

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF MAHUAGARHI COAL COMPANY PRIVATE LIMITED

#### Report on the Financial Statements

1. We have audited the accompanying financial statements of **Mahuagarhi Coal Company Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

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

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



Chartered Accountants

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To the Members of Nalanda Power Company Limited

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**Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its loss and its cash flows for the year ended on that date.

**Emphasis of Matter**

9. We draw your attention to Note 2.9 of the Financial Statements relating to cancellation of the allotment of Mahuagarhi Coal Block by the Hon'ble Supreme Court of India. Consequently, total expenditure incurred by the Company towards development of the Mahuagarhi coal block till 31<sup>st</sup> March, 2015 was written off in the accounts for the year 2014-15 and share application money pending allotment as on 31-03-2015 had been shown under Current Liabilities – Others. The Company has no other line of business and its future structuring is being worked out. Our conclusion is not qualified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

10. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and 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, we give in the *Annexure - A* a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in *Annexure - B*.



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(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

i The Company does not have any pending litigations as at March 31, 2016 which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2016.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

**For Batliboi, Purohit & Darbari****Firm Registration No.:303086E****Chartered Accountants**

CA P.J. Bhide

Partner

Membership No. 004714

Place: Kolkata

Date: 16-05-2016



**Annexure - A to Independent Auditors' Report**

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Mahuagarhi Coal Company Private Limited on the financial statements for the year ended March, 31, 2016

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- i. In view of Cancellation of Mahuagarhi Coal Block by the Hon'ble Supreme Court of India, total expenditure incurred by the Company towards development of the Mahuagarhi coal block till 31<sup>st</sup> March, 2015 had been written off in the accounts for the year 2014-15 and its future structuring is being worked out. Hence clause 3(i) of the said Order is not applicable to the Company as there are no assets for physical verification.
- ii. The Company has no inventory and thus the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause (iii)(a) to (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act, and the rules framed thereunder are not applicable.
- vi. As the Company has not yet commenced operation, provisions under Section 148(1) of the Act in regard to the maintenance of cost records, in our opinion, is not applicable.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.  
(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, wealth tax, service tax, duty of customs, value added tax or cess which have not been deposited on account of any dispute.
- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.





**Annexure - A to Independent Auditors' Report**

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Nalanda Power Company Limited on the financial statements for the year ended March, 31, 2016

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- xi. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Batliboi, Purohit & Darbari  
Firm Registration No.:303086E  
Chartered Accountants



CA P.J. Bhide  
Partner  
Membership No. 004714



Place: Kolkata  
Date: 16-05-2016

**Annexure B to Independent Auditors' Report**

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Mahuagarhi Coal Company Private Limited on the financial statements for the year ended March 31, 2016

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**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls over financial reporting of Mahuagarhi Coal Company Private Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

2. 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 Act.

**Auditors' Responsibility**

3. 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 deemed to be prescribed under section 143(10) of the Act 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 ICAI. 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.
4. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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**

6. 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



Chartered Accountants

**Annexure B to Independent Auditors' Report**

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Mahuagarhi Coal Company Private Limited on the financial statements for the year ended March 31, 2016

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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 unauthorized 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**

7. 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**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Batliboi, Purohit & Darbari**

Firm Registration No.:303086E

Chartered Accountants



CA P.J. Bhide

Partner

Membership No. 004714

Place: Kolkata

Date: 16-05-2016



Mahuagarhi Coal Company Private Limited

Registered Office:Vidyakamal Niketan (Ground Floor),B/324,Road No 4,Ashok Nagar, Ranchi,Jharkhand-834002

Balance Sheet as at 31st March, 2016

Particulars	Note	As at 31st March, 2016 Rs	As at 31st March, 2015 Rs
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	2.1	4,85,96,000	4,85,96,000
Reserves and Surplus	2.2	(6,70,65,453)	(6,70,24,903)
<b>Current liabilities</b>			
Other Current Liabilities	2.3	1,87,15,626	1,86,90,827
<b>TOTAL</b>		<b>2,46,173</b>	<b>2,61,924</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed Assets</b>			
Capital Work-In-Progress	2.4	-	-
<b>Current assets</b>			
Cash and Bank Balances	2.5	2,46,173	2,61,924
<b>TOTAL</b>		<b>2,46,173</b>	<b>2,61,924</b>
Significant Accounting Policies	1		
Contingent Liabilities and Commitments	2.13		
Notes 1 - 2.14 form an integral part of the Financial Statements			

As per our report of even date attached herewith

For Batliboi, Purohit & Darbari  
Firm Registration No.:303086E  
Chartered Accountants

CA P.J. Bhide  
Partner  
Membership No. 004714

Place: Kolkata  
Date: 16/05/2016



For and on behalf of the Board of Directors

Abhijeet Jayashankar  
Director  
Kunal Kumar  
Director



Mahuagarhi Coal Company Private Limited

Registered Office: Vidyakamal Niketan (Ground Floor), B/324, Road No 4, Ashok Nagar, Ranchi, Jharkhand-834002

Statement of Profit and Loss for the year ended 31st March, 2016

Particulars	Note	2015 - 16	2014 - 15
		Rs	Rs
REVENUE			
TOTAL		-	-
EXPENSES			
Other expenses	2.6	40,550	6,35,33,138
TOTAL		40,550	6,35,33,138
Loss for the year		(40,550)	(6,35,33,138)
Earnings per Equity Share: (Face Value of Rs 10 per share)			
Basic	2.11	(0.01)	(13.07)
Significant Accounting Policies	1		
Notes 1 - 2.14 form an integral part of the Financial Statements			

As per our report of even date attached herewith

For Batliboi, Purohit & Darbari  
Firm Registration No.: 303086E  
Chartered Accountants

*P. J. Bhide*

CA P.J. Bhide  
Partner  
Membership No. 004714

Place: Kolkata  
Date: 18/05/2016



For and on behalf of the Board of Directors

*Abhijeet Jayashree*  
Director  
*Vinod Kumar*  
Director

**Mahuagarhi Coal Company Private Limited**

Registered Office: Vidyakamal Niketan (Ground Floor), B/324, Road No 4, Ashok Nagar, Ranchi, Jharkhand-834002

**Note 1: Significant Accounting Policies:**

**i) Accounting Convention**

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211 (3C) {Companies (Accounting Standard) Rules ,2006, as amended } and other relevant provisions of the Companies Act,2013.

**ii) Revenue Recognition**

Since the company has not started its operation no revenue is recognized.

**iii) Expenditure during construction**

The Company is yet to commence commercial operation. Indirect expenses related to the project and incidental thereto are disclosed under Capital - Work - in Progress and are to be capitalized subsequently.

Other Indirect expenses, which are not related to project, have been charged off to the Statement of Profit and Loss.

**iv) Taxes on Income**

Current tax as well as deferred tax is not provided for as there are no revenue generation during the year.

**v) Provision, Contingent Liabilities and Contingent assets**

Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.



**Mahuagarhi Coal Company Private Limited**

Registered Office: Vidyakamal Niketan (Ground Floor),B/324,Road No 4,Ashok Nagar, Ranchi,Jharkhand-834002

Note - 2.1 : Share Capital

Particulars	As at	As at
	31st March, 2016	31st March, 2015
	Rs	Rs
<b>Authorised share capital</b>		
1,00,00,000 (P.Y. 1,00,00,000) Equity Shares of Rs 10/- each	10,00,00,000	10,00,00,000
<b>Issued, subscribed and paid up Capital</b>		
48,59,600 (P.Y. 48,59,600) Equity Shares of Rs 10/- each fully paid.	4,85,96,000	4,85,96,000
	<u>4,85,96,000</u>	<u>4,85,96,000</u>

**(a) Terms/Rights attached to equity shares:**

The Company has only one class of equity shares having a par value of Rs 10/- per share.

Each holder of equity is entitled to one vote per share. The company has not declared any dividend to its shareholders since inception. In the event of liquidation of the company the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(b) Details of Shareholders holding more than 5% shares in the company**

Name of the Shareholders	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares	% of holding	No. of shares	% of holding
Jas Infrastructure and Power Limited	24,29,800	50	24,29,800	50
CESC Limited	24,29,800	50	24,29,800	50

**(c) Reconciliation of the shares outstanding at the beginning and at the end of the year**

Particulars of reporting period	As at 31st March, 2016		31st March, 2015	
	No of Shares	Value (Rs)	No of Shares	Value (Rs)
Shares outstanding at the beginning of the year	48,59,600	4,85,96,000	48,59,600	4,85,96,000
Add: Equity shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	48,59,600	4,85,96,000	48,59,600	4,85,96,000

**(d) The above shares are held by Joint Venture Partners**

Mahuagarhi Coal Company Private Limited  
Registered Office:Vidyakamal Niketan (Ground Floor),B/324,Road No 4,Ashok Nagar, Ranchi,Jharkhand-834002

Note - 2.2: Reserves and Surplus

Particulars	As at	As at
	31st March, 2016	31st March, 2015
	Rs	Rs
Debit Balance in the Statement of Profit and Loss at the beginning of the year	(6,70,24,903)	(34,91,765)
Add: Loss for the year	(40,550)	(6,35,33,138)
Debit balance in the Statement of Profit and Loss at the end of the year	<u>(6,70,65,453)</u>	<u>(6,70,24,903)</u>

Note - 2.3: Other Current Liabilities

Particulars	As at	As at
	31st March, 2016	31st March, 2015
	Rs	Rs
Statutory dues	3,435	9,551
Audit Fee Payable	91,589	1,21,348
Others (Refer Note 2.9)	1,86,20,602	1,85,59,928
	<u>1,87,15,626</u>	<u>1,86,90,827</u>

The Company has not received any intimation from creditors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, disclosure, if any, relating to amounts unpaid as at the period end together with interest paid/payable as required under the said Act has not been given.





**Mahuagarhi Coal Company Private Limited**

**Registered Office: Vidyakamal Niketan (Ground Floor), B/324, Road No 4, Ashok Nagar, Ranchi, Jharkhand-834002**

Note 2.4 : Capital Work-In-Progress

<b>Particulars</b>	<b>As at 31st March, 2016 Rs</b>	<b>As at 31st March, 2015 Rs</b>
<b>Expenditure for the year</b>		
Expenditure upto previous year	-	6,34,31,937
Less: Charged off to Statement of Profit & Loss (Refer Note 2.9)	-	6,34,31,937
<b>Total</b>	<b>-</b>	<b>-</b>

Note 2.5: Cash and Bank Balances

<b>Particulars</b>	<b>As at 31st March, 2016 Rs</b>	<b>As at 31st March, 2015 Rs</b>
<b>Cash and Cash Equivalents</b>		
Balances with Banks in Current Accounts	2,46,173	2,61,924
	<b>2,46,173</b>	<b>2,61,924</b>



Mahuagarhi Coal Company Private Limited

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Note 2.6 : Other expenses

Particulars	2015-16	2014-15
	Rs	Rs
Remuneration to auditors		
- Statutory audit	34,350	67,416
- Other charges	-	28,090
Bank charges	6,073	2,961
Miscellaneous Expenses	127	2,734
Capital work-in-progress written off	-	6,34,31,937
	<u>40,550</u>	<u>6,35,33,138</u>



**Mahuagarhi Coal Company Private Limited**

Registered Office: Vidyakamal Niketan (Ground Floor), B/324, Road No 4, Ashok Nagar, Ranchi, Jharkhand-834002

**Note 2.7:**

The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.

**Note 2.8:**

Mahuagarhi non-coking coal block in the State of Jharkhand was allotted by the Ministry of Coal, Govt. Of India jointly in favour of CESC Limited and Jas Infrastructure Capital Private Limited (Now Jas Infrastructure and Power Limited) for meeting their proportionate share of requirement of coal, that is equally. Mahuagarhi Coal Company Private Limited was incorporated as a joint venture Company with equal participation in the share capital of the Company by Jas Infrastructure and Power Limited and CESC Limited for the development of Mahuagarhi Coal Field and exploration of coal there from and is yet to commence commercial operation.

**Note 2.9:**

Pursuant to the judgment dated 25<sup>th</sup> August, 2014 of the Hon'ble Supreme Court of India read with its Order dated 24<sup>th</sup> September, 2014, the allotment of 204 coal blocks including Mahuagarhi Coal Block that was being developed by the Company has been cancelled on the ground that the process of allotment of these coal blocks by the Coal Ministry of the Government of India was arbitrary and illegal. Consequently, total expenditure amounting to Rs. 63,431,937 incurred by the Company towards development of the Mahuagarhi coal block till 31<sup>st</sup> March, 2015 was written off in the accounts for the year 2014-15 and share application money pending allotment as on 31-03-2015 amounting to Rs.16,000,000 (31.03.2014 - Rs. 16,000,000) had been shown under Current Liabilities - Others. As the Company was promoted for developing the said Mahuagarhi Coal Block and has no other business, its future structuring is being worked out.

**Note 2.10:**

**Earnings per Share (EPS):**

Particulars		2015-16	2014-15
(Loss) for the year Rs.	(A)	(40,550)	(63,533,138)
Weighted Average Nos of Equity Shares for Basic EPS	(B)	4,859,600	4,859,600
Basic Earnings Per Share of Rs. 10/- [(A)/(B)]	Rs.	(0.02)	(13.07)

**Note 2.11:**

**Related Party Disclosure**

**2.11.1: Related Parties and their Relationships**

Names of Related Parties	Nature of relationships
Jas Infrastructure and Power Limited	Venturer
CESC Limited	Venturer



**Mahuagarhi Coal Company Private Limited**

Registered Office: Vidyakamal Niketan (Ground Floor), B/324, Road No 4, Ashok Nagar, Ranchi, Jharkhand-834002

**2.11.2: Details of transactions between the Company and related parties and status of outstanding balances**

Nature of Transaction	Venturer (Jas Infrastructure and Power Limited)		Venturer (CESC Limited)	
	Amount (Rs)		Amount (Rs)	
	31.03.16	31.03.15	31.03.16	31.03.15
Reimbursements	-	-	60,674	-
Balance				
Debit:	-	-	-	-
Credit:	90,78,499	90,78,499	89,03,374	88,42,700





**Mahuagarhi Coal Company Private Limited**

Registered Office: Vidyakamal Niketan (Ground Floor), B/324, Road No 4, Ashok Nagar, Ranchi, Jharkhand-834002

**Note 2.12:**

The Company is engaged in the business of development of Coal field and exploration of coal there from and does not operate in any other reportable segment.

**Note 2.13:**

Contingent Liability and commitments (to the extent not provided for):

The Company had provided bank guarantee with a validity period upto 07.04.2015 amounting to Rs. 41 Crores in favor of The President of India, acting through the Ministry of Coal, Govt. of India towards future liability of the Company equivalent to Royalty for one year in respect of allocation of Mahuagarhi Coal Block in the State of Jharkhand. The aforesaid bank guarantee was secured by third party guarantee. No claim against the said guarantee has been lodged till its expiry on 07-04-2015.

**Note 2.14:**

Previous year figures have been re-classified/ regrouped wherever necessary.

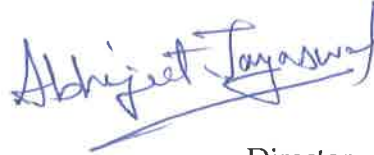
As per our report of even date attached herewith

**For Batliboi, Purohit & Darbari**  
**Firm Registration No.:303086E**  
**Chartered Accountants**

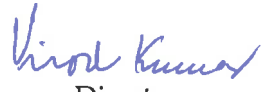


CA P.J. Bhide  
Partner  
Membership No. 004714

**For and on behalf of the Board  
of Directors**



Director



Director

Place: Kolkata  
Date: 16/05/2016



Mahuagarhi Coal Company Private Limited

Registered Office:Vidyakamal Niketan (Ground Floor),B/324,Road No 4,Ashok Nagar, Ranchi,Jharkhand-834002

Cash Flow Statement for the year ended 31st March, 2016

Particulars	2015-16 Rs	2014 - 15 Rs
<b>A. Cash Flow from Operating Activities</b>		
Loss before taxation	(40,550)	(6,35,33,138)
Add: Capital Work-in progress written off	-	6,34,31,937
Operating Loss before Working Capital Changes	(40,550)	(1,01,201)
<b>Movements in Working Capital</b>		
Increase/(Decrease) in other current liabilities	24,799	88,764
<b>Net Cash Generated From Operating Activities</b>	<b>(15,751)</b>	<b>(12,437)</b>
<b>B. Cash Flow from Investing Activities</b>		
(Increase)/Decrease in Capital-work-in-progress	-	-
<b>Net Cash used in Investing Activities</b>	<b>-</b>	<b>-</b>
<b>C. Cash Flow from Financing Activities</b>		
Increase/(Decrease) in share application money pending allotment	-	-
<b>Net Cash Flow from Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(15,751)</b>	<b>(12,437)</b>
Cash and Cash Equivalents - Opening Balance	2,61,924	2,74,361
Cash and Cash Equivalents - Closing Balance	2,46,173	2,61,924
Net Increase/(Decrease)	<b>(15,751)</b>	<b>(12,437)</b>

Notes:

The cash flow statement has been prepared under the indirect method as given in the Accounting Standard on Cash Flow Statement (AS-3) as per Companies Accounting Standard Rules, 2006.

As per our report of even date attached herewith

For Batliboi, Purohit & Darbari  
Firm Registration Number:303086E  
Chartered Accountants

CA P.J. Bhide  
Partner  
Membership No. 004714

For and on behalf of the Board of Directors

Abhishek Jayaswal  
Director

Vinod Kumar  
Director

Place: Kolkata  
Date: 16/05/2016

