.00	0.00
	Service Tax	0.00	0.00
	Others (Please Specify)	0.00	0.00
	Sub-Total	0.00	0.00
2	State Government and Local Authorities		
	Royalty	0.00	0.00
	Environment Clearance	0.00	0.00
	Sales Tax/VAT	0.00	0.00
	Entry Tax	0.00	0.00
	Others	0.00	0.00
	Sub-Total	0.00	0.00
3	Central Public Sector Enterprises		
	Arbitration Proceedings	0.00	0.00
	Suit against the company under litigation	0.00	0.00
	Others(Please Specify)	0.00	0.00
	Sub-Total	0.00	0.00
4	Others: (If any)		
	Miscellaneous - Land & Others	0.00	0.00
	Employee Related & Etc.	0.00	0.00
	Sub-Total	0.00	0.00
	Grand Total	0.00	0.00

The management of the Company believes that the outcome of the above will not have any material adverse effect on the Company.

II. Guarantee

As on 31.03.2021 Bank guarantee issued is ₹ 0.00 lakh (₹ 0.00 lakh).

III. Letter of Credit

As on 31.03.2021 outstanding letter of credit is ₹ 0.00lakh (₹ 0.00 lakh).

b) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for: ₹ 0.00 lakh (₹ 0.00 lakh). Other Commitments: ₹ 0.00 lakh (₹ 0.00 lakh).

5 Other Information

a) Provisions

The position and movement of various provisions as per Ind AS-37 except those relating to employee benefits which are valued actuarially, for the period ended 31.03.2021 are given below:

(₹ in lakhs)

Provisions	Opening Balance as on 01.04.2020	Addition during the period/year	Write back/ Adj./Paid during the period	Closing Balance as on 31/03/2021
Note 3:- Property, Plant and Equipments	-	-	-	-
Impairment of Assets :	-	-	-	-
Note 4:- Capital Work in Progress :	-	-	-	-
Against CWIP :	-	-	-	-
Note 5:- Exploration And Evaluation Assets	-	-	-	-
Provision and Impairment :	-	-	-	-
Note 8:- Loans :	-	-	-	-
Other Loans :	-	-	-	-
Note 9:- Other Financial Assets:	-	-	-	-
Security Deposit for utilities	-	-	-	-
Other Deposit and Receivables	-	-	-	-
Claims & other receivables	-	-	-	-
Note 10:- Other Non-Current Assets :	-	-	-	-
Capital Advances	-	-	-	-
Security Deposit for utilities	-	-	-	-
Other Deposits and Advances	-	-	-	-
Note 11:- Other Current Assets:	-	-	-	-
Advance for Revenue (goods & services)	-	-	-	-
Advance payment of statutory dues	-	-	-	-
Other Advances and Deposits	-	-	-	-
Note 13:-Trade Receivables	-	-	-	-
Provision for bad & doubtful debts :	-	-	-	-
Note 21 :- Non-Current & Current Provision :	-	-	-	-
Gratuity	-	-	-	-
Leave Encashment	-	-	-	-
Ex- Gratia	-	-	-	-
Performance Related Pay	-	-	-	-
Other Employee Benefits	-	-	-	-
Site Restoration/Mine Closure	-	-	-	-
Stripping Activity Adjustment	-	-	-	-
Others	-	-	-	-

b) Segment Reporting

The Company is primarily engaged in a single segment business.

c) Earnings per share

(₹ in lakhs)

Sl. No.	Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
i)	Net profit after tax attributable to Equity Share Holders (₹ in Lakhs)	(₹ 2.89)	(₹ 3.35)
ii)	Weighted Average no. of Equity Shares Outstanding	50000	50000
iii)	Basic and Diluted Earnings per Share in Rupees (Face value ₹ 10/- per share)	(₹ 5.78)	(₹ 6.70)

d) Related Party Disclosures

The list of related parties is as follows :-

Mahanadi Basin Power Limited.

Shri Keshav Rao (DIN: 08651284)	Chairman	10/01/2020
Shri B.C. Mishra (DIN: 08521192)	Director	27/06/2019
Shri Anwar Hussain (DIN: 08407634)	Director	22/03/2019
Shri A. K. Singh (DIN: 08667576)	Director	10/01/2020
Shri S. K. Bhuyan	Chief Executive Officer	16/03/2021
Shri B. Nayak	Chief Financial Officer	10/01/2020

Remuneration of Key Managerial Personnel

(₹ in lakhs)

Sl. No.	Payment to CMD, Whole Time Directors and Company Secretary	For the year ended 31.03.2021	For the year ended 31.03.2020
i)	Short Term Employee Benefits		
	Gross Salary	0.00	0.00
	Medical Benefits	0.00	0.00
	Perquisites and other benefits	0.00	0.00
ii)	Post-Employment Benefits		
	Contribution to P.F. & other fund	0.00	0.00
iii)	Termination Benefits	0.00	0.00
	TOTAL	0.00	0.00

Payment to Independent Directors

(₹ in lakhs)

Sl. No.	Payment to Independent Directors	For the period ended 31.03.2021	For the period ended 31.03.2020
ii)	Sitting Fees	0	0

Balances Outstanding with Key Managerial Personnel

(₹ in lakh)

Sl. No.	Particulars	As at 31.03.2021	As at 31.03.2020
i)	Amount Payabl	Nil	Nil
ii)	Amount Receivable	Nil	Nil

- e) **Deferred tax Asset and Liability are being offset as they relate to taxes on income levied by the same governing taxation laws.**

Deferred tax Asset/ Liability :

(₹ in lakh)

	31.03.2021	31.03.2020
A. Deferred Tax Assets:		
Provision for Doubtful Advances, Claims & Debts	0	0
Employee Benefits	0	0
Others	0	0
TOTAL OF (A)	0	0
B. Deferred Tax Liability:		
Related to Fixed Assets	0	0
Others	0	0
TOTAL OF (B)	0	0
Net Deferred Tax Asset/ (Deferred Tax Liability) (A-B)	0	0

- f) **Insurance and escalation claims**

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

- g) **Provisions made in the Accounts**

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

- h) **Current Assets, Loans and Advances etc.**

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

- i) **Current Liabilities**

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

- j) **Balance Confirmations**

Balance confirmation/reconciliation is carried out for cash & bank balances, certain loans & advances, long term liabilities and current liabilities. Provision is taken against all doubtful unconfirmed balances.

k) Significant accounting policy:

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

l) Impact of COVID-19 The area is taking continuous measures to combat the adverse impact of COVID-19 and has implemented manifold measures for ease of doing business. The area has considered the possible effects that may arise due to pandemic in the preparation of the financial statements including the recoverability of carrying amounts of financial and non-financial assets as on 31st March 2021. The area will continue to closely monitor any material changes arising out of future economic conditions and the resultant impact on its business.

m) Recent pronouncements:

On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013. The amendment revised Division I, II & III of Schedule III and are applicable from April 1, 2021. The Company is evaluating the effect of the amendments on its financial statements.

n) Others

- i. Previous period/year's figures have been restated, regrouped and rearranged wherever considered necessary.
- ii. Note - 1 and 2 represents Corporate information and Significant Accounting Policies respectively, Note 3 to 23 form part of the Balance Sheet as at 31.03.2021 and 25 form part of Statement of Profit & Loss for the quarter ended on that date. Note - 38 represents Additional Notes to the Financial Statements.

Signature to Note 1 to 38.

On behalf of the Board

Sd/-
(S. K. Behera)
Dy. Mgr (Fin.)

Sd/-
(B. Nayak)
Chief Financial Officer

Sd/-
(S.K. Bhuyan)
Chief Executive Officer

Sd/-
(A. K. Singh)
Director
DIN-08667576

Sd/-
(K. Rao)
CHAIRMAN
DIN-08651284

As per our report of even date
For NAYAK RATH & ASSOCIATES
Chartered Accountants
Firm Regn No: 021051N

Sd/-
(CAAURABINDA RATH)
Partner
Membership No. 062603

Place : Bhubaneswar
Date : 24.05.2021