

INDEPENDENT AUDITOR'S REPORT

To the Members of Utkal Coal Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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 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.



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

Opinion

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

Emphasis of Matters

We draw attention to Note Nos. 20 and 21 to the financial statements relating to 'Utkal C' coal block held by the Company and non-recognition of interest expense on unsecured loan advanced by the holding Company, respectively. These matters have arisen out of the cancellation of allotment of 'Utkal C' vide the Hon'ble Supreme Court of India's order dated 24th September, 2014, the subsequent auction process of the coal block and the filing of two writ petitions before the Hon'ble High Court of Delhi by the Company in connection therewith.

Our opinion is not modified in respect of these matters.

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 "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) 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. The matters described in the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
 - f. On the basis of the written representations received from the directors as on 31st March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;



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- g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note Nos. 19, 20 and 21 to the financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W

A. K. Chunjhunwala

Anand Kumar Jhunjhunwala

Partner

Membership No. 056613



Bhubaneswar,

16 MAY 2016

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date, to the members of the Company on the financial statements for the year ended 31st March, 2016]

- (i)
- (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) According to the information and explanations given to us, major portion of fixed assets has been physically verified by the Company's Management ("management") during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets.
 - (c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company, except as detailed herein below :-

Land/ Buildings	Total number of cases	Leasehold/ Freehold	Gross Block as at 31 st March, 2016 (Rs.)	Net Block as at 31 st March, 2016 (Rs.)	Remarks
Land	6	Leasehold	46,31,62,095	46,31,62,095	Registration between Odisha Industrial Development Corporation (OIDCO) and the Company is pending.

- (ii) According to the information and explanations given to us, the inventory, presently constituting of stores, spares and consumables, has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As explained to us, no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.
- (iv) According to the information and explanations given to us in respect of loans, investments, guarantees and security, the Company has complied with the provisions of Sections 185 and 186 of the Act.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public.



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(vi) The Company has not commenced its commercial operations as of 31st March, 2016. Accordingly, as explained by the management, the provisions of clause 3(vi) of the Order with regard to the maintenance of cost records are not applicable to the Company.

(vii)

(a) According to the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the dues as at 31st March, 2016 of income-tax, sales tax, service tax, duty of customs, duty of excise and value added tax, which have not been deposited on account of any dispute, are as follows :

Name of the Statute	Nature of dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	20,11,430	Assessment Year 2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	9,44,16,460	Assessment Year 2013-14	Commissioner of Income Tax (Appeals)

(viii) Based on our audit procedures and as per the information and explanations given to us by the management, we are of the opinion that during the year the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank or Government. The Company has not issued any debentures as at the balance sheet date.

(ix) In our opinion and according to the information and explanations given to us, term loans were prima facie applied during the year for the purposes for which those were raised. The Company has not raised any money during the year by way of initial public offer or further public offer (including debt instruments).

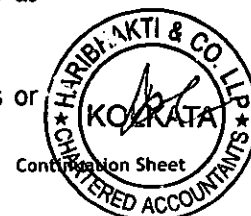
(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, we report that we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

(xi) According to the information and explanations given to us, no managerial remuneration was paid / provided for by the Company during the year.

(xii) The Company is not a Nidhi Company.

(xiii) According to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.

(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.



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- (xv) As per the information and explanations given to us, the Company has not entered into any non-cash transactions during the year with directors or persons connected with them.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W

A. K. Chaudhary



Anand Kumar Jhunjhunwala

Partner

Membership No. 056613

Bhubaneswar

16 MAY 2016

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph (2)g under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date, to the members of the Company on the financial statements for the year ended 31st March, 2016]

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of the Company as of 31st March, 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

The Company's Board of Directors 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 (the "Guidance Note") 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.

Auditor's 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 and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, 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 were established and maintained and if such controls operated effectively in all material respects.

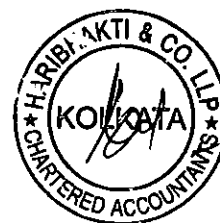
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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 judgement, 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



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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 controls 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 31st March, 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 issued by the ICAI.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W



Anand Kumar Jhunjhunwala

Partner

Membership No.056613



Bhubaneswar

16 MAY 2016

UTKAL COAL LIMITED
Balance Sheet as at 31st March, 2016

Particulars	Note No.	As at 31st March, 2016	(Amount in Rupees) As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	250,000,000	250,000,000
Reserves and Surplus	3	906,341,651	906,875,218
		1,156,341,651	1,156,875,218
Non-Current Liabilities			
Long-Term Borrowings	4	575,871,242	770,049,440
Other Long-Term Liabilities	5	1,284,420	2,678,716
Long-Term Provisions	6	434,207	356,160
		577,589,869	773,084,316
Current Liabilities			
Short Term Borrowings	7	1,737,704,466	1,464,405,730
Other Current Liabilities	8	211,459,282	156,622,266
Short-Term Provisions	9	11,309	9,279
		1,949,175,057	1,621,037,275
		3,683,106,577	3,550,996,809
ASSETS			
Non-Current Assets			
Fixed Assets	10		
- Tangible Assets		1,917,529,540	1,917,932,410
- Capital Work-in-Progress		1,758,369,073	1,625,602,429
		3,675,898,613	3,543,534,839
Long-Term Loans and Advances	11	826,464	698,941
		826,464	698,941
Current assets			
Inventories	12	122,115	122,115
Cash and Cash Equivalents	13	179,675	583,075
Short-Term Loans and Advances	14	6,079,710	6,057,839
		6,381,500	6,763,029
		3,683,106,577	3,550,996,809

Significant Accounting Policies & Notes to Financial Statements 1 to 27

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

This is the Balance Sheet referred to in our report of even date.

For Haribhakti & Co LLP

Chartered Accountants

ICAI Firm Registration No.103523W

Anand Kumar Jhunjunwala
Anand Kumar Jhunjunwala
Partner

Membership No. 056613



For and on behalf of the Board of Directors

S. Panda

Subbrakant Panda
Chairman

Smruti Ranjan Ray
Smruti Ranjan Ray
Company Secretary

Prem Khandelwal

Prem Khandelwal
Director

Ashok Kumar Nayak
Ashok Kumar Nayak
Chief Financial Officer

Place: Bhubaneswar

Date: **16 MAY 2016**

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

Particulars	Note No.	Year Ended 31st March, 2016	Year Ended 31st March, 2015
(Amount in Rupees)			
Income			
Revenue from Operations	15	-	-
Total		-	-
Expenses			
Finance Costs	16	-	-
Employee Benefits Expense	16	-	-
Other Expenses	17	533,567	558,382
Total		533,567	558,382
Profit/(Loss) Before Tax		(533,567)	(558,382)
Tax Expense:			
- Current Tax		-	-
- Deferred Tax		-	-
Profit/(Loss) for the year		(533,567)	(558,382)
Earnings per Equity Share (Basic and Diluted) (in Rs.) (Par Value Rs.10/- per Equity Share)	18	(0.02)	(0.02)

Significant Accounting Policies & Notes to Financial Statements 1 to 27

The Notes referred to above form an integral part of the Statement of Profit and Loss

This is the Statement of Profit and Loss referred to in our report of even date.

For Haribhakti & Co LLP
Chartered Accountants
ICAI Firm Registration No.103523W

A.K. Chandra Chandra
Anand Kumar Jhunjhunwala
Partner
Membership No. 056613



For and on behalf of the Board of Directors

S. Panda

Subhrakant Panda
Chairman

Prem Khandelwal

Prem Khandelwal
Director

Smruti Ranjan Ray
Smruti Ranjan Ray
Company Secretary

Ashok Kumar Nayak
Ashok Kumar Nayak
Chief Financial Officer

Place: Bhubaneswar

Date: 16 MAY 2016

UTKAL COAL LIMITED
Cash flow statement for the year ended 31st March, 2016

Particulars	Year Ended 31st March, 2016	Year Ended 31st March, 2015
(Amount in Rupees)		
A. Cash Flows from Operating Activities		
Profit Before Tax	(533,567)	(558,382)
Operating cash flows before working capital changes	(533,567)	(558,382)
Changes in Assets and Liabilities		
Decrease / (Increase) in Loans and Advances and Other Assets	(318,547)	1,662,378
Increase / (Decrease) in Liabilities and Provisions	(7,499,575)	6,174,359
Cash generated from operations	(8,351,689)	7,278,355
Direct Taxes Paid	(127,523)	-
Net Cash (Used in) / Generated from Operating Activities	(8,479,212)	7,278,355
B. Cash Flows from Investing Activities		
Purchase of Fixed Assets and Capital Work-in-Progress	(8,635,366)	(58,364,790)
Proceeds from Fixed Deposit	-	24,753,734
Net Cash (Used in) / Generated by Investing Activities	(8,635,366)	(33,611,056)
C. Cash Flows from Financing Activities		
Proceeds from Long Term Borrowing	-	665,000,000
Repayments of Long Term Borrowing	(129,168,314)	(30,000,000)
Proceeds from / (Repayment) of Short Term Borrowing (net)	273,298,736	(390,941,365)
Interest and Financing Charges Paid	(127,419,244)	(224,490,773)
Net Cash (Used in) / Generated by Financing Activities	16,711,178	19,567,862
Net (Decrease) in Cash and Cash Equivalents	(403,400)	(6,764,839)
Cash and Cash Equivalents at the beginning of the year	583,075	7,347,914
Cash and Cash Equivalents at the end of the year (Note No.13)	179,675	583,075

Explanation:

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 'Cash Flow Statements'.
- Previous year's figures have been rearranged/regrouped to conform to the classification of the current year, wherever considered necessary.

This is the Cash Flow Statement referred to in our report of even date.

For **Haribhakti & Co LLP**
Chartered Accountants
ICAI Firm Registration No.103523W

A.K. Chandra Chandra

Anand Kumar Jhunjunwala
Partner
Membership No. 056613



For and on behalf of the Board of Directors

S. Panda

Subhrakant Panda
Chairman

Prem Khandelwal

Prem Khandelwal
Director

Smruti Ranjan Ray

Smruti Ranjan Ray
Company Secretary

Ashok Kumar Nayak

Ashok Kumar Nayak
Chief Financial Officer

Place: Bhubaneswar

Date: **16 MAY 2016**

Utkal Coal Limited

Notes to Financial Statements for the year ended 31st March 2016.

1 Summary of Significant Accounting Policies

1.1 Basis of preparation

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India, under the historical cost convention, on accrual basis (except on case of significant uncertainties). As per Rule 7 of The Companies (Accounts) Rules, 2014, the standards of accounting as specified under the Companies Act, 1956 shall be deemed to be the accounting standards until accounting standards are specified by the Central Government under section 133 of the Companies Act, 2013. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211 (3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006] and the relevant provisions of the Companies Act, 2013.

Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. The Company has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

1.2 Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions, which are considered to arrive at the reported amounts of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the reported income and expenses during the reporting year. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. The difference between the actual results and the estimates are recognised in the periods in which the results are known / materialised. Any revision to the accounting estimates are recognized prospectively in the current and future years.

1.3 Fixed Assets, Depreciation / Amortisation and Impairment

a) Fixed Assets

Tangible Fixed assets are carried at cost net of recoverable taxes and includes amounts added on revaluation, less accumulated depreciation and accumulated impairment losses, if any. Cost comprises of the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets, which take substantial period of time to get ready for their intended use, are also capitalised to the extent they relate to the period till such assets are ready to put to use.

b) Depreciation / Amortisation

Depreciation on tangible assets other than Freehold and Leasehold Land is provided over the estimated useful life of the assets, in accordance with Schedule II to the Companies Act, 2013. The residual value of assets is considered at 2%.

Freehold land is not depreciated. Lease-hold assets are amortised from the month of commencement of commercial production, over the remaining period of lease.

Depreciation / Amortisation on assets purchased / sold during the year are recognised on pro-rata basis.

c) Impairment.

The Company periodically assesses whether there is any indication that an asset or a group of assets, comprising a cash generating unit, may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset of group of assets that does not generate



Utkal Coal Limited

Notes to Financial Statements for the year ended 31st March 2016.

independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciation historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined; if no impairment loss had been recognised.

1.4 Capital Work in Progress

Capital work-in-progress comprises the cost of fixed assets that are not yet ready for their intended use at the reporting date and are in the process of being constructed / acquired / developed, as the case may be. Cost, as aforesaid, includes development and other expenses, including financing cost related to borrowed funds and the same is allocated / apportioned to the respective fixed assets on completion of the construction / acquisition / development of the capital project / fixed assets.

Expenses directly related to construction, acquisition or development activity is transferred to the capital work-in-progress. Indirect expenditure incurred during the construction, acquisition or development activity is transferred to capital work-in-progress, to the extent it is related to construction, acquisition or development activity or is incidental thereto. The balance indirect expenditure is charged to the Statement of Profit and Loss.

1.5 Borrowing costs

Borrowing costs relating to the construction / acquisition / development of the qualifying assets are capitalized, until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. The ancillary costs incurred in connection with the arrangement of borrowings are amortised over the life of underlying borrowings. Other borrowing costs are recognised as an expense in the year in which they are incurred.

1.6 Inventories

- (a) Items of inventories are carried at lower of cost and net realisable value, after providing for obsolescence, if any.
- (b) Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and includes, wherever applicable, appropriate overheads.

1.7 Investments

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments in accordance with Accounting Standard 13 on 'Accounting for Investments'. All other investments are classified as non-current investments.

Current investments are carried at lower of cost and fair value.

1.8 Revenue Recognition

Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection.

- a) Dividend income is recognised when the Company's right to receive the dividend is established.
- b) Interest income on Fixed Deposit is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.



Utkal Coal Limited

Notes to Financial Statements for the year ended 31st March 2016.

1.9 Retirement and Other Employee Benefits

a) Gratuity

Liability for gratuity, which is a defined benefit scheme, is provided for based on an actuarial valuation carried out by an independent actuary as at the balance sheet date. Actuarial gains/ losses are recognised immediately in the year it is earned / incurred.

b) Compensated absences

Liability for compensated absences in the nature of long-term employee benefit is provided for based on an actuarial valuation at the balance sheet date, carried out by an independent actuary. The Company accrues the expected cost of short - term compensated absences in the period in which the employee renders services.

c) Provident Fund

Contribution to the recognised provident fund, which is a defined contribution scheme, is recognised in the year in which the same is incurred.

1.10 Leases

Leases, where the lessor effectively retains substantially all the risks and rewards of ownership of the leased asset, are classified as operating leases. Operating lease rentals are charged to the Statement of Profit and Loss on accrual basis.

1.11 Taxes on Income

Tax expense comprises of current tax [net of Minimum Alternate Tax (MAT) credit entitlement] and deferred tax.

Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities. The deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by The Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT



Utkal Coal Limited

Notes to Financial Statements for the year ended 31st March 2016.

Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

1.12 Provision, Contingent Liabilities and Contingent Assets

A provision is recognised when the company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed by way notes to financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.



UTKAL COAL LIMITED
NOTES TO FINANCIAL STATEMENTS (INCLUDING SIGNIFICANT ACCOUNTING POLICIES)

2 Share Capital:

Particulars	(Amount in Rupees)	
	As at 31st March, 2016	As at 31st March, 2015
Authorised		
Equity shares, Rs 10 par value per share 25,000,000 (previous year: 25,000,000), Equity Shares	250,000,000	250,000,000
	<u>250,000,000</u>	<u>250,000,000</u>
Issued, Subscribed and Fully paid up		
Equity shares, Rs 10 par value per share 25,000,000 (previous year: 25,000,000), Equity Shares	250,000,000	250,000,000
	<u>250,000,000</u>	<u>250,000,000</u>

2.1 The reconciliation of the number of shares outstanding as at 31st March, 2016 and 31st March, 2015 is set out below:

Equity Shares	As at 31 March, 2016		As at 31 March, 2015	
	No. of Shares	Rs.	No. of shares	Rs.
At the beginning of the financial year	25,000,000	250,000,000	25,000,000	250,000,000
Add: Issued during the year	-	-	-	-
At the end of the financial year	<u>25,000,000</u>	<u>250,000,000</u>	<u>25,000,000</u>	<u>250,000,000</u>

2.2 Rights, Preferences and Restrictions in respect of each class of Shares

The Company has only one class of shares referred to as equity shares having a par value of Rs 10 each. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.3 Shareholders holding more than 5% Equity Shares each, are set out below:

Name of the share holder	As at 31 March, 2016		As at 31 March, 2015	
	No. of Shares	% of holding	No. of Shares	% of holding
Indian Metals and Ferro Alloys Limited	19,800,000	79.20	19,800,000	79.20
Paramita Investment & Trading Company Private Limited	2,587,430	10.35	2,587,430	10.35
Madhuban Investment Private Limited	2,587,000	10.35	2,587,000	10.35

3 Reserves and Surplus

Particulars	(Amount in Rupees)	
	As at 31st March, 2016	As at 31st March, 2015
Securities Premium Reserve		
Balance as per last accounts	910,800,000	910,800,000
	<u>910,800,000</u>	<u>910,800,000</u>
Surplus / (Deficit) in the Statement of Profit and Loss		
Opening Balance	(3,924,782)	(3,291,926)
Add: Carrying value of asset after retaining the residual value	-	(74,474)
Add: Transferred from Statement of Profit and Loss	(533,567)	(538,382)
	<u>(4,458,349)</u>	<u>(3,924,782)</u>
	<u>906,341,651</u>	<u>906,875,218</u>

4 Long-Term Borrowings

Particulars	(Amount in Rupees)	
	As at 31st March, 2016	As at 31st March, 2015
Secured		
Term Loans (refer Note No 4.1)		
Rupee Loan		
- From Financial Institution	575,871,242	770,049,440
	<u>575,871,242</u>	<u>770,049,440</u>



UTKAL COAL LIMITED**NOTES TO FINANCIAL STATEMENTS (INCLUDING SIGNIFICANT ACCOUNTING POLICIES)****Note : 4.1****(Amount in Rupees)**

Particulars	Non-Current Maturities	Current Maturities	Total
From Financial Institution – Term Loan ⁽¹⁾	210,871,242	55,009,884	265,881,126
From Financial Institution – Term Loan ⁽²⁾	365,000,000	150,000,000	515,000,000
Total	575,871,242	205,009,884	780,881,126

1) Term loan is from SREI Infrastructure Finance Limited and is secured by first charge over all the fixed assets, both present and future on pari-pasu basis.
An unconditional and irrevocable corporate guarantee has been given by the Holding Company, Indian Metals and Ferro Alloys Limited ("IMFA") in respect of such loan.
The loan is repayable in 60 equal monthly installments starting from 29th February, 2016. The loan carries interest rate which is SREI Benchmark rate (SBR) minus 4% per annum.

2) Term loan is from SREI Infrastructure Finance Limited and is secured by first charge on all the movable and immovable fixed assets, both present and future.
An unconditional and irrevocable corporate guarantee has been given by the Holding Company, Indian Metals and Ferro Alloys Limited ("IMFA") in respect of such loan.
The loan is repayable in 27 quarterly installments starting from 30th September, 2014. The loan carries interest rate which is SREI Benchmark rate (SBR) minus 2.90% per annum.
Further, 100% shares of the Company has been pledged by the shareholders in favour of the aforesaid lender.



UTKAL COAL LIMITED
NOTES TO FINANCIAL STATEMENTS (INCLUDING SIGNIFICANT ACCOUNTING POLICIES)

5 Other Long-Term Liabilities

Particulars	(Amount in Rupees)	
	As at 31st March, 2016	As at 31st March, 2015
Others		
Security Deposit From Contractors	1,284,420	2,678,716
	<u>1,284,420</u>	<u>2,678,716</u>

6 Long-Term Provisions

Particulars	(Amount in Rupees)	
	As at 31st March, 2016	As at 31st March, 2015
Provision for Employee Benefits (refer Note No. 24)		
- Gratuity	292,250	239,719
- Leave Encashment	141,957	116,441
	<u>434,207</u>	<u>356,160</u>

7 Short - Term Borrowings

Particulars	(Amount in Rupees)	
	As at 31st March, 2016	As at 31st March, 2015
Unsecured		
Other Intercompany Loans		
- From Holding Company	1,737,704,466	1,464,405,730
	<u>1,737,704,466</u>	<u>1,464,405,730</u>

8 Other Current Liabilities

Particulars	(Amount in Rupees)	
	As at 31st March, 2016	As at 31st March, 2015
Current Maturities of Long Term Borrowings (refer Note No.4.1)	205,009,884	140,000,000
Interest Accrued but not due on Borrowings	255,012	331,377
Other payables		
- Payable for Purchase of Capital Goods	3,137,520	5,654,371
- Payable for Expenses and Services	1,686,795	7,752,003
Statutory Liabilities	1,067,712	2,431,666
Payables to Employees	302,359	452,849
	<u>211,459,282</u>	<u>156,622,266</u>

9 Short-Term Provisions

Particulars	(Amount in Rupees)	
	As at 31st March, 2016	As at 31st March, 2015
Provision for Employee Benefits (refer Note No. 24)		
- Leave Encashment	11,309	9,279
	<u>11,309</u>	<u>9,279</u>



UTKAL COAL LIMITED
NOTES TO FINANCIAL STATEMENTS (INCLUDING SIGNIFICANT ACCOUNTING POLICIES)

10 Fixed Assets

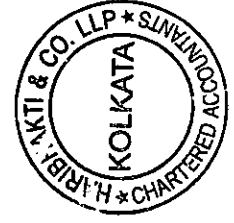
Particulars	Gross block						Depreciation & Amortisation			Net block	
	As at 1st April, 2015	Additions/ adjustments during the year	Disposals / Adjustment during the year	As at 31st March, 2016	As at 1st April, 2015	Depreciation/ Amortisation for the year (refer Explanation 1)	Disposals / Adjustments during the year	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	
Tangible, owned:											
Freehold Land	99,769,947	-	-	99,769,947	-	-	-	-	-	99,769,947	
Buildings (Temporary)	1,183,340	-	-	1,183,340	1,183,340	-	1,183,340	-	-	-	
Plant and Equipment	2,140,847	-	25,000	2,115,847	1,532,496	204,076	12,821	392,096	608,351	608,351	
Furniture and Fixtures	335,788	-	-	335,788	240,129	34,761	-	60,898	95,659	95,659	
Computers	813,109	-	-	813,109	775,902	19,110	-	18,097	37,207	37,207	
Office Equipment	106,959	-	-	106,959	68,535	15,717	-	22,707	38,424	38,424	
Motor Vehicles	1,313,546	-	-	1,313,546	1,064,940	117,027	-	131,579	248,606	248,606	
Total (A)	105,663,536	-	25,000	105,638,536	4,865,342	390,691	12,821	100,395,324	100,798,194	100,798,194	
Tangible, leased:											
Leasehold Land	1,817,134,216	-	-	1,817,134,216	-	-	-	-	-	1,817,134,216	
Total (B)	1,817,134,216	-	-	1,817,134,216	-	-	-	1,817,134,216	1,817,134,216	1,817,134,216	
I. Total Fixed Assets = (A+B)	1,922,797,752	-	25,000	1,922,772,752	4,865,342	390,691	12,821	1,917,529,540	1,917,932,410	1,917,932,410	
Previous year	1,922,797,752	-	-	1,922,797,752	3,839,458	951,410	74,474	1,917,932,410	1,917,932,410	1,917,932,410	
Capital Work in progress	1,625,602,429	132,766,644	-	1,758,369,073	-	-	-	1,758,369,073	-	1,758,369,073	

Explanation 1:

Represents depreciation / amortisation on assets during the pre-mining stage of the coal mining project of the Company. The same has been transferred to Capital work-in-progress.

Explanation-2

Leasehold land includes an amount of Rs.463,162,095/- paid as cost towards acquisition of 398.14 acres pending registration in the Company's favour. The same has been sanctioned in favour of the Company and first phase of registration between Government of Odisha and Odisha Industrial Infrastructure Development Corporation (OIDCO) has already been made.



JTKAL COAL LIMITED

NOTES TO FINANCIAL STATEMENTS (INCLUDING SIGNIFICANT ACCOUNTING POLICIES)

11 Long-Term Loans and Advances

Particulars	(Amount in Rupees)	
	As at 31st March, 2016	As at 31st March, 2015
Unsecured, Considered Good		
Other Loans and Advances		
Security Deposits - Others	286,867	286,867
Advance Income Tax	539,597	412,074
	<u>826,464</u>	<u>698,941</u>

12 Inventories

Particulars	(Amount in Rupees)	
	As at 31st March, 2016	As at 31st March, 2015
Stores, Spares & Consumables (At lower of Cost and Net Realisable Value)	122,115	122,115
	<u>122,115</u>	<u>122,115</u>

13 Cash and Cash Equivalents

Particulars	(Amount in Rupees)	
	As at 31st March, 2016	As at 31st March, 2015
Balances with Banks:		
In Current Accounts	177,596	484,502
Cash on hand	2,079	98,573
	<u>179,675</u>	<u>583,075</u>

14 Short-Term Loans and Advances

Particulars	(Amount in Rupees)	
	As at 31st March, 2016	As at 31st March, 2015
Unsecured, Considered Good		
Capital Advances	-	296,676
CENVAT Credit Receivable	6,079,710	5,760,039
Others	-	1,124
	<u>6,079,710</u>	<u>6,057,839</u>



UTKAL COAL LIMITED**NOTES TO FINANCIAL STATEMENTS (INCLUDING SIGNIFICANT ACCOUNTING POLICIES)**

15 The Company has not commenced commercial operations as of 31st March, 2016. A Statement of Profit and Loss has been drawn up for the current year to comply with the provisions of the Companies Act, 2013 and the notified Accounting Standards under the Companies (Accounting Standard) Rules, 2006 and Companies (Accounting Standard) Rules, 2016. Expenses, not directly related to the mining project nor incidental thereto have been charged to the Statement of Profit and Loss. The necessary information as per Part II of Schedule III to the Companies Act, 2013 has been disclosed to the extent applicable.

16 Capital work-in-progress includes borrowing cost of Rs. 127,302,604 incurred in the current year (Previous year: Rs.223,542,306).

Further, employee benefits expense is primarily related to setting up of the mining project and hence, included in Capital work-in-progress.

17 Other Expenses

Particulars	(Amount in Rupees)	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Registration and Fillings	4,508	9,644
Payment to Auditors (refer Note No. 17.1)	504,975	505,520
Rates and Taxes	4,568	19,158
Misc Expenses	19,516	24,060
	<u>533,567</u>	<u>558,382</u>

17.1 Payment to Auditors

Particulars	(Amount in Rupees)	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Statutory Audit Fees	500,000	500,000
Reimbursement of Expenses	4,975	5,250
	<u>504,975</u>	<u>505,250</u>



UTKAL COAL LIMITED
NOTES TO FINANCIAL STATEMENTS (INCLUDING SIGNIFICANT ACCOUNTING POLICIES)

18 Earnings per Share

The computation of earnings per share is set out below:-

Particulars	(Figures in rupees except number of shares)	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Profit / (Loss) after tax attributable to Equity Shareholders	(533,567)	(558,382)
Weighted average number of Equity Shares outstanding at the end of the year (Basic)	25,000,000	25,000,000
Weighted average number of Potential Equity Shares outstanding at the end of the year	-	-
Weighted average number of Equity Shares outstanding at the end of the year (Dilutive)	25,000,000	25,000,000
Nominal Value of Equity per share	10.00	10.00
Basic Earnings per share	(0.02)	(0.02)
Diluted Earnings per share	(0.02)	(0.02)

19 Contingent Liabilities and Commitments (to the extent not provided for)

Particulars	(Amount in Rupees)	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
A. Contingent Liabilities:		
- Claims against Company not acknowledged as debts:		
(I) Case pending for hearing before CIVIL JUDGE (S.D), Angul, Odisha relating to enhancement of award regarding land acquisition by the Company for railway siding.	5,628,975	5,628,975
(II) Income Tax	96,427,890	-
B. Commitments:		
Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	Nil	Nil



UTKAL COAL LIMITED

NOTES TO FINANCIAL STATEMENTS (INCLUDING SIGNIFICANT ACCOUNTING POLICIES)

20 The Hon'ble Supreme Court of India vide judgment dated 25th August, 2014 read with its order dated 24th September, 2014 cancelled the allocation of coal blocks to various companies, including the 'Utkal C' coal block held by the Company. Subsequently, on 21st October, 2014 The Coal Mines (Special Provisions) Ordinance, 2014 was promulgated to facilitate, inter alia, auction of coal blocks and compensation to a prior allottee of a coal block. To give continuity to the provisions of the said Ordinance and save the actions taken thereunder, on 26th December, 2014, The Coal Mines (Special Provisions) Second Ordinance, 2014 was promulgated, which was deemed to have come into force on 21st October, 2014 and the earlier Ordinance stood repealed. Further, the Ministry of Coal issued orders dated 18th December, 2014 and 6th January, 2015 to initiate the auction process and change the end use of 'Utkal C' from captive use (non-regulated sector) to independent power producer (regulated sector). Aggrieved by the above actions of the government, on 13th February, 2015 the Company filed a Writ Petition before the Hon'ble High Court of Delhi challenging, inter alia, the said orders. The Company has also filed a separate Writ Petition before the Hon'ble High Court of Delhi on 23rd February, 2015 challenging the basis of valuation of compensation and the restrictive interpretation of 'Mine Infrastructure'. The arguments in both the aforesaid writ petitions have been heard by the Hon'ble High Court of Delhi and the judgments have been reserved. Pending final orders on the aforesaid writ petitions, no accounting adjustments have been made in the books of the Company and the financial statements have been prepared at book values, on a going concern basis.

21 In view of the circumstances detailed in Note No. 20 above, the Company had requested its holding Company to postpone accrual of interest on the unsecured loan advanced by it to the Company, till the uncertainties get resolved. The holding Company consented to the request with effect from 1st October, 2014 and consequently, an amount of Rs.21,08,29,740 towards interest for the period 01.04.2015 – 31.03.2016 has not been recognised in these financial statements. The interest expense would be considered in the books of accounts during the period when it is properly recognised, post resolution of the uncertainties.

22 Managerial remuneration

There was no managerial remuneration paid / payable to the directors for the year ended 31st March, 2016 (Previous year : Nil).

23 Segment Reporting

The Company's activities during the year revolved around setting up of its mining project. Hence, there is no reportable segment (business and/or geographical) in accordance with the requirements of Accounting Standard 17 – 'Segment Reporting', issued by the Institute of Chartered Accountants of India (ICAI).



UTKAL COAL LIMITED
NOTES TO FINANCIAL STATEMENTS (INCLUDING SIGNIFICANT ACCOUNTING POLICIES)
24 Disclosure pursuant to Accounting Standard (AS) 15 (Revised) - Employee Benefits
(I) Defined Contribution plan:

Contributions to Defined Contribution Plan as recognised in the financial statements for the year are as follows:

Particulars	(Amount in Rupees)	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Employer's contribution towards provident fund*	237,837	343,920

*The above cost as a part of employee cost is primarily related to mining project and hence, included in the Capital work-in-progress.

(II) Defined Benefit Plan:

(A) Gratuity benefit to employees is not funded. The following table sets out the details of amount recognised in the financial statements in respect of employee benefit schemes:

Reconciliation of the projected benefit obligations

Particulars	Gratuity As at 31st March,	
	2016	2015
Change in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation		
Interest cost	239,719	312,180
Current services cost	19,178	24,974
Benefits paid	26,893	24,905
Actuarial (gains) / losses on obligation	-	-
Closing defined benefit obligation	6,460	(122,340)
	292,250	239,719
Change in Plan Assets		
Plan assets at period beginning, at fair value	-	-
Expected return on plan assets	-	-
Actuarial gain / (loss)	-	-
Contributions	-	-
Benefits paid	-	-
Plan assets at period end, at fair value	-	-
Reconciliation of present value of obligation and fair value of plans assets		
Present value of defined benefit obligation at the end of the period	292,250	239,719
Fair value of plan assets at the end of the year	-	-
Liability / (Asset) recognised in the balance sheet		
Current	292,250	239,719
Non current	-	-
	292,250	239,719
Amount recognised in the statement of profit and loss are as follows**:		
Current Service Cost	26,893	24,905
Interest Cost on benefit obligation	19,178	24,974
Expected return on plan assets	-	-
Net Actuarial (gain)/ Loss recognized in the year	6,460	(122,340)
Past services cost	-	-
Net Benefit expense	52,531	(72,461)
Principal actuarial assumptions at the balance sheet date:		
Retirement age	58 years	58 years
Future salary rise	5%	5%
Rate of discounting	8%	8%
Attrition rate	3%	3%
Mortality table	LIC (2006-08)	LIC (2006-08)
Average balance service	20.38 Years	21.32 Years

The estimate of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

**The above cost as a part of employee cost is primarily related to mining project and hence, included in the Capital work-in-progress.



UTKAL COAL LIMITED
NOTES TO FINANCIAL STATEMENTS (INCLUDING SIGNIFICANT ACCOUNTING POLICIES)

(B) Leave benefits to employees are not funded. The following table sets out the details of amount recognized in the financial statements:

Particulars	(Amount in Rupees)	
	2016	2015
Leave Encashment As at 31st March,		
Change in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	125,720	1,067,712
Interest cost	10,058	8,542
Current services cost	8,209	5,647
Benefits paid	(45,702)	12,435
Actuarial losses/(gains) on obligation	54,981	17,194
Closing defined benefit obligation	153,266	125,720
Change in Plan Assets		
Plan assets at period beginning, at fair value	-	-
Expected return on plan assets	-	-
Actuarial gain / (loss)	-	-
Contributions	-	-
Benefits paid	-	-
Plan assets at period end, at fair value	-	-
Reconciliation of present value of obligation and fair value of plans assets:		
Present value of defined benefit obligation at the end of the period	153,266	125,720
Fair value of plan assets at the end of the year	-	-
(Asset) /Liability recognised in the balance sheet		
Current	11,309	9,279
Non current	141,957	116,441
Amount recognised in the statement of profit and loss are as follows**:		
Current Service Cost	8,209	5,647
Interest Cost on benefit obligation	10,058	8,542
Expected return on plan assets	-	-
Net Actuarial Loss / (Gain) recognized in the year	54,981	17,194
Past services cost	-	-
Net Benefit expense	73,248	31,383
Principal actuarial assumptions at the balance sheet date:		
Retirement age	58 years	60 years
Future salary rise	5%	5%
Rate of discounting	8%	8%
Attrition rate	3%	3%
Mortality table	LIC (2006-08)	LIC (2006-08)

**The above cost as a part of employee cost is primarily related to mining project and hence, included in the Capital work-in-progress.



UTKAL COAL LIMITED
NOTES TO FINANCIAL STATEMENTS (INCLUDING SIGNIFICANT ACCOUNTING POLICIES)

25 Related Party Disclosures

a. Particulars of related parties where control exists:

Enterprises that directly, or indirectly, through one or more intermediaries, control the reporting enterprise:

Holding Company	:	Indian Metals and Ferro Alloys Limited
Ultimate holding Company	:	Indian Metals and Ferro Alloys Limited

b. Particulars of other related parties:

i. Enterprises that directly, or indirectly, through one or more intermediaries, are under common control with the reporting enterprise:

Fellow subsidiaries	Country of Origin
1 Indian Metals and Carbides Limited	: India
2 Utkal Power Limited	: India
3 IMFA Alloys Finlease Limited	: India
5 Utkal Green Energy Limited	: India
4 Indmet Mining (Pte) Limited, Singapore	: Singapore
6 PT. Sumber Rahayu Indah, Indonesia	: Indonesia

ii. Key Management Personnel :

1 Subhrakant Panda	:	Director
2 Jayant Kumar Misra	:	Director
3 Prem Khandelwal	:	Director
4 Bidya Dhar Sahoo	:	Director
5 Sanjeev Das	:	Director
6 Sudhir Prakash Mathur	:	Director
7 Rabi Narayan Mishra	:	Director

c. The following is the summary of transactions with related parties:

Nature of transactions	(Amount in Rupees)	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Indian Metals and Ferro Alloys Limited		
(A) Transaction during the year		
i) Unsecured Loan received during the year	277,973,284	272,044,628
ii) Unsecured Loan repaid during the year	4,674,548	662,979,397
iii) Interest on unsecured loan paid during the year	-	94,516,441
iv) Service provided	4,674,548	-
(B) Outstanding Balance		
i) Unsecured Loan	1,737,704,466	1,464,405,730
ii) Corporate Guarantee outstanding as at year end	780,881,126	910,049,440



UTKAL COAL LIMITED

NOTES TO FINANCIAL STATEMENTS (INCLUDING SIGNIFICANT ACCOUNTING POLICIES)

26 Operating Leases-in the Capacity of Lessee

The Company is obligated under cancellable lease for office space, which is renewable on a periodic basis at the option of both the lessor and lessee. The total rental expenses under cancellable operating leases amounted to Rs 531,252 (Previous year: Rs 666,672), which has been transferred to Capital work -in-progress.

27 Previous year's figures have been rearranged / regrouped to conform to the classification of the current year, wherever considered necessary.

Signatories to Notes 1 to 27

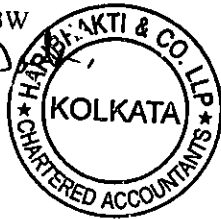
For Haribhakti & Co LLP

Chartered Accountants

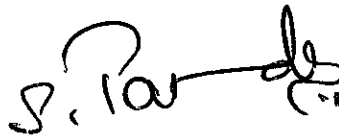
ICAI Firm Registration No.103523W



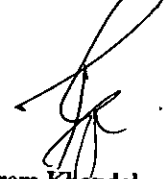
Anand Kumar Jhunjunwala
Partner
Membership No. 056613



For and on behalf of the Board of Directors



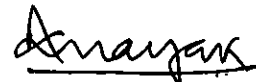
Subhrakant Panda
Chairman



Prem Khandelwal
Director



Smruti Ranjan Ray
Company Secretary



Ashok Kumar Nayak
Chief Financial Officer

Place: Bhubaneswar

Date: 16 MAY 2016