MCL

ANNUAL REPORT & ACCOUNTS 2019-20

ANNUAL REPORT & ACCOUNTS

2019 - 20

MAHANADI COALFIELDS LIMITED

(A subsidiary of Coal India Limited)

At/PO - JAGRUTI VIHAR, BURLA

SAMBALPUR - 768020 (ODISHA)

Website : www.mahanadicoal.in

CONTENTS

‘VISION’

“To be one of the leading energy suppliers in the world through best practices from mine to market.”

‘MISSION’

“To produce and market the planned quantity of coal and coal products efficiently and economically in an eco-friendly manner with due regard to safety, conservation and quality”

PRESENT MANAGEMENT
(As on 18.08.2020)

CHAIRMAN-CUM-MANAGING DIRECTOR	:	Shri B. N. Shukla
FUNCTIONAL DIRECTORS	:	Shri O. P. Singh Director (Tech/Operation)
		Shri K. R.Vasudevan Director (Finance)
		Shri Keshav Rao Director (Personnel)
		Shri Baban Singh Director (Tech/P&P) (w.e.f. 29.04.2020)
OFFICIAL PART-TIME DIRECTORS	:	Shri Nagaraju Maddirala Jt. Secretary, Ministry of Coal, New Delhi.
		Shri S. N. Tiwary, Director (Marketing), CIL, Kolkata
NON-OFFICIAL PART-TIME DIRECTORS	:	Ms Seema Sharma
		Shri S. Mohan
PERMANENT INVITEE	:	Shri P. K. Jena Pr. Chief Operations Manager, East Coast Railway, Bhubaneswar.
COMPANY SECRETARY	:	Shri A. K. Singh

MANAGEMENT DURING 2019-20

CHAIRMAN-CUM-MANAGING DIRECTOR	:	Shri B. N. Shukla (w.e.f. 14.06.2019)
		Shri R. R. Mishra (w.e.f. 25.09.2018 upto 14.06.2019)
FUNCTIONAL DIRECTORS	:	Shri O. P. Singh Director (Tech/Operation)
		Shri K. R.Vasudevan Director (Finance)
		Shri K. K. Mishra (w.e.f. 24.06.2019)
		Shri Keshav Rao Director (Personnel) (w.e.f. 18.12.2019)
OFFICIAL PART-TIME DIRECTORS	:	Shri Nagaraju Maddirala Jt. Secretary, Ministry of Coal, New Delhi. (w.e.f. 17.03.2020)
		Shri R.K. Sinha Jt. Secretary, Ministry of Coal, New Delhi. (upto 17.03.2020)
		Shri S. N. Tiwary, Director (Marketing), CIL, Kolkata (w.e.f. 23.012.2019)
		Shri S. N. Prasad, Director (Marketing), CIL, Kolkata (upto 31.11.2019)
NON-OFFICIAL PART-TIME DIRECTORS	:	Ms Seema Sharma Shri S. Mohan (w.e.f. 10.07.2019) Shri Rajib Mall (upto 16.00.2019) Shri H. S. Pati (upto 16.00.2019)
PERMANENT INVITEE	:	Shri P. K. Jena Pr. Chief Operations Manager, East Coast Railway, Bhubaneswar. (w.e.f. 17.03.2020)
		Shri D. Panda Pr. Chief Operations Manager, East Coast Railway, Bhubaneswar. (upto 26.01.2020
COMPANY SECRETARY	:	Shri A. K. Singh

Bankers

State Bank of India,
UCO Bank,
Canara Bank,
Punjab National Bank,
United Bank of India,
Indian Overseas Bank,
Union Bank of India,
Bank of India,
ICICI Bank,
Andhra Bank,
Bank of Baroda,
AXIS Bank,
IDBI Bank,
HDFC Bank,
Central Bank of India,
Oriental Bank of Commerce,
Allahabad Bank,
Syndicate Bank,
Corporation Bank
Bank of Maharashtra

Statutory Auditors

M/s Singh Ray Mishra & Co.,
Chartered Accountants, Bhubaneswar

Branch Auditors

M/s SCM Associates,
Chartered Accountant, Bhubaneswar

Cost Auditor

M/s MANI & Co
Cost Accountants, Kolkata

Branch Cost Auditor

M/s Asutosh & Associates,
Cost Accountants, Bhubaneswar.

Secretarial Auditor

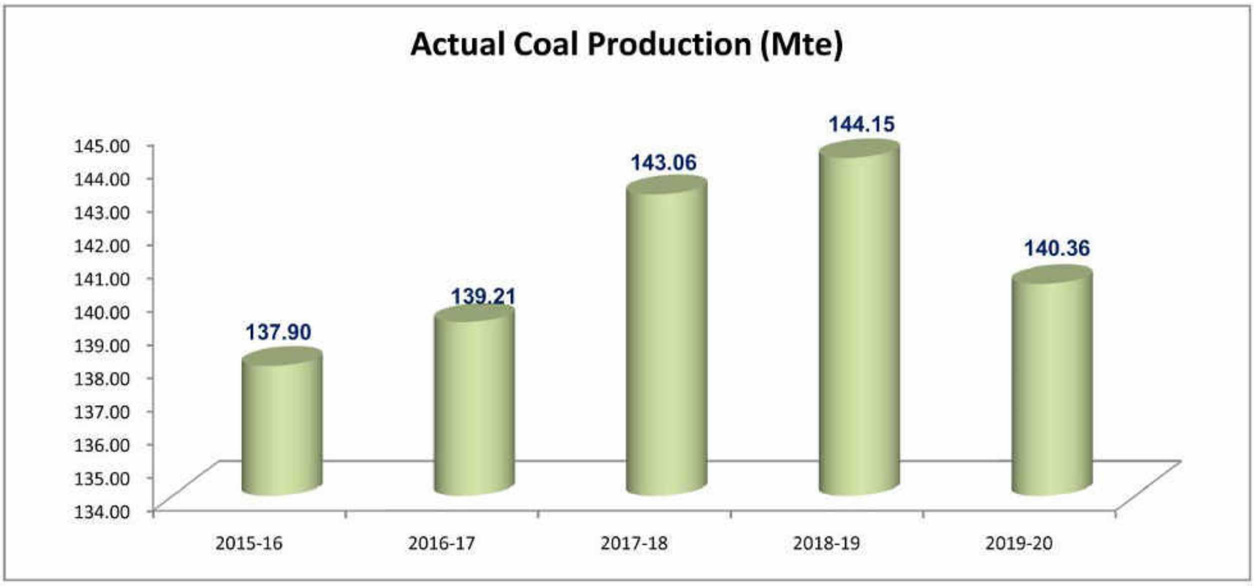
M/s Deba Mohapatra & Co.
Company Secretaries,
Bhunbaneswar, Odisha

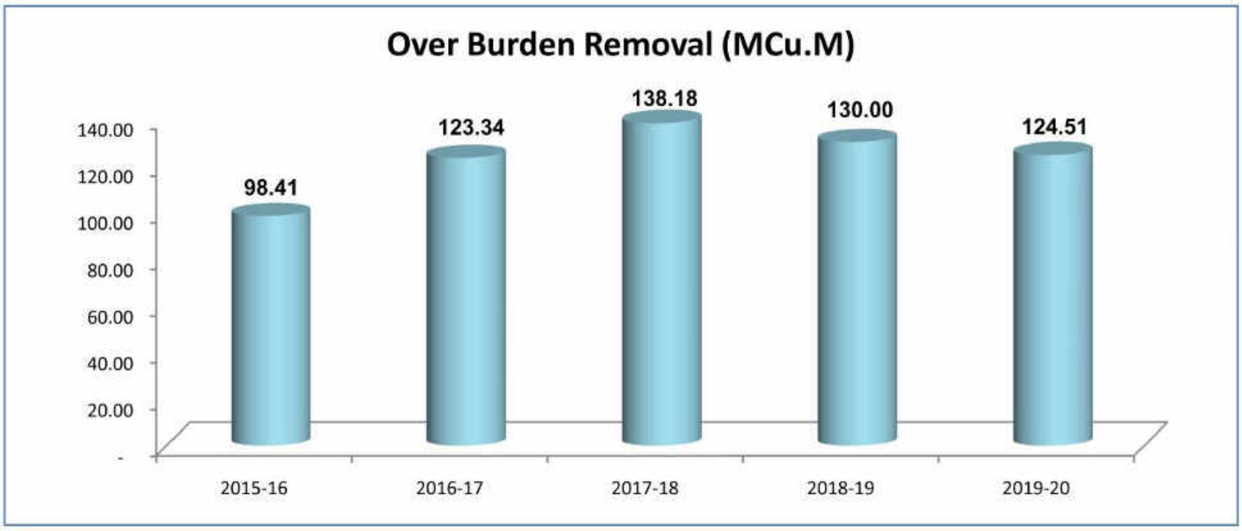
Registered Office

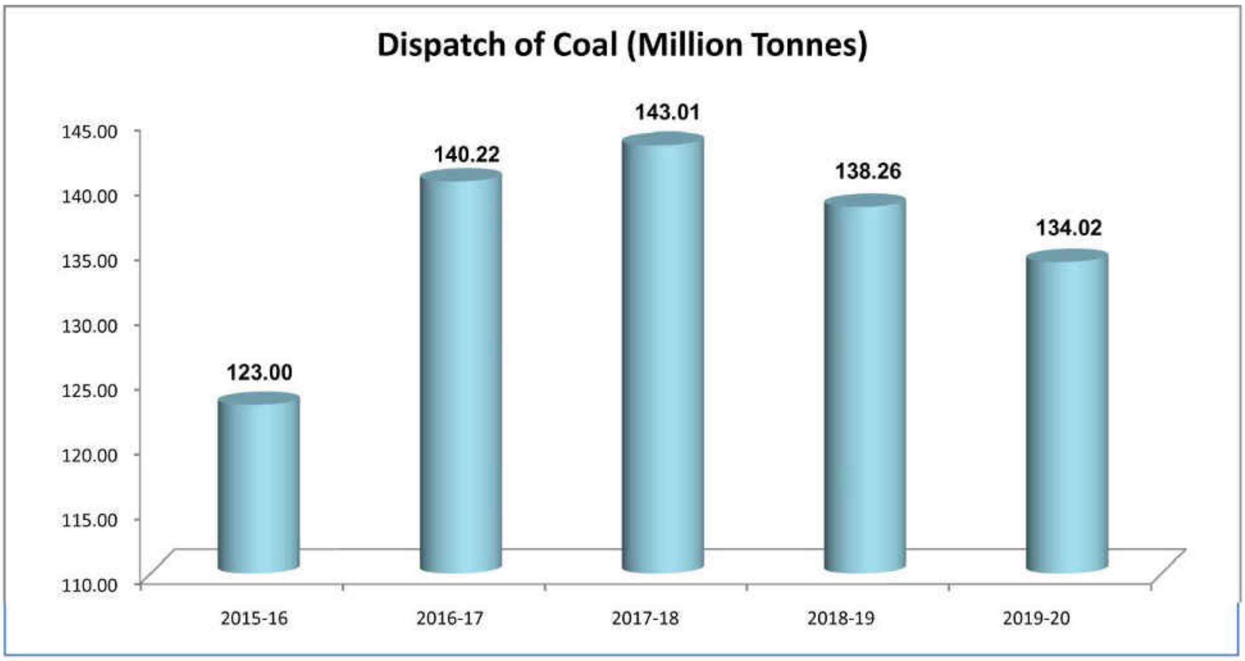
At/Po: Jagruti Vihar, Burla,
Sambalpur- 768020, Odisha
Website: www.mahanadicoal.in

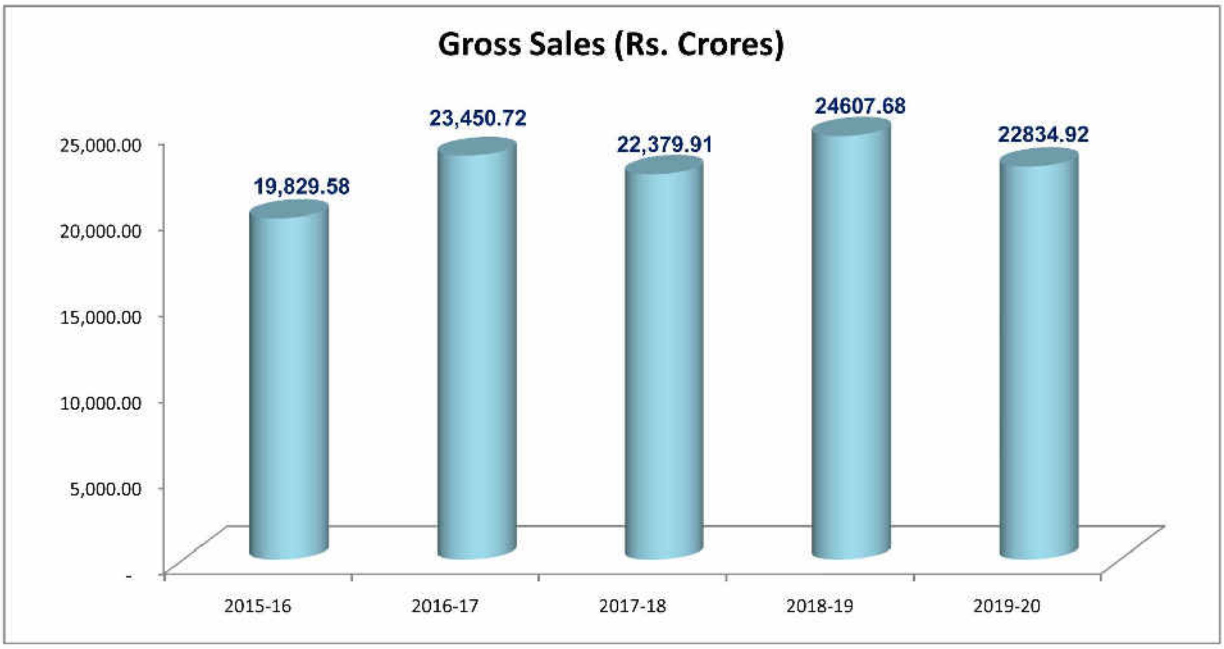
FINANCIAL HIGHLIGHTS FOR LAST 10 YEARS

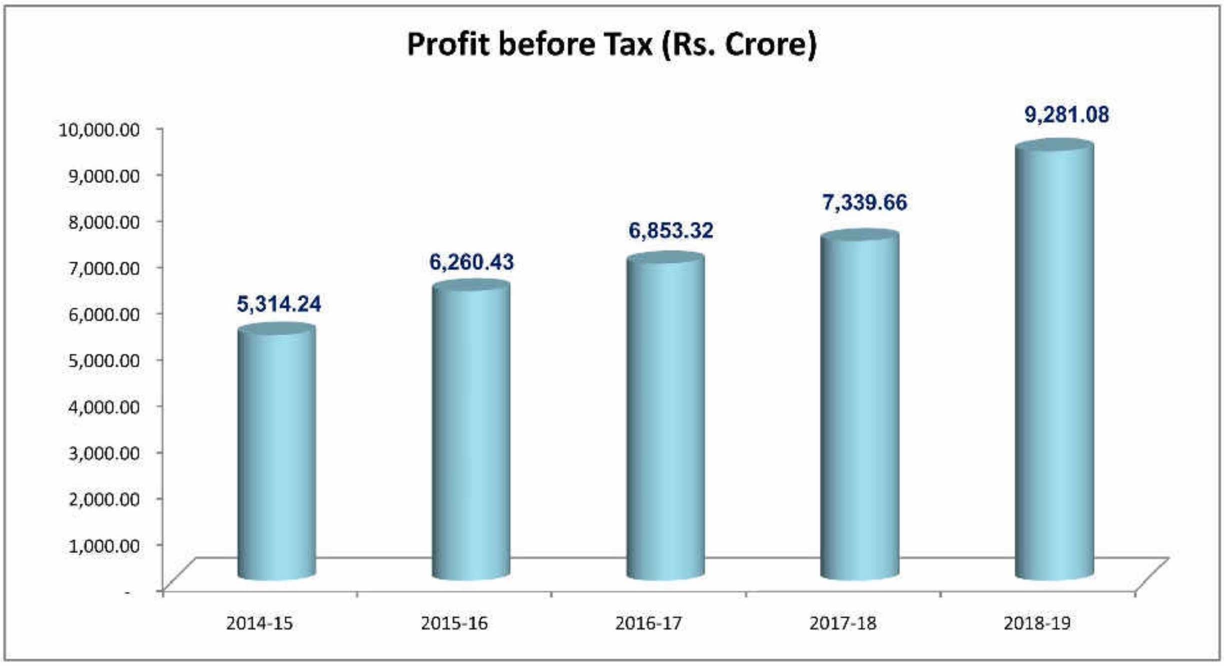
Sl No.	Particulars	Unit	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
1	Production of coal	MT(million te.)	100.28	103.12	107.89	110.44	121.38	137.90	139.21	143.06	144.15	140.36
2	Despatch of coal	MT(million te.)	102.09	102.52	111.96	114.34	123.00	140.22	143.01	138.26	142.30	134.02
3	Sale of coal (Gross)	Rs. Crore	9,249.75	12,068.60	13,190.42	13,165.61	14989.05	19829.58	23450.72	22379.91	24607.68	22834.92
4	PBT	Rs. Crore	4,039.30	5,463.69	6,202.48	5,429.08	5,314.24	6260.43	6854.72	7339.66	9281.08	8645.47
5	PAT	Rs. Crore	2,609.32	3,709.51	4,212.44	3,624.30	3,554.10	4184.74	4492.01	4761.29	6039.54	6427.39
6	Dividend	Rs. Crore	1,570.02	2,226.55	2,529.45	5,983.16	3,841.82	3608.45	2982.00	4350.00	3875.00	5225.00
7	Net fixed Assets	Rs. Crore	2,019.19	2,048.05	2,212.52	2,788.58	3,087.48	3252.55	3943.29	4534.24	6433.84	7248.57
8	Net worth	Rs. Crore	6,548.14	7,674.42	8,939.12	5,563.42	4,477.57	4319.26	3385.38	2943.12	3873.17	3923.11
9	Long Term loans	Rs. Crore	124.13	119.42	96.60	9.14	6.90	7.21	6.64	7.09	6.29	6.10
10	Capital Employed	Rs. Crore	11,704.47	14,211.30	16,208.23	14,248.04	15,208.55	16629.66	15183.59	15469.43	18437.96	19862.23
11	Return on capital employed	%	22	26	26	25	23	25	23	31	33	32
12	Value addition	Rs. Crore	6,945.29	8,825.63	9,206.31	9,153.60	10,203.46	11990.49	12474.74	12979.8	13176.07	12258.82
13	Face value per share	Rs.	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1000.00	1000.00	1000.00	1000.00	1000.00
14	Book value per share	Rs.	35,129.34	41,171.58	47,956.42	29,846.53	24,021.18	23171.89	23971.26	4167.94	5852.16	5927.61
15	Dividend per share	Rs.	8,422.81	11,944.95	13,569.95	32,098.34	20,610.52	19358.54	21,115.00	6160.31	5854.92	7894.70
16	Earning Per Share	Rs.	13,998.43	19,900.71	22,598.82	19,443.58	19,066.97	22450.21	31800.60	32419.32	8622.45	9592.93
17	No. of Eq.shares	Numbers	1,864,009	1,864,009	1,864,009	1,864,009	1,864,009	1,864,009	1412266	7061330	6618363	6618363

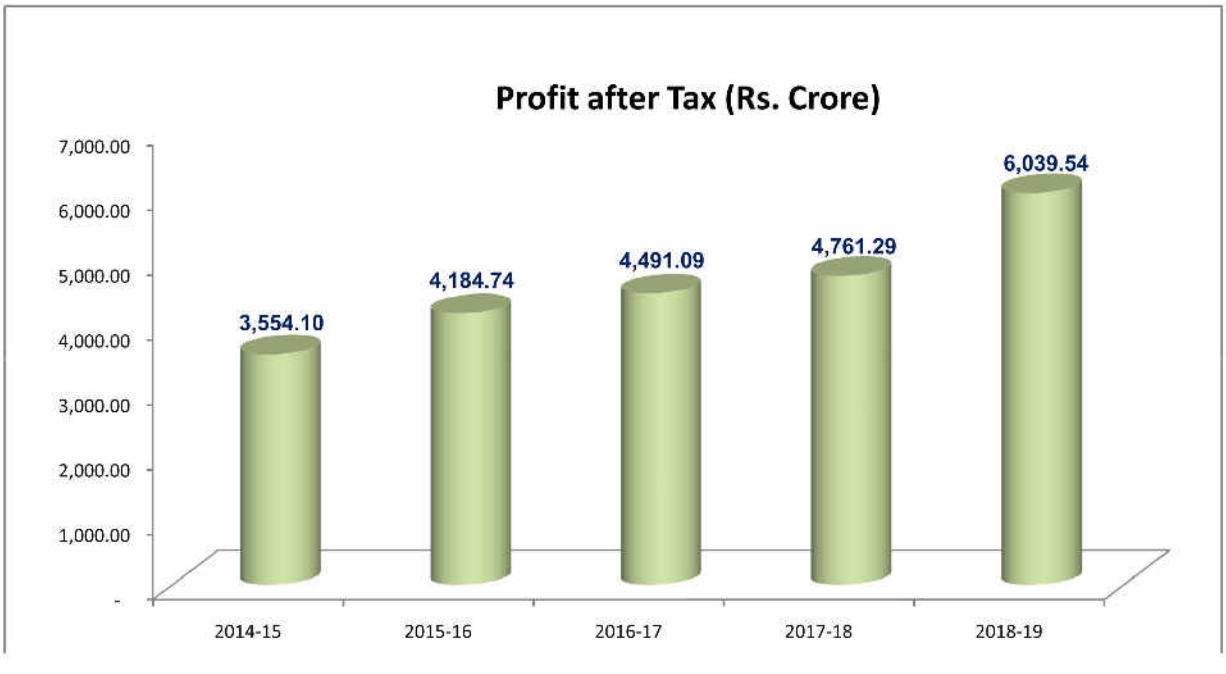

Actual Coal Production (Mte)
145.00
144.00
143.00
142.00
141.00
140.00
139.00
138.00
137.00
136.00
135.00
134.00
137.90
139.21
143.06
144.15
140.36
2015-16
2016-17
2017-18
2018-19
2019-20

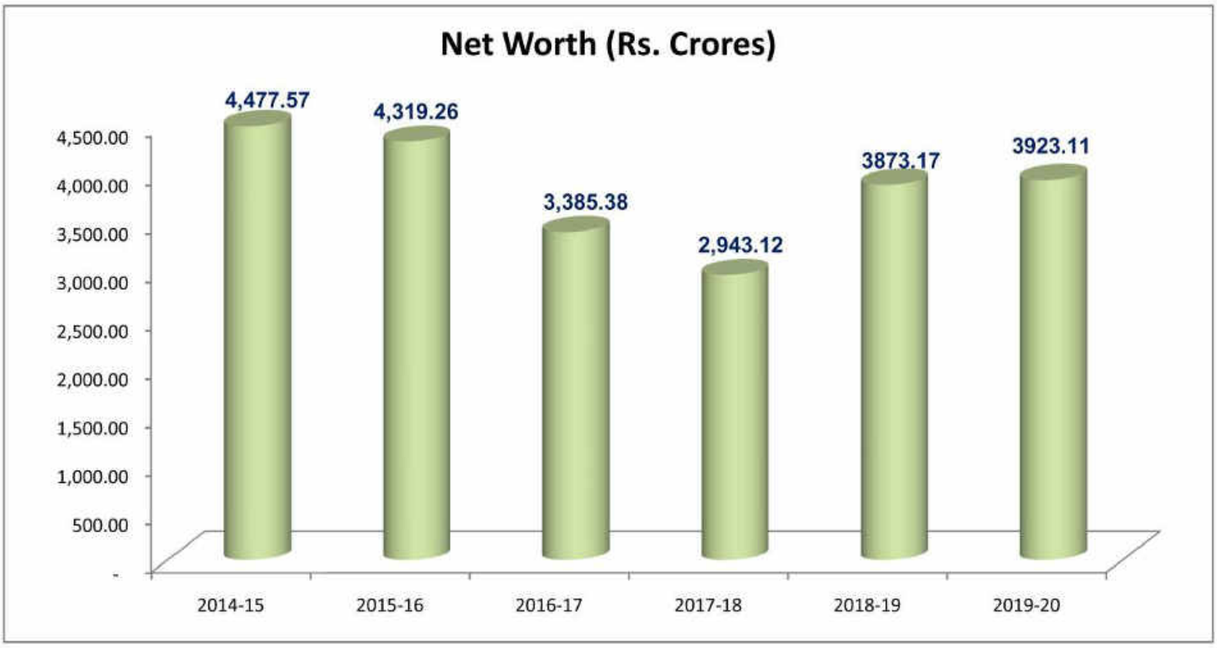

Over Burden Removal (MCu.M)
140.00
120.00
100.00
80.00
60.00
40.00
20.00
-
98.41
123.34
138.18
130.00
124.51
2015-16
2016-17
2017-18
2018-19
2019-20

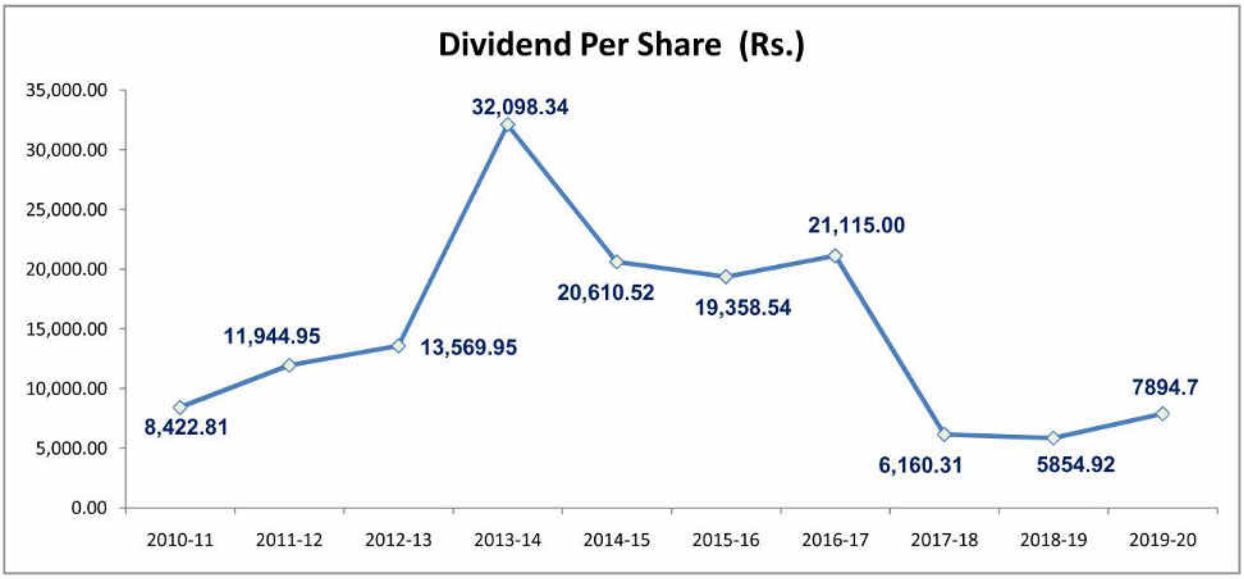

Dispatch of Coal (Million Tonnes)
145.00
140.00
135.00
130.00
125.00
120.00
115.00
110.00
123.00
140.22
143.01
138.26
134.02
2015-16
2016-17
2017-18
2018-19
2019-20

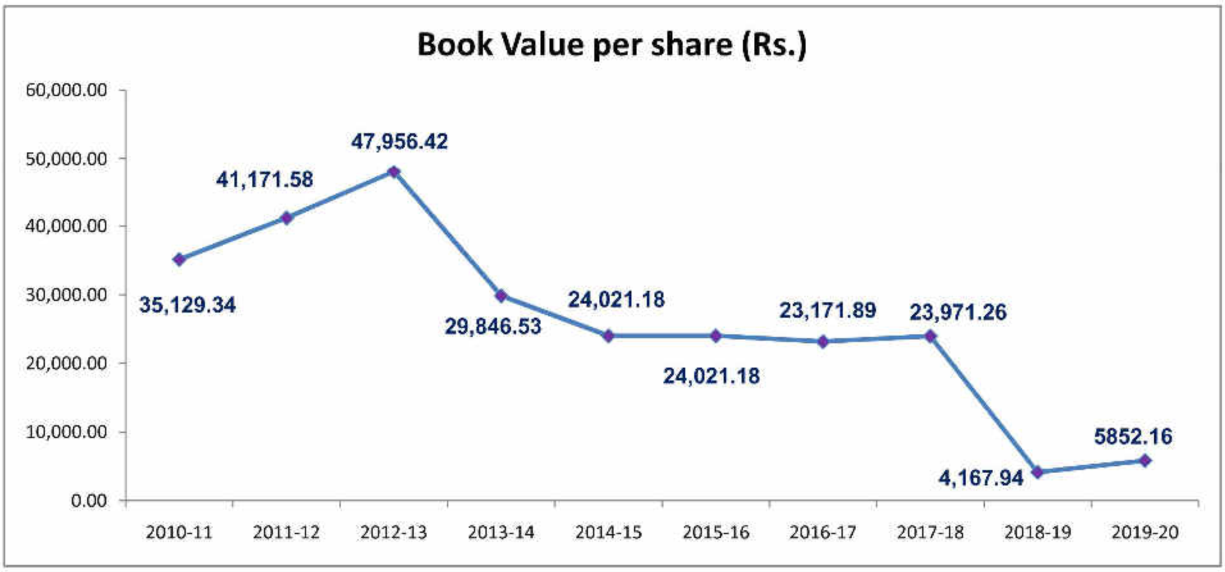

Gross Sales (Rs. Crores)
25,000.00
20,000.00
15,000.00
10,000.00
5,000.00
-
19,829.58
23,450.72
22,379.91
24607.68
22834.92
2015-16
2016-17
2017-18
2018-19
2019-20

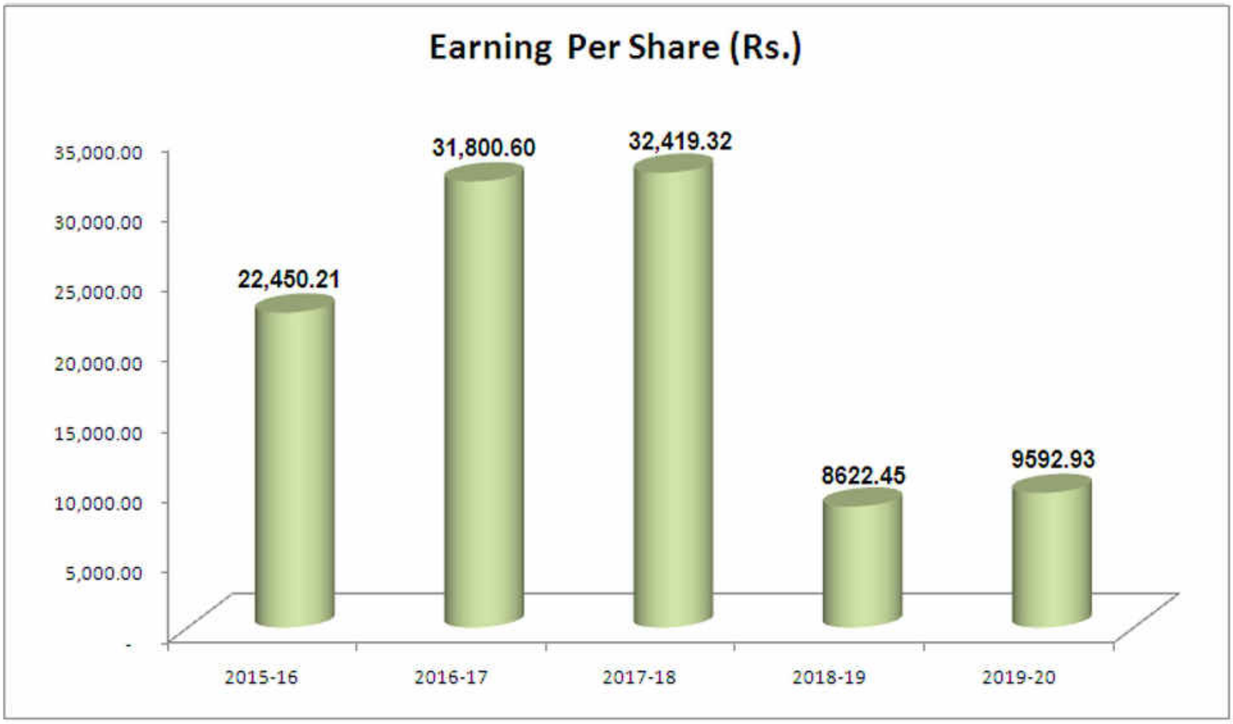

Profit before Tax (Rs. Crore)
10,000.00
9,000.00
8,000.00
7,000.00
6,000.00
5,000.00
4,000.00
3,000.00
2,000.00
1,000.00
-
5,314.24
6,260.43
6,853.32
7,339.66
9,281.08
2014-15
2015-16
2016-17
2017-18
2018-19

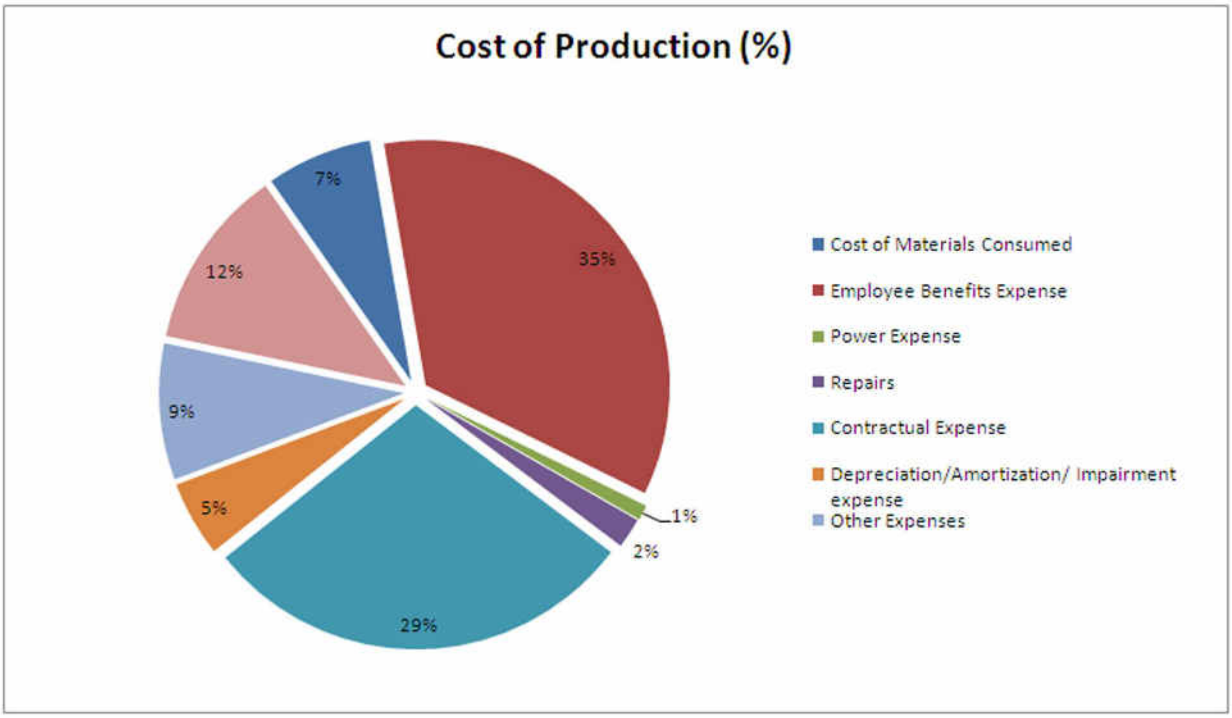

Profit after Tax (Rs. Crore)
7,000.00
6,000.00
5,000.00
4,000.00
3,000.00
2,000.00
1,000.00
-
3,554.10
4,184.74
4,491.09
4,761.29
6,039.54
2014-15
2015-16
2016-17
2017-18
2018-19


Net Worth (Rs. Crores)
4,477.57
4,319.26
3,385.38
2,943.12
3873.17
3923.11
4,500.00
4,000.00
3,500.00
3,000.00
2,500.00
2,000.00
1,500.00
1,000.00
500.00
-
2014-15
2015-16
2016-17
2017-18
2018-19
2019-20


Dividend Per Share (Rs.)
35,000.00
30,000.00
25,000.00
20,000.00
15,000.00
10,000.00
5,000.00
0.00
8,422.81
11,944.95
13,569.95
32,098.34
20,610.52
19,358.54
21,115.00
6,160.31
5854.92
7894.7
2010-11
2011-12
2012-13
2013-14
2014-15
2015-16
2016-17
2017-18
2018-19
2019-20


Book Value per share (Rs.)
60,000.00
50,000.00
40,000.00
30,000.00
20,000.00
10,000.00
0.00
35,129.34
41,171.58
47,956.42
29,846.53
24,021.18
24,021.18
23,171.89
23,971.26
4,167.94
5852.16
2010-11
2011-12
2012-13
2013-14
2014-15
2015-16
2016-17
2017-18
2018-19
2019-20


Earning Per Share (Rs.)
35,000.00
30,000.00
25,000.00
20,000.00
15,000.00
10,000.00
5,000.00
-
22,450.21
31,800.60
32,419.32
8622.45
9592.93
2015-16
2016-17
2017-18
2018-19
2019-20


Cost of Production (%)
7%
35%
12%
9%
5%
29%
2%
1%
Cost of Materials Consumed
Employee Benefits Expense
Power Expense
Repairs
Contractual Expense
Depreciation/Amortization/ Impairment expense
Other Expenses

NOTICE OF TWENTY EIGHTH ANNUAL GENERAL MEETING

Notice is hereby given that the 28th Annual General Meeting of Mahanadi Coalfields Limited is scheduled to be held on Wednesday the 19th August, 2020 at 11.30 AM at the Registered Office of the Company, At/Po - Jagruti Vihar, Burla, Sambalpur-768020 to transact the following business through Video Conferencing/Other Audio-Visual Means:

I. Ordinary Business:

1. To consider and adopt:

a) The Audited Financial Statements of the Company for the financial year ended March 31, 2020 including the Audit Balance Sheet as at March 31, 2020 and Statement of Profit and Loss for the year ended on that date and the Reports of Board of Directors, Statutory Auditor and Comptroller and Auditor General of India thereon.

b) The Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2020 including the Audited Balance Sheet as at March, 31 2020 and Statement of Profit and Loss for the year ended on that date and the Reports of the Statutory Auditor and Comptroller and Auditor General of India thereon.

2. To approve interim dividend paid on equity shares for the financial year 2019-20 as final dividend for the year 2019-20.
3. To appoint Director in place of Shri O. P. Singh, Director (DIN 07627471), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
4. To appoint Director in place of Shri K.R. Vasudevan, Director (DIN: 07915732) who retires by rotation in terms of Section 152(6) of the Companies Act 2013 and being eligible, offers himself for re-appointment.

II. Special Business:

ITEM NO. 1

Sub : Ratification of remuneration of Cost Auditors for the financial year 2019-20.

ORDINARY RESOLUTION :

To ratify the remuneration of the Cost Auditors for the financial year 2019-20 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s MANI AND CO be and is hereby appointed as the Central Cost Auditor of the Company for the year 2019-20 with extension for the years 2020-21 and 2021-22 as per Companies (Cost Records & Audit) Rules, 2014, as per the scope of the work, to audit Cost records of Company, Head Quarters and its units, IB Fields Areas, Basundhara Area and CWS (IB Valley) at a total Audit fee of ₹6,00,000.00 and Out of Pocket Expenses of ₹3,00,000.00 (Maximum 50% of Total Fees) and applicable GST on audit fee."

"RESOLVED FURTHER THAT M/s ASUTOSH AND ASSOCIATES be and is hereby appointed as the Branch Cost Auditor of the Company for the year 2019-20 with extension for the years 2020-21 and 2021-22 as per Companies (Cost Records & Audit) Rules, 2014, as per the scope of the work, to audit Cost records of Talcher Coalfields Areas including Kaniha area and CWS (Talcher) at a total Audit fee of ₹3,98,000.00, Out of Pocket Expenses of ₹ 199,000.00 (Maximum 50% of Total Fees) and applicable GST on audit fee."

"RESOLVED FURTHER THAT Chairman-cum-Managing Director, MCL be and is hereby authorised to appoint next qualifying firm in case of disqualification / cancellation of any firm so appointed at any point of time.

"Resolved further that the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution."

By order of the Board of Directors
For Mahanadi Coalfields Limited

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

<u>REGISTERED OFFICE:</u>

Jagruti Vihar, Burla, Sambalpur, Odisha-768020

<u>NOTE:</u>

NOTES:

1. In view of the current extraordinary circumstances due to the pandemic caused by Covid 19 prevailing in the Country, in accordance of the provisions of section 108 of the Companies Act, 2013 read with rule 18 of the Companies (Management and Administration) Rules, 2014 and with General Circular No. 14/2020, dated 8th April, 2020 General Circular No. 17/2020 dated 13th April, 2020 and General Circular No. 17/2020 dated 5th May, 2020 respectively issued by Ministry of Corporate Affairs, Govt. of India (including any statutory modification or re-enactment thereof for the time being in force) and other applicable laws and regulations,Shareholders, Directors and Auditors including Secretarial Auditor of Mahanadi Coalfields Limited are entitled to attend and/or vote at the meeting may also attend and /or vote at the meeting through video conferencing (VC) or other audio visual means(OAVM). to covey their assent or dissent only at such stage on items considered in the meeting by sending e-mails to cs.mcl@coalindia.in. The facility of appointment of proxies by members will not be available. However, in pursuance of sections 112 and 113 of the Companies Act, 2013 representatives of the members may be appointed for participation and voting through VC or OAVM. For attending meeting through VC or OAVM, link shall be provided from the companies authorized mail id well in advance and the facility for joining the meeting shall be kept open at least 15minutes before the time scheduled to start the meeting and shall not be closed15 minutes after such scheduled time.
2. The Shareholders are requested to give their consent in writing or by electronic mode for calling the Annual General Meeting at a shorter notice pursuant to the provisions of the Section 101(1) of the Companies Act, 2013.
3. Relevant Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business, as set out above is also annexed hereto.
4. All documents referred to in the notices and annexure thereto along with other mandatory registers/documents are open for inspection at the registered office of the Company on all working days during business hours, prior to the date of 64thAnnual General Meeting.
5. Pursuant to the provisions of Section 171(1)(b) and 189(4) of the Companies Act, 2013, the registers required to be kept open for inspection at every Annual General Meeting of the company, shall accessible during the continuance of the meeting to any person having the right to attend the meeting.

EXPLANATORY STATEMENT

(Pursuant to Section 102 (1) of the Companies Act, 2013)

ITEM NO. 1

Sub : Ratification of remuneration of Cost Auditors for the financial year 2019-20.

As per the Govt. of India Gazette publication and Ministry of Corporate Affairs Notification No. G.S.R. 430(E) Dt. 3rd June, 2011 and subsequent order vide F. No. 52/26/CAB-2010 dt. 24th January, 2011 issued by Cost Audit Branch of Ministry of Corporate Affairs, Government of India and subsequent Notification issued by Ministry of Corporate Affairs vide no 52/26/CAB- 2010 dated 24th January, 2012 making cost audit compulsory in respect of Coal Industry.

Based on recommendation of Audit Committee, the Board of Directors through circular resolution no. 17 (2019-20) on 25.09.2019 approved the appointment of the following firms for conducting cost Audit in MCL for the Financial year 2019-20. The fee structure for cost audit and reimbursement of applicable statutory taxes / levies shall in addition to fees are as under:

1. M/s MANI AND CO be and is hereby appointed as the Central Cost Auditor of the Company for the year 2019-20 with extension for the years 2020-21 and 2021-22 as per Companies (Cost Records & Audit) Rules, 2014, as per the scope of the work, to audit Cost records of Company, Head Quarters and its units, IB Fields Areas, Basundhara Area and CWS (IB Valley) at a total Audit fee of ₹ 6,00,000.00 and Out of Pocket Expenses of ₹ 3,00,000.00 (Maximum 50% of Total Fees) and applicable GST on audit fee."
2. M/s ASUTOSH AND ASSOCIATES be and is hereby appointed as the Branch Cost Auditor of the Company for the year 2019-20 with extension for the years 2020-21 and 2021-22 as per Companies (Cost Records & Audit) Rules, 2014, as per the scope of the work, to audit Cost records of Talcher Coalfields Areas including Kaniha area and CWS (Talcher) at a total Audit fee of ₹3,98,000.00, Out of Pocket Expenses of ₹199,000.00 (Maximum 50% of Total Fees) and applicable GST on audit fee."

As per Rule 14 of Companies (Audit and Auditors) Rules, 2014 read with section 148(3) of the Companies Act, 2013, the remuneration recommended by the Audit Committee shall be considered and approved by the Board of Directors and ratified subsequently by the shareholders.

Accordingly, members are requested to ratify the remuneration payable to the Cost Auditors for the financial year 2019-20.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommended the resolution for your approval.

By order of the Board
For Mahanadi Coalfields Limited

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

Place: Sambalpur
Date: 18.08.2020

CHAIRMAN'S STATEMENT

FRIENDS,

IT gives me immense pleasure in welcoming you to the 28th Annual General Meeting (AGM) of Mahanadi Coalfields Limited. The Report of the Directors, Audited Accounts for the year 2019-20 combined with the Report of the Statutory Auditors and the Report and Review of the Comptroller & Auditor General of India are already circulated to you. With your permission, I would like to take them as read.

Fiscal 2019-20 has been yet another challenging year for MCL. Despite of odds, MCL has emerged as one of the best subsidiaries of CIL through its best practices and operational excellence. MCL scaled a new peak in coal production in the month of March, 2020 producing **19.25 MT** with an average of **6.21 lakh Te/day** against the last year average March production of 5.83 lakh Te/day. Highest ever coal production in the history of CIL on a single day (on 30th March, 2020) to the tune of **10.82 lakhs Te** has been recorded. MCL also achieved highest coal production through eco-friendly Surface Miner i.e. 129.1 MT (92%), which is highest among all subsidiaries of CIL. Coal production through Surface Miner totally eliminates the air polluting unit operations used in conventional mining process i.e. Drilling, Blasting & Crushing. Average Surface Miner coal production in CIL Subsidiaries is about 42% only. Due to land constraints and extended rains up to November and even two spells of rains in December, January, February & March and tender failure in four major mines, production loss was to the tune of 40.55 MT but with special efforts by team MCL about 20.55 MT backlog was recovered from December to March 2020 and MCL could reach coal production figure of **140.36 MT** during 2019-20. Detailed reason of shortfall has been given in the Directors Report 2019-20.

MCL achieved highest ever OBR in the history in last four months of December to March to the tune of **62.7 M.Cum** against last year achievement of 50.9 M.Cum registering a growth of 11.8 M.Cum (**23.18%** growth). The total OB removal during the Financial Year 2019-20 was **124.51 M.Cum.**, which was affected due to land constraints in 13 mines out of total 15 Opencast Mines up to November 2019 and extended rains and OBR tender failure in four major mines.

Your Company has despatched coal to the tune of **134.016 MT.** MCL has recorded highest off-take through environment friendly modes namely Rail, MGR & Belt (99.16 MT, which is about **74%**). Coal Corridor was operationalized at Hingula, 04 underpasses were operationalized, Lingaraj & Chharla Sidings were operationalized, Lingaraj SILO was commissioned and OCPL coal received at Kanika Siding. These were landmark steps for increasing the dispatch potential of the Company.

MCL has earned highest ever profit after tax i.e. **Rs.6427.39 Crores** (PAT) in CIL, Despite of many odds and adverse situation. This could be possible with your unstinted support and valuable guidance. Your continued trust and goodwill has always inspired us and remained the guiding force in all our pursuits in creating the values for the stakeholders and the Nation.

COAL PRIMARY SOURCE OF ENERGY:

In India, Coal is irreplaceable as prime energy and it would continue to be so in the foreseeable future. Coal accounts for around 55% of the India's primary commercial energy. Nearly 72% of the entire power generated in the country is coal based, which is a testimony to the importance of coal. World over, many countries are migrating from coal to cleaner forms of renewable energy sources but in India, the situation is different from the world scenario.

In India, the current power demand is being met predominantly by coal and through a lesser extent by Solar, Wind, Hydel and natural gas. For the past couple of years, India accounted for around 11% of the global coal consumption. India remains the second largest coal consumer in the world.

What make coal such a perferred energy fuel is its abundance, availability and affordability. Coal accounts for 97% of the fossil resources in our country. The National Coal Inventory places the hard coal resources at **326.495 Billion Tonne** (BT) upto 1200 meter depth in 68 different Coalfields as on 01.04.2019. Around **72%** of the entire power generated in the country is coal based. Reliable Energy is the main ingredient for economic growth and human development. Coal being reliable, continues to serve as the primary commercial energy provider and remain a mainstay in Indian power generation for decades to come.

Talcher and Ib-Valley Coalfields of Odisha are the store house of huge thermal grade non-coking coal. Odisha stands 2nd to Jharkhand in the reserve position in India. Total coal reserve of Odisha as on 1st April, 2019 is estimated to be **80.840 BT**, which is around **24.76%** of the total National coal reserve. The two coalfields of Odisha, namely Talcher and Ib-valley coalfield are under command area of MCL, Talcher being the largest Coalfield (51.220 BT) and Ib-valley being the 3rd largest (29.619 BT) Coalfield of India.

ACCOMPLISHMENTS OF MCL IN 2019-20:

- MCL scaled a new peak in coal production in the history in the month of March, 2020 producing 19.25 MT with an average of 6.21 lakh Te/day against the last year average March production of 5.83 lakh Te/day.
- MCL achieved highest ever coal production in the history in last four months of December to March to the tune of 65.51 MT against last year achievement of 58.81 MT registering a growth of 6.7 MT.
- MCL also achieved highest coal production through eco-friendly Surface Miner i.e. 129.1 MT (92.5%) which is highest among all subsidiaries of CIL.
- MCL achieved highest ever coal dispatch in the history in last four months of December to March to the tune of 52.14 MT against last year achievement of 50.01 MT registering a growth of 2.13 MT, despite less supply of rakes and Corona effect.
- MCL achieved highest offtake through eco-friendly modes namely Rail, MGR & Belt to the tune of 74%, which is highest among all subsidiaries of CIL.
- New Lingaraj Siding & Access road was constructed in which NTPC will transport additional 16,000 te/day
- New Chharla Siding was operationalised through which about 25,000 te/ day coal is supplied to OPGC.
- Start of coal production and offtake at Manoharpur mine belonging to OCPL due to facilitation of dispatch by MCL. MCL received coal at Kanika to the tune of 0.51 MT and paid about Rs.84 Crs.
- Four underpasses operationalized at major crossings with Public Road to increase coal transportation to Sidings.
- New Coal Corridor made operational at Hingula OCP resulting in increase of coal transportation to the Sidings.
- MCL achieved highest ever OBR in last four months of December to March to the tune of **62.7 M.Cum** against last year achievement of 50.9 M.Cum registering a growth of 11.8 M.Cum (23.18% growth).
- MCL clocked highest OB removal of **6.63 lakh Cum** on a single day since inception on 22nd Jan'2020.
- Siarmal 50 MTPA, MDO documents prepared, MCL Board's approval obtained and tender published on 30th March 2020.
- SILO loading system of **20 MTPA** capacity was constructed and commissioned at **Lingaraj OCP**.
- Work was awarded to IIT, Kharagpur for Comprehensive Development Plan (CDP) of Talcher Coalfield.
- Procurement and deployment of Surface Miner in record time i.e. within 6 days at Garjanbahal OCP.
- Highest Generation of Solar Electricity among all subsidiaries of CIL to the tune of 22 lakh units during FY 2019-20.
- About **165.50 Crs spent in CSR** activities by MCL, out of the budgeted expenditure of 156.5 Crs i.e.100 % achievement which is highest among all subsidiaries of CIL.
- Xcentric or Equivalent Vertical Ripper for blast free removal of hard rock is to be introduced on hiring basis for first time in the history of CIL, for which tender was floated.
- For Effective dust suppression, Fog Cannons introduced in every mine:
  - Mobile Truck mounted Fog cannons on hiring basis (14 numbers – 40 meter throw)
  - Procurement of Fix type Fog cannons (14 numbers – 100 meter throw)
  - Procurement of innovative Robotic Nozzle (3 numbers – 70 meter throw)
- Highest CAPEX of **Rs.1523.22 Crs among all subsidiaries of CIL.**
- DMF Cess deposited: **Rs.561.75 Crore** (Talcher Coalfields - Rs.326.90 Crore and Ib-Valley Coalfields - Rs.234.85 Crore).

FINANCIAL PERFORMANCE:

MCL is the highest Contributors to the Govt. Exchequres, both Central and State Govt. in the state of Odisha. MCL has paid **Rs.13875.01 Crs.** towards Royalty, Cess, Goods and Service Tax, GST Compensation cess, NMET, DMF, DDT and other levies.

Profit after Tax has been **Rs. 5,666.00 Crores** for the year under review. Your Company has recommended a dividend of **Rs. 5225 Crores** (i.e. Rs. 7894.70 per equity share on a face value of Rs.1,000/- per share for the year as compared to Rs.5854.92 per equity share last year. The total outflow on account of dividend was Rs.6299.01Crores comprising Rs.5225 Crores as dividend paid to CIL and Rs. 1074.01 Crores as tax on dividend.

Strategies for Growth:

Synthetic Natural Gas (SNG): This is a type of gas created from coal gasification and that can serve as a natural gas. MCL has tremendous potential in this regard wherein low grade coal and untappable coal can be fully utilized. Syn gas can be used for electricity generation with much better efficiency, for production of methanol, fertilizers, diesel, petrol, jet fuel, plastic, clothing and other chemical products. This can reduce dependence on foreign countries, uncertainty over future supplies, surge in prices of petrol, diesel, LPG, reduce import of LNG (which is required for fertilizer), etc. and will have huge impact on economy of the country, as well as employment generation resulting in **Atmanirbhar Bharat.**

Total 3 MDOs planned with capacity of **85 Mty**, Siarmal 50 Mty, Subhadra 25 Mty and Balbhadra 10 Mty and **3 Expansion Projects of 85 Mty** namely Bhubaneswari 40 Mty, Kaniha 30 Mty & Balram 15 Mty, which will be operational in 2020-21.

Coal washing to 6-8% Ash R&D: This will be very critical for import substitution. Imported coal are having ash content 8-12% whereas MCL coal is having ash content 38-42% on composite basis. Therefore, R&D is required for viability analysis.

MCL is faced with the challenging targets in the year ahead. We at MCL are commited to meet the challenges to meet the expectation of the Nation towards energy security of India. To sustain the growth momentum in its production and off-take in future, MCL has formulated the following multi pronged strategies:-

a) **Doubling of Jharsuguda-Sardega Rail Line:** This project consists of doubling of Jharsuguda-Sardega Rail Line of 53 KM, Double-leg rail flyover at Jharsuguda and Barpali Loop having 7 numbers of concentric rail lines and 7 RLS in these lines of total capacity 70 Mty. Estimated cost of the entire project is Rs.2900 Cr.

b) **Critical Railway Link -** Your Company has formed JVs/SPVs i.e. MCRL, partnering with Indian Railway and Govt. of Odisha with focus on development of infrastructure required for un-interrupted supply of coal by rail to meet the energy requirement of the Nation. MCRL has taken up the work of Angul-Balram Rail link as its first project (Phase-I) as part of Inner Corridor. The projects identified for taking up through MCRL is

- **Phase -I(a)** : Angul–Balaram Link (Length -13 KM)
- **Phase -I(b)** : Balaram–Jarapada connectivity including Putugadia–Tentuloi Link Inner Corridor) – 55 KM
- **Phase -II** : Jarapada-Budhapank via. Tentuloi (Outer Corridor) -136KM

In addition shifting of 'Y' Curve through mine backfilled area, linking of Deulbera Siding with Lingaraj MGR Siding, etc. are some of the major Rail Projects being undertaken by MCL.

c) **Acquisition and Possession of Land:** During the year 2019-20, MCL has taken physical possession of 519 hectares of land.

d) **Setting up of Washeries:** In phase-I, in line to the decision of CIL for installation of coal washeries for economic washing of high ash coal, MCL is intending to establish three number of coal washeries viz., Hingula Washery, Ib-Valley Washery at Lakhanpur & Jagannath Washery of 10 Mty capacity each. Construction of Ib-Valley Washery (10 MTPA) at Lakhanpur Area has already started. It is expected that construction of other two washeries will start in current fiscal.

e) **Web based online monitoring System:** Various modules of Coalnet application software such as Financial Information System(FIS), Personal Information System(PIS), Payroll, Marketing & Sales, Materials Management System, Production Information System and Equipment Monitoring System are operational at HQ and Area. All the modules of Coalnet application are running on central server located at HQ. Some miscellaneous modules have also been added in Coalnet system which include Bill Tracking System, File Tracking System, Electronic Capital Fund Management System (e-Capex), Online Contract Management System, Personnel Information System for capturing detailed information along with photographs of contractual workers, Calculation of Incentives for payment under Productivity Improvement Scheme, Periodical Medical Examination, Details of Tenders and Awards of contracts below Rs.2 lakhs, Online booking of Holiday home in coalnet, etc.

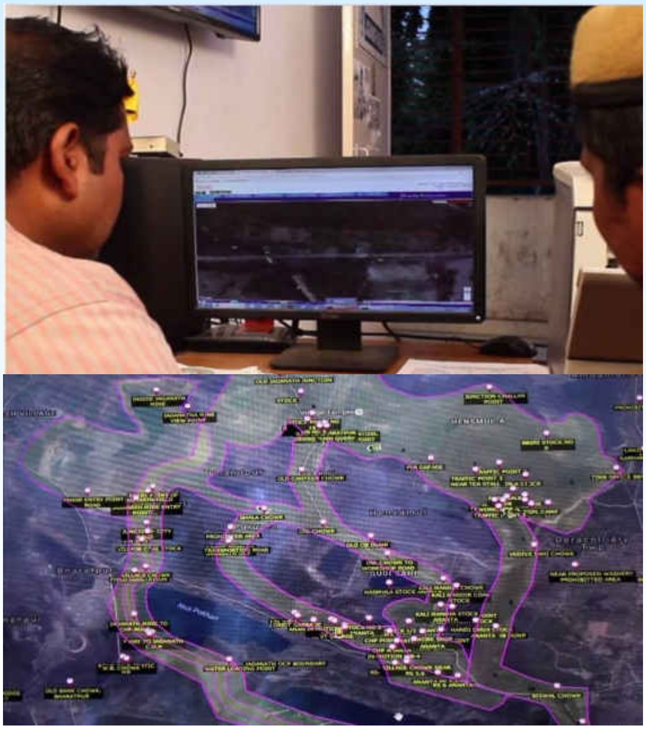
f) **Technology Development:** MCL pioneers in institution building and it stands apart among other Subsidiaries of CIL when it comes to deployment of surface miner or e-mode of tendering for procurement or other contracts. Almost 92.5% of Coal production is done through surface miner by using blast-free Technology. MCL is first company in India to introduce to start auto refund of EMD for unsuccessful bidders. MCL is also the first Company to implement and maintain **e-Capital Fund Management System** through CoalNet. MCL is the first Company to introduce Mobile Fog Cannon of 40-50 Mtr. throw distance in all its mines on hiring mode. MCL is also the first Coal Company to procure 100 Mtr. throw fix type Fog Cannon with a very robust design and specification having 37 KW blower Fan and 15 HP Pump. MCL is again the first Coal Company to introduce Robotic Nozzle, which is an innovative design for dust suppression/fire fighting/hard cutting through hydraulic pressure, etc.

g) **Innovation Cell established:** For introduction of innovative modern technologies and system for eco-friendly and sustainable mining with best practices, your company has established Innovation Cell, which has already started working for the innovative solutions of the issues being faced by the company.

Operator Independent Truck Despatch System (OITDS):

OITDS Installed in three open cast projects of MCL i.e. Balram, Lingaraj and Bharatpur OCP is running successfully. A total of 137 HEMMs have been installed with the equipment for OITDS.

CCTV Surveillance System:



- Your company has installed CCTV Surveillance System of 71 cameras at Office Campus of MCL HQ, Burla, which is being used to enhance the security of the Corporate Office.
- Your company has installed CCTV Surveillance Systems of 376 cameras in all Regional / Central Stores, Central Workshops of MCL, multiple CCTV cameras in various vulnerable locations in different Projects of MCL, like Entry Exit Points of Mines, Coal Stocks, Coal Sampling Labs, etc. of all Areas of MCL has also been installed.
- Your company has installed CCTV 42 cameras in 21 numbers of railway sidings.
- Your company has installed still-shot IP cameras at 90 in-motion and static road weighbridges.
- Weighment data from the in-motion & static weighbridges (which are used for internal transportation) are being transmitted online to the central VTS and Coalnet Server at MCL-HQ.
- Your company has taken initiatives for installation of a Comprehensive CCTV Surveillance system, consisting of 2188 cameras, at various entry/ exit points of mines and magazine clusters, HEMM Workshops, Diesel Dispensing Stations, and other vulnerable points of projects to further reduce the chances of unauthorized activity, and to enhance the security and prevent entry of unauthorized vehicles and personnel.
- **Mobile CUG facility** has been provided by your company to all Executives, JCC Members, Key Staff, Railway Siding Officials, Security Personnel, Rescue Brigade Personnel and Drivers of Mines Rescue Stations, Biometric attendance system etc. of MCL serving at different Units of the Organization all over the state of Odisha, enabling 24x7 unlimited communications at minimum cost, thereby reinforcing the communication infrastructure of MCL. The existing CUG plans have been upgraded to provide unlimited data and voice to all executives without any additional financial cost to the company.
- **Aadhaar Enabled Biometric Attendance System (AEBAS):** In-line with the Digital India Programme of Government of India and the HR Vision 2020 of CIL, your company has installed AEBAS at MCL HQ, MCL Bhubaneswar Office, MCL Kolkata Office, Area Offices, Project Offices, MTKs, covering all attendance locations of MCL. Internet connectivity with redundancy has been provided to all devices. A total of 807 devices have been installed across MCL for AEBAS.
- **High Speed Wireless Internet Hotspots** have been provided by your Company to all Directors, CVO and HODs at MCL HQ and some other executives, in addition to BSNL Broadband/FTTH (Fiber to The Home) connections at offices and residential offices, for on-the-go internet connectivity to ensure a 24x7 communication and information channel for faster and more informative decision making.
- **40 Mbps RailTel and 40 Mbps BSNL High Speed connectivity.**
- **Underground Communications System** has been installed by your company in all underground projects for fast and safe communication. Environmental Tele-monitoring System is also being maintained in various underground projects and steps have been taken to enhance the same.
- **Video Conferencing System:** An enterprise grade Video Conferencing System has been installed by your company at MCL HQ, Sambalpur and MCL Office, Bhubaneswar for conducting meetings through Video Conferencing over the Private Network of CIL as well as over Internet (Public Network), enabling quick and collaborative decision making by the Key Management Personnel and saving time and cost. This system runs on the licensed enterprise grade Multi Conference Unit and Client Server of MCL, which ensures privacy and availability of resources. Your Company is also in the process of extending the Video Conferencing System to all Area Offices as well as to MCL Offices at Bhubaneswar and Kolkata, by procuring 27 Sets of Video Conferencing End Points and related equipment.
- **Development of Portal based Apps–**Several Portal based apps are being developed for (i) monitoring Area wise/ Unit-wise and Shift wise deployment of Tipper, Pay loader and Surface Miner as per their capacity under various Civilian, ESM & PAP contracts(ii) Grievance Lodging and Redressal system for employees (iii) IT Asset Tracking and Breakdown Monitoring System.
- **Development of CSR Software Module:–**A new module for better monitoring of CSR activities are being planned so that monitoring of utilization of funds earmarked for CSR activities would be easier. The module shall be integrated with existing Coalnet application for real-time monitoring of various stages of different CSR activities undertaken at HQ and Areas.

PROJECT PASSION

- **Implementation of SAP ERP –**Implementation of SAP ERP has been taken up in MCL in the first phase and the Functional Scope of work will include activities related to (1) Marketing & Sales, (2)Material Management, (3)Plant Maintenance, (4)Human Resource Management, (5)Finance(Accounting & Controlling), (6)Production Planning, (7)Project System. All necessary activities like formation of ERP team comprising Subjection Matter Experts, Core Team members, Training, Master data preparation etc. are going on

CUSTOMER SATISFACTION:

MCL has taken several measures to supply sized and quality coal to different Power Houses as well as other consumers to fulfill the consumer satisfaction. The measures taken during the year are as follows:-

1. Frequent interaction with different consumers has been done to improve consumer satisfaction.
2. Consumers were encouraged for checking and supervising personally the coal loading system arrangement at Sidings as well as at Coal Analysis Laboratories.
3. In order to ensure better transparency and Consumer satisfaction, CIMFR and Quality Council of India (QCI) have been engaged for sampling of coal despatches of Power sector and Non-regulated sector consumers respectively. Presently about 70% of coal despatches are covered under the third party sampling and the rest of the consumers are being encouraged for the same.
4. There are total Ten coal analysis laboratories in different Areas i.e. Ib Valley, Lakhanpur, Orient, Basundhara, Jagannath, Lingaraj, Bharatpur, Hingula, Talcher and Kaniha. Six coal analysis laboratories of Ib Valley, Bharatpur, Jagannath, Hingula, Kaniha & Lakhanpur Areas have been NABL accredited. Application for NABL accreditation of coal analysis laboratory of Lingaraj Area has been successfully submitted in the NABL official Portal.Necessary steps have been initiated for obtaining NABL accreditation for coal analysis laboratories of Basundhara & Orient Area.
5. During this year also, selective mining method of extraction of coal was continued and the rejects were separated from the coal seams which helped to maintain the quality of coal. Approximately 92.5% of production was achieved through surface miner.
6. Proper care has been taken towards supply of -100 mm size coal to the consumers. For this, the coal extracted by conventional mode have been crushed by CHPs & FBs for dispatch by rail, belt & MGR.
7. Relaxations to consumers during Corona – Payment time has been extended by 1-2 months, lifting validity has been extended, road to rail conversion facility has been given, Usance LC (letter of credit) facility extended to all type of consumers, premium abolished in e-Auction, performance incentive has been removed from quantity beyond the ACQ for Power Houses to encourage import substitution, etc.
8. **Import Substitution :** Southern India Power Plants and NRS consumers, who are importing coal at present, have been approached based on the logic that MCL coal is quite comparable with imported coal on per GCV landed cost analysis, MCL being such strategically located. They have agreed for import substitution with MCL Coal. Also in near future Diesel and Petrol driven vehicles will be replaced by Electric driven vehicle and this will significantly reduce the requirement of importing fuel oil and save a lot of Forex.

GREEN INITIATIVES:-

Your Company has produced highest quantity of coal through eco-friendly Surface Miner to the tune of 92.5% in comparison to average achievement of 42% in the entire CIL. In transportation also your company dispatched around 74% coal through eco-friendly Rail, Conveyor, Washery mode and balance 26% through Road mode. In order to reduce dust pollution in the residential areas, your company has initiated steps for construction of separate coal corridors by-passing the densely populated areas.

Your Company has successfully installed 2 MW Photovoltaic Solar Power Plant at Anand Vihar, Burla, Sambalpur to mark its presence in renewable energy sector and is generating electricity to the tune of 22 lakh units/year.

To promote environmentally sustainable coal mining a 'Sustainable Development Cell' (SDC) is constituted at MCL Level under Director Technical (Project & Planning), MCL.

Activities taken up as identified activities for Sustainable Development Cell inter-alia includes as follows:

1. **Deployment of Mobile Fog Cannon** in all OC mines of MCL, at least one number in each project to start with, for effective dust suppression.

2. **Deployment of fixed type Fog Cannon** of minimum 100 mtrs. throw in the Railway Siding at the Coal and OB faces of all mines/Areas for effective dust suppression during wagon loading operations and in the working zone mines.

3. **Deployment of Mechanical Road Sweeper** in all mines on hiring basis for the evacuation of dust from the pucca surfaces and road sides etc.

4. **Mine reclamation** of the abandoned quarry at Balanda, Jagannath and Bharatpur South quarry – through disposal of fly ash and development of these areas into Eco-park/Picnic spots and also creation of adequate shallow depth water bodies. 218 Ha of Balanda Quarry has been filled and going to be reclaimed by 1 meter soil laying and tree plantation.

5. **Creation of Rani Park** as a bio-diversity-cum-eco park including recreational facilities, air strip etc, so that this can act as a carbon sink for entire Talcher Coalfield and also as a tourist spot with economic activities and income generation so that it becomes sustainable model.

6. **Flyover/Bye-passing of the coal corridor road** from Lingaraj MGR up to Chainpal flyover in order to create a sustainable and eco-friendly coal transportation model.

7. **Separate Coal Corridor at IbValley coalfields –** no crossing with public roads/rail lines and no merging with public roads.

8. **Procurement/hiring of hydro Seeders** for biological reclamation of the slope area of the dumps.

Various steps have been taken to utilise mine water for the use of human consumptions in a better way. Surplus water of OCPs stored in disused quarries/mine sumps is utilised for purposes like washing of HEMMs, dust suppression, fire fighting and recharge of aquifers. Surplus UG Mine water is being used for supply to community for drinking, agriculture, forestry, recharge of ponds, etc.

In keeping with the Company's concern for environment -

- MCL has planted saplings of mixed indigenous species over external dumps and backfilled internal dumps (after adequate physical reclamation), as well as in vacant patches of other land and avenues, in the mines.
- Plantation since inception (1992-1993 to 2019-20) is **59.929 lakhs** (TCF- 21.7088 lakhs, IbCF – 31.385 lakhs, HQ and Govt. land – 6.836 lakhs).
- MCL has expanded its scope of improving greenery on Government lands in and around its operational districts - Angul, Jharsuguda, Sambalpur, Khordha and Sundergarh through Urban Plantation, in which evergreen plants, Bargad, Mahua, Jamun, Pipal, Mango, Jackfruit, etc. are planted by DFOs.
- **Plantation of fruit bearing trees** like seedless Jamun, Guava, Dragon fruit, Pomegranate, Mango, Papaya, Lemon, etc. on possessed land required after 2-3 years.

- **Poly House** on reclaimed/possessed land to grow organic vegetables and fruits, etc.
- **Distribution of fruit bearing trees** in nearby villages/town.
- **Development of mangroves.**
- **Timber value plants** like Teak, Sal, Mahaguni, etc.
- **Medicinal plants** like Pratapgarh Amla, Harre, Bahera, Ashwagandha, etc.
- **Robotic Nozzle** for fire fighting and dust suppression.
- **Quadrajet Nozzle** for fire fighting and dust suppression and other multipurpose uses.

SAFETY

Safety of mines and miners remains a top priority in MCL Agenda. In persuit of higher production, no compromise is made on safety aspect. For having a 'Zero Accident' target, your Company prepares, plans, and equips itself on a regular basis. Our efforts in this direction inter-alia include making available proper safety equipment, training, R&D and strict monitoring of safety related compliances. Your Company strives hard to provide a safe working environment to all its employees and never compromises with safety standards in any mining operation. Further, to overcome any unforeseen happening during mining operation, your Company has fully equipped all its rescue stations and has deployed sufficient rescue trained workforce. Your Company firmly believes that safety and productivity cannot be separated.Detailed statitics have been provided in the relevant portion of Diretors report under the head " Safety and Rescue."

Your Company is committed to provide safe environment to all the workmen for achieving the Company's objective towards Zero harm.

CORPORATE GOVERNANCE

MCL complied with the conditions of Corporate Governance, as stipulated in the Guidelines on Corporate Governance for Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises, Govt. of India from time to time. As required under the said guidelines, a separate section on the Corporate Governance has been added in the Directors' Report and certificate of compliance of conditions of Corporate Governance has been obtained from Practicing Company Secretary. Secretarial Audit has been introduced as per the requirement of the Companies Act, 2013 to bring more transparency in the functioning of the Board. The Secretarial Audit report is attached as part of Directors' Report.

CSR & COVID INITATIVES

Being a responsible public corporate citizen, MCL through its CSR has continued to demonstrate its unwavering commitment towards contributing to socio-economic developmental objectives of the Nation, which is the underlying principle behind enactment of CSR in the Companies Act, 2013.

MCL has imbibed and maintained the balance of Community vs Company interface through its CSR initiatives.

A.PREPARATION FOR COMBATING COVID-19 CRISIS:

a) MCL has signed a tripartite MoU with Govt. of Odisha and SUM Hospital and setup a 500 bedded COVID Hospital with 25 ICU and critical care units and state of art medical facilities in Bhubaneswar and also MCL Talcher Covid Hospital of 150 Bed including 6 ICU bed. These two Specialized COVID Hospitals were inaugurated by Hon'ble Chief Minister Odisha, Shri Naveen Patnaik Ji, Hon'ble Union Minister for Petroleum, Natural Gas and Steel, Shri Dharmendra Pradhan Ji and Hon'ble Union Minister of Coal, Mines and Parliamentary Affairs, Shri Pralhad Joshi Ji.

COVID Hospital

b) 108 isolation beds in Talcher, Angul district, 50 isolation beds in Lakhanpur & 04 in Brajrajnagar, Jharsuguda district, 02 isolation beds in Basundhara, Sundargarh district, 90 isolation beds in Sambalpur district. Thus, total 254 beds prepared for isolation and quarantine of CORONA suspected cases in MCL command districts.

c) Five numbers of ICU ventilators are being procured by MCL as per request received from Collector, Jharsuguda.

d) About 4,70,000 masks and 6,630 litres of hand sanitizers distributed to its employees and contractual workers. Sanitizer and soap dispenser have been provided at the entrance of each unit, monitoring of workers being done through Thermal Scanners and all other precautions including social distancing are being practiced.

e) Conveyance facility worth Rs.3.77 lakhs for COVID warriors of Angul district administration.

f) Toilet-washroom enabled Porta Cabins worth Rs.18.63 lakhs at Covid-19 isolation facility in Sambalpur.

g) Shelter homes worth Rs.3.49 lakhs to the migrant labour in Sundargarh by Basundhara Area.

h) COVID Centre at the cost of Rs.83.09 lakhs at Lakhanpur Hospital&5 Nos, ventilators worth Rs. 44.40 lakhs at Lakhanpur hospital.

i) 5,000 food grain packets worth Rs.23.31 lakhs for stranded migrant families.

j) Providing wall mounted fans in COVID Hospital, Talcher worth Rs. 0.39 Lakh

k) Housekeeping services at staff accommodation for COVID Hospital, Talcher worth Rs.1.72 Lakh

B. OTHER CSR ACTIVITIES

Company has invested heavily on health care, education, piped water supply, rural community development & sanitation. MCL is maintaining the pole position from the last several years in terms of highest CSR spending by any Corporate in the State of Odisha.

In the year 2019-20, Company has spent Rs.165.50 Cr. against the annual CSR budgetary allocation of Rs.156.5 Cr.

The year witnessed completion of the construction of Medical College-cum-Hospital at Talcher- the Rs.492 Cr flagship CSR project of MCL. Company is in the process of operationalisation of 500 bedded hospital and 100 seated Medical College.

Piped water Supply Schemes are the signature CSR projects of the Company where Company intends to provide piped water in 81 villages in Talcher coalfields Area through three mega projects with an investment of 74 Crore. Payment of 38.35 Crore has been made in 2019-20. One project has been completed and two projects have shown 60% and 70% progress respectively in 2019-20.

MCL entered into a joint MoU with RITES & East Cost Railways for installation of prefab toilet complexes in circulating areas of 232 Railway stations of Odisha with a project cost of 58 Crore.

In 2019-20, MCL approved projects worth Rs.10.15 Crore in Aspirational districts in the thematic area of school education (5.30 Cr) and health care (Rs.4.85 Cr).

Govt of India recommends 60% CSR spent on annual theme of school education, healthcare and nutrition. MCL has spent 71% on thematic areas.

The year witnessed speedy progress in 2019-20 in respect of two ongoing rural development projects undertaken in partnership with nonprofit organizations.

a) Project 'MANTRA' with 'Gram Vikas': The project aims to provide Toilet & Bathrooms with piped water supply for 364 households in 5 villages of Jharsuguda and Sundargarh district.

b) Project 'CCDP-Utthan' with 'BAIF': It is a 5-year sustainable livelihood project of Rs.20 Cr focusing on agro-horti development and cattle rearing programme. It benefits 40 Villages of Angul, Jharsuguda, Sambalpur and Sundargarh districts.


MIMSAR_Talcher

In the year 2019-20, Company has been conferred with National CSR Award instituted by the Ministry of Corporate Affairs Govt of India, for contribution to National priority Areas of Health, Drinking Water & Sanitation.

Company has been at the forefront of community service by Corporates in the State of Odisha. Company has published a Booklet 'Enriching Lives, Impacting Communities' depicting high impact CSR projects.

DMF collection and deposit to State Authority for development of Areas around Coalfields of MCL in next 10 years is expected to be around Rs.10,000 Crore (Talcher – Rs.6,000 Crore and Ib Valley – Rs.4,000 Crore) which is to be utilized for development of nearby areas under the following heads:

- Drinking Water
- Health
- Women and Child Welfare
- Education
- Livelihood and Skill Development
- Welfare of Aged and Disabled
- Sanitation

Gram Smridhi Yojna : MCL has signed MoU with Gram Samriddhi Trust, a voluntary organisation working in the field of agricultural development on 27.02.2020 for implementing the project 'Aahar Mandal', an initiative of promoting organic farming among rural community to ensure the nutritional requirement of entire family considering 4 members for the entire year from a very small piece of land. This Model is being implemented in 10 villages of Hemgir block. 'Aahar Mandal' is about growing an **orchard of vegetables** in the form of a garden in a **circular piece of land having radius of 30 ft** by adopting organic means through natural harvesting which is cost effective, conveniently adoptable and sustainable. This project aims to promote organic farming and make individual rural family self-sufficient with respect to **nutritional requirement**. 200 SC/ST families are getting benefit from the project. Value of the project is Rs.23,39,366/-

This will alleviate poverty and improve human development indicators and change the scenario of the locality. In future, Coal mines of MCL will have huge water reservoir which will meet the drinking water necessity of local people and there will be no scarcity of water in and around MCL mines. It is expected that during mining and after mining, around 2099 M.CuM water (1211 M.CuM in Talcher and 888 M.CuM in Ib Valley) will be harvested. This will benifit 1.06 Crore people per annum besides saving of Rs.14,688.45 Crore for creation of such huge water reservoir.

EXPECTATION

We hope that the way we build around our resources and capabilities, it will certainly bring us more success in the years to come and by continuously doing so we can meet the expectation of our numerous stakeholders including the expectation of the Nation.

ACKNOWLEDGEMENT

I express my eternal gratitude to, all the shareholders of the Company, Ministry of Coal, Govt. of India, Coal India Limited, various Central Government Authorities, State Government Authorities, People's Representatives, Local Bodies, all Employees and their Unions, our Valued Customers, Suppliers and Media for their timely support and co-operation.

(B. N. Shukla)
Chairman-cum-Managing Director
(DIN: 05131449)

HON'BLE COAL MINISTER'S VISIT TO TALCHER COALFIELDS


MCL
Sri Pralhad Joshi
Honourable Minister Of Parliamentary
Affairs, Coal & Mines Government of India
At
Mahanadi Coalfields Limited
Talcher Coalfields


VT-JSA

DIRECTORS' REPORT

To
The Shareholders,
Mahanadi Coalfields Limited,

Dear Shareholders,

I have great pleasure in presenting on behalf of the Board of Directors, the 28th Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2020 along with the report of the Statutory Auditors and the Comments of the Comptroller & Auditor General of India.

Your Company had excelled in almost all fronts. This was yet another successful year in terms of productivity, production of coal, OB and Despatch.

2. ORGANISATION

ORGANISATION OF AREAS, MINES:

The organization of MCL comprises of 2 Coalfields namely Talcher Coalfield and IB Valley Coalfield, comprising 12 Mining Areas with 04 operating UG and 15 operating OC mines, 02 Central Workshops, 02 Central Hospitals, MCL Office, Kolkata and MCL Office, Bhubaneswar with Headquarters at Burla, Sambalpur.

The operating Areas are as under:

A Talcher Coalfields	B IB-Valley Coalfields
(i) Jagannath Area	(i) Lakhanpur Area
(ii) Bharatpur Area	(ii) Ib Valley Area
(iii) Hingula Area	(iii) Basundhara Area
(iv) Lingaraj Area	(iv) Mahalaxmi Area
(v) Kaniha Area	(v) Orient Area (UG)
(vi) Subhadra Area	
(vii) Talcher Area (UG)	

In Talcher Coalfields, it has one Central Workshop and Nehru Shatabdi Central Hospital whereas in IB Valley Coalfields, it has one Central Workshop and one Central Hospital.

3. SUBSIDIARY AND ASSOCIATE COMPANIES of MCL:

3.1 MJSJ Coal Limited

MJSJ Coal Ltd was incorporated on 13th August, 2008 for Combined block of Utkal-A & Gopalprasad west as a Joint Venture Company of MCL having 60% share. The Hon'ble Supreme Court of India in its judgement dated 25.08.2014 and order 24.09.2014 declared allocation of Utkal-A coal block including Gopalpur (West) allocated to MJSJ Coal Ltd. as illegal and has quashed the allocation.

3.2 MNH Shakti Limited

MNH Shakti Ltd was incorporated on 16th July, 2008 for Talabira-II & III OCP as a Joint Venture Company of MCL having 70% share. The Hon'ble Supreme Court of India in its judgement dated 25.08.2014 and order 24.09.2014 declared allocation of Talabira-II and Talabira-III coal blocks allocated to MNH Shakti Ltd. as illegal and has quashed the allocation.

3.3 Mahanadi Basin Power Limited

Another Company "Mahanadi Basin Power Limited" was incorporated on 2nd December, 2011 and certificate for commencement of business was issued by ROC on 06-02-2012. MBPL has been formed as an SPV with 100% share held by Mahanadi Coalfields Ltd and its nominees with power generation capacity of 2X800 MW through Pit Head Power plant at Basundhara Coalfields. The share capital of the Company as on 31.03.2020 was Rupees Five Lakh.

3.4 Mahanadi Coal Railway Limited

Pursuant to MoU signed between IDCO, MCL and IRCON on 20th May, 2015, a Joint venture Company namely, Mahanadi Coal Railway Limited was formed on 31st August, 2015 with equity participation in the ratio of 64:26:10 between MCL, IRCON and IDCO to build, construct, operate and maintain identified rail corridor projects including doubling, third line, traffic facility projects important for coal connectivity that are critical for evacuation of coal from mines, in the state of Odisha. The share of the company capital of the company as on 31.03.2020 was Rupees Five Lakh only.

4. Achievements of MCL in 2019-20

4.1 Coal Production :

a) MCL scaled a new peak in coal production in the month of March, 2020 producing 19.25 MT with an average of 6.21 lakh Te/day against the last year average March production of 5.83 lakh Te/day.

b) Highest ever coal production in a single day (on 30th March, 2020) to the tune of 10.82 lakhs Te.

c) MCL achieved highest ever coal production in last four months of December to March to the tune of 65.51 MT against last year achievement of 58.81 MT registering a growth of 6.7 MT.

d) MCL also achieved highest coal production through eco-friendly Surface Miner i.e. 129.1 MT (92 %) which is highest among all subsidiaries of CIL.

4.2 Coal Offtake :

a) MCL achieved highest ever coal dispatch in last four months of December to March to the tune of 52.14 MT against last year achievement of 50.01 MT registering a growth of 2.13 MT, despite less supply of rakes and Corona effect.

b) MCL achieved highest offtake through eco-friendly modes namely Rail, MGR & Belt to the tune of 74 % among all subsidiaries of CIL.

c) New Lingaraj Siding and access road was constructed in which NTPC will transport additional 16,000 Te of coal per day.

d) New Chharla Siding was operationalised through which about 25,000 te/day coal is supplied to OPGC.

e) Start of coal production and offtake at Manoharpur mine belonging to OCPL due to facilitation of dispatch by MCL. MCL received coal at Kanika siding to the tune of 0.51 MT and paid about Rs.84 Crs.

f) Four underpasses operationalized at major crossings with Public Road to increase coal transportation to Sidings.

g) Coal Corridor made operational at Hingula OCP resulting in increase of coal transportation to Sidings.

4.3 OB Removal:

a) MCL achieved highest ever OBR in last four months of December to March to the tune of 62.7M Cum against last year achievement of 50.9 M Cum registering a growth of 11.8 M Cum.

b) MCL clocked highest OB removal of 6.63 lakh cum/day in a single day since inception on 22nd January, 2020.

4.4 Major Land Constraint issues resolved:

i. Bhubaneswari OCP: Narharipur Road Excavated on 11th October, 2019. Talasahi (Biswal Family) land excavated on 20th November, 2019.

ii. Lakhanpur OCP: Land taken into possession-Quarry 6 started on 17th October, 2019.

iii. Jagannath OCP: Eviction of 15 Hutments on 18th October, 2019. Tender for OBR floated on 25.10.2019.

iv. Hingula OCP: Bhalugadia NaikSahi land taken in to possession by eviction of 43 houses on 29th October, 2019. Patna Sahi Patch started on 12th December, 2019.

v. Belpahar OCP: New Quarry Kerulbahal started on 7th October, 2019.

vi. Kulda OCP: Tumulia Road excavated on 29th October, 2019.

vii. Lingraj OCP: Dera Kandhal Road Shifted, Langijoda Land & Subhas Naik land taken on 20th November, 2019.

viii. Kaniha OCP: 8 Ac land of Kansamunda taken on 15th November, 2019. Jarada patch 80 mtr. Allowedon 6th December, 2019.

ix. Samaleswari OCP: 15 Ac land taken on 10th November, 2019, Sukhwasi issue breakthrough.

x. Lajkura OCP: Chhualiberena OB dumping issue resolved on 15th November, 2019.

xi. Ananta OCP: Tree felling over 8 Ha land & dewatering allowed.

xii. Balram OCP: Road shifting and land possession in October, 2019. Coal Corridor Road 4 Km dozing with the help of Police Force.

xiii. Bharatpur OCP: Road shifting and land possession in Nakeipasi and Danara Patch in October.

4.5 Other Highlights :

a) Siarmal 50 MTPA, MDO documents prepared, MCL Board's approval obtained and tender published on 30th March, 2020.

b) SILO loading system of 20 MTPA was constructed and commissioned at Lingaraj OCP.

c) Work was awarded to IIT, Kharagpur for Comprehensive Development Plan (CDP) of Talcher Coalfield.

d) Procurement and deployment of Surface Miner in record time i.e. within 6 days at Garjanbahal OCP.

e) Highest Generation of Solar Electricity among all subsidiaries of CIL to the tune of 22 lakh units in a year.

f) Rs. 165.50 Crs spent in CSR activities by MCL out of the budgeted expenditure of 156.5 Crs i.e.100 % achievement which is highest among all subsidiaries of CIL.

g) Xcentric or Equivalent Vertical Ripper for blast free removal of hard rock is to be introduced on hiring basis for which tender has already been floated.

h) For Effective dust suppression, Fog Cannons introduced in every mine:

i. 14 nos. of 40 meter throw Mobile Truck mounted Fog cannons were engaged on hiring basis.

ii. Procurement of 14 nos. of 100 meter throw Fix type Fog cannons.

iii. Procurement of 3 nos.of 70 meter throw innovative Robotic Nozzle.

4.6 <u>Preparation for combating COVID-19 Crisis:</u>

a) MCL has signed a tripartite MoU with Govt. of Odisha and SUM hospita land setup a 500 bedded COVID with 25 ICU and critical care units and state of art medical facilities in Bhubaneswar.

b) 108 isolation beds in Talcher, Angul district, 50 isolation beds in Lakhanpur & 04 in Brajrajnagar, Jharsuguda district, 02 isolation beds in Basundhara, Sundargarh district, 90 isolation beds in Sambalpur district. Thus, total 254 beds prepared for isolation and quarantine of CORONA suspected cases in MCL command districts.

c) Five numbers of ICU ventilators are being procured by MCL as per request received from Collector, Jharsuguda.

d) About 70,633 masks and 3052 litres of hand sanitizers already distributed to its employees and contractual workers. Sanitizer and soap dispenser have been provided at the entrance of each unit, monitoring of workers being done through Thermal Scanners and all other precautions including social distancing are being practiced.

e) Conveyance facility worth Rs.3.77 lakhs for COVID warriors of Angul district administration.

f) Toilet-washroom enabled Porta Cabins worth Rs.18.63 lakhs at Covid-19 isolation facility in Sambalpur.

g) Shelter homes worth Rs.3.49 lakhs to the migrant labour in Sundargarh by Basundhara Area.

h) COVID Centre at the cost of Rs.83.09 lakhs at Lakhanpur Hospital & 05 Nos, ventilators worth Rs. 44.40 lakhs at Lakhanpur hospital.

i) 5,000 food grain packets worth Rs.23.31 lakhs for stranded migrant families.

j) Providing wall mounted fans in COVID Hospital, Talcher worth Rs. 0.39 Lakh.

k) Housekeeping services at staff accommodation for COVID Hospital, Talcher worth Rs.1.72 Lakh.

5. PRODUCTION PERFORMANCE

(a) Production performance of MCL for the financial year 2019-20 as compared to the target and achievement of the previous year is given below:

(Figs. in M.Te.)

Prodn	2019-20		2018-19		% Ach . against	% Growth over
(i) Coal (M.Te)	MOU/AAP Tgt .	Actual	AAP Tgt .	Actual	Target	L. Yr.
Opencast	159.10	139.522	150.50	143.28	87.7	-2.62
UG	0.90	0.836	1.00	0.871	92.9	-4.02
Total						
Coal (OC+UG)	**160.00**	**140.358**	**151.50**	**144.151**	**87.72**	**-2.63**
(ii) OBR (M.Cum)	**160.00**	**124.514**	**157.00**	**130.002**	**77.82**	**-4.22**

(b) Production performance of MCL for last five years (incl. 2019-20) is appended below:

(i)Total Coal Production of MCL (Figs. in MTe):

Financial year	Target	Achieve-ment	Growth over L. Yr.		Ach.(%)
			Absolute	%age	
2015-16	150.00	137.90	16.52	13.61	91.9
2016-17	167.00	139.21	1.31	0.95	83.4
2017-18	150.00	143.06	3.85	2.76	95.4
2018-19	151.50	144.15	1.09	0.76	95.1
2019-20	160.00	140.36	-3.79	-2.63	87.7

(ii) Coal production by Surface Miner (Figs. in MTe.):

Financial year	Production	Growth over last year		%age Share of coal Production by S.Miner of the Total Coal Production
		Absolute	%age	
2015-16	125.68	18.87	17.7	91.1
2016-17	127.81	2.13	1.7	91.8
2017-18	130.89	3.08	2.4	91.5
2018-19	133.80	2.91	2.2	92.8
2019-20	**129.10**	**-4.71**	**-3.5**	**92.0**

Coal production achieved in 2019-20 is 87.7% of the MOU/AAP target with growth of (-)2.63% over last yr. OB removal achieved is 77.8% of the MOU/AAP target with growth of (-)4.2 % over last yr. The major reasons of shortfall against the MOU/AAP Tgt., mainly, due to :

(A) <u>OC Unit-wise major reasons for shortfall of Coal and OB:</u>

Jagannath OCP	Less Coal seam exposure due to 15 landless families who were in hutments encroaching over Govt. land in Rakas Basti, shifted on 18th October, 2019. OB contract could only be awarded after 10th December'19 but there was underperformance of OBR contractor and non reliability of excavators .
Bharatpur OCP	Scarcity of land due to non-shifting of remaining PAFs of Nakeipasi, Padmabatipur and Dashrathipur villages.Fatal accident of 4 contractual workers on 23rd July,19 led to Bandh by local villagers and Political parties demanding enhanced compensation and employment in MCL. Prohibition of coal production due to imposition of Section 22 by DGMS after the accident. Less coal seam exposure due to 02 months of entire shutdown of mine after the accident,and subsequent OB contract expiry, resulting in very less coal seam exposure.
Lingaraj OCP	Numerous faults in the working zone; and land constraint due to delay in shifting of 15 PAFs of Langijoda village.Obstruction by villagers of Telisahi for 2 days for potholing incidence.
Kaniha OCP	Land constraint due to resettlement issue of Jarda villagers which still to be resolved. Bandh by villagers of Adaitaprasad and Jamania claiming employment for loss of land in Gopalji Project. Frequent obstructions by villagers of Jarda, Kansmunda, Jamania and Adaitaprasad. OBR affected for almost last 06 months.OBR completely stopped by local villagers employed by Contractor from 24th July-8th Septrmber, 2019. OB Removal affected for 06 days due to non/less deployment of fleet by Contractor for their internal issue.
Hingula OCP	Land constraint, was due to delay in shifting of Bhalugadia Basti (Naik Sahi and Patna Sahi). Naik Sahi and Patna Sahi evacuated by 12th December, 2019.Production affected due to Hingula Yatra Celebration. Frequent bandh by villagers of Bhalugadia & Solada demanding of employment beyond norms

Lajkura OCP	Coal seam exposure affected seriously as there was no OBR contract from September, 2019 to 20th March ,2020 due to cancellation of OBR contract M/s SICAL on 27th December, 2019 .M/s SICAL has previously stopped its operations from Sept'19. OBR tender in limited mode as well as in open mode could not succeed, hiring of excavators on rental mode also failed twice. Limited tender for 90 days again invited on 29th February, 2020 and awarded in first week of March, 2020. Work started by OBR contractor on 20th March, 2020.
Samleshwari OCP	Delay in shifting of landless encroachers/Sukhwasis of Chingriguda and Jamkani. Very less coal seam exposure as OB contract discontinued from 11th June, 2019. Some house structures of Sukhwasis in Chingriguda village were demolished on 11th Nov'19 and 15 Ha land taken under possession. Thereafter, OB contract work resumed from 15th December, 2019 but only at @ around 20,000 Cum/Day in place of awarded rate of 60,000 Cum/Day.
Kulda OCP	Land constraint,due to delay in shifting of Tumulia Road. Tumulia road was finally excavated on 29th October, 2019.

(B) <u>Other major reasons affected Coal Prodn. and OBR:</u>

(1) Bharatpur and Lajkura OCP – No OBR contract for 6 months despite adoption of all alternative possible modes.

(2) Samleswari OCP – Very poor performance of OBR Contractor .

(3) Jagannath OCP – OBR contract could be awarded only after land possession with the help of Police action.

(4) Bandh of entire Talcher coalfields from 24th July, 2019 – 6th August, 2019 after fatal accident at Bharatpur OCP.

(5) Bandh of entire MCL on 23rd & 24th September, 2019 due to Strike Call by BMS on 23rd September, 2019 and All Central Trade union on 24th September, 2019 due to protest against 100 % FDI in coal mining sector.

(6) Talcher Bandh by 18th & 19th October, 2019 due to arrest of President of Talcher Surakhsya Manch during 15 hutments eviction in Rakas village and on 28th & 29th October, 2019 as Police took Hon'ble MLA into custody during Bhalugadia Basti eviction.

(7) There was land constraint in Jagannath, Ananta, Bhubaneswari, Bharatpur, Lingaraj, Kaniha, Hingula, Balram, Samleswari, Lakhanpur, Belpahar and Kulda OCPs i.e. in 12 Projects out of total 15 OCPs.

(8) IB CF – Coal Prodn. and OBR affected due to abnormal rainfall i.e. 595 mm in Aug,19 against 400 mm in Aug,18, 282 mm in Sep,19 against 165 mm in Sep,18 and 165 mm in Oct,19 against no rainfall in Oct,18. Progr. Rainfall in 19-20 has been 1536 mm as compared to 1341mm in 2018-19.

(9) Talcher CF – Coal production affected due to more rainfall in October, 2019 i.e. 170 mm against 122 mm in October, 2018.

(10) Flash rains, Thunderstorms and Powercuts in the first half of June, 2019 also affected coal production and unexpected rains in January, 2020, February, 2020 and March, 2020.

(11) Summer restriction (11:00 am to 3:30 PM) which was imposed by District Administration from 30th April, 2019 was lifted on 15th June, 2019 after regular rainfall in the first fortnight of June, 2019.

(12) Production also affected on 18th and 19th April due to starting of Hingula Yatra.

(13) Due to casting of vote on the date of General Election, there was less attendance. 18th April, 2019- Jharsuguda & Sundargarh, 23rd April,2019-Talcher CF.

(14) Political rally of a political party affected production of entire Talcher CF on 3rd April, 2019; and political rally of another political Party affected Kanhia OCP on 4th April, 2019

(iii) OB Removal of MCL (Figs. in MM^3)

Financial year	Target	Actual	Growth over last year		%age Achievement against Target
			Absolute	%age	
2015-16	115.00	98.41	9.19	10.30	85.6
2016-17	150.00	123.34	24.93	25.33	82.2
2017-18	160.00	138.18	14.84	12.03	86.4
2018-19	157.00	130.00	-8.18	-5.92	82.8
2019-20	**160.00**	**124.51**	**-5.49**	**-4.22**	**77.8**

5. PRODUCTIVITY

5.1 Your Company has also achieved productivity in terms of output per manshift (OMS) as given hereunder:

(Fig.in Tonne/Manshift)

	2019-20		2018-19	% Achievement against Target	% Growth over previous Year
	AAP Target	Actual	Actual		
Opencast	34.85	26.74	28.75	76.73	93.01
Underground	0.84	0.87	0.82	103.57	106.10
Overall	28.40	22.73	23.83	80.04	95.38

5.2 The OMS was 23.73 Tonne/Manshift during 2019-20.

The details of Calculation of OMS is a under:

Sl.No.		2019-20	2018-19	Growth over LY
1	OC OMS	26.74	28.75	(6.99)
2	UG OMS	0.87	0.82	6.35
3	Adjusted M/S of OC (Lakhs)	52.18	49.836	4.70
4	Manshift of UG (Lakhs)	9.58	10.665	(10.15)
A	**Total Manshift for overall OMS**	**61.759**	**60.501**	**2.08**
6	OC Coal (L.Tes)	1395.218	1432.803	(2.62)
7	UG Coal (L.Tes)	8.357	8.711	(4.06)
B	**Total Coal (L.Tes)**	**1403.575**	**1441.514**	**(2.63)**
8	**Overall OMS (B/A)**	**22.73**	**23.83**	**(4.62)**
9	Formula OMS			

UG = Coal Production/ Actual Manshift

OC = $\dfrac{\text{Coal Production + (1.4 x OB Production)}}{\text{Actual Manshift x (1+(1.4xSt. Ratio))}}$

Overall = $\dfrac{\text{Coal Production of UG + Coal Production of OC}}{\text{Manshift of UG + Adjusted manshift of OC}}$

10 Adjusted manshift (Mine wise for OC) = Coal Production / OMS

$\dfrac{1395.218+8.357}{52.18+9.58}$ $\dfrac{1432.803+8.711}{49.836+10.665}$

$\dfrac{1403.575}{61.759}$ $\dfrac{1441.514}{60.501}$

22.73 **23.83**

6. POPULATION AND PERFORMANCE OF HEMM

6.1 The details of Availability & Utilization of HEMM showing target set by CMPDIL and achievement together with fleet strength is being given below:

I. % AVAILABILITY & UTILIZATION ACHIEVED (Figures in absolute):

Sl. No.	Equip-ment	Population as on		% Availability			% Utilization		
		31.03.20	31.03.19	April'19 to March'20	April'18 to March'19	CMPDIL NORM	April'19 to March'20	April'18 to March'19	CMPDIL NORM
1	DRAGLINE	01	01	84	98	85	04	0	73
2	SHOVEL	61	78	70	69	80	28	28	58
3	SUR/MINER	17	20	85	84	—	41	47	—
4	DUMPER	279	342	77	73	67	20	21	50
5	DOZER	135	116	70	72	70	25	25	45
6	DRILL	81	87	81	82	78	16	21	40
TOTAL		**574**	**644**						

II. WORKING HOURS ACHIEVED:

Sl.No.	Equipment	Working Hour	
		2019-20	2018-19
1	DRAGLINE	290	24
2	SHOVEL	148997	172711
3	SURFACE MINER	59621	71243
4	DUMPER	414091	451440
5	DOZER	174782	192442
6	DRILL	53497	73253

III.

a) Availability of Surface Miner and Dumper achieved are more than last year and more than CMPDI norms also. Availability of Shovel achieved is more than last year. Availability of Dozer achieved equal to CMPDI norm and availability of Drill is more than CMPDI norm.

b) The restriction of time during summer i.e from 1st April to 15th June, closer of operation in projects from 11.00am to 3.30pm affects utilization of HEMM and it has impact of about 2%.

c) Dragline of Bharatpur OCP remained idle throughout the year due to non-availability of working faces. There is no working face for Dragline in MCL.

- The utilization of Shovel and Dozer are same as that of last year. Dumper utilization has decreased with respect to last year.
- **Utilization affected due to following reasons –**

1) Law & Order problem especially in Talcher Coalfield,

2) Complete shut-down of work called by different out-fits in Talcher Coalfield from 24th July, 2019 to 06th August, 2019. Stoppage of work at Bharatpur OCP was for 67 days.

3) Land related issues in Jagannath, Hingula OCPs till November, 2019.

4) Persistent land constraint in Belpahar, Samaleswari OCPs.

5) Poor performance of 10 Cum Shovels supplied by M/s. HEC and BEML make BE 1600 Shovels.

6) Incessant rain and extended rainy season severely affected utilization of equipment.

IV. STEPS TAKEN TO IMPROVE THE AVAILABILITY & UTILIZATION

a. Daily production from HEMMs and their working hours are being closely monitored at Area level and at Headquarters level.

b. Timely surveying off of HEMMs and replacement procurement action against such surveyed off equipment.

c. Maintaining various float sub-assemblies like Engines, Transmissions and other assemblies at HQ and CWSs for replacement in exigency.

d. To improve the technical skill for operating and maintaining new model equipment by conducting regular training programme by OEMs.

e. Maintenance of haul roads prior to monsoon period.

f. Special attention is being given to operator's comfort. New HEMMs, being procured are fitted with air-conditioned cabins.

g. Land acquisition and Law & Order problems are being taken up at various forums by MCL Management.

h. Unskilled manpower like land-oustee are being trained in different Industrial Training Institutes.

V. BREAKDOWN STATUS OF HEMM:

Equipment	Population		Breakdown > 3 months	
	As on 31.03.20	As on 31.03.19	As on 31.03.20	As on 31.03.19
Dragline	01	01	00	00
Shovel	61	78	06	04
Sur Miner	17	20	01	01
Dumper	279	342	38	55
Dozer	135	116	26	25
Drill	81	87	19	10
MCL Total	574	644	90	95

7. CAPACITY UTILIZATION (OPEN CAST PROJECTS)

SL. NO.	DESCRIPTION	CAPACITY (based on 1st April of the year)		GROWTH OVER LAST YEAR
		2019-20	2018-19	-
1	Departmental Capacity (M.Cum)	103.64	99.45	4.21%
2	System Capacity (M.cum.)	322.05	269.56	19.47%
3	Departmental Production (M.Cum)	40.409	47.216	-14.42%
4	Total Production (M.Cum)	208.563	216.316	-3.58%
5	Departmental Capacity Utilization	39%	47.5%	-17.89%
6	System Capacity Utilization	64.76%	80.25%	-19.3%

8. POWER

i) Talcher Coalfields: Power is being received at Nandira 60 MVA (3 X 20 MVA), 132/33 kV, Grid Sub-station through a 11 KM long 132 kV Double Circuit over-head transmission line from OPTCL Angul Sub-station, under the command area of Central Electricity Supply Utility (CESU) of Odisha with Contract Demand of 31.0 MVA.

ii) Ib-Valley Coalfields : Power is being received at Jorabaga, 52.5MVA (2 X 20 MVA + 1 X12.5 MVA), 132/33 kV, Grid Sub-Station through a 19 KM long 132 kV Double Circuit over-head transmission line from OPTCL Budhipadar Sub-station, under the command area of Western Electricity Supply Company of Odisha (WESCO) with a Contract Demand of 22.25 MVA.

iii) Basundhara Coalfields: Basundhara Area is receiving power from OPTCL, Budipadar 40 MVA (2 X 20 MVA) 220 / 33 KV Sub-station through a 33KM long 220 KV overhead transmission line under the command area of Western Electricity Supply Company of Odisha (WESCO) at 220 kV with a Contract Demand of 6 MVA.

8.4 Availability of Power

Parameter	2019-20	2018-19
ContractDemand (MVA)	62.597	61.271
Maximum Demand (MVA) (Highest in a month during FY)	62.071	60.44
Energy Consumed (Million kWh)	313.69	311.65
Total Amount (Crore Rs)	188.32	189.78
Unit Price (Rs./kWH)	6.00	6.09
Specific Energy Consumed (kWh / Tonne)	2.23	2.16
Specific Consumption of power (for Composite Production) (i.e. Coal + O.B removal), in KWh/Cu.M.	1.5	1.44
Power Factor Incentives in Lakh Rs. for maintaining power factor above 0.97	129.88	100.02
Rebate in Lakh Rs. In electricity bills for paying electricity bills on or before rebate date i.e. 4th or 5th day of every month	177.14	178.01

Commercial load of MCL Anand Vihar Office is merged with domestic load of MCL Anand Vihar Colony. Contract Demand of MCL Anand Vihar colony is enhanced from 400 KVA to 1400 KVA and. Single Billing for MCL Anand Vihar Office and Colony started from the month of October, 2019.

9. POPULATION OF MAJOR UNDERGROUND EQUIPMENT OF MCL:

The population of major underground equipment and their availability during the year as compared to previous year is given hereunder:

Sl. No	Name of the equipment	No. on roll		2019-20		2018-19	
		2019-20	2018-19	% Avail	% Utili	% Avail	% Utili
1	SDL*	10	14	82.11	21.73	91.39	14.34
2	LHD*	21	27	66.53	39.30	56.35	36.47

UG Production	2019-20	2018-19
Actual (MT)	0.84	0.87
Target (MT)	0.90	1.00

For SDL and LHD, formulae are as per CIL's norms

$$* \% Availability = \frac{H_w + H_i}{H_s} X\ 100$$

Where,
H_w = Actual working hours / year,
H_i = Idle hours / year
H_s = Shift hours / year

$$* \% Utilization = \frac{H_w}{H_s} X\ 100$$

Where,
H_w = Actual working hours / year,
H_s = Shift hours / year

9.2 Number of Coal Handling Plants, Weighbridges and their functioning.

8.82 MT of coal were crushed during 2019-20 against 8.90 MT of Coal crushed through CHP & Feeder Breakers during 2018-2019.

	2019-20		2018-19	
	Crushing Capacity in MTY	Coal Crushed (MT)	Crushing Capacity in MTY	Coal Crushed (MT)
Capacity vs coal crushed	36.5	8.82	36.5	8.90
% Utilisation of Crushing Capacity of Plant	24.16		24.38	

After introduction of surface miners in most of the OCPs of MCL, use of crusher / CHP got reduced to large extent and thus are used as standby and whereever meagre quantity of coal production is done conventionally, that quantity only is being crushed. During 2019-20, 91.98% of the total coal production was through Surface Miner. Total ROM coal production in MCL during 2019-20 is only 10.42 Million Tonnes. Action is being taken for renovation of CHPs and introduction of truck loading system of coal to road sale trucks to avoid pay loader loading.

9.2.1 The functional points of these CHPs are as follows:-

MAJOR CHPs

AREA	LOCATION OF CHP	CAPACITY(MTY)
Jagannath	Jagannath OCP	2.0
Bharatpur	Bharatpur OCP	3.5
	TOTAL	**5.50**

9.2.2 Mini CHPs / Feeder Breakers

AREA	LOCATION OF CHP	CAPACITY(MTY)
Jagannath	Jagannath OCP	4.0
	Ananta OCP	7.0
Hingula	Hingula	2.0
	Balram	4.0
Ib-Valley	Lajkura OCP	2.0
	Samaleswari OCP	1.0
Lakhanpur	Belpahar OCP	2.0
Lingaraj	Lingaraj OCP	6.0
Basundhara	Basundhara OCP	1.0
	Kulda OCP	2.0
	TOTAL	**31.00**

9.2.3 Construction of CHP/SILO at all major Open Cast Mines of MCL for streamlining coal dispatch are under different stages of execution/ tendering/ finalization of scheme.

Completed/On-going CHP/SILO Projects in MCL

Sl. No	CHP/SILO particulars	Capacity	Present status
1	Coal Handling Plant with SILO Loading arrangement at Bharatpur siding	15 MTY	The plant has been taken over by MCL on 09.10.2018 and performance Guarantee Test has been completed successfully and the plant is in operation since December, 2018.
2	Coal Transport and SILO Loading arrangement at Lingaraj OCP	16 MTY	The trial run of the plant has been completed on 25.04.2020. The plant is commissioned and is in operation.
3	Transportation of raw coal from Bhubaneswari OCP to SILO near Spur siding –III by-passing Jagannath washery	10 MTY	The Overall progress of the project is 90.39% and completion is expected by December 2020.

4	Coal transport from Hingula OCP by pipe conveyor to proposed Hingula washery as well as SILO arrangement at Balram Siding, Hingula area.	10 MTY	The Overall progress of the project is 33%. Completion is expected by July, 2021.
5	Coal Handling Plant and Rapid Loading system with SILO at Lakhanpur for supply of raw coal to Ib-Valley washery	10 MTY	Tender floated vide NIT no.178, 01.03.2016 was cancelled as all the participating bidders are rejected due to non-compliance of NIT requirement. However the rejected revised L-1 bidder (Original L-3 Bidder) filed a writ petition before Orissa High Court. As per the verdict of Orissa High Court and subsequent order passed by CMD, MCL the cancellation of the tender has been revoked. The L-1 bidder has been asked for extension of the bid validity for further evaluation of tender. As a parallel action preparation of fresh tender is also under process at CMPDI.

9.2.4 DETAILS OF WEIGHBRIDGEs

	Type of Weighbridge	2019-2020	2018-2019
1	Electronic Road Weighbridges (Static)	112	99
2	Electronic Road Weighbridge (Inmotion)	40	40
3	RAIL Weighbridges (Electronic)	38	36

In order to ensure 100 % weighment at both ends (stock yard & sidings), 34 numbers of 100 Te in-motion road weighbridges are under procurement action. Further, 21 nos of 100 Te capacity static road weighbridges for meeting the additional weighing requirement have been procured out of which 16 weighbridges have been commissioned and remaining 05 are under installation. Additionally, 15 nos. 140 Te Rail in-motion weighbridges have been procured out of which 08 weighbridges have been commissioned and 07 are under installation.

10. CAPITAL STRUCTURE:

The Authorised Share Capital of the Company as on 31.03.2020 is ₹ 980.00 crore, divided into 77,58,200 Equity Shares of ₹1,000/- each and 20,41,800 10% Cumulative Redeemable Preference Shares of ₹1,000/- each.

The paid up equity share capital of the Company as on 31.03.2020 is ₹ 661,83,63,000 which is entirely is held by Coal India Limited (CIL) and its nominees.

11. FINANCIAL REVIEW

The Company has recorded the gross Sales Value of ₹22834.92 Crore against ₹ 24607.68 Crore of the previous year. The Profit before Tax (PBT) for 2019-20 is ₹ 8645.47 crore against ₹ 9281.08 crore in the previous year. Profit after Tax (PAT) for 2019-20 is ₹ 6427.39 crore against last year's PAT of ₹ 6039.54 Crore. The financial results of 2019-20 as compared to 2018-19 are summarised below:

[₹ in Crore]

	2019-20	2018-19
Gross Profit (Before Depreciation and Interest)	9220.52	9815.10
Less: Depreciation (Incl. Social Over head depreciation	494.74	501.19
Interest and Financial Charges	80.31	32.83
Net Profit before Tax	8645.47	9281.08
Less : Provision for Income Tax and deferred tax liability	2218.08	3241.54
Net Profit after Tax	6427.39	6039.54
Op. Balance available in P&L	1201.38	207.72
Less: Transfer to General Reserve	(321.37)	(301.98)
Interim Dividend on Equity Shares	(5225.00)	(3750.00)
Final Dividend	-	(125.00)
Tax on Dividend Distribution	(1074.01)	(796.52)
Buy Back Distribution Tax on Equity Shares Buy back	-	(72.38)
Profit/Loss after above appropriation	**1008.39**	**1201.38**
Other Comprehensive Income (OCI) before Tax	(104.82)	(16.28)
Less: Provision for Income Tax on OCI	(26.38)	(5.69)
Other Comprehensive Income (OCI) after Tax	**(78.44)**	**(10.59)**
Total Comprehensive Income after Tax	**6348.95**	**6028.95**

11.1 Transfer to Reserve

An amount of ₹ 321.37 crore, being 5% of Profit after Tax for the year, has been transferred to General Reserve.

11.2 Dividend

The Directors are pleased to recommend dividend of Rs. 5225 Crore as interim dividend on the paid up Equity Share Capital of ₹ 661.84 crore, thus a total dividend of 789.47% of paid up equity share capital (previous year 566.60%) for the year for your approval.

The total outflow on account of dividend would be ₹ 6299.01 crore comprising ₹ 5225.00 crore as dividend and ₹ 1074.01 crore towards tax on dividend distribution.

11.3 Loans

Unsecured Loan:

The Company had given loan to NLCIL of ₹ 2000 crores in previous years for meeting the general funding requirements @7% interest payable on monthly basis and repayment of principal is in 48 monthly equal installments. Outstanding loan amount as on 31.03.2020 is ₹ 1125.00 crores.

12. INVESTMENT

12.1 Non current Investments in Equity Shares of MNH Shakti Limited, MJSJ Coal Limited, Mahanadi Basin Power Limited and Mahanadi Coal Railway Ltd(MCRL), subsidiaries of MCL are ₹ 59.57 Crore, ₹ 57.06 Crore, ₹ 5.00 Lakh and ₹ 3.20 Lakh respectively.

12.2 Non current Investment in 7.55% secured non-convertible IRFC tax free 2021 series 79 bonds, 8% secured non-convertible IRFC tax free bond,7.22% secured non – convertible IRFC tax free bond, 7.22% secured redeemable REC tax free bond stood on 31.03.2020 at ₹200.00 Crore, ₹108.75 Crore, ₹499.95 Crore and ₹150.00 Crore respectively.

13. CAPITAL EXPENDITURE

Total Capital Expenditure during the year was ₹1523.22 Crore against previous year's expenditure of ₹1415.00 Crore (restated).

14. Borrowings

The amount due to M/s Liebherr France SA, France as on 31.03.2020 stands at ₹ 6.10 crore for supply of four Hydraulic Shovels on deferred credit.

The Company has taken a loan from bank during the year 2019-20 amounting to ₹ 1,840 crore by pledging the TDRs amounting to ₹ 2052 crore for payment of of ₹ 2,000 crore as upfront advance tax. Outstanding balance as on 31.03.2020 is ₹ 1706.45 crore.

15. SALES REALISATION

Gross sales of MCL during 2019-20 were ₹ 24668.49 crore against ₹ 26464.46 crore in 2018-19.

Total realization during 2019-20 was ₹23931.08 Crore which works out to be 97.01% on current year's gross sales.

15. PAYMENT TO EXCHEQUER

Your Company continued to be a major contributor to the Central and State Exchequer.

The payment made by the Company on account of Royalty, NMET, DMF, GST, GST Compensation cess, Income Tax, Dividend Distribution Tax & Buyback Distribution Tax during the year as compared to the payments made during previous year are as follows:

[₹ in Crore]

	2019-20	2018-19
Royalty	2115.69	2035.36
NMET	37.05	40.71
DMF	561.75	610.50
Goods & Service Tax	466.41	904.24
GST Compensation Cess	5320.10	5692.12
Income Tax	4300.00	3100.00
Dividend Distribution Tax	1074.01	796.52
Buy-back Distribution Tax	0.00	72.38
TOTAL	**13875.01**	**13251.83**

PROJECT FORMULATION/CAPITAL PROJECTS

Planning :

MCL has planned to achieve 160.00 MTe of coal during the financial year 2019-20. The capital outlay estimated for the year 2019-20 is ₹ 1700.00Crores, major share of which will be utilized for land acquisition, development of infrastructures (including First Mile Connectivity) and procurement of Heavy Earth Moving Machineries (HEMM)

Project Formulation:

During the financial year 2019-20 five Project Reports were prepared by CMPDIL:

1. Balaram Expansion OCP (15 MTY)
2. Gopalji-Kaniha Expansion OCP (40 MTY)
3. Bhubaneswari Expansion OCP (40 MTY)
4. Subhadra OCP (25 MTY)
5. Kulda – Garjanbahal OCP (40 MTY)

Project Implementation:

The total capital expenditure of MCL during 2019-20 is ₹ 1523.22 Crore against the target of ₹ 1700.00 Crore.

Capital Projects/Schemes

<u>COAL PROJECTS</u>: -

Total Coal Mining Projects sanctioned till date in MCL are 53 (including 3 exhausted Projects). The rated Production Capacity of these sanctioned Projects was 230.61Mty, with a sanctioned Capital outlay of ₹17578.11 Crore (including RCE). Out of total 53 Projects, 37 Projects are completed Projects and 16 Projects are On-going Projects. The present Capacity along with Capital Outlay of balance 53 Projects are given as under:

Project Category (Rs.Crs.)	No. of Projects Sanctioned	Sanctioned Capacity (Mty)	Sanctioned Capital (Rs.Crs.)	Status		
				Exhausted	Completed	On-going
100 & above	21	177.40	16602.14	1	7	13
50 to 100	12	17.83	685.52	0	9	3
20 to 50	13	28.10	225.93	1	12	0
Below 20	07	7.28	64.52	1	6	0
Total	**53**	**230.61**	**17578.11**	**3**	**34**	**16**

Completed Projects: - 37Nos.

Sl. No.	Name of the Project	PR Cap(MTY)	Sanctioned Capital (Rs.Cr.)	Completion Date
TALCHER COALFIELDS				
1.	Ananta O/C	4.00		
2.	Ananta O/C Expansion Phase-I	1.50	338.44*	Mar 2008
3.	Ananta O/C Expansion Phase-II	6.50		
4.	Balanda O/C & Revised PR *(Exhausted)*	1.00	33.20	Mar 1984
5.	Balaram O/C (Kalinga OCP)	8.00	344.63*	Mar 2000
6.	Bharatpur O/C	3.50	158.97 (RCE)	Mar 1991
7.	Bharatpur O/C Expansion Phase-I	1.50	48.02	Mar 1998
8.	Bharatpur O/C Expansion Phase-II	6.00	**95.87	Mar 2007
9.	Bharatpur O/C Expansion Phase-III	9.00	131.39	Mar 2010
10.	Chhendipada O/C	0.35	19.75	Mar 2007
11.	Hingula-II O/C	2.00	47.93*	Mar 2002
12.	Hingula –II O/C Expansion Phase-I	2.00	89.78	Mar 2009
13.	Hingula –II O/C Expansion Phase-II	4.00	35.67	Mar 2009
14.	Jagannath O/C / Jagannath Extension	4.00	66.71 / 4.71	Mar 2004
15.	Jagannath O/C Expansion Phase-II	2.00	4.95	Mar 2008
16.	Lingaraj O/C	5.00	229.84	Mar 1998
17.	Lingaraj O/C Expansion Phase-I	5.00	98.89	Mar 2007
18.	Lingaraj O/C Expansion Phase-II	3.00	2.18	Mar 2008
19.	Lingaraj OC Expansion Phase-III	3.00	306.18**	Mar 2014
20.	Nandira U/G (Augmentation)	0.33	17.96	Mar 1995
Sub Total *(Including capacity of exhausted mines)*		**51.68**	**1640.82**	
IB VALLEY COALFIELDS				
21.	Basundhara (E) O/C *(Exhausted)*	0.60	19.70	Mar 1998
22.	Basundhara (West) O/C	2.40	68.74 (RCE)	Mar 2007
23.	Basundhara (West) Expansion Phase-I	4.60	46.52	Mar 2011
24.	Belpahar O/C	2.00#		
25.	Belpahar O/C Expansion Phase-I	1.50#	246.93*	Mar 2015
26.	Belpahar O/C Expansion Phase-II	4.50#		
27.	Lajkura O/C / Lajkura Extension	1.00	38.98 (RCE) / 3.22	Mar 1991
28.	Lajkura OCP Expansion Phase-I	1.50	194.99**	Mar 2013
29.	Lakhanpur O/C	5.00#	215.02*	Mar 2000
30.	Lakhanpur O/C Expansion Phase-I	5.00#	98.74	Mar 2010
31.	Lakhanpur OCP Expansion Phase-II	5.00#	116.54	Mar 2011
32.	Lilari O/C / Lilari Extension	0.80#	19.78 / 0.63	Mar 1992
33.	Samaleswari O/C	3.00		
34.	Samaleswari O/C Expansion Phase-I	1.00		
35.	Samaleswari O/C Expansion Phase-II	1.00	636.24**	Mar 2013
36.	Samaleswari O/C Expansion Phase-III	2.00		
37.	Samaleswari O/C Expansion Phase-IV	5.00		
Sub Total *(Including capacity of exhausted mines)*		**22.10**	**1706.03**	
TOTAL *(Completed Projects)*		**73.78**	**3346.85**	

(*) *Completion cost as per approved RCE-cum-Completion Report.*

(**) *As per approved RCE-cum-Completion Report and additional capital sanctioned upto beyond target year.*

(#) *Capacity of these mines are excluded after approval of Integrated* Lakhanpur-Belpahar-Lilari *OCP and Bharatpur Re-organization OCP.*

On-Going Projects:-16 Nos.

Sl. No.	Name of the Project	PR Cap(MTY)	Sanctioned Capital (Rs. Cr.)	Date of PR approval
TALCHER COALFIELDS				
1.	Ananta OCP Expansion Phase-III	3.00	251.95#	31.08.2008
2.	Balaram OCP Extension	8.00	^209.56	22.12.2007
3.	Bharatpur Re-organisation	20.00	2838.87	12.11.2018
4.	Bhubaneswari OCP	20.00	490.10	22.12.2007
5.	Hingula-II OCP Expansion Phase-III	7.00	479.53	08.11.2008
6.	Jagannath Re-organisation	6.00 *	337.66	26.05.2014
7.	Jagannath U/G	0.67	80.75	15.10.2001
8.	Kaniha OCP	10.00	457.77	22.12.2007
9.	Nataraj U/G	0.64	92.11	30.01.2001
10.	Talcher (W) U/G	0.52	85.08	18.02.2002
	Sub total	**61.83**	**5323.37**	
IB VALLEY COALFIELD				
11.	Basundhara (W) Extension	7.00 *	**620.42	07.05.2014
12.	Kulda OCP	10.00	^372.81#	12.01.2005
13.	Kulda Expansion OCP	5.00	**348.16#	25.06.2014
14.	Garjanbahal OCP	10.00	**1375.38	03.05.2016
15.	Integrated Lakhanpur-Belpahar-Lilari OCP	30.00	2434.75	22.05.2018
16.	Siarmal OCP	40.00	**3756.36	29.05.2014
	Sub total	**95.00**	**8907.89**	
TOTAL *(Ongoing projects)*		**156.83**	**14231.26**	
GRAND TOTAL *(Including capacity of exhausted mines)*		**230.61**	**17578.11**	

(*) *These are extensions of original Projects annexing additional areas. Hence, there will be no addition in Capacity.*

(**) *As per approved RCE-cum-Completion Report and/ or addl. capital sanctioned upto beyond target year.*

(#) *Includes 10% of total sanctioned capital within the DoP of CMD, MCL.* (^) *–Including schemes.*

Existing Old Underground Mines:-05 Nos.

Sl. No	Name of the Project	Cap in Mty as assessed by CMPDIL (MT/YR)				
		2015-16.	2016-17.	2017-18	2018-19	2019-20
1	Hirakhand Bundia Mine	0.612	0.612	0.505	0.551	0.366
2	Orient Mine1& 2	0.428	0.367	0.352	0.398	0.397
3	Orient Mine 3	0.490	0.000	0.122	0.122	0.122
4	Orient Mine 4	0.061	0.122	0.061	0.000	0.000
5	Talcher U/G	0.340	0.272	0.173	0.107	0.000
	Total	**1.931**	**1.373**	**1.213**	**1.178**	**0.885**
	Grand Total for MCL *(Including capacity of exhausted mines)*				**231.788**	**231.495**

Future Projects:-05 Nos.

Sl. No.	Name of the Project	PR Cap(MTY)	Remark
1.	Balaram Expansion OCP	15.0 **(Addl.–7.0Mty)**	PR approved by MCL Board on 03.02.20. PR has been submitted to CIL on 17.03.20 to put up to CIL Board for approval.
2.	Gopalji-Kaniha Expansion OCP	30.0 **(Addl.-20.0Mty)**	UCE of Final PR submitted by CMPDIL will be put up to MCL Board for approval.
3.	Bhubaneswari Expansion OCP	40.0 **(Addl.–20.0Mty)**	Draft Project Report has been prepared and submitted by CMPDI. Cost base of the PR is under updation at CMPDIL, RI-VII for placing before MCL Board.
4.	Subhadra OCP – (Utkal-A)	25.0 **(Addl.-25.0Mty)**	Project Report submitted by CMPDIL which was deliberated in Technical Sub Committee of MCL Board on 12.03.20. Modification suggested by TSC is under compliance by CMPDI.
5.	Kulda-Garjanbahal Expansion OCP	40.0 **(Addl.-15.0Mty)**	CMPDI has submitted the draft PR on 09.04.18. The PR was discussed by the Planning Committee of MCL on the 02.05.18. PR is under updation at CMPDIL.
	Total		**Total Additional Capacity – 87.00Mty**

NON-MINING PROJECTS:-

Major On-going Non-Mining Projects of MCL costing > Rs.20Crs:

Sl.	Name of the Project	Capital Cost (Rs. Cr.)
1.	Construction of Coal Transportation Road at Samaleswari OCP (Concrete pavement), Lajkura OCP (Concrete pavement) of IB Valley Area & strengthening of bituminous road from HBM to SOCP Jn. at Orient Area of IB Coalfields of MCL.	137.72
2.	Construction of 4 lane carriage way road Belpahar Bypass at Lakhanpur Area	42.79
3.	Construction of New Coal Corridor at Talcher Coalfield. Length-41.98 km	165.92Revised-243.42
(a)	Hingula - Balaram part (ph-I & II - 7.06 KM)	
(b)	Bharatpur part (ph-I & II 2.3 KM)	
(c)	Jagannath part (ph-I & II 1.26 KM)	
(d)	Ananta part (ph-I & II 2.34 KM)	
(e)	Bhubaneswari part (ph-I & II 1.82 KM)	
(f)	Lingaraj part (ph-I & II 6.21 KM)	
4.	Construction of ROB at the level crossing near Ghantapara Village at Talcher	37.50
5.	Construction of CT roads in Talcher CF having life more than 5 yrs - 35 Km) -	241.69
(a)	Hingula OCP (4.91 Km)	
(b)	Balaram OCP (7.0 Km)	
(c)	Bharatpur OCP (5.46 Km)	
(d)	Jagannath OCP (6.23 Km)	
(e)	Ananta OCP (2.15 Km)	
(f)	Bhubaneswari OCP (5.73 Km)	
(g)	Lingaraj OCP (3.8 Km)	
6.	Widening of road from 2 lane to 4 lane from Bankibahal to Kanika Railway Siding- 27 km.	Original-162.87Revised-242.06
7.	Construction of separate 4-Lane (modified 2-lane) dedicated coal corridor road from Bankibahal to Bhedabhal (on SH-10) in Sundargarh dist. Length-33.00 KM, Bridges-4.	398.97
8.	CHP- RLS arrangement at Ananta Spur Siding V & VI for 15Mty.	198.66
9.	Railway Link from Angul Station to Balaram OCP	99.00
10.	Jagannath Washery (10.00 Mty) on B-O-O basis	265.35
11.	IB Valley Washery (10.00 Mty) on B-O-M basis	392.76
12.	Hingula Washery (10.00 Mty) on B-O-O basis	321.96
	Total	**2621.88**

Completed Non-Mining Projects of MCL costing > Rs.20Crs:

Sl.	Name of the Project	Capital Cost (Rs. Cr.)
1.	Construction of all CT roads in B-G area having life more than 5 yrs with concrete.	22.96
2.	Construction of concrete CT Road in Kaniha OCP	26.92
3.	Construction of 3rd line from TLSB cabin for Talcher yard to serve Bhubaneswari OCP at Talcher.	47.60
4.	Jharsuguda - Barpali – Sardega Railway Line (Single Line)	Original- 469.68 Revised- 1007.12
5.	Infrastructure Master Plan of Basundhara – Garjanbahal Area	498.75

6.	Construction of 2-Lane concrete road from Basundhara West Extension Check post to Sardega Railway Siding.	30.39
	SILO loading arrangement at Lingaraj OCP for 16Mty	237.56 Revised – 495.01
	Total	**2128.75**

Foreign Collaboration: Nil

Modernisation & Technology Absorption

MCL is the trend-setter in introducing Blast-free technology for winning coal in opencast mine by Surface Miner Technology.

SILO/ CHP with Rapid Loading System are going to be introduced in all the major opencast projects of MCL.

Construction has been started in case of IB Valley Washery and in case of other 02 washeries, Letter of Intimation (LoI) has already been issued to the L-1 bidders and Letter of Award (LoA) will be issued after receipt of necessary Environment Clearance (EC), Forest Clearance (FC), Consent to Establish (CTE) etc as applicable.

Projects pending approval of Government: Nil

Land Acquisition & Possession during 2019-20:

(Figures are in Hectares)

	Area	Tenancy		Govt. non-Forest		Forest Land		Total Acqu.	Total Poss.	Re-marks
		Acq.	Poss	Acq.	Poss	Acq.	Poss			
1	Jagannath	0	50.50	0.00	0.00	0.00	0.00	0.00	50.50	
2	Hingula	0	12.09	0.00	65.34	0.00	0.00	0.00	77.43	
3	Subhadra	0.00	0.00	0.00	64.10	0.00	0.00	0.00	64.10	
3	Bharatpur	0	2.55	0.00	0.00	0.00	0.00	0.00	2.55	
4	Lingaraj	0	0.00	0.00	0.00	0.00	4.14	0.00	4.14	
5	Kaniha	2.50	0.00	0.00	0.00	0.00	0.00	2.50	0.00	U/s 9(1) Kaniha Block, So No-08 dtd 09.01.2020
6	Ib- Valley	0.00	5.78	0.00	0.00	0.00	0.00	0.00	5.78	
7	Lakhanpur	0.00	11.22	0.00	0.00	0.00	0.00	0.00	11.31	
8	B-G Area	0.00	7.24	0.00	441.85	0.00	0.00	0.00	449.00	
	Total	**2.5**	**89.38**	**0**	**571.29**	**0**	**4.14**	**2.5**	**664.81**	

16.9 Status of Washeries on Build, Operate and Maintain (BOM) Basis:

In line with the decision of CIL for installation of coal washeries on Build-Operate-Maintain (BOM) basis for economic washing of high ash coal, MCL was intending to establish four number of coal washeries viz., Hingula Washery, Basundhara Washery, Ib-Valley Washery at Lakhanpur Area & Jagannath Washery of 10.0 Mtpa capacity each on BOM concept in Phase-I.

As the earlier tenders for Hingula Washery (10.0 Mtpa) & Jagannath Washery (10.0Mtpa) on BOM Concept were not materialized, fresh tender for Jagannath washery (10.0 Mtpa) and Hingula washery (10.0 Mtpa) on BOM Concept were floated on 26th March, 2018.

The Letter of Intimation (LoI) for setting up of Jagannath washery (10.0 Mtpa) and Hingula Washery (10.0 Mtpa) was issued to lowest bidder on 29/12/2018 and 07/02/2019 respectively.

Amended EC for setting up of Jagannath washery was received from MoEF & CC on 24/02/2020 and Letter of Award (LoA) will be issued to L-1 bidder after receipt of amended Consent to Establish and other statutory clearances.

Letter of Award (LoA) setting up of Hingula Washery will be issued to L-1 bidder after receipt of amended Environment Clearance , Consent to Establish and other statutory clearances

Regarding Ib-Valley Washery (10.0 Mtpa) at Lakhanpur, Letter of Award (LoA) was issued to L-1 bidder on 14/03/2018 and the Contract for setting up of IB-Valley washery at

Lakhanpur Area was signed on 15/10/2018 with M/s Global Coal and Mining Pvt. Limited (GCMPL). Construction of Ib-Valley Washery (10 Mtpa) at Lakhanpur Area is under progress. (45% upto Feb'2020).

Regarding Basundhara Washery (10.0 Mtpa), as the L-1 bidder i.e., M/s ACB (India) Ltd has expressed their inability to extend the validity of Bid and bid security for Basundhara Washery and requested to return the Bank Guarantee, the proposal for cancellation of Basundhara Washery tender has been placed before MCL's Board in it's meeting dtd.28/03/2020. Minutes of the meeting is awaited.

Beyond phase- I, MCL is also planning to set-up three more washeries viz. Lakhanpur Washery (20.0 Mtpa capacity), Garjanbahal Washery (10.0 Mtpa capacity) and Siarmal Washery (40.0 Mtpa capacity).

Present status of these four washeries under Phase-I is given hereafter.

(A) <u>IB-Valley Washery (10.0 Mtpa capacity) at Lakhanpur on BOM concept</u>:

1. Tender was floated in May-2015.
2. Letter of Intimation was issued to the lowest bidder, M/s Global Coal & Mining Pvt. Limited on 12/09/2016.
3. EC (dated 30/03/2017) received on 31/03/2017. Modification in some of the specific conditions of EC was sought from MoEF & CC. Amended EC dated 15.06.2017 received on 26.07.2017.
4. In view of implementation of GST w.e.f. 01.07.2017, L-1 bidder submitted Final revised price break-up of Project Capital Cost & Operating cost (considering the impact of GST and anti-profiteering provisions on the quoted price) on 08/01/2018 & 22/01/2018 respectively which was subsequently approved by Competent Authority of MCL in Feb' 2018.
5. Letter of Award (LoA) issued to L-1 bidder on 14/03/2018.
6. The Contract for setting up of IB-Valley washery at Lakhanpur Area was signed on 15/10/18 with M/s Global Coal and Mining Pvt. Limited (GCMPL).
7. Construction of Ib-Valley Washery (10 Mtpa) at Lakhanpur Area is under progress. (45% upto Feb'2020).

(B) <u>Basundhara Washery (10.0 Mtpa capacity) on BOM Concept</u>:

1. The tender was invited in May, 2013.
2. Letter of Intimation was issued to "Lowest Bidder", M/s ACB (India) Ltd. in May, 2014.
3. EC for setting up of Basundhara washery was received from MoEF & CC on 31/10/2019.
4. However, as the L-1 bidder i.e, M/s ACB (India) Ltd. vide letter dtd.09/03/2020 has expressed their inability to extend the validity of Bid and bid security for Basundhara Washery and requested to return the Bank Guarantee, the proposal for cancellation of Basundhara Washery tender has been placed before MCL's Board in it's meeting dtd.28/03/2020. Minutes of the meeting is awaited.

(C) <u>Hingula Washery (10.0 Mtpa capacity) on BOM Concept</u>:

1. 1st tender for for setting up of Hingula washery (10.0 Mtpa) was floated on 04/05/2012.

2. EC for setting up of Hingula washery was received from MoEF & CC on 30th October, 2015.

3. LOA issued to M/s. MIEL cancelled on 03/11/2016 due to non-submission of PFS within the stipulated period and Bank Guarantee against Bid Security of M/s. MIEL was encashed on 05/11/2016.

4. Fresh tender for Hingula washery (10.0 Mtpa) on BOM Concept was floated on 26th march,2018.

5. MCL Board of Directors in its meeting held on 28/01/2019 approved "award of work" to the "Lowest Bidder" i.e. M/s. Jhar Mining Infra Private Limited

6. Letter of Intimation was issued to lowest bidder on 07/02/2019.

7. Proposal for amendment in EC was uploaded on MoEF website on 26/03/2019.

8. The proposal was considered in EAC meeting held on 27.05.2019(45th), 03.10.2019 (48th) and 15.11.2019 (50th) respectively.

9. As per the MoM of 50th EAC (received on 03/12/19), EAC, after deliberations observed that, the compliance of earlier observations are not satisfactory with regard to utilisation of washery rejects and also the revision of the mine plan of Balram OCP is still not submitted. EAC also insisted that PP may co-ordinate with Ministry of Coal for earlier finalization of policy of utilisation of Washery rejects. Proposal is therefore deferred on the above lines.

10. D(T/P&P), MCL vide letter dtd. 20/12/19 requested Advisor (Projects), MoC, GoI for Finalization of policy for utilization of washery rejects.

11. Reply to the queries of EAC is under preparation for Amended EC.

12. Letter of Award (LoA) setting up of Hingula Washery will be issued to L-1 bidder after receipt of amended Environment Clearance, Consent to Establish and other statutory clearances

(D) <u>Jagannath Washery (10 Mtpa capacity) on BOM Concept</u>:

1. Tender floated in e-tender mode on 15th June 2015 was cancelled due to rejection of offer of L-1 Bidder due to non-submission of requisite confirmatory documents. Cancellation order dated 06/10/16 uploaded on 07/10/16.

2. EC for setting up of Jagannath washery was received from MoEF & CC on 31/08/2016.

3. Consent to establish was received on 22/10/16 from OSPCB.

4. The L-1 bidder of the tender floated on 15th June, 2015 had filed a writ petition challenging the cancellation of tender at Hon'ble High Court, Cuttack, Orissa. Hon'ble High Court dismissed the writ petition in 21/06/2017 and Bank Guarantee against Bid Security of L-1 bidder was encashed

5. Fresh tender for Jagannath washery (10.0 Mtpa) on BOM Concept was floated on 26th March, 2018.

6. MCL Board of Directors in its meeting held on 20/12/2018 approved "award of work" to the "Lowest Bidder" i.e. M/s. Global Coal and Mining Pvt. Limited.
7. Letter of Intimation was issued to lowest bidder on 29/12/2018.
8. Proposal for amendment in EC was uploaded on MoEF website on 05/03/2019.
9. The proposal was considered in EAC meeting held on 27.05.2019 (45th), on 22.08.2019 (47th) and on 05/12/2019 (51st) respectively.
10. Amended EC for setting up of Jagannath washery was received from MoEF & CC on 24/02/2020.
11. Amended CTE is awaited from OSPCB.
12. Letter of Award (LoA) setting up of Hingula Washery will be issued to L-1 bidder after receipt of amended Consent to Establish and other statutory clearances

18. ENVIRONMENTAL MANAGEMENT

18.1 Publication of annual reports on CSR and sustainability:

MCL has been publishing the CSR and Sustainability Report since 2011-12. So far, MCL has published eight reports. Our gradual evolution in sustainability reporting is helping us benchmark our performance against the peers and fulfil our commitments to the environment and society. We intend to continue the process of sustainability disclosure to our stakeholders on the material issues. The recent report of FY 2018-19 (already published in the website of MCL and the book is under printing) has been aligned to the 'Global Reporting Initiative -GRI Guidelines' standards in accordance with core criteria including the technical protocols of the Mining and Metals Sector Supplement. The GRI Guidelines are mapped with UNGC 'ten principles' and NVG principles.

18.2 Statutory Clearances & Compliances

18.2.1 Clearances:

18.2.1.1 Obtaining Forest Clearance (FC)

As per Forest (Conservation) Act, 1980 & its Amendments, **Ministry of Environment, Forest and Climate Change (MoEF&CC)**, grants Forest Clearance required for using Forest land for non-forest purpose. Accordingly, MCL has obtained following Stage-I and Stage-II FC during FY 2019-20.

a) Stage-I FC

S.N.	Name of the Project	Forest Area (in Ha)	Letter no. and date
1.	Samleswari OCP Expn.	230.20	F.No.8/147/1989/-FC (pt.);15.11.2019

18.2.1.2 Obtaining Environment Clearance:

As per EIA Notification, 2006 (Notified under Environment Protection Act 1986), prior Environment Clearance from MoEF&CC is mandatory for operating/construction of any mine, washery or for expansion/extension of any mine. Accordingly, MCL is regularly applying and obtaining EC for all the mines (New & Expn.). ToRs and ECs obtained during FY 2019-20 are listed in the below table.

a) ToRs obtained during 2019-20.

Sl. No.	Name of the Project	Capacity (Mty)	Letter no. and date
1.	Integrated Lakhanpur-Belpahar Lilari OCP	40	28.04.2019;J-11015/ 15/2019-IA. II (M)

b) ECs obtained during 2019-20.

Sl. No.	Name of the Project	Capacity(Mty)	Public Hearing date
1.	Jagannath OCP Expn.	7.5	J-11015/177/2005-IA-II(M) Dt. 06.09.2018Extension of Validity of EC till 31-03-2020 Extension in the Validity of EC vide letter no. J-11015/177/2005-IA-II(M) Dt. 01.10.2019 till 30-06-2020 as per O.M dtd 23.03.2020 by MoEFCC
2.	Samleswari OCP Expn. Phase IV	15	J-11015/183/2008-IA-II(M) Dt 26-12-2019
3.	Lakhanpur OC Expn	21	J-11015/391/2012-IA-II(M) dt: 10/01/2020-Extension in Validity of EC- for Life of Mine.
4.	Kulda OCP Expn.	14	J-11015/10/1995-IA-II(M) dt: 10/01/2020Extension in Validity of EC- for Life of Mine.
5.	Jagannath Washery	10	Amendment in EC Dt-31/08/2016 has been applied on 05.03.2019 due to modification in washing technology.Amendment in EC has been granted vide letter dated 24.02.2020.

c) Total available EC for MCL mines

Sl. No.	Particulars	Talcher Coalfield	Ib Valley Coalfield	Total
1	EC available as on 31.03.2019	133.10 Mty	87.51 Mty	220.61 Mty
2	EC Granted in 2019-20 (addl. capacity)	0.00Mty	0.00 Mty	0.00 Mty
3	Total EC available as on 01.04.2020	132.75Mty*	85.812 Mty #	218.562 Mty

*1. Nandira UG (0.33 Mty) is under consideration for re-validation in EC.

2. Chennipada OCP (0.35 Mty) - EC capacity has been removed as the mine's operation has been discontinued.

#1. Orient Mine no. 4 (0.50 Mty) - EC capacity has been removed as the mine's operation has been discontinued.

2. Lilari OCP (0.8 Mty) - EC capacity has been removed as the mine's operation has been discontinued.

3. Hingir Rampur Colliery (0.398 Mty) - EC capacity has been removed as the mine's operation has been discontinued.

18.2.1.3 Obtaining Ground Water Clearance:

As per the gazette Notification, 18th December 2018, under Ministry of Water Resources, RD & GR, Central Ground Water Authority (CGWA) will grant No Objection Certificates (NOCs) for abstraction of ground water by new industries and those under expansion/ infrastructure/ mining projects since 1999. Accordingly, all the existing and upcoming projects of MCL applied for NOC for withdrawal of groundwater. During FY 2019-20 projects obtained NOC from CGWA are listed in the below table.

Sl. No.	Name of the Project	NOC amount (m^3/day)	Letter no. and date	Valid upto
1.	Samleswari OCP	2836.00	CGWA/NOC/MIN/ORIG /2020/7355 Dated: 31.01.2020	30.01.2022
2.	Jagannath OCP	1924.70	CGWA/NOC/MIN/ORIG/ 2020/7354 Dated: 31.01.2020	30.01.2022

Remaining 23 applications are under verification at CGWA/ CGWB.

18.2.3. Statutory Compliance:

- "Consent to Operate (CTO)" under Water & Air Acts has been obtained from State Pollution Control Board (SPCB), Govt. of Odisha for all the operating mines of MCL.
- "Authorisation" under Hazardous Waste (Management & Transboundary Movement) Rules, 2016 has also been obtained from the SPCB, Govt. of Odisha, by all operating mines. The used batteries and recovered burnt oil & grease are auctioned to authorised re-processors. Half-yearly return for batteries and annual return for other Hazardous Wastes were submitted to the SPCB, Govt. of Odisha as per the statute.

- Half-yearly reports of compliance of the Environment clearance conditions with regard to all the operating mines having Environmental Clearance under EIA Notification, 2006 were submitted to MoEF&CC, Eastern Region office, Bhubaneswar and to MoEF&CC, New Delhi timely during 2019-20.
- For preparation of Environmental Statements in Form-V under Rule-14 of Environment (Protection) Rules, 1986, Environmental Audit was conducted by multi disciplinary team of officers, for each of the 21 operating mines during the year. The said reports were submitted for all the 21 operating mines, timely to SPCB vide letter Dtd. 09.09.2019.
- Regular Monitoring of ground water quality and fluctuation due to mining operation is being done through a network of 39 nos. of Piezometers (23 in Talcher Coalfields and 16 in Ib Valley Coalfields) as well as other bore/open wells.
- **Mine water utilisation:**
  - Surplus OC mine water stored in disused quarries (623.25 Lakh Cum/Yr) is utilised for purposes like washing of HEMMs, dust suppression, fire fighting and recharge of aquifers.
  - Surplus UG Mine water is being used for supply to community for drinking, agriculture etc.
- Validated data of Mine water utilisation data submitted to CMPDI, Ranchi on 14.08.2018 for launching of mobile app "Coal Jal" which has been validated by Sambalpur University. Around 85,79,632 m^3/year of water for drinking and 56,64,656 m^3/year for agriculture/ irrigation purposes are supplied to surrounding villages.

· MCL Board approved the proposal to award the work of procurement, installation and commissioning of 11 nos. of CAAQMS (04 nos in Talcher Coalfields, 03 nos. in Ib Valley Coalfields and 03 nos. in Basundhara Area) to CMPDI, RI-VII, Bhubaneswar. A work order vides no. 1654, dtd: 16-03-18 has been issued to CMPDI, RI-VII. Tender committee recommendation completed and supply order issued on 18th February 2020 vides no. 00157 by CMPDI, Ranchi. As per supply order, delivery will be completed within 06 months and installation & commissioning within 30 days of receipt of equipment.

18.3 Measures Taken to Protect and Improve Environment.

18.3.1 Air Pollution Control Measures

In keeping with the company's concern for Environment it has kept up the long standing practices to check air pollution with a good number of measures, some of which are highlighted here.

· MCL has progressively enhanced coal production through the environment friendly Surface Miner Technology (from 4.2% in 1999-2000 to 92.52 % in 2019-20).Coal production through Surface Miner during FY 2019-20 is tabulated below.

Total Coal production (Mty)	Coal Production by Open Cast (Mty)	Coal Production by Surface Miner	
		Mty	%
140.36	139.52	129.09	92.52

This is a blast-less mining technology which eliminates the dust generating operations like drilling, blasting and crushing completely while sprinkling water at the same time. There is also reduction in generation of greenhouse gases due to elimination of the basic unit operations like Drilling, Blasting, Crushing, Transportation to Crushers-Unloading & Re-Loading and consequent amount of diesel consumption in these operations (had there been coal production through conventional method).There has been further reduction in generation of greenhouse gases resulting from less quantity of transport to the power plants because of 3 to 5 % reduction in ash content and which translates into huge quantity considering the scale and distance of transportation involved.

- During 2019-20, around 68 % of coal transportation is through the most eco-friendly inland mass transport system i.e., Rail, Belt & MGR and despatch through Road is only 32%. In rail mode, per rake carrying capacity is around 3,800 Te which is equal to around 240 trucks, each carrying 15-16 Te coal.
- Rake loading facility and Rail Infrastructure are being enhanced/improved and strengthened, presently the coal is dispatched through 23 railway sidings Talcher field: 14 Nos & Ib field: 09 nos. and 3 MGRs.
- Sardega Siding commissioned and Sardega-Barpali-Jharsuguda dedicated rail corridor has been inaugurated for evacuation of coal from Basundhara Coalfield.
- 11 nos of Rapid Loading System (RLS) with SILO/ Surge bin are under various stages of construction-
  - Bharatpur SILO (2X10 MTY) at a cost of Rs 173.20 Cr- 100% completed.
  - Lingaraj SILO (2X10 MTY) at a cost of Rs 230.82 Cr- 99.95% completed.
  - Hingula SILO (10 MTY) at a cost of Rs 159.20 Cr- 33.10% completed.
  - Bhubaneswari SILO (10 MTY) at a cost of Rs 247.01 Cr- 90.33% completed.
  - Upcoming 3 nos. of RLS with SILO - Lakhanpur (10 MTY), Bhubaneswari – (15 MTY), Lakhanpur (20 MTY).
  - Upcoming 4 nos. of RLS with Surge bin - Kaniha (10 MTY), Ananta (20 MTY), and Sardega (20 MTY) and Lajkura (15 MTY).
- 152 nos. of Mobile Water Tankers of different capacities (Ranging from 4 KL to 34 KL) both departmental and contractual are deployed to control the dust pollution due to mining activities.
- Construction of Separate dedicated coal transportation corridor bypassing residential areas, schools and other areas:
  - Length of dedicated coal transportation corridor is 20.99 km in TCF and 17.03 km in IBCF.
  - <u>Talcher Coalfield:</u>

    Phase I – Physical Progress of the coal transportation corridor Balram- 85%, Bharatpur-100%, Jagannath-100%, Ananta-100%, Bhubaneswari-85% andLingaraj-100%.

    Phase II – Tenders awarded for construction of Coal corridor road (Phase II) in respect to Bharatpur, Balaram, Ananta, Lingaraj and Jagannath OCPs. Physical Progress of coal transportation corridor Balram-76%, Bharatpur-100% and Ananta-87%. For Lingaraj and Jagannath OCPs work has just started.

- Ib Valley Coalfield:

  In respect of Orient Area, work completed for length of 1.6 km. In case of Ib Valley Area, Agreement executed and work has just commenced for Lajkura OCP and Samaleswari OCP.

- Four Coal Washeries of Capacity 10 Mty each for washing of coal to get coal of ash less than 35% ash content is to be established in first phase. Construction of Ib Valley washery already started. Status of EC and FC remaining washeries are given below.

Sl. No.	Name of the Washery	EC and FC status
1	Hingula Washery	Amendment in EC Dt-28/10/2015 applied on 26.03.2019. Amendment is being sought due to change in area &washing technology. Considered in EAC meetings dated 27.05.2019, 03.10.2019 & 15.11.2019. Reply to EAC observations is under process.
2	Jagannath Washery	Amendment in EC Dt-31/08/2016 has been applied on 05.03.2019 due to modification in washing technology. Amendment in EC has been granted vide letter dated 24.02.2020.
3	Basundhara Washery	As per the Minutes of Meeting (MoM) EC has been recommended in the 41st EAC held on 13-14/12/2018.EC letter will be issued on submission of Stage-I FC.FAC has recommended for Stage-1 FC in the meeting held on 15.01.19. Stage-1 FC granted vide letter dated 11-03-2019. EC has been granted vide letter dated 31-10-2019.

- On Coal Transportation road in the coalfield beyond the mine lease area, mobile water Tanker of 12 KL capacity is being deployed on contractual basis to control the dust pollution.
- In all the Railway Sidings, fixed sprinklers have been provided for dust suppression. In addition to sprinklers, Mobile Water Tankers are provided. A total of 256 fixed water sprinklers has been installed and are in operation.
- Coal Handling Plants are provided with Mists, Fixed Sprinklers and Rain guns to control the dust pollution. However, negligible conventional coal production (7.4% only) has limited the crushing operation in the CHPs, due to which dust generation from CHPs have been significantly reduced.
- Black topping of permanent and semi-permanent roads have been maintained and further strengthened during the year.
- All road sale trucks are covered with tarpaulin before leaving mine premises.
- Manual sweeping and cleaning of spillage coal and dust along coal transportation roads are done.
- 06 proposals for installation of Wheel Washing System have been processed by Jagannath, Lingaraj, Balaram, Samaleswari, Lakhanpur and Kulda Projects. Installation of the system at Jagannath OCP completed and commissioned on 02.03.2020 and LoA issued for the system at Lakhanpur OCP. Remaining 04 nos are under different stages of scrutiny.
- Four numbers of heavy-duty truck-mounted vacuum-operated mechanical road sweepers are in operation for sweeping and collection of coal spillage and dust over pucca coal transportation roads at Talcher Coalfield. Further there is proposal for hiring of truck mounted mechanical road sweeper for each project.

- All the drills are having dust extractor system and wet drilling system.
- For effective dust suppression, hiring of 10 wheeled Truck mounted mist blower fog cannon system for atleast 1 no. in each project is being done. Total 19 nos. of proposal has been initiated from project level and currently 1 no. is commissioned at Lakhanpur OCP and further 7 nos. LOA has been issued. Remaining proposals are under different stages of approval.
- Proposals for procurement of 87 nos. of trolley mounted fog cannon of 100 mtrs throw were processed by the projects for effective dust suppression at railway sidings, coal transportation roads, coal & OB Faces, out of which 1 no. is commissioned at Kulda OCP, supply order placed for 03 nos, 5 nos of proposals are under tendering stage and 9 nos of proposals are approved. Remaining 69 nos are under different stages of scrutiny.
- Green belts are continued to be developed between residential areas and the mine including infrastructure.

18.3.2 Strategies for water resource management:

- Regular Monitoring of ground water quality and fluctuation due to mining operation is being done through a network of 39 nos. of Piezometers as well as other existing bore wells.
- Regular monitoring of surface water quality and effluent quality is being done.
- Check dams have been constructed for soil water conservation.
- Catch drains and garland drains have been constructed for channelizing the surface runoff.
- De-coaled voids are utilized for rain water harvesting and re-charging of the aquifer. The mine sumps supply water throughout the year for industrial purposes, like firefighting, dust suppression, vehicle washing in workshops, watering of plantation in the mining areas etc.
- Underground water is used for supply of potable water to colonies after treatment. Peripheral villages also demand water for irrigation purposes.
- These sumps are also very significant as they act as settling medium for the surface runoff water during rainy season.
- A total of 72 nos. of Rain Water Harvesting structures exists in MCL for recharging of groundwater.
- 6 nos. of recharge pits constructed at Samaleswari OCP with recharge potential of 21,060 KL/month and two nos of recharge pits constructed at Bhubaneswari OCP as per the design of SPCB which is having a recharge potential of 10,000 Ltrs/hr/pit.
- A Work order was issued to NIT, Rourkela to verify the status of compliance of the recommendations of the surface runoff study report and robustness of the system in place, for achieving zero discharge. The final report was submitted by NIT, Rourkela on 21.08.2019. The Action taken report has been sought from concerned Projects was sent vide letter no.753 dtd 10.09.2019 to Member Secretary, OSPCB.
- Effluent from HEMM workshops are treated in ETPs/Oil & Grease traps and treated water is being reused.

- Sedimentation ponds/Mine drainage treatment plants have been provided for the treatment of localised runoff.
- 09 nos of Sewage Treatment Plants (STPs) have been provided for all the big colonies. In other colonies septic tank arrangements exit for sewage disposal.

18.3.3 Noise and Ground Vibration Control Measures:

- 92.52% of total coal is being produced through blast less environment friendly Surface Miner technology, drastically reducing the noise and ground vibration compared to conventional mining which requires drilling, blasting and CHP operation for producing sized coal.
- Green belts have been developed between residential areas and the mines as well as infrastructures for reducing pollution.
- Ear Muffs and Ear Plugs have been provided to workers exposed at high noise working places.
- Non-electric detonators were used where ever necessary for blasting resulting in less noise and ground vibration. Controlled blasting technique is adopted to reduce noise and ground vibration.
- All HEMMs have been provided with adequate noise level reduction technologies.

18.3.4 Land Reclamation and Plantation:

- De-coaled void is used for backfilling the overburden material after which plantation is taken up as biological reclamation process.
- Alternatively, MCL has adopted filling of de-coaled void with flyash, transported through slurry mode in pipelines. MOU with TTPS, STPS Kaniha, NBVL and BSL is made for flyash filling in Jagannath and Balanda mines. Till March, 2020, 14.776 Mm^3 in South Balanda OCP void and 0.558 Mm^3in Jagannath OCP void have been filled.
- In keeping with the Company's concern for environment, MCL has planted saplings of mixed indigenous species over external dumps and backfilled internal dumps (after adequate physical reclamation), as well as in vacant patches of other land and avenues, in the mines. Plantation since inception (1992-1993 to 2019-20) is 59.929 lakhs (TCF- 21.708 lakhs, IbCF - 31.385 lakhs, HQ and Govt. land - 6.836 lakhs).
- Due to land constraints and consequent decline of plantation in mine areas, MCL has expanded its scope of improving greenery on Government lands in and around its operational districts - Angul, Jharsuguda, Sambalpur, Khordha and Sundergarh.
- During the FY 2019-20, total no. of saplings distributed is 30,217 (Talcher Coalfields - 24,800 nos., Ib Valley Coalfields - 11,217 nos. and HQs - 1200 nos.)
- Plantations are also done in residential townships and office premises especially with fruit-bearing, flowering and medicinal plants and trees.

- Monitoring of the land reclamation/ restoration through remote sensing data generated by National Remote Sensing Agency has been done for 14 Open Cast Mines (Every year - 13nos > 5 Mm^3/Yr and Once in three years 1No < 5 Mm^3/Yr capacity) in both Ib-Valley and Talcher Coalfields through CMPDIL and Vegetation cover mapping of Talcher Coalfield during the year 2019-20.

18.3.5 Waste Management:

- Hazardous wastes (burnt oil from HEMMs and used batteries) have been sold on auction to the registered recyclers.
- During 2019-20, Hazardous waste such as Burnt oil of quantity 5.5 KL amounting to Rs. 66,000.00, lead acid batteries of 1131 nos. with value of Rs. 38,46,408.00 and Copper of quantity 10 MT with value of Rs. 24,30,000.00 sold to the authorised recyclers.
- Bio medical and other hazardous wastes from the medical units are disposed off as per the laid down methods /procedures.
- Segregating Dustbins were placed in specified spots of colonies for collection of garbage.

18.3.6 Environmental Monitoring:

- Routine Environmental Monitoring of air, water and noise was carried out during the year 2019-20 through CMPDI, RI- VII having NABL accredited laboratory at an estimated cost of Rs. 9.02 Crores. REM works are carried out in compliance of GSR.742(E),EC/CTO/CTE conditions and directives of SPCB/CPCB or any other statutory bodies.
- Methodology, frequency, etc. were strictly maintained as per the guidelines laid down by CPCB.
- Results of monitoring were submitted to SPCB and MoEF as per the statute. The environment monitoring results are uploaded on the company website on monthly basis.
- Two numbers of Continuous Water Quality Monitoring Systems (CWQMS) are installed at intake well of Ib River and Brahmani River.

18.4 Website Publication:

For maintaining transparency, MCL is publishing & regularly updating the following environmental information on its website www.mahanadicoal.in

- Environment Clearance letters issued by MoEF&CC and its half-yearly compliance.
- Forest Clearance letter issued by MoEF&CC against each diversion proposal.
- Consent to Establish & Consent to Operate issued by SPCB of each Project.
- Hazardous Waste Authorisation of projects issued by SPCB.
- Environmental Statement of all operating mines of MCL.
- Annual CSR & Sustainability Report.
- Annual & Monthly Routine Environmental monitoring reports.
- Reports on Land use plan based on Satellite data.
- Land Reclamation
- Mine Water Utilisation

18.5 Activities of Mine closure cell for the year 2019-20:

- MCL has Escrow Accounts for 26 mines in which funds are deposited every year to undertake Mine Closure Activities as per Mine Closure Guidelines 2009 & 2013 and modified guidelines 2019.
- Reimbursement withdrawal of Fund of ₹ 24.2637 Crores was withdrawn on 31.03.2020 from the Escrow Account of Samaleswari OCP, Ib Valley Area.
- Files for the claim of reimbursement of fund from the Escrow Account of the following projects have been submitted to CCO, Kolkata upto 2019-20.

Sl. No.	Name of the Mine	*Phase of Progressive MCP Activities	Claim amount of MCL in Rs. Crores
1	Samaleswari OCP	Phase-2	44.415
2	Ananta OCP	Phase-1	15.245
3	Lakhanpur OCP	Phase-1	41.94
4	Lilari OCP	Phase-1	7.338
5	Belpahar OCP	Phase-1	29.532
6	Nandira UG	Phase-1	0.313
7	Talcher UG	Phase-1	0.543
8	Bharatpur OCP	Phase-1	41.628

* **Phase** indicates a cluster of five years.

18.6 Constitution of Apex Committee

- An Apex committee at MoC level is constituted to **monitor the compliance of EC and FC condition in coal mines** on 11.06.2019 and its first meeting was held on 03.07.2019.
- Multi-disciplinary Committees have been constituted at all the Areas as per guidelines of CIL/MoC with a monitoring frequency (monthly for Area-level committee & quarterly for HQ-level committee) to monitor the compliance of EC and FC stipulations.
- All the Area level Committees have completed their first inspection and second inspection in September-October 2019 and November-December 2019 respectively. The inspection reports are submitted before MCL HQ level committee and subsequently reviewed report of HQ Committee are placed before the Board of Directors of MCL for kind information as per directive of MoC.
- A Mine Data Management System (MDMS) portal is created where the compliance of EC, FC conditions are updated along with the Routine Environmental Monitoring data.

18.7 Sustainable Development Cell:

To promote environmentally sustainable coal mining a 'Sustainable Development Cell' (SDC) is constituted at MCL Level under Director (Technical/Project & Planning), MCL.

Activities taken up as identified activities for Sustainable Development Cell are as follows:

1. Deployment of Mobile fog cannon in all OC mines of MCL (atleast 01 No. in each project to start with) for effective dust suppression.
2. Deployment of fixed type fog cannon of minimum 100 mtrs. throw in the Railway Sidings of all mines/Areas for effective dust suppression during wagon loading operations.
3. Deployment of Fog Cannon of 100 mtrs. and above throw distance in the active mine faces from top to create an artificial rain-like situation at the coal and OB face so that airborne dust is effectively suppressed in the working zone of mines.
4. Deployment of Mechanical Road Sweeper in all mines on hiring basis for the evacuation of dust from the pucca surfaces and road sides etc.

5. Mine reclamation of the abandoned quarry at Balanda, Jagannath and Bharatpur South quarry – through disposal of fly ash and development of these areas into Eco-park/ picnic spots and also creation of adequate shallow depth water bodies.
6. Reclamation of Bharatpur OCP back-filled area by hiring Dozers & Dumpers and preparation of 3D land scape map through Minex or other equivalent software and implementation of the 3D reclamation plan at field level.
7. Creation of Rani Park as a bio-diversity-cum-eco park including recreational facilities, air strip etc, so that this can act as a carbon sink for entire Talcher Coalfield and also as a tourist spot with economic activities and income generation so that it becomes sustainable model.
8. Flyover/Bye-passing of the coal corridor road from Lingaraj MGR up to Chainpal flyover in order to create a sustainable and eco friendly coal transportation model.
9. Construction of network of fly over to avoid crossing of CT roads with railway lines and with other public transport roads near siding no 1&2 3&4

©120 central Colony, Talcher Coalfield for sustainable transport model.

10. Separate Coal Corridor at Ib Valley coalfields – no crossing with public roads/ rail lines and no merging with public roads.
11. Procurement/hiring of hydro Seeders for biological reclamation of the slope area of the dumps.
12. Hiring of equipments/ skilled manpower for creation of check dam / contour trenches/ contour bunds and other soil water conservation for stabilization of OB dumps slopes in all the mines of MCL.
13. Recharge of Un-confined Aquifer (WT) and Confined Aquifer through mine sump water in all mines.

18.8 Environment Awareness:

- **World Environment Day Celebration**

  World Environment Day was celebrated on the theme "Beat Air Pollution" where different activities and competitions like painting, extempore, mono-acting, lok geet on environment, essay, Environment rally, poster competition, cycling were conducted during the weeklong event (1st week of June-2019) at HQ and also at all Areas to generate awareness among the people.

- **Vanmahotsav Celebration**

  "Van mahotsav", a festival of trees was celebrated by planting as well as distributing tree saplings around 1200 numbers among the employees, surrounding NGOs. It was also celebrated at all the Areas by distributing 24,800 nos. of saplings at Talcher Coalfields and 11,217 nos. Ib Valley Coalfields.

18.9 Environmental Award :

- Basundhara (W) OCP and Ananta OCP have won the Greentech Environmental Award in the category of Metal & Mining Sector at 18th Annual Sustainability Conference 2019 of Greentech Foundation at New Delhi.
- MCL awarded the first prize in Environmental Management among subsidiaries for the year 2018-19, given during the 45th CIL Foundation Day ceremony held on 01.11.2019.

19. SALES & MARKETING PERFORMANCE

MCL has achieved an off-take of 142.306 Mil. Te. during 2018-19 in spite of strike, bandh and the restriction imposed by State Govt. on transportation of coal to sidings during day hours in summer season.

19.1. Demand & Off-take

Off-take during 2019-20 was 134.016 Mil. Te. against the target of 160.00 Mil. Te. which was 83.76% of target.

The Sector-wise dispatch during 2019-20 is appended below.

(Fig in Mill.Te.)

Sector	2019-20			2018-19
	Target	Actual	% Achieved	Actual
Power	121.469	92.675	76.3	102.527
Cement	0.263	0.206	78.3	0.221
CPP & Others	38.268	41.133	107.05	39.555
Coll. Consumption	0.000	0.002	-	0.003
Total	160.000	134.016	83.76	142.306

Note: The total offtake of 134.016 MT of Coal for FY 2019-20 includes 0.512 MT of Coal received from OCPL.

The reason for the loss of coal off-take during 2019-20 due to force majeure are stated below:

Fig in Mill.Tes

Name of Project / Particulars	2019-20			Actual Loss due to Force Majeure	Remarks
	MOU Target	Actual	Difference		
Orient Area	0.790	0.681	0.109	0.109	Coal Availability issue - There was land constraint in Jagannath, Ananta, Bhubaneswari, Bharatpur,Lingaraj, Kaniha, Hingula, Balram, Samleswari, Lakhanpur, Belpahar and Kulda OCPs i.e. in 12 Projects out of total 15 OCPs. Transport and loading stopped at entire Talcher field due to strike from 25.07.19 to 05.08.2019 following fatal accident at Bharatpur. Despatch affected due to imposition of prohibitory order (section 22) in Bharatpur from July 2019 onwards. Frequent strike and obstruction by villagers affected transportation sporadically in Talcher fields, specialy in the first two quarters. Less dispatch due to restriction imposed by State Govt during summer season from 11.00 AM to 3.30 PM.
Ib-Valley Area	13.500	7.642	5.858	5.858	
Lingaraj Area	15.000	13.313	1.687	1.687	
Kaniha Area	10.000	6.970	3.03	3.03	
Bharatpur Area	15.000	4.726	10.274	10.274	
Hingula Area	15.000	10.093	4.907	4.907	
Talcher Area	0.110	0.082	0.028	0.028	
Jagannath Area	44.000	42.418	1.582	1.582	

Total loss in Off-take due to force majeure 27.475 MT but effective loss was 25.984 MT as other mines have dispatched more during 2019-20.

19.2. Wagon Loading

Daily average wagon loading during 2019-20 in MCL was 56.93 Rakes / Day against 66.2 Rakes / Day during 2018-19 with decrease of 9.27 Rakes / Day. The field-wise loading against target and supply is appended below:

Fig in Rakes/Day

Field	2019-20			2018-19
	Target	Supply	Loading	Actual
Ib Valley	33	23.68	23.68	29.97
Talcher	45	33.30	33.30	36.22
Total	78	56.93	56.93	66.20

19.3. e-Auction

During 2019-20 MCL had offered 32.0126 Mill. Tes under Spot and other special type of e-auction against this 21.6619 Mill.Tes.was booked by different bidders registering a premium of Rs. 874.56 Cr. over notified price.

19.4. Fuel Supply Agreement (FSA) & MoUs

MCL has signed (86) eight six numbers of FSAs/MoUs with consumer for coal supply during 2019-20.

20. COAL QUALITY IMPROVEMENT

MCL has taken several measures to supply sized and quality coal to different Power Houses as well as other consumers to fulfill the consumer satisfaction. The measures taken during the year are as follows:-

1. Frequent interaction with different consumers has been done to improve consumer satisfaction.
2. Consumers were encouraged for checking and supervising personally the coal loading system arrangement at Sidings as well as at Coal Analysis Laboratories
3. The complaints of the consumers are inquired and corrective measures are taken by the concerned Areas.
4. All the railway sidings are being constantly monitored by QC Department in respect of despatch of assured quality coal to all consumers.
5. Frequent inspections of workings, sidings and coal analysis laboratories are being done regularly by QC Department. In case of any discrepancies or fault found during inspection, the same are communicated to the concerned Area for taking corrective measures.
6. In order to ensure better transparency and Consumer satisfaction, CIMFR and Quality Council of India (QCI) have been engaged for sampling of coal despatches of Power sector and Non-regulated sector consumers respectively. Presently about 70% of coal despatches are covered under the third party sampling and the rest of the consumers are being encouraged for the same.
7. There are total Ten coal analysis laboratories in different Areas i.e. Ib Valley, Lakhanpur, Orient, Basundhara, Jagannath, Lingaraj, Bharatpur, Hingula, Talcher and Kaniha. Six coal analysis laboratories of Ib Valley, Bharatpur, Jagannath, Hingula,Kaniha&Lakhanpur Areas have been NABL accredited. Application for NABL accreditation of coal analysis laboratory of Lingaraj Area has been successfully submitted in the NABL official Portal.Necessary steps have been initiated for obtaining NABL accreditation for coal analysis laboratories of Basundhara & Orient Area.
8. During this year also, selective mining method of extraction of coal was continued and the rejects were separated from the coal seams which helped to maintain the quality of coal. Approximately 92% of production was achieved through surface miner.
9. Proper care has been taken towards supply of -100 mm size coal to the consumers. For this, the coal extracted by conventional mode have been crushed by CHPs & FBs for dispatch by rail, belt &MGR.
10. For the purpose of transparency and to get active participation of consumers on quality, bound paged registers have been kept in all sidings/loading points, in which the representatives of the consumers present at the time of loading, are free to write their comments/suggestions in respect of quality/sizing & other facilities.

11. Sensitization meetings on Coal Quality were regularly conducted in all the Areas by involving grass root level employees such as Departmental / Contractual Pay Loader operators, Surface Miner Operators, Coal face Supervisors, Coal loading Supervisors, Coal face Overmen & Mining Sirdars, Coal In-charges, Despatch In-charges, Siding In-charges, Shift In-charges looking after coal production of Project and Area and Consumers' representatives to spread awareness amongst all the personnel involved in production and despatches of coal.

12. As per clause 4.6 of Fuel Supply Agreement (FSA), assessment of +250 mm stones has to be done on monthly basis against the claim of the consumers, for which the company may have to make payment. Therefore considering the financial stake, the assessment exercise of +250 mm stones was streamlined in the light of Fuel Supply Agreement (FSA) provisions. For this MCL officials have been sensitized about the 'Procedure for segregation and separate stacking of stone of +250 mm size at the Power Station and its joint assessment by the Purchaser and the seller' as per schedule- VI of FSA, which forms an integral part of Fuel Supply Agreement (FSA).

13. Supervision of collection and preparation of coal samples is very essential for coal sampling. Therefore 11 nos. of Technical Inspectors were selected from the qualified departmental employees for providing adequate supervision at the loading points of MCL

14. Adequate no.of Chemists and their competence are important factors in the analysis of coal samples in coal analysis laboratories of MCL. Therefore, during the year, 05 nos. of qualified Chemists were selected from the Departmental employees to carry out the job of Chemists. During the year, 10 nos. of Chemists had undergone training on 'Estimation Of Measurement Uncertainty, Decision Rule And Risk Assessment' at Institute of Applied Quality Management, (IAQM), Kolkata and 04 nos of Chemists and 01 Asst. Manager (Min/QC) were imparted training on 'Quality Management System & Internal Audit' at Central Institute of Plastics Engineering & Technology (CIPET),Bhubaneswar for smooth sampling activities in MCL.

15. During the year, the sample preparation equipmentsi.e.Crushers & Pulverisers have been provided in Lakhanpur, Basundhara, Ib Valley, Hingula, Jagannath & Bharatpur Areas. As a result, MCL has 100% capacity for preparation of coal samples. Further, adequate action has also been taken for providing additional sets of equipments for preparation and analysis of coal samples to cater to the increased requirement of sampling in future due to increase in coal production and dispatch and also to act as stand by arrangement for uninterrupted sample preparation and analysis.

21. SAFETY AND RESCUE

'Safe Mining' is one of the core capabilities of your Company, which has been attained through continuous practice of safety methods and techniques. Having a 'Zero Accident' target, your Company prepares, plans, and equips itself on a regular basis so that the target is best achieved and becomes the motivating force for the employees to be more productive.

21.1. Accident Statistics

SN	Particulars	2019-20	2018-19
1	No of fatal accidents	5	7
2	No of fatality	8	7
3	No of serious accidents	6	4
4	No of serious injury	6	4
5	Rate of fatality		
	Per million tonne output	0.057	0.049
	Per 3 lakh manshift	0.489	0.436
6	Rate of serious injury		
	Per million tonne output	0.043	0.028
	Per 3 lakh manshift	0.366	0.249
7	Place-wise fatality		
	UG	0	1
	OC	7	3
	AG	1	3

21.2. Steps Taken for improving safety:

(i) All the employees are provided with the safety gadgets such as helmets; safety foot wears, LED cap lamps etc. to provide protection against conditions which may cause ill-health and injuries. During 2019-20, 7364 nos. of Mining Safety helmet, 15990 pairs of mining shoes & 570 pairs of gumboots were procured.

(ii) The recommendations of 11th safety conference, standing committee on safety in coal mines, CIL safety board, Company level safety committee, Area level safety committee and project level safety committees are religiously implemented.

(iii) In addition to the statutory inspections by the Mine officials appointed under the provisions of Coal Mines Regulation 2017, safety standards of the mines are also monitored by Workmen's Inspectors (appointed under Mine Rule 1955), Safety Committee at mine level (constituted under Mine Rule 1955), Area Level Tripartite safety committees and Company Level Tripartite safety committee.

(iv) Joint consultations on safety matters are held with workmen representatives in Project level Safety Committees, Area Level Tripartite Safety Committees and Subsidiary Level Tripartite Safety Committee. Subsidiary Level Bipartite Safety Committee meeting was conducted successfully on 05/11/2019.

(v) Multi-level monitoring of the implementation of Statutory Rules, Regulations and Safety Plans is done through Internal Safety Organization by Area Safety Officer at Area level and a full-fledged ISO department at company headquarters level.

(vi) Job related training and retraining are imparted to workmen, supervisors and executives to make them aware about the safety aspects and upgrade their skills at Group Vocational Training Centres and other training institutes established at convenient locations throughout the company. Training in outside institutes is also imparted as per the requirement, for example to improve the skill of dumper operators, 28 dumper operators were imparted Simulator training at Northern Coalfields Limited, Singrauli during 2019-20.

(vii) Regular medical examination of workmen and supervisors are conducted for detecting diseases so that they can be treated in time. During 2019-20, Periodical Medical Examination of 4868 Departmental employees & 942 Contractual work persons were carried out at PME Centers of MCL.

(viii) One documentary film on Balram Opencast mine fatal accident that occurred in 3rd shift of 27th May 2019 and one animation film on Bharatpur Opencast mine fatal accident that occurred in 3rd shift of 23rd July 2019 prepared during 2019-20. These films have been shown in mines, areas & safety coordination meetings of MCL for bringing safety awareness among executives and employees.

(ix) Safety Audit by inter area multi-disciplinary Teams of MCL completed in all the OC & UG mines of MCL during 2019-20.

(x) Special Safety audit on Electrical Safety and Special Safety Drive on Safe Blasting Practices was conducted from 24/06/2019 to 29/06/2019 and from 13/01/2020 to 19/01/2020 respectively in all mines & Central Workshop Shop of MCL.

(xi) One day Safety Workshop on "Obligations of contractors in safety & health management at work vis-à-vis role of principal employers thereof in coal industry" was conducted by S&R Dept. on 27th April, 2019 at MCL Headquarter. Preceding the workshop, Bidders' meet was conducted by S&R Dept., MCL HQ on 26.04.2019 to provide a better platform to address issues on safety aspects of safety equipment and services.

(xii) Furnishing of Safety information online is done through Coal India Safety information Portal. Sharing of Safety related information among all stakeholders is done through Safety App developed by MCL and is available for download free of cost from Google play store under tag "Mine Safety Info."

(xiii) Hirakhand Bundia Mine(UG) was conferred National Safety Award (Mines) (Runner) of Lowest Injury Frequency Rate (LIFRM)-Type-2 category for the year 2016 on 16th December,2019 by the Hon'ble Vice President of India.

21.3. <u>Rescue Services</u>

MCL has a well-equipped Mines Rescue Station, Orient Area in IB Valley Coalfields and a RRRT, Talcher Area in Talcher Coalfields to cater to the needs of emergencies in the mines of MCL. The various activities that have been completed by the rescue services of MCL are as follows:

1. The Zonal Mines Rescue Competition was successfully conducted at Mines Rescue Station & Mine No-4 of Orient Area from dated 15/10/2019 to 16/10/2019. 08 Rescue teams participated in the competition including M/s Hindalco Industries Limited and M/s Indian Metal & Ferro Alloys Limited (IMFA). IB OCP Team awarded as Champion
2. The All India Mines Rescue Competition (Coal & Metal)-2019 was successfully conducted from 19/11/2019 to 22/11/2019 at Mines Rescue Station, Mine no.4 of Orient Area and Kalyan Mandap of IB Valley Area of MCL, Brajrajnagar. MCL-A and MCL-B Teams were awarded with Overall 2nd & 3rd position respectively.
3. Mines Rescue Station & RRRT attended total 12 number of emergencies/fire-fighting operations, 01 at Mine no. 3 Magazine, 02 at Electrical Substation, 02 at Opencast mines and 07 numbers not related to any mining activity but arising in nearby society/civil township during 2019-20.
4. 16 new persons were imparted initial training in Rescue & Recovery operation during 2019-20.

5. 189 Rescue trained persons were imparted refresher training in Rescue & Recovery operation at Mines Rescue Station, Orient Area and RRRT, Talcher Area.
6. Total 188 Rescue Trained Persons were medically examined and found to be fit.
7. Training and Emergency support given to private underground mines Gare Palama IV/4 & IV/5 of M/s Hindalco Industries Limited, Raigarh Region during 2019-20.
8. 13 Nos. of Special Training Programme conducted (06 Nos. at MRS, Orient Area & 07 Nos. at RRRT, Talcher Area) regarding Fire Fighting, Gas Chromatograph, Cardio-Pulmonary Resuscitation (CPR) and other apparatus & equipments.

21.4 The Following Proposals were approved by the competent authority in the year 2019-20:

1. 01 No. First- Aid Manikin for RRRT, Talcher.
2. 01 LED projector with Screen.
3. 05 Nos. Water Mist Fire Extinguisher.
4. 01 No. Concrete Cutter
5. Projector, Colour TV and Public address System
6. Training programme for Odisha Mining Corporation (OMC), Bangur, Keonjhar and Indian Metal & Ferro Alloys Limited (IMFA), Sukinda, Jajpur.
7. Spare parts for Breathing Apparatus (Biopak-240R)
8. Hydraulic Testing of Oxygen Cylinders

21.5 Following Materials were Procured in the year 2019-20:

1. 01 no. Oxygen purity Tester for RRRT, Talcher.
2. 01 no. water purifier cum cooler.
3. 04 nos. window type Air Conditioner
4. 46.7 Litres Medical oxygen cylinder
5. 12 nos. Resuscitating/Reviving Apparatus.
6. 02 Test Lung/Tester for Resuscitating/ Reviving Apparatus
7. 02 nos. Rescue Dummy
8. Smart Board for training

21.6 Supply Order placed for the following Materials in the year 2019-20:

1. 02 nos. Booster Pump (Power operated)
2. 04 nos. Booster Pump (Manual operated)
3. 2000 Packets of Carbon Dioxide Absorbent
4. 04 nos. hand held search light.

22. COMPUTERISATION

CoalNet, the Customized ERPSystem: - Various modules of Coalnetapplication software such as Financial Information System(FIS), Personal Information System(PIS), Payroll, Marketing &Sales, Materials Management System, Production Information Systemand Equipment Monitoring System are operational at HQ and Area. All the modules of Coalnetapplication are running on central server located at HQ. Some miscellaneous modules have also been added in Coalnetsystem which includeBill Tracking System, File Tracking System, Electronic Capital Fund Management System (e-Capex), Online Contract Management System, Personnel Information System for capturing detailed information along with photographs of contractual workers, Calculation of Incentives for payment under Productivity Improvement Scheme,Periodical Medical Examination, Details of Tenders and Awards of contracts below Rs. 2 lakhs, Online booking of Holiday home etc.

Marketing&Sales:- This module is used for generation of Road Delivery Orders at HQ, preparation of Rail and Road Sale Bills by Areas and maintenance of Debtors accounts on central Coalnet Server at HQ. The system has been modified for billing of Coal being traded by MCL. Following new features have been added in Sales Module of CoalNet: -

(i) Generation of Customer Ledger on real time basis.

(ii) Auto delivery of Rail sale bill to Consumer through e-mail

(iii) Generation of e-Way Bill Challan and auto-communication of the same to the consumer through e-mail for dispatch through Rail.

(iv) Auto communication via SMS of rake wise/ siding wise Under Loading details to the concern officials in real time basis

(v) Auto generation of Debit/Credit note based on the analyzed grade.

(vi) Party wise interest calculation for delayed payments by Rail Consumers

(vii) Generation of Bill to be raised to consumers as incidental charges towards 50% of CIMFR test expenses

(viii) Development of entry screen and reports for Coal sample results

(ix) Implementation of Auto-Journal Vouchersonce Rail Sale Bill is generated for maintaining Debtors balance on real time

(x) Multiple Billing against single RR introduced for selling own coal and traded coal.

(xi) Printing the additional information on Gate Pass issued through Integrated Mines, Mineral Management Systems (i3MS) at the Road weighbridges.

Financial Accounting System – Finance module is used for capturing every financial transactions including journal entry for all the locations of MCL on central server, which helps in consolidation of all financial information including Trial Balance, Detail Ledgers, Schedule of Accounts, Balance Sheet and Profit & Loss Accounts in time, and for better MIS reports generation. Following additional features have been added in the Finance module: -

(i) Payments of TA/DA, LTC and Medical Reimbursement :- Provision has been incorporated in the Finance and Payroll module of Coalnet for making payment of TA/DA, LTC, Medical reimbursement expenses along with the monthly salary.

(ii) Income Tax Calculation through central CoalnetServer:-Income tax calculation and generation of allied reports through central Coalnet server has been implemented for adopting uniform IT calculation process across MCL.

(iii) Central Disbursement of salary through CMP portal:-Disbursement of salary for all locations of MCL is being done centrally through HQ using CMP(Cash Management Product) of SBI.

Online Material Management System(OMMS):- The OMMS is running on central Coalnet Server for carrying out stores related activities of all the Central / Regional Stores and Central Workshops and also for issue / receipt of POL / Explosives at Unit Stores. Various reports are also available for effective control of inventory.

Electronic Capital Fund Management: -The module has been developed in CoalNet for maintaining Project Report (PR) provisions of projects – Head wise & Unit wise, Initiation of request for fund allocation, re-appropriation of fund (if needed), scrutiny & approval of the request at various levels of Project &Planning department, Finance Department and final approval of the Competent Authority. This module is running successfully catering to the need of the user departments. Further, provision has been made in the module for initiating the file from project level in case the fund is exhausted for a particular project under "Beyond-PR" provision. Auto generated SMS is delivered to the concerned executives who are involved in the process, whenever a request for fund allocation / re-appropriation in online mode moves from one level to another.

Productivity Improvement Scheme Software:- Software developed for calculation of incentives under Productivity Improvement Scheme, is running successfully at various opencast mines of MCL. The software undergoes modification as and when required to incorporate the changes made in the Scheme from time to time.

Monitoring of Bill Payment:- The Bill Tracking module is successfully running under Coalnet application. In this system the bills received from the contractors/vendors are captured through Bill Tracking module of Coalnet application by the respective user departments. The status of these bills is also being updated through the module and the same is made available in MCL's website on real-time basis under the "Bill Status" link for online viewing by the concerned parties.

File Tracking System:-The software developed in Coalnet for tracking the movement of important files across various departments and locations of MCL is being used effectively. Till 31st March, 2020 around 84001 files have been processed through this module..

Contract Management Monitoring System: Contract Management Monitoring System module developed under Coalnet application is used for capturingcontract details, commencement of work, daily performance at HQ / Area / Project for the purpose of effective monitoring of all Coal and OB related Contracts. Various MIS reports are available in the module.

MCL Website: -The website of MCL www.mahanadicoal.in provides all necessary information related to various departments of the Company covering Production, Sales, Finance, Materials, Environment, Vigilance, e-Procurement etc. The website has features like hosting of Corporate news, Circulars, Notices, Recruitment related information such as Notices, Results etc, uploadingSupply Orders by MM department, provisions for coal consumers to lodge their complaints, raising requisition for monthly quantity of coal from different mines by power consumers, information related to refund to the coal consumers, monthly third party coal sample analysis result, CSR related activities, uploading tender details for tender value below Rs.2 lakhs etc. The website is restructured on regular basis as per the need. The status of bill payments to contractors/vendors, as available in Coalnet database, are also reflected in the website on real time. The relevant information related to payment disbursal of bills of Stakeholders is uploaded on weekly/monthly basis under "Payment Disbursals" tab.

Online Grievance Redressal (Samadhan):- Online Grievance Redressal portal "Samadhan" is linked with MCL's website for addressing grievances of stakeholders.

Uploading of Tenders:-All tenders floated through e-Procurement portal of CIL are automatically mirrored in the Central Public Procurement (CPP) Portal of Govt of India. Information related to tenders below Rs. 2 lakhs are captured in Coalnet and hosted in the website of MCL on regular basis.

Contributory Post-Retirement Medicare Scheme for Executives (**CPRMSE):-** A portal has been developed for retired executives through which they can view the payment status of their medical bills under Contributory Post-Retirement Medicare Scheme for Executives. Executives can also check their remaining balances against with-limit and without-limit entitlements. Auto generated SMS alerts are being sent to retired employees in regard to life certificate submission and user credentials.

MCL Intranet: - MCL Intranet portal has been developed and launched for sharing Circulars/ Manuals, directives and letters which can be accessed by employees through User ID and Password. Intranet provides information/ documents of present, past which can be accessed from anywhere and anytime. This will plug information communication gap among company officials and at the same time avoid spread of unwanted information to outsiders. The Intranet portal will be comprehensively developed as Knowledge Management Portal by adding new feature such as e-journal, discussion forum, e-Books, manuals, photographs, videos of important events etc.

e-Mail Accounts:-All executives of MCL have been provided with e-mail accounts under "coalindia.in" domain obtained from NIC. Additionally some selected non-executive employees of MCL HQ have also been provided with email accounts as per the requirement.

Internet Leased Line:- Two nos. of 40 Mbps Internet Leased Lines obtained from M/s BSNL and M/s Railtel are in operation in redundant mode for providing internet access to the users of MCL through the existing corporate network and for continuous data communication between VTS servers and GPS units installed in trucks/tippers used for coal production / internal transportation.

Servers at Central Computer Centre and Nodal Computer Centers:- High-end IBM servers are installed at HQ and three Nodal Areas i.e Jagannath Area of Talcher Coalfields, Ib Valley Area of Ib Valley Coalfields and Bansundhara Garjanbahal Area. Maintenance support for the servers are directly provided by M/s IBM India Pvt Ltd. The Computer Centre of Basundhara Area has been established as the Disaster Recovery site.

SMS/Email Alert:- It has been MCL's endeavor for sending auto generated SMS to its stakeholders. As per various e-Initiatives taken by MCL, SMS alerts are being sent to Customers regarding details of Road Delivery Order, RDO wise daily dispatches, refund against RDOs. SMS alerts are also sent to employees related to salary preparation, to the HODs/GMs of concerned departments on status of pending files which are being tracked through the File Tracking module of Coalnet, on regular basis. Provision has also been made to send SMS to concerned vendors / parties and executives of Finance Deptt.regarding expiry of Bank Guarantees. SMS alerts have also been introduced for acknowledgement on Receipt of Bills in Coalnet, Information regarding the shortfall documents (if any) related to the bills and payment confirmation etc. Automated mailing system for sending copies of rail sale challan for e-way bill generation and coal invoices to Consumers is also in place.

Mobile Applications:-Development of mobile applications is a continuous process in MCL and several mobile apps have been deveoped in order to share relevant information conveniently with the stakeholders as far as practicable and permissible.Various Android based Mobile apps have been developed for

(i) Viewing weighment details being captured at the Static and In-motion weighbridges related to production / internal transportation of Coal,

(ii) Tracking status of bills submitted by contractors / suppliers,

(iii) Providing useful information related to CSR activities of MCL like activities completed / undertaken across several districts of Odisha, in addition to information about CSR policy, annual report, budget & expenditure under CSR, images of major CSR activities,

(iv) Viewing Delivery Order Details, Loading Schedule, Daily Dispatch Summary and Dispatch details against any RDO, which has been integrated with CIL's mobile app "Grahak Sadak Koyla Vitran",
(v) Providing Mine Safety related information such as Safety initiatives, glimpses of events, DGMS circulars, video clips on mine safety,
(vi) Viewing payment status of medical bills submitted by retired executives under Contributory Post-Retirement Medicare Scheme for Executives etc.

e-Office Implementation:- e-Office is in use at MCL HQ for diarization of Receipts and Files movement since 01.07.2017. During 2019-20, e-Office has been extended to Areas and Project officesalso for diarization of Receipts and movement of Files.

Procurement / Replacement of PCs and Peripherals:- Procurement of PCs and peripherals against new requirement and for replacements of surveyed-off hardware are undertaken on regular basis to meet computational need of end users and for implementing various IT initiatives undertaken by the Company from time to time.

<u>Future Plan / Other Ongoing Activities:-</u>

Implementation of SAP ERP :- Implementation of SAP ERP has been taken up in MCL in the first phase and the Functional Scope of work will include activities related to (1)Marketing & Sales, (2) Material Management, (3) Plant Maintenance, (4) Human Resource Management, (5) Finance (Accounting & Controlling), (6) Production Planning, (7) Project System. All necessary activities like formation of ERP team comprising Subjection Matter Experts, Core Team members, Training, Master data preparation etc. are going on.

Implementation of Hospital Management System:- Hospital Management Systems (HMS) shall be implemented at Central Hospital, IB valley. All clinical and non-clinical departments, management of out-door and in-door units apart from pharmacy, diagnostic sections and stores will be integrated into a unified platform for effective management. Action has been initiated for procurement of various hardware items necessary for HMS and networking of the entire hospital building.

Web Hosting:- Website of MCL shall be hosted on its own premises having web server installed at the corporate office for ease of maintenance and for better integration with Coalnet database. This will not only save cost of hosting and maintenance but also help in development and launching of several portal based apps.

Development of Portal based Apps:- Several Portal based apps are being developed for (i) monitoring Area wise/ Unit-wise and Shift wise deployment of Tipper, Pay loader and Surface Miner as per their capacity under various Civilian, ESM & PAP contracts (ii) Grievance Lodging and Redressal system for employees (iii) IT Asset Tracking and Breakdown Monitoring System.

Development of CSR SoftwareModule:- A new module for better monitoring of CSR activities are being planned so that monitoring of utilization of funds earmarked for CSR activities would be easier. The module shall be integrated with existing Coalnet application for real-time monitoring of various stages of different CSR activities undertaken at HQ and Areas.

23. TELECOMMUNICATION

- **Redundant Data Communication Network**:-

  The IP based Wide Area Network (WAN) installed covering almost all the units of MCL, is being widely and successfully used by your company as a network backbone for running different financial, personnel and operational applications, thereby facilitating online data communication and management for various activities of the Organization.

  Steps have been taken by your company for expanding and upgrading the network to increase its use for other real time data services like ERP, e-Surveillance, etc. MPLS/VSAT based secondary data communication network connecting Area Offices/ Project Offices / Weighbridges etc with HQ is being established by BSNL. MPLS connectivity has been completed at 50 locations of Phase-I & Phase-II. In Phase III, installation of MPLS VPN Connectivity at 116 weighbridges through 66 VSAT Nodes has been completed at most of the locations, and for the remaining locations, installation is in progress. Your Company has also facilitated interfacing of existing CoalNet Network (ICN) with BSNL MPLS Network, which now acts as a redundant network for CoalNet connectivity.

  Your company has also placed Work Order upon M/s Railtel for providing MPLS-VPN connectivity at 284 locations, which will be used as primary data connectivity for ERP in MCL.

  Both Rail and Road Weighbridges (In-motion and static) have been connected through Radio Links established by M/s ITI Ltd.

- **GPS/GPRS based Vehicle Tracking System :-**

  (i) GPS based VTS (Vehicle Tracking System) units have been installed by your company in 2970 private trucks/ tippers, HEMM's, and other vehicles engaged in production and internal transportation of coal and OB, as well as vehicles used by Security Department for patrolling. Live tracking of these vehicles along with viewing of various reports related to violation of geo fences, trip, long stoppages, distance traveled etc are available on the web enabled link i.e. http://mclvts.in. This link is also available on our website www.mahanadicoal.in. There is also the provision in the system for sending auto generated SMS alerts to the concerned users of the projects and the Area offices.

  (ii) Geo-fencing of the mine boundary along with the routes have been done by your company for tracking the vehicles if they are crossing the geo-fence boundary.

  (iii) Central Control Rooms have been set up at MCL HQ and at all the Area Offices of your company for monitoring of the alerts.

- **Operator Independent Truck Despatch System (OITDS):**

  OITDS Installed in three open cast projects of MCL i.e. Balram, Lingaraj and Bharatpur OCP is running successfully. A total of 137 HEMMs have been installed with the equipment for OITDS.

- **CCTV Surveillance System**:

(i) Your company has installed CCTV Surveillance System of 71 cameras at Office Campus of MCL HQ, Burla, which is being used to enhance the security of the Corporate Office.

(ii) Your company has installed CCTV Surveillance Systems of 376 cameras in all Regional / Central Stores and Central Workshops of MCL.

(iii) Your company has installed multiple CCTV cameras in various vulnerable locations in different Projects of MCL, like Entry Exit Points of Mines, Coal Stocks, Coal Sampling Labs, etc. of all Areas of MCL.

(iv) Your company has installed CCTV cameras in 21 nos. of railway sidings.

(v) Your company has installed still-shot IP cameras installed at 90 in-motion and static road weighbridges.

(vi) Weighment data from the in-motion & static weighbridges (which are used for internal transportation) are being transmitted online to the central VTS and Coalnet Server at MCL HQ.

(vii) Your company has taken initiatives for installation of a Comprehensive CCTV Surveillance system, consisting of 2188 cameras, at various entry/exit points of mines and magazine clusters, HEMM Workshops, Diesel Dispensing Stations, and other vulnerable points of projects to further reduce the chances of unauthorized activity, and to enhance the security and prevent entry of unauthorized vehicles and personnel.

- **Wi-Fi Network** has been established by your Company at corporate office of MCL. The WiFi Network at Residential Areas of Jagruti Vihar is being strengthened and revived again.

- **Mobile CUG facility:-** Mobile CUG facility has been provided by your company to all Executives, JCC Members, Key Staff, Railway Siding Officials, Security Personnel, Rescue Brigade Personnel and Drivers of Mines Rescue Stations, Biometric attendance system etc. of MCL serving at different Units of the Organization all over the state of Odisha, enabling 24x7 unlimited communications at minimum cost, thereby reinforcing the communication infrastructure of MCL.

  The existing CUG plans have been upgraded to provide unlimited data and voice to all executives without any additional financial cost to the company.

- **VHF communication**: Your Company has installed VHF communication network in different mines for communication at the Projects up to the Coal Faces. The same is being enhanced every year for increased operational efficiency.

- **Aadhaar Enabled Biometric Attendance System (AEBAS):** In-line with the Digital India Programme of Government of India and the HR Vision 2020 of CIL, your company has installed AEBAS at MCL HQ, MCL Bhubaneswar Office, MCL Kolkata Office, Area Offices, Project Offices, MTKs, covering all attendance locations of MCL. Internet connectivity with redundancy has been provided to all devices. A total of 807 devices have been installed across MCL for AEBAS.

- **Telephone exchange:** Thousands of lines of internal telephone connectivity and EPABX systems have been installed and maintained by your company in almost all

Units of MCL for enhancing the internal communication facilities at these Offices.

- **High Speed Wireless Internet Hotspots** have been provided by your Company to all Directors, CVO and HODs at MCL HQ and some other executives, in addition to BSNL Broadband/FTHH (Fiber to The Home) connections at offices and residential offices, for on-the-go internet connectivity to ensure a 24x7 communication and information channel for faster and more informative decision making. All these advents in internet connectivity have shifted the daily communications from paper to electronic mode, resulting in saving of time and resources.
- **Secured Telephone Network**: An internal closed telephone network has been created by your company specifically for CMD, Directors and CVO, to ensure privacy and quick access within the top management of the Company.
- **DTH Service**: Being an obscured place, for recreation of the employee at MCL HQs., DTH services with more than 700 connections at the residence of staff and executives of MCL HQ and other places like guest houses, etc., covering both Jagruti Vihar and Anand Vihar have been arranged and maintained by your Company.
- **Underground Communications System** has been installed by your company in all underground projects for fast and safe communication. Environmental Tele-monitoring System is also being maintained in various underground projects and steps have been taken to enhance the same.
- **Video Conferencing System**: An enterprise grade Video Conferencing System has been installed by your company at MCL HQ, Sambalpur and MCL Office, Bhubaneswar for conducting meetings through Video Conferencing over the Private Network of CIL as well as over Internet (Public Network), enabling quick and collaborative decision making by the Key Management Personnel and saving time and cost. This system runs on the licensed enterprise grade Multi Conference Unit and Client Server of MCL, which ensures privacy and availability of resources. Your Company is also in the process of extending the Video Conferencing System to all Area Offices as well as to MCL Offices at Bhubaneswar and Kolkata, by procuring 27 Sets of Video Conferencing End Points and related equipment.

24. DEVELOPMENT OF ANCILLARY INDUSTRIES

MCL is committed to provide self-employment opportunities to the local budding entrepreneursand provide a sustainable business to them by apportioning a substantial share by revenue in the areas of Stores / Consumable / Repairing etc.

For the above cause, MCL has full-fledged MSME-Ancillary Development Cell which is committed for the following activities:

- Undertakes, allows & encourages all endeavours to explore and develop the potentialities of the micro and small scale industries in its operational jurisdiction within the state of Odisha.

- To improve the availability of spares, import substitution for meeting the growing demand of MCL, with the help of Directorate of Industries of the State and D.I.C's.
- A broad outlook to create scope of increased self-employment and thus self-dependency amidst the young population of the locality of State.
- Prosperity of General masses, in the state and elevation of this state in the industrial map of the nation and adjusting the industrial products of the MSEs including SC/ST MSEs & Women MSE of this state to reach the new dynamics of achieving the GLOBAL COMPETITIVE STANDARD.

Since inception of the Company, MCL has helped and developed MSEs of Odisha. MSEs Units were awarded tenders for various consumable spares / items and service related jobs directly linked to production processes involved in engineering and mining section of MCL.

Further, in its continued efforts in keeping alive MSEs, MCL has been giving sustainable business to those ancillary units who are committed to supply of quality materials and maintaining prompt delivery schedules. There are reserved 358 items for MSEs identified by Govt. of India which are especially procured only from MSEs for which an exclusive NIT is also formulated.

MCL has been continuously keeping track with the ancillary units and trying to redress their grievances from time to time by conducting interactive sessions / meetings.It's a matter of fact that in the FY 2019-20, MCL has already participated in total 07 (seven) nos. of State Level and National Level Vendor Development Programmes cum B2B meets and Vendor Interactions as detailed below:

i. **"MSME Summit - 2019"** at Bhubaneswar on 11.04.2019 organized by ICC. In the event MCL has sponsored Rs. 100,000.00 (Rupees One Lakh only) including GST as financial assistance.

ii. **"Odisha MSME Meet - 2019"** at Bhubaneswar on 11th& 12th August 2019 organized by OASME. In the event MCL has sponsored Rs. 200,000.00 (Rupees Two Lakhs only) including GST as financial assistance.

iii. **"Vendor Development Programme and interaction meet with MCL"** at Talcher on 13.09.2019 organized by MCL.

iv. **"Vendor Development Programme and interaction meet with MCL exclusively for SC/ST Entrepreneurs"** at Bhubaneswar on 04.11.2019 organized by MCL.

v. **"Odisha MSME International Trade Fair - 2020"** at Unit-III, IDCO Exhibition Ground, Bhubaneswar was organized by Govt. of Odisha from 8th Januaryto 12th January 2020. In this event MCL has sponsored Rs. 500,000/- (Rupees Five Lakh only).

vi. Seminar on **"Government –e- Market (GeM) &Vendor Development Programme"**at Sambalpur was organized by Govt. of India & OASME on 22nd January 2020. In this event MCL has sponsored Rs. 80,000/- (Rupees Eighty Thousand only) including GST.

vii. **"National Level Vendor Development Programme– cum – Industrial Exhibition and Buyers Sellers Meet"**at Chauliaganj Club Ground, Near OMP Square, Cuttack was organized by Govt. of India from 13th to 15th March 2020. In this event MCL has sponsored Rs. 200,000/- (Rupees Two Lakh only) plus GST.

The Salient Features of Policy followed by MCL are as follows:

As per MSEsOrder 2012 issued by Secretary to Government of India, Ministry of Micro, Small and Medium Enterprises (MSME); implementation of Public Procurement Policy has become mandatory from the year 2015-16. MCL had framed and implemented this policy along with existing ancillary policy w.e.f. July 2013. New Procurement Policy for MSEs and Ancillary followed by MCL is available in MCL Portal under heading Ancillary and MSEs (http://www.mahanadicoal.in/About/pdf/ANCILLARY_POLICY.pdf).

- Procurement of minimum of 25 percent shall be made from MSEs, of total annual purchases of products produced and services rendered by MSEs. Out of 25 percent of annual procurement from Micro and Small Enterprises, a 4 percent shall be procured from Micro and Small Enterprises owned by the Scheduled Caste or the Scheduled Tribe entrepreneurs. However, in the event of failure of such MSEs to participate in the tender process or meet the tender requirements and the L1 price, the 4% sub-target for procurement earmarked for MSEs owned by SC/ST entrepreneurs will be met from other MSEs. Apart from that 3 percent out of 25 percent also shall be procured from Micro and Small Enterprises owned by Women Entrepreneur.
- In tender, participating Micro and Small Enterprises quoting price within price band of L1+15 percent be allowed to supply a portion of requirement by bringing down their price to L1 price in a situation where L1 price is from someone other than a Micro and Small Enterprise and such Micro and Small Enterprise will be allowed to supply up to 20 percent of total tendered value.
- To reduce transaction cost of doing business, Micro and Small Enterprises shall be facilitated by providing them tender sets free of cost, exempting Micro and Small Enterprises from payment of earnest money.
- Procurement of 358 items from Micro and Small Enterprises, which have been reserved for exclusive purchase from them. For implementation of the new policy, a standard NIT has already been implemented where only MSEs or authorized representative of MSEs can participate & offers from others will not be accepted.

It may be mentioned here that MCL has a policy to go for e-tendering for tenders having estimated value more than 2.00 lakhs and is open to all including MSEs provided they meet the eligibility criteria.

MCL's Annual Procurement and % of Procurement from MSEs of the last three years are given below:

		2017-18	2018-19	2019-20
1	Total Annual Procurement (in lakhs)	9460.00	8181.00	7246.00
2	Total Purchase from MSEs (in lakhs)	5621.76	3272.43	3639.74
3	% Purchase from MSEs out of total procurement	59.42	40.00	50.22

MCL has achieved 50.22% purchase for MSEs out of total annual procurement in the FY 2019-20 and continuously achieving the minimum 25% target and also committed to maintain the trend in future. Policy entails about achieving 25% of the total annual purchases of the products or services produced or rendered by MSEs which has been **successfully** achieved.

MCL is monitoring procurement process, updating of database of bidders in e-procurement portal, interaction with stake holders in order to achieve target of 25% & improve the same.

25. HUMAN RESOURCES MANAGEMENT (HRM)

INDUSTRIAL RELATIONS:

As a leading industrial establishment, the Company has maintained healthy cordial industrial relations with its workers' representatives for creating harmonious working environment in the organization. It has also maintained friendly relation with outside agencies and adjoining villagers of the mining vicinity.

Harmonious relation between management and employees is pivotal for achieving higher growth and as such, the company always emphasized on maintaining good industrial relations. This year too, MCL has been successful in maintaining the industrial relations harmoniously with the three tier IR system mechanism i.e. at Unit level, Area level and Corporate level. Depending upon the issues and delegation of power, the grievances/demands of employees were resolved at different levels of IR system.

Barring two all India strikes held on 23rd-25th September, 2019 & 8th January, 2020 by Central Trade Unions of Coal India due to "Bharat Bandh" called by various political parties, Industrial Relation remained peaceful. Apart from this, there were no strikes during the year 2019-20 reflecting the strong relationship between the Management and Trade Unions.

The efforts of all four operating Trade Unions were highly appreciable for maintaining high standards of Industrial Relations with the management.

PARTICIPATIVE MANAGEMENT:

Employees' participation in decision making in day-to-day affairs as well as corporate planning up to a certain level with the management, paves the way for achieving corporate goal. MCL, your Company, knowing the values of participative management has adopted the principle since its inception.

Trade Union representatives are nominated by operating trade unions (covered under IR system) to represent in JCC and Welfare Board. In addition to the said bipartite forums, Tripartite Safety Committees at the Area as well as Corporate level are also functioning in which representatives nominated by operating Trade Unions are included. The above said bipartite and tripartite committees were actively involved in assisting the Management to take certain decisions and resolving problems.

MCL believes in developing work culture, amicable environment and solidarity among its employees not only through participative management but also by imbibing best practices such as employee engagement through participation in debates and seminar on the occasion of Rajbhasa Pakhwada, celebration of Safety Week, Quality fortnight etc.

MCL recognizes the importance of gender sensitivity and takes special care for protecting the interests of its women employees and addressing issues / grievances raised by women employees. To promote the development and growth of women so that they will continue to make best use of opportunities, emerge more confident and contribute effectively to the process of inclusive growth, MCL has facilitated for networking, exchanging information and ideas through participation of its women employees in trainings and seminars in WIPS (Women in Public Sector) forum.

Regular structured meetings related to IR, Welfare, Safety, JCC etc. were held at Company level / Area level / Project level in 2019-20, wherein various matters regarding employee welfare, safety and employee grievances were discussed with the Union representatives and problems were amicably sorted out. In the course of such discussions, many new ideas and suggestions were also generated for improving work processes and for the betterment of day-to-day affairs of the organization.

In addition, meetings with Coal India Schedule Caste/Scheduled Tribe Employees' Association (CISTEA) were held at Area/HQ where the grievances of employees belonging to SC/ST communities were discussed and steps were initiated to resolve the grievances amicably.

One member of SC/ST Association has been included in the following forums at Unit/Area/ HQ level, heralding a positive step towards participative management:-

i) House Allotment Committee
ii) Area Joint Consultative Committee
iii) Corporate Joint Consultative Committee

25.3 Training and Development

Keeping pace with the fast changing energy scenario the company strives to develop its employees through a process of continuous training and retraining in various aspects of technical as well as managerial skills. Training is an integral part of our company's corporate policy which envisages development of human resources as the key to organizational development.

To cope up with the task emerging from strategic plan, annual HRD plan is worked out every year to integrate HRD efforts in company through three training institutes namely, Management Training Institute (MTI), Burla, Belpahar Training Institute (BTI), Lakhanpur Area, Mining Engineering & Excavation Training Institute (MEETI), CWS Talcher and five Group Vocational Training Centers (GVTCs) located in Jagannath Area, Talcher Area, Lakhanpur Area, Orient Area and Basundhara Area.

<u>Training Details for the Year 2018-19 & 2019-20</u>

1. **<u>Internal Training – MTI, BTI, MEETI & GVTCs</u>**

Sl. No.	Employees	Year 2018-19	Year 2019-20
1.	**Executive**	246	395
2.	**Supervisor**	789	569
3.	**Worker**	5797	6162
	Total	6832	7126

2. **<u>External Training Details</u>**

Sl. No.	Employees	Year 2018-19	Year 2019-20
1.	**Executive**	741	644
2.	**Supervisor**	50	50
3.	**Worker**	61	12
	Total	852	706

3. Total Training (Internal & External)

Sl. No.	Employees	Year 2018-19	Year 2019-20
1.	Executive	987	1039
2.	Supervisor	839	619
3.	Worker	5858	6174
	Total	7684	7832

4. Training Man Day's Achieved in the year 2018-19 & 2019-20

Sl. No.	Employees	Year 2018-19	Year 2019-20
1.	Executive	5523	4094
2.	Supervisor	4438	3177
3.	Worker	59422	60712
	Total	69383	67983

In 2019-20, 35% of employees have been given Skill up-gradation training of as against the target of 33.33%.

5. Internship Training to Students of various Educational Institutes

Sl. No.	Students	Year 2018-19	Year 2019-20
1.	Mining Engineering	146	102
2.	Mining Diploma	756	437
3.	B. Tech	98	93
4.	MBA	91	71
5.	Others	73	38
	Total	1164	741

6. Training Imparted to MCL Board Members

-Sl. No.	Year	Nos. of training	Within India	Foreign
1.	2018-19	NIL	NIL	NIL
2.	2019 -20	NIL	NIL	NIL

7. Specialised Training Programme

Sl. No.	Employees	Year 2018-19	Year 2019-20
1.	Project Management	11	16
2.	Contract Management	9	02
3.	Risk Management	4	23
4.	Environment, Forest Management and Land Acquisition	12	23
5.	Simulator Training	17	28

8. One day/Two days Short Programme/ Workshop/ Seminar in MTI, BTI & MEETI

	2018-19	Man days Achieved	2019-20	Man days Achieved
Executive	582	867	1448	1857
Supervisor	132	261	409	443
Worker	120	216	351	402
TOTAL	834	1344	2208	2702

9. Details of Company MoU Parameters & Training Target / Achievements for the F.Y 2019-20

Sl. No.	Name of the Parameters	Target	Achievement
1.	Talent Management & Career Progression by imparting at least One week/Five days & above training programmes in Centre of Excellence i.e IITs, IIMs, NITs, ICWAI, ASCI etc....of 5% of the Total Executives.	90	107
2.	At least 15 initiatives for women employees for work life balance as well as leadership development	15	20

10. Imparting Training under Apprentices Act, 1961 (Amended 2016)

Sl. No.	Year	Nos. of ITI Pass out engaged as Apprentice (Through NAPS)	Nos. of PDPT engaged (Through NATS)	Nos. of PGPT engaged (Through NATS)	Total
1.	2018-19	705	145	03	853
2.	2019-20	747	219	18	984

NEW INITIATIVES

1. Additional 50 seats for PDPT training for Sons/Daughters of MCL Employees/Ex. Employees and PAPs under NATS has been approved and notification has already been published for their engagement for PDPT training in Underground Mines of MCL. Scrutiny and selection procedure has been completed. Training will be started after LOCKDOWN "COVID -19" period is over.

2. MCL is having shortages of HEMM's Operators and surplus Category-I

workers. To overcome the shortage of Dumper Operator, Crane Operator and Pay Loader Operator and for gainful utilisation of surplus Category-I employees, training of newly appointed Category-I workers of MCL for obtaining Heavy Motor Vehicle Driving License for their deployment as Dumper/Pay loader/ Crane Operator (Trainees). After approval of the Competent Authority, notification has already been published on dated 10.03.2020 for their HMV DL Training. Training will be started after completion of scrutiny and selection procedure.

Management Training Institute, Sambalpur, Belpahar Training Institute, Belpahar/ Mining Engineering & Excavation Training Institute, Talcher

Training Curriculum:

A. **Executive Development Programmes**.

General Management Programme: For enhancing the managerial skill & performance of executives.

Functional & Cross Functional Programmes: For developing knowledge regarding function of other department.

Computer Awareness Programme: for efficient and smooth functioning of all related official jobs.

B. **Supervisors Programmes**.

Supervisory Development Programme: For knowledge and skill up gradation.

Safety Management for Supervisors: For creating safety awareness among the supervisors.

Coaching class for carrier growth like for Overman's and Mining Sirdar's Competency Examination.

Computer Awareness Programme: For efficient and smooth functioning of all related official jobs.

C. **Workers' Programmes.**

Workers Development Programme: For skill up-gradation of workers

HEMM training: Land oustees are selected for this training to be posted in different mine after proper training.

Computer Awareness Programme: To handle computer efficiently for smooth function of office.

Management Training:

Executives at each level are imparted need based training in various managerial and behavioral aspects of organizational development. In house training on various subject of company's interest is imparted at the Management Training Institute, Burla. Besides, a few executives are also sent to various external organizations like IICM, Ranchi, IIMs, IITs, NITs and other renowned training centers in India for acquiring new skills and updating knowledge.

Technical Training:

Technical training to the workers of various categories is imparted in GVTCs as per the provisions outlined in Mines Vocational Training Rules. The main objective of such programmes is to enhance the technical skill of workers/operators/mechanics to keep them upto date with the fast advancing technology. Following are the type of training being imparted to workers in GVTCs. All trainings imparted in GVTCS are statutory in nature.

Basic Course: This training basically aims at acquainting newly appointed workers with mining activities, rules and regulations and technologies.

Refresher Course:

These programmes are conducted once in five years for those who have already gone through basic course and are employed in the mines. These programmes aim to refresh and update the technical knowledge of the workers and make them more skillful.

Specialized Course:

These programmes are imparted to workers in case of change in technology, change in job profile, change in equipment configuration/ capacity & improvement in the system of production.

25.5 Recreational Activities

In order to induce team spirit and to develop sense of fellow feeling amongst the employees, social, and other Recreational activities are being regularly conducted in different Areas of MCL as well as at MCL HQ Sports calendar is being drawn-out every year to conduct various Inter Area tournaments for the benefit of our employees. As per the CIL Sports Calendar our teams were deputed to participate in various CIL Tournaments organized at different subsidiaries of CIL. A Run for Excellence was organized on the occasion of Coal India Foundation Day & MCL Foundation Day for Veterans, Gents, Ladies and Children at MCL HQ. The Winners were awarded Prizes. The participants were given T-shirt and Caps in both the occasion containing company logo. A series of Cultural programme, Golf Tournament and other socio cultural activities were organized from 1st April, 2019 to 3rd April, 2019 covering Utkal Diwas, MCL Foundation day etc. Best Sports persons were awarded prizes on the Miners Day celebration 2019. MCL Mahila Mandal undertook lot of philanthropic works in and around MCL periphery. Financial assistance has been extended to different organisation for undertaking recreational and social activities in their Area. For cultural promotion of our employees of both the Coalfields (IB Valley & Talcher) & MCL Hq, we have extended financial support of Rs. 99,73,710.00 during the financial year 2019-20. Activities like women empowerment, health, cultural promotion are taken care of for our employees and their family members.

25.5.1 EDUCATION:

MCL has rendered Financial Assistance to the Educational Institutions running in and around collieries in the form of Grant-in-aid to 17 nos of Privately Managed Schools. In order to have better educational facilities for our children, 09 DAV Public Schools are functioning in MCL. This includes a DAV Girls High School exclusively for Girl students & provision of smart classes in all DAV Project Schools under MCL. During the year 2019-20, Rs 5165.54 Lakhs (Revenue) was sanctioned for DAV Public Schools towards recurring expenditure and Rs 98,06,800/- has been sanctioned to Privately Managed Schools in the year 2019-20. In addition to above 40% seats were reserved for Wage Board employee wards for admission into IGIT

Sarang and OSME Keonjhar (Diploma Tech. Schools).

25.5.2 SCHOLARSHIP OF MERITORIOUS STUDENTS

As per CIL Scholarship scheme employee wards have been awarded scholarship on merit basis. An amount of Rs 9,05,760/- was provided on this head during 2019-20 to 551 nos of meritorious students (all are employees wards).

MCL had given financial assistance to employee wards towards cost of tuition fees and hostel rent for Technical and Medical Education. An amount of Rs 41,63,395/- was disbursed under this head during 2019-20 to 139 Nos of employee wards.

Decent Housing / Social amenities:

During financial year 2019-20, special budget of Rs.42,12,61,000/- was sanctioned towards decent housing which covers residential building, road & other allied works, non residential building & Sanitation .

26. OFFICIAL LANGUAGE

Implementation activities of Official Language in MCL during the year 2019-20

In order to implement the Official Language policy of Govt. of India in Hq. and Areas of MCL an Annual Program/Calendar is prepared every year and programs are performed as per the calendar.

During the year 2019-20 following programs/ activities were organized in MCL:

1. **Meetings of Official Language Implementation Committee:**

Review meetings of the Official Language Implementation Committee are held every quarter by areas and headquarter. Official Language Implementation Committee meetings were held in Hq. on 27.04.2019, 23.07.2019, 24.10.2019 and 28.01.2020 wherein progress of Rajbhasha activities in Areas and Hq. were reviewed and important decisions were taken for smooth implementation of the Official Language Policy of Govt. of India.

2. **Rajbhasha Workshop:**

In the year 2019-20 total 38 Rajbhasha Workshops (including 02 special workshops on Health Awareness and Techology) were organized in MCL wherein 1335 participants were made conversant with the Rules and Regulations of Official Language Policy of Govt. of India. The participants were also practiced noting & Drafting in Hindi. In the year 2018-19, 14 Rajbhasha Workshops were organized in which total 445 executives/non-executives of various disciplines were trained.

3. **Training of Official Language (Hindi) :**

Training of Official Language (Hindi) and Examinations are conducted under the Hindi Teaching Scheme, Govt. of India. In the financial year 2019-20 total 114 employees of Areas and Hq. were passes and in the financial year 2018-19 total 167 employees passed, details given as below:-

Session	Prabodh	Praveen	Pragya	Total
2019-20	38	67	09	114
2018-19	45	43	79	167

One time lumpsum cash awards were given to passed candidates as per circular of CIL. Pragya passed candidates were also awarded with one time cash incentive equivalent to their annual increment, in addition to the lump sum cash award by MCL.

4. **Unicode supported Hindi Typing Training on computer :**

Unicode supported Hindi Typing Training on computer were organized by Rajbhasha department, MCL Hq. on 26-27 February, 5-6 March and 13-14 March, 2020 in which 41 employees of MCL were trained whereas in the year 2018-19, 51 employees were trained.

5. **Rajbhasha orientation Program :**

02 Rajbhasha orientation Programs were organized in IB Valley coalfields from 10.06.2019 to 14.06.2019 and from 17.02.2020 to 21.02.2020 at BTI, Lakhanpur wherein total 43 participants were present and 04 programs in Talcher coalfields from 01.07.2019 to 05.07.2019, 03.09.2019 to 07.09.2019, 16.12.2019 to 20.12.2019 and 10.02.2020 to 14.02.2020 at MEETI, Talcher where in total 144 participants were present.

In This program, following tips for Rajbhasha Implementation have been provided :

Participants were made aware of Principles of drafting noting of various forms, their use as per official work, preparation of various documents, fifth letter, nasal sound, art of writing of dots and Nukta and their usages, facilities available in the computer such as Unicode, spell check, pronunciation, and to make us aware of sentence structure and our duty and responsibility towards the official language etc.

6. **Hindi Diwas / Hindi Pakhwara :**

Hindi Diwas was celebrated on 14.09.2019 at MCL HQs. and Areas. The program was inaugurated by Shri L.N.Mishra, Sr. Advisor, MCL. Rajbhasha Pakhwara was celebrated at MCL HQs. and Areas from 14th to 28th September, 2019. In this occasion During the Pakhawara various competitions like Hindi essay writing, Debate, Noting & Drafting, Hindi Typing on computer were organized wherein huge number of employees took part and special program of essay writing competition was also organized at Saraswati Shishu Mandir, Burla for School Students.

Prizes and Certificates were given by Shri B.N.Shukla Chairman-Cum-Managing Director,MCL to all winners of competitions on the occasion Concluding-Day function of Hindi Pakhwara held on 28.09.2019 at MCL Auditorium, Jagruti Vihar.

7.**Akhil Bhartiya Hindi Hasya Kavi Sammelan :**

"All India Hindi Hasya Kavi Sammelan" was organized on 28.09.2019 at MCL HQ. on the Concluding-Day function of Rajbhasha Pakhawara-2019 to make people aware of Rajbhasha Hindi.

8. **Rajbhasha Puraskar Yojna :**

To promote and accelerate the implementation of Official Language in MCL, a scheme of **"MCL Rajbhasha Karyanvayan Puraskar"** has been introduced in the year- 2015. 03 out of 09 prizes were given to Areas, 03 prizes to big Departments and rest 03 were given to small Departments of Company HQ. For the year 2018-19 all 09 prizes have been awarded by Shri B.N.Shukla Chairman-Cum-Managing Director, MCL on the occasion of closing ceremony of Rajbhasha Pakhawara -2019 dated on 28.09.2019.

9. **Vishva Hindi Diwas :**

Vishva Hindi Diwas was celebrated on 10.01.2020 at MCL Headquarter under the chairmanship of Shri B.N. Shukla, Chairman-cum-Managing Director, MCL. Shri O.P. Singh, Director (Technical/Operations), Shri Keshav Rao, Director (Personnel) were present in the program as distinguished guests. Shri A. K. Singh, General Manager (Mining)/ HRD also attended the Program. A Rajbhasha seminar was organized on the occasion. Dr. Sanjay Kumar Singh, Rajendra College, Bolangir was invited as a faculty member and he addressed the gathering.

10. **Meetings of Town Official Language Implementation Committee, Sambalpur :**

During the year, two half yearly meetings of Town Official Language Implementation Committee (TOLIC), Sambalpur were organized on 21.06.2019 and 27.11.2019 at MCL HQ. Meetings were chaired by the General Manager, MTI/RB.

11. **TOLIC, Rajbhasha Shield Competition :**

To promote the implementation of Official Language in all the member offices of TOLIC, Sambalpur a "NARAKAS Rajbhasha Shield" Competition is organized every year. In the year 2019-20, total 09 selected member offices were awarded with "NARAKAS Rajbhasha Shields-2019". Shields were given by the Chairperson of meeting on 27.11.2019.

TOLIC Inter-Office Rajbhasha competitions were organised by different offices for promotion of Rajbhasha activities. Total nine prizes were given to participants of TOLIC member offices by Chairman of meeting held on 21.06.2019.

12. **Purchase of Books**

During the year 2019-20, books were purchased of Rs. 74,107.20/- out of which Rs. 55,893.20 were spent only for procurement of Hindi and Odiya books which is more than 50% i.e. 75.42% as per the Official Language Policy of the Government of India.

13. **Website of MCL :**

Website of MCL is bilingual and updated on regular basis.

14. **Rajbhasha portal :**

Rajbhasha Portal is available in website of Mahanadi Coalfields Limited, in which various activities related to the implementation of the Rajbhasha activities of MCL, can be seen as updated.

15. **Rajbhasha Magazine:**

Seventh edition of Sambalpur, TOLIC in-house Magazine "**Sambalprabha**" has been published during the year 2019-20 on dated 21.06.2019 in the first meeting of Town Official Language implementation committee held at MCL HQ.

27. Land/ R&R

Your Company is committed to help the Project affected / displaced families for execution of its projects and has been making efforts to improve the socio economic status of Project Affected Families and also committed for progress with development which amply reflected in its R&R Policy. MCL follows the R&R Policy of the state of Odisha and has provided 415 Employments / Cash compensation in lieu of employment / Annuity during 2019-20 and total number of 16312 Employments / Cash compensation in lieu of employment / Annuity since inception. MCL is acting on the advice of RPDAC towards redressal of grievances related to land oustees. Resettlement colonies have been set up with pucca roads, street lighting, health centres, post offices, daily markets, schools, community centres, worshiping places etc. for the benefit of the land oustees. MCL provides

OPD facility to all peripheral villagers in its existing hospitals / dispensaries available in the Coalfields with free of cost or at a nominal charge of Rs. 2.00 per patient.

Your Company acquires land for expansion of mining activities by providing rehabilitation and resettlement to the affected villagers. During the year 2019-20 MCL has taken physical possession of 664.81 hectares of land.

28. CORPORATE SOCIAL RESPONSIBILITY

In the year 2019-20, Company has spent Rs. 165.50 Crore against the annual CSR budgetary allocation of Rs. 156.50 Crore.

The year witnessed completion of the construction of Medical College-cum-Hospital at Talcher- the 492 Cr flagship CSR project of MCL. Company is in the process of operationalisation of 500 bedded hospital and 100 seated Medical College.

Piped water Supply Schemes are the signature CSR projects of the Company where Company intends to provide piped water in 81 villages in Talcher coalfields Area through three mega projects with an investment of 74 Crore. Payment of 38.35 Crore has been made in 2019-20. One project has been completed and two projects have shown 60% and 70% progress respectively in 2019-20.

MCL entered into a joint MoU with RITES & East Cost Railways for installation of prefab toilet complexes in circulating areas of 232 Railway stations of Odisha with a project cost of 58 Crore.

Govt of India recommends Corporate participation in development of Aspirational districts. In 2019-20, MCL approved projects worth 10.15 Crore in Aspirational districts in the thematic area of school education (5.30 Cr) and health care (4.85 Cr).

Govt of India recommends 60% CSR spent on annual theme of school education, healthcare and nutrition. MCL has spent 71% on thematic areas.

The year witnessed speedy progress in 2019-20 in respect of two ongoing rural development projects undertaken in partnership with nonprofit organizations.

a) Project ‘MANTRA’ with ‘Gram Vikas’: The project aims to provide Toilet & Bathrooms with piped water supply for 364 households in 5 villages of Jharsuguda and Sundargarh district.

b) Project ‘CCDP-Utthan’ with ‘BAIF’: It is a 5-year sustainable livelihood project of 20 Cr focussing on agro-horti development and cattle rearing programme. It benefits 40 Villages of Angul, Jharsuguda, Sambalpur and Sundargarh districts.

In the year 2019-20, Company has been conferred with National CSR Award instituted by the Ministry of Corporate Affairs Govt of India, for contribution to National priority Areas of Health, Drinking Water & Sanitation.

Company has been at the forefront of community service by Corporates in the State of Odisha. Company has published a Booklet *‘Enriching Lives, Impacting Communities’* depicting high impact CSR projects.

Your Company has complied with CSR provisions as per Companies Act, 2013. Pursuant to Clause (o) of sub-section (3) of

Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 necessary disclosure as required by the Statute is enclosed as **Annexure-I**.

29 GENDER BUDGETING

Your company strongly believes in Gender Budgeting as powerful tool for achieving gender main streaming so as to ensure that benefits of development reach women as much as men. At MCL it is not an accounting exercise but an ongoing process of keeping a gender perspective in policy/ programme formulation, its implementation and review as on 31st March 2020 total Women Employees strength was 2163 which constitutes 9.84% of MCL's total workforce of 21,991.

Out of its social responsiveness MCL has always shown its sensitivity to gender specific issues within and beyond the company and tried to address them through best possible efforts. examples are stated below:

- Stimulating the women in public sector (WIPS) forum, MCL Branch to function in active manner with its members participating in seminars and conferences within and outside company for wide exposure and knowledge enhancement.
- Maintenance of Gender specific database of the workforce.
- A complaint committee has been formed to address complaints lodged by women employees in an appropriate and timely manner.
- Granting child care leaves to eligible Women employees as per CIL rules and regulations
- Relaxation of age for employment to female spouses of employees dying in mine accidents.
- Encouraging women employees to participate in Industrial Relations meeting held between Management and Trade Unions for representation and addressing women related issues.

Disclosure under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The company has in place anti sexual harassment policy in line with the requirements of Sexual Harassment of women at work place (prevention, prohibition & redressal) Act, 2013. Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary & trainees) are covered under this policy.

Sexual Harassment

Complaints received in the year 2019-20:	1
Complaints Disposed off in the year 2019-20:	Nil

30. Public Relations

Your company has remained proactive in its communication strategy which is the foundation of good reputation in the society. The Team Public Relations of your company is proactive, accessible to the stakeholders and always keen to provide communication solutions for the challenges w.r.t. business operations of the company, welfare measures for employees, corporate social responsibility (CSR) as well as the information needs of public at large through media management.

True to motto "*Sampark Se Samadhan*" (Solution through Communication), the Team PR relentlessly engaged available communication channels to keep the stakeholders informed and updated about the happenings/events in the organisation as well as its stand on various issues related to business operations as well as social activities.

We consider press, the Fourth Estate, as the force multiplier that help in accomplishing various business-related as well as social and developmental initiatives of the company.

I am glad to inform you that your company maintains a very healthy professional relation with the members of the Fourth Estate, who truly are the ears and eyes of the society.

During the year 2019-20, the Team PR remained proactively involved in communication campaigns to eradicate corruption and spread awareness on cleanliness as well as branding of Coal India using successfully a mix of conventional and new media tools for mass communication.

Besides its core communication activities, the Department of Public Relations achieved distinction in promotion of official language office. The department won the Rajbhasha Award 1st prize, placed in the category of big departments at headquarters.

Your company also participated in various exhibitions in Odisha as well as outside the state. At the four-day-long 8th Bhopal Vigyan Mela, your company was adjudged for first prize for "Exemplary Exhibit".

Besides conventional media for regular release of press statements/releases, the Public Relations of your company is efficiently using social media – for social networking site Facebook @/mahanadicoal; micro-blogging site Twitter @/mahanadicoal; and audio-video channel at YouTube @/MahanadiCoalfields — for propagation of information among the stakeholders at large.

To further penetrate into social media space, particularly among teenagers, your company is also now on android based social platform called Instagram @/pro.mcl for sharing photos and video.

The social media has become a potent tool of two-way communication which gives a platform to post their appreciations and criticism on activities of the company. It is heartening for us to note that the feedback received through social media channels have been very encouraging and motivating.

I am sure that proactive use of conventional (print and electronic) media channels as well as digital and social media platforms for mass communication will continue to strengthen image of your company.

31. CAPITAL INVESTMENT ON SOCIAL AMENITIES

Details of Capital Investment on Social Amenities as on 31.03.2020 vis-à-vis 31.03.2019 is briefed here under:

(₹ in Crore)

Sl. No.	Particulars	Gross Value of fixed Assets As at 31.3.2020	As at 31.3.2019
1	Buildings	574.86	550.56
2	Plant and Machineries	88.06	77.75
3	Furniture, fittings and equipment	10.58	10.21
4	Vehicle	7.73 6.71	
5	Development	10.23	10.29
	Total	**691.46**	**655.52**

32. VIGILANCE ACTIVITIES & ACHIEVEMENTS

The prime focus of the Vigilance Department of MCL has been on preventive Vigilance through the use of leveraging technology. The main thrust is to suggest systemic improvement in the identified vulnerable area of corruption in order to minimize the human interface in business transactions of the Company. During the current financial year, as a preventive, predictive and pre-emptive vigilance measures, frequent surprise inspections have been made under the guidance of CVO to identify the irregularities in various field operations as well as in due system and procedures.

1. **Preventive Vigilance Activities:**

(a). **Inspections:**

During the financial year 2019-21, 35 Surprise Inspections and 09 Regular Inspections have been carried out. The major focus of such inspections has been on streamlining of system/procedure to bring in fairness and transparency in the field operations.

(b) **Systemic Improvement undertaken during 2019-20:**

During the year, 14 nos. advisories issued on various issued for Systemic Improvement.

2. Punitive Vigilance:

Details of Vigilance Cases taken up for investigation, inquiry etc. Reporting period from 01.04.2019 upto 31.03.2020:

Particulars	No. of employees involved	Period from 01.04.2018 to 31.03.2019
a) Total No. of Vigilance Cases Registered	15	93
b) Total No. of cases taken up for Departmental Proceedings	07	05
c) No. of Major Penalty Proceedings	08	33
d) No. of Minor Penalty Proceedings	04	17
e) Total No. of cases in which penalty imposed	22	57
i) Major	07	10
ii) Minor	10	36
iii) Others	05	11

3. **Rotation of Employees:**

Company has a policy for rotating the employees, who are working in sensitive posts/ departments. During the period, 215 employees had been rotated.

4. **Vigilance Clearance:**

During the year, vigilance clearance status in respect of 13,720 employees including the officers at the level of Directors, Senior Executives and Non-executives had been furnished to the CIL/MOC/CVC with relation to promotion, probation, superannuation matters.

5. **Leveraging of IT and other Technologies for better Surveillance and Monitoring in Coal Mines.**

Following IT tools and other Technologies are in place in the Company for better Surveillance & Monitoring in Coal Mines and Offices:

i) GPS/GPRS Bases Vehicle Tracking Devices

ii) RFID Readers and Tags

iii) CCTV monitoring

iv) Weighbridges & connectivity

v) Use of CoalNet

vi) 3D Terrestrial Laser Scanner (3DTLS)

vii) Integrated Fuel Management System

viii) Mobile Applications

9. **Observance of Vigilance Awareness Week - 2019:**

As per the directives received from the Central Vigilance Commission, New Delhi, the Company observed Vigilance Awareness Week-2019 (VAW-2019) from 28th October to 2rd November, 2019 at HQs and in all its Coal mining Project. The activities pertaining to the VAW-2019 were conducted by the Vigilance Department of MCL at the following locations:

1. MCL Corporate HQ, Sambalpur
2. Anand Vihar, Burla
3. Sambalpur City
4. Burla Town
5. Bhubaneswar, Odisha
6. IB-Valley, Jharsuguda
7. Lakhanpur
8. Orient, Brajraj Nagar
9. Basundhara, Sundargarh
10. Jagannath, Angul
11. Talcher, Angul
12. Kaniha, Angul
13. Lingaraj, Angul
14. Hingula, Angul
15. Bharatpur, Angul

32. e-PROCUREMENT

The e-Procurement System of MCL, which was started on 15.08.2009 has been running successfully and till date more than 20000 tenders have been finalised through this mode. MCL has been immensely benefited by implementing this web-based software solution. There has been significant reduction in cycle time in finalization of Tenders and it entails better transparency and convenience in tender management process. Management of Earnest Money (EMD), being paid by different bidders have been automated and after implementation of this process the bidders get back their EMD on next day of rejection of bid automatically. The goodwill of the organization has been enhanced due to better transparency and convenience to the bidders. There have been constant improvements in the system and efforts are being made to add better features from time to time. At present as a matter of policy, the Tenders valuing Rs.2.00 lakhs and above, are being finalised through e-Procurement modes.

34. Integrated Management System (IMS)

MCL is pursuing ISO/IMS Certification from 1995 and in the year 2012-13, company-wide Integrated Management System(IMS) of MCL was accredited with ISO 9001:2008 – Quality Management System, ISO 14001:2004-Environmental Management System & OHSAS 18001:2007 –Occupational Health Management System which conforms to all the applicable international standards for a period of 3 years will be completed in 2019 as follows.

ISO 9001: 2015 QMS - for managing customer focus and internal efficiency of the organization. ISO 14001: 2015 EMS -for managing environmental concerns of the organization

OHSAS 18001:2007 OHSMS -for managing occupational-health and safety concerns of the organization

Activities carried out by IMS Cell in the year 2019-20:-

CMPDIL was awarded the job for consultancy & up-gradation of ISO standards and effective implementation. Subsequently CMPDIL carried out extensive study of the IMS in MCL by organizing meetings & discussion sessions with MCL officials.

Upon publication of new management standards for occupational health & safety i.e. ISO 45001, CMPDIL is engaged for revision of IMS manual from OHSAS 18001 to ISO 45001.

The new IMS Manual, complying with ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018, is being prepared with consultancy of CMPDI, Ranchi. The new manuals are made relatively lean, easy to understand and accessible by merging redundant features and rooting out obsolete requirements.

For effective implementation, so far two numbers of young executives from Areas / Units have been awarded training in IICM Ranchi.

Purpose of the IMS

1. To install a comprehensive management system for systematic and simultaneous management of focuses towards Quality, Internal efficiency, Environment, Occupational Health & Safety, social accountability and energy performance of the company.
2. To eliminate duplication and costs of efforts through a unified approach and simplified procedures for implementing different management-system, which may otherwise appear diverse and unrelated.
3. To include a better work culture, ensuring consistency of operations and eliminating operational conflict through clarity defined roles, responsibility, accountabilities and authorities under a well networked management-system and healthy work environment.
4. To reduce wasteful and non-value-adding operations during routing functioning, thus resulting into direct savings on time, costs and resources during operations and indirect savings on environment and societal costs.
5. To enable to provide following confidence to all its interested Parties

a) Mining & Supply of Coal that can consistently meet the requirement of customer, regulatory bodies and society.

b) Committed to its responsibilities towards environmental, Occupational health and safety, social and energy concern.

c) Systematic approach for achieving continual improvement

d) Compliance of all legal and other requirements

e) Thrust is on sustained and continual improvement, rather than on some short-term achievements.

FUTURE PLAN: - in 2020-21

Company-wide recertification with Integrated Management System which comply with Quality Management System (ISO 9001:2015), Environment Management System (ISO 14001:2015) and Occupational Health & Safety Management System (ISO 45001:2018 or OHSAS 18001: 2007).

35. Activities undertaken by Industrial Engineering Department:

The primary role of the IE department in CIL is to provide a performance framework for the company in terms of capacity utilization of resources. The major tasks towards this direction is to take decisions regarding fixing of performance standards and improving productivity, implementing new techniques etc. The different jobs done by the department during 2019-20 are as follows:-

- Preparation and escalation of normative rates paid to Ex-Servicemen and Project Affected People (under vendor development scheme) agencies for transportation of Coal from Mines to despatch points.
- Preparation of Surface Transportation charges (STC) twice in a year to be recovered from our customers.
- Facilitate the preparation of Schedule of Rates for Coal Extraction, Overburden removal and allied activities at MCL, which is being done by National Productivity Council.
- Formulation and implementation of incentive schemes for increasing production and productivity at Open Cast Projects of MCL along with using Coal net system for calculation of incentives.
- Study at Open Cast Projects of MCL to improve specific diesel consumption against CMPDI norms.
- Cost control measures in the form of reduction of Over Time Hours.
- Preparation of Transport matrix for despatch of coal and maintaining sufficient numbers of fleets available at OCPs of MCL for production and despatch of coal. Preparation of daily shift wise tipper Report and monitoring of tippers running at Open Cast Projects of MCL.

36. AWARDS AND RECOGNITION

1. Mahanadi Coalfields Limited has been conferred with the National CSR Award 2018 in the category-Contribution to National Priority Areas; sub category- Health, Safe Drinking Water & Sanitation. The Award ceremony was held on 29-10-2019 at Vigyan Bhavan, Delhi under the aegis of the Ministry of Corporate Affairs, Govt of India. Shri K R Vasudevan, Director (Finance/ Personnel) and Sri B Sairam General Manager (CSR) received the Award presented by Hon'ble Minister of Finance & Corporate Affairs, Govt of India. The Award ceremony was graced by His Excellency the President of India.

2. Mahanadi Coalfields Limited won the "Best Enterprise Award" First prize in Mini-ratna Category for Women in Public Sector. The prize, presented at 30th National Meet of Forum of Women in Public Sector (WIPS) at Hyderabad, was received by Ms. Komala V Jawaid, Dy. GM (P-EE)/ Coordinator, WIPS-MCL. The National Meet of WIPS, which was on theme "Power to transform- Decision to Action" was inaugurated by her Excellency the governor of Telangana Dr Tamilisai Soundararajan.

3. Mahanadi Coalfields limited has been awarded as India's Best Public Sector Undertaking (Non-Manufacturing) in the Minratna Category by Dalal Street Invest Journal for the year 2018.

4. MCL won Greentech Environmental Award at 18th Annual Sustainability Conference 2019 of Greentech Foundation at New Delhi for Basundhara (W) OCP and Ananta OCP.

5. MCL was awarded First prize in Environmental Management among subsidiaries for the year 2018-19, given during the CIL Foundation day ceremony held on 01-11-2019. The Award was presented on the occasion of 45th CIL Foundation day on 01-11-2019 at Kolkata by, Shri Pralhad Joshi, Hon'ble Union Minister of Parliamentary Affairs, Coal and Mines, Govt. of India.

6. Mahanadi Coalfields Limited has been conferred with the Corporate Award on CSR by Coal India Limited for being the highest spender in CSR among all subsidiaries of CIL in the FY 2018-19.The Award was presented on the occasion of 45th CIL

Foundation day on 01-11-2019 at Kolkata by Shri Pralhad Joshi, Hon'ble Union Minister of Parliamentary Affairs, Coal and Mines, Govt. of India. The prestigious Award was received by Sri B Sairam General Manager (CSR).

7. Rourkela Sports Association has presented "Sports Promotion Excellence Award-2019" in recognition to our contribution towards promotion of sports in Odisha. On behalf of the company, the award was received by Mr Dikken Mehra, Head of Public Relations at a function held in Rourkela last evening.

8. MCL was awarded for "Exemplary Exhibit" showcasing open cast coal mining operations through working models of HEMMs at 8th Bhopal Vigyan Mela. The team of Lajkura OCP of MCL's Ib Valley Area displayed mining operations in the exhibit. Prizes were presented by Chief Guest at valedictory Mr Kaptan Singh Solanki, Hon'ble former Governor, Tripura & Haryana and Mr. Kamleshwar Patel, Hon'ble Minister, Pachayati Raj & Grameen Vikas, Govt of MP.

9. MCL has been felicitated with Award of Excellence in CPSE Category in the August occasion of "Odisha MSME International Trade Fair - 2020" which was scheduled at IDCO Exhibition Ground, Unit - III, Bhubaneswar from 8th January to 12th January, 2020 for its ease of doing business, faster & transparent procurement process and outstanding hand holding support towards MSME Sector for upliftment of MSEs as well as supplementing the GDP, Make in India initiative and employment of the country.

36. AUDITORS

36.1 Statutory Auditors

As per the provisions of Section 139 of the Companies Act, 2013, the following Audit Firms were appointed as Statutory/ Branch Auditors for the year 2019-20

Statutory Auditors:

Singh Ray Mishra & Co.,
Chartered Accountants, Bhubaneswar

Branch Auditors

1. SRB & Associates (for 1st Quarter)
   5th Floor, IDCO Tower, Janapath,
   Bhubaneswar-751022, Odisha
2. M/s SCM Associates
   (for 2nd, 3rd Quarter & Annual),
   Head Office, Keshari Talkies Complex
   1st Floor, 98 Kharvel Nagar, UNIT-III,
   Bhubaneswar, Odisha

36.2 **Cost Auditors**

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of mining of coal is required to be audited.

Your Directors had, on the recommendation of the Audit Committee, appointed (i) M/s Mani & Co, Ashoka Building, 111, Southern Avenue, Kolkata-700029 as the Principal Cost Auditor of the Company to audit cost records of Company, Headquarters, IB Valley Coalfields Areas and CWS (IB Valley) for the financial year 2019-20 at a total Audit fee of ₹ 6,00,000.00, (incl ICCS Review) & out of pocket expenses of ₹3,00,000.00 (Maximum) and applicable GST on audit fee and (ii) M/s Asutosh & Associates, Cost Accountants, Plot No-N4/232, 1st Floor, IRC

Village, Nayapalli, Bhubaneswar-751015, Odisha as the Branch Cost Auditor of the Company for the year 2019-20, to audit Cost records of Talcher Coalfields Areas and CWS (Talcher) at a total Audit fee of ₹ 3,98,000.00, out of pocket expenses of ₹ 1,99,000.00 (Maximum) and applicable GST on audit fee."

36.3 **Secretarial Auditors**

ursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Deb Mohapatra & Associates, Company Secretaries, Bhubaneswar, Odisha to undertake the Secretarial Audit of the Company for the year 2017-18. Copy of Report submitted by the Secretarial Auditor is enclosed as **Annexure II**.

37. DEPOSITS

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

38. PARTICULARS OF INFORMATION U/S 134(3)(m) Of The Companies Act, 2013.

The information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 regarding Conservation of Energy, Technology absorption and Foreign Exchange earning and outgo is given in **Annexure-III** to this Report.

39. BOARD OF DIRECTORS

39.1 The following persons, continued to be the Directors during the year under report.

1.	Shri R. R. Mishra	CMD
2.	Shri O. P. Singh	Director(Tech/Operation)
3.	Shri K. R.Vasudevan	Director (Finance)
4.	Shri R.K. Sinha	JS, Ministry of Coal
5.	Shri S. N. Prasad	Director (Marketing), CIL
6.	Ms Seema Sharma	Independent Director

39.2 The following persons were appointed as Director during the year under report.

1.	Shri B. N. Shukla	CMD (w.e.f. 14.06.2019)
2.	Shri K. K. Mishra	Director (Technical/P&P) (w.e.f. 24.06.2019)
3.	Shri Keshav Rao	Director (Personnel) (w.e.f. 18.12.2019)
4.	Shri Nagaraju Maddirala	Official Part time Director (w.e.f. 17.03.2020)
5.	Shri S. Mohan	Independent Director (w.e.f. 10.07.2019)

39.3 The following persons ceased to be Director during the year under report.

1.	Shri R. R. Mishra, CMD	(Upto 14.06.2019)
2.	Shri R.K. Sinha	Official Part time Director (upto 17.03.2020)
3.	Shri S. N. Prasad	Official Part time Director (upto 31.11.2019)

40. DIRECTORS' RESPONSIBILITY STATEMENT

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

a. That in the preparation of the Annual Accounts for the financial year ended 31st March, 2020, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

b. That the Directors have selected such Accounting Policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;

c. That the Directors have taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of the Companies Act, 1956 / Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. That the Directors have prepared the Accounts for the financial year ended 31st March, 2020 on a 'going concern' basis.

e. That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

f. That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

41. CORPORATE GOVERNANCE

A Report on Corporate Governance is attached to this Report as **Annexure – IV.**

42. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

"Management Discussion and Analysis Report" is attached to this Report as **Annexure -V.**

43. C & AG COMMENTS

Comments of the Comptroller & Auditor General of India on the Accounts of the Company for the year ended 31st March, 2020 are placed at **Annexure-VII** to this report.

44. AUDIT COMMITTEE

The Committee has been reconstituted by MCL Board approved through circular resolution no 20 (2019-20) dated 02.12.2019 with the following members.

1.	Shri S. Mohan, ID	-	Chairman
2.	Govt. Nominee Director	-	Member
3.	CIL Nominee Director	-	Member
4.	Ms. S. Sharma, ID	-	Member
5.	Director (Technical/OP)	-	Member
6.	Director (Finance) /CFO	-	Invitee

44.1 **The scope of work**

The scope of work and authority vested with the reconstituted Committee is as per provision of Section 177 of the Companies Act, 2013 read with the Companies (meeting of Board and its powers) Rules, 2014.

The Audit Committee has access to financial and other data / information of MCL. Observation made by the Committee is reported to MCL Board. The Committee can meet as often as desired but is expected to meet at least once in a Quarter.

46. COST RECORDS

Maintenance of Cost records for the Company, as per Section 148 of the Companies Act, 2013 has been prescribed by the Central Government w.e.f. 01.04.2011. The Company produces only one product, i.e. Coal and has a continuous integrated system of recording, determining and reporting element-wise cost with break up of cost including overheads and reconciliation of cost report at regular interval.

47. PERFORMANCE AGAINST MoU PARAMETERS

The performance of MCL against MoU for 2019-2020 signed between CMD, MCL and Chairman, CIL as per the Guidelines of Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India, has been prepared. The overall MoU rating of your Company for the year 2018-19 based on physical and financial performance is "**Very Good**".

48. SUBSIDIARY ACCOUNTS FOR THE SHAREHOLDERS OF THE CIL

Pursuant to General Circular No. 2/2011 dated 08.02.2011 of Ministry of Corporate Affairs, the Annual Accounts of MCL would be available at MCL Headquarters for inspection and providing relevant information to the shareholders of CIL on demand.

49. Extract of Annual Return:

Pursuant to Section 134(3) of the Act, copy of Annual Return in form MGT 7 has been uploaded on the website of the Company in the following link: https://www.mahanadicoal.in/Financial/annual_report.php

50. ACKNOWLEDGEMENTS

49.1 Your Directors express their sincere thanks to the Ministry of Coal and Coal India Limited for their valuable assistance, support and guidance. Your Directors also thank the various Ministries of the Central Government and the State Government of Odisha for their valuable support. The Directors are thankful to the sister organisations for the co-operation and assistance rendered by them.

49.2 Directors place on record their deep sense of appreciation for the co-operation extended by the Trade Unions and Officers' Association for the team spirit shown, valuable and sterling services rendered by the employees at all levels towards the achievement of the objectives of the Company and its all-round growth.

49.3 The Directors also thank the valued customers profusely for their continued support, patronage and encouragement without which the Company would not have emerged so strong.

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

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

51. ADDENDA

The following papers are annexed.

1. Information as required to be given in the Directors' Report under Section 134(3) of the Companies Act, 2013.
2. Secretarial Audit Report pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
3. Addendum to the Directors' Report under Section 134(3) of the Companies Act, 2013.
4. Report on Corporate Governance submitted by Auditors.
5. Management Discussion and Analysis Report.
6. Comments of the Comptroller & Auditor General of India under Section 143(6)(b) of the Companies Act, 2013.

Sd/-
(B. N. Shukla)
Chairman-cum-Managing Director
(DIN: 05131449)

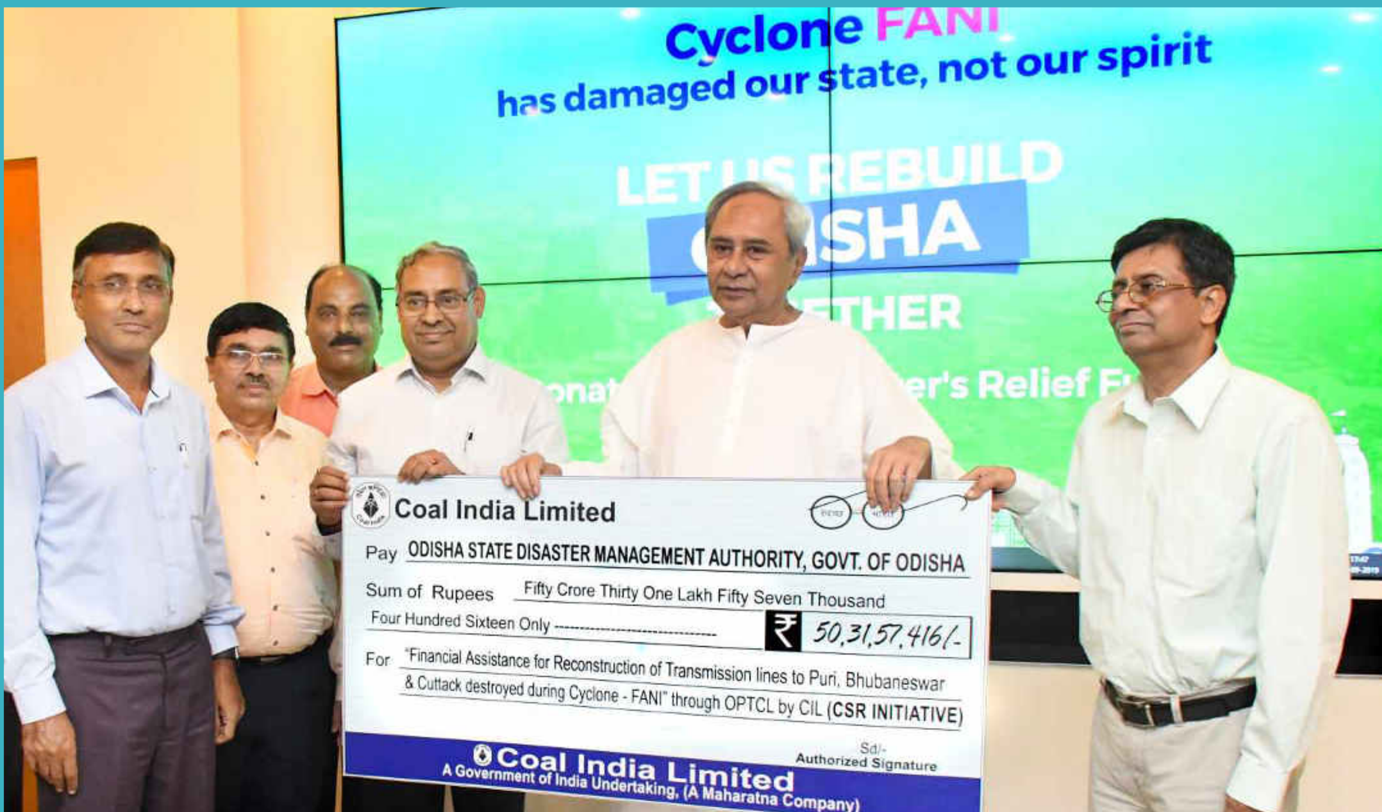
Sambalpur
Date: 18.08.2020

I confirm that for the year under review, all directors and senior management have affirmed their adherence to the provisions of the Code of Conduct.

Sd/-
(B. N. Shukla)
Chairman-cum-Managing Director
(DIN: 05131449)

Sambalpur
Date: 18.08.2020

DEVELOPMENT & CSR




CSR FUND OF MCL
OD-15-M-9471


MCL


Courtesy
MCL

ANNEXURE -I

Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014]

I. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Brief Outline of MCL CSR Policy:

Objective:

The main objective of CSR policy of MCL is to lay down guidelines to make CSR a key business process for sustainable development for the Society. It aims at supplementing the role of the Govt. in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of their activities.

MCL will act as a good Corporate Citizen, subscribing to the principles of Global Compact for implementation.

Scope:

MCL follows the Schedule VII of the Companies Act, 2013 with time to time amendments as the scope of CSR.

Areas to Be Covered:

In respect of MCL, for carrying out CSR activities, 80% of the budgeted amount should be spent within the radius of 25 Km of the project/Site/mines/Area HQ/Company HQ and 20% of the budget would be spent on the CSR activities in rest of Odisha.

In respect of MCL (HQ), CSR Should be broadly executed in All over Odisha including the four operational districts.

Allocation of Fund:

The fund for the CSR is allocated based on 2% of the average net profit of the Company for the three immediate preceding financial. Average net profit is computed in accordance with the provision of Section 198 of the Companies Act, 2013.

The complete CSR policy of MCL has been displayed on Company's Website. Web link to the CSR Policy: *http://www.mahanadicoal.in/About/csrpolicy.php*

II. The Composition of the CSR Committee.

There are three types of CSR Committees at MCL as listed below:

1. Area Level CSR Committee:

• Area CGM/GM	Chairman
• Area Personnel Manager	Member
• Project Officer of the Area	Member
• Staff Officer (Civil)	Member
• Area Finance Manager	Member
• Area Medical Officer	Member
• Staff Officer (E&M)	Member
• Staff Officer (L&R)	Member

2. HQ Level CSR Committee:

• Director (Personnel), MCL	Chairman
• GM (CSR), MCL	Member
• GM (Civil), MCL	Member
• GM (Finance), MCL	Member
• GM (Envt), MCL	Member
• GM (L&R), MCL	Member
• GM (P&IR), MCL	Member
• CMS, MCL	Member

3. C.S.R & S.D. Sub Committee of MCL Board is a committee at Board level. The members are:

• Director (Finance)	- Chairman
• CIL Nominee Director	- Member
• Ms. Seema Sharma (Independent Director)	- Member
• Director (T/P&P)	- Member
• Director (Personnel)	- Invitee

III. Average net profit of the Company for last three financial years

Budget Calculation

Calculation of 3 Years Profits Before Tax for CSR (For 2019-20)

Year	Amount (Rs in Crore)
2016-2017	6854.72
2017-2018	7339.66
2018-2019	9281.08
Total	23475.46
Average net profit (Profit before Tax) of last three financial years is	7825.15
2 % of Average Profits	**156.50**

I. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)

The two per cent of the Average net profit (Profit before Tax) of last three financial years is Rs.**156.50 Crore**.

II. Details of CSR spent during the financial year.

a. Total amount to be spent for the financial year;

The total amount to be spent for the financial year is **Rs.156.50 Crore.**

b. Amount unspent, if any;

The unspent/Balance amount after audit from previous year is NIL(Actual spent is more than the budgeted amount) (Rs.136.36 Cr. – Rs 167.16 Cr.)

The unspent/Balance amount in this year is NIL. (Actual spent is more than the budgeted amount) [(Rs.156.50 Cr. + Rs 0) – **Rs 165.50 Cr**.]

c. Manner in which the amount spent during the financial year is detailed below.

The list of activities in prescribed format has been enclosed as **annexure-1.**

III. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Not Applicable

IV. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company

A responsibility statement of the CSR Committee as required in Companies Act, 2013 is attached separately as **Annexure-2.**

ANNEXURE-1

(Figure in Lakh)

Sl. No.	CSR Project or activity identified for the financial year 2018-19	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the State and district where Projects or Programs were undertaken	Amount outlay (Budget) project or program wise	Amount spent on the projects or programs Sub-Heads (1) Direct expenditure on projects or programs (2)Overheads	Cummilative expenditure upto the reporting period 31.03.2019	Amount Spent: Direct or through implementing agency
1	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation 4[including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.	All Mining District & Other District of Odisha	Angul, Jharsuguda, Sundergarh, Sambalpur, Puri, Khurda, Bolangir, Dhenkanal, Gajapati, Ganjam, Jajpur, Kalahandi, Nayagarh, Rayagada, Sonepur, Kandhamal & Deogarh	18191.13	**5140.17**	**14329.74**	MCL & State Govt.
2	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	All Mining District & Other District of Odisha	Angul, Jharsuguda, Sundergarh, Sambalpur, Jajpur, Sonepur & Bargarh	53713.73	**7913.48**	**47389.46**	MCL, NBCC & State Govt
3	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	All Mining District & Other District of Odisha	Angul, Jharsuguda & Sambalpur	121.97	**66.16**	**68.36**	MCL & State Govt.
4	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga	All Mining District & Other District of Odisha	Sambalpur, Angul, Jharsuguda, Sundargarh & Khurda	1702.18	**725.70**	**1290.61**	MCL & State Govt.

5	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts.	All Mining District & Other District of Odisha	Angul, Sambalpur & Sundargarh	850.65	**410.65**	**850.65**	MCL & State Govt.
6	Measures for the benefit of armed forces veterans, war widows and their dependents.	All Mining District & Other District of Odisha	Angul, Jharsuguda, Sundargarh, Sambalpur & Bargarh	0.00 2623.05	**0.00** **620.38**	**0.00** **2188.48**	MCL & State Govt.
7	Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports	All Mining District & Other District of Odisha		8487.41	**1595.19**	**4237.72**	MCL, RITES & State Govt.
10	Rural development projects.	Other District of Odisha					
12	Disaster management, including relief, rehabilitation and reconstruction activities.	All Mining District	Gajapati & Puri	73.14	72.70	72.70	MCL & State Govt.
13	Adminstrative Expenses		Angul & Sambalpur	5.97	5.97	5.97	MCL
	Total			**85769.22**	**16550.38**	**70433.68**	

Annexure-2

Certificate

It is Certified that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the Company.

Sd/-
GM(CSR), MCL

Sd/-
Director (Personnel), MCL
(DIN: 08651284)

Sd/-
Chairman, CSR & SD Committee
(DIN: 07915732)

SERVICE TO SOCIETY


MCL
SAMARPAN PARIYOJANA
A Touch Of Warmth

ANNEXURE –II

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR 2019 – 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,
Mahanadi Coalfields Limited,
Jagruti Vihar, Burla, Sambalpur.

We have conducted the Secretarial Audit of the Compliance of applicable Statutory Provisions and the adherence to good corporate practices by **M/s. MAHANADI COALFIELDS LIMITED** (hereinafter called 'the Company')for the financial year ended **31st March, 2020**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; **(Not Applicable)**

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; **(Applicable)**

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable)**

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011,as amended; **(Not Applicable)**

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; **(Not Applicable)**

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable)**

   d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not Applicable)**

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable)**

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Applicable)**

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable)**

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable)**

   i. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; **(Not Applicable)**

vi. Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises.

vii. Compliances and processes under following Industry Specific Laws are being verified on the basis of periodic certificate submitted to the Board of Directors of the Company by different departments and on the basis of verification of documents & records maintained by the company on test check basis:

   a. Mines Act, 1952

   b. Mines Concession Rules, 1960

   c. The Mines Rescue Rules, 1985

   d. The Mines Vocational Training Rules, 1966

   e. Mines (Posting of Abstracts) Rules, 1954

   f. Mines & Mineral (Development Regulations) Act, 1957

   g. Indian Electricity Rules, 1985

h. Indian Explosives Act, 1884

i. Indian Explosives Rules, 2008

j. Coal Mines Regulations, 1957

k. Coal Mines Conservation & Development Act, 1974

l. Coal Mines Pension Scheme, 1998

m. Coal Mines provident (Miscellaneous Provisions) Act, 1948

n. Environment Protection Act, 1986

o. The Water (Prevention & Control of Pollution Act), 1974

p. The Air (Prevention and Control of Pollution) Act, 1981

q. Payment of Wages(Mines) Rules, 1956

r. Payment of Undisbursed wages (Mines) Rules, 1959

s. The Maternity Benefit(Mines) Rules, 1963

t. Colliery Control Order, 2000

u. Colliery Control Rules, 2004

v. Indian Bureau of Mines (Electrical Supervisor and Electrician) Recruitment Rules, 1990

We have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards issued by the Institute of Company Secretaries of India**.**

ii. The Listing Agreements entered into by the Company with any Stock Exchange(s); (**Not Applicable**)

We are not reporting on compliance of Fiscal Laws and the maintenance of financial records and books of accounts, since those are to be reviewed by the Statutory Auditor in the course of Statutory Audit.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, DPE Guidelines, Secretarial Standards, etc. as applicable to the Company subject to the Observations and Qualifications specified in Annexure- B.

We further report that during the Audit Period, the Company has not incurred any specific event/ action that can have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

We further report that:-

(A) <u>COMPOSITION OF BOARD:</u>

During the financial year under review, the Board of Directors of the Company is duly constituted subject to the Observations and Qualifications specified in **Annexure- B.** The changes in the

Composition of the Board of Directors that took place during the period under review were duly recorded and proper procedure had been followed by the company in compliance with the provisions of the Act & Rules there under.

(B) HOLDING OF MEETINGS:

During the financial year under review, adequate notices were circulated to all the Directors for the Board Meetings. Agenda and detailed notes on agenda were sent in advance. A system exists for seeking and obtaining further information and clarifications on the agenda items placed before the meetings for the meaningful participation at the meetings. All decisions at the Board Meetings & Committee Meetings were carried out with majority and recorded in the minute book maintained for the purpose as per the provisions of the Act.

(C) HOLDING OF ANNUAL GENERAL MEETING:

During the financial year under review, the Annual General Meeting of the company for the FY 2018-19 was held on Dt. 11th July 2019 at a shorter notice. Consent of all the members of the Company were obtained as per the provisions of the Act.

(D) MAINTENANCE OF STATUTORY REGISTERS &RECORDS:

During the financial year under review, all the Statutory Registers, Records and other Registers as prescribed under various Provisions of the Companies Act, 2013, the Depositories Act, 1996 and the Rules made there under were kept and maintained properly with all necessary entries made therein.

(E) FILING OF STATUTORY FORMS &RETURNS AS PER COMPANIES ACT, 2013:

During the financial year under review, various forms and returns as per the provisions of the Companies Act, 2013 were duly filed with MCA/Registrar of Companies within the prescribed time limit or in the extended time along with the requisite fees.

(F) COMPLIANCE WITH APPLICABLE LAWS, RULES, REGULATIONS & GUIDELINES:

During the financial year under review and explanations provided by the Management of the Company adequate systems commensurate with its size &operations exist to monitor &ensure compliance with the applicable laws, rules, regulations and guidelines. Quarterly report on compliance of law and statutes is regularly put up to the Board of the Company for its review.

(G) AUDIT AND CERTIFICATION OF BOARD DECISIONS:

Decisions taken in the Board meetings are also audited on quarterly basis and certificate to this effect that decision have been taken are within the ambit of DOP vested with the Board are obtained from Practicing Company Secretary on quarterly basis.

(H) REDUCTION OF CAPITAL OF M/s. MNH SHAKTI LIMITED (A SUBSIDIARY OF MCL):

During the financial year under review, the Board of Directors in their 214th Meeting held on 18th April 2019 approved the proposal for reduction of Capital of M/s. MNH Shakti Ltd from Rs. 85.10 Crore to Rs. 35.10 Crore by way of cancellation of 5,00,00,000/- (Five Crore) fully paid equity shares of Rs. 10 each (Rupees ten only) ("Equity Share") (representing 58.75 % of the total number of equity shares in the paid-up share capital of the Company) aggregating to Rs. 50,00,00,000/- (Rupees Fifty Crore) only.The matter has been put up to NCLT for confirmation.

(I) DECLARATION OF DIVIDEND:

During the financial year under review, the Company has declared & paid an Interim Dividend amounting to Rs. 5,225.00 Crores (i.e. Rs.7,894.70 per equity share) on 66,18,363 no. of equity shares of Rs. 1,000/- each out of retained earnings and current year's estimated profit after tax up to February 2020.

The company has also paid Dividend Distribution Tax (including surcharge & Cess) amounting to Rs.1,074.01 Crore as per the Income Tax Act, 1961.

(J) RE-CONSTITUTION OF SUB-COMMIITTEES OF MCL BOARD

During the financial year under review, the Audit Committee, Corporate Social Responsibility & Sustainability Development (CSRSD) Sub-Committee, Nomination and Remuneration Sub-Committee were re-constituted. The scope of work and authority vested with the reconstituted committee is as per provision of Section 177 of the Companies Act, 2013, read with the Companies (meeting of Board and its powers) Rules, 2014, Section 135 of the Companies Act, 2013 and provisions of DPE guidelines & Section 178 of the Companies Act, 2013 along with rules made there under respectively.

(K) APPOINTMENT OF CMD

During the financial year under review, Shri Bhola Nath Shukla has taken over the charge of Chairman-cum-Managing Director of the Company in place of Shri Rajiv Ranjan Mishra w.e.f 14.06.2019.

The appointment of Shri Bhola Nath Shukla & the cessation Shri Rajiv Ranjan Mishra were noted by the MCL Board in its 216thboard meeting held on 11th July 2019.

(L) APPOINTMENT OF NON-OFFICIAL PART-TIME INDEPENDENT DIRECTOR

During the financial year under review, with approval of the president of India Shri Srinivasan Mohan was appointed as non-official part time Independent directors on the board of directors of MCL for a period of three years with effect from the date of notification of the appointment or until further orders whichever is earlier.

(M) PROVIDING FINANCIAL ASSISTANCE UNDER CSR TOWARDS COVID-19HOSPITAL:

The management of the company has taken advance action to fight against Corona Pandemic. Board of Directors suggested that Thermal Imager can be a better tool for easy detection of infected persons. In this process the following actions were taken by the management of the Company;

(a) Financial assistance towards operation of 500 bedded COVID - 19 Hospital has been established at SUM Hospital, Bhubaneswar. Accordingly, a Tripartite MoU between Govt. of Odisha, SUM Hospital Management & MCL has been entered to fight against COVID-19 and providing medical facilities to the General Public.

(b) The company has also set up an isolation/ quarantine medical facility in Lakhanpur Hospital, MCL.

We further report that based on the information provided by the Company during the Audit Period and also on the review of quarterly compliance reports by the concerned department taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes and control mechanisms exist in the Company to monitor and ensure compliance with applicable general laws.

For Deba Mohapatra & Co,
Company Secretaries

Sd/-
CS Anchal Agarwal, Partner,
FCS No. 9393, C P No: 10548

Place: Bhubaneswar
Date: 15/06/2020

Note: This report is to be read with our letter of even date which is annexed as **Annexure A** and **Annexure B** and forms an integral part of this report.

'Annexure A'

To,
The Members,
Mahanadi Coalfields Limited,
Jagruti Vihar, Burla, Sambalpur.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Deba Mohapatra & Co,
Company Secretaries

Sd/-
CS Anchal Agarwal, Partner,
FCS No. 9393, C P No: 10548

Place: Bhubaneswar
Date: 15/06/2020

'Annexure B'

Observation of Secretarial Auditor

SL.No.	OBSERVATIONS	MANAGEMENT REPLY
1.	The company is not having 04 nos. of Independent Directors as required to meet DPE guidelines.	02 (Two) post of Independent Directors is vacated and action is being taken by MOC, New Delhi.

For Deba Mohapatra & Co,
Company Secretaries

Place: Bhubaneswar
Date: 15/06/2020

Sd/-
CS Anchal Agarwal, Partner,

FCS No. 9393, C P No: 10548

ANNEXURE - III

ANNEXURE TO DIRECTORS' REPORT

Information as required to be given in the Director's Report under Section 134 (3) of the Company's Act, 2013 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earning and outgo.

1. CONSERVATION OF ENERGY

1 (A). Electrical Energy Conservation Measures Taken

The highlights of this year's power position are furnished below with comparative statement.

i. Specific consumption of power (for Coal) during 2019-20 is 2.23 kWh/T in comparison to 2.16 kWh/T for 2018-19 i.e. % increase of 3.24%.

ii. Specific consumption of power (for Composite Production) (i.e. Coal + O.B Removal) during 2019-20 is 1.50 kWh/CuM in comparison to 1.44 kWh/Cum for 2018-19 i.e. % increase of 4.17%.

iii. Power Factor incentive of Rs 129.88 Lakhs was received during 2019-20 for maintaining power factor above 0.97

iv. A total rebate of Rs. 177.14 lakhs was availed from WESCO/ CESU during 2018-19 or arranging payment of monthly electricity bills of all supply points within the 4th day of every month.

1.(B) Special Initiatives

i. 2 MWp Solar Plant successfully commissioned on 13/10/2014 and has been operational with an average PR ratio of 75%. Till date, Plant has reduced 96,51,627 Kgs of carbon emission.

ii. 66 service buildings of MCL have been identified for installation of the solar roof top power plants in MCL. In first phase 16 number buildings have been identified which can accommodate 1.21 MWp Solar Capacity. MCL's aggregated capacity of 1.21 MWp has been included in CIL's centralized tender published through M/s Solar Energy Corporation of India(SECI). Zone wise L1 Bidders have been identified by M/s SECI & 1.21 MWp Solar Roof top Projects will be executed within FY 2020-21.

iii. The identified locations are tabulated below.

Sl. No.	Area/ Location	Buildings	Capacity (KWp)
1	IB Valley area	GM Office	65
2		Central Hospital	335
3	Orient area	Area GM Office	85
4	Lakhanpur area	Area GM Office	45
5		Belpahar PO Office	55
6		Triveni Guest House	25
7	Basundhara area	GM office	40
8		Meghdoot Community Centre	30
9	Talcher area	CWS Talcher (3 Building + 5 shed)	230
10		DAV School	20
11	Jagannath area	DAV School	155
12	Lingaraj area	Area GM Office	50
13		Dispensary	5
14		Lingaraj Project Office	20
15	Hingula area	Area GM Office	35
16		Balrampur Project Office	15

iv. Proposal for providing 30 nos. of solar street lights for Chendipada, Bharatpur Area, 02 nos. of solar water heating system for 48 bedded MT hostel of Basundhara Area and 02 nos. of solar water heater for the transit house of Bhubaneswari OCP have been approved and procurement of the same is under process.

1.(C) <u>Steps taken wherever feasible / possible for reduction in power consumption for effective conservation of energy.</u>

i. Maintaining of power factor above 0.97: Power Factor incentive of Rs 129.88 Lakhs was received during 2019-20 for maintaining power factor above 0.97.

ii. 1 no. 3X450 KVAR capacitor is under installation at Kaniha Area for improvement of Power Factor.

iii. A dedicated 11KV overhead line for Kaniha OCP is under construction. This will help in the reduction of diesel consumption for running of diesel pumps for dewatering of the mines.

iv. Procurement of Air conditioners of only higher star rating, regular cleaning of filters of air conditioners, switching off of air conditioners when not required etc. All new Window and Split Air-conditioners being purchased are of five star rating. Details of 5 star rated ACs procured and under procurement stage in 2019-20 is as following:-

Sl. No.	Type of Air Conditioners	Quantity (Nos.)	Status
1	1.5 Ton split AC, 5 star	472	Under procurement
2	1.5 Ton Window AC, 5 star	37	Procured
3	2 Ton split AC, 5 star	167	Under procurement

i. 1824 nos. of Energy efficient super fans are fitted in the year 19-20.

ii. 12965 nos. of LED lights are fitted in the year 19-20.

iii. Energy meters are installed in executive's quarters of MCL Headquarters. Installation of energy meters in executive's quarters of Areas of MCL is under process.

iv. Merging of Commercial Load into Domestic Load at Anand Vihar, MCL HQ.

v. Reduction of power consumption from power supplier by increasing solar power consumption.

vi. Due to merging of commercial load into Domestic load and utilisation of excess energy from Solar Plant from 23/09/2019, MCL has saved an amount of Rs 28,92,092.00 in the form of reduction in Energy Bills

vii. Reorganisation of Township Power Distribution from single point transformer to Multi point pole mounted Transformer.

viii. Proposed installation plan capacity for Solar Power – 1.21 MW, 16 rooftop locations are identified for this.

ix. To reduce peak demand of power and to avail TOD (Time of the day) incentive as maximum as feasible, regular loads, such as pumping etc. are being operated during off-peak hours.

x. To reduce energy consumption by industrial pumps, some steps have been taken such as effective maintenance, use of pontoons, etc.

xi. Use of electronic regulators for fans instead of conventional chokes and regulators.

xii. Avoiding loose connections and using proper size of fuses.

xiii. Ensuring minimum transmission losses with proper size of cables and conductors, i.e. of rated capacity.

xiv. Optimum usage of transformer capacity thereby reducing transformer losses.

xv. Maintenance of Power factor close to 0.97 by using power capacitors thereby reducing energy loss.

xvi. Stage pumping / intermediate pumping has been reduced to minimize energy loss by ensuring proper capacity electric motors.

xvii. Automatic Timer switches have been installed with lighting towers to prevent energy wastage.

xviii. Use of proper size of suction and delivery lines as per design of pumps to avoid throttling.

xix. Ensuring no leakages in pipelines thereby improving pumping efficiency.

xx. Ensuring proper condition of bearings etc.

2. A. Fuel & Lubricants:

Following steps were taken for reduction of consumption of Fuel & lubricants:

1. Periodical overhauling of Engines, Transmissions & Hydraulic operated systems are being carried out.
2. Specific Diesel Consumption is regularly monitored to keep within the norms fixed by CMPDI.
3. Periodical checking of hoses and their routing is being carried out to minimize leakage of hydraulic oil of equipment.
4. Proper inflation of Tyres is being carried out regularly.
5. Regular checking of Self-starters, Alternators and Batteries.
6. Efforts are being taken to minimize idling of equipments.
7. Sufficient nos. of Batteries are being provided for keeping the equipment self-start.

2. B. Impact of measures of (a) for Energy Consumption and consequent impact on the parameters of production.

DESCRIPTION		2019-20	2018-19	% change over previous year
Electrical Energy				
(i)	Specific Consumption of power (for Coal), in kWh/Tonnes	2.23	2.16	(3.24) (ADVERSE)
(ii)	Specific Consumption of power (for Composite Production) (i.e. Coal + O.B removal), in KWh/Cu.M	1.5	1.44	(4.17) (ADVERSE)
Fuel and Lubricants				
(i)	Consumption of HSD, in ltrs/Cum of composite Production.	0.178	0.193	(-7.77) (F)
(ii)	Consumption of lubricants, in Ltrs./Cum of composite Production.	0.007	0.009	(-22.22) (F)
(iii)	Consumption of HSD, in ltrs/Tonne of Coal Production	0.285	0.303	(-5.94) (F)
(iv)	Consumption of lubricants, in Ltrs./Tonne of Coal Production.	0.011	0.014	(-21.43) (F)
v)	Specific cost of POL, in Rs. / Tonne	19.69	20.07	(-1.89) (F)

F – FAVOURABLE **A – ADVERSE**

2. C. FOREIGN EXCHANGE EARNING and OUTGO

(i) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products export activities services and export plans.: Company is not engaged in export activities

(ii) Foreign Exchange used and earned

(₹ in crore)

	Description	Current Year	Previous Year
(a)	Foreign Exchange used :		
	(i) CIF value of imports		
	a) Components, Stores and Spare parts	0.39	0.03
	b) Capital goods	__	1.93
	(ii) Travelling	0.09	0.17
	(iii) Interest	0.06	0.07
	(iv) Others	—	—
(b)	Foreign Exchange earned :	Nil	Nil

ANNEXURE-IV

CERTIFICATE OF COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To
The Members
M/s. Mahanadi Coalfields Limited

We have examined the compliance of conditions of Corporate Governance by **M/s. Mahanadi Coalfields Limited** (herein after referred as "the Company"), for the year ended on 31st March, 2020 as stipulated in Department of Public Enterprise (DPE), Government of India Guidelines on Corporate Governance.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned DPE Guidelines.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

UDIN: A051644B000316216

For Raghav Garg & Associates
(Company Secretaries)
Sd/-
CS. Raghav Garg, ACS,
Proprietor
M No. 51644, CP No. 18834

Place: Sambalpur
Date: 04.06.2020

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY:

Corporate Governance as a business philosophy is being integrated more deeper in to the organisational system of Mahanadi Coalfields Limited (MCL) with an aim to ensure transparency, greater organisational justice and corporate sustainability.

With the directives from the Central Government for complying with the Guidelines on Corporate Governance from 2010-11, the Guidelines have been re-looked with fresh perspective and due diligence.

Equity, justice, transparency, accountability etc. being touchstones of good governance have been accepted as core values to be practised to the best extent in every sphere of business activities pertaining to MCL.

BOARD OF DIRECTORS

In adherence to the principle of optimum combination of functional, nominee and independent directors on the Board, the Board of Directors of MCL is comprised of 09 (Nine) Directors as on 31.03.2020 categorized as below.

a) 05 (Five) Functional Directors including Chairman-cum-Managing Director.
b) 02 (Two) Independent Directors.
c) 02 (Two) Official part-time Directors (Nominee).

Besides, Chief Operation Manager, East Coast Railway, Bhubaneswar is also appointed as a Permanent Invitee to the Board.

The Board met Eleven (11) times during the year 2019-20 on 18.04.2019, 24.05.2019, 11.07.2019, 30.07.2019, 04.09.2019, 30.10.2019, 23.11.2019, 30.12.2019, 03.02.2020, 02.03.2020 and 28.03.2020 with attendance of Directors of minimum 80% on average.

A table is prepared with details on composition of the Board, attendance of the Directors in the Board meeting and in the last AGM and number of Directorship in other Companies.

Name and Designation	Category	Board meetings Held during the tenure	Board meetings Attended	Directorships in other Companies	Attended last AGM	Membership in other Committee Audit Committee	Membership in other Committee Other Committee
Shri. B.N Shukla	Functional	09	09	Nil	Yes	Nil	03
Shri Rajiv Ranjan Mishra	Functional	02	02	i) The Singareni Collieries Company Limitedii) Western Coalfields Limited	No	Nil	01
Shri O P Singh, Director (Tech./P&P)	Functional	11	11	Mahanadi Coal Railway Ltd.	No	01	05
Shri S. N. Prasad,Director	CIL Nominee	07	05	(i) Coal India Limited(ii) Northern Coalfields Ltd(iii) South Eastern Coalfields Limited(iv) Eastern Coalfields Ltd	No	01	02
Dr. Rajib Mall, Director	Independent	06	06	Nil	No	01	02
Shri H.S. Pati, Director	Independent	06	06	Nil	No	01	02
Shri R. K. Sinha	GovtNominee	10	8	Coal India Ltd.	No	01	01
Smt. Seema Sharma	Independent	11	10	Nil	No	01	02
Shri K. R. Vasudevan	Functional	11	11	MJSJ Coal Limited	No	Nil	04
Shri. K.K Mishra	Functional	09	07	CMPDIL	No	Nil	03
Shri. S. Mohan	Independent	08	06	(i) Unicorp Advisors Private Limited (ii) Unicopp Bizex Private Limited(Iii) Relyon Softech Limited(Iv) Consolidate Construction Consortium Limited	No	01	01
Shri. S.N. Tiwary	Functional	04	02	(I) Coal India Ltd.(ii) Northern Coalfields Limited	No	01	02
Shri. K.Rao	Functional	04	04	(i)Mahanadi Basin Power Limited	No	Nil	02
Shri.Nagaraju Maddirala	Functional	01	01	Northern Coalfields Limited	No	01	01

Remuneration of Directors:

A) Whole time Directors

Name	Relationship with other Directors	Business relationship with the Company if any	Remuneration for the year 2019-20
			All elements of remuneration package i.e. Salary, Performance linked incentive Scheme, PF contribution, Pension etc. (Rs.)
Shri B.N Shukla	Nil	Chairman-cum-Managing Director	32,57,932.61
Shri K. R. Vasudevan	Nil	Director (Finance)	3392198.19
Shri Keshav Rao		Director (P)	717745.8
Shri R R Mishra		Ex CMD	0
Shri O.P. Singh		DTOp	6421297.7
Shri K K Mishra		DTPP	0
Shri A k Singh			4681844.27

B) Official Part- time Directors

No remuneration is paid to the official Part-time Directors by the Company.

C) Non Official Part- time Directors

No remuneration except Sitting Fee for attending the Board/Committee meetings is paid to the Non-official Part-time Directors.

D) Service Contracts, Notice Period, Severance Fees:

All the Functional Directors of the Company are appointed by the Hon'ble President of India. The appointment may be terminated by either side on 03 months' notice or on payment of 03 months' salary in lieu thereof.

COMMITTEES OF THE BOARD:

i. Audit Committee

MCL believes that a well comprised Audit Committee with proper autonomy and defined scope of work can be efficient machinery for smooth conduct of business. The Committee meets at regular intervals and addresses the issues as early as possible. Meetings of the Audit Committee are also very structured with proper agenda and action taken reports put in place timely.

The Audit Committee has access to financial and other data/information of MCL. Observation made by the Committee is reported to MCL Board. The Committee meets as often as desired but is expected to meet at least once in a Quarter.

Scope of work

The scope of work and authority vested with the Audit Committee is as per provision of Section 177 of the Companies Act, 2013 read with the Companies (meeting of Board and its powers) Rules, 2014.

Composition and meeting details of the Audit Committee:

The Audit Committee met for Seven times on 24.05.2019, 30.07.2019, 04.09.2019, 23.09.2019, 30.10.2019, 03.02.2020, 02.03.2020 during the year and the details of Directors attending the meetings are given as under:

Sl. No	Name	Status	No of meetings held during tenure	Attendance
1.	Dr. R. Mall	Chairman	5	5
2.	Shri O. P. Singh	Chairman	1	1
3.	Shri. S. Mohan	Chairman	2	1
3.	Shri S. N. Prasad	Member	5	2
4.	Shri H. S. Pati	Member	5	5
5.	Mrs S. Sharma	Member	7	7
6.	Shri O. P. Singh	Member	6	6
7.	Shri. R. K. Sinha	Member	7	5
8.	Shri. S. Mohan	Member	3	2
9.	Shri. S. N. Tiwary	Member	2	1

In Audit Committee meetings, Director (Finance), Chief of Internal Audit, and Statutory Auditors are invited to clarify the matters relating to Finance, Accounts, Audit and Internal Control System.

In addition to the existing Audit Committee, following Sub-committees have been constituted in the 134th and 135th Board meeting during 2011-12, keeping in view, further strengthening of Company's strategic and technical decision-making process, adherence to Corporate Governance in true letter and spirit, value addition through HR and urgency of R & R.

ii) Technical Sub-committee:

Scope of work:

Evaluation, appraisal and recommendation of projects for approval of MCL Board.

Composition and meeting details of the Sub-committee:

The Sub-committee met 2 times during the year, i.e. on 27.08.2019 & 12.03.2020 with attendance of members as under:

Sl. No	Name	Status	No of meetings held during tenure	Attendance
1.	Shri B. N. Shukla	Chairman	2	2
2.	Shri O. P. Singh	Member	2	2
3.	Shri K. R. Vasudevan	Member	2	1
4.	Shri K. K. Mishra	Member	2	0
5.	Shri Keshav Rao	Member	1	1

iii) CSR and Sustainable Development Sub-committee (CSR & SD):

Scope of work:

The scope of work and authority vested with the reconstituted Committee shall be as per Section 135 of the Companies Act, 2013, as per provisions of DPE guidelines and as decided by the MCL Board from time to time.

Composition and meeting details of the Sub-committee:

The CSRSD Sub-committee met five times during the year on 18.04.2019, 19.08.2019, 11.01.2020, 01.03.2020 and 24.03.2020 with attendance of members as under:

Sl. No	Name	Status	No of meetings held during tenure	Attendance
1.	Shri H.S. Pati	Chairman	2	2
2.	Shri K. R. Vasudevan	Chairman	3	3
3.	Shri O. P. Singh	Member	2	1
4.	Dr. Rajib Mall	Member	2	2
5.	Mrs. S. Sharma	Member	5	5
6.	Shri K. R. Vasudevan	Member	2	2
7.	Shri. S. N Prasad	Member	2	0
8.	Shri. K. K. Mishra	Member	4	4
9.	Shri. S. N. Tiwary	Member	3	2

iv) Risk Management Committee (RMC):

Scope of work:

The scope of the Committee is as per the policy of CIL & provisions of the Companies Act, 2013.

Composition and meeting details of the Sub-committee:

The Risk Management Committee has been formed with the following members on 09th February, 2016 and no meeting was held during the year 2019-20.

v) Nomination and Remuneration Committee:

Scope of work:

The scope of work and authority vested with the Committee shall be as per Section 178 of the Companies Act, 2013 subject to the exemption granted to Govt. Company as per notification in the Official Gazette.

Composition and meeting details of the Sub-committee:

The Nomination & Remuneration Sub-committee met two times during this year on 04.09.2019 and 30.10.2019 with attendance of members as under:

Sl. No	Name	Status	No of meetings held during tenure	Attendance
1.	Dr. R. Mall	Chairman	2	2
2.	Shri H. S Pati	Member	2	2
3.	Smt. S. Sharma	Member	2	2
4.	Shri S. N. Prasad	Member	2	1

vi) Sub-committee for Land oustee cases:

Scope of work:

To consider and approve all the cases of employment, cash compensation etc. as per existing norms of R&R Policy being followed by the Company.

Composition and meeting details of the Sub-committees:

The Sub-committee for Land oustee cases met 47 times during this year on 06.04.2019, 11.06.2019, 18.06.2019, 20.06.2019, 22.06.2019, 02.08.2019, 25.08.2019, 10.09.2019, 17.09.2019, 17.09.2019, 19.09.2019, 24.09.2019, 27.09.2019, 11.10.2019, 19.10.2019, 21.10.2019, 28.10.2019,3.11.2019, 10.11.2019, 16.11.2019, 19.11.2019, 25.11.2019, 30.11.2019, 02.12.2019, 05.12.2019, 09.12.2019, 11.12.2019, 16.12.2019, 17.12.2019, 31.12.2019, 01.01.2020,04.01.2020,07.01.2020, 23.01.2020, 27.01.2020, 05.02.2020, 09.02.2020,15.02.2020,24.02.2020,05.03.2020,09.03.2020,16.03.2020,18.03.2020, 23.03.2020, 24.03.20202, 26.03.2020, 30.03.2020 with attendance of members as under:

Sl. No	Name	Status	No of meetings held during tenure	Attendance
1	Shri R. R. Mishra	Chairman	02	02
2.	Shri B.N. Shukla	Chairman	45	45
3.	Shri K. R. Vasudevan	Member	47	47
4.	Shri O. P. Singh	Member	47	44
4	Shri K. K. Mishra	Member	42	20
5	Shri K. Rao	Member	18	17

vii) Empowered Committee of Functional Directors:

MCL Board in its 216th meeting held on 11.07.2019, constituted ‘Empowered Committee of Functional Directors’ (ECFD) in compliance to the revised DOP issued by CIL.

Scope of work: As defined in the revised DOP circulated by CIL.

Composition and meeting details of the Sub-committees:

The Committee met 11 (eleven) times during this year on date 12.07.2019, 19.11.2019, 30.11.2019, 05.12.2019, 09.12.2019, 04.01.2020, 21.01.2020, 28.01.2020, 14.03.2020, 18.03.2020, 23.03.2020 with attendance of members as under:

Sl. No	Name	Status	No of meetings held during tenure	Attendance
1	Shri B. N. Shukla	Chairman	11	11
2.	Shri O. P. Singh	Member	11	11
3.	Shri K. R. Vasudevan	Member	11	11
4.	Shri K. K. Mishra	Member	11	06
5.	Shri Keshav Rao	Member	06	06

viii) Empowered Committee of Directors:

MCL Board has constituted Empowered Committee of Directors (ECD) through circular resolution on 02.12.2019 in compliance to the revised DOP issued by CIL.

Scope of work: As defined in the revised DOP circulated by CIL.

Composition and meeting details of the Sub-committees:

The Committee met 02 (two) times during this year on 30.12.2019 and 07.03.2020 with attendance of members as under:

Sl. No	Name	Status	No of meetings held during tenure	Attendance
1	Shri B.N. Shukla	Chairman	02	02
2.	Shri R. K. Sinha	Member	02	02
3.	Shri S. N. Tiwary	Member	02	01
4.	Shri K. R. Vasudevan	Member	02	02
5	Shri S. Mohan	Member	02	02

STATUTORY AUDITORS

Under Section 139 of the Companies Act, 2013, the following Audit Firms were appointed as Statutory/Branch Auditors for the year 2019-20.

Statutory Auditors

Singh Ray Mishra & Co.,
Chartered Accountants,
Bhubaneswar

Branch Auditors

1. SRB & Associates (for 1st Quarter) 5th Floor, IDCO Tower, Janapath, Bhubaneswar-751022, Odisha
2. M/s SCM Associates (for 2nd, 3rd Quarter & Annual), Head Office, Keshari Talkies Complex (1st Floor),98 Kharvel Nagar, UNIT-III, Bhubaneswar, Odisha

Type of Audit	Remuneration (Rs.)	Remarks
Statutory Audit for the year 2019-20	Rs. 40,55,556.00 (including GST)(Rs 25,93,234.00 to Principal auditor and Rs.14,62,322.00 to Branch auditor)	Reimbursement/payment of Out of Pocket expenses at actual subject to 50% of Standalone Audit fees.(Audit Fees of Principal Auditor is inclusive of fees for review of Consolidation of Accounts of MCL, with its four subsidiaries)
Compliance with the conditions of Corporate Governance	Rs. 8,500.00	Reimbursement/payment of travelling expenses on actual basis and applicable Tax payable thereon.

General Meetings of Shareholders:

Details of the General Meetings of the Shareholders held during last 03 years are as under:

Annual General Meeting

Year	Date	Time	Location	Special Resolution, if any
2017-18	21.07.2017	11.00 AM	Mahanadi Coalfields Limited, Jagruti Vihar, Burla, Sambalpur	One
2018-19	27.07.2018	10.00 AM	Coal Bhawan, Premises No-4 Mar, Plot No- AF-III, Action Area-1 A, New town , Rajarhat, Kolkata , West Bengal	NIL
2019-20	11.07.2019	10.30 PM	Mahanadi Coalfields Limited, Jagruti Vihar, Burla, Sambalpur	Two

Extraordinary General Meeting:

Year	Date	Time	Location	Special Resolution, if any
2017-18	21.03.2018	10.30 AM	Mahanadi Coalfields Limited, Jagruti Vihar, Burla, Sambalpur	One
2018-19	NIL	NIL	NIL	NIL
2019-20	NIL	NIL	NIL	NIL

Code of business conduct and ethics for Board members and Senior Management Personnel in MCL.

The Board of Directors of the Company has adopted a Code of Conduct for Directors and Senior Management Personnel in its 94th meeting held on 29th March, 2008 at Kolkata and the same has been posted at Company's website www.mahanadicoal.in.

Report on Internal Financial Controls (IFC):

All the Internal Auditors of MCL has submitted their reports on Internal Financial Control prevailing in MCL. All the Auditors have opined that MCL has, in all material respects, laid down internal Financial Controls (including operational Controls) and that such controls are adequate and were operating effectively during the year 2019-20.

Risk Management:

Due importance is given for risk identification, assessment and its control in different functional areas of the Company for an effective risk management process because of inherent risk, external and internal, necessary control measures are regularly taken. Acquisition of land, forest clearance, land oustee problems are some of the critical factors which are monitored continuously by the Management. Due importance is also given to the internal factors like preventive maintenance of machinery, security, industrial relations etc. for ensuring smooth operation of the Company. At an apex level, a separate Sub-committee of the Board has been formed in the year 2011-12 for reviewing the functioning of risk management mechanism at MCL. Further, to comply with the provisions of the requirements of Section 134(3)(n) of the Companies Act, 2013, the said Committee has been re-constituted on 09.02.2016 by MCL Board named as “Risk Management Committee” (RMC). General Manager (S&R), MCL has been nominated to act as Chief Risk Officer (CRO), a representative of MCL’s RMC to co-ordinate and comply with the matters related to Risk Management at MCL.

Whistle Blower Policy:

Being a Govt. Company, the activities of the Company are open for audit by C&AG, Vigilance, CBI etc. A policy in the line with the Policy of CIL has been framed and the same is being followed.

Accounting Treatment:

The Financial Statements are prepared in accordance with the applicable mandatory Accounting Standards and relevant requirements under the Companies Act, 2013.

Means of Communication:

Operational and Financial Performance of the Company are published in Leading English Newspapers and in local dailies. In addition to above, the financial results are displayed in the Company’s Website.

Audit Qualifications:

It is always the Company’s endeavour to present unqualified Financial Statements. Management Reply to the Statutory Auditors’ observations on the Accounts of the Company for the year ended 31st March, 2020 are furnished as an Annexure to Directors’ Report. Comments of the

Comptroller & Auditor General of India under the provisions of Section 143 of the Companies Act, 2013 on the Accounts of MCL for the year ended 31st March, 2020 is also enclosed.

Training of Board Members:

The Functional Directors, by virtue of their possessing the requisite expertise and experience in their respective functional areas, are aware of the business model of the Company as well as the risk profile of the Company's business. The Part-time Directors are fully aware of the Company's business model. However, having aimed at better familiarity with Corporate Governance practices, the Independent Directors are nominated for undergoing training programmes organised by Top Institutions. A suitable Training Policy for Directors in line with DPE Guidelines on Corporate Governance is also in place.

Compliance on Corporate Governance as per DPE Guidelines

Your Company has implemented the Guidelines issued by DPE as per OM No.DPE/14(38)/10-Fin Dated 28.06.2011 and a certificate has been given by CEO for compliance of DPE Guidelines.

Your Company has achieved an annual score of 92 % in Corporate Governance for the year 2019-20, which entails '**Excellent'** grading.

MCL

COAL INDIA CHAIRMAN'S VISIT TO THE COMPANY


MAHANADI COALFIELDS LIMITED
LAKHANPUR AREA
"CHARLA SIDING"
Inaugurated by
SHRI B.N. SHUKLA
CHAIRMAN CUM MANAGING DIRECTOR, MCL
ON Dt. 19.06.2019

ANNEXURE-V

MAHANADI COALFIELDS LTD.
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. INDUSTRY STRUCTURE AND DEVELOPMENT:

Coal - primary source of Energy:

Coal is the dominant, sustainable and reliable source of energy. Globally, use of coal for commercial energy has been going down since 1950, largely because of environmental considerations and availability of cheap oil and gas. However, in India the scenario is totally different. Here coal is likely to play a dominant role in power generation because of its abundant reserve and cheap availability coupled with limited oil reserve within the country.

Coal Reserve:

Coal accounts for 97% of the fossil resources in our country .The National Coal Inventory places the hard coal resources at 326.495 Billion Tonne (BT) upto 1200 meter depth in 68 different coalfields as on 01.04.2019, details are as below:

SL NO	STATE	NO. OF CF	COAL RESERVE (BT)	% OF INDIA
1	Jharkhand	12	84.506	25.88
2	Odisha	2	80.840	24.76
3	Chhattisgarh	13	59.908	18.35
4	West Bengal	4	31.690	9.71
5	Madhyapradesh	8	28.793	8.82
6	Telengana	1	21.839	6.69
7	Maharashtra	5	12.677	3.88
8	Ne State	20	1.739	0.53
9	Andhapradesh	1	1.607	0.49
10	Uttarpradesh	1	1.062	0.33
11	Bihar	1	1.834	0.56
	Total	68	326.495	100

Odisha stands 2nd to Jharkhand in the reserve position in India. Total coal reserve of Odisha as on 1st April, 2019 is estimated to be 80.840 Billion Tonnes, which is around 24.76 % of the total National coal reserve. The two coalfields of Odisha, namely Talcher and Ib-valley coalfield are under command area of MCL; Talcher being the largest coalfield (51.220 BT) and Ib-valley being the 3rd largest (29.620 BT) coalfield of India. Out of 80.840 Billion Tonnes of coal reserve, the measured coal reserve is 39.654 BT (49.05 %).

Talcher and Ib-valley coalfields of Odisha are the storehouse of huge thermal grade non-coking coal having most favorable quariable prospects. Demand of coal for existing thermal plants and upcoming ones of southern and western India is in a growing trend.

Coal off-take and dispatch:

Off-take programme for MCL the year 2020-21 has been planned for 173.0 Mt.

Sector-wise actual coal off-take of MCL for XI Plan, XII Plan, 2017-18, 2018-19, 2019-20 and projection for 2020-21

	XII Plan							(Fig. in Million Tonne)						
	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 (Actual)	2018-19 Actual	2019-20 Actual	2020-21 (BE)
Power	68.09	70.47	70.88	74.73	77.11	88.16	78.223	87.717	91.173	98.550	99.274	102.527	92.679	153.553
Cement	0.19	0.17	0.26	0.27	0.23	0.348	0.340	0.432	0.24	0.257	0.186	0.221	0.206	0.198
Fertilizer	-	-	-	0.02	0.026	0.060	0.0367	0.024	0.004	0.00	0.052	0.053	0.000	0.000
Others	15.35	20.06	27.01	27.07	25.16	23.396	35.742	34.828	48.797	44.204	38.750	39.505	41.131	19.249
Total	83.63	91.30	98.15	102.09	102.52	111.964	114.342	123.001	140.214	143.011	138.262	142.306	134.016	173.0

Mode-wise actual coal movement of MCL for XI Plan , XII Plan ,2017-18 ,2018-19, 2019-20 & Projection for 2020-21

(Fig. in Million Tonne)

	XI Plan					XII Plan								
	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 (Actual)	2018-19 Actual	2019-20 Actual	2020-21 (BE)
Rail	51.68	54.18	55.84	59.24	60.310	68.727	72.2246	81.260	89.079	90.776	89.442	87.384	76.809	103.851
Road	12.16	18.68	23.35	25.12	25.623	25.219	24.506	25.152	34.515	38.210	34.816	42.780	43.261	48.870
MGR	18.59	17.08	17.37	16.11	14.797	16.191	15.745	15.166	15.231	12.611	12.588	10.567	12.432	17.879
Others	1.20	1.36	1.59	1.62	1.791	1.819	1.866	1.423	1.389	1.410	1.416	1.575	1.514	2.400
Total	83.63	91.30	98.15	102.09	102.521	111.959	114.342	123.001	140.214	143.007	138.262	142.306	134.016	173.00

Coal Availability:

The actual coal production from 2008-09 to 2019-20 and production projection during 2020-21 from existing mines, completed projects and on-going projects in MCL, is given below.

(Fig. in Million Tonne)

	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 (BE)
Existing Mines	1.32	1.35	1.32	1.333	0.967	0.778	1.127	0.981	0.8936	0.91	0.764	0.751	0.780
Completed Projects	64.85	71.19	73.27	66.645	67.344	59.988	70.906	76.220	77.5699	68.817	59.381	51.872	57.720
On-Going & New Projects	30.17	31.54	25.69	35.140	39.584	49.674	49.346	60.70	60.7549	73.331	84.006	87.734	114.500
Total	96.34	104.08	100.28	103.118	107.895	110.440	121.379	137.901	139.2084	143.058	144.151	140.357	173.00

Productivity:

In MCL the coal production and OB removal from OCPs is done contractually and departmentally. In few projects, OBR has also been outsourced. The OMS position of MCL is as below:

	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 (BE)
UG	1.25	1.29	1.25	1.24	0.97	0.84	0.77	0.67	0.65	0.74	0.73	0.86	0.90
OC	23.05	18.89	20.50	20.38	21.34	22.16	22.11	24.24	25.72	31.52	29.45	26.71	27.25
OVERALL	16.59	14.66	15.37	15.36	16.07	16.69	17.10	18.88	20.08	24.22	23.71	22.67	23.21

SWOT ANALYSIS

Strength:

- 2nd Largest Coal Producer among subsidiaries of CIL.
- Strong track record of growth in terms of Coal production, productivity & revenues.
- Good work culture- Skilled, experienced and dedicated Work force.
- Strong Capabilities of exploration & mine planning
- Mining Operations spread across the coal mining region in the states of Odisha and serving major consumers in the country.

Weakness:

- Loss making UG operations
- Evacuation of coal largely dependent on external agencies & lack of evacuation infrastructure facilities in growing coalfields.
- Dominance of low grade coal in available resources.

Opportunities:

- Huge demand of coal in the country especially for power generation.
- Huge potentiality of coal mining in MCL
- Power Plants located in the northern India are also linked to MCL.
- To formulate a sound marketing strategy& Long term agreement with Consumers, Railways and Shippers.
- To set up washeries
- Diversification to power
- JV for coal gasification and coal to liquid (oil).

Threat:

- Coal amenable to opencast mining thus requirement of more land.

- Land acquisition and consequent social displacement.
- Rehabilitation and resettlement issues.
- Proneness of opencast mining to Environmental pollution.
- Inadequacy of Railways in coal transportation.
- Majority of consumers are far away from coalfields i.e. increase in rail freight means high landed cost to the consumers.
- The Coastal based TPPs have option to use imported coal.
- Captive Mining – allotment of blocks to MCLs consumers, some Central PSUs and State PSUs, for power generation and coal mining by State Govt. companies for sale of coal in the market.

A. PERFORMANCE:

Covered in the main report

B. OUT LOOK

Members may be aware that at present, there are 37 completed projects in MCL with rated capacity of 73.78 Mt (Including capacity of exhausted mines), out of which 02 projects with rated capacity of 1.60 Mt have been exhausted during XI Plan period. There are 16 On-going projects under implementation (as on March 2020) with rated capacity of 156.83 Million tonne. Production from these On-going projects during 2019-20 is 87.734 Million tonne.

Basundhara Area (known as Gopalpur Tract) of Ib-valley coalfield has enough potentiality, but the only bottleneck is coal evacuation arrangement. Your company has completed a 52 Kms long railway line from Basundhara Area to Jharsuguda Rly station to augment the Coal transportation.

Similarly, in Talcher coalfield, construction of Kalinga-Angul link railway line is going on. Once this segment is completed, there will be unidirectional movement of empty rail rakes from Angul side and the loaded rakes will be evacuated through Talcher side. This will increase the rake movement capacity of Talcher coalfield by double.

C. RISKS AND CONCERNS:

Mining is site specific and location of a mine can not be changed. Following risks and concerns are involved:

- Delay in obtaining forestry clearance and environmental clearance.
- High cost of Rehabilitation and resettlement
- Demand of employment beyond the prescribed norms resulting in frequent law and order problem and obstruction of mining and coal transportation operation.
- Long lead time to procure HEMMs and other E&M items.

D. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Covered in the main report.

E. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

Covered in the main report.

F. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

Covered in the main report.

G. ENVIRONMENTAL PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, RENEWABLE ENERGY DEVELOPMENTS, FOREIGN EXCHANGE CONSERVATION.

Covered in the main report.

H. CORPORATE SOCIAL RESPONSIBILITY

Covered in the main report.

ANNEXURE-VI

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF MAHANADI COALFIELDS LIMITED FOR THE YEAR ENDED 31 MARCH 2020

The preparation of financial statements of Mahanadi Coalfields Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 23 July 2020 which supersedes their earlier Audit Report dated 16 June 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Mahanadi Coalfields Limited for the year ended 31 March 2020 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

In view of the revision made in the statutory auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditor's report under section 143(6)(b) of the Act.

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

Place: Kolkata,
Dated: 14 August 2020

Sd/-
(Mausumi Ray Bhattacharyya)
DIRECTOR GENERAL OF AUDIT (COAL)
KOLKATA

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MAHANADI COALFIELDS LIMITED FOR THE YEAR ENDED 31 MARCH 2020

The preparation of consolidated financial statements of Mahanadi Coalfields Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129 (4) of the Act is/are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 23 July 2020 which supersedes their earlier Audit Report dated 16 June 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Mahanadi Coalfields Limited for the year ended 31 March 2020 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Mahanadi Coalfields Limited, but did not conduct supplementary audit of the financial statements of subsidiary companies as listed in the Annexure for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

In view of the revision(s) made in the statutory auditor’s report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors’ report under section 143(6)(b) read with section 129(4) of the Act.

For and on behalf of the
Comptroller & Auditor-General of India
Sd/-
(Mausumi Ray Bhattacharyya)
DIRECTOR GENERAL OF AUDIT (COAL)
KOLKATA

Place: Kolkata,
Dated: 14 August 2020

Annexure

Name of the Subsidiary Company	Details of Supplementary Audit for the year 2019-20
MJSJ Coal Limited	Non Review Certificate issued.
MNH Shakti Limited	Non Review Certificate issued.
Mahanadi Coal Railway Limited	Non Review Certificate issued.
Mahanadi Basin Power Limited	Non Review Certificate issued by O/o DGA (Mines), Kolkata

INDEPENDENT AUDITORS' REPORT

To the Members of Mahanadi Coalfields Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone Ind AS financial statements of Mahanadi Coalfields Limited ("the Company"), which comprise the balance sheet as at 31st March 2020, the statement of Profit and Loss (including Other Comprehensive Income), the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS financial statements"). These Financial Statements include figures in respect of seven mines area and one Central workshop of Talcher Field, all located in Talcher, District Angul audited by Branch Auditors.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 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, 2020 and Profit (financial performance including other comprehensive income), the change in Equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter paragraph in the Audit Report

We draw attention to Disclosure in Note-38 Additional Notes to Financial Statement under other information - "The outbreak of Coronavirus (COVID -19) is causing significant disturbance and slowdown of economic activity in India and across the globe. The Company has evaluated the impact of this pandemic on its business operations. Based on its review and current indicators of economic conditions, there is no significant impact on its financial results. The Company will continue to closely monitor any material changes arising from future economic conditions and impact on its business."

Our opinion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

Responsibilities of Managementfor Standalone 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 standalone IndAS financial statements that give a true and fair view of the state of affairs (financial position), profit & loss (financial performance including other comprehensive income), statement of changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

a) We had issued an audit report dated 16.06.2020 (the original report) at Burla on the Standalone Financial Statements as adopted by the Board of Directors. Pursuant to the observations of the Comptroller and Auditor General of India, under section 143(6)(a) of the Companies Act,2013, we have revised the said audit report. This audit report supersedes the original report which has been suitably revised to consider the observations of the Comptroller and Auditor General of India as detailed in Annexure A paragraph vi, Point no 4 of vii(b) regarding disputed dues of Jagannath Area in Annexure A, Point no.1 regarding disputed dues of Bharatpur Area in Annexure A and point (f) as stated below. Our audit procedure on events subsequent to the date of original report is restricted solely to the amendments made to the items mentioned in this paragraph.

b) The financial statements / information of seven mine areas and one Central workshop of Talcher Field were audited by Branch Auditors (included in the standalone financial statements of the company whose financial statements/financial information reflect total assets of Rs. 16388.34 crore as at 31st March 2020 and the total revenue of Rs. 9270.55 crore for the year ended on that date whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based on the Revised Report of such branch auditor with respect to observations made by Comptroller and Auditor General of India, under section 143(6)(a) of the Companies Act,2013.

c) The company has included the value of its mining right under other land instead of disclosing it separately as mining right.

d) The Company has not taken any insurance coverage on its assets like Fixed Assets (except some of the assets such as HEMM & vehicles plying on the road), Stores & Spares and Closing Stock of Coal for fire, burglary and allied activities. However, the company has taken steps in requesting the holding company to frame a policy for insurance and simultaneously it has been taken up with a public sector insurance company to finalize the matter.

e) The company has a policy of periodical Reconciliation/ confirmation of Sundry Debtors with customers. It has completed reconciliation for Rs. 475.59 crores upto 31.03.2020. Balance of Sundry Debtors amounting to Rs. 1055.39 crores is under process of reconciliation/confirmation.

f) On supplementary audit of the office of Comptroller and Auditor General of India, it is observed that:-

i) There is an overstatement of profit of Rs. 24.67 crores and understatement of profit of Rs. 38.04 crores, the Net impact on the profit before tax is understatement of Rs.13.37 crores, as against the profit before tax Rs. 8645.47 crores as per Standalone Financial

Statement of the company for the financial year 2019-20. The magnitude of misstatement observed during supplementary audit, only being 0.15% of the Profit before Tax of the company, it would individually or in aggregate make it probable that the economic decision of a reasonably knowledgeable user of the Standalone Financial Statement, in our opinion, may not be influenced.

ii) A) Inviting attention to Note no.36 'Tax Expenses'of the Standalone Financial Statement and amendments to Ind AS 12 'Income Taxes' where in Appendix C to Ind AS 12 clarifies the accounting for uncertainties to income taxes. The interpretations is to be applied to the determination of taxable profit/(tax loss), tax base, unused tax losses, unused tax credits and tax rates, when there is uncertainties over income tax treatment under Ind AS 12. On the basis of information and explanations available to us and in compliance to the said standard, it is to state that, the adoption of Appendix C to Ind AS12 does not have any material impact on the Standalone Financial Statement of the Company.

B) Inviting attention to para no. 2.23.1.2 of Significant Accounting Policies 'Materiality', it is to state that, the Management has changed the base of materiality concept where "Errors, omissions discovered in the current year relating to prior periods are treated as immaterial and adjusted during the current year if all such errors and omissions in aggregate does not exceed 1% of total revenue from operation (net of statutory levies) as per last audited financial statement of the company"; as against the previous year's accounting policy" 0.50% of total revenue from operation(net of statutory levies) as per last audited financial statementof CIL consolidated". In compliance to Ind AS-8 'Accounting Policies, Changes in Accounting Estimates', it is to state that, there is no material impact on the Standalone Financial Statement of the Company, due to such revised policy on materiality.

Our opinion is not modified in respect of these matters.

We have placed reliance on:

(a) The Technical data submitted by the management in Advance Stripping, Coal Exposed, Average/Standard Ratio, Current Ratio, Ratio Variance etc. in the matter of Over Burden Accounting including adjustment for variation between standard ratio and current ratio of OBR cost.

(b) The mine closure plan prepared by the Central Mine Planning and Design Institute Limited (CMPDIL) and approved by the management of the Company for the purpose of making provision towards Mine Closure expenses.

(c) The Management's evaluation/estimates, whether technical or otherwise for making the provision towards impairment of fixed assets.

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 Companies Act, 2013, we give in the "**Annexure-A"**,a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. We are enclosing our report in terms of section 143(5) of the Act, on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us in the "**Annexure-B**" on the directions and sub-directions issued by Comptroller and Auditor General of India.

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

(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 of the aforesaid Ind AS Financial Statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Ind AS Financial Statements have been kept by the Company so far as it appears from our examination of those books.

(c) The reports on the accounts of the seven mines area and one Central workshop of Talcher Field audited under Section 143 (8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.

(d) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the statement of change in Equity dealt with by this Report are in agreement with the relevant books of account maintained (including the returns received from the Branch Auditors) for the purpose of preparation of the Ind AS Financial Statements.

(e) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2014.

(f) We are informed that the provision of section 164(2) of the Act in respect of disqualification of the directors are not applicable to the company, being a Government Company in terms of notification no G.S.R 463(E) dated 5th June 2015, issued by the Ministry of Corporate Affairs.

(g) 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-C**".

(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 standalone Ind AS financial statements vide Point No. 4 of Note-38.

ii. As explained to us, the Company has not entered into any derivative contracts and the Company has not foreseen any material losses on long term contracts, hence no provision has been made on this account.

iii. Since the Company does not have to transfer any amount to Investor Education & Protection Fund as required under section 125(2) of the Companies Act, 2013 (previously section 205C of the Companies Act, 1956), the delay in transferring any amount to the Fund does not arise.

For Singh Ray Mishra &Co
Chartered Accountants
FRN 318121E

Sd/-
(CA Jiten Kumar Mishra)
Partner
Membership No. 052796
UDIN- **20052796AAAABF7471**

Place: Burla
Date: 23.07.2020

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2020, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As per information available the fixed assets of the company have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company. However for 58.984 acres of leasehold land in Anand Vihar and Jagurti Vihar in possession of the company, the company has deposited the premium and applied for sanctioning the land in its favour for which Conveyance Deed is yet to be executed.

(ii) As explained to us stocks of coal have been physically verified by the Management at reasonable intervals and stock of stores and spare parts (excluding stock in transit and/or under inspection with suppliers/contractors) have been physically verified by the Management in accordance with the phased programme. The discrepancies between physical stocks and book records, arising out of physical verification, have been properly dealt with in the books of accounts.

(iii) According to the information and explanations given to us and on the basis of the examination of records, we noticed that short term interest bearing Current Account balance are maintained with Coal India Limited, the holding company and Mahanadi Basin Power Limited, MJSJ Coal Limited, MNH Shakti Limited, Mahanadi Coal Railway Limited, the subsidiary companies. We also observed that the Company had given an unsecured loan to NLC India Ltd. in the previous years, as granted and agreed with the concurrence of Ministry of Coal.

(a) On the basis of the examination of record and on the basis of the information and explanation available we report that, the terms and conditions of the loans are not prima facie prejudicial to the interest of the company.

(b) The receipts of interest are regular on current account balance maintained with Subsidiary Companies. MCL is charging interest which is at par the interest rate charged by Coal India Limited to its subsidiaries and the same is accepted and accounted for by subsidiary companies of MCL.

In respect of loans given to NLCIL, repayment of principal and payment of interest by NLCIL is regular to the company.

(c) Therefore, in our opinion and according to the information and explanations given to us, there is no overdue amount in respect of Current Account maintained with Mahanadi Basin Power Limited, MJSJ Coal Limited, MNH Shakti Limited, Mahanadi Coal Railway Limited, the subsidiaries companies as the repayment period is not stipulated, and in respect of loan granted to NLCIL, there is no overdue amount of principal and interest.

(iv) According to the information and explanations given to us, the provisions of section 185 and 186 of the Act have been complied with, in respect of the loan, investment and securities.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public.

(vi) An independent cost audit is being carried out by the company and we have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014*,* prescribed by the Central Government under Section148 (1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained.

(vii) (a) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods & Service Tax, Cess and other Statutory dues as applicable, with the appropriate authorities during the year. There are no outstanding dues as of the last date of financial year for a period more than six months from the date they became payable.

(b) According to the records of the company and the information and explanations given to us, details of disputed dues in respect ofIncome Tax, Sales tax, duty of excise, service tax, Entry Tax and Clean Energy Cess as at 31st March 2020 are given below:-

Sl. No.	Name of the Statute	Nature of Dues	Amount (Rs. In Crores)	Period to which the amount relates	Forum where dispute is pending
1	Income Tax Act	Income Tax	2271.37	2017-18, 2016-17, 2015-16, 2012-13	CIT (A), Sambalpur
2	Income Tax Act	Income Tax	174.61	2015-16	ITAT, Cuttack
3	Income Tax Act	Income Tax	259.57	08-09, 09-10, 10-11,11-12, 12-13, 13-14,14-15	High Court, Orissa
4	Income Tax Act	Income Tax	24.01	2009-10, 2008-09	Assessing Officer/ DCIT/JCIT, Sambalpur

Head Quarter					
1	Finance Act, 1994	Service Tax	31.64	2012-13 to 2014-15	CESTAT, KOLKATA
Basundhara					
1	Central Excise Duty ACT, 1944	Excise Duty	6.54	2011-2014	CESTAT KOLKATA
2	Finance Act,1994	Service Tax	0.03	2009-2012	Commissioner (Appeal)
3	Finance Act,1994	Service Tax	0.31	2019-20	Asst. Commissioner, Rourkela
Orient					
1	Finance Act, 1994	Service Tax	0.09	2014-15 & 2015-16	Commissioner (Appeal)
2	Finance Act, 1994	Service Tax	0.01	2007-08	CESTAT
3	Finance Act, 1994	Service Tax	0.08	2013	CESTAT
Ib Valley					
1	Central Excise Act	Excise Duty	8.43	March 2011 to March 2012	CESTAT, Kolkata
2	Central Excise Act	Excise Duty	10.15	2012-2013	CESTAT, Kolkata
3	Central Excise Act	Excise Duty	7.94	March 2013 to December 2013	CESTAT, Kolkata
4	Central Excise Act	Excise Duty	11.46	January 2014 to December 2014	CESTAT, Kolkata
5	Central Excise Act	Excise Duty	0.30	2013-14 and 2014-15	Commissioner CBEC
6	Central Excise Act	Excise Duty	2.44	January 2015 to March 2015	CESTAT, Kolkata
7	Finance Act 1994	Service Tax	0.02	2008-09	Commissioner CBEC
8	Finance Act 1994	Service Tax	0.18	2010-11 to 2014-15	Commissioner CBEC
9	Odisha Vat	Sales Tax	1.24	01-04-2005 to 30-11-2006	Commissioner sales Tax
10	Odisha Vat	Sales Tax	6.83	2006-07	Commissioner sales Tax
11	Odisha Vat	Sales tax	0.03	2009-11	Commissioner sales Tax
12	OdishaVat	Sales Tax	0.86	2013-14	Commissioner sales Tax
13	Odisha Vat	Sales Tax	66.95	2015-16	Commissioner sales Tax
14	Odisha Vat	Sales Tax	2.57	2016-17	Commissioner sales Tax

15	Finance Act 1994	Service Tax	0.03	2016-17 to 2017-18	Asst. PF Commissioner & Recovery officer
Lingaraj					
1	Finance Act 1994	Service Tax	0.08	2012-13, 2013-14	Commissioner (Appeal), Bhubaneswar
2	ODISHA VAT	CST	0.02	1998-99, 2004-05	ACCT, Cuttack II Range
3	ODISHA VAT	CST	0.16	2000-01, 2001-02	Commissioner Cuttack
4	OET ACT	Entry Tax	0.52	1999-00	Asst. Commissioner , Angul
5	OET ACT	Entry Tax	0.09	2003-04,2004-05	High Court, Odisha
Bharatpur					
1	Central Excise Act 1944	Central Excise Duty	1.08	April 2011 to March 2015	Commissioner (Appeal), Bhubaneswar
2	Central Excise Act 1944	Clean Energy Cess	1.42	April 2011 to March 2015	Honourable High Court of Odisha
3	Service Tax Act 1994	Service Tax	0.10	01.06.07 to 31.03.12	Asst. Commissioner, Central Excise, Customs & Service Tax, Angul
4	Service Tax Act 1994	Service Tax	84.33	April 2006- Feb 2011	CESTAT KOLKATA
Jagannath					
1.	CST Act, 1957	Service Tax	29.97	1985-86 to 2016-17	Add. Commissioner, Cuttack, Add. Commissioner (Appeal) Cuttack, DCCT, Anugul, Sales Tax Office, Sales Tax Tribunal, Cuttack
2.	OET	CST	2.73	2004-05 to 2015-17	Asstt. Commissioner, Cuttack, Add. Commissioner (Appeal) Cuttack
3.	OST	Entry Tax	0.81	1983-2002	Add. Commissioner, Cuttack, Sales tax Officer, Sale Tax Tribunal, Cuttack
4.	VAT	Sales Tax	60.35	2009-11, 2012-14	Add. Commissioner (Appeals), Cuttack
5.	Central Excise Act	VAT	2.04	01.03.2011 to 31.03.2015 2010-11 to 2014-15	Commissioner of Central Excise, BBSR
6.	Central Excise Act	Excise Duty	68.69	2011-12 to 2014-15	Commissioner of Central Excise, Rourkela

7.	Central Excise Act	Excise Duty	0.09	2010-11 to 2014-15	Commissioner(Appeals)
8.	Clean Energy cess act & rules	Clean Energy Cess	91.18	2013-14 to 2015-16	Commissioner of Central Excise, Rourkela
9.	Service Tax Act 1994	Service Tax	0.23		Commissioner (Appeal) Central Excise
Lakhanpur					
1	CEC Rule 2010	Clean Energy Cess	49.76	2010-11 to 2014-15	The Customs Excise and Service Tax Appellate Tribunal (CESTAT)
2	Central Excise Act	Excise Duty	46.09	2011-12 to 2014-15	Odisha High Court
Talcher					
1	Sales Tax	Central Sales Tax U/R 12(5)	0.0006	2000-01	Additional Commissioner of Sales Tax, Cuttack.
2	Sales Tax	Orissa Sales Tax 12(4)	0.01	1998-99	Commissioner of Commercial Taxes, Cuttack.
3	Sales Tax	Orissa Sales Tax	0.01	1993-94	STO, Dhenkanal
4	Service Tax	Water Tax	0.05	2019-20	Commissioner, GST & Central Excise
5	Central Excise Duty,1944	Excise Duty	0.16	2013-14, 2014-15	Asst. Commissioner, Angul
6	Central Excise Duty,1944	Excise Duty	0.73	March 2011-February 2015	CESTAT
7	Central Excise Duty,1944	Clean Energy Cess	0.06	2013-14, 2014-15	Asst. Commissioner, Angul
Hingula					
1	Central Excise ACT	Excise Duty	161.63	2010-11 to 2014-15	High Court
2	Central Excise ACT	Clean Energy Cess	165.90	2010-11 to 2014-15	High Court
3	Orissa Sales Tax	Sales Tax	0.10	1993 to 2004	Addl. Commissioner Of Appeal, Cuttack
4	Orissa Sales Tax	Sales Tax	0.58	1993 to 1996	Sales Tax Tribunal
5	Odisha Entry Tax	OET	1.35	2003 to 2005	Additional Commissioner (Appeal)
7	Service Tax Act 1994	Service Tax	0.46	2013-14 to 2015-16	Asst Commissioner/ CESTAT

Out of the above, an amount of Rs. 33.91 Crore has been deposited against Sales Tax under protest, an amount of Rs. 1465.97 Crore has been deposited against Income Tax under protest, an amount of Rs. 2.99 Crore has been deposited against Central Excise Duty under Protest and an amount of Rs. 2.87 Crore has been deposited against Service Tax under protest.

(viii) As per information and explanations given by the Management, the Company has not made any default in repayment of dues to any loans or borrowings from any financial institution, banks, or government during the year.The Company has not issued debentures.

(ix) As per information and explanations givento us the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.An allegation of manipulating accounts at Kolkata Sales Office in the financial years 2013-14 to 2017-18 by some employees of the organisation to benefit some private parties for supply of coal is under investigation in respect of which the management has ordered Forensic Audit , the report of which is awaited for drawing any conclusion.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) The company being aCentral Government Controlled enterprise and having related party transactions has disclosed relevant particulars as required under Paragraph 26 of Ind AS 24.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. As the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, the compliance requirement of Section 42 of the Companies Act, 2013 with respect to the amount raised have been used for the purpose for which the funds were raised, is not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Singh Ray Mishra & Co.
Chartered Accountants
FRN: 318121E

Sd/-
(CA Jiten Kumar Mishra)
Partner
Membership No. 052796

Place: Burla
Date:23.07.2020

Annexure-B to the Auditors' Report
Report pursuant to Direction and Additional Direction U/s 143(5) of Companies Act 2013 to Statutory Auditors for the Year 2019-20

SL NO.	PARTICULAR	AUDITOR'S REPLY
	Annexure B(i)	
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, If any may be stated.	The Company has an IT System named COALNET in use for recording all the accounting transactions through IT system.As per the information and explanations given to us, Integration of finance module and sales module in the COALNET on real time basis has been started during April 2020 for capturing the approved sales billing raised by different areas for preparing the further MIS reports.Debtor balance as on 31.03.2020 in the audited books of accounts of MCL Kolkata Sales office shall be integrated through COALNET in the books of MCL HQ as opening balance in the FY 2020-21.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	As per information and explanation given to us, there is no restructuring/waiver/write off of debts/loans/ interest etc. by any lender.
3	Whether funds received/receivable for specific schemes from Central/state agencies were proper accounted for/ utilized as per its term and conditions? List the cases of deviation.	During the financial year 2019-20, no CCDA grant was received as capital grant from Ministry of Coal, Govt. of India towards assistance for roads & rails infrastructure works. The total CCDA grant amounting to Rs. 208.58 crores received till date is being amortized over the useful life of the underlying asset and the outstanding balance of Rs. 180.77 crores is disclosed under Note-22 as Deferred Income.

	Annexure B(ii)	
1	Whether coal stock measurement was done keeping in view the contour map. Whether physical stock measurement reports are accompanied by contour maps in all cases? Whether approval of the competent authority was obtained for new heap, if any, created during the year.	Yes. The stock measurement has been done keeping in view of contour map and the physical stock measurement reports are accompanied by contour map in all cases. New heaps created during the year have been approved by the competent Authority.
2	Whether the company has conducted physical verification exercise of assets and properties at the time of merger/split/re-structure of an area. If so, whether the concerned subsidiary followed the requisite procedure?	As per information given to us during the year under Audit, Mahalaxmi area was created on 26.10.2019 carving out of Basundhara area. Audit for physical verification of assets transferred to Mahalaxmi area on the date of transition has been done by the management. It is also the practice of the company to conduct physical verification of assets by independent Chartered Accountant firms at every quarter.
3	Whether separate Escrow Accounts for each mine has been maintained in CIL and its subsidiary companies. Also examine the utilization of the fund of the account.	The Company is maintaining mine-wise Escrow Accounts with Union Bank of India.During the year, the company had withdrawn Rs. 24.26crores for mine-closure activity after obtaining approval from the Coal Controller Office.
4	Whether the impact of penalty for illegal mining as imposed by the Hon'ble Supreme Court has been duly considered and accounted for?	Office of Deputy Director Mines issued notices to the Areas to pay compensation for production of coal beyond approved environment clearance limit. The claim was of Rs. 11212.81 crore. The Company has filed revision applications against such claimsat Revisional Authority, Ministry of Coal and the Revisional Authority has set aside the claim for Rs 8297.77 crores and balance Rs 2915.04 crores has been disclosed by the company as contingent liability.

For Singh Ray Mishra & Co.
Chartered Accountants
FRN: 318121E

Sd/-
(CA Jiten Kumar Mishra)
Partner
Membership No. 052796

Place: Burla
Date: 23.07.2020

ANNEXURE -C TO THE AUDITORS' REPORT

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

In conjunction with our Audit of the standalone Ind AS financial statements of the Company as of and for the year ended on 31.03.2020, we have audited the internal financial controls over financial reporting of Mahanadi Coalfields Limited ("**The Company**") as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding of internal financial controls over Financial Reporting, assessing the risk that no material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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) pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principlesand that receipts and expenditures of the company are being made only in accordance with authorizations 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

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 bed etected. 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 be come in adequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company in all material respects, has an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, 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 Singh Ray Mishra & Co.
Chartered Accountants
FRN: 318121E

Sd/-
(CA Jiten Kumar Mishra)
Partner
Membership No. 052796

Place: Burla
Date: 23.07.2020

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2020, we report that:

(i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) As per information available the fixed assets of the company have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company. However for 58.984 acres of leasehold land in Anand Vihar and Jagurti Vihar in possession of the company, the company has deposited the premium and applied for sanctioning the land in its favour for which Conveyance Deed is yet to be executed.

(ii) As explained to us stocks of coal have been physically verified by the Management at reasonable intervals and stock of stores and spare parts (excluding stock in transit and/ or under inspection with suppliers/contractors) have been physically verified by the Management in accordance with the phased programme. The discrepancies between physical stocks and book records, arising out of physical verification, have been properly dealt with in the books of accounts.

(iii) According to the information and explanations given to us and on the basis of the examination of records, we noticed that short term interest bearing Current Account balance are maintained with Coal India Limited, the holding company and Mahanadi Basin Power Limited, MJSJ Coal Limited, MNH Shakti Limited, Mahanadi Coal Railway Limited, the subsidiary companies. We also observed that the Company had given an unsecured loan to NLC India Ltd. in the previous years, as granted and agreed with the concurrence of Ministry of Coal.

a) On the basis of the examination of record and on the basis of the information and explanation available we report that the terms and conditions of the loans are not prima facie prejudicial to the interest of the company.

b) The receipts of interest are regular on current account balance maintained with Subsidiary Companies. MCL is charging interest which is at par the interest rate charged by Coal India Limited to its subsidiaries and the same is accepted and accounted for by subsidiary companies of MCL.

In respect of loans given to NLCIL, repayment of principal and payment of interest by NLCIL is regular to the company.

c) Therefore, in our opinion and according to the information and explanations given to us, there is no overdue amount in respect of Current Account maintained with Mahanadi Basin Power Limited, MJSJ Coal Limited, MNH Shakti Limited, Mahanadi Coal Railway Limited, the subsidiaries companies as the repayment period is not stipulated, and in respect of loan granted to NLCIL, there is no overdue amount of principal and interest.

(iv) According to the information and explanations given to us, the provisions of section 185 and 186 of the Act have been complied with, in respect of the loan, investment and securities.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public.

(vi) An independent cost audit is being carried out by the company and we have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2014, prescribed by the Central Government under Section 148 (1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained.

(vii) (a) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods & Service Tax, Cess and other Statutory dues as applicable, with the appropriate authorities during the year. There are no outstanding dues as of the last date of financial year for a period more than six months from the date they became payable.

(b) According to the records of the company and the information and explanations given to us, details of disputed dues in respect of Income Tax, Sales tax, duty of excise, service tax, Entry Tax and Clean Energy Cess as at 31st March 2020 are given below:-

Sl. No.	Name of the Statute	Nature of Dues	Amount (Rs. In Crores)	Period to which the amount relates	Forum where dispute is pending
1	Income Tax Act	Income Tax	2271.37	2017-18, 2016-17, 2015-16, 2012-13	CIT (A), Sambalpur
2	Income Tax Act	Income Tax	174.61	2015-16	ITAT, Cuttack
3	Income Tax Act	Income Tax	259.57	08-09,09-10, 10-11,11-12, 12-13,13-14, 14-15	High Court, Orissa

4	Income Tax Act	Income Tax	24.01	2009-10, 2008-09	Assessing Officer/DCIT/ JCIT, Sambalpur
Head Quarter					
1	Finance Act, 1994	Service Tax	31.64	2012-13 to 2014-15	CESTAT, KOLKATA
Basundhara					
1	Central Excise Duty ACT, 1944	Excise Duty	6.54	2011-2014	CESTAT KOLKATA
2	Finance Act,1994	Service Tax	0.03	2009-2012	Commissioner (Appeal)
3	Finance Act,1994	Service Tax	0.31	2019-20	Asst. Commissioner, Rourkela
Orient					
1	Finance Act, 1994	Service Tax	0.09	2014-15 & 2015-16	Commissioner (Appeal)
2	Finance Act, 1994	Service Tax	0.01	2007-08	CESTAT
3	Finance Act, 1994	Service Tax	0.08	2013	CESTAT
Ib Valley					
1	Central Excise Act	Excise Duty	8.43	March 2011 to March 2012	CESTAT, Kolkata
2	Central Excise Act	Excise Duty	10.15	2012-2013	CESTAT, Kolkata
3	Central Excise Act	Excise Duty	7.94	March 2013 to December 2013	CESTAT, Kolkata
4	Central Excise Act	Excise Duty	11.46	January 2014 to December 2014	CESTAT, Kolkata
5	Central Excise Act	Excise Duty	0.30	2013-14 & 2014-15	Commissioner CBEC
6	Central Excise Act	Excise Duty	2.44	January 2015 to March 2015	CESTAT, Kolkata
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4	OET ACT	Entry Tax	0.52	1999-00	High Court, Odisha
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Jagannath					Cuttack, Add.
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2.	OET	Entry Tax	2.73	2004-05 to 2015-17	Commissioner (Appeal) Cuttack Add. Commissioner, Cuttack, Sales tax
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(ix) As per information and explanations given to us the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

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(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

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(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Singh Ray Mishra & Co
Chartered Accountants
FRN 318121E

Sd/-
(CA Jiten Kumar Mishra)
Partner
Membership No. 052796

Place: Burla
Date:23.07.2020

Annexure-B to the Auditors' Report
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1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, If any may be stated.	The Company has an IT System named COALNET in use for recording all the accounting transactions through IT system. As per the information and explanations given to us, Integration of finance module and sales module in the COALNET on real time basis has been started during April, 2020 for capturing the approved sales billing raised by different areas for preparing the further MIS reports. Debtor balance as on 31.03.2020 in the audited books of accounts of MCL Kolkata Sales office shall be integrated through COALNET in the books of MCL HQ as opening balance in the FY 2020-21.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	As per information and explanation given to us, there is no restructuring/waiver/write off of debts/loans/ interest etc. by any lender.
3	Whether funds received/receivable for specific schemes from Central/state agencies were proper accounted for/ utilized as per its term and conditions? List the cases of deviation.	During the financial year 2019-20, no CCDA grant was received as capital grant from Ministry of Coal, Govt. of India towards assistance for roads & rails infrastructure works. The total CCDA grant amounting to Rs. 208.58 crores received till date is being amortized over the useful life of the underlying asset and the outstanding balance of Rs. 180.77 crores is disclosed under Note-22 as Deferred Income.
	Annexure B(ii)	
1	Whether coal stock measurement was done keeping in view the contour map. Whether physical stock measurement reports are accompanied by contour	Yes. The stock measurement has been done keeping in view of contour map and the physical stock measurement reports are accompanied by contour map in all cases.

	maps in all cases? Whether approval of the competent authority was obtained for new heap, if any, created during the year.	New heaps created during the year have been approved by the competent Authority.
2	Whether the company has conducted physical verification exercise of assets and properties at the time of merger/split/ re-structure of an area. If so, whether the concerned subsidiary followed the requisite procedure?	As per information given to us during the year under Audit, Mahalaxmi area was created on 26.10.2019 carving out of Basundhara area. Audit for physical verification of assets transferred to Mahalaxmi area on the date of transition has been done by the management. It is also the practice of the company to conduct physical verification of assets by independent Chartered Accountant firms at every quarter.
3	Whether separate Escrow Accounts for each mine has been maintained in CIL and its subsidiary companies. Also examine the utilization of the fund of the account.	The Company is maintaining mine-wise Escrow Accounts with Union Bank of India.During the year, the company had withdrawn Rs. 24.26 crores for mine-closure activity after obtaining approval from the Coal Controller Office.
4	Whether the impact of penalty for illegal mining as imposed by the Hon'ble Supreme Court has been duly considered and accounted for?	Office of Deputy Director Mines issued notices to the Areas to pay compensation for production of coal beyond approved environment clearance limit. The claim was of Rs. 11212.81 crore. The Company has filed revision applications against such claims at Revisional Authority, Ministry of Coal and the Revisional Authority has set aside the claim for Rs 8297.77 crores and balance Rs 2915.04 crores has been disclosed by the company as contingent liability.

For Singh Ray Mishra & Co.
Chartered Accountants
FRN: 318121E

Sd/-
(CA Jiten Kumar Mishra)
Partner
Membership No. 052796

Place: Burla
Date: 23.07.2020

ANNEXURE-C TO THE AUDITORS' REPORT

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

In conjunction with our Audit of the standalone Ind AS financial statements of the Company as of and for the year ended on 31.03.2020, we have audited the internal financial controls over financial reporting of Mahanadi Coalfields Limited ("**The Company**") as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding of internal financial controls over Financial Reporting, assessing the risk that no material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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) pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations 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

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

Opinion

In our opinion, the Company in all material respects, has an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, 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 Singh Ray Mishra & Co.
Chartered Accountants
FRN: 318121E

Sd/-
(CA Jiten Kumar Mishra)
Partner
Membership No. 052796

Place: Burla
Date: 23.07.2020

INDEPENDENT AUDITORS' REPORT

To the Members of Mahanadi Coalfields Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Mahanadi Coalfields Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31stMarch 2020, the consolidated statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs (financial position) of the Group as at March 31, 2020, and consolidated Profit (financial performance including other comprehensive income), the consolidated change in Equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the'**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**' section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our ethical responsibilities in accordance with the provisions of the Companies Act, 2013 and the Rules thereunder. We believe that the audit evidence obtained by us and the audit evidence obtained by the other Auditors in terms of their Reports referred to in Sub-Paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Emphasis of Matter paragraph in the Audit Report

We draw attention to Disclosure in Note-38 Additional Notes to Financial Statement under other information - "The outbreak of Coronavirus (COVID -19) is causing significant disturbance and slowdown of economic activity in India and across the globe. The Group has evaluated the impact of this pandemic on its business operations. Based on its review and current indicators of economic conditions, there is no significant impact on its financial results. The Group will continue to closely monitor any material changes arising from future economic conditions and impact on its business."

Our opinion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

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

Responsibilities of Managementand those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirement of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs (financial position), consolidated profit & loss(financial performance including other comprehensive income), the consolidated changes in equity and consolidated cash flows of the Group, in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 consolidated Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing matters related to going concern and using the going concern basis of accounting as applicable unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the respective company.

Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

A. We had issued an audit report dated 16.06.2020 (the original report) at Burla on the Consolidated Financial Statements as adopted by the Board of Directors. Pursuant to the observations of the Comptroller and Auditor General of India, under section 143(6)(a) of the Companies Act,2013, we have revised the said audit report. This audit report supersedes the original report which has been suitably revised to consider the observations of the Comptroller and Auditor General of India as detailed under point (B) regarding Group share of Net Loss and point (F) as stated below. Our audit procedure on events subsequent to the date of original report is restricted solely to the amendments made to the items mentioned in this paragraph.

B. We did not audit the financial statements/financial information of four subsidiaries, whose financial statements/financial information reflect total assets of Rs. 259.20 crore as at 31st March 2020, the total revenue of Rs. 3.18 croreand net cash flows amounting to Rs. 4.38 crorefor the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs.11.34 crore (for the year ended on 31st March, 2020, as considered in the consolidated financial statements) which have not been audited by us. These financial statements/financial information have been audited by other Auditors whose Reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report of the other auditors.

C. The company has included the value of its mining right under other land instead of disclosing it separately as mining right.

D. The Company has not taken any insurance coverage on its assets like Fixed Assets (except some of the assets such as HEMM & vehicles plying on the road), Stores & Spares and Closing Stock of Coal for fire, burglary and allied activities. However, the group has taken steps in requesting the holding company to frame a policy for insurance and simultaneously it has been taken up with a public sector insurance company to finalize the matter.

E. The holding company has a policy of periodical Reconciliation/Confirmation of Sundry Debtors with customers. It has completed reconciliation for Rs. 475.59 crores upto 31.03.2020. Balance of Sundry Debtors amounting to Rs. 1055.39 crores is under process of reconciliation.

F. On supplementary audit of the office of Comptroller and Auditor General of India, it is observed that:-

i) There is an overstatement of profit of Rs. 24.67 crores and understatement of profit of Rs. 38.04 crores, the Net impact on the profit before tax is under statement of Rs.13.37 crores, as against the consolidated profit before tax Rs. 8627.52 crores as per Consolidated Financial Statement of the company for the financial year 2019-20. The magnitude of misstatement observed during supplementary audit, only being 0.15% of the Profit before Tax of the company, it would individually or in aggregate make it probable that the economic decision of a reasonably knowledgeable user of the Standalone Financial Statement, in our opinion, may not be influenced.

ii) A) Inviting attention to Note no.36 'Tax Expenses' of the Consolidated Financial Statement and amendments to Ind AS12 'Income Taxes' where in Appendix C to Ind AS 12 clarifies the accounting for uncertainties to income taxes. The interpretations is to be applied to the determination of taxable profit/(tax loss), tax base, unused tax losses, unused tax credits and tax rates, when there is uncertainties over income tax treatment under Ind AS 12. On the basis of information and explanations available to us and in compliance to the said standard, it is to state that, the adoption of Appendix C to Ind AS 12 does not have any material impact on the Consolidated Financial Statement of the Company.

B) Inviting attention to para no. 2.24.1.2 of Significant Accounting Policies 'Materiality', it is to state that, the Management has changed the base of materiality concept where

"Errors, omissions discovered in the current year relating to prior periods are treated as immaterial and adjusted during the current year if all such errors and omissions in aggregate does not exceed 1% of total revenue from operation (net of statutory levies) as per last audited financial statement of the company"; as against the previous year's accounting policy "0.50% of total revenue from operation(net of statutory levies) as per last audited financial statement of CIL consolidated". In compliance to Ind AS-8 'Accounting Policies, Changes in Accounting Estimates', it is to state that, there is no material impact on the Consolidated Financial Statement of the Company, due to such revised policy on materiality.

Our opinion on the Consolidated Financial Statements and our report on Other Legal and Regulatory Requirements below, is not modified due to the above matters with respect to our reliance on work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. We are enclosing our report in terms of section 143(5) of the Act, on the basis of such checks of the books and records of the company and auditors' reports of 4 subsidiaries as we considered appropriate and according to the information and explanation given to us in the "**Annexure-A**" on the directions and sub-directions issued by Comptroller and Auditor General of India.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated Ind AS Financial Statement.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS Financial Statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.

   (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

   (e) We are informed that the provision of section 164(2) of the Act in respect of disqualification of the directors are not applicable to the companies under the Group, being Government Companies in terms of notification no G.S.R 463(E) dated 5th June 2015, issued by Ministry of Corporate Affairs.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in **Annexure-B.**

(g) 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. Vide Point No. 4 of Note: 38,in the consolidated financial statements (Ind AS compliant), the impact of pending litigation on its financial position has been disclosed.

ii. As explained to us the Group has not entered into any derivative contract and has not foreseen any material losses on long term contracts, hence no provision has been made on this account.

iii. Since the Group companies (Holding company & its subsidiaries) do not have to transfer any amount tothe Investor Education & Protection Fund as required under section 125 (2) of the Companies Act, 2013 (previously Sec. 205C of Companies Act, 1956), delay in transferring any amount to the Fund does not arise.

For Singh Ray Mishra & Co
Chartered Accountants
FRN 318121E

(CA Jiten Kumar Mishra)
Partner
Membership No. 052796
UDIN-**20052796AAAABG2054**

Place: Burla
Date:23.07.2020

Annexure-A to the Auditors' Report
Report pursuant to Direction and Additional Direction U/s 143(5) of Companies Act 2013 to Statutory Auditors for the Year 2019-20

SL NO.	PARTICULAR	AUDITOR'S REPLY
	Part - A	
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, If any may be stated.	The Holding Company has an IT System named COALNET in use for recording all the accounting transactions through IT system. As per the information and explanations given to us, Integration of finance module and sales module in the COALNET on real time basis has been started during April 2020 for capturing the approved sales billing raised by different areas for preparing the further MIS reports.Debtor balance as on 31.03.2020 in the audited books of accounts of MCL Kolkata Sales office shall be integrated through COALNET in the books of MCL HQ as opening balance in the FY 2020-21. As reported by statutory auditors of four subsidiaries, IT systems to process all the accounting transactions does not exist in the respective subsidiary though it will not impact the integrity of the accounts.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	As per information and explanation given to us by MCL there is no restructuring /waiver/ write off of debts/loans/ interest etc. by any lender. As reported by statutory auditors of four subsidiaries there are no restructuring of existing loan waiver/write off of debts/ loans/interest etc.
3	Whether funds received/receivable for specific schemes from Central/state agencies were proper accounted for/ utilized as per its term and conditions? List the cases of deviation.	During the financial year 2019-20, no CCDA grant was received as capital grant from Ministry of Coal, Govt. of India towards assistance for roads & rails infrastructure works. The total CCDA grant amounting to Rs. 208.58 crores received till date is being amortized over the useful life of the underlying asset and the outstanding balance of Rs.180.77 crores is disclosed under Note-22 as Deferred Income. As reported by statutory auditors of four subsidiaries no funds were received for specific scheme from Central /State Agencies.

	Part -B	
1	Whether coal stock measurement was done keeping in view the contour map. Whether physical stock measurement reports are accompanied by contour maps in all cases? Whether approval of the competent authority was obtained for new heap, if any, created during the year.	In case of MCL the stock measurement has been done keeping in view of contour map and the physical stock measurement reports are accompanied by contour map in all cases. New heaps created during the year have been approved by the competent Authority.
2	Whether the company has conducted physical verification exercise of assets and properties at the time of merger/split/ re-structure of an area. If so, whether the concerned subsidiary followed the requisite procedure?	As per information given to us during the year under Audit, Mahalaxmi area was created on 26.10.2019 carving out of Basundhara area. Audit for physical verification of assets transferred to Mahalaxmi area on the date of transition has been done by the management. It is also the practice of the company to conduct physical verification of assets by independent Chartered Accountant firms at every quarter.As reported by statutory auditors of four subsidiaries there was no merger/split/re-structure.
3	Whether separate Escrow Accounts for each mine has been maintained in CIL and its subsidiary companies. Also examine the utilization of the fund of the account.	MCL is maintaining mine-wise Escrow Accounts with Union Bank of India. During the year, the company had withdrawn Rs. 24.26 crore for mine-closure activity after obtaining approval from the Coal Controller Office.
4	Whether the impact of penalty for illegal mining as imposed by the Hon'ble Supreme Court has been duly considered and accounted for?	Office of Deputy Director Minesissued notices to the Areas to pay compensation for production of coal beyond approved environment clearance limit. The claim was of Rs.11212.81 crore. The Company has filed revision applications against such claims at Revisional Authority, Ministry of Coal and the Revisional Authority has set aside the claim for Rs. 8297.77 crores and balance Rs 2915.04 crores has been disclosed by the company as contingent liability.Other subsidiaries do not have any mining activity during the year.

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

In conjunction with our Audit of the consolidated Ind AS financial statements of the Company for the year ended on 31.03.2020, we have audited the internal financial controls over financial reporting of Mahanadi Coalfields Limited ("**The Holding Company**") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary Companies, which are companies incorporated in India, are 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 respective Company's Policies, the safeguarding of its Assets, the prevention and detection of frauds and errors, the accuracy and completeness of the Accounting Records, and the timely preparation of reliable financial Information, as required under the Companies Act,2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding of internal financial controls over financial reporting, assessing the risk that no material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other Auditors in terms of their Report referred to in the other matters paragraph below, 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 the Indian Accounting Standards ("**Ind AS**"). A company's internal financial control over financial reporting includes those policies and procedures that:

(1) pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflectthe transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparationof financial statements in accordance with the Ind AS and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provides 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

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 in adequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India,have 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 2020, 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.

Other Matters

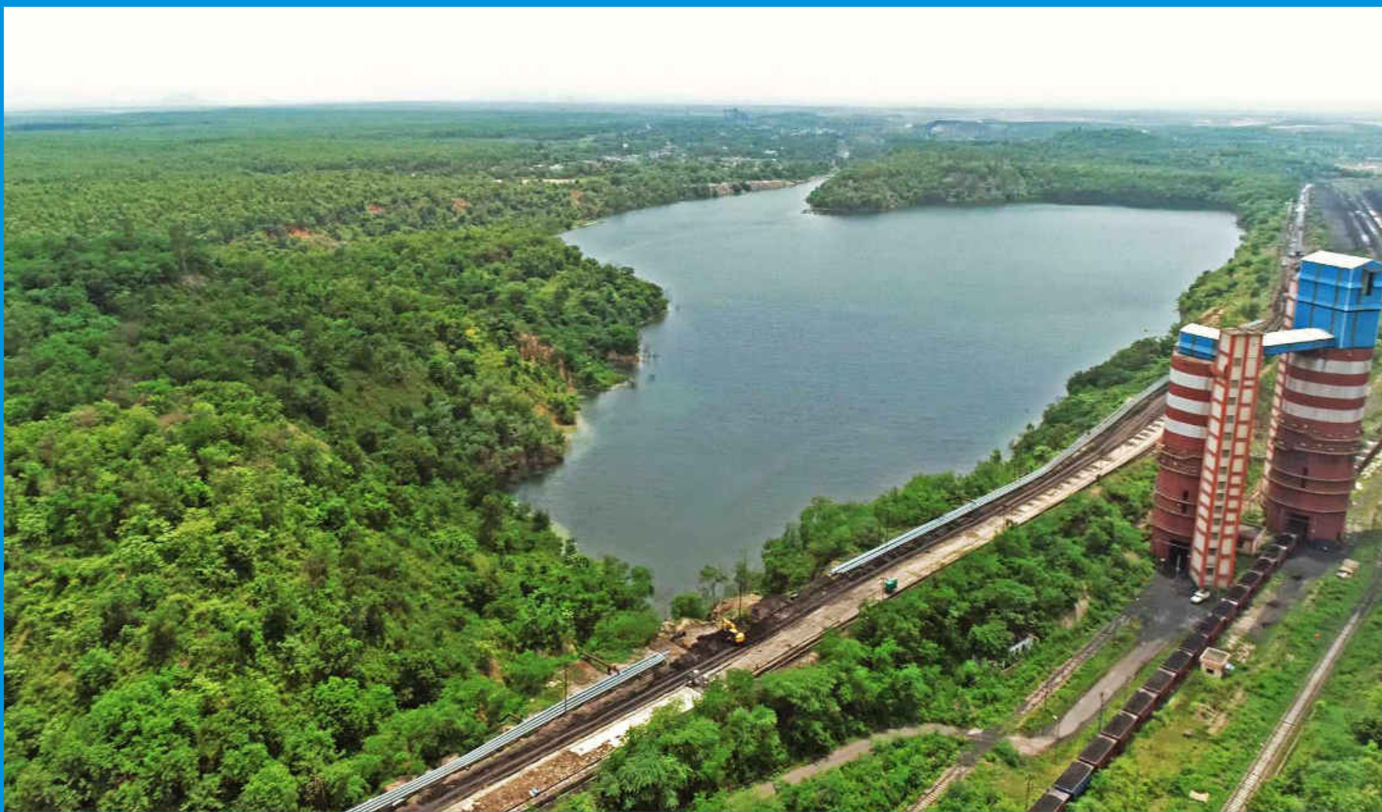
Our aforesaid reports under section 143(3)(1) of the Act on the adequacy and operating effectiveness of the internal financial controls over Financial Reporting in so far as it relates to the subsidiary companies, which are companies incorporated in India, based on the corresponding Reports from the Auditors of such companies.

For Singh Ray Mishra & Co.
Chartered Accountants
FRN: 318121E

Sd/-
(CA Jiten Kumar Mishra)
Partner
Membership No. 052796

Place: Burla
Date: 23.07.2020

ENVIRONMENT FRIENDLY OPERATIONS




AHOTSAVA -2019
Celebrated by
rest Department, MCL
PLANTED BY :-
SHRI B. N. SHUKLA
CMD, MCL
VAN MAHOTSAV- 2019

BALANCE SHEET

As at 31st March, 2020

(₹ in Crore)

	Note No.	As at 31-03-2020	As at 31-03-2019
ASSETS			
Non-Current Assets			
(a) Property, Plant & Equipments	3	7,243.88	6,429.10
(b) Capital Work in Progress	4	1,448.09	1,343.71
(c) Exploration and Evaluation Assets	5	124.73	143.08
(d) Intangible Assets	6	4.69	4.74
(e) Financial Assets			
(i) Investments	7	1,075.41	1,075.41
(ii) Loans	8	626.20	1,125.66
(iii) Other Financial Assets	9	1,165.39	1,018.38
(f) Deferred Tax Assets (net)		-	-
(g) Other non-current assets	10	305.51	208.35
Total Non-Current Assets (A)		11,993.90	11,348.43
Current Assets			
(a) Inventories	12	793.62	502.30
(b) Financial Assets			
(i) Investments	7	0.46	1,000.83
(ii) Trade Receivables	13	1,323.07	465.24
(iii) Cash & Cash equivalents	14	71.43	356.41
(iv) Other Bank Balances	15	12,301.22	12,866.24
(v) Loans	8	500.32	500.32
(vi) Other Financial Assets	9	814.55	695.04
(c) Current Tax Assets (Net)		2,524.68	744.97
(d) Other Current Assets	11	2,522.45	1,541.53
Total Current Assets (B)		20,851.80	18,672.88
Total Assets (A+B)		**32,845.70**	**30,021.31**

Balance Sheet Contd... (₹ in Crore)

EQUITY AND LIABILITIES	Note No.	As at 31-03-2020	As at 31-03-2019
Equity			
(a) Equity Share Capital	16	661.84	661.84
(b) Other Equity	17	3,261.27	3,211.33
Equity attributable to equityholders of the company		3,923.11	3,873.17
Non-Controlling Interests		-	-
Total Equity (A)		3,923.11	3,873.17
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	5.48	5.71
(ii) Trade Payables		-	-
(iii) Other Financial Liabilities	20	39.02	51.22
(b) Provisions	21	20,152.14	18,905.78
(c) Deferred Tax Liabilities (net)		307.04	321.99
(d) Other Non-Current Liabilities	22	180.77	194.68
Total Non-Current Liabilities (B)		20,684.45	19,479.38
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	1,706.45	-
(ii) Trade payables	19		
Total Outstanding dues of micro and small enterprises		0.39	0.09
Total Outstanding dues of creditors other than micro and small enterprises		667.28	507.60
(iii) Other Financial Liabilities	20	1,630.28	1,292.13
(b) Other Current Liabilities	23	3,337.14	3,911.17
(c) Provisions	21	896.60	957.77
(d) Current Tax Liabilities (net)			
Total Current Liabilities (C)		8,238.14	6,668.76
Total Equity and Liabilities (A+B+C)		**32,845.70**	**30,021.31**

The Accompanying Notes form an integral part of Financial Statements.

Sd/-
(A K Singh)
Company Secretary

Sd/-
(K R Vasudevan)
Director (Finance)
DIN : 07915732

As per our report annexed
For SINGH RAY MISHRA & CO.
Chartered Accountants
Firm Regn No. 318121E

Sd/-
(CA J K Mishra)
Partner
Membership No. 052796

Sd/-
(P K Swarnkar)
General Manager (Finance)

Sd/-
(B.N. Shukla)
Chairman-cum-Managing Director
DIN: 05131449

Date: 15.06.2020
Place: Burla

STATEMENT OF PROFIT & LOSS
For the year ending on 31st March, 2020

(₹ in Crore)

		Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	Revenue from Operations			
A	Sales (Net of other levies)	24	14,162.00	15,324.75
B	Other Operating Revenue (Net of other levies)		1,649.17	1,686.25
(I)	**Revenue from Operations (A+B)**		15,811.17	17,011.00
(II)	Other Income	25	1,785.20	1,572.03
(III)	**Total Income (I+II)**		**17,596.37**	**18,583.03**
(IV)	**EXPENSES**			
	Cost of Materials Consumed	26	598.71	672.19
	Purchases of Stock-in-Trade		60.80	-
	Changes in inventories of finished goods/ work in progress and Stock in trade	27	(280.67)	(32.01)
	Employee Benefits Expense	28	3,154.85	3,009.95
	Power Expense		131.31	134.72
	Corporate Social Responsibility Expense	29	165.50	167.16
	Repairs	30	161.18	197.91
	Contractual Expense	31	2,594.68	2,523.86
	Finance Costs	32	80.31	32.83
	Depreciation/Amortization/ Impairment expense		494.74	501.19
	Provisions	33	(73.08)	62.72
	Write off	34	-	0.02
	Other Expenses	35	790.66	850.50
	Stripping Activity Adjustment		1,071.91	1,180.91
	Total Expenses (IV)		**8,950.90**	**9,301.95**
(V)	**Profit before exceptional items and Tax (III-IV)**		**8,645.47**	**9,281.08**
(VI)	Exceptional Items		-	-
(VII)	**Profit before Tax (V-VI)**		**8,645.47**	**9,281.08**
(VIII)	Tax expense	36	2,218.08	3,241.54
(IX)	**Profit for the year from continuing operations (VII-VIII)**		**6,427.39**	**6,039.54**
(X)	Profit/(Loss) from discontinued operations		-	-
(XI)	Tax exp of discontinued operations		-	-
(XII)	Profit/(Loss) from discontinued operations (after Tax) (X-XI)		-	-
(XIII)	Share in JV's/Associate's profit/(loss)		-	-
(XIV)	**Profit for the Year (IX+XII+XIII)**		**6,427.39**	**6,039.54**

Statement of Profit & Loss Contd...

(₹ in Crore)

		Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	Other Comprehensive Income	37		
	A (i) Items that will not be reclassified to profit or loss		(104.82)	(16.28)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(26.38)	(5.69)
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
(XV)	**Total Other Comprehensive Income**		**(78.44)**	**(10.59)**
(XVI)	**Total Comprehensive Income for the year (XIV+XV) (Comprising Profit (Loss) and Other Comprehensive Income for the year)**		**6,348.95**	**6,028.95**
	Profit attributable to:			
	Owners of the company		**6,427.39**	**6,039.54**
	Non-controlling interest			
			6,427.39	**6,039.54**
	Other Comprehensive Income attributable to:			
	Owners of the company		**(78.44)**	**(10.59)**
	Non-controlling interest			
			(78.44)	**(10.59)**
	Total Comprehensive Income attributable to:			
	Owners of the company		**6,348.95**	**6,028.95**
	Non-controlling interest		**-**	**-**
			6,348.95	**6,028.95**
(XVII)	**Earnings per equity share (for continuing operation) (in ₹) :**			
	(1) Basic		**9,592.93**	**8,622.45**
	(2) Diluted		**9,592.93**	**8,622.45**
(XVIII)	**Earnings per equity share (for discontinued operation) (in ₹) :**			
	(1) Basic		-	-
	(2) Diluted		-	-
(XIX)	**Earnings per equity share (for discontinued & continuing operation) (in ₹) :**			
	(1) Basic		**9,592.93**	**8,622.45**
	(2) Diluted		**9,592.93**	**8,622.45**

The Accompanying Notes form an integral part of Financial Statements.

Sd/-
(A K Singh)
Company Secretary

Sd/-
(K R Vasudevan)
Director (Finance)
DIN : 07915732

As per our report annexed
For SINGH RAY MISHRA & CO.
Chartered Accountants
Firm Regn No. 318121E

Sd/-
(CA J K Mishra)
Partner
Membership No. 052796

Sd/-
(P K Swarnkar)
General Manager (Finance)

Sd/-
(B.N. Shukla)
Chairman-cum-Managing Director
DIN: 05131449

Date: 15.06.2020
Place: Burla

CASHFLOW STATEMENT

For the Year ended on 31.03.2020

(₹ in Crore)

		For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
A	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Profit Before Tax	**8,540.65**	**9,264.80**
	Adjustment for :		
	Depreciation/Impairment of fixed assets	494.74	501.19
	Interest on Bank Deposits	(1,134.42)	(988.11)
	Finance Cost related to financing activity	0.77	0.07
	Unwinding of Discount	79.54	38.16
	Profit/loss on sale of Fixed Assets	(0.51)	(0.52)
	Exchange Rate Fluctuation	0.41	(0.20)
	Stripping Activity Adjustment	1,071.91	1,180.91
	Interest/Dividend from investments	(384.64)	(195.99)
	Provisions made & write off	39.53	(66.51)
	Operating Profit before Current/Non Current Assets and Liabilities Adjustment for:	**8,707.98**	**9,733.80**
	Adjustments for :		
	Inventories	(291.32)	(27.54)
	Trade Receivables	(839.36)	(72.44)
	Non current Loans,Advances,Other Financial Assets, Other Assets	255.28	(170.36)
	Current Loans,Advances,Other Financial Assets, Other Assets	(218.64)	(481.34)
	Current/Non Current Provisions, Other Financial Liabilities and Other Liabilities	(126.31)	699.87
	Cash generated from operations	**7,487.63**	**9,681.99**
	Income Tax Paid/Refund	(4,303.13)	(3,100.22)
	Cash Flow before extraordinary items	**3,184.50**	**6,581.77**
	Extraordinary items	-	-
	Net Cash from operating activities (A)	**3,184.50**	**6,581.77**
B	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of Fixed Assets	(1,395.49)	(1,514.43)
	Profit/loss on sale of Fixed Assets	0.51	0.52
	Change in Investments	1,000.37	(1,000.83)
	Interest pertaining to Bank Deposits	1,134.42	1,081.69
	Interest/Dividend from Investments	384.64	102.41
	Net Cash used in investing activities (B)	**1,124.45**	**(1,330.64)**

CASHFLOW STATEMENT
For the Year ended on 31.03.2020

(₹ in Crore)

		For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
C	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Change in borrowings	1,706.26	(0.80)
	Exchange Rate Fluctuation	(0.41)	0.20
	Interest and Finance cost pertaining to Finance Activities	(0.77)	(0.07)
	Dividend on Equity Shares	(5,225.00)	(3,875.00)
	Tax on Dividend on Equity Shares	(1,074.01)	(796.52)
	Buyback of Equity Share Capital	-	(355.00)
	Tax on Buy Back of Equity Share Capital	-	(72.38)
	Net Cash used in financing activities (C)	**(4,593.93)**	**(5,099.57)**
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(284.98)	151.56
	Cash and cash equivalents as at beginning of the year	356.41	204.85
	Cash and cash equivalents as at the end of the year	**71.43**	**356.41**

The aforesaid statement is prepared on indirect method.

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

Sd/-
(A K Singh)
Company Secretary

As per our report annexed
For SINGH RAY MISHRA & CO.
Chartered Accountants
Firm Regn No. 318121E

Sd/-
(P K Swarnkar)
General Manager (Finance)

Sd/-
(K R Vasudevan)
Director (Finance)
DIN : 07915732

Sd/-
(CA J K Mishra)
Partner
Membership No. 052796

Sd/-
(B.N. Shukla)
Chairman-cum-Managing Director
DIN: 05131449

Date: 15.06.2020
Place: Burla

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON 31.03.2020

(₹ in Crore)

A. EQUITY SHARE CAPITAL

Particulars	Balance as at 01.04.2018	Changes In Equity Share Capital During The Year	Balance as at 31.03.2019	Balance as at 01.04.2019	Changes In Equity Share Capital During The Year	Balance as at 31.03.2020
6618363 Equity Shares of Rs.1000/- each fully paid up	706.13	(44.29)	661.84	661.84	-	661.84

B. OTHER EQUITY

	Other Reserves		General Reserve	Retained Earnings	Other Comprehensive Income	Total
	Capital Redemption reserve	Capital Reserve				
Balance as at 01.04.2018	-	-	2,000.32	207.72	28.95	2,236.99
Changes in accounting policy	-	-	-	-	-	-
Prior period errors	-	-	-	-	-	-
Restated balance as at 01.04.2018	-	-	2,000.32	207.72	28.95	2,236.99
Additions during the year	44.29	-	-	-	-	44.29
Adjustments during the year	-	-	(355.00)	-	-	(355.00)
Profit during the year	-	-	-	6,039.54	-	6,039.54
Remeasurement of Defined Benefits Plans (net of Tax)	-	-	-	-	(10.59)	(10.59)
Appropriations	-	-	-	-	-	-
Transfer to / from General Reserve	-	-	301.98	(301.98)	-	-
Transfer to / from Other reserves	-	-	-	-	-	-
Interim Dividend	-	-	-	(3,750.00)	-	(3,750.00)
Final Dividend (for the FY 2017-18)	-	-	-	(125.00)	-	(125.00)
Corporate Dividend tax	-	-	-	(796.52)	-	(796.52)
Buy Back Distribution tax	-	-	-	(72.38)	-	(72.38)
Balance as at 31.03.2019	**44.29**	-	**1,947.30**	**1,201.38**	**18.36**	**3,211.33**
Balance as at 01.04.2019	**44.29**	-	**1,947.30**	**1,201.38**	**18.36**	**3,211.33**
Additions during the year	-	-	-	-	-	-
Adjustments during the year	-	-	-	-	-	-
Profit during the year	-	-	-	6,427.39	-	6,427.39
Remeasurement of Defined Benefits Plans (net of Tax)	-	-	-	-	(78.44)	(78.44)
Appropriations	-	-	-	-	-	-
Transfer to / from General reserve	-	-	321.37	(321.37)	-	-
Transfer to / from Other reserves	-	-	-	-	-	-
Interim Dividend	-	-	-	(5,225.00)	-	(5,225.00)
Final Dividend	-	-	-	-	-	-
Corporate Dividend tax	-	-	-	(1,074.01)	-	(1,074.01)
Buy Back Distribution tax	-	-	-	-	-	-
Balance as at 31.03.2020	**44.29**	-	**2,268.67**	**1,008.39**	**(60.08)**	**3,261.27**

Notes to the financial statements

Note: 1

CORPORATE INFORMATION

Mahanadi Coalfields Limited (MCL), a Miniratna Company with headquarters at Sambalpur, Odisha was incorporated on 3rd April, 1992 as a 100% Subsidiary of Coal India Limited (CIL) upon taking over of assets and liabilities of South Eastern Coalfields Limited in respect of mines in the State of Odisha.

The Company is mainly engaged in mining and production of Coal. The major consumers of the company are power and steel sectors. Consumers from other sectors include cement, fertilisers, brick kilns etc.

MCL has four Subsidiary Companies in Odisha. Information of the Group structure is provided in Note no. 38.

Note 2:

SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

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

For all periods up to and including the year ended 31stMarch 2016, the MCL (hereinafter referred as "Company")prepared its financial statements in accordance with Accounting Standards (AS) notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and in accordance with companies (Accounting Standards), Rules 2006.

The financial statements have been prepared on historical cost basis of measurement, except for

- certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments in para 2.15);
- Defined benefit plans- plan assets measured at fair value;
- Inventories at Cost or NRV whichever is lower (refer accounting policy in para no. 2.20).

2.1.1 Rounding of amounts

Amounts in these financial statements have, unless otherwise indicated, have been rounded off to 'rupees in crore' upto two decimal points.

2.2 Current and non-current Classification

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

(a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;

(b) it holds the asset primarily for the purpose of trading;

(c) it expects to realise the asset within twelve months after the reporting period; or

(d) the asset is cash or a cash equivalent (as defined in Ind AS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is treated as current by the Company when:

(a) it expects to settle the liability in its normal operating cycle;

(b) it holds the liability primarily for the purpose of trading;

(c) the liability is due to be settled within twelve months after the reporting period; or

(d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

2.3 Revenue recognition

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

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

Revenue from contracts with customers

Coal India Limited is an Indian state controlled enterprise headquartered in Kolkata, West Bengal, India and the largest coal producing company in the world. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

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

Step 1 : Identifying the contract:

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

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

b) the Company can identify each party's rights regarding the goods or services to be transferred;

c) the Company can identify the payment terms for the goods or services to be transferred;

d) the contract has commercial substance (i.e. the risk, timing or amount of the Company's future cash flows is expected to change as a result of the contract); and

e) it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. The amount of consideration to which the Company will be entitled may be less than the price stated in the contract if the consideration is variable because the Company may offer the customer a price concession, discount, rebates, refunds, credits or be entitled to incentives, performance bonuses, or similar items.

Combination of contracts

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

a) the contracts are negotiated as a package with a single commercial objective;

b) the amount of consideration to be paid in one contract depends on the price or performance of the other contract; or

c) the goods or services promised in the contracts (or some goods or services promised in each of the contracts) are a single performance obligation.

Contract modification

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

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

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

Step 2 : Identifying performance obligations:

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

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

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

Step 3 : Determining the transaction price

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

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

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

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

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

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

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

The Company recognizes a refund liability if the Company receives consideration from a customer and expects to refund some or all of that consideration to the customer. A refund liability is measured at the amount of consideration received (or receivable) for which the company does not expect to be entitled (i.e. amounts not included in the transaction price). The refund liability (and corresponding change in the transaction price and, therefore, the contract liability) is updated at the end of each reporting period for changes in circumstances.

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

Step 4 : Allocating the transaction price:

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

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

Step 5 : Recognizing revenue:

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

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

a) the customer simultaneously receives and consumes the benefits provided by the company's performance as the Company performs;

b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced;

c) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

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

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

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

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

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

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

a) the Company has a present right to payment for the good or service;

b) the customer has legal title to the good or service;

c) the Company has transferred physical possession of the good or service;

d) the customer has the significant risks and rewards of ownership of the good or service;

e) the customer has accepted the good or service.

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

Contract assets:

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

Trade receivables:

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

Contract liabilities:

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

Interest

Interest income is recognised using the Effective Interest Method.

Dividend

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

Other Claims

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

2.4 Grants from Government

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

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

Government Grants/assistance related to assets are presented in the balance sheet by setting up the grant as deferred income and are recognised in Statement of Profit and Loss on systematic basis over the useful life of asset.

Grants related to income (i.e. grant related to other than assets) are presented as part of statement of profit and loss under the head ‘Other Income’.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs, is recognised in profit or loss of the period in which it becomes receivable.

The Government grants or in the nature of promoters contribution are recognised directly in “Capital Reserve” which forms part of the “Shareholders fund”.

2.5 Leases

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

2.5.1 Company as a lessee

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

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

2.5.2 Company as a lessor

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

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

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

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

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

2.6 Non-current assets held for sale

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

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

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

2.7 Property, Plant and Equipment (PPE)

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

After recognition, an item of all other Property, plant and equipment are carried at its cost less any accumulated depreciation and any accumulated impairment losses under Cost Model. The cost of an item of property, plant and equipment comprises:

(a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

(b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item depreciated separately. However, significant part(s) of an item of PPE having same useful life and depreciation method are grouped together in determining the depreciation charge.

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

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

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

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

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

Other Land (Incl. Leasehold Land)	:	Life of the project or lease term whichever is lower
Building	:	3-60 years
Roads	:	3-10 years
Telecommunication	:	3-9 years
Railway Sidings	:	15 years
Plant and Equipment	:	5-30 years
Computers and Laptops	:	3 Years
Office equipment	:	3-6 years
Furniture and Fixtures	:	10 years
Vehicles	:	8-10 years

Based on technical evaluation, the management believes that the useful lives given above best represents the period over which the management expects to use the asset. Hence the useful lives of the assets may be different from useful lives as prescribed under Part C of schedule II of companies act, 2013.

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

The residual value of Property, plant and equipment is considered as 5% of the original cost of the asset except some items of assets such as, Coal tub, winding ropes, haulage ropes, stowing pipes & safety lamps etc. for which the technically estimated useful life has been determined to be one year with nil residual value.

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

Value of "Other Land" includes land acquired under Coal Bearing Area (Acquisition & Development) (CBA) Act, 1957, Land Acquisition Act, 1894, Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (RFCTLAAR) Act, 2013, Long term transfer of government land etc., which is amortised on the basis of the balance life of the project; and in case of Leasehold land such amortisation is based on lease period or balance life of the project whichever is lower.

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

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

2.8 Mine Closure, Site Restoration and Decommissioning Obligation

The company's obligation for land reclamation and decommissioning of structures consists of spending at both surface and underground mines in accordance with the guidelines from Ministry of Coal, Government of India. The company estimates its obligation for Mine Closure, Site Restoration and Decommissioning based upon detailed calculation and technical assessment of the amount and timing of the future cash spending to perform the required work. Mine Closure expenditure is provided as per approved Mine Closure Plan. The estimates of expenses are escalated for inflation, and then discounted at a discount rate that reflects current market assessment of the time value of money and the risks, such that the amount of provision reflects the present value of the expenditures expected to be required to settle the obligation. The company records a corresponding asset associated with the liability for final reclamation and mine closure. The obligation and corresponding assets are recognised in the period in which the liability is incurred. The asset representing the total site restoration cost (as estimated by Central Mine Planning and Design Institute Limited) as per mine closure plan is recognised as a separate item in PPE and amortised over the balance project/mine life.

The value of the provision is progressively increased over time as the effect of discounting unwinds; creating an expense recognised as financial expenses.

Further, a specific escrow fund account is maintained for this purpose as per the approved mine closure plan.

The progressive mine closure expenses incurred on year to year basis forming part of the total mine closure obligation is initially recognised as receivable from escrow account and thereafter adjusted with the obligation in the year in which the amount is withdrawn after the concurrence of the certifying agency.

2.9 Exploration and Evaluation Assets

Exploration and evaluation assets comprise capitalised costs which are attributable to the search for coal and related resources, pending the determination of technical feasibility and the assessment of commercial viability of an identified resource which comprises inter alia the following:

- Acquisition of rights to explore;
- researching and analysing historical exploration data;
- gathering exploration data through topographical, geo chemical and geo physical studies;
- exploratory drilling, trenching and sampling;
- determining and examining the volume and grade of the resource;
- surveying transportation and infrastructure requirements;
- Conducting market and finance studies.

The above includes employee remuneration, cost of materials and fuel used, payments to contractors etc.

As the intangible component represents an insignificant/indistinguishable portion of the overall expected tangible costs to be incurred and recouped from future exploitation, these costs along with other capitalised exploration costs are recorded as exploration and evaluation asset.

Exploration and evaluation costs are capitalised on a project by project basis pending determination of technical feasibility and commercial viability of the project and disclosed as a separate line item under non-current assets. They are subsequently measured at cost less accumulated impairment/provision.

Once proved reserves are determined and development of mines/project is sanctioned, exploration and evaluation assets are transferred to “Development” under capital work in progress. However, if proved reserves are not determined, the exploration and evaluation asset is derecognised.

2.10 Development Expenditure

When proved reserves are determined and development of mines/project is sanctioned, capitalised exploration and evaluation cost is recognised as assets under construction and disclosed as a component of capital work in progress under the head “Development”. All subsequent development expenditure is also capitalised. The development expenditure capitalised is net of proceeds from the sale of coal extracted during the development phase.

Commercial Operation

The project/mines are brought to revenue; when commercial readiness of a project/mine to yield production on a sustainable basis is established either on the basis of conditions specifically stated in the project report or on the basis of the following criteria:

(a) From beginning of the financial year immediately after the year in which the project achieves physical output of 25% of rated capacity as per approved project report, or

(b) 2 years of touching of coal, or

(c) From the beginning of the financial year in which the value of production is more than total, expenses.

Whichever event occurs first;

On being brought to revenue, the assets under capital work in progress are reclassified as a component of property, plant and equipment under the nomenclature “Other Mining Infrastructure”. Other Mining Infrastructure are amortised from the year when the mine is brought under revenue in 20 years or working life of the project whichever is less.

2.11 Intangible Assets

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

Internally generated intangibles, excluding capitalised development costs, are not capitalised. Instead, the related expenditure is recognised in the statement of profit and loss and other comprehensive income in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

An intangible asset with an indefinite useful life is not amortised but is tested for impairment at each reporting date.

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

Exploration and Evaluation assets attributable to blocks identified for sale or proposed to be sold to outside agencies (i.e. for blocks not earmarked for CIL) are however, classified as Intangible Assets and tested for impairment.

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

2.12 Impairment of Assets (other than financial assets)

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

If the recoverable amount of an asset is estimated to be less than its carrying amount,the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognised in the Statement of Profit and Loss.

2.13 Investment Property

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

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

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

2.14 Financial Instruments

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

2.14.1 Financial assets

2.14.1 Initial recognition and measurement

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

2.14.2 Subsequent measurement

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

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

2.14.2.1 Debt instruments at amortised cost

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

2.14.2.2 Debt instrument at FVTOCI

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

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

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

2.14.2.3 Debt instrument at FVTPL

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

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

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

2.14.2.4 Equity investments in subsidiaries, associates and Joint Ventures

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

In case of consolidated financial statement, Equity investments in associates and joint ventures are accounted as per equity method as prescribed in para 10 of Ind AS 28.

2.14.2.5 Other Equity Investment

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

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

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

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

2.14.2.6 Derecognition

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

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

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

2.14.2.7 Impairment of financial assets (other than fair value)

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Lease receivables under Ind AS 17

d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

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

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

The application of simplified approach does not require the Company to track changes in credit risk.

2.14.3 Financial liabilities

2.14.3.1 Initial recognition and measurement

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

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

2.14.3.2 Subsequent measurement

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

2.14.3.3 Financial liabilities at fair value through profit or loss

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

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

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

2.14.3.4 Financial liabilities at amortised cost

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

2.14.3.5 Derecognition

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

2.14.4 Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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

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

2.14.5 Offsetting of financial instruments

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

2.15 Borrowing Costs

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

2.16 Taxation

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

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

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

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

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

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

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

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

2.17 Employee Benefits

2.17.1 Short-term Benefits

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

2.17.2 Post-employment benefits and other long term employee benefits

2.17.2.1 Defined contributions plans

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

2.17.2.2 Defined benefits plans

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

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

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

Net interest expense and other expenses related to defined benefit plans are recognised in profit and loss. When the benefits of the plan are improved, the portion of the increased benefit relating to past service by employees is recognised as expense immediately in the statement of profit and loss."

2.17.3 Other Employee benefits

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

2.18 Foreign Currency

The company's reported currency and the functional currency for majority of its operations is in Indian Rupees (INR) being the principal currency of the economic environment in which it operates.

Transactions in foreign currencies are converted into the reported currency of the company using the exchange rate prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies outstanding at the end of the reporting period are translated at the exchange rates prevailing as at the end of reporting period. Exchange differences arising on the settlement of monetary assets and liabilities or on translating monetary assets and liabilities at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in statement of profit and loss in the period in which they arise.

Non-monetary items denominated in foreign currency are valued at the exchange rates prevailing on the date of transactions.

2.19 Stripping Activity Expense/Adjustment

In case of opencast mining, the mine waste materials ("overburden") which consists of soil and rock on the top of coal seam is required to be removed to get access to the coal and its extraction. This waste removal activity is known as 'Stripping'. In opencast mines, the company has to incur such expenses over the life of the mine (as technically estimated).

Therefore, as a policy, in the mines with rated capacity of one million tonnes per annum and above, cost of Stripping is charged on technically evaluated average stripping ratio (OB: COAL) at each mine with due adjustment for stripping activity asset and ratio-variance account after the mines are brought to revenue.

Net of balances of stripping activity asset and ratio variance at the Balance Sheet date is shown as Stripping Activity Adjustment under the head Non - Current Provisions / Other Non-Current Assets as the case may be.

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

Annual Quantum of OBR Of the Mine	Permissible limits of variance
Less than 1 Mill. CUM	+/- 5%
Between 1 and 5 Mill. CUM	+/- 3%
More than 5 Mill. CUM	+/- 2%

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

In case of mines with rated capacity of less than one million tonne, the above policy is not applied and actual cost of stripping activity incurred during the year is recognised in Statement of Profit and Loss.

2.20 Inventories

2.20.1 Stock of Coal

Inventories of coal/coke are stated at lower of cost and net realisable value. Cost of inventories are calculated using the Weighted Average method. Net realisable value represents the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale.

Book stock of coal is considered in the accounts where the variance between book stock and measured stock is upto +/- 5% and in cases where the variance is beyond +/- 5% the measured stock is considered. Such stock are valued at net realisable value or cost whichever is lower. Coke is considered as a part of stock of coal.

Coal & coke-fines are valued at lower of cost or net realisable value and considered as a part of stock of coal.

Slurry (coking/semi-coking), middling of washeries and by products are valued at net realisable value and considered as a part of stock of coal.

2.20.2 Stores & Spares

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

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

2.20.3 Other Inventories

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

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

2.21 Provisions, Contingent Liabilities &Contingent Assets

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

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

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

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

2.22 Earnings per share

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

2.23 Judgements, Estimates and Assumptions

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

2.23.1 Judgements

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

2.23.1.1 Formulation of Accounting Policies

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

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

a) relevant to the economic decision-making needs of users and

b) reliable in that financial statements:

(i) represent faithfully the financial position, financial performance and cash flows of the Company; (ii) reflect the economic substance of transactions, other events and conditions, and not merely the legal form; (iii) are neutral, i.e. free from bias; (iv) are prudent; and (v) are complete in all material respects on a consistent basis

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

(a) the requirements in Ind ASs dealing with similar and related issues; and

(b) the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Framework.

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

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

The financial statements are prepared on going concern basis using accrual basis of accounting.

2.23.1.2 Materiality

Ind AS applies to items which are material. Management uses judgement in deciding whether individual items or groups of item are material in the financial statements. Materiality is judged by reference to the size and nature of the item. The deciding factor is whether omission or misstatement could individually or collectively influence the economic decisions that users make on the basis of the financial statements. Management also uses judgement of materiality for determining the compliance requirement of the Ind AS. In particular circumstances either the nature or the amount of an item or aggregate of items could be the determining factor. Further the Company may also be required to present separately immaterial items when required by law.

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

2.23.1.3 Operating lease

Company has entered into lease agreements. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

2.23.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

2.23.2.1 Impairment of non-financial assets

There is an indication of impairment if, the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. Company considers individual mines as separate cash generating units for the purpose of test of impairment. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to other mining infrastructures. The key assumptions used to determine the recoverable amount for the different CGUs, are disclosed and further explained in respective notes.

2.23.2.2 Taxes

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

2.23.2.3 Defined benefit plans

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

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

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

2.23.2.4 Fair value measurement of financial instruments

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

2.23.2.5 Intangible asset under development

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

2.23.2.6 Provision for Mine Closure, Site Restoration and Decommissioning Obligation

In determining the fair value of the provision for Mine Closure, Site Restoration and Decommissioning Obligation, assumptions and estimates are made in relation to discount rates, the expected cost of site restoration and dismantling and the expected timing of those costs. The Company estimates provision using the DCF method considering life of the project/ mine based on

- Estimated cost per hectare as specified in guidelines issued by ministry of Coal, Government of India
- The discount rate (pre tax rate) that reflect current market assessments of the time value of money and the risks specific to the liability.

2.24 Abbreviation used:

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: PROPERTY , PLANT AND EQUIPMENTS

(₹ in Crore)

	Free-hold Land	Other Land	Land Reclamation/ Site Restoration Costs	Building (including water supply, roads and culverts)	Plant and Equip-ments	Telecom-munica-tion	Railway Sidings	Furniture and Fixtures	Office Equip-ments	Vehicles	Aircraft	Other Mining Infra-structure	Surveyed off Assets	Others	Total
Gross Carrying Amount:															
As at 1 April 2018	30.32	3,240.97	308.81	440.64	1,059.35	26.79	150.58	17.83	18.20	18.07	-	232.93	16.96	-	5,561.45
Additions	-	875.37	28.15	149.17	328.68	0.23	4.02	3.00	6.86	2.36	-	1,022.13	2.57	-	2,422.54
Deletions/Adjustments	-	-	(20.77)	0.21	(3.55)	0.04	-	(0.03)	(1.53)	(0.47)	-	(0.49)	(4.00)	-	(30.59)
As at 31st March 2019	30.32	4,116.34	316.19	590.02	1,384.48	27.06	154.60	20.80	23.53	19.96	-	1,254.57	15.53	-	7,953.40
As at 1 April 2019	30.32	4,116.34	316.19	590.02	1,384.48	27.06	154.60	20.80	23.53	19.96	-	1,254.57	15.53	-	7,953.40
Additions	0.17	503.60	-	52.32	438.33	0.56	94.69	2.04	3.86	3.17	-	244.81	5.28	-	1,348.83
Deletions/Adjustments	-	0.80	(5.37)	(0.15)	(17.28)	(0.06)	-	0.27	(2.10)	(0.59)	-	(0.85)	(1.18)	-	(26.51)
As at 31st March 2020	30.49	4,620.74	310.82	642.19	1,805.53	27.56	249.29	23.11	25.29	22.54	-	1,498.53	19.63	-	9,275.72
Accumulated Depreciation and Impairment															
As at 1 April 2018	-	318.73	112.84	41.56	434.57	14.11	28.19	6.53	6.13	6.61	-	49.80	6.47	-	1,025.54
Charge for the year	-	201.96	32.48	16.89	137.07	4.84	12.78	1.93	3.61	2.34	-	87.74	-	-	501.64
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	1.54	-	1.54
Deletions/Adjustments	-	(0.02)	-	0.02	(0.42)	0.01	-	(0.05)	(1.17)	(0.40)	-	-	(2.39)	-	(4.42)
As at 31st March 2019	-	520.67	145.32	58.47	571.22	18.96	40.97	8.41	8.57	8.55	-	137.54	5.62	-	1,524.30
As at 1 April 2019	-	520.67	145.32	58.47	571.22	18.96	40.97	8.41	8.57	8.55	-	137.54	5.62	-	1,524.30
Charge for the year	-	207.48	8.48	29.22	129.43	3.49	14.89	2.03	3.93	2.52	-	118.86	-	-	520.33
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	3.17	-	3.17
Deletions/Adjustments	-	0.41	(5.36)	0.04	(7.91)	(0.02)	-	(1.20)	(0.23)	(0.51)	-	(0.47)	(0.71)	-	(15.96)
As at 31st March 2020	-	728.56	148.44	87.73	692.74	22.43	55.86	9.24	12.27	10.56	-	255.93	8.08	-	2,031.84
Net Carrying Amont															
As at 31st March 2020	30.49	3,892.18	162.38	554.46	1,112.79	5.13	193.43	13.87	13.02	11.98	-	1,242.60	11.55	-	7,243.88
As at 31st March 2019	30.32	3,595.67	170.87	531.55	813.26	8.10	113.63	12.39	14.96	11.41	-	1,117.03	9.91	-	6,429.10

Note:

1. Other land includes land acquired under Coal Bearing Areas (Acquisition and Development) Act, 1957 and Land Acquisition Act, 1894, Orissa Government Land Settlement Act 1962. Land acquired under Coal Bearing Areas (Acquisition and Development) Act, 1957 has been capitalized on the basis of notification transferring the ownership of land to the extent for which sanction / approval has been received. Land acquired under Land Acquisition Act, 1894, Orissa Government Land Settlement Act 1962 has been capitalized on the basis of possession certified by State Authorities.
2. Conveyance deed of land in favour of the company is pending for execution in few cases.
3. Land Reclamation/Site Restoration cost comprises of estimated cost to be incurred at the stage of mine closure duly escalated for inflation (5% p.a.) and then discounted at 8 % discount rate that reflects current market rate of fair value and the risk.
4. Depreciation has been provided based on useful life as mentioned in Note 2.7.
5. Other Mining infrastructure above includes Enabling assets viz railway track amounting to ₹ 1124.35 crore.
6. Plant and Machinery above includes ₹ 7.37 crores of Stand by Equipment and stores and spares which satisfies criteria for recognition as PPE but not yet issued from stores.
7. Component accounting is being followed as per the committee recommendation dated 17.04.2017 circulated from CIL.
8. Based on technical evaluation useful lives of certain HEMM under plant and equipment has been revised which has resulted decrease in depreciation charged during the period by ₹ 22.02 crores.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 : CAPITAL WIP

(₹ in Crore)

	Building (including water supply, roads and culverts)	Plant and Equip-ments	Railway Sidings	Other Mining infra-structure/ Develop-ment	Rail Corridor under Construc-tion	Others	Total
Gross Carrying Amount:							
As at 1 April 2018	266.98	530.02	82.72	1,374.16	-	-	2,253.88
Additions	57.68	192.57	57.38	131.58	-	0.22	439.43
Capitalisation	(140.66)	(183.07)	(4.26)	(978.49)	-	(0.22)	(1,306.70)
Deletions/Adjustments	(0.61)	(1.88)	-	(26.23)	-	-	(28.72)
As at 31 March 2019	183.39	537.64	135.84	501.02	-	-	1,357.89
							-
As at 1 April 2019	183.39	537.64	135.84	501.02	-	-	1,357.89
Additions	94.12	210.77	51.41	210.95	-	-	567.25
Capitalisation	(56.24)	(229.04)	(93.59)	(64.60)	-	-	(443.47)
Deletions/Adjustments	(14.89)	(0.66)	(2.25)	(1.61)	-	-	(19.41)
As at 31 March 2020	206.38	518.71	91.41	645.76	-	-	1,462.26
Accumulated Provision and Impairment							
As at 1 April 2018	-	12.76	-	-	-	-	12.76
Charge for the year	-	-	-	-	-	-	-
Impairment	0.11	-	0.12	1.19	-	-	1.42
Deletions/Adjustments	-	-	-	-	-	-	-
As at 31 March 2019	0.11	12.76	0.12	1.19	-	-	14.18
							-
As at 1 April 2019	0.11	12.76	0.12	1.19	-	-	14.18
Charge for the year	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Deletions/Adjustments	-	(0.01)	-	-	-	-	(0.01)
As at 31 March 2020	0.11	12.75	0.12	1.19		-	14.17
Net Carrying Amont					-		
As at 31 March 2020	206.27	505.96	91.29	644.57	-	-	1,448.09
As at 31 March 2019	183.28	524.88	135.72	499.83		-	1,343.71

1. Development above includes enabling assets of ₹ 228.65 crores towards widening of two lane road to four lane road from Bankibahal to Kanika Railway Siding and ₹ 59.84 crores towards construction of four lane roads from Bankibahal to Bhedabahal on SH-10.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 : EXPLORATION AND EVALUATION ASSETS

(₹ in Crore)

	Exploration and Evaluation Costs
Gross Carrying Amount:	
As at 1st April 2018	126.95
Additions	16.13
Deletions/Adjustments	-
As at 31st March 2019	143.08
As at 1st April 2019	143.08
Additions	13.88
Deletions/Adjustments	(32.23)
As at 31st March 2020	124.73
Accumulated Provision and Impairment	
As at 1st April 2018	-
Charge for the year	-
Impairment	-
Deletions/Adjustments	-
As at 31st March 2019	-
As at 1 April 2019	-
Charge for the year	-
Impairment	-
Deletions/Adjustments	-
As at 31st March 2020	-
Net Carrying Amont	
As at 31st March 2020	124.73
As at 31st March 2019	143.08

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 : OTHER INTANGIBLE ASSETS

(₹ in Crore)

	Computer Software	Intangible Exploratory Assets	Others	Total
Gross Carrying Amount:				
As at 1 April 2018	0.60	4.58	-	5.18
Additions	-	-	-	-
Deletions/Adjustments	-	-	-	-
As at 31 March 2019	0.60	4.58	-	5.18
As at 1 April 2019	0.60	4.58	-	5.18
Additions	-	-	-	-
Deletions/Adjustments	-	(0.02)	-	(0.02)
As at 31 March 2020	0.60	4.56	-	5.16
Accumulated Amortisation and Impairment				
As at 1 April 2018	0.35	-	-	0.35
Charge for the year	0.09	-	-	0.09
Impairment	-	-	-	-
Deletions/Adjustments	-	-	-	-
As at 31 March 2019	0.44	-	-	0.44
As at 1 April 2019	0.44	-	-	0.44
Charge for the year	0.02	-	-	0.02
Impairment	-	-	-	-
Deletions/Adjustments	0.01	-	-	0.01
As at 31 March 2020	0.47	-	-	0.47
Net Carrying Amont				
As at 31 March 2020	0.13	4.56	-	4.69
As at 31 March 2019	0.16	4.58	-	4.74

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 7 : (I) INVESTMENTS

(₹ in Crore)

Non-Current	Percentage (%) holding	Number of shares current year/ (previous year)	Face value per share current year/ (previous year)	As at 31.03.2020	As at 31.03.2019
Investment in Shares					
Equity Shares in Subsidiary Companies					
MNH Shakti LTD.	70%	59570000/ (59570000)	10.00	59.57	59.57
MJSJ Coal LTD.	60%	57060000/ (57060000)	10.00	57.06	57.06
MBPL	100%	50000/ (50000)	10.00	0.05	0.05
MCRL	64%	32000/ (32000)	10.00	0.03	0.03
Non-Trade (Quoted)					
In Secured Bonds					
7.55 % Secured Non convertible IRFC Tax free 2021 series 79 bonds		20000/ (20000)	100000/ (100000)	200.00	200.00
8% Secured Non convertible IRFC bonds Tax free		1087537/ (1087537)	1000/ (1000)	108.75	108.75
7.22 % Secured Non convertible IRFC bond Tax free		4999/ (4999)	1000100/ (1000100)	499.95	499.95
7.22 % Secured Redeemable REC bond Tax free		1500000/ (1500000)	1000/ (1000)	150.00	150.00
Total :				**1075.41**	**1075.41**
Aggregate amount of unquoted investments:				**116.71**	**116.71**
Aggregate amount of quoted investments:				**958.70**	**958.70**
Market value of quoted investments:				**986.85**	**997.24**
Aggregate amount of impairment in value of investments:				**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 7 (II) INVESTMENTS

(₹ in Crore)

Current	Number of units current year/ (previous year)	NAV (In ₹)	As at 31.03.2020	As at 31.03.2019
TRADE (Unquoted)				
Mutual Fund Investment				
SBI Premier Liquid Fund	546.257/(5985576.207)	1003.25	0.06	600.50
UTI Money Market Fund	3964.621/(3926868.713)	1019.45	0.40	400.33
Total :			**0.46**	**1,000.83**
Aggregate of Quoted Investment:			-	-
Aggregate of Unquoted Investments:			0.46	1,000.83
Market value of Unquoted Investment:			0.46	1,000.83
Aggregate amount of impairment in value of Investments:			-	-

Note: The NAV per unit of the Trade (unquoted) Mutual Fund are equal to Face Value as specified above.

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 8 : LOANS

(₹ in Crore)

Non-Current	As at 31.03.2020		As at 31.03.2019	
Other Loans				
- Secured, considered good	1.20		0.66	
- Unsecured, considered good	625.00		1,125.00	
- Have significant increase in credit risk	-		-	
- Credit impaired	-		-	
Less: Allowance for doubtful loans	-	626.20	-	1,125.66
TOTAL		**626.20**		**1,125.66**
CLASSIFICATION				
Secured, considered good		1.20		0.66
Unsecured, Considered good		625.00		1,125.00
Have significant increase in Credit risk		-		-
Credit impaired		-		-

NOTE - 8 : LOANS

Current	31.03.2020		31.03.2019	
Other Loans				
- Secured, considered good	0.32		0.32	
- Unsecured, considered good	500.00		500.00	
- Have significant increase in credit risk	-		-	
- Credit impaired	-		-	
Less: Allowance for doubtful loans	-	500.32	-	500.32
TOTAL		**500.32**		**500.32**
CLASSIFICATION				
Secured, considered good		0.32		0.32
Unsecured, Considered good		500.00		500.00
Have significant increase in credit risk		-		-
Credit impaired		-		-

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 9 : OTHER FINANCIAL ASSETS

(₹ in Crore)

Non Current	As at 31.03.2020		As at 31.03.2019	
Bank deposits		2.13		0.85
Deposits and receivables for Site Restoration:				
Deposit in Bank under Mine Closure Plan		1,082.09		978.51
Other Deposit (mine closure concurrent expense)		47.28		0.89
Receivable from Escrow Account for Mine Closure Expenses		-		-
Security Deposit for utilities	33.89		38.13	
Less : Allowance for doubtful deposits	-	33.89	-	38.13
Other Deposit and Receivables	0.16		0.16	
Less : Allowance for doubtful deposits & receivables	0.16	-	0.16	-
TOTAL		**1165.39**		**1018.38**

Note:

1. Deposits in Escrow Accounts for mine closure with Scheduled Banks for ₹ 1082.09 crore made as per guidelines issued by Ministry of Coal, Government of India and after agreement with Coal Controller.
2. Bank Deposits above of ₹ 2.13 crore (₹ 0.85 crore) are made as per the direction of the Court.

Escrow Account Balance	**31.03.2020**	**31.03.2019**
Balance in Escrow Account on opening date	978.51	834.81
Add: Balance Deposited during Current Period	66.97	97.01
Add: Interest Credited during the Period	60.87	48.59
Less: Amount Withdrawn during Current Period	24.26	1.90
Balance in Escrow Account (Current/ Non Current) on Closing date	1,082.09	978.51

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 9 : OTHER FINANCIAL ASSETS

(₹ in Crore)

	As at			
Current		**31.03.2020**		**31.03.2019**
Deposits and receivables for Site Restoration:				
Other Deposit (mine closure concurrent expense)		182.00		134.22
Receivable from Escrow Account for Mine Closure Expenses		-		-
Current Account with CIL/Subsidiaries	94.91		101.24	
Less: Provision for Doubtful Advances	-	94.91	-	101.24
Current Maturities of Unsecured Long Term loan		-		-
Interest accrued		528.43		445.48
Claims & other receivables	9.27		14.16	
Less : Allowance for doubtful claims	0.06	9.21	0.06	14.10
TOTAL		**814.55**		**695.04**

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Crore)

NOTE 10 : OTHER NON-CURRENT ASSETS

	As at 31.03.2020		As at 31.03.2019	
(i) Capital Advances	292.50		198.83	
Less : Provision for doubtful advances	0.65	291.85	0.64	198.19
(ii) Advances other than capital advances				
(a) Security Deposit for utilities	-		-	
Less :Provision for doubtful deposits	-	-	-	-
(b) Other Deposits and Advances	13.66		10.16	
Less :Provision for doubtful deposits	-	13.66	-	10.16
TOTAL		305.51		208.35

Note

CLASSIFICATION

	31.03.2020	31.03.2019
Unsecured - Considered Good	305.51	208.35
- Considered Doubtful	0.65	0.64

(₹ in Crore)

NOTE -11 : OTHER CURRENT ASSETS

		As at 31.03.2020		As at 31.03.2019	
(a)	Advance for Revenue (goods & services)	304.39		233.45	
	Less : Provision for doubtful advances	6.54	297.85	6.54	226.91
(b)	Advance payment of statutory dues	143.22		30.63	
	Less : Provision for doubtful advances	-	143.22	-	30.63
(c)	Advance to Related Parties		-		-
(d)	Other Advances and Deposits	1,528.03		964.88	
	Less : Provision for doubtful claims	0.02	1,528.01	0.02	964.86
(e)	Input Tax Credit Receivable	553.37		319.13	
	Less: Provision	-	553.37	-	319.13
	TOTAL		**2,522.45**		**1,541.53**

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 12 : INVENTORIES

(₹ in Crore)

		As at 31.03.2020	As at 31.03.2019
(a)	Stock of Coal	704.56	425.46
	Coal under Development	-	-
	Stock of Coal (Net)	**704.56**	**425.46**
(b)	Stock of Stores & Spares (at cost)	69.76	57.42
	Add: Stores-in-transit	0.03	1.43
	Net Stock of Stores & Spares (at cost)	**69.79**	**58.85**
(c)	Stock of Medicine at Central Hospital	0.53	0.82
(d)	Workshop Jobs and Press Jobs	18.74	17.17
		793.62	**502.30**

Method of valuation : Refer Note No. 2.20 - Significant Accounting Policies on “Inventories”

ANNEXURE TO NOTE - 12

(Qty in lakh tonnes) (value in lakh ₹)

Table - A

Reconciliation of closing stock adopted in Account with Book stock at the end of the year

	OVERALL STOCK		NON-VENDABLE STOCK		VENDABLE STOCK	
	Qty.	Value	Qty.	Value	Qty.	Value
1. (A) Opening stock as on 01.04.19	130.23	44,489.87	-	-	130.23	44,489.87
(B) Shortage beyond 5%	1.17	1,943.39	-	-	1.17	1,943.39
Stock adopted in Accounts Opening	129.06	42,546.48			129.06	42,546.48
2. (A) Production for the Year	1,403.58	1,438,483.21	-	-	1,403.58	1,438,483.21
(B) Purchase of Coal	5.14	5,668.69			5.14	5,668.69
3. Sub-Total (1A+2)	1,538.95	1,488,641.77	-	-	1,538.95	1,488,641.77
4. Off- Take for the Year						
(A) Outside Despatch	1,335.02	1,410,560.10			1,335.02	1,410,560.10
(B) Coal feed to Washeries	-	-	-	-	-	-
(C) Own Consumption	0.02	42.73	-	-	0.02	42.73
(D) Despatch of Purchased Coal	5.12	5,639.90	-	-	5.12	5,639.90
TOTAL(A)	1,340.16	1,416,242.73	-	-	1,340.16	1,416,242.73
5. Derived Stock	198.79	72,399.04	-	-	198.79	72,399.04
6. Measured Stock	196.69	69,695.75	-	-	196.69	69,695.75
7. Difference (5-6)	2.10	2,703.29	-	-	2.10	2,703.29
8. Break-up of Difference:						
(A) Excess within 5%	1.48	279.48	-	-	1.48	279.48
(B) Shortage within 5%	2.41	1,039.38	-	-	2.41	1,039.38
(C) Excess beyond 5%	-	-	-	-	-	-
(D) Shortage beyond 5%	1.17	1,943.39	-	-	1.17	1,943.39
9. Closing stock adopted in A/c.(6-8A+8B)	197.62	70,455.65	-	-	197.62	70,455.65

Summary of Closing Stock of Coal

Table - B

	Raw Coal				Washed / Deshaled Coal				Other Products		Total	
	Coking		Non - Coking		Coking		Non - Coking					
	Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Opening Stock (Audited)	-	-	130.23	44,489.87	-	-	-	-	-	-	130.23	44,489.87
Shortage beyond 5%	-	-	1.17	1,943.39	-	-	-	-	-	-	1.17	1,943.39
Adjusted Opening Stock (Vendable)	-	-	129.06	42,546.48	-	-	-	-	-	-	129.06	42,546.48
Production	-	-	1,403.58	1,438,483.21	-	-	-	-	-	-	1,403.58	1,438,483.21
Purchase of Coal	-	-	5.14	5,668.69	-	-	-	-	-	-	5.14	5,668.69
Offtake	-	-			-	-	-	-	-	-		
(A) Outside Despatch	-	-	1,335.02	1,410,560.10	-	-	-	-	-	-	1,335.02	1,410,560.10
(B) Coal feed to Washeries	-	-	-	-	-	-	-	-	-	-	-	-
(C) Own Consumption	-	-	0.02	42.73	-	-	-	-	-	-	0.02	42.73
(D) Despatch of Purchased Coal	-	-	5.12	5,639.90	-	-	-	-	-	-	5.12	5,639.90
Closing Stock derived	-	-	198.79	72,399.04	-	-	-	-	-	-	198.79	72,399.04
Less: Shortage	-	-	1.17	1,943.39	-	-	-	-	-	-	1.17	1,943.39
Excess	-	-	-	-	-	-	-	-	-	-	-	-
Closing Stock	-	-	197.62	70,455.65	-	-	-	-	-	-	197.62	70,455.65

Internal survey measurement teams have physically verified closing stock of coal. In some areas the same has also been verified by outside teams. The Shortage / surplus found on physical verification of coal stock within +/- 5% over book stock (mine/ colliery wise), is ignored pursuant to Accounting Policy.

The details of shortage beyond 5% are as under:-

AREA	MINES	Book Stock (Qty. in L Te)		Measured stock (Qty. in L Te)		% variance	
		As on 31.03.2020	As on 31.03.2019	As on 31.03.2020	As on 31.03.2019	As on 31.03.2020	As on 31.03.2019
Orient	Mine No 3- G 9	0.12	0.12	-	-	100.00	100.00
	HBM- G 9	0.30	0.30	-	-	100.00	100.00
Talcher	Nandira -G 8	0.50	0.50	-	-	100.00	100.00
	Talcher -G 5	0.25	0.25	-	-	100.00	100.00
	TOTAL	**1.17**	**1.17**	**-**	**-**		

In those cases, since the differences are more than +/- 5%, as per policy, measured stocks have been considered in accounts and shortage quantity of 1.17 lakh tonnes valuing ₹ 19.43 crore as at 31.03.2020.

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 13 : TRADE RECEIVABLES

(₹ in Crore)

	As at 31.03.2020		As at 31.03.2019	
Current				
Trade receivables				
- Secured, considered good	-		-	
- Unsecured, considered good	1323.07		465.24	
- Have significant increase in credit risk	-		-	
- Credit impaired	52.28		70.75	
Less : Allowances for bad & doubtful debts	52.28	1323.07	70.75	465.24
Total		**1323.07**		**465.24**
Note:				
1. Debt outstanding for a period less than six months from the due date	1294.63		373.47	
2. Debt outstanding for a period exceeding six months from the due date	28.44		91.77	
Doubtful debt	52.28		70.75	
		1375.35		**535.99**

Note:

1 No Trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or member.

2 Balance confirmation from Debtors less than 3 months are not being obtained at any point of time.

3 A Provision of ₹ 155.63 Crores (₹ 257.58 Crores as at 31.03.2019) has been recognised as Coal Quality Variance for sampling results awaited from refree & CIMFR samplers, has been adjusted with Trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 14 : CASH AND CASH EQUIVALENTS

(₹ in Crore)

	As at 31.03.2020	As at 31.03.2019
(a) Balances with Banks		
- in Deposit Accounts (with maturity up to 3 months)	-	-
- in Current Accounts		
a. Interest bearing (CLTD Accounts etc)	53.23	334.81
b. Non-Interest bearing	18.20	21.58
- in Cash Credit Accounts	-	-
(b) Bank Balances outside India	-	-
(c) Cheques, Drafts and Stamps in hand	-	-
(d) Cash on hand	-	-
(e) Cash on hand outside India	-	-
(f) Others	-	0.02
Total Cash and Cash Equivalents	71.43	356.41
Bank Overdraft	-	-
Total Cash and Cash Equivalents (net of Bank Overdraft)	71.43	356.41
Maximum amount outstanding with Banks other than Scheduled Banks at any time during the period	Nil	Nil

Note:

1. Cash and cash equivalents comprises cash on hand and at bank, sweep accounts and term deposits held with banks with original maturities of three months or less.

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 15 : OTHER BANK BALANCES

(₹ in Crore)

	As at 31.03.2020	As at 31.03.2019
Balances with Banks		
Deposit accounts	12,276.99	12,827.00
Deposit accounts (For specific purposes - *See Note 2 below*)	24.23	39.24
Total	**12,301.22**	**12,866.24**

Note:

1. Other Bank Balances comprise term deposits and other bank deposits which are expected to realise in cash within 12 months after the reporting date.
2. Deposit Account (for specifc purpose) above of ₹ 24.23 crore (₹ 39.24 crore) are made as per the direction of the Court, various govt. authorities and for issue of B.G.

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 16 : EQUITY SHARE CAPITAL

(₹ in Crore)

	As at 31.03.2020	As at 31.03.2019
Authorised		
77,58,200 Equity Shares of ₹ 1000/- each	775.82	775.82
	775.82	**775.82**
Issued, Subscribed and Paid-up		
6618363 Equity Shares of Rs.1000/- each fully paid up in cash	661.84	661.84
	661.84	**661.84**

Note:

1 Shares in the company held by each shareholder holding more than 5% Shares

Name of Shareholder	No.of Shares held (Face value of Rs. 1000 each)	% of Total Shares
Coal India Ltd.(Holding company) & its nominees	6618363	100

2 During the year ended 31.03.2020, the Company has not issued or bought back any equity shares.

3 During the year ended on 31.03.2019, the Company had bought back 442967 number of equity shares of face value of ₹ 1000 fully paid through tender offer and extinguished those shares.

4 During the year ended on 31.03.2018, the Company had issued 5649064 no.of bonus shares i.e. 04 number of fully paid up equity shares of face value of ₹ 1000 for every 01 number of fully paid up existing equity shares.

5 During the year ended on 31.03.2017, the Company had bought back 451743 number of equity shares of face value of ₹ 1000 fully paid through tender offer and extinguished those shares.

6 The Company has only one class of equity shares having a face value ₹ 1000/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meeting of shareholders.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 17 : OTHER EQUITY

(₹ in Crore)

	Other Reserves		General Reserve	Retained Earnings	Other Comprehensive Income	Total
	Capital Redemption reserve	Capital reserve				
Balance as at 01.04.2018	-	-	**2,000.32**	**207.72**	**28.95**	**2,236.99**
Additions during the year	-	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-	-
Prior period errors	-	-	-	-	-	-
Restated balance as at 01.04.2018	-	-	2,000.32	207.72	28.95	**2,236.99**
Additions during the year	44.29	-	-	-	-	**44.29**
Adjustments during the year	-	-	(355.00)	-	-	**(355.00)**
Profit during the year	-	-	-	6,039.54	-	**6,039.54**
Remeasurement of Defined Benefits Plans (net of Tax)	-	-	-	-	(10.59)	**(10.59)**
Appropriations						
Transfer to / from General reserve	-	-	301.98	(301.98)	-	-
Transfer to / from Other reserves	-	-	-	-	-	-
Interim Dividend	-	-	-	(3,750.00)	-	**(3,750.00)**
Final Dividend (for FY 2017-18)	-	-	-	(125.00)	-	**(125.00)**
Corporate Dividend tax	-	-	-	(796.52)	-	**(796.52)**
Tax on Buyback	-	-	-	(72.38)	-	**(72.38)**
Balance as at 31.03.2019	**44.29**	-	1,947.30	1,201.38	18.36	**3,211.33**
Balance as at 01.04.2019	44.29	-	1,947.30	1,201.38	18.36	**3,211.33**
Additions during the year	-	-	-	-	-	-
Adjustments during the year	-	-	-	-	-	-
Profit during the year	-	-	-	6,427.39	-	**6,427.39**
Remeasurement of Defined Benefits Plans (net of Tax)	-	-	-	-	(78.44)	**(78.44)**
Appropriations						
Transfer to / from General reserve	-	-	321.37	(321.37)	-	-
Transfer to / from Other reserves	-	-	-	-	-	-
Interim Dividend	-	-	-	(5,225.00)	-	**(5,225.00)**
Final Dividend	-	-	-	-	-	-
Corporate Dividend tax	-	-	-	(1,074.01)	-	**(1,074.01)**
Tax on Buyback	-	-	-	-	-	-
Balance as at 31.03.2020	**44.29**	-	**2,268.67**	**1,008.39**	**(60.08)**	**3,261.27**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 18: BORROWINGS

(₹ in Crore)

	As at 31.03.2020	As at 31.03.2019
Non-Current		
Term Loans		
-From Banks	5.48	5.71
-From Other Parties	-	-
Loans from Related Parties	-	-
Other Loans	-	-
Total	5.48	5.71
CLASSIFICATION		
Secured	-	-
Unsecured	5.48	5.71
Current		
Loans repayable on demand		
-From Banks	1,706.45	-
-From Other Parties	-	-
Loans from Related Parties	-	-
Other Loans	-	-
Total	1,706.45	-
CLASSIFICATION		
Secured	-	-
Unsecured	-	-

Note:

1. Loans had been arranged through credit agreement with Banque Nationale De Paris and Natexis Banque for the purchase of 4 nos Hydraulic shovels from Liebherr, France. The loan outstanding as on 31.03.2020 (net after repayments) is ₹ 6.10 crore.(As at 31.03.2019 ₹ 6.29 crore).

The details of balance are as under:-

	in Euro	₹ in Crore
Balance as on 01.04.2019	808510.80	6.29
Repayment during the year ended on 31.03.2020	74113.58	0.60
Translation Difference	-	0.41
Balance as on 31.03.2020	734,397.22	6.10

Current maturities of long-term debt of ₹ 0.62 crore has been excluded from the balance of ₹ 6.10 crore above and is disclosed in Note 20 ‘Other Financial Liabilities’.

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Crore)

NOTE - 19 : TRADE PAYABLES	As at 31.03.2020	As at 31.03.2019
Current		
Trade Payables for Micro, Small and Medium Enterprises	0.39	0.09
Other Trade Payables for		
- Stores and Spares	59.78	42.82
- Power and Fuel	17.45	17.70
- Salary Wages and Allowances	258.30	264.07
- Others	331.75	183.01
TOTAL	**667.67**	**507.69**

Note:		As at	
	Trade Payable - Total outstanding dues of Micro & Small enterprises	**31.03.2020**	**31.03.2019**
a)	Principal & Interest amount remaining unpaid but not due as at period end	0.39	0.09
b)	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act,2006, along with the amount of the payment made to the supplier beyond the appointed day during the period.	-	-
c)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
d)	Interest accrued and remaining unpaid as at period end	-	-
e)	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 20 : OTHER FINANCIAL LIABILITIES

(₹ in Crore)

	As at 31.03.2020	As at 31.03.2019
Non Current		
Security Deposits	36.48	47.69
Earnest Money	-	-
Others (Security Deposit -Management Trainee)	2.54	3.53
	39.02	**51.22**
Current		
Current Account with		
- CIL	9.80	-
- Subsidiaries	-	-
Current maturities of long-term debt	0.62	0.58
Security Deposits	202.14	145.87
Earnest Money	48.16	52.83
Payable for Capital Expenditure	1,117.44	868.58
Others	252.12	224.27
TOTAL	**1,630.28**	**1,292.13**

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 21 : PROVISIONS

(₹ in Crore)

	As at 31.03.2020	As at 31.03.2019
Non Current		
Employee Benefits		
- Gratuity	-	-
- Leave Encashment	125.60	45.98
- Other Employee Benefits	104.33	64.78
	229.93	110.76
Site Restoration/Mine Closure	867.40	812.13
Stripping Activity Adjustment	19,054.81	17,982.89
Others	-	-
TOTAL	**20,152.14**	**18,905.78**
Current		
Employee Benefits		
- Gratuity	57.05	25.07
- Leave Encashment	21.83	24.42
- Ex- Gratia	135.39	127.63
- Performance Related Pay	159.06	177.97
- Other Employee Benefits	36.04	73.23
	409.37	428.32
Site Restoration/Mine Closure	-	-
Others	487.23	529.45
TOTAL	**896.60**	**957.77**

1. Provision for Mine Closure

   Following the guidelines from Ministry of Coal, Government of India for preparation of Mine Closure Plan a provision is made in the accounts. Such provision is made as per CMPDIL's (a subsidiary of Coal India Ltd.) technical assessment. The liability for mine closure expenses (as estimated by CMPDIL) of each mine has been discounted @ 8% and capitalized to arrive at the mine closure liability as on 1st year of making of such provision. Thereafter the provision has been reestimated in subsequent period by unwinding the discount to arrive at the provision as on 31.03.2020

2. Other Employee benefits (current) includes ₹ 9.27 crore provided for superannuation benefits as on 31.03.2020.

3. Reconciliation of Site restoration /Mine Closure *:

(₹ in Crore)

	31.03.2020	31.03.2019
Site Restoration/Mine Closure provision as on opening date	812.13	773.66
Add: Change in Provision due to revision of MCP	-	7.37
Add: Unwinding of Provision charged (incl. Capitalised) For Current Period	79.80	33.00
Less: MCP provision adjusted against reimbursement from Escrow Account	24.53	1.90
Site Restoration/Mine Closure Provision	867.40	812.13

* Provision for Site restoration/Mine Closure Expenses includes ₹ 3.84 crore on account of provision taken towards stowing and stabilization of unstable workings of Deulbera colliery after adjusting expenditure other than salary and wages of ₹ 0.27 crore against a comprehensive scheme of ₹ 9.44 crore (Excluding departmental salary and wages for ₹ 18.21 crore). The scheme of Stabilization of unstable workings of Deulbera Colliery through sand stowing also includes cost of departmental manpower estimated at ₹ 18.21crore is not seperately provided for, as the same forms part of normal Salary & Wages charged to Profit & Loss. The provision of ₹ 0.27 crores has been adjusted in the row MCP provision adjusted against reimbursement from escrow account.Provision for MCP also included ₹ 0.79 crore for reclamation of land for Basundhara (East).

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 22 :OTHER NON CURRENT LIABILITIES

(₹ in Crore)

	As at 31.03.2020	As at 31.03.2019
Deferred Income (CCDA Grant)	180.77	194.68
Total	**180.77**	**194.68**

1. Deferred Income includes subsidy received under The Coal Mines (Conservation and Development) Act, 1974 on account of capital nature works.

NOTE - 23 : OTHER CURRENT LIABILITIES

(₹ in Crore)

	As at 31.03.2020	As at 31.03.2019
Statutory Dues	816.35	945.75
Advance from customers / others	2,479.36	2,841.53
Others liabilities	41.43	123.89
TOTAL	**3,337.14**	**3,911.17**

Note:

1 Other liabilities includes Cess on Coal includes principal of ₹ 8.40 crore (net of payments) and interest of ₹ 9.47 crore (net of payments) against receipts from Government of Orissa in the year 2005-06 as per directive of Hon'ble Supreme Court judgement dated 31.07.2001. The money is refundable to the customers.The Customers have not submitted the claim with all supporting documents yet, the refund will be made after following the necessary modalities.

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 24 : REVENUE FROM OPERATIONS

(₹ in Crore)

	For Year Ended 31.03.2020	For Year ended 31.03.2019
A. Sales of Coal	**22,834.92**	**24,607.68**
Less: Statutory Levies	8,672.92	9,282.93
Sales of Coal (Net) (A)	**14,162.00**	**15,324.75**
B. Other Operating Revenue		
Subsidy for Sand Stowing & Protective Works	-	(2.00)
Loading and additional transportation charges	1,039.18	1,039.81
Less : Statutory Levies	49.48	49.51
	989.70	990.30
Evacuation facilitating Charges	692.44	732.85
Less : Statutory Levies	32.97	34.90
	659.47	697.95
Other Operating Revenue (Net) (B)	**1,649.17**	**1,686.25**
Revenue from Operations (A+B)	**15,811.17**	**17,011.00**

Note:-

1. Provision for Coal Quality Variance amounting to ₹101.95 crore (net upgradation) (₹ 84.12 crore (net downgradation) for FY 2018-19) has been adjusted with Sale of Coal.
2. Refer to point 'n' of para 6. Other Information under Note-38 additional notes to accounts for disclosure of diasggaregated revenue as per Ind AS 115.
3. Refer to point 't' of para 6. Other Information under Note - 38 additional notes to account with regard to sale of purchased coal included in the revenue from operation above.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 25 : OTHER INCOME

(₹ in Crore)

	For Year ended 31.03.2020	For Year ended 31.03.2019
Interest Income	1,432.26	1224.39
Dividend Income	86.80	102.41
Others		
Profit on Sale of Assets	0.51	0.52
Exchange Rate Variance	-	0.20
Lease Rent	11.81	13.76
Liability / Provision Write Backs	133.32	136.34
Miscellaneous Income	120.50	94.41
Total	**1,785.20**	**1,572.03**

NOTE 26 : COST OF MATERIALS CONSUMED

(₹ in Crore)

	For Year ended 31.03.2020	For Year ended 31.03.2019
Explosives	143.70	164.80
Timber	0.19	0.03
Oil & Lubricants	278.44	320.69
HEMM Spares	126.08	133.88
Other Consumable Stores & Spares	50.30	52.79
Total	**598.71**	**672.19**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 27 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(₹ in Crore)

	For Year ended 31.03.2020	For Year ended 31.03.2019
Opening Stock of Coal	425.46	400.78
Closing Stock of Coal	704.56	425.46
A. Change in Inventory of Coal	(279.10)	(24.68)
Opening Stock of Workshop made finished goods and WIP & Press Jobs	17.17	9.84
Closing Stock of Workshop made finished goods and WIP & Press Jobs	18.74	17.17
B. Change in Inventory of workshop	(1.57)	(7.33)
Change in Inventory of Stock in trade (A+B) { Decretion / (Accretion) }	**(280.67)**	**(32.01)**

NOTE 28 : EMPLOYEE BENEFITS EXPENSES

(₹ in Crore)

	For Year ended 31.03.2020	For Year ended 31.03.2019
Salary and Wages (incl. Allowances and Bonus etc.)	2,296.51	2233.96
Contribution to P.F. & Other Funds	696.83	644.55
Staff welfare Expenses	161.51	131.44
	3,154.85	**3,009.95**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 29 : CORPORATE SOCIAL RESPONSIBILITY EXPENSE

(₹ in Crore)

	For Year ended 31.03.2020	For Year ended 31.03.2019
CSR Expenses	165.50	167.16
Total	**165.50**	**167.16**

Note:- CSR Policy framed by Coal India Limited incorporated the features of the Companies Act 2013 and other relevant notifiations.The fund for CSR, 2% of the average Net profit for the three immediate precedings financial year or ₹ 2.00 per tonne of Coal Production of previous year, whichever is higher, comes to ₹ 156.50 crores (₹ 136.36 crores).

NOTE 30 : REPAIRS

(₹ in Crore)

	For Year ended 31.03.2020	For Year ended 31.03.2019
Building	96.89	104.28
Plant & Machinery	60.20	90.77
Others	4.09	2.86
Total	**161.18**	**197.91**

NOTE 31 : CONTRACTUAL EXPENSES

(₹ in Crore)

	For Year ended 31.03.2020	For Year ended 31.03.2019
Transportation Charges	1,139.43	1170.90
Wagon Loading	67.28	72.81
Hiring of Plant and Equipments	1,309.60	1,214.08
Other Contractual Work	78.37	66.07
Total	**2,594.68**	**2,523.86**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 32 : FINANCE COSTS

(₹ in Crore)

	For Year ended 31.03.2020	For Year ended 31.03.2019
Interest Expenses		
Borrowings	0.77	0.07
Unwinding of discounts (Site Restoration)	79.54	32.76
Others	-	-
Total	**80.31**	**32.83**

NOTE 33 : PROVISIONS (NET OF REVERSAL)

(₹ in Crore)

	For Year ended 31.03.2020	For Year ended 31.03.2019
(A) Allowances/Provision made for		
Doubtful debts	1.54	41.56
Doubtful Advances & Claims	0.02	0.09
Stores & Spares	-	-
Others	2.46	28.09
Total(A)	**4.02**	**69.74**
(B) Allowances/ Provision Reversal		
Doubtful debts	20.51	0.95
Doubtful Advances & Claims	-	0.13
Stores & Spares	5.35	3.23
Others	51.24	2.71
Total(B)	**77.10**	**7.02**
Total (A-B)	**(73.08)**	**62.72**

Note:

Others:- Created		
Surveyed off	2.46	1.54
Compensation demand of OHPCL	-	2.70
STC levied on NTPC Kaniha	-	21.47
Lease rent receivable of M/s IBEUL	-	0.96
Impairment of CWIP	-	1.42
	2.46	28.09
Others:- Reversal		
Stowing and stabilization of unstable workings of Deulbera colliery	0.27	0.32
Demand for Environment clearance 2015-16	50.97	-
Surveyed off	-	2.39
	51.24	2.71

NOTES TO THE FINANCIAL STATEMENTS

NOTE 34 : WRITE OFF (NET OF PAST PROVISIONS)

(₹ in Crore)

	For Year ended 31.03.2020	For Year ended 31.03.2019
Doubtful debts	-	-
Less :- Provided earlier	-	-
	-	-
Doubtful advances	-	0.02
Less :- Provided earlier	-	-
	-	0.02
Total	**-**	**0.02**

NOTE 35 : OTHER EXPENSES

(₹ in Crore)

	For Year ended 31.03.2020	For Year ended 31.03.2019
Travelling expenses	19.18	17.37
Training Expenses	8.96	7.38
Telephone & Postage	5.65	6.38
Advertisement & Publicity	7.00	9.97
Freight Charges	0.06	0.07
Demurrage	19.18	2.25
Security Expenses	113.07	104.98
Service Charges of CIL	140.36	144.15
Hire Charges	51.53	44.86
CMPDI Charges	22.30	26.63
Legal Expenses	7.83	4.32
Consultancy Charges	1.26	1.26
Under Loading Charges	93.50	179.65
Loss on Sale/Discard/Surveyed of Assets	0.35	1.28
Auditor's Remuneration & Expenses		
- For Audit Fees	0.19	0.14
- For Taxation Matters	-	-
- For Other Services	0.13	0.11
- For Reimbursement of Exps.	0.08	0.23
Internal & Other Audit Expenses	2.84	2.84
Rehabilitation Charges	80.37	85.38
Rent	0.43	0.45
Rates & Taxes	23.72	20.24
Insurance	0.90	0.86
Loss on Exchange Rate Variance	0.41	-
Rescue/Safety Expenses	2.58	2.51
Dead Rent/Surface Rent	0.58	0.46
Siding Maintenance Charges	38.30	51.01
R & D expenses	0.02	0.07
Environmental & Tree Plantation Expenses	23.91	12.15
Expenses on Buyback of shares	-	0.02
Miscellaneous expenses	125.97	123.48
Total	**790.66**	**850.50**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 36 : TAX EXPENSE

(₹ in Crore)

	For Year ended 31.03.2020	For Year ended 31.03.2019
Current Year	2124.36	3165.24
Deferred tax	(43.28)	76.30
MAT Credit Entitlement	-	-
Earlier Years	137.00	-
Total	**2,218.08**	**3,241.54**
Reconciliation of tax Expenses and the accounting profit multiplied by India's domestic Tax rate for 31.03.20		
Profit/(Loss) before tax	8,645.47	9,281.08
At India's statutory income tax rate of 25.168% (31 March 2019: 34.944%)	2,175.89	3,243.18
Less : Adjustment in respect of current income tax of previous year	-	-
Less: Income exempt form Tax	(39.64)	(60.50)
Less: share of results of associates and Joint venture	-	-
Add: Non-deductible expenses for tax purposes	211.93	372.07
Less: Additional Expenses allowed as per Income Tax	(224.19)	(389.50)
Income Tax Expenses reported in statement of Profit & Loss	**2,123.99**	**3,165.24**
Effective income tax rate :	24.57%	34.10%
Deferred tax liability relates to following:		
Deffered Tax Liability		
Related to Property, Plant and Equipment	163.77	165.14
Others	243.71	264.83
Total Deferred Tax Liability	407.48	429.97
Deferred Tax Asset		
Related to Trade Receivables	12.42	23.87
Employee Benefits	59.13	44.01
Others	28.89	40.10
Total Deferred Tax Asset	100.44	107.98
Net Deffered Tax Asset/(Liabilities)	**(307.04)**	**(321.99)**

a) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

b) At 31st March 2020, deferred tax liability of ₹ 54.53 Crores (31 March 2019: ₹ 76.30 Crores) recognised for all taxable temporary differences.Due to restatement of deferred tax liability on the basis of revised income tax rate, ₹ 97.81 crores has been reversed

NOTES TO THE FINANCIAL STATEMENTS

NOTE 37 : OTHER COMPREHENSIVE INCOME

(₹ in Crore)

	For Year ended 31.03.2020	For Year ended 31.03.2019
(A) (i) Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans	(104.82)	(16.28)
	(104.82)	(16.28)
(ii) Income tax relating to items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans	(26.38)	(5.69)
	(26.38)	(5.69)
Total (A)	**(78.44)**	**(10.59)**
(B) (i) Items that will be reclassified to profit or loss		
Share of OCI in Joint ventures	-	-
	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		
Share of OCI in Joint ventures	-	-
	-	-
Total (B)	**-**	**-**
Total (A+B)	**(78.44)**	**(10.59)**

NOTE – 38 ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 (STANDALONE)

1. Fair Value Measurement

(a) Financial Instruments by Category

(₹ in Crore)

	31st March 2020		31st March 2019	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial Assets				
Investments* :				
Secured Bonds	-	958.70	-	958.70
Preference Shares				
-Equity Component	-	-	-	-
-Debt Component	-	-	-	-
Mutual Fund/ICD	0.46	-	1000.83	-
Other Investments	-	-	-	-
Loans	-	1126.52	-	1625.98
Deposits & receivables	-	1979.94	-	1713.42
Trade receivables	-	1323.07	-	465.24
Cash & cash equivalents	-	71.43	-	356.41
Other Bank Balances	-	12301.22	-	12866.24
Financial Liabilities				
Borrowings	-	1711.93	-	5.71
Trade payables	-	667.67	-	507.69
Security Deposit and Earnest money	-	286.78	-	246.39
Other Liabilities	-	1382.52	-	1096.96

* Investment in Equity Shares in subsidiary/Joint Ventures are measured at cost which stands at ₹ 116.71 crores as on 31.03.20 (₹ 116.71 crores-31.03.2019) are not included above.

(b) Fair value hierarchy

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

(₹ in Crore)

Financial assets and liabilities measured at fair value – recurring fair value measurement	31st March 2020		31st March 2019	
	Level I	Level III	Level I	Level III
Financial Assets at FVTPL				
Investments :				
Mutual Fund/ICD	0.46	-	1000.83	-
Financial Liabilities				
If any item	-	-	-	-

Financial assets and liabilities measured at amortised cost for which fair values are disclosed	31st March 2020		31st March 2019	
	Level I	Level III	Level I	Level III
Financial Assets at Amortised cost				
Investments :	958.70	-	958.70	-
Preference Shares - Equity Component - Debt Component	 - -	 - -	 - -	 - -
Other Investments -	-			
Loans	-	1126.52	-	1625.98
Deposits & receivable	-	1979.94	-	1713.42
Trade receivables	-	1323.07	-	465.24
Cash & cash equivalents	-	71.43	-	356.41
Other Bank Balances	-	12301.22	-	12866.24
Financial Liabilities				
Borrowings	-	1711.93	-	5.71
Trade payables	-	667.67	-	507.69
Security Deposit and Earnest money	-	286.78	-	246.39
Other Liabilities	-	1382.52	-	1096.96

A brief of each level is given below.

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

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

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

(c) Valuation technique used in determining fair value

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

(d) Fair value measurements using significant unobservable inputs

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

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

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

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

2. FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

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

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

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

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

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

A. Credit Risk

Credit risk management:

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

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

Fuel Supply Agreements (FSAs)

As contemplated in and in accordance with the terms of the New Coal Distribution Policy (NCDP), the company enters into legally enforceable FSAs with our customers or with State Nominated Agencies that in turn enters into appropriate distribution arrangements with end customers. Our FSAs can be broadly categorized into:

- FSAs with customers in the power utilities sector, including State power utilities, private power utilities ("PPUs") and independent power producers ("IPPs");
- FSAs with customers in non-power industries (including captive power plants ("CPPs"); and
- FSAs with State Nominated Agencies.

E-Auction Scheme

The E-Auction scheme of coal has been introduced to provide access to coal for customers who were not able to source their coal requirement through the available institutional mechanisms under the NCDP for various reasons, for example, due to a less than full allocation of their normative requirement under NCDP, seasonality of their coal requirement and limited requirement of coal that does not warrant a long-term linkage. The quantity of coal to be offered under E-Auction is reviewed from time to time by the Ministry of Coal.

Credit risk arises when counterparty defaults on contractual obligations resulting in financial loss to the company.

Expected credit loss: The Company provides for expected credit risk loss for doubtful/ credit impaired assets, by lifetime expected credit losses (Simplified approach)

Expected Credit losses for trade receivables under simplified approach.

As on 31.03.2020

(₹ in Crore)

Ageing	Due for 2 months	Due for 6 months	Due for 1 year	Due for 2 year	Due for 3 year	Due for more than 3 year	Total
Gross carrying amount	920.80	373.83	16.98	0.09	5.45	58.21	1375.35
Expected loss rate (%)	-	-	-	-	-	89.81	3.80
Expected credit loss allowance	-	-	-	-	-	52.28	52.28

As on 31.03.2019

(₹ in Crore)

Ageing	Due for 2 months	Due for 6 months	Due for 1 year	Due for 2 year	Due for 3 year	Due for more than 3 year	Total
Gross carrying amount	354.56	62.87	10.00	0.58	35.18	107.98	535.99
Expected loss rate (%)	-	-	-	-	-	65.52	13.20
Expected credit Loss allowance	-	-	-	-	-	70.75	70.75

Reconciliation of loss allowance provision – Trade receivables

	₹ in crore
Loss allowance on 31.03.19	70.75
Change in loss allowance	(18.47)
Loss allowance on 31.03.20	52.28

Significant estimates and judgements Impairment of financial assets

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

B. Liquidity Risk

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

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

(i) Maturities of financial liabilities

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	As at 31.03.2020			As at 31.03.2019		
	less than one year	between one to five years	more than 5 years	less than one year	between one to five years	more than 5 years
Non- derivative financial liabilities						
Borrowings including interest obligations	-	3.07	2.41	-	2.88	2.83
Trade payables	667.67	-	-	507.69	-	-
Other financial liabilities	1630.28	39.02	-	1292.13	51.22	-

C. Market risk

a) Foreign currency risk

Foreign currency risk arises from future commercial transactions and recognised assets or liabilities denominated in a currency that is not the Company's functional currency (INR) .The Company is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk in respect of foreign operation is considered to be insignificant. The Company also imports and risk is managed by regular follow up. Company has a policy which is implemented when foreign currency risk becomes significant.

b) Cash flow and fair value interest rate risk

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

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

Capital management

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

Capital Structure of the company is as follows:

(₹ in Crore)

	31.03.2020	**31.03.2019**
Equity Share capital	661.84	661.84
Preference share capital	NIL	NIL
Long term debt	5.48	5.71
Current maturities of long-term debt	0.62	0.58

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

i) Gratuity

Gratuity is maintained as a defined benefit retirement plan and contribution is made to the Life Insurance Corporation of India. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

ii) Leave encashment

The liabilities for earned leave are expected to be settled after the retirement of employee. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

iii) Provident Fund:

Company pays fixed contribution towards Provident Fund and Pension Fund at pre-determined rates to a separate trust named Coal Mines Provident Fund (CMPF). The contribution towards the fund during the period ended is ₹ 384.13 Crore (₹ 394.75 Crore for the FY ended on 31.03.2019) has been recognized in the Statement of Profit & Loss (Note 28).

iv) Medical Benefits for retired Employees

The Company provides Post-Retirement Medical Facility to the retired employees and their spouse. The facility is covered by separate Post-Retirement Medical scheme for executive and non-executive. Scheme for the medical benefit for executive retired prior to 01.01.2007 is administered through separate “Contributory Post-Retirement Medical Scheme for Executive Trust”. Liabilities for the medical benefits are recognized based on actuarial valuation.

For executive retired prior to 01.01.2007 - funded status as on 31.03.2020 ₹ 5.22 crores (₹ 5.22 crores) and liability for the same as on 31.03.2020 is ₹ 8.59 crores (₹ 6.10 crores).

v) Pension

The company has a defined contribution pension scheme for its employees, which is administered through CIL Executive Defined Contribution Pension Scheme-2007 trust. Funded status as on 31.03.2020 ₹ 185.89 crores (₹ 104.23 crores) and liability for the same as on 31.03.2020 is ₹ 217.43 crore (₹ 154.84Crore).

vi) The Company operates some defined benefit plans as follows which are valued on actuarial basis:

(a) Funded

- Gratuity
- Leave Encashment
- Medical Benefits

(b) Unfunded

- Life Cover Scheme
- Settlement Allowance
- Group Personal Accident Insurance
- Leave Travel Concession
- Compensation to dependent on Mine Accident Benefits

Total liability as on 31.03.2020 based on valuation made by the Actuary, details of which are mentioned below is ₹ 1847.81 Crores.

(₹ in Crore)

Head	Opening Actuarial Liability as on 01.04.2019	Incremental Liability during the year	Closing Actuarial Liability as on 31.03.2020
Gratuity	1115.30	131.81	1247.11
Earned Leave	289.34	51.52	340.86
Half Pay Leave	51.85	10.06	61.91
Life Cover Scheme	5.55	0.59	6.14
Settlement Allowance Executives	5.62	0.54	6.16
Settlement AllowanceNon-executives	8.54	0.69	9.23
Group Personal Accident Insurance Scheme	0.12	-	0.12
Leave Travel Concession	29.73	(0.95)	28.78
Medical Benefits Executives	75.09	40.13	115.22
Medical Benefits Non-Executives	2.20	2.87	5.07
Compensation to dependents in case of mine accidental death	13.45	13.76	27.21
Total	1596.79	251.02	1847.81

vii) Disclosure as per Actuary's Certificate

The disclosures as per actuary's certificate for employee benefits for Gratuity (funded) and Leave Encashment (funded) are given below: -

ACTUARIAL VALUATION OF GRATUITY LIABILITY AS AT 31.03.2020
CERTIFICATES AS PER IND AS 19 (2015)

(₹ in Crore)

Changes in Present Value of defined benefit obligations	As at 31.03.2020	As at 31.03.2019
Present Value of obligation at beginning of the period	1115.30	1073.92
Current Service Cost	70.18	58.60
Interest Cost	69.45	76.45
Plan Amendments: Vested Portion at end of period (Past Service)	-	-
Actuarial (Gain) / Loss on obligations due to change in financial assumption	83.94	12.67
Actuarial (Gain) / Loss on obligations due to unexpected experience	34.26	16.16
Benefits Paid	126.01	122.50
Present Value of obligation at end of the period	1247.11	1115.30

(₹ in Crore)

Changes in Fair Value of Plan Assets	As at 31.03.2020	As at 31.03.2019
Fair Value of Plan Asset at beginning of the period	1092.78	928.41
Interest Income	72.12	70.09
Employer Contributions	137.80	204.23
Benefits Paid	126.01	122.50
Return on Plan Assets excluding Interest income	13.37	12.55
Fair Value of Plan Asset as at end of the period	1190.06	1092.78

(₹ in Crore)

Statement showing reconciliation to Balance Sheet	As at 31.03.2020	As at 31.03.2019
Funded Status	(57.05)	(22.52)
Unrecognized actuarial (gain) / loss at end of the period	-	-
Fund Asset	1190.06	1092.78
Fund Liability	1247.11	1115.30

Statement showing Plan Assumptions:	As at 31.03.2020	As at 31.03.2019
Discount Rate	6.60%	7.55%
Expected Return on Plan Asset	6.60%	7.55%
Rate of Compensation Increase (Salary Inflation)	9.00% for Executives and 6.25% for Non-Executives	9.00% for Executives and 6.25% for Non-Executives
Average Expected Future Service (Remaining Working Life)	13,14	13,14
Mortality Table	IALM 2006-2008 ULTIMATE	
Superannuation at Age (Male & Female)	60	60
Early Retirement and Disablement (all causes combined)	0.30%	0.30%

(₹ in Crore)

Expense Recognized in Statement of Profit / Loss	As at 31.03.2020	As at 31.03.2019
Current Service Cost	70.18	58.60
Past Service Cost (vested)	-	-
Net Interest Cost	(2.67)	6.36
Benefit Cost (Expense recognised in Statement of Profit/Loss)	67.51	64.96

(₹ in Crore)

Other Comprehensive Income	As at 31.03.2020	As at 31.03.2019
Actuarial (Gain) / Loss on obligations due to change in financial assumption	83.94	12.67
Actuarial (Gain) / Loss on obligations due to unexpected experience	34.26	16.16
Total Actuarial (Gain) / Loss	118.20	28.83
Return on Plan Asset, excluding Interest Income	13.37	12.55
Balance at the end of the period	104.82	16.28
Net (Income) / Expense for the period recognised in Other Comprehensive Income	104.82	16.28

Mortality Table	
Age	Mortality (Per Annum)
25	0.000984
30	0.001056
35	0.001282
40	0.001803
45	0.002874
50	0.004946
55	0.007888
60	0.011534
65	0.0170085
70	0.0258545

(₹ in Crore)

Disclosure Item				
31.03.2019			31.03.2020	
Increase	Decrease	Sensitivity Analysis	Increase	Decrease
1076.55	1156.61	Discount Rate (-/+ 0.5%)	1201.64	1295.77
-3.474%	3.704%	%Change Compared to base due to sensitivity	-3.646%	3.902%
1142.64	1087.42	Salary Growth (-/+ 0.5%)	1275.96	1217.79
2.452%	-2.499%	%Change Compared to base due to sensitivity	2.313%	-2.351%
1116.30	1114.29	Attrition Rate (-/+ 0.5%)	1248.25	1245.98
0.090%	-0.090%	%Change Compared to base due to sensitivity	0.091%	-0.091%
1122.01	1108.58	Mortality Rate (-/+ 10%)	1254.62	1239.60
0.602%	-0.602%	%Change Compared to base due to sensitivity	0.602%	-0.602%

(₹ in Crore)

Table Showing Cash Flow Information	
Next Year Total (Expected)	1265.14
Minimum Funding Requirements	128.96
Company's Discretion	-

Table Showing Benefit Information Estimated Future payments (Past Service)	
Year	₹ in Crore
1	128.25
2	123.01
3	129.10
4	134.17
5	131.16
6 to 10	637.66
More than 10 years	1044.33
Total Undiscounted Payments Past and Future Service	-
Total Undiscounted Payments related to Past Service	2327.68
Less Discount For Interest	1080.57
Projected Benefit Obligation	1247.11

Table Showing Outlook Next Year Components of Net Periodic benefit Cost Next Year

(₹ in Crore)

Current service Cost(Employer portion Only) Next period	71.82
Interest Cost next period	78.08
Expected Return on Plan Asset	82.31
Unrecognized past service Cost	-
Unrecognized actuarial/gain loss at the end of the period	-
Settlement Cost	-
Curtailment Cost	-
other(Actuarial Gain/loss)	-
Benefit Cost	67.59

(₹ in Crore)

Bifurcation of Net Liability	**As at 31.03.2020**	**As at 31.03.2019**
Current liability	124.22	117.74
Non-Current Liability	1122.89	997.55
Net Liability	1247.11	1115.30

ACTUARIAL VALUATION OF LEAVE ENCASHMENT BENEFIT (EL/HPL) AS AT 31.03.20 CERTIFICATES AS PER IND AS 19 (2015)

(₹ in Crore)

Changes in Present Value of defined benefit obligations	**As at 31.03.2020**	**As at 31.03.2019**
Present Value of obligation at beginning of the period	341.19	290.38
Current Service Cost	27.01	24.61
Interest Cost	19.33	20.89
Actuarial (Gain) / Loss on obligations due to change in financial assumption	33.34	4.77
Actuarial (Gain) / Loss on obligations due to unexpected experience	78.61	28.02
Benefits Paid	96.71	27.48
Present Value of obligation at end of the period	402.77	341.19

(₹ in Crore)

Changes in Fair Value of Plan Assets	As at 31.03.2020	As at 31.03.2019
Fair Value of Plan Asset at beginning of the period	273.16	255.19
Interest Income	18.03	19.27
Employer Contributions	58.54	28.47
Benefits Paid	96.71	27.48
Return on Plan Assets excluding Interest income	(0.90)	(2.28)
Fair Value of Plan Asset as at end of the period	252.11	273.16

(₹ in Crore)

Statement showing reconciliation to Balance Sheet	As at 31.03.2020	As at 31.03.2019
Funded Status	(150.65)	(68.03)
Unrecognized actuarial (gain) / loss at end of the period	0.00	0.00
Fund Asset	252.11	273.16
Fund Liability	402.77	341.19

Statement showing Plan Assumptions:	As at 31.03.2020	As at 31.03.2019
Discount Rate	6.60%	7.55%
Expected Return on Plan Asset	6.60%	7.55%
Rate of Compensation Increase (Salary Inflation)	9.00% for Executives and 6.25% for Non-Executives	9.00% for Executives and 6.25% for Non-Executives
Average Expected Future Service (Remaining Working Life)	13,14	13,14
Mortality Table	IALM 2006-2008 ULTIMATE	
Superannuation at Age(Male & Female)	60	60
Early Retirement & Disablement (All causes combined)	0.30%	0.30%

(₹ in Crore)

Expense Recognized in Statement of Profit / Loss	As at 31.03.2020	As at 31.03.2019
Current Service Cost	27.01	24.61
Net Interest Cost	1.30	1.62
Actuarial Gain/Loss	112.85	35.08
Benefit Cost (Expense recognised in Statement of Profit/Loss)	141.16	61.31

Mortality Table	
Age	Mortality (Per Annum)
25	0.000984
30	0.001056
35	0.001282
40	0.001803
45	0.002874
50	0.004946
55	0.007888
60	0.011534
65	0.0170085
70	0.0258545

(₹ in Crore)

Disclosure Item				
31.03.2019			31.03.2020	
Increase	Increase	Sensitivity Analysis	Increase	Decrease
326.66	356.89	Discount Rate (-/+ 0.5%)	384.58	422.54
-4.257%	4.603%	%Change Compared to base due to sensitivity	-4.516%	4.908%
356.74	326.67	Salary Growth (-/+ 0.5%)	422.18	384.72
4.559%	-4.256%	%Change Compared to base due to sensitivity	4.821%	-4.480%
342.16	340.21	Attrition Rate (-/+ 0.5%)	403.92	401.62
0.286%	-0.286%	%Change Compared to base due to sensitivity	0.285%	-0.285%
343.26	339.11	Mortality Rate (-/+ 10%)	405.17	400.36
0.609%	-0.609%	%Change Compared to base due to sensitivity	0.597%	-0.597%

Table Showing Benefit Information Estimated Future Payments (Past Sarvice)	
Year	(₹ in Crore)
1	27.79
2	29.39
3	35.65
4	38.32
5	39.92
6 to 10	202.92
More than 10 years	528.89
Total Undiscounted Payments Past and Future Service	-
Total Undiscounted Payments related to Past Service	902.88
Less Discount For Interest	500.11
Projected Benefit Obligation	402.77

(₹ in Crore)

Bifurcation of Net Liability	**As at 31.03.2020**	**As at 31.03.2019**
Current liability	26.92	24.42
Non-Current Liability	375.85	316.77
Net Liability	402.77	341.19

4. Unrecognised items

a) Contingent Liabilities

Claims against the Company not acknowledged as debts

Table I (₹ in Crore)

Particulars	Central Government Deptt./Agencies	State Government Deptt./Agencies	Contral Public Sector Enterprises	Others	Total
Opening as on 01.04.2019	2919.82	11963.64	1.13	192.78	15077.37
Addition during the period	4504.30	330.48	-	23.51	4858.29
Claims settled during the period-					
a. From opening balance	423.03	8354.16	-	12.00	8789.19
b. Out of addition during the period	2.59	0.06	-	0.04	2.69
c. Total claims settled during the period (a+b)	425.62	8354.22	-	12.04	8791.88
Closing as on 31.03.2020	6998.50	3939.90	1.13	204.25	11143.78

Table II (₹ in Crore)

Claims against the company not acknowledged as debt		
	31.03.2020	**31.03.2019**
Central Govt.		
Central Excise	327.77	328.10
Income Tax	6244.20	2200.73
Clean Energy Cess	308.32	308.23
Service Tax	117.62	82.32
Others	0.59	0.44
State Govt. and Local authorities		
Sales Tax	170.48	160.41
Royalty	666.21	494.07
Environment clearance	2915.04	11161.77
Others	188.17	147.39
Central Public Sector Enterprises		
Suit against the company under litigation	1.13	1.13
Others	204.25	192.78
Total	**11143.78**	**15077.37**

b) Guarantee

The company has not provided any guarantee on behalf of any other Company.

c) Letter of Credit and Bank Guarantee :

As on 31.03.2020 outstanding letters of credit is ₹ 36.99 crore (₹ 2.83 crore as at 31.03.2019), Letter of Comfort is ₹ 4.35 crore (₹ 13.35 as at 31.03.2019) and bank guarantee issued is ₹ 8.80 Crore (₹ 17.17 Crore as at 31.03.2019).

d) Commitments

Estimated amount of contracts remaining to be executed on

Capital account and not provided for : ₹ 1671.33 crore (₹ 839.02 crore as at 31.03.2019)

Others (Revenue Commitment) : ₹ 2989.10 crore (₹ 2304.91 crore as at 31.03.2019)

5. Group Information:

Name	Relationship with MCL	Principal activities	Country of Incorporation	% of Equity interest	
				31.03.20	**31.03.19**
MNH Shakti Ltd	Subsidiary Company	Coal Production	India	70	70
MJSJ Coal Ltd	Subsidiary Company	Coal Production	India	60	60
Mahanadi Basin Power Limited	Subsidiary Company	Power Generation	India	100	100
Mahanadi Coal Railways Limited	Subsidiary Company	Construct & Operate Rail Corridor projects	India	64	64

6. Other Information

a) Provisions

The position and movement of various provisions as per Ind AS 37 except those relating to employee benefits which are valued actuarially as on 31.03.20 are given below:

(₹ in Crore)

Provisions	Opening Balance as on 01.04.2019	Addition during the year	Write back/ Adj./Paid during the year	Unwinding of discounts	Closing Balance as on 31.03.2020
Note 3:- Property, Plant and Equipments :					
Impairment of Assets :	45.58	3.17	(0.71)	-	48.04
Note 4:- Capital Work in Progress :					
Against CWIP :	14.18	-	(0.01)	-	14.17
Note 5:- Exploration And Evaluation Assets :					
Provision and Impairment :	-	-	-	-	-
Note 8:- Loans :					
Other Loans :	-	-	-	-	-
Note 9:- Other Financial Assets:					
Other Deposits and Receivables	0.16	-	-	-	0.16
Security Deposit for utilities	-	-	-	-	-
Current Account with Subsidiaries	-	-	-	-	-
Claims & other receivables	0.06	-	-	-	0.06
Note10:-Other Non Current Assets:					
Capital Advances	0.64	0.01	-	-	0.65
Security Deposit for utilities	-	-	-	-	
Other Deposits and Advances	-	-	-	-	-
Note11:-Other Current Assets:					
Advances for Revenue	6.54	-	-	-	6.54
Advance payment of statutory dues	-	-	-	-	-
Other Advances and Deposits to Employees	0.02	-	-	-	0.02
Note 13:-Trade Receivables :					
Provision for bad & doubtful debts :	70.75	-	(18.47)	-	52.28
Note 21 :- Non-Current & Current Provision :					
Ex- Gratia	127.63	135.39	(127.63)	-	135.39
Performance Related Pay	177.97	65.08	(83.99)	-	159.06
Others	529.45	487.23	(529.45)	-	487.23
Site Restoration/Mine Closure (including Reclamation of Land)	812.13	-	(24.53)	79.80	867.40

b) Government Assistance

CCDA Grant of ₹ Nil received as Capital Grant from Ministry of Coal, Government of India towards assistance for Road and Rail Infrastructure work during the period ended on 31.03.2020. The total CCDA grant received of ₹ 208.58 crores till date is being amortized over the useful life of the underlying asset and the outstanding balance of ₹ 180.77 crores is disclosed under Note-22 as Deferred Income.

c) Segment Reporting

In accordance with the provisions of Ind AS 108 'operating segment', the operating segment used for presenting segment information are identified based on internal reports used by BOD to allocate resources to the segments and assess their performance. The BOD is the group of Chief operating decision maker within the meaning of Ind AS 108.

The Board of directors considers a business from a prospect of significant product offerings and have decided that presently there is one single reportable segment being sale of Coal. Information of financial performance and net asset is presented in the consolidated information of P/L and Balance sheet.

Revenue by destination is a follows

(₹ in Crore)

	India	Other countries
Revenue	15811.17 (PY 17011.00)	Nil

Revenue by customer is as follows (₹ in Crore)

Customer name	Amount	Country
Name of each parties having more than 10% of Net sales value		
NTPC	2008.38 (PY 2506.17)	India
Others	13802.79 (PY 14504.83)	India

Net current assets by location are as follows

	India	Other countries
Net Current Asset	12613.66 (PY 12004.12)	Nil

d) Authorised Capital

(₹ in Crore)

	31.03.2020	31.03.2019
77,58,200 Equity Shares of ₹ 1000/- each	775.82	775.82
20,41,800 10% Cumulative Redeemable Preference shares of ₹ 1000/- each (Redeemed on as per terms of earliest redemption)	204.18	204.18

e) Earnings per share

Sl. No.	Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
		PAT	OCI	PAT	OCI
i)	Net profit after tax attributable to Equity Share Holders (₹ in Crore)	6427.39	(78.44)	6039.54	(10.59)
ii)	Weighted Average no. of Equity Shares Outstanding (in nos.)	6618363	6618363	6992154	6992154
iii)	Basic and Diluted Earnings per Share in Rupees (Face value Rs.1000/- per share) (₹)	9711.45	118.52	8637.60	(15.15)

f) Related Party Disclosures

1. List of Related Parties

i) Subsidiary Companies

1) Mahanadi Basin Power Limited (MBPL)

2) MNH Shakti Limited

3) MJSJ Coal Limited

4) Mahanadi Coal Railway Limited (MCRL)

2. Key Managerial Personnel

Name	Designation	W.e.f
Mr. B. N. Shukla	Chairman-cum-Managing Director	14.06.2019
Mr. R R Mishra	Chairman-cum-Managing Director	25.09.2018 - 14.06.2019
Mr. O. P. Singh	Director (Technical/Operation)	01.09.2016
Mr. K. R. Vasudevan	Director (Finance)	04.02.2018
Mr. K. K. Mishra	Director (Technical/ Project & Planning)	24.06.2019
Mr. K. Rao	Director (Personnel)	18.12.2019
Mr. A. K. Singh	Company Secretary	19.11.2012
Ms. Seema Sharma	Non-official Part time Director	06.09.2017
Mr. S. N. Tiwary	Official Part time Director	23.12.2019
Mr. R. K. Sinha	Official Part time Director	12.06.2017-17.03.2020
Mr. S. N. Prasad	Official Part time Director	16.02.2016 - 30.11.2019
Mr. Nagaraju Maddirala	Official Part time Director	17.03.2020
Mr. S Mohan	Non-official Part time Director	10.07.2019

3. Remuneration of Key Managerial Personnel

(₹ in Crore)

Sl. No.	Remuneration to CMD, Whole Time Directors and Company Secretary	For the year ended 31.03.2020	For the year ended 31.03.2019
i)	**Short Term Employee Benefits**		
	Gross Salary	1.36	1.50
	Perquisites	-	-
	Medical Benefits	-	-
ii)	**Post-Employment Benefits**		
	Contribution to P.F. & other fund	0.13	0.16
iii)	**Termination Benefits**		
	(Paid at the time of separation)		
	Leave Encashment	-	-
	Gratuity	-	-
	TOTAL	**1.48**	**1.66**

Note:

i) Besides above, whole time Directors have been allowed to use of cars for private journey upto a ceiling of 750 KMs on payment of concessional rate, in accordance with the provisions of Government of India, Ministry of Finance, Bureau of Public Enterprises O.M. No.2 (18)/PC-64 dated 20.11.1964 as amended from time to time.

(₹ in Crore)

Sl. No.	Payment to Independent Directors	For the year ended 31.03.2020	For the year ended 31.03.2019
i)	Sitting Fees	0.13	0.16

Balances Outstanding

(₹ in Crore)

Sl. No.	Particulars	As on 31.03.2020	As on 31.03.2019
i)	Amount Payable	Nil	Nil
ii)	Amount Receivable	Nil	Nil

4. Related Party Transactions within Group

Mahanadi Coalfields Limited has entered into transactions with its holding Company, co-subsidiaries & subsidiaries which include Apex charges, Rehabilitation charges, CMPDIL Expenses, R&D Expenses, Lease rent, Interest on Surplus Fund, IICM charges, issue of store materials and other expenditure incurred by or on behalf of other subsidiaries.

Transactions with Related Parties

(₹ in Crore)

Name of Related Parties	Apex Charges	Rehabilitation Charges	Workshop/ Press Debits	CMPDI Expenses	Interest on Funds parked with subsidiaries/ CIL	Issue of Store Materials	Others	Current Account Balance
Eastern Coalfields Limited (ECL)	-	-	-	-	-	0.32	0.27	-
Bharat Coking Coal Limited (BCCL)	-	-	-	-	-	-	-	-
Central Coalfields Limited (CCL)	-	-	0.10	-	-	0.05	-	-
Western Coalfields Limited (WCL)	-	-	-	-	-	0.14	-	-
South Eastern Coalfields Limited (SECL)	-	-	(0.06)	-	-	1.85	-	-
Northern Coalfields Limited (NCL)	-	-	0.22	-	-	1.09	-	-
Central Mine Planning and Design Institute Limited (CMPDIL)	-	-	-	74.23	-	(0.02)	-	-
Coal India Limited	140.36	80.37	-	-	(0.72)	-	-	(9.48)
Mahanadi Basin Power Ltd.	-	-	-	-	(1.16)	-	-	25.83
MNH Shakti Ltd.	-	-	-	-	(0.01)	-	0.02	0.56
Mahanadi Coal Railway Limited	-	-	-	-	(2. 40)	-	-	65.89
MJSJ Coal Limited	-	-	-	-	(0.09)	-	-	2.63

Figures in Bracket denote net income or credit balance.

g) Recent Accounting Pronouncements

(i) Ind AS, 116- Leases

Vide Notification of Ministry of Corporate Affairs dated 30th March, 2019 Indian Accounting Standard (Ind AS) 116, Leases has become effective for the company from 01.04.2019 replacing Ind AS 17, Leases. The accounting policy on leases has been changed as per Ind AS 116. The principal change of Ind AS 116, Leases is change in the accounting treatment by lessees of leases currently classified as operating leases. Lease agreements have given rise to the recognition of a right-of-use asset and a lease liability for future lease payments in case of company being lessee.

On transition company has followed cumulative method i.e. recognised the cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings and ₹ NIL has been adjusted to the opening retained earnings. For calculation of the lease liability recognised in the balance sheet 8% has been used as lessee's incremental borrowing rate.

Lease liability commitment regarding operating lease as on 31.03.2018, discounted using above lessee's incremental borrowing rate were ₹ NIL whereas lease liability as on 01.04.2019 recognised in the Balance sheet is ₹ NIL.

(ii) Amendment to Ind AS 19 – plan amendment, curtailment or settlement-

Ministry of Corporate Affairs vide notification dated 30th March 2019 has notified amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The impact of the above change is NIL in the Financial Statement.

h) Insurance and escalation claims

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

i) Provisions made in the Accounts

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

j) Current Assets, Loans and Advances etc.

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

k) Current Liabilities

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

l) Balance Confirmations

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

m) Statement of Opening Stock, Production, Purchases, Turnover and Closing Stock of Coal

(₹ in Crore and Quantity in lakh tonnes)

Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
	Qty.	Value	Qty.	Value
Opening Stock	**130.23**	**444.90**	**111.78**	**420.54**
Production	1403.58	14384.83	1441.51	15349.83
Purchase of Coal	5.14	56.69	-	-
Sales	1335.02	14105.60	1423.03	15324.75
Own Consumption	0.02	0.43	0.03	0.73
Despatch of Purchased coal	5.12	56.40	-	-
Write Off	-	-	-	-
Shortage beyond 5%	1.17	19.43	1.17	19.43
Excess beyond 5%	-	-	-	-
Closing Stock	**197.62**	**704.56**	**129.06**	**425.46**

Reconciliation of closing balance of last year with Opening balance of CY

	Qty. (in Lakh Tonnes)	Value (₹ in Crore)
Closing balance as on 31.03.19 (adopted stock)	**129.06**	**425.46**
Add: Shortage beyond 5% as on 31.03.19 (Not written off)	1.17	19.43
Total	130.23	444.89

n) Disaggregated Revenue as per Ind AS 115

(₹ in Crore)

Disaggregated revenue information :	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Types of goods or service:-		
- Coal	14162.00	15324.74
- Others	-	-
Total revenue from Sale of Coal	**14162.00**	**15324.75**
Types of customers		
- Power sector	8791.46	9185.30
- Non-Power Sector	5370.54	6139.45
- Other Services	-	-
Total revenue from Sale of Coal	**14162.00**	**15324.75**
Types of contract		
- FSA	11420.70	12451.98
- E Auction	2741.30	2872.77
- Others	-	-
Total revenue from Sale of Coal	**14162.00**	**15324.75**
Timing of goods or service		
- Goods transferred at a point in time	14162.00	15324.75
- Goods transferred over time	-	-
- Services transferred at a point in time	-	-
- Services transferred over time	-	-
Total revenue from Sale of Coal	**14162.00**	**15324.75**

o) Details of Loans given, Investments made and Guarantee given covered u/s 186(4) of the Companies Act, 2013

Loans given and Investments made are given under the respective heads.

Name of the Company	Relation	Loan/Investment	Amount (₹ in Crore)
MJSJ Coal Limited	Subsidiary	Investment in Shares	57.06
MNH Shakti Limited	Subsidiary	Investment in Shares	59.57
Mahanadi Basin Power Limited	Subsidiary	Investment in Shares	0.05
Mahanadi Coal Railway limited	Subsidiary	Investment in Shares	0.03
NLC India Ltd.		Loan Given	1125.00 (o/s)

- No Corporate guarantees given by the company in respect of any loan as at 31.03.2020
- Company has given a loan of ₹ 2000 crore to NLCIL for meeting the general funding requirements @ 7% interest payable on monthly basis and repayment of principal is in 48 monthly equal installments. This loan to NLCIL is covered under Clause 8 (iv) of Guidelines on Investment of Surplus Funds by the CPSEs as eligible investments.

p) Construction of MCL Institute of Natural Resources And Energy Management (MINREM)

The Company is constructing an Institute 'MCL Institute of Natural Resources And Energy Management (MINREM), Bhubaneswar' with an initial estimated total value of Rs. 138.83 crore through the contractor M/S. NBCC. The construction work was stopped because Bhubaneswar Development Authority did not consider the proposal for approval earlier. However on 02.11.2018 BDA have granted necessary permission in favour of MCL. The MOU has been revalidated for a period of two years from 09.01.2020 & the above work to be completed within 12 months and the revised project cost is Rs. 155.33 crore. The contractor is yet to resume the balance work of MINREM. The Company has incurred ₹ 104.48 crore towards construction of the institute till now.

q) Land at Balipanda Mouza, Puri

5 acres of land at Baliapanda Mouza, Puri amounting to ₹ 0.94 crore (including deposit for boundary wall) taken as lease from Puri Municipality with a lease period of 99 years w.e.f. 01.04.1996. However, Tahsildar Puri vide his office memo no. 7206 dated 21.08.2004 addressed to the Collector Puri with a copy to MCL, Bhubaneswar stated that the said area comes under the "Sweat water zone" and it has been declared as restricted area by the Govt. in Housing and Urban Development Department. Though the said land comes under Sweat Water Zone, Tahsildar, Puri has accepted ground rent along with cess till 2008-09. Further D(P), MCL vide letter no. 4707 dated 08.01.2019, requested to Collector, Puri for early hand over of alternate land to start the stall project. Executive Officer, Puri Municipality in his report to ADM dated 05.11.19 mentioned that MCL was to construct the building within three years from the date of execution of agreement i.e. from 09.04.1997. However as no construction was taken up by MCL within the stipulated period, now a park is under construction over the same land under Amrut scheme. Again letter has been written to Collector, Puri by DGM, MCL on 05.12.2019 for allotment of alternative patch of land and the case is under active consideration with State Authority. MCL is expecting that the alternative land in favor of MCL will be allocated soon. Till an alternative land is available to MCL, the amount deposited is kept under Capital Advance.

r) During the year, the Company has taken a loan from bank amounting to ₹ 1,840 crore by pledging the TDRs amounting to ₹ 2052 crore for payment of of ₹ 2,000 crore as upfront advance tax.

s) The guidelines for preparation of Mining plan for Coal & lignite blocks have been revised vide F.No. 34011/28/2019-CPAM by Ministry of Coal, Government of India dated 16.12.2019 and a

SOP against the new guideline dated 26.02.2020 issued by Office of Coal Controller Office, Ministry of Coal, Government of India.

However, there is no impact of calculation of mine closure cost and its deposition in escrow account during the year.

t) During the year, the Company has purchased coal from OCPL amounting to ₹ 60.80 crore. The sale of purchased coal is amounting to ₹ 56.40 crore, surface transportation charges on the same is ₹ 14.98 crore and evacuation facility charges is ₹ 2.56 crore. The closing stock of purchased coal is amounting to ₹ 0.29 crore.

u) MCL has opted for declaration under Vivad Se Vishwas Scheme, 2020 as introduced by Government of India with the object of reducing tax litigations. The Company is planning to file declaration from Assessment Year 1997-98 to 2007-08 under this Scheme to settle all Income Tax disputes pertaining to these years. Tax expenses of ₹ 142.23 crore has been charged to P & L Account for earlier years"

v) Method of calculation of cost of inventories has been changed to Weighted Average method from FIFO method for providing more relevant information to the users. However, there has been insignificant impact on valuation of Closing Stock of Previous year 2018-19, hence reported figures for previous year has not been restated.

Change in method of valuation of closing stock as on 31.03.2020, resulted in decrease in value of closing stock & profit by ₹ 5.52 crore.

w) Deposit Account (for specifc purpose) of ₹ 26.36 crore (PY- ₹ 40.09 crore) are made as per the direction of the Court, various govt. authorities and for issue of B.G shown under Note -9 & Note-15. Details are as below:

Note-15

i. Fixed deposit includes ₹ 6.45 crore made against price difference recovered against explosive rate contracts in the year 2005-06, as per court order.

ii. Fixed deposit includes ₹ 0.22 crore made against interim order of Hon'ble High Court for encashment of BG of M/s IRC Logistics Ltd.

iii. Fixed deposits includes ₹ 0.19 crore made for 40% Tapering money by the Company in respect of M/S Shri Mahavir Ferro Alloys Pvt. Ltd. as per order of Hon'ble High Court, Cuttack till the final outcome of the Writ petition no. 3109 of 2015.

iv. Fixed Deposits includes ₹ 6.58 crore made against interim order of Hon'ble High court Cuttack (Odisha) i.e. to be deposited in any nationalized bank for remaining amount of compensation involved in the disputed land.

v. Fixed deposit of ₹ 1.17 crore made as per directives of Hon'ble High Court of Odisha regarding encashment of BG submitted by M/s Montecarlo Limited (MCL) and M/s Kunal Structure (India) Private Limited (KSIPL) JV.

vi. Fixed Deposit amounting to ₹ 4.35 crore that has been placed under lien of State Bank India for issuing letter of comfort for issuance of Bank Guarantee in favour of President of India to fulfill the terms of allocation of blocks on behalf of subsidiary company. - M/S MJSJ Coal Ltd.

vii. Fixed Deposit amounting to ₹ 0.06 crore has been placed with bank for issuance of Bank Guarantee for the installation of Fully fledged Effluent Treatment plant at Kanika Railway Siding in favour of Odisha State Pollution Control Board.

viii. Fixed Deposit amounting to ₹ 0.45 crore has been placed with bank for issuance of Bank Guarantee towards three months advance water charges and nine months water rates for drawal of 1.336 cusec water in favour of Executive Engineer Main Dam Division, Burla.

ix. Bank Deposits includes ₹ 0.03 crore made for issue of BG for obtaining license for captive mobile radio trunking service from Deptt of Telecommunication, Govt of India in connection with OITDS.

x. Bank Deposits of ₹ 2.12 crore including accrued interest being special term deposit made out of money recovered through the Hon'ble District Court Sundargarh against defalcation of cash by an officer, which is under lien to the Court pending finalization of the case.

xi. Bank Deposits of ₹ 1.39 crore respectively kept with the bank which has been pledged in favour of Water Dam Division against MOU/agreement signed.

xii. Bank Deposits of ₹ 0.02 crore in shape of TDR for execution of Agreement for drawal from Lilari Nallah.

xiii. Bank Deposits of ₹ 1.19 crore in shape of TDR for M/s Utkal Highways on the directives of Hon'ble High Court of Odisha.

Note-9

xiv. Bank Deposits of ₹ 0.08 crore in shape of TDR for Executive Engineer, Burla Irrigation Division, Burla.

xv. Bank Deposits of ₹ 1.20 crore in shape of TDR for Executive Engineer, Burla Irrigation Division, Burla.

xvi. Bank Deposits includes ₹ 0.85 crore for issue of BG in favour of TAMDA for obtaining approval of Institutional Building Plan for MIMSR.

x) At MCL, there are 22 open cast mines and 12 underground mines, out of which 4 open cast mines & 5 underground mines are non productive and 3 open cast mines & 3 underground mines are under development:-

List of Non productive Mines:-

S.No.	Name of Mines	Reason for Non Productive
1.	Chendipada OCP	Due to mine closure.
2.	Lilari OCP	Due to Mining Plan of Lilari OCP was valid upto March 2018.
3.	South Balanda OCP	Due to exhaustion of Coal Reserve.
4.	Basundhara East OCP	Mine is closed due to extraction of all coal.
5.	Himgir Rampur Colliery UG	This mine is abandoned since 27.05.2013 with the mine closure notice issued from Orient Area.
6.	Orient Mine No-4 UG	**a.** Production has been stopped since 02.07.2017 due to non-availability of development patches as entire property of mine is already developed and there is no depillaring permission due to want of stage II forest clearance. **b.** There is shortage of manpower in Orient Area due to retirement etc. As there is shortage of manpower in productive units of other mines of Orient Area, the available manpower of this mine has been transferred to those productive mines for gainful utilization. Now the mine is under process to run in outsourced mode.
7.	Talcher UG	Mining of Coal temporarily discontinued due to non-compliance of Section 22A (1) of Mines Act 1952 by DMS, Bhubaneswar vide Notice No. - 010686/BBR-DH/CO-6/Notice-22A (1)/2015/ 4562, dated 03.09.2015, to provide 3rd entry to the drift top section (present working dist), and as per provision of CMR-2017, Reg No. - 158(3) the production was suspended since 24.02.2018.
8.	Deulbera UG	Production had to be stopped as notice from the supt. engineer that water would be released in right bank canal, below which the mine had working w.e.f 19.07.2006
9.	Handidhua UG	Production has stopped due to heavy losses w.e.f. 16.09.1998.

List of Development Mines:-

S.No.	**Development Mines**
1.	Talcher West (U/G)
2.	Jagannath (U/G)
3.	Natraj UG
4.	Siarmal OCP
5.	Basundhara West (Extension) OCP
6.	Subhadra OCP

y) The outbreak of Coronavirus (COVID -19) is causing significant disturbance and slowdown of economic activity in India and across the globe. The Company has evaluated the impact of this pandemic on its business operations. Based on its review and current indicators of economic conditions, there is no significant impact on its financial results. The Company will continue to closely monitor any material changes arising from future economic conditions and impact on its business.

z) Significant accounting policy

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

aa) Others :

a) Previous year/ period's figures have been restated as per Ind AS and regrouped and rearranged wherever considered necessary.

b) Previous period's figures in Note No. 3 to 38 are in brackets.

c) Note – 1 and 2 represents Corporate information and Significant Accounting Policies respectively , Note 3 to 23 form parts of the Balance Sheet as at 31st March 20 and 24 to 37 form part of Statement of Profit & Loss for the period ended on that date and Note – 38 represents Additional Notes to the Financial Statements.

Signature to Note 1 to 38.

On behalf of the Board

Sd/- **(A K Singh)** Company Secretary	As per our report annexed **For SINGH RAY MISHRA & CO.** Chartered Accountants Firm Regn No. 318121E	Sd/- **(P K Swarnkar)** General Manager (Finance)
Sd/- **(K R Vasudevan)** Director (Finance) DIN : 07915732	Sd/- **(CA J K Mishra)** Partner Membership No. 052796	Sd/- **(B.N. Shukla)** Chairman-cum-Managing Director DIN: 05131449

Date: 15.06.2020
Place: Burla

MY COMPANY MY PRIDE

Blessings of Elders on Coal India Day.


ANAND VIHAR HOSPITAL
MCL


Mahanadi Coalfields Limited
All India Public Sector
GOLF
Mahanadi Coalfields Limited
All India Public Sector
MCL


AIRAWAT 10/70

CONSOLIDATED BALANCE SHEET

As at 31st March, 2020

(₹ in Crore)

		Note No.	As at 31-03-2020	As at 31-03-2019 (Restated)
ASSETS				
Non-Current Assets				
(a)	Property, Plant & Equipments	3	7,244.17	6,494.79
(b)	Capital Work in Progress	4	1,515.56	1,404.00
(c)	Exploration and Evaluation Assets	5	124.73	158.40
(d)	Intangible Assets	6	4.69	4.74
(e)	Financial Assets			
	(i) Investments	7	958.70	958.70
	(ii) Loans	8	626.20	1,125.66
	(iii) Other Financial Assets	9	1,166.14	1,019.13
(f)	Deferred Tax Assets (net)		-	-
(g)	Other non-current assets	10	314.04	214.95
	Total Non-Current Assets (A)		11,954.23	11,380.37
Current Assets				
(a)	Inventories	12	793.62	502.30
(b)	Financial Assets			
	(i) Investments	7	0.46	1,000.83
	(ii) Trade Receivables	13	1,323.07	465.24
	(iii) Cash & Cash equivalents	14	151.48	432.09
	(iv) Other Bank Balances	15	12,301.22	12,866.24
	(v) Loans	8	500.32	500.32
	(vi) Other Financial Assets	9	800.95	628.22
(c)	Current Tax Assets (Net)		2,527.99	748.75
(d)	Other Current Assets	11	2,525.84	1,545.55
	Total Current Assets (B)		20,924.95	18,689.54
	Total Assets (A+B)		**32,879.18**	**30,069.91**

Balance Sheet Contd... (₹ in Crore)

EQUITY AND LIABILITIES	Note No.	As at 31-03-2020	As at 31-03-2019 (Restated)
Equity			
(a) Equity Share Capital	16	661.84	661.84
(b) Other Equity	17	3,230.56	3,192.45
Equity attributable to equityholders of the company		3,892.40	3,854.29
Non-Controlling Interests		57.04	64.61
Total Equity (A)		3,949.44	3,918.90
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	5.48	5.71
(ii) Trade Payables (if any)		-	-
(iii) Other Financial Liabilities	20	39.02	51.22
(b) Provisions	21	20,152.14	18,905.78
(c) Deferred Tax Liabilities (net)		307.04	321.99
(d) Other Non-Current Liabilities	22	180.77	194.68
Total Non-Current Liabilities (B)		20,684.45	19,479.38
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	1,706.45	-
(ii) Trade payables	19		
Total Outstanding dues of micro and small enterprises		0.39	0.09
Total Outstanding dues of creditors other than micro and small enterprises		668.25	508.70
(iii) Other Financial Liabilities	20	1,636.38	1,293.78
(b) Other Current Liabilities	23	3,337.22	3,911.26
(c) Provisions	21	896.60	957.80
(d) Current Tax Liabilities (net)		-	-
Total Current Liabilities (C)		8,245.29	6,671.63
Total Equity and Liabilities (A+B+C)		**32,879.18**	**30,069.91**

The Accompanying Notes form an integral part of Financial Statements.

Sd/-
(A K Singh)
Company Secretary

Sd/-
(K R Vasudevan)
Director (Finance)
DIN : 07915732

As per our report annexed
For SINGH RAY MISHRA & CO.
Chartered Accountants
Firm Regn No. 318121E

Sd/-
(CA J K Mishra)
Partner
Membership No. 052796

Sd/-
(P K Swarnkar)
General Manager (Finance)

Sd/-
(B.N. Shukla)
Chairman-cum-Managing Director
DIN: 05131449

Date: 15.06.2020
Place: Burla

CONSOLIDATED STATEMENT OF PROFIT & LOSS
For the year ended on 31st March, 2020

(₹ in Crore)

		Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019 (Restated)
	Revenue from Operations			
A	Sales (Net of other levies)	24	14,162.00	15,324.75
B	Other Operating Revenue (Net of other levies)		1,649.17	1,686.25
(I)	**Revenue from Operations (A+B)**		15,811.17	17,011.00
(II)	Other Income	25	1,785.78	1,571.91
(III)	**Total Income (I+II)**		**17,596.95**	**18,582.91**
(IV)	**EXPENSES**			
	Cost of Materials Consumed	26	598.71	672.19
	Purchases of Stock-in-Trade		60.80	-
	Changes in inventories of finished goods/work in progress and Stock in trade	27	(280.67)	(32.01)
	Employee Benefits Expense	28	3,155.05	3,009.95
	Power Expense		131.31	134.72
	Corporate Social Responsibility Expense	29	165.50	167.16
	Repairs	30	161.18	197.91
	Contractual Expense	31	2,594.68	2,523.86
	Finance Costs	32	80.31	32.83
	Depreciation/Amortization/ Impairment expense		512.11	501.20
	Provisions	33	(73.08)	62.72
	Write off	34	-	0.02
	Other Expenses	35	791.62	850.55
	Stripping Activity Adjustment		1,071.91	1,180.91
	Total Expenses (IV)		**8,969.43**	**9,302.01**
(V)	**Profit before exceptional items and Tax (III-IV)**		**8,627.52**	**9,280.90**
(VI)	Exceptional Items			
(VII)	**Profit before Tax (V-VI)**		**8,627.52**	**9,280.90**
(VIII)	Tax expense	36	2,219.53	3,241.54
(IX)	**Profit for the year from continuing operations (VII-VIII)**		**6,407.99**	**6,039.36**
(X)	Profit/(Loss) from discontinued operations		-	-
(XI)	Tax exp of discontinued operations		-	-
(XII)	Profit/(Loss) from discontinued operations (after Tax) (X-XI)		-	-
(XIII)	Share in JV's/Associate's profit/(loss)		-	-
(XIV)	**Profit for the Year (IX+XII+XIII)**		**6,407.99**	**6,039.36**

Statement of Profit & Loss Contd...

(₹ in Crore)

	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019 (Restated)
Other Comprehensive Income	37		
A (i) Items that will not be reclassified to profit or loss		(104.82)	(16.28)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(26.38)	(5.69)
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
(XV) Total Other Comprehensive Income		**(78.44)**	**(10.59)**
(XVI) Total Comprehensive Income for the year (XIV+XV) (Comprising Profit (Loss) and Other Comprehensive Income for the year)		**6,329.55**	**6,028.77**
Profit attributable to:			
Owners of the company		**6,415.56**	**6,038.34**
Non-controlling interest		**(7.57)**	**1.02**
		6,407.99	**6,039.36**
Other Comprehensive Income attributable to:			
Owners of the company		**(78.44)**	**(10.59)**
Non-controlling interest		-	-
		(78.44)	**(10.59)**
Total Comprehensive Income attributable to:			
Owners of the company		**6,337.12**	**6,027.75**
Non-controlling interest		**(7.57)**	**1.02**
		6,329.55	**6,028.77**
(XVII) Earnings per equity share (for continuing operation):			
(1) Basic		**9,563.62**	**8,622.19**
(2) Diluted		**9,563.62**	**8,622.19**
(XVIII) Earnings per equity share (for discontinued operation):			
(1) Basic		-	-
(2) Diluted		-	-
(XIX) Earnings per equity share (for discontinued & continuing operation):			
(1) Basic		**9,563.62**	**8,622.19**
(2) Diluted		**9,563.62**	**8,622.19**

The Accompanying Notes form an integral part of Financial Statements.

Sd/-
(A K Singh)
Company Secretary

Sd/-
(K R Vasudevan)
Director (Finance)
DIN : 07915732

As per our report annexed
For SINGH RAY MISHRA & CO.
Chartered Accountants
Firm Regn No. 318121E

Sd/-
(CA J K Mishra)
Partner
Membership No. 052796

Sd/-
(P K Swarnkar)
General Manager (Finance)

Sd/-
(B.N. Shukla)
Chairman-cum-Managing Director
DIN: 05131449

Date: 15.06.2020
Place: Burla

CONSOLIDATED CASH FLOW STATEMENT

(₹ in Crore)

		For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
A	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Profit Before Tax	**8,522.70**	**9,264.62**
	Adjustment for :		
	Depreciation/Impairment of fixed assets	512.11	501.20
	Interest on Bank Deposits	(1,134.42)	(988.12)
	Finance Cost related to financing activity	0.77	0.07
	Unwinding of Discount	79.54	38.16
	Profit/loss on sale of Fixed Assets	(0.51)	(0.52)
	Exchange Rate Fluctuation	0.41	(0.20)
	Stripping Activity Adjustment	1,071.91	1,180.91
	Interest/Dividend from investments	(385.22)	(195.99)
	Provisions made & write off	39.50	(66.64)
	Operating Profit before Current/Non Current Assets and Liabilities Adjustment for:	**8,706.79**	**9,733.49**
	Adjustments for :		
	Inventories	(291.32)	(27.54)
	Trade Receivables	(839.36)	(72.44)
	Non current Loans,Advances,Other Financial Assets,Other Assets	253.35	(176.95)
	Current Loans,Advances,Other Financial Assets,Other Assets	(271.68)	(386.70)
	Current/Non Current Provisions, Other Financial Liabilities and Other Liabilities	(121.99)	690.46
	Cash generated from operations	**7,435.79**	**9,760.32**
	Income Tax Paid/Refund	(4,303.67)	(3,100.22)
	Deferred Tax Liabilities		
	Cash Flow before extraordinary items	**3,132.12**	**6,660.10**
	Extraordinary items	-	-
	Net Cash from operating activities (A)	**3,132.12**	**6,660.10**
B	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of Fixed Assets	(1,339.32)	(1,517.73)
	Profit/loss on sale of Fixed Assets	0.51	0.52
	Change in Investments	1,000.37	(1,000.83)
	Interest pertaining to Bank Deposits	1,134.42	1,081.70
	Interest/Dividend from Investments	385.22	102.41
	Net Cash used in investing activities (B)	**1,181.20**	**(1,333.93)**

CONSOLIDATED CASH FLOW STATEMENT

(₹ in Crore)

		For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
C	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Change in borrowings	1,706.26	(0.80)
	Exchange Rate Fluctuation	(0.41)	0.20
	Interest and Finance cost pertaining to Finance Activities	(0.77)	(0.07)
	Dividend on Equity Shares	(5,225.00)	(3,875.00)
	Tax on Dividend on Equity Shares	(1,074.01)	(796.52)
	Buyback of Equity Share Capital	-	(355.00)
	Tax on Buy Back of Equity Share Capital	-	(72.38)
	Net Cash used in financing activities (C)	**(4,593.93)**	**(5,099.57)**
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(280.61)	226.60
	Cash and cash equivalents as at beginning of the year	432.09	205.49
	Cash and cash equivalents as at the end of the year	**151.48**	**432.09**

The aforesaid statement is prepared on indirect method.

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

Sd/-
(A K Singh)
Company Secretary

Sd/-
(K R Vasudevan)
Director (Finance)
DIN : 07915732

As per our report annexed
For SINGH RAY MISHRA & CO.
Chartered Accountants
Firm Regn No. 318121E

Sd/-
(CA J K Mishra)
Partner
Membership No. 052796

Sd/-
(P K Swarnkar)
General Manager (Finance)

Sd/-
(B.N. Shukla)
Chairman-cum-Managing Director
DIN: 05131449

Date: 15.06.2020
Place: Burla

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON 31.03.2020

(₹ in Crore)

A. EQUITY SHARE CAPITAL

Particulars	Balance as at 01.04.2018	Changes In Equity Share Capital During The Year	Balance as at 31.03.2019	Balance as at 01.04.2019	Changes In Equity Share Capital During The Year	Balance as at 31.03.2020
6618363 Equity Shares of Rs.1000/- each fully paid up	706.13	(44.29)	661.84	661.84	-	661.84

B. OTHER EQUITY

(Restated)

	Other Reserves		General Reserve	Retained Earnings	Other Comprehensive Income	Non-Controlling Interest	Total (excluding non-controling interest)
	Capital Redemption reserve	Capital Reserve					
Balance as at 01.04.2018	-	-	2,000.32	190.04	28.95	63.59	**2,219.31**
Changes in accounting policy	-	-	-	-			-
Prior period errors	-	-	-	-			-
Restated balance as at 01.04.2018	-	-	2,000.32	190.04	28.95	63.59	**2,219.31**
Additions during the year	44.29	-	-	-	-	-	**44.29**
Adjustments during the year	-	-	(355.00)	-	-	-	**(355.00)**
Profit during the year	-	-	-	6,038.34	-	1.02	**6,038.34**
Remeasurement of Defined Benefits Plans (net of Tax)	-	-	-	-	(10.59)	-	**(10.59)**
Appropriations	-	-	-	-	-	-	-
Transfer to / from General Reserve	-	-	301.98	(301.98)	-	-	-
Transfer to / from Other reserves	-	-	-	-	-	-	-
Interim Dividend	-	-	-	(3,750.00)	-	-	**(3,750.00)**
Final Dividend	-	-	-	(125.00)	-	-	**(125.00)**
Corporate Dividend tax	-	-	-	(796.52)	-	-	**(796.52)**
Buy Back Distribution tax	-	-	-	(72.38)	-	-	**(72.38)**
Balance as at 31.03.2019	**44.29**	-	**1,947.30**	**1,182.50**	**18.36**	**64.61**	**3,192.45**
Balance as at 01.04.2019	**44.29**	-	**1,947.30**	**1,182.50**	**18.36**	**64.61**	**3,192.45**
Additions during the year	-	-	-	-	-	-	-
Adjustments during the year	-	-	-	-	-	-	-
Profit during the year	-	-	-	6,415.56	-	(7.57)	**6,415.56**
Remeasurement of Defined Benefits Plans (net of Tax)	-	-	-	-	(78.44)	-	**(78.44)**
Appropriations	-	-	-	-	-	-	-
Transfer to / from General reserve	-	-	321.37	(321.37)	-	-	-
Transfer to / from Other reserves	-	-	-	-	-	-	-
Interim Dividend	-	-	-	(5,225.00)	-	-	**(5,225.00)**
Final Dividend	-	-	-	-	-	-	-
Corporate Dividend tax	-	-	-	(1,074.01)	-	-	**(1,074.01)**
Buy Back Distribution tax	-	-	-	-	-	-	-
Balance as at 31.03.2020	**44.29**	-	**2,268.67**	**977.68**	**(60.08)**	**57.04**	**3,230.56**

Notes to the financial statements

Note: 1
CORPORATE INFORMATION

Mahanadi Coalfields Limited (MCL), a Miniratna Company with headquarters at Sambalpur, Odisha was incorporated on 3rd April, 1992 as a 100% Subsidiary of Coal India Limited (CIL) upon taking over of assets and liabilities of South Eastern Coalfields Limited in respect of mines in the State of Odisha.

The Company is mainly engaged in mining and production of Coal. The major consumers of the group are power and steel sectors. Consumers from other sectors include cement, fertilisers, brick kilns etc.

MCL has four subsidiaries in Odisha. Information of the Group structure is provided in Note no. 38.

Note 2:
SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

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

For all periods up to and including the year ended 31stMarch 2016, the MCL Consolidated (hereinafter referred as "Company") prepared its financial statements in accordance with Accounting Standards (AS) notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and in accordance with companies (Accounting Standards), Rules 2006.

The financial statements have been prepared on historical cost basis of measurement, except for

- certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments in para 2.15);
- Defined benefit plans- plan assets measured at fair value;
- Inventories at Cost or NRV whichever is lower (refer accounting policy in para no. 2.21).

2.1.1 Rounding of amounts

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

2.2 Basis of consolidation

2.2.1 Subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date when control ceases.

The acquisition method of accounting is used to account for business combinations by the Company.

The Company combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, cash flows, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses between group companies are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. All the companies within the MCL Consolidated normally uses accounting policies as adopted by the MCL Consolidated for like transactions and events in similar circumstances. In case of significant deviations of a particular constituent company within MCL Consolidated, appropriate adjustments are made to the financial statement of such constituent group to ensure conformity with the MCL Consolidated accounting policies.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

2.2.2 Associates

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

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

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

2.2.3 Joint arrangements

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

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

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

2.2.3.1 Joint Operations

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

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

2.2.3.2 Joint ventures

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

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

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

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

2.2.4 Equity method

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

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

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

2.2.5 Changes in ownership interests

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

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

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

2.3 Current and non-current Classification

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current by the Group when:

(a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;

(b) it holds the asset primarily for the purpose of trading;

(c) it expects to realise the asset within twelve months after the reporting period; or

(d) the asset is cash or a cash equivalent (as defined in Ind AS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is treated as current by the Group when:

(a) it expects to settle the liability in its normal operating cycle;

(b) it holds the liability primarily for the purpose of trading;

(c) the liability is due to be settled within twelve months after the reporting period; or

(d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

2.4 Revenue recognition

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

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

Revenue from contracts with customers

Coal India Limited is an Indian state controlled enterprise headquartered in Kolkata, West Bengal, India and the largest coal producing company in the world. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

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

Step 1 : Identifying the contract:

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

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

b) the Company can identify each party's rights regarding the goods or services to be transferred;

c) the Company can identify the payment terms for the goods or services to be transferred;

d) the contract has commercial substance (i.e. the risk, timing or amount of the Company's future cash flows is expected to change as a result of the contract); and

e) it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. The amount of consideration to which the Company will be entitled may be less than the price stated in the contract if the consideration is variable because the Company may offer the customer a price concession, discount, rebates, refunds, credits or be entitled to incentives, performance bonuses, or similar items.

Combination of contracts

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

a) the contracts are negotiated as a package with a single commercial objective;

b) the amount of consideration to be paid in one contract depends on the price or performance of the other contract; or

c) the goods or services promised in the contracts (or some goods or services promised in each of the contracts) are a single performance obligation.

Contract modification

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

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

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

Step 2 : Identifying performance obligations:

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

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

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

Step 3 : Determining the transaction price

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

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

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

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

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

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

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

The Company recognizes a refund liability if the Company receives consideration from a customer and expects to refund some or all of that consideration to the customer. A refund liability is measured at the amount of consideration received (or receivable) for which the company does not expect to be entitled (i.e. amounts not included in the transaction price). The refund liability (and corresponding change in the transaction price and, therefore, the contract liability) is updated at the end of each reporting period for changes in circumstances.

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

Step 4 : Allocating the transaction price:

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

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

Step 5 : Recognizing revenue:

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

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

a) the customer simultaneously receives and consumes the benefits provided by the company's performance as the Company performs;

b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced;

c) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

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

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

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

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

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

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

a) the Company has a present right to payment for the good or service;

b) the customer has legal title to the good or service;

c) the Company has transferred physical possession of the good or service;

d) the customer has the significant risks and rewards of ownership of the good or service;

e) the customer has accepted the good or service.

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

Contract assets:

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

Trade receivables:

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

Contract liabilities:

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

Interest

Interest income is recognised using the Effective Interest Method.

Dividend

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

Other Claims

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

2.5 Grants from Government

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

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

Government Grants/assistance related to assets are presented in the balance sheet by setting up the grant as deferred income and are recognised in Statement of Profit and Loss on systematic basis over the useful life of asset.

Grants related to income (i.e. grant related to other than assets) are presented as part of statement of profit and loss under the head ‘Other Income’.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs, is recognised in profit or loss of the period in which it becomes receivable.

The Government grants or in the nature of promoters contribution are recognised directly in “Capital Reserve” which forms part of the “Shareholders fund”.

2.6 Leases

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

2.6.1 Company as a lessee

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

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

2.6.2 Company as a lessor

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

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

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

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

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

2.7 Non-current assets held for sale

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

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

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

2.8 Property, Plant and Equipment (PPE)

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

After recognition, an item of all other Property, plant and equipment are carried at its cost less any accumulated depreciation and any accumulated impairment losses under Cost Model. The cost of an item of property, plant and equipment comprises:

(a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

(b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item depreciated separately. However, significant part(s) of an item of PPE having same useful life and depreciation method are grouped together in determining the depreciation charge.

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

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

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

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

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

Other Land (Incl. Leasehold Land)	: Life of the project or lease term whichever is lower
Building	: 3-60 years
Roads	: 3-10 years
Telecommunication	: 3-9 years
Railway Sidings	: 15 years
Plant and Equipment	: 5-30 years
Computers and Laptops	: 3 Years
Office equipment	: 3-6 years
Furniture and Fixtures	: 10 years
Vehicles	: 8-10 years

Based on technical evaluation, the management believes that the useful lives given above best represents the period over which the management expects to use the asset. Hence the useful lives of the assets may be different from useful lives as prescribed under Part C of schedule II of companies act, 2013.

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

The residual value of Property, plant and equipment is considered as 5% of the original cost of the asset except some items of assets such as, Coal tub, winding ropes, haulage ropes, stowing pipes & safety lamps etc. for which the technically estimated useful life has been determined to be one year with nil residual value.

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

Value of "Other Land" includes land acquired under Coal Bearing Area (Acquisition & Development) (CBA) Act, 1957, Land Acquisition Act, 1894, Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (RFCTLAAR) Act, 2013, Long term transfer of government land etc., which is amortised on the basis of the balance life of the project; and in case of Leasehold land such amortisation is based on lease period or balance life of the project whichever is lower.

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

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

2.9 Mine Closure, Site Restoration and Decommissioning Obligation

The group's obligation for land reclamation and decommissioning of structures consists of spending at both surface and underground mines in accordance with the guidelines from Ministry of Coal, Government of India. The group estimates its obligation for Mine Closure, Site Restoration and Decommissioning based upon detailed calculation and technical assessment of the amount and timing of the future cash spending to perform the required work. Mine Closure expenditure is provided as per approved Mine Closure Plan. The estimates of expenses are escalated for inflation, and then discounted at a discount rate that reflects current market assessment of the time value of money and the risks, such that the amount of provision reflects the present value of the expenditures expected to be required to settle the obligation. The group records a corresponding asset associated with the liability for final reclamation and mine closure. The obligation and corresponding assets are recognised in the period in which the liability is incurred. The asset representing the total site restoration cost (as estimated by Central Mine Planning and Design Institute Limited) as per mine closure plan is recognised as a separate item in PPE and amortised over the balance project/mine life.

The value of the provision is progressively increased over time as the effect of discounting unwinds; creating an expense recognised as financial expenses.

Further, a specific escrow fund account is maintained for this purpose as per the approved mine closure plan.

The progressive mine closure expenses incurred on year to year basis forming part of the total mine closure obligation is initially recognised as receivable from escrow account and thereafter adjusted with the obligation in the year in which the amount is withdrawn after the concurrence of the certifying agency.

2.10 Exploration and Evaluation Assets

Exploration and evaluation assets comprise capitalised costs which are attributable to the search for coal and related resources, pending the determination of technical feasibility and the assessment of commercial viability of an identified resource which comprises inter alia the following:

- Acquisition of rights to explore;
- researching and analysing historical exploration data;
- gathering exploration data through topographical, geo chemical and geo physical studies;
- exploratory drilling, trenching and sampling;
- determining and examining the volume and grade of the resource;
- surveying transportation and infrastructure requirements;
- Conducting market and finance studies.

The above includes employee remuneration, cost of materials and fuel used, payments to contractors etc.

As the intangible component represents an insignificant/indistinguishable portion of the overall expected tangible costs to be incurred and recouped from future exploitation, these costs along with other capitalised exploration costs are recorded as exploration and evaluation asset.

Exploration and evaluation costs are capitalised on a project by project basis pending determination of technical feasibility and commercial viability of the project and disclosed as a separate line item under non-current assets. They are subsequently measured at cost less accumulated impairment/provision.

Once proved reserves are determined and development of mines/project is sanctioned, exploration and evaluation assets are transferred to “Development” under capital work in progress. However, if proved reserves are not determined, the exploration and evaluation asset is derecognised.

2.11 Development Expenditure

When proved reserves are determined and development of mines/project is sanctioned, capitalised exploration and evaluation cost is recognised as assets under construction and disclosed as a component of capital work in progress under the head “Development”. All subsequent development expenditure is also capitalised. The development expenditure capitalised is net of proceeds from the sale of coal extracted during the development phase.

Commercial Operation

The project/mines are brought to revenue; when commercial readiness of a project/mine to yield production on a sustainable basis is established either on the basis of conditions specifically stated in the project report or on the basis of the following criteria:

(a) From beginning of the financial year immediately after the year in which the project achieves physical output of 25% of rated capacity as per approved project report, or

(b) 2 years of touching of coal, or

(c) From the beginning of the financial year in which the value of production is more than total, expenses.

Whichever event occurs first;

On being brought to revenue, the assets under capital work in progress are reclassified as a component of property, plant and equipment under the nomenclature "Other Mining Infrastructure". Other Mining Infrastructure are amortised from the year when the mine is brought under revenue in 20 years or working life of the project whichever is less.

2.12 Intangible Assets

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

Internally generated intangibles, excluding capitalised development costs, are not capitalised. Instead, the related expenditure is recognised in the statement of profit and loss and other comprehensive income in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

An intangible asset with an indefinite useful life is not amortised but is tested for impairment at each reporting date.

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

Exploration and Evaluation assets attributable to blocks identified for sale or proposed to be sold to outside agencies (i.e. for blocks not earmarked for CIL) are however, classified as Intangible Assets and tested for impairment.

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

2.13 Impairment of Assets (other than financial assets)

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

If the recoverable amount of an asset is estimated to be less than its carrying amount,the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognised in the Statement of Profit and Loss.

2.14 Investment Property

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

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

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

2.15 Financial Instruments

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

2.15.1 Financial assets

2.15.1 Initial recognition and measurement

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

2.15.2 Subsequent measurement

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

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

2.15.2.1 Debt instruments at amortised cost

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

2.15.2.2 Debt instrument at FVTOCI

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

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset’s contractual cash flows represent SPPI.

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

2.15.2.3 Debt instrument at FVTPL

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

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

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

2.15.2.4 Equity investments in subsidiaries, associates and Joint Ventures

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

In case of consolidated financial statement, Equity investments in associates and joint ventures are accounted as per equity method as prescribed in para 10 of Ind AS 28.

2.15.2.5 Other Equity Investment

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

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

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

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

2.15.2.6 Derecognition

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

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

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

2.15.2.7 Impairment of financial assets (other than fair value)

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

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

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

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

The application of simplified approach does not require the Group to track changes in credit risk.

2.15.3 Financial liabilities

2.15.3.1 Initial recognition and measurement

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

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

2.15.3.2 Subsequent measurement

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

2.15.3.3 Financial liabilities at fair value through profit or loss

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

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

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

2.15.3.4 Financial liabilities at amortised cost

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

2.15.3.5 Derecognition

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

2.15.4 Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.

FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

2.15.5 Offsetting of financial instruments

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

2.16 Borrowing Costs

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

2.17 Taxation

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

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

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

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

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

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

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

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

2.18 Employee Benefits

2.18.1 Short-term Benefits

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

2.18.2 Post-employment benefits and other long term employee benefits

2.18.2.1 Defined contributions plans

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

2.18.2.2 Defined benefits plans

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

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

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

Net interest expense and other expenses related to defined benefit plans are recognised in profit and loss. When the benefits of the plan are improved, the portion of the increased benefit relating to past service by employees is recognised as expense immediately in the statement of profit and loss."

2.18.3 Other Employee benefits

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

2.19 Foreign Currency

The group's reported currency and the functional currency for majority of its operations is in Indian Rupees (INR) being the principal currency of the economic environment in which it operates.

Transactions in foreign currencies are converted into the reported currency of the group using the exchange rate prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies outstanding at the end of the reporting period are translated at the exchange rates prevailing as at the end of reporting period. Exchange differences arising on the settlement of monetary assets and liabilities or on translating monetary assets and liabilities at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in statement of profit and loss in the period in which they arise.

Non-monetary items denominated in foreign currency are valued at the exchange rates prevailing on the date of transactions.

2.20 Stripping Activity Expense/Adjustment

In case of opencast mining, the mine waste materials ("overburden") which consists of soil and rock on the top of coal seam is required to be removed to get access to the coal and its extraction. This waste removal activity is known as 'Stripping'. In opencast mines, the group has to incur such expenses over the life of the mine (as technically estimated).

Therefore, as a policy, in the mines with rated capacity of one million tonnes per annum and above, cost of Stripping is charged on technically evaluated average stripping ratio (OB: COAL) at each mine with due adjustment for stripping activity asset and ratio-variance account after the mines are brought to revenue.

Net of balances of stripping activity asset and ratio variance at the Balance Sheet date is shown as Stripping Activity Adjustment under the head Non - Current Provisions / Other Non-Current Assets as the case may be.

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

Annual Quantum of OBR Of the Mine	Permissible limits of variance
	I
	%
Less than 1 Mill. CUM	+/- 5%
Between 1 and 5 Mill. CUM	+/- 3%
More than 5 Mill. CUM	+/- 2%

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

In case of mines with rated capacity of less than one million tonne, the above policy is not applied and actual cost of stripping activity incurred during the year is recognised in Statement of Profit and Loss.

2.21 Inventories

2.21.1 Stock of Coal

Inventories of coal/coke are stated at lower of cost and net realisable value. Cost of inventories are calculated using the Weighted Average method. Net realisable value represents the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale.

Book stock of coal is considered in the accounts where the variance between book stock and measured stock is upto +/- 5% and in cases where the variance is beyond +/- 5% the measured stock is considered. Such stock are valued at net realisable value or cost whichever is lower. Coke is considered as a part of stock of coal.

Coal & coke-fines are valued at lower of cost or net realisable value and considered as a part of stock of coal.

Slurry (coking/semi-coking), middling of washeries and by products are valued at net realisable value and considered as a part of stock of coal.

2.21.2 Stores & Spares

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

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

2.21.3 Other Inventories

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

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

2.22 Provisions, Contingent Liabilities & Contingent Assets

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

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

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

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

2.23 Earnings per share

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

2.24 Judgements, Estimates and Assumptions

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

2.24.1 Judgements

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

2.24.1.1 Formulation of Accounting Policies

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

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

a) relevant to the economic decision-making needs of users and

b) reliable in that financial statements:

(i) represent faithfully the financial position, financial performance and cash flows of the Group; (ii) reflect the economic substance of transactions, other events and conditions, and not merely the legal form; (iii) are neutral, i.e. free from bias; (iv) are prudent; and (v) are complete in all material respects on a consistent basis

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

(a) the requirements in Ind ASs dealing with similar and related issues; and

(b) the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Framework.

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

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

The financial statements are prepared on going concern basis using accrual basis of accounting.

2.24.1.2 Materiality

Ind AS applies to items which are material. Management uses judgement in deciding whether individual items or groups of item are material in the financial statements. Materiality is judged by reference to the size and nature of the item. The deciding factor is whether omission or misstatement could individually or collectively influence the economic decisions that users make on the basis of the financial statements. Management also uses judgement of materiality for determining the compliance requirement of the Ind AS. In particular circumstances either the nature or the amount of an item or aggregate of items could be the determining factor. Further the Group may also be required to present separately immaterial items when required by law.

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

2.24.1.3 Operating lease

Group has entered into lease agreements. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

2.24.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

2.24.2.1 Impairment of non-financial assets

There is an indication of impairment if, the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. Group considers individual mines as separate cash generating units for the purpose of test of impairment. The value in use calculation is based on a DCF model.

The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to other mining infrastructures. The key assumptions used to determine the recoverable amount for the different CGUs, are disclosed and further explained in respective notes.

2.24.2.2 Taxes

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

2.24.2.3 Defined benefit plans

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

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

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

2.24.2.4 Fair value measurement of financial instruments

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

2.24.2.5 Intangible asset under development

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

2.24.2.6 Provision for Mine Closure, Site Restoration and Decommissioning Obligation

In determining the fair value of the provision for Mine Closure, Site Restoration and Decommissioning Obligation, assumptions and estimates are made in relation to discount rates, the expected cost of site restoration and dismantling and the expected timing of those costs. The Group estimates provision using the DCF method considering life of the project/ mine based on

- Estimated cost per hectare as specified in guidelines issued by ministry of Coal, Government of India
- The discount rate (pre tax rate) that reflect current market assessments of the time value of money and the risks specific to the liability.

2.25 Abbreviation used:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3: PROPERTY, PLANT AND EQUIPMENTS

Restated (₹ in Crore)

	Free-hold Land	Other Land	Land Reclamation/ Site Restoration Costs	Building (including water supply, roads and culverts)	Plant and Equip-ments	Telecom-munica-tion	Railway Sidings	Furniture and Fixtures	Office Equip-ments	Vehicles	Aircraft	Other Mining Infra-structure	Surveyed off Assets	Others	Total
Gross Carrying Amount:															
As at 1 April 2018	30.32	3,305.50	308.81	440.64	1,059.35	26.79	150.58	18.08	18.37	18.07	-	232.93	16.96	-	5,626.40
Additions	-	875.37	28.15	149.17	328.68	0.23	4.02	3.23	6.86	2.36	-	1,022.13	2.57	-	2,422.77
Deletions/Adjustments	-	0.82	(20.77)	0.21	(3.55)	0.04	-	(0.03)	(1.54)	(0.47)	-	(0.49)	(4.00)	-	(29.78)
As at 31st March 2019	30.32	4,181.69	316.19	590.02	1,384.48	27.06	154.60	21.28	23.69	19.96	-	1,254.57	15.53	-	8,019.39
As at 1 April 2019	30.32	4,181.69	316.19	590.02	1,384.48	27.06	154.60	21.28	23.69	19.96	-	1,254.57	15.53	-	8,019.39
Additions	0.17	503.60	-	52.32	438.33	0.56	94.69	2.04	3.86	3.17	-	244.81	5.28	-	1,348.83
Deletions/Adjustments	-	(64.55)	(5.37)	(0.15)	(17.28)	(0.06)	-	0.27	(2.10)	(0.59)	-	(0.85)	(1.18)	-	(91.86)
As at 31st March 2020	30.49	4,620.74	310.82	642.19	1,805.53	27.56	249.29	23.59	25.45	22.54	-	1,498.53	19.63	-	9,276.36
Accumulated Depreciation and Impairment															
As at 1 April 2018	-	323.65	112.84	41.56	434.57	14.11	28.19	6.61	6.25	6.61	-	49.80	6.47	-	1,030.66
Charge for the year	-	201.96	32.48	16.89	137.07	4.84	12.78	2.00	3.65	2.34	-	87.74	-	-	501.75
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	1.54	-	1.54
Deletions/Adjustments	-	(4.94)	-	0.02	(0.42)	0.01	-	(0.05)	(1.18)	(0.40)	-	-	(2.39)	-	(9.35)
As at 31st March 2019	-	520.67	145.32	58.47	571.22	18.96	40.97	8.56	8.72	8.55	-	137.54	5.62	-	1,524.60
As at 1 April 2019	-	520.67	145.32	58.47	571.22	18.96	40.97	8.56	8.72	8.55	-	137.54	5.62	-	1,524.60
Charge for the year	-	207.48	8.48	29.22	129.43	3.49	14.89	2.08	3.94	2.52	-	118.86	-	-	520.39
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	3.17	-	3.17
Deletions/Adjustments	-	0.41	(5.36)	0.04	(7.91)	(0.02)	-	(1.20)	(0.24)	(0.51)	-	(0.47)	(0.71)	-	(15.97)
As at 31st March 2020	-	728.56	148.44	87.73	692.74	22.43	55.86	9.44	12.42	10.56	-	255.93	8.08	-	2,032.19
Net Carrying Amont															
As at 31st March 2020	30.49	3,892.18	162.38	554.46	1,112.79	5.13	193.43	14.15	13.03	11.98	-	1,242.60	11.55	-	7,244.17
As at 31st March 2019	30.32	3,661.02	170.87	531.55	813.26	8.10	113.63	12.72	14.97	11.41	-	1,117.03	9.91	-	6,494.79

Note:

1. Other land includes land acquired under Coal Bearing Areas (Acquisition and Development) Act, 1957 and Land Acquisition Act, 1894, Orissa Government Land Settlement Act 1962. Land acquired under Coal Bearing Areas (Acquisition and Development) Act, 1957 has been capitalized on the basis of notification transferring the ownership of land to the extent for which sanction / approval has been received. Land acquired under Land Acquisition Act, 1894, Orissa Government Land Settlement Act 1962 has been capitalized on the basis of possession certified by State Authorities.
2. Conveyance deed of land in favour of the company is pending for execution in few cases.
3. Land Reclamation/Site Restoration cost comprises of estimated cost to be incurred at the stage of mine closure duly escalated for inflation (5% p.a.) and then discounted at 8 % discount rate that reflects current market rate of fair value and the risk.
4. Depreciation has been provided based on useful life as mentioned in Note 2.8.
5. Other Mining infrastructure above includes Enabling assets viz railway track amounting to ₹ 1124.35 crore.
6. Plant and Machinery above includes ₹ 7.37 crores of Stand by Equipment and stores and spares which satisfies criteria for recognition as PPE but not yet issued from stores.
7. Component accounting is being followed as per the committee recommendation dated 17.04.2017 circulated from CIL.
8. Based on technical evaluation useful lives of certain HEMM under plant and equipment has been revised which has resulted decrease in depreciation charged during the period by ₹ 22.02 crores.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Restated

(₹ in Crore)

NOTE 4 : CAPITAL WIP

	Building (including water supply, roads and culverts)	Plant and Equip-ments	Railway Sidings	Other Mining infra-structure/ Develop-ment	Rail Corridor under Con-struction	Others	Total
Gross Carrying Amount:							
As at 1 April 2018	266.98	530.02	82.72	1,406.77	30.02	0.23	2,316.74
Additions	57.68	192.57	57.38	134.14	0.65	0.22	442.64
Capitalisation	(140.66)	(183.07)	(4.26)	(978.49)	-	(0.45)	(1,306.93)
Deletions/Adjustments	(0.61)	(1.88)	-	(31.78)	-	-	(34.27)
As at 31st March 2019	183.39	537.64	135.84	530.64	30.67	-	1,418.18
							-
As at 1 April 2019	183.39	537.64	135.84	530.64	30.67	-	1,418.18
Additions	94.12	210.77	51.41	212.65	21.78	-	590.73
Capitalisation	(56.24)	(229.04)	(93.59)	(64.60)	-	-	(443.47)
Deletions/Adjustments	(14.89)	(0.66)	(2.25)	(0.55)	-	-	(18.35)
As at 31st March 2020	206.38	518.71	91.41	678.14	52.45	-	1,547.09
Accumulated Provision and Impairment							
As at 1 April 2018	-	12.76	-	-	-	-	12.76
Charge for the year	-	-	-	-	-	-	-
Impairment	0.11	-	0.12	1.19	-	-	1.42
Deletions/Adjustments	-	-	-	-	-	-	-
As at 31st March 2019	0.11	12.76	0.12	1.19	-	-	14.18
							-
As at 1 April 2019	0.11	12.76	0.12	1.19	-	-	14.18
Charge for the year	-	-	-	-	-	-	-
Impairment	-	-	-	17.36	-	-	17.36
Deletions/Adjustments	-	(0.01)	-	-	-	-	(0.01)
As at 31st March 2020	0.11	12.75	0.12	18.55	-	-	31.53
Net Carrying Amont							
As at 31st March 2020	206.27	505.96	91.29	659.59	52.45	-	1,515.56
As at 31st March 2019	183.28	524.88	135.72	529.45	30.67	-	1,404.00

Note :

1. Development above includes enabling assets of ₹ 228.65 crores towards widening of two lane road to four lane road from Bankibahal to Kanika Railway Siding and ₹ 59.84 crores towards construction of four lane roads from Bankibahal to Bhedabahal on SH-10.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5 : EXPLORATION AND EVALUATION ASSETS

(₹ in Crore)

	Exploration and Evaluation Costs
Gross Carrying Amount:	
As at 1 April 2018	142.27
Additions	16.13
Deletions/Adjustments	-
As at 31st March 2019	158.40
As at 1 April 2019	158.40
Additions	13.88
Deletions/Adjustments	(47.55)
As at 31st March 2020	124.73
Accumulated Provision and Impairment	
As at 1 April 2018	-
Charge for the year	-
Impairment	-
Deletions/Adjustments	-
As at 31st March 2019	-
As at 1 April 2019	-
Charge for the year	-
Impairment	-
Deletions/Adjustments	-
As at 31st March 2020	-
Net Carrying Amont	
As at 31st March 2020	124.73
As at 31st March 2019	158.40

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 : OTHER INTANGIBLE ASSETS

(₹ in Crore)

	Computer Software	Intangible Exploratory Assets	Others	Total
Gross Carrying Amount:				
As at 1 April 2018	0.60	4.58	-	5.18
Additions	-	-	-	-
Deletions/Adjustments	-	-	-	-
As at 31st March 2019	0.60	4.58	-	5.18
As at 1 April 2019	0.60	4.58	-	5.18
Additions	-	-	-	-
Deletions/Adjustments	-	(0.02)	-	(0.02)
As at 31st March 2020	0.60	4.56	-	5.16
Accumulated Amortisation and Impairment				
As at 1 April 2018	0.35	-	-	0.35
Charge for the year	0.09	-	-	0.09
Impairment	-	-	-	-
Deletions/Adjustments	-	-	-	-
As at 31st March 2019	0.44			0.44
As at 1 April 2019	0.44	-	-	0.44
Charge for the year	0.02	-	-	0.02
Impairment	-	-	-	-
Deletions/Adjustments	0.01	-	-	0.01
As at 31st March 2020	0.47			0.47
Net Carrying Amont				
As at 31st March 2020	0.13	4.56	-	4.69
As at 31st March 2019	0.16	4.58	-	4.74

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 7 : (I) INVESTMENTS

(₹ in Crore)

Non-Current	Number of shares current year / (previous year)	Face value per share current year / (previous year)	As at 31.03.2020	As at 31.03.2019
Non-Trade (Quoted)				
In Secured Bonds				
7.55 % Secured Non convertible IRFC Tax free 2021 series 79 bonds	20000/ (20000)	100000/ (100000)	200.00	200.00
8% Secured Non convertible IRFC bonds Tax free	1087537/ (1087537)	1000/ (1000)	108.75	108.75
7.22 % Secured Non convertible IRFC bond Tax free	4999/ (4999)	1000100/ (1000100)	499.95	499.95
7.22 % Secured Redeemable REC bond Tax free	1500000/ (1500000)	1000/ (1000)	150.00	150.00
Total :			**958.70**	**958.70**

	31.03.2020	31.03.2019
Aggregate amount of unquoted investments:	-	-
Aggregate amount of quoted investments:	**958.70**	**958.70**
Market value of quoted investments:	**986.85**	**997.24**
Aggregate amount of impairment in value of investments:	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 7 (II) INVESTMENTS

(₹ in Crore)

Current	Number of units current year/ (previous year)	NAV (In ₹)	As at 31.03.2020	As at 31.03.2019
TRADE (Unquoted)				
Mutual Fund Investment				
SBI Premier Liquid Fund	546.257/ (5985576.207)	1003.25	0.06	600.50
UTI Money Market Fund	3964.621/ (3926868.713)	1019.45	0.40	400.33
Total :			**0.46**	**1,000.83**
Aggregate of Quoted Investment:			-	-
Aggregate of unquoted investments:			0.46	1,000.83
Market value of unquoted Investment:			0.46	1,000.83
Aggregate amount of impairment in value of investments:			-	-

Note: The NAV per unit of the Trade (unquoted) Mutual Fund are equal to Face Value as specified above.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

NOTE - 8 : LOANS

	As at 31.03.2020		As at 31.03.2019	
Non-Current				
Other Loans				
- Secured, considered good	1.20		0.66	
- Unsecured, considered good	625.00		1,125.00	
- Have significant increase in credit risk	-		-	
- Credit impaired	-		-	
Less: Allowance for doubtful loans	-	626.20	-	1125.66
TOTAL		**626.20**		**1,125.66**
CLASSIFICATION				
Secured, considered good		1.20		0.66
Unsecured, Considered good		625.00		1,125.00
Have significant increase in Credit risk		-		-
Credit impaired		-		-
Current				
Other Loans				
- Secured, considered good	0.32		0.32	
- Unsecured, considered good	500.00		500.00	
- Have significant increase in credit risk	-		-	
- Credit impaired	-		-	
Less: Allowance for doubtful loans	-	500.32	-	500.32
TOTAL		**500.32**		**500.32**
CLASSIFICATION				
Secured, considered good		0.32		0.32
Unsecured, Considered good		500.00		500.00
Have significant increase in credit risk		-		-
Credit impaired		-		-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

NOTE - 9 : OTHER FINANCIAL ASSETS

	As at			
	31.03.2020		31.03.2019	
Non Current				
Bank deposits		2.13		0.85
Deposits and receivables for Site Restoration:				
Deposit in Bank under Mine Closure Plan		1082.09		978.51
Other Deposit (mine closure concurrent expense)		47.28		0.89
Receivable from Escrow Account for Mine Closure Expenses		-		-
Security Deposit for utilities	33.89		38.88	
Less : Allowance for doubtful deposits	-	33.89	-	38.88
Other Deposit and Receivables	0.91		0.16	
Less : Allowance for doubtful deposits & receivables	0.16	0.75	0.16	-
TOTAL		**1166.14**		**1019.13**

Note:

1. Deposits in Escrow Accounts for mine closure with Scheduled Banks for ₹ 1082.09 crore made as per guidelines issued by Ministry of Coal, Government of India and after agreement with Coal Controller.
2. Bank Deposits above of ₹ 2.13 crore (₹ 0.85 crore) are made as per the direction of the Court.

Escrow Account Balance	**31.03.2020**	**31.03.2019**
Balance in Escrow Account on opening date	978.51	834.81
Add: Balance Deposited during Current Period	66.97	97.01
Add: Interest Credited during the Period	60.87	48.59
Less: Amount Withdrawn during Current Period	24.26	1.90
Balance in Escrow Account (Current/ Non Current) on Closing date	1,082.09	978.51

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

NOTE - 9 : OTHER FINANCIAL ASSETS

Current	As at 31.03.2020		As at 31.03.2019	
Deposits and receivables for Site Restoration:				
Other Deposit (mine closure concurrent expense)		182.00		134.22
Receivable from Escrow Account for Mine Closure Expenses		-		-
Current Account with CIL/Subsidiaries	-		33.87	
Less: Provision for Doubtful Advances	-	-		33.87
Current Maturities of Unsecured Long Term loan		-		-
Interest accrued		529.02		445.99
Claims & other receivables	89.99		14.20	
Less : Allowance for doubtful claims	0.06	89.93	0.06	14.14
TOTAL		**800.95**		**628.22**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

NOTE 10 : OTHER NON-CURRENT ASSETS

	As at 31.03.2020		As at 31.03.2019	
(i) Capital Advances	301.02		205.30	
Less : Provision for doubtful advances	0.65	300.37	0.64	204.66
(ii) Advances other than capital advances				
(a) Security Deposit for utilities	0.01		0.02	
Less :Provision for doubtful deposits	-	0.01	-	0.02
(b) Other Deposits and Advances	13.66		10.27	
Less :Provision for doubtful deposits	-	13.66	-	10.27
TOTAL		314.04		214.95

Note

CLASSIFICATION

Unsecured - Considered Good	314.04	214.95
- Considered Doubtful	0.65	0.64

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

NOTE -11 : OTHER CURRENT ASSETS

	As at 31.03.2020		As at 31.03.2019	
(a) Advance for Revenue (goods & services)	304.39		233.45	
Less : Provision for doubtful advances	6.54	297.85	6.54	226.91
(b) Advance payment of statutory dues	143.22		30.63	
Less : Provision for doubtful advances	-	143.22	-	30.63
(c) Advance to Related Parties		-		-
(d) Other Advances and Deposits	1,531.42		968.90	
Less : Provision for doubtful claims	0.02	1,531.40	0.02	968.88
(e) Input Tax Credit Receivable	553.37		319.13	
Less: Provision	-	553.37	-	319.13
TOTAL		**2,525.84**		**1,545.55**

NOTE - 12 : INVENTORIES

(₹ in Crore)

	As at 31.03.2020	As at 31.03.2019
(a) Stock of Coal	704.56	425.46
Coal under Development	-	-
Stock of Coal (Net)	**704.56**	**425.46**
(b) Stock of Stores & Spares (at cost)	69.76	57.42
Add: Stores-in-transit	0.03	1.43
Net Stock of Stores & Spares (at cost)	**69.79**	**58.85**
(c) Stock of Medicine at Central Hospital	0.53	0.82
(d) Workshop Jobs and Press Jobs	18.74	17.17
	793.62	**502.30**

Method of valuation : Refer Note No. 2.21 - Significant Accounting Policies on “Inventories”

ANNEXURE TO NOTE - 12

(Qty in lakh tonnes) (value in lakh ₹)

Table - A

Reconciliation of closing stock adopted in Account with Book stock at the end of the year

	OVERALL STOCK		NON-VENDABLE STOCK		VENDABLE STOCK	
	Qty.	Value	Qty.	Value	Qty.	Value
1. (A) Opening stock as on 01.04.19	130.23	44489.87	-	-	130.23	44489.87
(B) Shortage beyond 5%	1.17	1943.39	-	-	1.17	1,943.39
Stock adopted in Accounts Opening	129.06	42,546.48			129.06	42546.48
2. (A) Production for the year	1403.58	14,38,483.21	-	-	1403.58	1438483.21
(B) Purchase of Coal	5.14	5,668.69				
3. Sub-Total (1A+2)	1,538.95	14,88,641.77	-	-	1,533.81	14,82,973.08
4. Off- Take for the Year						
(A) Outside Despatch	1335.02	14,10,560.10	-	-	1335.02	1410560.10
(B) Coal feed to Washeries	-	-	-	-	-	-
(C) Own Consumption	0.02	42.73	-	-	0.02	42.73
(D) Despatch of Purchased Coal	5.12	5,639.90				
TOTAL(A)	1,340.16	14,16,242.73	-	-	1340.16	1416242.73
5. Derived Stock	198.79	72,399.04	-	-	198.79	72399.04
6. Measured Stock	196.69	69,695.75	-	-	196.69	69695.75
7. Difference (5-6)	2.10	2,703.29	-	-	2.10	2,703.29
8. Break-up of Difference:						
(A) Excess within 5%	1.48	279.48	-	-	1.48	279.48
(B) Shortage within 5%	2.41	1,039.38	-	-	2.41	1039.38
(C) Excess beyond 5%	-	-	-	-	-	-
(D) Shortage beyond 5%	1.17	1,943.39	-	-	1.17	1,943.39
9. Closing stock adopted in A/c.(6-8A+8B)	197.62	70,455.65	-	-	197.62	70455.65

Summary of Closing Stock of Coal

	Raw Coal				Washed / Deshaled Coal				Total	
	Coking		Non-Coking		Coking		Non-Coking			
	Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Opening Stock (Audited)	-	-	130.23	44,489.87	-	-	-	-	130.23	44,489.87
Shortage beyond 5%			1.17	1,943.39					1.17	1,943.39
Adjusted Opening Stock (Vendable)	-	-	129.06	42,546.48	-	-	-	-	129.06	42,546.48
Production	-	-	1,403.58	14,38,483.21	-	-	-	-	1,403.58	14,38,483.21
Purchase of Coal			5.14	5,668.69					5.14	5,668.69
Offtake										
(A) Outside Despatch	-	-	1,335.02	14,10,560.10	-	-	-	-	1,335.02	14,10,560.10
(B) Coal feed to Washeries	-	-	-	-	-	-	-	-	-	-
(C) Own Consumption	-	-	0.02	42.73	-	-	-	-	0.02	42.73
(D) Despatch of Purchased Coal			5.12	5,639.90					5.12	5,639.90
Closing Stock derived	-	-	198.79	72,399.04	-	-	-	-	198.79	72,399.04
Less: Shortage	-	-	1.17	1,943.39	-	-	-	-	1.17	1,943.39
Excess			-	-						
Closing Stock	-	-	197.62	70,455.65	-	-	-	-	197.62	70,455.65

Internal survey measurement teams have physically verified closing stock of coal. In some areas the same has also been verified by outside teams. The Shortage / surplus found on physical verification of coal stock within +/- 5% over book stock (mine/ colliery wise), is ignored pursuant to Accounting Policy.

The details of shortage beyond 5% are as under:-

AREA	MINES	Book Stock (Qty. in LTe)		Measured stock (Qty. in L Te)		% variance	
		As on 31.03.2020	As on 31.03.2019	As on 31.03.2020	As on 31.03.2019	As on 31.03.2020	As on 31.03.2019
Orient	Mine No 3	0.12	0.12	-	-	100.00	100.00
	HBM- G 9	0.30	0.30	-	-	100.00	100.00
Talcher	Nandira -G 8	0.50	0.50	-	-	100.00	100.00
	Talcher -G 5	0.25	0.25	-	-	100.00	100.00
TOTAL		**1.17**	**1.17**	**-**	**-**	**-**	**-**

In those cases, since the differences are more than +/- 5%, as per policy, measured stocks have been considered in accounts and shortage quantity of 1.17 lakh tonnes valuing ₹ 19.43 crore as at 31.03.2020.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

NOTE - 13 : TRADE RECEIVABLES

	As at 31.03.2020		As at 31.03.2019	
Current				
Trade receivables				
- Secured, considered good	-		-	
- Unsecured, considered good	1323.07		465.24	
- Have significant increase in credit risk	-		-	
- Credit impaired	52.28		70.75	
Less : Allowances for bad & doubtful debts	52.28	1323.07	70.75	465.24
Total		**1323.07**		**465.24**

Note:

1 Debt outstanding for a period less than six months from the due date	1,294.63		373.47	
2 Debt outstanding for a period exceeding six months from the due date	28.44		91.77	
Doubtful debt	52.28		70.75	
		1375.35		**535.99**

Note:

1. No Trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or member.
2. Balance confirmation from Debtors less than 3 months are not being obtained at any point of time.
3. A Provision of ₹ 155.63 Crores (₹ 257.58 Crores as at 31.03.2019) has been recognised as Coal Quality Variance for sampling results awaited from refree & CIMFR samplers, has been adjusted with Trade receivables.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

NOTE - 14 : CASH AND CASH EQUIVALENTS

	As at 31.03.2020	As at 31.03.2019
(a) Balances with Banks		
- in Deposit Accounts (with maturity up to 3 months)	-	-
- in Current Accounts		
a. Interest bearing (CLTD Accounts etc)	132.36	410.41
b. Non-Interest bearing	19.12	21.66
- in Cash Credit Accounts	-	-
(b) Bank Balances outside India	-	-
(c) Cheques, Drafts and Stamps in hand	-	-
(d) Cash on hand	-	-
(e) Cash on hand outside India	-	-
(f) Others	-	0.02
Total Cash and Cash Equivalents	151.48	432.09
Bank Overdraft	-	-
Total Cash and Cash Equivalents (net of Bank Overdraft)	151.48	432.09
Maximum amount outstanding with Banks other than Scheduled Banks at any time during the period	Nil	Nil

Note:

1. Cash and cash equivalents comprises cash on hand and at bank, sweep accounts and term deposits held with banks with original maturities of three months or less.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

NOTE - 15 : OTHER BANK BALANCES

	As at 31.03.2020	As at 31.03.2019
Balances with Banks		
Deposit accounts	12,276.99	12,827.00
Deposit accounts (For specific purposes - *See Note 2 below*)	24.23	39.24
Total	**12,301.22**	**12,866.24**

Note:

1. Other Bank Balances comprise term deposits and other bank deposits which are expected to realise in cash within 12 months after the reporting date.
2. Deposit Account (for specifc purpose) above of ₹ 24.23 crore (₹ 39.24 crore) are made as per the direction of the Court, various govt. authorities and for issue of B.G.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

NOTE - 16 : EQUITY SHARE CAPITAL

	As at 31.03.2020	As at 31.03.2019
Authorised		
77,58,200 Equity Shares of ₹ 1000/- each	775.82	775.82
	775.82	**775.82**
Issued, Subscribed and Paid-up		
6618363 Equity Shares of Rs.1000/- each fully paid up	661.84	661.84
	661.84	**661.84**

Note:

1 Shares in the Company held by each shareholder holding more than 5% Shares

Name of Shareholder	No.of Shares held (Face value of Rs. 1000 each)	% of Total Shares
Coal India Ltd.(Holding company) & its nominees	6618363	100

2 During the year ended 31.03.2020, the Group has not issued or bought back any equity shares.

3 During the year ended on 31.03.2019, the Group had bought back 442967 number of equity shares of face value of ₹ 1000 fully paid through tender offer and extinguished those shares.

4 During the year ended on 31.03.2018, the Group had issued 5649064 no.of bonus shares i.e. 04 number of fully paid up equity shares of face value of ₹ 1000 for every 01 number of fully paid up existing equity shares.

5 During the year ended on 31.03.2017, the Group had bought back 451743 number of equity shares of face value of ₹ 1000 fully paid through tender offer and extinguished those shares.

6 The Group has only one class of equity shares having a face value ₹ 1000/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meeting of shareholders.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 17 : OTHER EQUITY

(₹ in Crore)

	Other Reserves		General Reserve	Retained Earnings	Other Comprehensive Income	Total
	Capital Redemption reserve	Capital reserve				
Balance as at 01.04.2018	-	-	**2,000.32**	**190.04**	**28.95**	**2,219.31**
Additions during the year	-	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-	-
Prior period errors	-	-	-	-	-	-
Restated balance as at 01.04.2018	-	-	**2,000.32**	**190.04**	**28.95**	**2,219.31**
Additions during the year	**44.29**	-	-	-	-	**44.29**
Adjustments during the year	-	-	(355.00)	-	-	**(355.00)**
Profit during the year	-	-	-	6,038.34	-	**6,038.34**
Remeasurement of Defined Benefits Plans (net of Tax)	-	-	-	-	(10.59)	**(10.59)**
Appropriations	-	-	-	-	-	-
Transfer to / from General reserve	-	-	301.98	(301.98)	-	-
Transfer to / from Other reserves	-	-	-	-	-	-
Interim Dividend	-	-	-	(3,750.00)	-	**(3,750.00)**
Final Dividend (for FY 2017-18)	-	-	-	(125.00)	-	**(125.00)**
Corporate Dividend tax	-	-	-	(796.52)	-	**(796.52)**
Tax on Buyback	-	-	-	(72.38)	-	**(72.38)**
Balance as at 31.03.2019	**44.29**	-	**1,947.30**	**1,182.50**	**18.36**	**3,192.45**
Balance as at 01.04.2019	**44.29**	-	**1,947.30**	**1,182.50**	**18.36**	**3,192.45**
Additions during the year	-	-	-	-	-	-
Adjustments during the year	-	-	-	-	-	-
Profit during the year	-	-	-	6,415.56	-	**6,415.56**
Remeasurement of Defined Benefits Plans (net of Tax)	-	-	-	-	(78.44)	**(78.44)**
Appropriations	-	-	-	-	-	-
Transfer to / from General reserve	-	-	321.37	(321.37)	-	-
Transfer to / from Other reserves	-	-	-	-	-	-
Interim Dividend	-	-	-	(5,225.00)	-	**(5,225.00)**
Final Dividend	-	-	-	-	-	-
Corporate Dividend tax	-	-	-	(1,074.01)	-	**(1,074.01)**
Tax on Buyback	-	-	-	-	-	-
Balance as at 31.03.2020	**44.29**	-	**2,268.67**	**977.68**	**(60.08)**	**3,230.56**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

NOTE 18: BORROWINGS

	As at 31.03.2020	As at 31.03.2019
Non-Current		
Term Loans		
-From Banks	5.48	5.71
-From Other Parties	-	-
Loans from Related Parties	-	-
Other Loans (to be specified in note)	-	-
Total	5.48	5.71
CLASSIFICATION		
Secured	-	-
Unsecured	5.48	5.71
Current		
Loans repayable on demand		
-From Banks	1,706.45	-
-From Other Parties	-	-
Loans from Related Parties	-	-
Other Loans (to be specified in note)	-	-
Total	1,706.45	-
CLASSIFICATION		
Secured	-	-
Unsecured	-	-

Note:

1. Loans had been arranged through credit agreement with Banque Nationale De Paris and Natexis Banque for the purchase of 4 nos Hydraulic shovels from Liebherr, France. The loan outstanding as on 31.03.2020 (net after repayments) is ₹ 6.10 crore.(As at 31.03.2019 ₹ 6.29 crore).

The details of balance are as under:-

	in Euro	₹ in Crore
Balance as on 01.04.2019	808510.80	6.29
Repayment during the year ended on 31.03.2020	74113.58	0.60
Translation Difference	-	0.41
Balance as on 31.03.2020	734,397.22	6.10

Current maturities of long-term debt of ₹ 0.59 crore has been excluded from the balance of ₹ 6.04 crore above and is disclosed in Note 20 'Other Financial Liabilities'.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

NOTE - 19 :TRADE PAYABLES	As at 31.03.2020	As at 31.03.2019
Current		
Trade Payables for Micro, Small and Medium Enterprises	0.39	0.09
Other Trade Payables for		
-Stores and Spares	59.78	42.82
-Power and Fuel	17.45	17.70
-Salary Wages and Allowances	259.20	265.08
-Others	331.82	183.10
TOTAL	**668.64**	**508.79**

Note:

	As at 31.03.2020	As at 31.03.2019
Trade Payable - Total outstanding dues of Micro & Small enterprises		
a) Principal & Interest amount remaining unpaid but not due as at period end	0.39	0.09
b) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act,2006, along with the amount of the payment made to the supplier beyond the appointed day during the period.	-	-
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
d) Interest accrued and remaining unpaid as at period end	-	-
e) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

NOTE - 20 : OTHER FINANCIAL LIABILITIES	As at 31.03.2020	As at 31.03.2019
Non Current		
Security Deposits	36.48	47.69
Earnest Money	-	-
Others(Security Deposit -Management Trainee)	2.54	3.53
	39.02	**51.22**
Current		
Current Account with		
- CIL	9.80	-
Current maturities of long-term debt	0.62	0.58
Unpaid dividends	-	-
Security Deposits	202.21	145.94
Earnest Money	48.19	52.86
Payable for Capital Expenditure	1,120.49	869.23
Others	255.07	225.17
TOTAL	**1,636.38**	**1,293.78**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 21 : PROVISIONS

(₹ in Crore)

	As at 31.03.2020	As at 31.03.2019
Non Current		
Employee Benefits		
- Gratuity	-	-
- Leave Encashment	125.60	45.98
- Other Employee Benefits	104.33	64.78
	229.93	110.76
Site Restoration/Mine Closure	867.40	812.13
Stripping Activity Adjustment	19,054.81	17,982.89
Others	-	-
TOTAL	**20,152.14**	**18,905.78**
Current		
Employee Benefits		
- Gratuity	57.05	25.07
- Leave Encashment	21.83	24.42
- Ex- Gratia	135.39	127.63
- Performance Related Pay	159.06	177.97
- Other Employee Benefits	36.04	73.26
	409.37	428.35
Site Restoration/Mine Closure	-	-
Others	487.23	529.45
TOTAL	**896.60**	**957.80**

Note:-

1. Provision for Mine ClosureFollowing the guidelines from Ministry of Coal, Government of India for preparation of Mine Closure Plan a provision is made in the accounts. Such provision is made as per CMPDIL's (a subsidiary of Coal India Ltd.) technical assessment. The liability for mine closure expenses (as estimated by CMPDIL) of each mine has been discounted @ 8% and capitalized to arrive at the mine closure liability as on 1st year of making of such provision. Thereafter the provision has been reestimated in subsequent period by unwinding the discount to arrive at the provision as on 31.03.2020

2. Other Employee benefits (current) includes ₹ 9.27 crore provided for superannuation benefits as on 31.03.2020.

3 Reconciliation of Site restoration /Mine Closure :

	31.03.2020	31.03.2019
Site Restoration/Mine Closure provision as on opening date	812.13	773.66
Add: Change in Provision due to revision of MCP	-	7.37
Add: Unwinding of Provision charged (incl. Capitalised) For Current Period	79.80	33.00
Less: MCP provision adjusted against reimbursement from Escrow Account	24.53	1.90
Site Restoration/Mine Closure Provision	867.40	812.13

* Provision for Site restoration/Mine Closure Expenses includes ₹ 4.10 crore on account of provision taken towards stowing and stabilization of unstable workings of Deulbera colliery after adjusting expenditure other than salary and wages of NIL against a comprehensive scheme of ₹ 9.44 crore (Excluding departmental salary and wages for ₹ 18.21 crore). The scheme of Stabilization of unstable workings of Deulbera Colliery through sand stowing also includes cost of departmental manpower estimated at ₹ 18.21crore is not seperately provided for, as the same forms part of normal Salary & Wages charged to Profit & Loss.The provision of ₹ 0.27 crores has been adjusted in the row MCP provision adjusted against reimbursement from escrow account.Provision for MCP also included ₹ 0.79 crore for reclamation of land for Basundhara (East).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 22 :OTHER NON CURRENT LIABILITIES

(₹ in Crore)

	As at 31.03.2020	As at 31.03.2019
Deferred Income (CCDA Grant)	180.77	194.68
Total	**180.77**	**194.68**

1. Deferred Income includes subsidy received under The Coal Mines (Conservation and Development) Act, 1974 on account of capital nature works.

NOTE - 23 : OTHER CURRENT LIABILITIES

(₹ in Crore)

	As at 31.03.2020	As at 31.03.2019
Statutory Dues	816.43	945.84
Advance from customers / others	2,479.36	2841.53
Others liabilities (to be specified in note)	41.43	123.89
TOTAL	**3,337.22**	**3,911.26**

Note:

1 Other liabilities includes Cess on Coal includes principal of ₹ 8.40 crore (net of payments) and interest of ₹ 9.47 crore (net of payments) against receipts from Government of Orissa in the year 2005-06 as per directive of Hon’ble Supreme Court judgement dated 31.07.2001. The money is refundable to the customers. The Customers have not submitted the claim with all supporting documents yet , the refund will be made after following the necessary modalities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

NOTE - 24 : REVENUE FROM OPERATIONS

		For the Year Ended 31.03.2020	For the Year ended 31.03.2019
A.	**Sales of Coal**	**22,834.92**	**24,607.68**
	Less: Statutory Levies	8,672.92	9282.93
	Sales (Net) (A)	**14,162.00**	**15,324.75**
B.	**Other Operating Revenue**		
	Subsidy for Sand Stowing & Protective Works	-	(2.00)
	Loading and additional transportation charges	1,039.18	1,039.81
	Less : Statutory Levies	49.48	49.51
		989.70	990.30
	Evacuation facilitating Charges	692.44	732.85
	Less : Statutory Levies	32.97	34.90
		659.47	**697.95**
	Other Operating Revenue (Net) (B)	**1,649.17**	**1,686.25**
	Revenue from Operations (A+B)	**15,811.17**	**17,011.00**

Note:-

1. Provision for Coal Quality Variance amounting to ₹ 101.95 crore (net upgradation) (₹ 84.12 crore (net downgradation) for FY 2018-19) has been adjusted with Sale of Coal.
2. Refer to point ‘n’ of para 6. Other Information under Note-38 additional notes to accounts for disclosure of diasggaregated revenue as per Ind AS 115.
3. Refer to point ‘t’ of para 6. Other Information under Note - 38 additional notes to account with regard to sale of purchased coal included in the revenue from operation above.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 25 : OTHER INCOME

(₹ in Crore)

	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Interest Income	1,432.84	1224.29
Dividend Income	86.80	102.41
Others		
Profit on Sale of Assets	0.51	0.52
Exchange Rate Variance	-	0.20
Lease Rent	11.81	13.74
Liability / Provision Write Backs	133.32	0.20
Miscellaneous Income	120.50	230.55
Total	**1,785.78**	**1,571.91**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 26 : COST OF MATERIALS CONSUMED

(₹ in Crore)

	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Explosives	143.70	164.80
Timber	0.19	0.03
Oil & Lubricants	278.44	320.69
HEMM Spares	126.08	133.88
Other Consumable Stores & Spares	50.30	52.79
Total	**598.71**	**672.19**

NOTE 27 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(₹ in Crore)

	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Opening Stock of Coal	425.46	400.78
Closing Stock of Coal	704.56	425.46
A. Change in Inventory of Coal	(279.10)	(24.68)
Opening Stock of Workshop made finished goods and WIP & Press Jobs	17.17	9.84
Closing Stock of Workshop made finished goods and WIP	18.74	17.17
B. Change in Inventory of workshop	(1.57)	(7.33)
Change in Inventory of Stock in trade (A+B) {Decretion / (Accretion) }	**(280.67)**	**(32.01)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 28 : EMPLOYEE BENEFITS EXPENSES

(₹ in Crore)

	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Salary and Wages (incl. Allowances and Bonus etc.)	2,296.71	2,233.96
Contribution to P.F. & Other Funds	696.83	644.55
Staff welfare Expenses	161.51	131.44
	3,155.05	**3,009.95**

NOTE 29 : CORPORATE SOCIAL RESPONSIBILITY EXPENSE

(₹ in Crore)

	For the Year ended 31.03.2020	For the Year ended 31.03.2019
CSR Expenses (explain in note)	165.50	167.16
Total	**165.50**	**167.16**

Note:- CSR Policy framed by Coal India Limited incorporated the features of the Companies Act 2013 and other relevant notifiations.The fund for CSR, 2% of the average Net profit for the three immediate precedings financial year or ₹ 2.00 per tonne of Coal Production of previous year, whichever is higher, comes to ₹ 156.50 crores (₹ 136.36 crores).

NOTE 30 : REPAIRS

(₹ in Crore)

	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Building	96.89	104.28
Plant & Machinery	60.20	90.77
Others	4.09	2.86
Total	**161.18**	**197.91**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 31 : CONTRACTUAL EXPENSES

(₹ in Crore)

	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Transportation Charges :	1,139.43	1170.90
Wagon Loading	67.28	72.81
Hiring of Plant and Equipments	1,309.60	1,214.08
Other Contractual Work	78.37	66.07
Total	**2,594.68**	**2,523.86**

NOTE 32 : FINANCE COSTS

(₹ in Crore)

	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Interest Expenses		
Borrowings	0.77	0.07
Unwinding of discounts (Site Restoration)	79.54	32.76
Others	-	-
Total	**80.31**	**32.83**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 33 : PROVISIONS (NET OF REVERSAL)

(₹ in Crore)

	For the Year ended 31.03.2020	For the Year ended 31.03.2019
(A) Allowances/Provision made for		
Doubtful debts	1.54	41.56
Doubtful Advances & Claims	0.02	0.09
Stores & Spares	-	-
Others	2.46	28.09
Total(A)	**4.02**	**69.74**
(B) Allowances/ Provision Reversal		
Doubtful debts	20.51	0.95
Doubtful Advances & Claims	-	0.13
Stores & Spares	5.35	3.23
Others	51.24	2.71
Total(B)	**77.10**	**7.02**
Total (A-B)	**(73.08)**	**62.72**

Note:

1 Others:- Created		
Surveyed off	2.46	1.54
Compensation demand of OHPCL	-	2.70
STC levied on NTPC Kaniha	-	21.47
Lease rent receivable of M/s IBEUL	-	0.96
Impairment of CWIP	-	1.42
	2.46	28.09
Others:- Reversal		
Stowing and stabilization of unstable workings of Deulbera colliery	0.27	0.32
Demand for Environment clearance 2015-16	50.97	-
Surveyed off	-	2.39
	51.24	2.71

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 34 : WRITE OFF (Net of past provisions)

(₹ in Crore)

	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Doubtful debts	-	-
Less :- Provided earlier	-	-
	-	-
Doubtful advances	-	0.02
Less :- Provided earlier	-	-
	-	0.02
Total	**-**	0.02

NOTE 35 : OTHER EXPENSES

(₹ in Crore)

	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Travelling expenses	19.21	17.37
Training Expenses	8.96	7.38
Telephone & Postage	5.66	6.38
Advertisement & Publicity	7.00	9.97
Freight Charges	0.06	0.07
Demurrage	19.18	2.25
Security Expenses	113.07	104.98
Service Charges of CIL	140.36	144.15
Hire Charges	51.53	44.86
CMPDI Charges	22.30	26.63
Legal Expenses	8.60	4.32
Consultancy Charges	1.28	1.27
Under Loading Charges	93.50	179.65
Loss on Sale/Discard/Surveyed of Assets	0.35	1.28
Auditor's Remuneration & Expenses		
- For Audit Fees	0.22	0.16
- For Taxation Matters	-	-
- For Other Services	0.13	0.11
- For Reimbursement of Exps.	0.09	0.25
Internal & Other Audit Expenses	2.84	2.84
Rehabilitation Charges	80.37	85.38
Rent	0.49	0.45
Rates & Taxes	23.72	20.24
Insurance	0.90	0.86
Loss on Exchange Rate Variance	0.41	-
Rescue/Safety Expenses	2.58	2.51
Dead Rent/Surface Rent	0.58	0.46
Siding Maintenance Charges	38.30	51.01
R & D expenses	0.02	0.07
Environmental & Tree Plantation Expenses	23.91	12.15
Expenses on buyback of shares	-	0.02
Miscellaneous expenses	126.00	123.48
Total	**791.62**	**850.55**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

NOTE 36 : TAX EXPENSE

	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Current Year	2,125.81	3165.24
Deferred tax	(43.28)	76.30
MAT Credit Entitlement	-	-
Earlier Years	137.00	-
Total	**2,219.53**	**3,241.54**

Reconciliation of tax Expenses and the accounting profit multiplied by India's domestic Tax rate for 31.03.2020

Profit/(Loss) before tax	8627.52	9,277.49
At India's statutory income tax rate of 25.168% (31 March 2019: 34.944%)	2,171.37	3,241.93
Less : Adjustment in respect of current income tax of previous year	0.73	-
Less: Income exempt form Tax	(39.64)	(60.50)
Less: share of results of associates and Joint venture	-	-
Add: Non-deductible expenses for tax purposes	217.17	373.32
Less: Additional Expenses allowed as per Income Tax	(224.19)	(389.50)
Income Tax Expenses reported in statement of Profit & Loss	**2,125.44**	**3,165.24**
Effecive income tax rate :	24.64%	34.50%

Deferred tax liability relates to following:

Deffered Tax Liability		
Related to Property, Plant and Equipment	163.77	165.14
Others	243.71	264.83
Total Deferred Tax Liability	407.48	429.97
Deferred Tax Asset		
Related to Trade Receivables	12.42	23.87
Employee Benefits	59.13	44.01
Others	28.89	40.10
Total Deferred Tax Asset	100.44	107.98
Net Deffered Tax Asset/ (Liabilities)	**(307.04)**	**(321.99)**

a) The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

b) At 31st March 2020, deferred tax liability of ₹ 54.53 Crores (31 March 2019: ₹ 76.30 Crores) recognised for all taxable temporary differences.Due to restatement of deferred tax liability on the basis of revised income tax rate, ₹ 97.81 crores has been reversed There are no temporary differences associated with investments in subsidiaries, associate and joint venture, for which no deferred tax liability has been recognised.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 37 : OTHER COMPREHENSIVE INCOME

(₹ in Crore)

		For the Year ended 31.03.2020	For the Year ended 31.03.2019
(A)	**(i) Items that will not be reclassified to profit or loss**		
	Remeasurement of defined benefit plans	(104.82)	(16.28)
		(104.82)	(16.28)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		
	Remeasurement of defined benefit plans	(26.38)	(5.69)
		(26.38)	(5.69)
	Total (A)	**(78.44)**	**(10.59)**
(B)	**(i) Items that will be reclassified to profit or loss**		
	Share of OCI in Joint ventures	-	-
		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		
	Share of OCI in Joint ventures	-	-
		-	-
	Total (B)	**-**	**-**
	Total (A+B)	**(78.44)**	**(10.59)**

NOTE - 38:

ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st March, 2020 (CONSOLIDATION)

1. Fair Value measurement

(a) Financial Instruments by Category

(₹ in Crore)

	31st March 2020		31st March 2019	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial Assets				
Investments* :				
Secured Bonds	-	958.70	-	958.70
Preference Shares				
-Equity Component	-	-	-	-
-Debt Component	-	-	-	-
Mutual Fund/ICD	0.46	-	1000.83	-
Other Investments	-	-	-	-
Loans	-	1126.52	-	1625.98
Deposits & receivable	-	1967.09	-	1647.35
Trade receivables	-	1323.07	-	465.24
Cash & cash equivalents	-	151.48	-	432.09
Other Bank Balances	-	12301.22	-	12866.24
Financial Liabilities				
Borrowings	-	1711.93	-	5.71
Trade payables	-	668.64	-	508.79
Security Deposit and Earnest money	-	286.88	-	246.49
Other Liabilities	-	1388.52	-	1098.51

(b) Fair value hierarchy

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

(₹ in Crore)

Financial assets and liabilities measured at fair value – recurring fair value measurement	31st March 2020		31st March 2019	
	Level I	Level III	Level I	Level III
Financial Assets at FVTPL				
Investments :				
Mutual Fund/ICD	0.46	-	1000.83	-
Financial Liabilities				
If any item	-	-	-	-

Financial assets and liabilities measured at amortised cost for which fair values are disclosed	31st March 2020		31st March 2019	
	Level I	Level III	Level I	Level III
Financial Assets at Amortised cost				
Investments :	958.70	-	958.70	-
Preference Shares - Equity Component - Debt Component	 - -	 - -	 - -	 - -
Other Investments				
Loans	-	1126.52	-	1625.98
Deposits & receivable	-	1967.09	-	1647.35
Trade receivables	-	1323.07	-	465.24
Cash & cash equivalents	-	151.48	-	432.09
Other Bank Balances	-	12301.22	-	12866.24
Financial Liabilities				
Borrowings	-	1711.93	-	5.71
Trade payables	-	668.64	-	508.79
Security Deposit and Earnest money	-	286.88	-	246.49
Other Liabilities	-	1388.52	-	1098.51

A brief of each level is given below.

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

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

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

(c) Valuation technique used in determining fair value

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

(d) Fair value measurements using significant unobservable inputs

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

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

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

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

2. FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

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

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

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

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

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

A. Credit Risk

Credit risk management:

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

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

Fuel Supply Agreements (FSAs)

As contemplated in and in accordance with the terms of the New Coal Distribution Policy (NCDP), the group enters into legally enforceable FSAs with our customers or with State Nominated Agencies that in turn enters into appropriate distribution arrangements with end customers. Our FSAs can be broadly categorized into:

- FSAs with customers in the power utilities sector, including State power utilities, private power utilities ("PPUs") and independent power producers ("IPPs");
- FSAs with customers in non-power industries (including captive power plants ("CPPs"); and
- FSAs with State Nominated Agencies.

E-Auction Scheme

The E-Auction scheme of coal has been introduced to provide access to coal for customers who were not able to source their coal requirement through the available institutional mechanisms under the NCDP for various reasons, for example, due to a less than full allocation of their normative requirement under NCDP, seasonality of their coal requirement and limited requirement of coal that does not warrant a long-term linkage. The quantity of coal to be offered under E-Auction is reviewed from time to time by the Ministry of Coal.

Credit risk arises when counterparty defaults on contractual obligations resulting in financial loss to the group.

Expected credit loss: The Group provides for expected credit risk loss for doubtful/ credit impaired assets, by lifetime expected credit losses (Simplified approach)

Expected Credit losses for trade receivables under simplified approach.

As on 31.03.2020

(₹ in Crore)

Ageing	Due for 2 months	Due for 6 months	Due for 1 year	Due for 2 year	Due for 3 year	Due for more than 3 year	Total
Gross carrying amount	920.80	373.83	16.98	0.09	5.45	58.21	1375.35
Expected loss rate (%)	-	-	-	-	-	89.81	3.80
Expected credit loss allowance	-	-	-	-	-	52.28	52.28

As on 31.03.2019

(₹ in Crore)

Ageing	Due for 2 months	Due for 6 months	Due for 1 year	Due for 2 year	Due for 3 year	Due for more than 3 year	Total
Gross carrying amount	354.56	62.87	10.00	0.58	35.18	107.98	535.99
Expected loss rate (%)	-	-	-	-	-	65.52	13.20
Expected credit Loss allowance	-	-	-	-	-	70.75	70.75

Reconciliation of loss allowance provision – Trade receivables

	₹ in crore
Loss allowance on 31.03.19	70.75
Change in loss allowance	(18.47)
Loss allowance on 31.03.20	52.28

Significant estimates and judgements Impairment of financial assets

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

B. Liquidity Risk

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

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

(i) Maturities of financial liabilities

The table below summarizes the maturity profile of the group's financial liabilities based on contractual undiscounted payments.

	As at 31.03.2020			As at 31.03.2019		
	less than one year	between one to five years	more than 5 years	less than one year	between one to five years	more than 5 years
Non- derivative financial liabilities						
Borrowings including interest obligations	-	3.07	2.41	-	2.88	2.83
Trade payables	668.64	-	-	508.79	-	-
Other financial liabilities	1636.38	39.02	-	1293.78	51.22	-

C. Market risk

a) Foreign currency risk

Foreign currency risk arises from future commercial transactions and recognised assets or liabilities denominated in a currency that is not the Group's functional currency (INR) .The Group is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk in respect of foreign operation is considered to be insignificant. The Group also imports and risk is managed by regular follow up. Group has a policy which is implemented when foreign currency risk becomes significant.

b) Cash flow and fair value interest rate risk

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

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

Capital management

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

Capital Structure of the company is as follows:

(₹ in Crore)

	31.03.2020	**31.03.2019**
Equity Share capital	661.84	661.84
Preference share capital	NIL	NIL
Long term debt	5.48	5.71
Current maturities of long-term debt	0.62	0.58

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

i) Gratuity

Gratuity is maintained as a defined benefit retirement plan and contribution is made to the Life Insurance Corporation of India. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

ii) Leave encashment

The liabilities for earned leave are expected to be settled after the retirement of employee. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

iii) Provident Fund:

Group pays fixed contribution towards Provident Fund and Pension Fund at pre-determined rates to a separate trust named Coal Mines Provident Fund (CMPF). The contribution towards the fund during the period ended is ₹ 384.13 Crores (₹ 394.75 Crore for the FY ended on 31.03.2019) has been recognized in the Statement of Profit & Loss (Note 28).

iv) Medical Benefits for retired Employees

The Group provides Post-Retirement Medical Facility to the retired employees and their spouse. The facility is covered by separate Post-Retirement Medical scheme for executive and non-executive. Scheme for the medical benefit for executive retired prior to 01.01.2007 is administered through separate "Contributory Post-Retirement Medical Scheme for Executive Trust". Liabilities for the medical benefits are recognized based on actuarial valuation.

For executive retired prior to 01.01.2007 - funded status as on 31.03.2020 ₹ 5.22 crores (₹ 5.22 crores) and liability for the same as on 31.03.2020 is ₹ 8.59 crores (₹ 6.10 crores).

v) Pension

The group has a defined contribution pension scheme for its employees, which is administered through CIL Executive Defined Contribution Pension Scheme-2007 trust. Funded status as on 31.03.2020 ₹ 185.89 crores (₹ 104.23 crores) and liability for the same as on 31.03.2020 is ₹ 217.43 crore (₹ 154.84 crore).

vi) The Group operates some defined benefit plans as follows which are valued on actuarial basis:

(a) Funded

- Gratuity
- Leave Encashment
- Medical Benefits

(b) Unfunded

- Life Cover Scheme
- Settlement Allowance
- Group Personal Accident Insurance
- Leave Travel Concession
- Compensation to dependent on Mine Accident Benefits

Total liability as on 31.03.2020 based on valuation made by the Actuary, details of which are mentioned below is ₹ 1847.81 Crores.

(₹ in Crore)

Head	Opening Actuarial Liability as on 01.04.2019	Incremental Liability during the year	Closing Actuarial Liability as on 31.03.2020
Gratuity	1115.30	131.81	1247.11
Earned Leave	289.34	51.52	340.86
Half Pay Leave	51.85	10.06	61.91
Life Cover Scheme	5.55	0.59	6.14
Settlement Allowance Executives	5.62	0.54	6.16
Settlement AllowanceNon-executives	8.54	0.69	9.23
Group Personal Accident Insurance Scheme	0.12	-	0.12
Leave Travel Concession	29.73	(0.95)	28.78
Medical Benefits Executives	75.09	40.13	115.22
Medical Benefits Non-Executives	2.20	2.87	5.07
Compensation to dependents in case of mine accidental death	13.45	13.76	27.21
Total	1596.79	251.02	1847.81

vii) Disclosure as per Actuary's Certificate

The disclosures as per actuary's certificate for employee benefits for Gratuity (funded) and Leave Encashment (funded) are given below: -

ACTUARIAL VALUATION OF GRATUITY LIABILITY AS AT 31.03.2020
CERTIFICATES AS PER IND AS 19 (2015)

(₹ in Crore)

Changes in Present Value of defined benefit obligations	As at 31.03.2020	As at 31.03.2019
Present Value of obligation at beginning of the period	1115.30	1073.92
Current Service Cost	70.18	58.60
Interest Cost	69.45	76.45
Plan Amendments: Vested Portion at end of period (Past Service)	-	-
Actuarial (Gain) / Loss on obligations due to change in financial assumption	83.94	12.67
Actuarial (Gain) / Loss on obligations due to unexpected experience	34.26	16.16
Benefits Paid	126.01	122.50
Present Value of obligation at end of the period	1247.11	1115.30

(₹ in Crore)

Changes in Fair Value of Plan Assets	As at 31.03.2020	As at 31.03.2019
Fair Value of Plan Asset at beginning of the period	1092.78	928.41
Interest Income	72.12	70.09
Employer Contributions	137.80	204.23
Benefits Paid	126.01	122.50
Return on Plan Assets excluding Interest income	13.37	12.55
Fair Value of Plan Asset as at end of the period	1190.06	1092.78

(₹ in Crore)

Statement showing reconciliation to Balance Sheet	As at 31.03.2020	As at 31.03.2019
Funded Status	(57.05)	(22.52)
Unrecognized actuarial (gain) / loss at end of the period	-	-
Fund Asset	1190.06	1092.78
Fund Liability	1247.11	1115.30

Statement showing Plan Assumptions:	As at 31.03.2020	As at 31.03.2019
Discount Rate	6.60%	7.55%
Expected Return on Plan Asset	6.60%	7.55%
Rate of Compensation Increase (Salary Inflation)	9.00% for Executives and 6.25% for Non-Executives	9.00% for Executives and 6.25% for Non-Executives
Average Expected Future Service (Remaining Working Life)	13,14	13,14
Mortality Table	IALM 2006-2008 ULTIMATE	
Superannuation at Age (Male & Female)	60	60
Early Retirement & Disablement (All causes combined)	0.30%	0.30%

(₹ in Crore)

Expense Recognized in Statement of Profit / Loss	As at 31.03.2020	As at 31.03.2019
Current Service Cost	70.18	58.60
Past Service Cost (vested)	-	-
Net Interest Cost	(2.67)	6.36
Benefit Cost (Expense recognised in Statement of Profit/Loss)	67.51	64.96

(₹ in Crore)

Other Comprehensive Income	As at 31.03.2020	As at 31.03.2019
Actuarial (Gain) / Loss on obligations due to change in financial assumption	83.94	12.67
Actuarial (Gain) / Loss on obligations due to unexpected experience	34.26	16.16
Total Actuarial (Gain) / Loss	118.20	28.83
Return on Plan Asset, excluding Interest Income	13.37	12.55
Balance at the end of the period	104.82	16.28
Net (Income) / Expense for the period recognised in Other Comprehensive Income	104.82	16.28

Mortality Table	
Age	Mortality (Per Annum)
25	0.000984
30	0.001056
35	0.001282
40	0.001803
45	0.002874
50	0.004946
55	0.007888
60	0.011534
65	0.0170085
70	0.0258545

(₹ in Crore)

Disclosure Item				
31.03.2019			31.03.2020	
Increase	Decrease	Sensitivity Analysis	Increase	Decrease
1076.55	1156.61	Discount Rate (-/+ 0.5%)	1201.64	1295.77
-3.474%	3.704%	%Change Compared to base due to sensitivity	-3.646%	3.902%
1142.64	1087.42	Salary Growth (-/+ 0.5%)	1275.96	1217.79
2.452%	-2.499%	%Change Compared to base due to sensitivity	2.313%	-2.351%
1116.30	1114.29	Attrition Rate (-/+ 0.5%)	1248.25	1245.98
0.090%	-0.090%	%Change Compared to base due to sensitivity	0.091%	-0.091%
1122.01	1108.58	Mortality Rate (-/+ 10%)	1254.62	1239.60
0.602%	-0.602%	%Change Compared to base due to sensitivity	0.602%	-0.602%

(₹ in Crore)

Table Showing Cash Flow Information	
Next Year Total (Expected)	1265.14
Minimum Funding Requirements	128.96
Company's Discretion	-

Table Showing Benefit Information Estimated Future payments (Past Service)	
Year	₹ in Crore
1	128.25
2	123.01
3	129.10
4	134.17
5	131.16
6 to 10	637.66
More than 10 years	1044.33
Total Undiscounted Payments Past and Future Service	-
Total Undiscounted Payments related to Past Service	2327.68
Less Discount For Interest	1080.57
Projected Benefit Obligation	1247.11

Table Showing Outlook Next Year Components of Net Periodic benefit Cost Next Year

(₹ in Crore)

Current service Cost(Employer portion Only) Next period	71.82
Interest Cost next period	78.08
Expected Return on Plan Asset	82.31
Unrecognized past service Cost	-
Unrecognized actuarial/gain loss at the end of the period	-
Settlement Cost	-
Curtailment Cost	-
other(Actuarial Gain/loss)	-
Benefit Cost	67.59

(₹ in Crore)

Bifurcation of Net Liability	**As at 31.03.2020**	**As at 31.03.2019**
Current liability	124.22	117.74
Non-Current Liability	1122.89	997.55
Net Liability	1247.11	1115.30

ACTUARIAL VALUATION OF LEAVE ENCASHMENT BENEFIT (EL/HPL) AS AT 31.03.20 CERTIFICATES AS PER IND AS 19 (2015)

(₹ in Crore)

Changes in Present Value of defined benefit obligations	**As at 31.03.2020**	**As at 31.03.2019**
Present Value of obligation at beginning of the period	341.19	290.38
Current Service Cost	27.01	24.61
Interest Cost	19.33	20.89
Actuarial (Gain) / Loss on obligations due to change in financial assumption	33.34	4.77
Actuarial (Gain) / Loss on obligations due to unexpected experience	78.61	28.02
Benefits Paid	96.71	27.48
Present Value of obligation at end of the period	402.77	341.19

(₹ in Crore)

Changes in Fair Value of Plan Assets	As at 31.03.2020	As at 31.03.2019
Fair Value of Plan Asset at beginning of the period	273.16	255.19
Interest Income	18.03	19.27
Employer Contributions	58.54	28.47
Benefits Paid	96.71	27.48
Return on Plan Assets excluding Interest income	(0.90)	(2.28)
Fair Value of Plan Asset as at end of the period	252.11	273.16

(₹ in Crore)

Statement showing reconciliation to Balance Sheet	As at 31.03.2020	As at 31.03.2019
Funded Status	(150.65)	(68.03)
Unrecognized actuarial (gain) / loss at end of the period	0.00	0.00
Fund Asset	252.11	273.16
Fund Liability	402.77	341.19

Statement showing Plan Assumptions:	As at 31.03.2020	As at 31.03.2019
Discount Rate	6.60%	7.55%
Expected Return on Plan Asset	6.60%	7.55%
Rate of Compensation Increase (Salary Inflation)	9.00% for Executives and 6.25% for Non-Executives	9.00% for Executives and 6.25% for Non-Executives
Average Expected Future Service (Remaining Working Life)	13,14	13.14
Mortality Table	IALM 2006-2008 ULTIMATE	
Superannuation at Age(Male & Female)	60	60
Early Retirement & Disablement (All causes combined)	0.30%	0.30%

(₹ in Crore)

Expense Recognized in Statement of Profit / Loss	As at 31.03.2020	As at 31.03.2019
Current Service Cost	27.01	24.61
Net Interest Cost	1.30	1.62
Actuarial Gain/Loss	112.85	35.08
Benefit Cost (Expense recognised in Statement of Profit/Loss)	141.16	61.31

Mortality Table	
Age	Mortality (Per Annum)
25	0.000984
30	0.001056
35	0.001282
40	0.001803
45	0.002874
50	0.004946
55	0.007888
60	0.011534
65	0.0170085
70	0.0258545

Disclosure Item				
31.03.2019			31.03.2020	
Increase	Increase	Sensitivity Analysis	Increase	Decrease
326.66	356.89	Discount Rate (-/+ 0.5%)	384.58	422.54
-4.257%	4.603%	%Change Compared to base due to sensitivity	-4.516%	4.908%
356.74	326.67	Salary Growth (-/+ 0.5%)	422.18	384.72
4.559%	-4.256%	%Change Compared to base due to sensitivity	4.821%	-4.480%
342.16	340.21	Attrition Rate (-/+ 0.5%)	403.92	401.62
0.286%	-0.286%	%Change Compared to base due to sensitivity	0.285%	-0.285%
343.26	339.11	Mortality Rate (-/+ 10%)	405.17	400.36
0.609%	-0.609%	%Change Compared to base due to sensitivity	0.597%	-0.597%

Table Showing Benefit Information Estimated Future Payments (Past Service)	
Year	(₹ in Crore)
1	27.79
2	29.39
3	35.65
4	38.32
5	39.92
6 to 10	202.92
More than 10 years	528.89
Total Undiscounted Payments Past and Future Service	-
Total Undiscounted Payments related to Past Service	902.88
Less Discount For Interest	500.11
Projected Benefit Obligation	402.77

(₹ in Crore)

Bifurcation of Net Liability	**As at 31.03.2020**	**As at 31.03.2019**
Current liability	26.92	24.42
Non-Current Liability	375.85	316.77
Net Liability	402.77	341.19

4. Unrecognised items

a) Contingent Liabilities

Claims against the group not acknowledged as debts

Table I

(₹ in Crore)

Particulars	Central Government Deptt./ Agencies	State Government Deptt./ Agencies	Central Public Sector Enterprises	Others	Total
Opening as on 01.04.2019	2926.73	11963.64	1.13	192.78	15084.28
Addition during the period	4505.52	330.48	-	45.76	4881.76
Claims settled during the period-					
a. From opening balance	425.24	8354.16	-	12.00	8791.40
b. Out of addition during the period	2.59	0.06	-	0.04	2.69
c. Total claims settled during the period (a+b)	427.83	8354.22	-	12.04	8794.09
Closing as on 31.03.2020	7004.42	3939.90	1.13	226.50	11171.95

Table II (₹ in Crore)

Claims against the group not acknowledged as debt		
	31.03.2020	**31.03.2019**
Central Govt.		
Central Excise	327.77	328.10
Income Tax	6250.12	2207.64
Clean Energy Cess	308.32	308.23
Service Tax	117.62	82.32
Others	0.59	0.44
State Govt. and Local authorities		
Sales Tax	170.48	160.41
Royalty	666.21	494.07
Environment clearance	2915.04	11161.77
Others	188.17	147.39
Central Public Sector Enterprises		
Suit against the group under litigation	1.13	1.13
Others	226.50	192.78
Total	**11171.95**	**15084.28**

b) Guarantee

The group has not provided any guarantee on behalf of any other Company.

c) Letter of Credit and Bank Guarantee :

As on 31.03.2020 outstanding letters of credit is ₹ 36.99 crores (₹ 2.83 crore as at 31.03.2019), and bank guarantee issued is ₹ 31.05 Crore (share of parent company is ₹ 13.15 crore) (₹ 39.42 Crore as at 31.03.2019).

d) Commitments

Estimated amount of contracts remaining to be executed on

Capital account and not provided for : ₹ 1671.33 crore (₹ 839.02 crore as at 31.03.2019)
Others (Revenue Commitment) : ₹ 2989.10 crore (₹ 2304.91 crore as at 31.03.2019)

5. Group Information:

Name	Relationship with MCL	Principal activities	Country of Incorporation	% of Equity interest	
				31.03.20	**31.03.19**
MNH Shakti Ltd	Subsidiary Company	Coal Production	India	70	70
MJSJ Coal Ltd	Subsidiary Company	Coal Production	India	60	60
Mahanadi Basin Power Limited	Subsidiary Company	Power Generation	India	100	100
Mahanadi Coal Railways Limited	Subsidiary Company	Construct & Operate Rail Corridor projects	India	64	64

6. Other Information

a) Provisions

The position and movement of various provisions as per Ind AS 37 except those relating to employee benefits which are valued actuarially as on 31.03.20 are given below:

(₹ in Crore)

Provisions	Opening Balance as on 01.04.2019	Addition during the year	Write back/ Adj./Paid during the year	Unwinding of discounts	Closing Balance as on 31.03.2020
Note 3:- Property, Plant and Equipments :					
Impairment of Assets :	45.58	3.17	(0.71)	-	48.04
Note 4:- Capital Work in Progress :					
Against CWIP :	14.18	17.36	(0.01)	-	31.53
Note 5:- Exploration And Evaluation Assets :					
Provision and Impairment :	-	-	-	-	-
Note 8:- Loans :					
Other Loans :	-	-	-	-	-
Note 9:- Other Financial Assets:					
Other Deposits and Receivables	0.16	-	-	-	0.16
Security Deposit for utilities	-	-	-	-	-
Current Account with Subsidiaries	-	-	-	-	-
Claims & other receivables	0.06	-	-	-	0.06
Note10:-Other Non Current Assets:					
Capital Advances	0.64	0.01	-	-	0.65
Security Deposit for utilities	-	-	-	-	-
Other Deposits and Advances	-	-	-	-	-
Note11:-Other Current Assets:					
Advances for Revenue	6.54	-	-	-	6.54
Advance payment of statutory dues	-	-	-	-	-
Other Advances and Deposits to Employees	0.02	-	-	-	0.02
Note 13:-Trade Receivables :					
Provision for bad & doubtful debts :	70.75	-	(18.47)	-	52.28
Note 21 :- Non-Current & Current Provision :					
Ex- Gratia	127.63	135.39	(127.63)	-	135.39
Performance Related Pay	177.97	65.08	(83.99)	-	159.06
Others	529.45	487.23	(529.45)	-	487.23
Site Restoration/Mine Closure (including Reclamation of Land)	812.13	-	(24.53)	79.80	867.40

b) Government Assistance

CCDA Grant of ₹ Nil received as Capital Grant from Ministry of Coal, Government of India towards assistance for Road and Rail Infrastructure work during the period ended on 31.03.2020. The total CCDA grant received of ₹ 208.58 crores till date is being amortized over the useful life of the underlying asset and the outstanding balance of ₹ 180.77 crores is disclosed under Note-22 as Deferred Income.

c) Segment Reporting

In accordance with the provisions of Ind AS 108 'operating segment', the operating segment used for presenting segment information are identified based on internal reports used by BOD to allocate resources to the segments and assess their performance. The BOD is the group of Chief operating decision maker within the meaning of Ind AS 108.

The Board of directors considers a business from a prospect of significant product offerings and have decided that presently there is one single reportable segment being sale of Coal. Information of financial performance and net asset is presented in the consolidated information of P/L and Balance sheet.

Revenue by destination is a follows.

(₹ in Crore)

	India	Other countries
Revenue	15811.17 (PY 17011.00)	Nil

Revenue by customer is as follows

Customer name	Amount (₹ in Crore)	Country
Name of each parties having more than 10% of Net sales value **NTPC**	2008.38 (PY 2506.17)	India
Others	13802.79 (PY 14504.83)	India

Net current assets by location are as follows

	India	Other countries
Net Current Asset	12679.66 (PY 12017.91)	Nil

d) Authorised Capital

(₹ in Crore)

	31.03.2020	31.03.2019
77,58,200 Equity Shares of ₹ 1000/- each	775.82	775.82
20,41,800 10% Cumulative Redeemable Preference shares of ₹ 1000/- each (Redeemed on as per terms of earliest redemption)	204.18	204.18

e) Earnings per share

Sl. No.	Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
		PAT	OCI	PAT	OCI
i)	Net profit after tax attributable to Equity Share Holders (₹ in Crore)	6407.99	(78.44)	6039.54	(10.59)
ii)	Weighted Average no. of Equity Shares Outstanding (in nos.)	6618363	6618363	6992154	6992154
iii)	Basic and Diluted Earnings per Share in Rupees (Face value Rs.1000/- per share) (₹)	9682.14	(118.52)	8637.34	(15.15)

f) Related Party Disclosures

1. List of Related Parties

i) Subsidiary Companies

1) Mahanadi Basin Power Limited (MBPL)
2) MNH Shakti Limited
3) MJSJ Coal Limited
4) Mahanadi Coal Railway Limited (MCRL)

2. Key Managerial Personnel

Name	Designation	W.e.f
Mr. B. N. Shukla	Chairman-cum-Managing Director	14.06.2019
Mr. R R Mishra	Chairman-cum-Managing Director	25.09.2018 - 14.06.2019
Mr. O. P. Singh	Director (Technical/Operation)	01.09.2016
Mr. K. R. Vasudevan	Director (Finance)	04.02.2018
Mr. K. K. Mishra	Director (Technical/ Project & Planning)	24.06.2019
Mr. K. Rao	Director (Personnel)	18.12.2019
Mr. A. K. Singh	Company Secretary	19.11.2012
Ms. Seema Sharma	Non-official Part time Director	06.09.2017
Mr. S. N. Tiwary	Official Part time Director	23.12.2019
Mr. R. K. Sinha	Official Part time Director	12.06.2017-17.03.2020
Mr. S. N. Prasad	Official Part time Director	16.02.2016 - 30.11.2019
Mr. Nagaraju Maddirala	Official Part time Director	17.03.2020
Mr. S Mohan	Non-official Part time Director	10.07.2019

3. Remuneration of Key Managerial Personnel

(₹ in Crore)

Sl. No.	Remuneration to CMD, Whole Time Directors and Company Secretary	For the year ended 31.03.2020	For the year ended 31.03.2019
i)	**Short Term Employee Benefits**		
	Gross Salary	1.36	1.50
	Perquisites	-	-
	Medical Benefits	-	-
ii)	**Post-Employment Benefits**		
	Contribution to P.F. & other fund	0.13	0.16
iii)	**Termination Benefits**		
	(Paid at the time of separation)		
	Leave Encashment	-	-
	Gratuity	-	-
	TOTAL	**1.48**	**1.66**

Note:

i) Besides above, whole time Directors have been allowed to use of cars for private journey upto a ceiling of 750 KMs on payment of concessional rate, in accordance with the provisions of Government of India, Ministry of Finance, Bureau of Public Enterprises O.M. No.2 (18)/PC-64 dated 20.11.1964 as amended from time to time.

(₹ in Crore)

Sl. No.	Payment to Independent Directors	For the year ended 31.03.2020	For the year ended 31.03.2019
i)	Sitting Fees	0.13	0.16

Balances Outstanding

(₹ in Crore)

Sl. No.	Particulars	As on 31.03.2020	As on 31.03.2019
i)	Amount Payable	Nil	Nil
ii)	Amount Receivable	Nil	Nil

4. Related Party Transactions within Group

Mahanadi Coalfields Limited has entered into transactions with its holding Company, co-subsidiaries & subsidiaries which include Apex charges, Rehabilitation charges, CMPDIL Expenses, R&D Expenses, Lease rent, Interest on Surplus Fund, IICM charges, issue of store materials and other expenditure incurred by or on behalf of other subsidiaries.

Transactions with Related Parties

(₹ in Crore)

Name of Related Parties	Apex Charges	Rehabilitation Charges	Workshop/ Press Debits	CMPDI Expenses	Interest on Funds parked with subsidiaries/ CIL	Issue of Store Materials	Others	Current Account Balance
Eastern Coalfields Limited (ECL)	-	-	-	-	-	0.32	0.27	-
Bharat Coking Coal Limited (BCCL)	-	-	-	-	-	-	-	-
Central Coalfields Limited (CCL)	-	-	0.10	-	-	0.05	-	-
Western Coalfields Limited (WCL)	-	-	-	-	-	0.14	-	-
South Eastern Coalfields Limited (SECL)	-	-	(0.06)	-	-	1.85	-	-
Northern Coalfields Limited (NCL)	-	-	0.22	-	-	1.09	-	-
Central Mine Planning and Design Institute Limited (CMPDIL)	-	-	-	74.23	-	(0.02)	-	-
Coal India Limited	140.36	80.37	-	-	(0.72)	-	-	(9.48)
Mahanadi Basin Power Ltd.	-	-	-	-	(1.16)	-	-	25.83
MNH Shakti Ltd.	-	-	-	-	(0.01)	-	0.02	0.56
Mahanadi Coal Railway Limited	-	-	-	-	(2. 40)	-	-	65.89
MJSJ Coal Limited	-	-	-	-	(0.09)	-	-	2.63

Figures in Bracket denote net income or credit balance.

g) Recent Accounting Pronouncements

(i) Ind AS, 116- Leases

Vide Notification of Ministry of Corporate Affairs dated 30th March, 2019 Indian Accounting Standard (Ind AS) 116, Leases has become effective for the group from 01.04.2019 replacing Ind AS 17, Leases. The accounting policy on leases has been changed as per Ind AS 116. The principal change of Ind AS 116, Leases is change in the accounting treatment by lessees of leases currently classified as operating leases. Lease agreements have given rise to the recognition of a right-of-use asset and a lease liability for future lease payments in case of group being lessee.

On transition, group has followed cumulative method i.e. recognised the cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings and ₹ NIL has been adjusted to the opening retained earnings. For calculation of the lease liability recognised in the balance sheet 8% has been used as lessee's incremental borrowing rate.

Lease liability commitment regarding operating lease as on 31.03.2018, discounted using above lessee's incremental borrowing rate were ₹ NIL whereas lease liability as on 01.04.2019 recognised in the Balance sheet is ₹ NIL.

(ii) Amendment to Ind AS 19 – plan amendment, curtailment or settlement-

Ministry of Corporate Affairs vide notification dated 30th March 2019 has notified amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The impact of the above change is NIL in the Financial Statement.

h) Insurance and escalation claims

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

i) Provisions made in the Accounts

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

j) Current Assets, Loans and Advances etc.

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

k) Current Liabilities

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

l) Balance Confirmations

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

m) Statement of Opening Stock, Production, Purchases, Turnover and Closing Stock of Coal.

(₹ in Crore and Quantity in lakh tonnes)

	For the year ended 31.03.2020		For the year ended 31.03.2019	
	Qty.	Value	Qty.	Value
Opening Stock	**130.23**	**444.90**	**111.78**	**420.54**
Production	1403.58	14384.83	1441.51	15349.83
Purchase of Coal	5.14	56.69	-	-
Sales	1335.02	14105.60	1423.03	15324.75
Own Consumption	0.02	0.43	0.03	0.73
Despatch of Purchased coal	5.12	56.40	-	-
Write Off	-	-	-	-
Shortage beyond 5%	1.17	19.43	1.17	19.43
Excess beyond 5%	-	-	-	-
Closing Stock	**197.62**	**704.56**	**129.06**	**425.46**

Reconciliation of closing balance of last year with Opening balance of CY

	Qty. (in Lakh Tonnes)	Value (₹ in Crore)
Closing balance as on 31.03.19 (adopted stock)	**129.06**	**425.46**
Add: Shortage beyond 5% as on 31.03.19 (Not written off)	1.17	19.43
Total	130.23	444.89

n) Disaggregated Revenue as per Ind AS 115

(₹ in Crore)

Disaggregated revenue information :	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Types of goods or service:-		
- Coal	14162.00	15324.74
- Others	-	-
Total revenue from Sale of Coal	**14162.00**	**15324.75**
Types of customers		
- Power sector	8791.46	9185.30
- Non-Power Sector	5370.54	6139.45
- Other Services	-	-
Total revenue from Sale of Coal	**14162.00**	**15324.75**
Types of contract		
- FSA	11420.70	12451.98
- E Auction	2741.30	2872.77
- Others	-	-
Total revenue from Sale of Coal	**14162.00**	**15324.75**
Timing of goods or service		
- Goods transferred at a point in time	14162.00	15324.75
- Goods transferred over time	-	-
- Services transferred at a point in time	-	-
- Services transferred over time	-	-
Total revenue from Sale of Coal	**14162.00**	**15324.75**

o) Details of Loans given, Investments made and Guarantee given covered u/s 186(4) of the Companies Act, 2013

Loans given and Investments made are given under the respective heads.

Name of the Company	Relation	Loan/Investment	Amount (₹ in Crore)
MJSJ Coal Limited	Subsidiary	Investment in Shares	57.06
MNH Shakti Limited	Subsidiary	Investment in Shares	59.57
Mahanadi Basin Power Limited	Subsidiary	Investment in Shares	0.05
Mahanadi Coal Railway limited	Subsidiary	Investment in Shares	0.03
NLC India Ltd.		Loan Given	1125.00 (o/s)

- No Corporate guarantees given by the group in respect of any loan as at 31.03.2020
- Group has given a loan of ₹ 2000 crore to NLCIL for meeting the general funding requirements @ 7% interest payable on monthly basis and repayment of principal is in 48 monthly equal installments. This loan to NLCIL is covered under Clause 8 (iv) of Guidelines on Investment of Surplus Funds by the CPSEs as eligible investments.

p) Construction of MCL Institute of Natural Resources And Energy Management (MINREM)

The Group is constructing an Institute 'MCL Institute of Natural Resources And Energy Management (MINREM), Bhubaneswar' with an initial estimated total value of Rs. 138.83 crore through the contractor M/S. NBCC. The construction work was stopped because Bhubaneswar Development Authority did not consider the proposal for approval earlier. However on 02.11.2018 BDA have granted necessary permission in favour of MCL. The MOU has been revalidated for a period of two years from 09.01.2020 & the above work to be completed within 12 months and the revised project cost is Rs. 155.33 crore. The contractor is yet to resume the balance work of MINREM. The Group has incurred ₹ 104.48 crores towards construction of the institute till now.

q) Land at Balipanda Mouza, Puri

5 acres of land at Baliapanda Mouza, Puri amounting to ₹ 0.94 crore (including deposit for boundary wall) taken as lease from Puri Municipality with a lease period of 99 years w.e.f. 01.04.1996. However, Tahsildar Puri vide his office memo no. 7206 dated 21.08.2004 addressed to the Collector Puri with a copy to MCL, Bhubaneswar stated that the said area comes under the "Sweat water zone" and it has been declared as restricted area by the Govt. in Housing and Urban Development Department. Though the said land comes under Sweat Water Zone, Tahsildar, Puri has accepted ground rent along with cess till 2008-09. Further D(P), MCL vide letter no. 4707 dated 08.01.2019, requested to Collector, Puri for early hand over of alternate land to start the stall project. Executive Officer, Puri Municipality in his report to ADM dated 05.11.19 mentioned that MCL was to construct the building within three years from the date of execution of agreement i.e. from 09.04.1997. However as no construction was taken up by MCL within the stipulated period, now a park is under construction over the same land under Amrut scheme. Again letter has been written to Collector, Puri by DGM, MCL on 05.12.2019 for allotment of alternative patch of land and the case is under active consideration with State Authority. MCL is expecting that the alternative land in favor of MCL will be allocated soon. Till an alternative land is available to MCL, the amount deposited is kept under Capital Advance.

r) During the year, the Group has taken a loan from bank amounting to ₹ 1,840 crore by pledging the TDRs amounting to ₹ 2052 crore for payment of ₹ 2,000 crore as upfront advance tax.

s) The guidelines for preparation of Mining plan for Coal & lignite blocks have been revised vide F.No. 34011/28/2019-CPAM by Ministry of Coal, Government of India dated 16.12.2019 and a SOP against the new guideline dated 26.02.2020 issued by Office of Coal Controller Office, Ministry of Coal, Government of India.

However, there is no impact of calculation of mine closure cost and its deposition in escrow account during the year.

t) During the year, the Group has purchased coal from OCPL amounting to ₹ 60.80 crore. The sale of purchased coal is amounting to ₹ 56.40 crore, surface transportation charges on the same is ₹ 14.98 crore and evacuation facility charges is ₹ 2.56 crore. The closing stock of purchased coal is amounting to ₹ 0.29 crore.

u) MCL has opted for declaration under Vivad Se Vishwas Scheme, 2020 as introduced by Government of India with the object of reducing tax litigations. The Group is planning to file declaration from Assessment Year 1997-98 to 2007-08 under this Scheme to settle all Income Tax disputes pertaining to these years. Tax expenses of ₹ 142.23 crore has been charged to P & L Account for earlier years"

v) Method of calculation of cost of inventories has been changed to Weighted Average method from FIFO method for providing more relevant information to the users. However, there has been insignificant impact on valuation of Closing Stock of Previous year 2018-19, hence reported figures for previous year has not been restated.

Change in method of valuation of closing stock as on 31.03.2020, resulted in decrease in value of closing stock & profit by ₹ 5.52 crore.

w) Deposit Account (for specifc purpose) of ₹ 26.36 crore (₹ 40.09 crore) are made as per the direction of the Court, various govt. authorities and for issue of B.G shown under Note -9 & Note-15. Details are as below:

<u>Note -15</u>

i. Fixed deposit includes ₹ 6.45 crore made against price difference recovered against explosive rate contracts in the year 2005-06, as per court order.

ii. Fixed deposit includes ₹ 0.22 crore made against interim order of Hon'ble High Court for encashment of BG of M/s IRC Logistics Ltd.

iii. Fixed deposits includes ₹ 0.19 crore made for 40% Tapering money by the Company in respect of M/S Shri Mahavir Ferro Alloys Pvt. Ltd. as per order of Hon'ble High Court , Cuttack till the final outcome of the Writ petition no. 3109 of 2015.

iv. Fixed Deposits includes ₹ 6.58 crore made against interim order of Hon'ble High court Cuttack (Odisha) i.e. to be deposited in any nationalized bank for remaining amount of compensation involved in the disputed land.

v. Fixed deposit of ₹ 1.17 crore made as per directives of Hon'ble High Court of Odisha regarding encashment of BG submitted by M/s Montecarlo Limited (MCL) and M/s Kunal Structure (India) Private Limited (KSIPL) JV.

vi. Fixed Deposit amounting to ₹ 4.35 crore that has been placed under lien of State Bank India for issuing letter of comfort for issuance of Bank Guarantee in favour of President of India to fulfill the terms of allocation of blocks on behalf of subsidiary company. - M/S MJSJ Coal Ltd.

vii. Fixed Deposit amounting to ₹ 0.06 crore has been placed with bank for issuance of Bank Guarantee for the installation of Fully fledged Effluent Treatment plant at Kanika Railway Siding in favour of Odisha State Pollution Control Board.

viii. Fixed Deposit amounting to ₹ 0.45 crore has been placed with bank for issuance of Bank Guarantee towards three months advance water charges and nine months water rates for drawal of 1.336 cusec water in favour of Executive Engineer Main Dam Division, Burla.

ix. Bank Deposits includes ₹ 0.03 crore made for issue of BG for obtaining license for captive mobile radio trunking service from Deptt of Telecommunication, Govt of India in connection with OITDS.

x. Bank Deposits of ₹ 2.12 crore including accrued interest being special term deposit made out of money recovered through the Hon'ble District Court Sundargarh against defalcation of cash by an officer, which is under lien to the Court pending finalization of the case.

xi. Bank Deposits of ₹ 1.39 crore respectively kept with the bank which has been pledged in favour of Water Dam Division against MOU/agreement signed.

xii. Bank Deposits of ₹ 0.02 crore in shape of TDR for execution of Agreement for drawal from Lilari Nallah.

xiii. Bank Deposits of ₹ 1.19 crore in shape of TDR for M/s Utkal Highways on the directives of Hon'ble High Court of Odisha..

<u>Note- 9</u>

xiv. Bank Deposits of ₹ 0.08 crore in shape of TDR for Executive Engineer, Burla Irrigation Division, Burla.

xv. Bank Deposits of ₹ 1.20 crore in shape of TDR for Executive Engineer, Burla Irrigation Division, Burla.

xvi. Bank Deposits includes ₹ 0.85 crore for issue of BG in favour of TAMDA for obtaining approval of Institutional Building Plan for MIMSR.

x) At MCL, there are 22 open cast mines and 12 underground mines, out of which 4 open cast mines & 5 underground mines are non productive and 3 open cast mines & 3 underground mines are under development:-

List of Non productive Mines:-

S.No.	Name of Mines	Reason for Non Productive
1.	Chendipada OCP	Due to mine closure.
2.	Lilari OCP	Due to Mining Plan of Lilari OCP was valid upto March 2018.
3.	South Balanda OCP	Due to exhaustion of Coal Reserve.
4.	Basundhara East OCP	Mine is closed due to extraction of all coal.
5.	Himgir Rampur Colliery UG	This mine is abandoned since 27.05.2013 with the mine closure notice issued from Orient Area.
6.	Orient Mine No-4 UG	**a.** Production has been stopped since 02.07.2017 due to non-availability of development patches as entire property of mine is already developed and there is no depillaring permission due to want of stage II forest clearance. **b.** There is shortage of manpower in Orient Area due to retirement etc. As there is shortage of manpower in productive units of other mines of Orient Area, the available manpower of this mine has been transferred to those productive mines for gainful utilization. Now the mine is under process to run in outsourced mode.
7.	Talcher UG	Mining of Coal temporarily discontinued due to non-compliance of Section 22A (1) of Mines Act 1952 by DMS, Bhubaneswar vide Notice No. - 010686/BBR-DH/CO-6/Notice-22A (1)/2015/4562, dated 03.09.2015, to provide 3rd entry to the drift top section (present working dist), and as per provision of CMR-2017, Reg No. - 158(3) the production was suspended since 24.02.2018.
8.	Deulbera UG	Production had to be stopped as notice from the supt. engineer that water would be released in right bank canal, below which the mine had working w.e.f 19.07.2006
9.	Handidhua UG	Production has stopped due to heavy losses w.e.f. 16.09.1998.

List of Development Mines:-

S.No.	**Development Mines**
1.	Talcher West (U/G)
2.	Jagannath (U/G)
3.	Natraj UG
4.	Siarmal OCP
5.	Basundhara West (Extension) OCP
6.	Subhadra OCP

y) MJSJ Coal Limited, subsidiary of MCL has submitted a Bank Guarantee bearing No.50/48 issued by State Bank of India, Talcher, for an amount of ₹ 22.248 crores in favour of The President of India, acting through Ministry of Coal, Shastri Bhavan, New Delhi which has been renewed on 01.04.2020 for 6 months (from 01.04.2020 to 30.09.2020) vide no-50/48 and under protest.

A letter received from F.No-47011/7(6)/93-CPAM/CA from Govt. of India, Ministry of Coal, dated 9th July, 2013 regarding deduction of 20% of BG (i.e. ₹ 22.248 Crores) against which Private shareholders of group proceeding for appeal at Hon'ble High Court of Delhi. This deduction is proposed to be made in view of the group not being able to meet the targeted production by the specified/extended time limit.

z) On 24th September 2014, the Hon'ble Supreme Court cancelled allocation of 204 coal blocks made during 1993-2012 citing the allocation process as arbitrary and allocations as illegal. Accordingly the Coal Block namely Utkal-A including Gopalprasad West (MJSJ Coal Limited, subsidiary of MCL) and Talabira II & III (MNH Shakti Limited, subsidiary of MCL) allocated earlier in favour of the Group also got de-allocated.

aa) As per the provisions of the Coal Mines (Special Provisions) Act 2015, the Government has allocated Talabira II & III coal block to Neyveli Lignite Corporation Limited (one of the previous allottees) as communicated vide its letter dated 17th February 2016. MHN Shakti Ltd., a subsidiary of MCL is entitled to get compensation from the new allottee through the Nominated Authority, MoC towards the amount spent by it for acquisition of land, capital work in progress and intangible assets. The compensation is being determined by the Nominated Authority under the Coal Mines (Special Provisions) Act and will be received by the group in phased manner.

The office of the nominated authority has transferred the compensation amount towards cost of Geological Reports and cost consents to the commissioner of payment i.e. Coal Controller Office (CCO), Kolkata for further disbursal to prior allottee vide Letter no. 110/13/2015/NA, dated 12.09.2016. This includes the compensation amount of ₹ 15.89 crores towards Talabira-II & III Coal Mine. Subsequently Coal Controller office has transferred the amount in the name of MNH Shakti Limited on 04.01.2017.

Once again the office of the nominated authority has transferred the compensation towards cost of Mine Infrastructure to the commissioner of payment i.e. Coal Controller Office, Kolkata for further disbursal to prior allottee vide Letter No. 110/9/2015/NA (Part-II), Dated: 01.12.2016. This includes the compensation amount of ₹ 2.67 Crores only towards Talabira- II & III Coal Mine. Subsequently Coal Controller office has transferred the amount in the name of MNH Shakti Limited on 08.02.2017.

i) Reconciliation of Profit

	Period to which Error is related	For Year ended 2018-19
Total Comprehensive Income of the group reported earlier		6025.36
Adjustment for prior period items :		
Interest income	2018-19	3.41
Total Comprehensive income of the group(Restated)		6028.77

bb) The outbreak of Coronavirus (COVID -19) is causing significant disturbance and slowdown of economic activity in India and across the globe. The Group has evaluated the impact of this pandemic on its business operations. Based on its review and current indicators of economic conditions, there is no significant impact on its financial results. The Group will continue to closely monitor any material changes arising from future economic conditions and impact on its business.

cc) Significant accounting policy

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

dd) Others :

a) Previous year/ period's figures have been restated as per Ind AS and regrouped and rearranged wherever considered necessary.

b) Previous period's figures in Note No. 3 to 38 are in brackets.

c) Note – 1 and 2 represents Corporate information and Significant Accounting Policies respectively , Note 3 to 23 form parts of the Balance Sheet as at 31st March 20 and 24 to 37 form part of Statement of Profit & Loss for the period ended on that date and Note – 38 represents Additional Notes to the Financial Statements.

Signature to Note 1 to 38.

On behalf of the Board

Sd/-
(A K Singh)
Company Secretary

Sd/-
(P K Swarnkar)
General Manager (Finance)

As per our report annexed
For & on brhalf of
For SINGH RAY MISHRA & CO.
Chartered Accountants
Firm Regn No. 318121E

Sd/-
(K R Vasudevan)
Director (Finance)
DIN : 07915732

Sd/-
(B.N. Shukla)
Chairman-cum-Managing Director
DIN: 05131449

Sd/-
(CA J K Mishra)
Partner
Membership No. 052796

Date: 15.06.2020
Place: Burla

MAHANADI COALFIELDS LIMITED

(A Govt. of India Undertaking & Subsidiary of Coal India Limited)

Jagriti Vihar, Burla, Sambalpur, Odisha 768020

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