

# ANNUAL REPORT & ACCOUNTS

2017-18



We power up lives, We spread happiness, We energise India

**MAHANADI COALFIELDS LIMITED**

A MINIRATNA COMPANY





**'VISION'**

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



“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”

**'MISSION'**



# ANNUAL REPORT & ACCOUNTS 2017 - 18



## MAHANADI COALFIELDS LIMITED

(A subsidiary of Coal India Limited)

At/PO - JAGRUTI VIHAR, BURLA  
SAMBALPUR - 768020 (ODISHA)

Website : [www.mahanadicoal.in](http://www.mahanadicoal.in)

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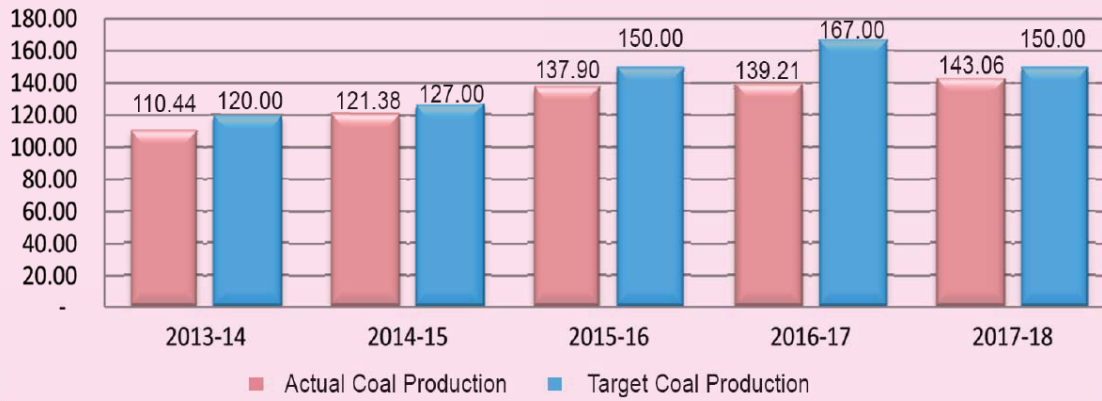


## FINANCIAL HIGHLIGHTS FOR LAST 10 YEARS

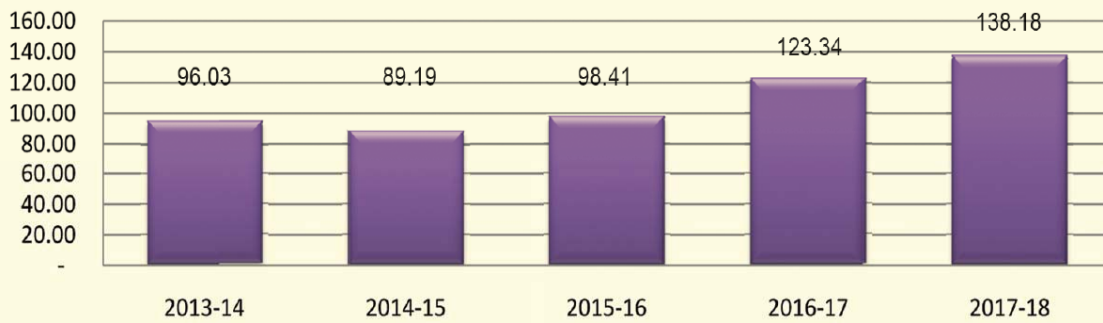
|    | Particulars                | Unit            | 2007-08   | 2008-09   | 2009-10   | 2010-11   | 2011-12   | 2012-13   | 2013-14   | 2014-15   | 2015-16   | 2016-17    | 2017-18   |
|----|----------------------------|-----------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|-----------|
| 1  | Production of coal         | MT(million te.) | 88.01     | 96.34     | 104.08    | 100.28    | 103.12    | 107.89    | 110.44    | 121.38    | 137.90    | 139.21     | 143.01    |
| 2  | Despatch of coal           | MT(million te.) | 83.63     | 91.28     | 98.13     | 102.09    | 102.52    | 111.96    | 114.34    | 123.00    | 140.22    | 143.01     | 138.26    |
| 3  | Sale of coal (Gross)       | Rs. Crore       | 5,291.07  | 6,487.55  | 7,466.56  | 9,249.75  | 12,068.60 | 13,190.42 | 13,165.61 | 14,989.05 | 19,829.58 | 23,450.72  | 22,379.91 |
| 4  | PBT                        | Rs. Crore       | 2,504.79  | 2,600.91  | 2,950.58  | 4,039.30  | 5,463.69  | 6,202.48  | 5,429.08  | 5,314.24  | 6,260.43  | 6,853.32   | 7,339.66  |
| 5  | PAT                        | Rs. Crore       | 1,643.04  | 1,718.03  | 1,946.69  | 2,609.32  | 3,709.51  | 4,212.44  | 3,624.30  | 3,554.10  | 4,184.74  | 4,491.09   | 4,761.29  |
| 6  | Dividend                   | Rs. Crore       | 1,000.00  | 1,040.00  | 1,169.00  | 1,570.02  | 2,226.55  | 2,529.45  | 5,983.16  | 3,841.82  | 3,608.45  | 2,982.00   | 4,350.00  |
| 7  | Net fixed Assets (10A)     | Rs. Crore       | 1,298.08  | 1,364.10  | 1,589.69  | 2,019.19  | 2,048.05  | 2,212.52  | 2,788.58  | 3,087.48  | 3,252.55  | 3,943.29   | 4,534.24  |
| 8  | Net worth                  | Rs. Crore       | 4,686.72  | 5,188.00  | 5,769.60  | 6,548.14  | 7,674.42  | 8,939.12  | 5,563.42  | 4,477.57  | 4,319.26  | 3,385.38   | 2,943.12  |
| 9  | Long Term loans            | Rs. Crore       | 157.29    | 183.97    | 150.79    | 124.13    | 119.42    | 96.60     | 9.14      | 6.90      | 7.21      | 6.64       | 7.09      |
| 10 | Capital Employed           | Rs. Crore       | 4,381.96  | 4,853.15  | 5,305.38  | 11,704.47 | 14,211.30 | 16,208.23 | 14,248.04 | 15,208.55 | 16,629.66 | 15,183.59  | 15,469.43 |
| 11 | Return on capital employed | %               | 37        | 35        | 37        | 22        | 26        | 26        | 25        | 23        | 25        | 23         | 31        |
| 12 | Value addition             | Rs. Crore       | 3,957.52  | 4,988.95  | 5,594.64  | 6,945.29  | 8,825.63  | 9,206.31  | 9,153.60  | 10,203.46 | 11,990.49 | 12,474.74  | 12,979.8  |
| 13 | Face value per share       | Rs.             | 1,000.00  | 1,000.00  | 1,000.00  | 1,000.00  | 1,000.00  | 1,000.00  | 1,000.00  | 1,000.00  | 1,000.00  | 1,000.00   | 1,000.00  |
| 14 | Book value per share       | Rs.             | 25,143.23 | 27,832.48 | 30,952.64 | 35,129.34 | 41,171.58 | 47,956.42 | 29,846.53 | 24,021.18 | 23,171.89 | 23,971.26  | 41,679.94 |
| 15 | Dividend per share         | Rs.             | 5,364.78  | 5,579.37  | 6,271.43  | 8,422.81  | 11,944.95 | 13,569.95 | 32,098.34 | 20,610.52 | 19,358.54 | 21,115.00  | 6,160.31  |
| 16 | Earning Per Share          | Rs.             | 8,814.57  | 9,216.84  | 10,443.57 | 13,998.43 | 19,900.71 | 22,598.82 | 19,443.58 | 19,066.97 | 22,450.21 | 31,800.60  | 32,419.32 |
| 17 | No. of Eq.shares           | Numbers         | 1,864,009 | 1,864,009 | 1,864,009 | 1,864,009 | 1,864,009 | 1,864,009 | 1,864,009 | 1,864,009 | 1,864,009 | 14,122,666 | 7,061,330 |

## Graph

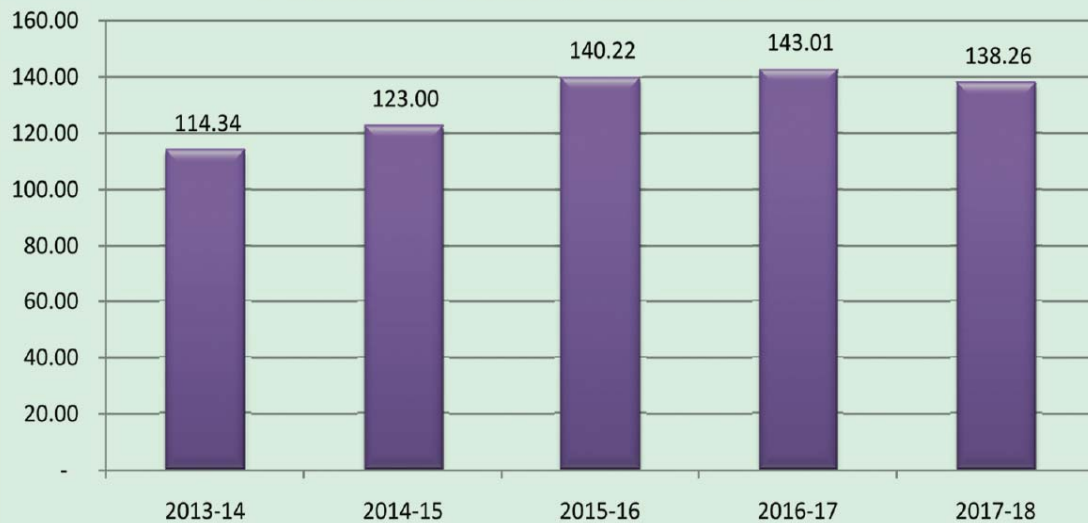
### Coal Production (Million Tonnes)



### Overburden Removal (MCu.M)

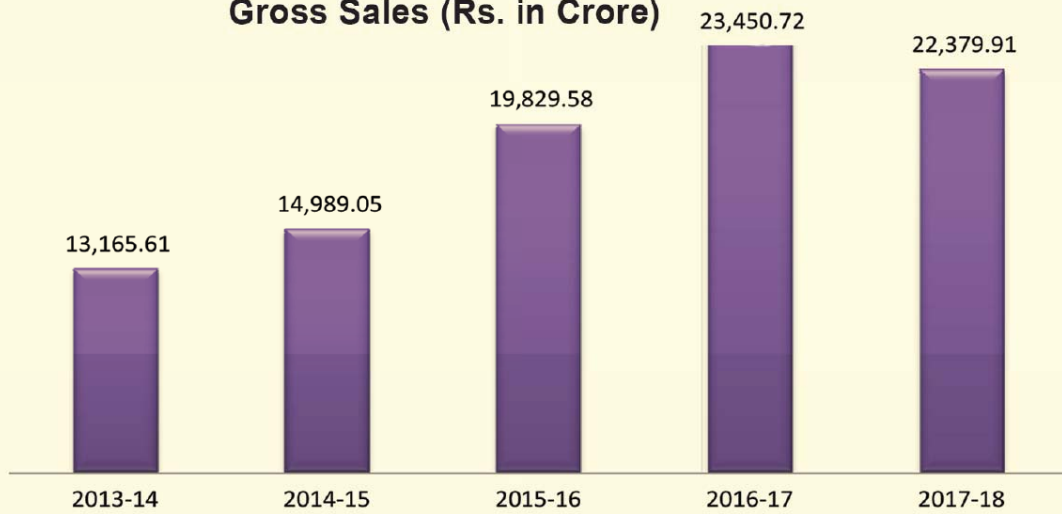


### Dispatch of Coal (Million Tonnes)

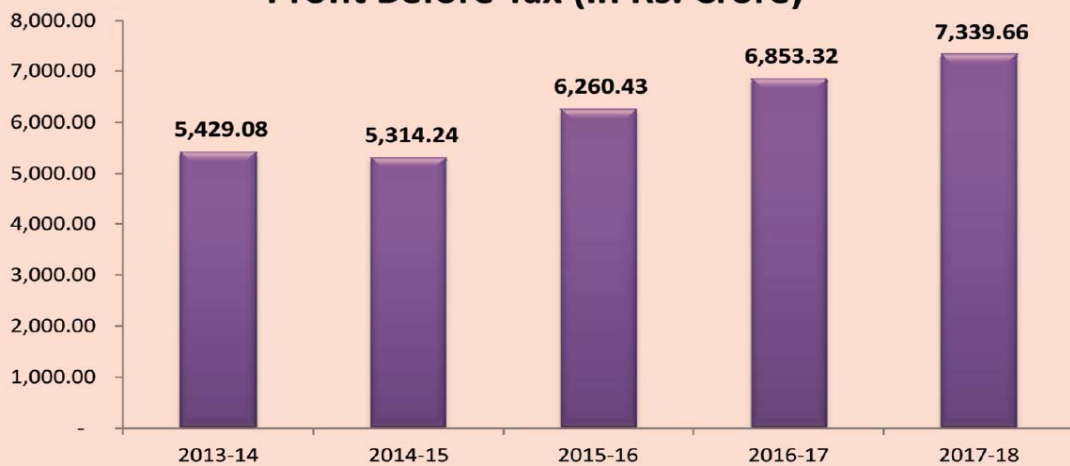


## Graph

### Gross Sales (Rs. in Crore)



### Profit Before Tax (In Rs. Crore)

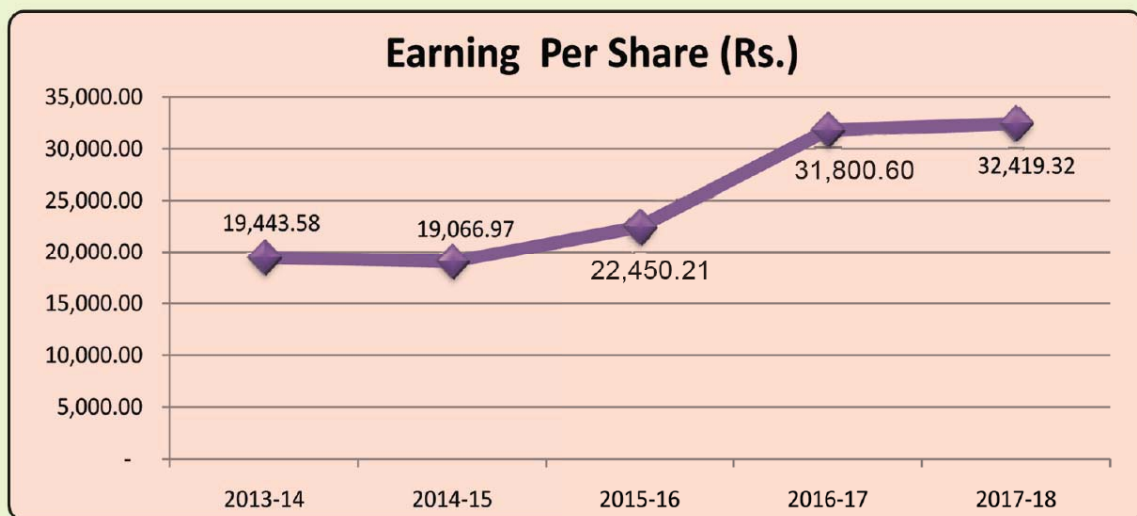
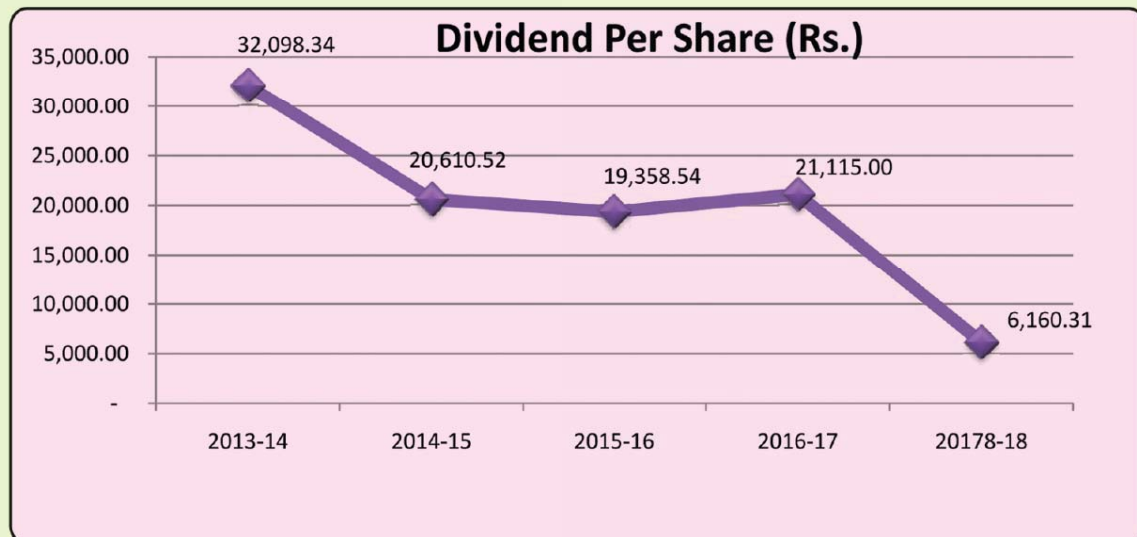
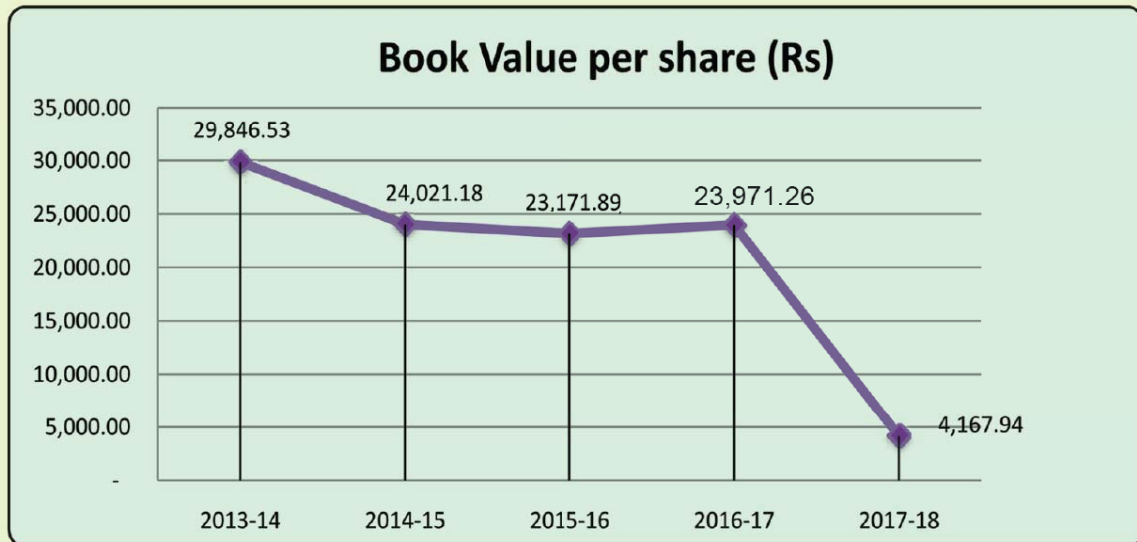


### Profit After Tax (in Rs. Crore)

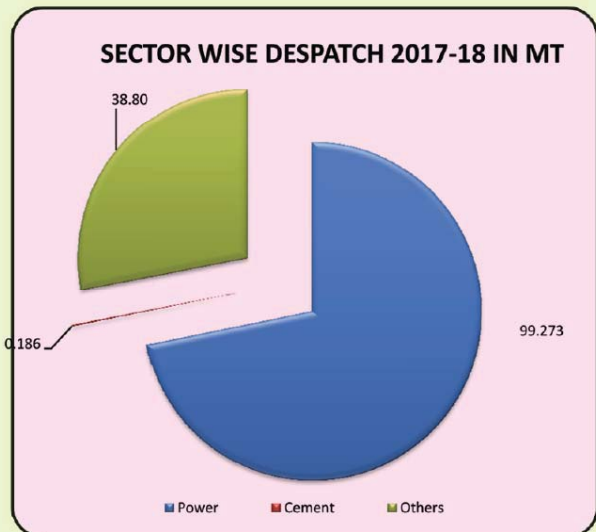
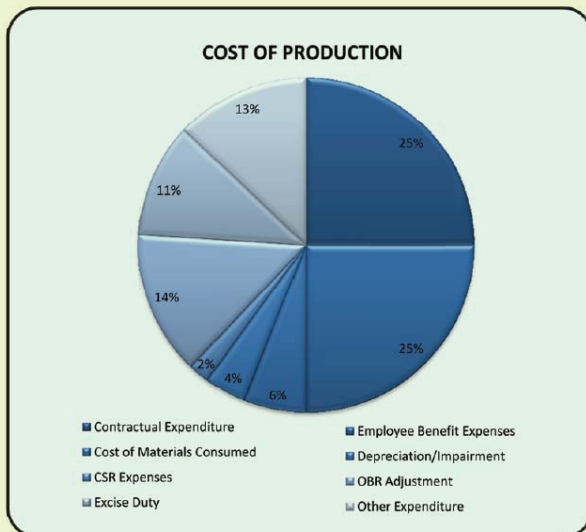
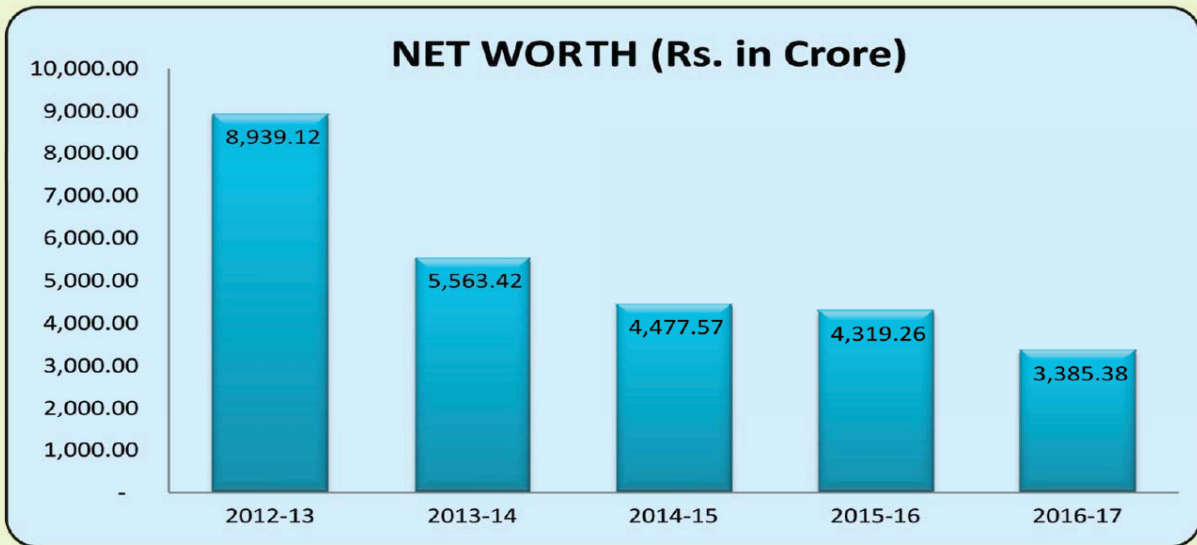




## Graph



## Graph



## PRESENT MANAGEMENT

(As on 27<sup>th</sup> July, 2018)

### FUNCTIONAL DIRECTORS



**Shri A. K. Jha**  
Chairman-cum-Managing Director



**Shri J. P. Singh**  
Director (Tech/OP.)



**Shri L. N. Mishra**  
Director (Personnel)

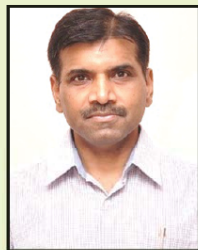


**Shri O. P. Singh**  
Director (Tech./P&P)



**Shri K. R. Vasudevan**  
Director (Finance)

### OFFICIAL PART-TIME DIRECTOR



**Shri R. K. Sinha**  
Joint Secy., MoC



**Shri S.N. Prasad**  
Director (Marketing), CIL

### INDEPENDENT DIRECTORS



**Dr. Rajib Mall**



**Shri H.S. Pati**



**Smt. S. Sharma**



## MANAGEMENT DURING 2017-18

|                                  |   |                                                                                                           |
|----------------------------------|---|-----------------------------------------------------------------------------------------------------------|
| CHAIRMAN-CUM-MANAGING DIRECTOR   | : | Shri A. K. Jha                                                                                            |
| FUNCTIONAL DIRECTORS             | : | Shri J. P. Singh<br>Director (Tech/OP)                                                                    |
|                                  |   | Shri K. K. Parida<br>Director (Finance)<br>(Upto: 30.06.2017)                                             |
|                                  |   | Shri L. N. Mishra<br>Director (Personnel)                                                                 |
|                                  |   | Shri O. P. Singh<br>Director (Tech/P&P)                                                                   |
|                                  |   | Shri K. R. Vasudevan<br>Director (Finance)<br>(w.e.f. 04.02.2018)                                         |
| OFFICIAL PART-TIME DIRECTORS     | : | Shri R.K. Sinha<br>Jt. Secretary, Ministry of Coal,<br>New Delhi. (w.e.f. 12.06.2017)                     |
|                                  |   | Shri Mukesh Choudhary<br>Director, Ministry of Coal,<br>New Delhi. (Upto 12.06.2017)                      |
|                                  |   | Shri S. N. Prasad,<br>Director (Marketing),<br>CIL, Kolkata                                               |
| NON-OFFICIAL PART-TIME DIRECTORS | : | Shri H.S. Pati                                                                                            |
|                                  |   | Dr. Rajib Mall                                                                                            |
|                                  |   | Ms Seema Sharma<br>(w.e.f. 06.09.2017)                                                                    |
| PERMANENT INVITEE                | : | Shri D. Panda<br>Pr. Chief Operations Manager,<br>East Coast Railway, Bhubaneswar.<br>(w.e.f. 10.01.2018) |
| COMPANY SECRETARY                | : | Shri A. K. Singh                                                                                          |

## CHAIRMAN'S STATEMENT

### Friends,

It gives me immense pleasure in welcoming you to the 26<sup>th</sup> Annual General Meeting (AGM) of Mahanadi Coalfields Limited. The Report of the Directors, Audited Accounts for the year 2017-18 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 2017-18 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. It is my proud privilege to inform you that your company has achieved highest ever coal production of 143.058 million tonnes in the history of MCL since inception. OB removal during the year was 138.18 M.CUM, which was 12.03 % more as compared to previous year and was also highest ever. Your Company has despatched coal to the tune of 138.27 MT out of which 112 MT was through eco-friendly mode of Rail, MGR + Belt and this was also highest among all Subsidiaries of CIL. Eco-friendly Surface Miner coal production was also highest in MCL amongst all Subsidiaries of CIL and we produced about 92.17% through this technology. MCL has earned highest profit i.e. (7340 Crore PBT) amongst all the subsidiaries of Coal India Limited, achieving a growth 7.08%. This has been possible with your unstinted support and valuable guidance. Your continued trust and goodwill has always been a guiding force to motivate us in all our pursuits in creating the values for the stakeholders and the Nation.



Shri A. K. Jha, CMD

### 1. Coal - primary source of Energy:

In India, what makes coal such a preferred 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 315.149 Billion Tonne (BT) upto 1200 meter depth in 69 different Coalfields as on 01.04.2017. Around 76% of the entire electricity generated in the country is coal based. Reliable Energy source is the backbone 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. Infact reliance on coal might increase in future.

Talcher and Ib-Valley Coalfields of Odisha are the store house of huge thermal grade non-coking coal. Odisha stands 2<sup>nd</sup> to Jharkhand in the reserve position in India. Total coal reserve of Odisha as on 1<sup>st</sup> April, 2017 is estimated to be 77.28 BT, which is around 24.52% of the total National coal reserve. The two Coalfields of Odisha, namely, Talcher and Ib-Valley Coalfields are under command area of MCL, Talcher being the largest Coalfield (51.163 BT) and Ib-valley being the 3<sup>rd</sup> largest (26.122 BT) Coalfield of India.

## 2. Accomplishments in 2017-18

Your Company continues its impressive financial results. MCL has been able to perform exceedingly well during the year 2017-18. Your Company has emerged as best subsidiary of CIL in the year 2017-18 in terms of Production of Coal through eco-friendly technology (Surface Miner) / highest dispatch through eco-friendly mode i.e. Rail, MGR + Belt (81 MT). Your Company had achieved a record coal production of 143.058 Million Tonnes (MTe.) and registered a growth of 2.76% over the previous year. Coal off-take of MCL during the period was 138.267 MTe out of which 112 MTe was through eco-friendly mode. There has been a quantum jump in OB removal from 123.34 M.Cum. to 138.18 M. Cum., registering a growth of 12.03%. History is created by producing highest Coal Production in a single day to the tune of 7.84 Lakh Te and also dispatching highest Coal in a single day. Your Company has recorded Gross Sales of Rs.22,379.91 Crore during the year. CSR expenditure of Rs.267.52 Crore was also the highest in the state by a PSU. Capital expenditure of Rs. 1,368.39 Crore against the target of Rs. 1,300 Crore was also highest.

### Financial Performance:

MCL is the highest contributor to the Govt. Exchequers both Central and State Govt. in the state of Odisha. MCL has paid Rs. 8,983.49 Crore towards Royalty, Cess, VAT, DMF and NMET and other levies.

Profit after Tax has been Rs. 4,761.29 Crore for the year under review. Your Company has paid an interim dividend of Rs.30,801.56 per equity share (before issue of bonus) on face value of Rs.1,000/- per share for the year 2017-18 as compared to Rs.21,115/- per equity share last year. The total outflow on account of dividend was Rs.5,235.56 Crore comprising Rs.4,350 Crore as dividend paid to CIL and Rs.885.56 Crores as tax on dividend. Pursuant to DIPAM Guidelines, MCL has issued 4:1 Bonus Shares i.e. 04 Bonus shares for every single equity share held by CIL during the year 2017-18. Your Company has also recommended final dividend of Rs.125 Crore (Rs.177.02 per share) on increased equity capital base (considering Bonus Issue i.e. on equity Capital of 70,61,330 shares) of Rs.1,000/- each from the profit of FY 2017-18 after audit in terms of the provisions of Companies Act, 2013 and subsequent amendments thereof.

## 3. Strategies for Growth

MCL is faced with the challenging targets in the year ahead. We at MCL are committed 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) **Critical Railway Link** : Your Company has formed a JV / SPV 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. The Project undertaken by MCRL is Balram-Angul Rail Link, Inner & outer rail corridor and Jharsuguda-Barpali-Sardega Rail Link with envisaged evacuation capacity of 70 MTY of coal from MCL.



**b) Acquisition and Possession of Land :** During 2017-18, total of 460.987 Acres of land has been taken into possession by MCL.

**c) Setting up of Washeries :** In 1<sup>st</sup> phase, in line with the decision of CIL for installation of coal washeries for economic washing of high ash coal, MCL is intending to establish four numbers of coal washeries viz., Hingula Washery, Basundhara Washery, Ib-Valley Washery and Jagannath Washery of 10 Mty capacity each. The tender for Hingula and Jagannath Washery (10 MTY each) on BOM concept has been floated on 26<sup>th</sup> March, 2018. Letter of Award for Ib-Valley Washery (10 MTY) was also placed. Beyond phase 1, MCL is planning to set up 03 more washeries viz. Lakhanpur washery (20 MTY), Garjanbahal Washery (10 MTY) and Siarmal Washery (40 Mty).

**d) Web based on line monitoring System :** 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) Viewing video streaming of CCTV cameras installed at Railway Sidings through Mobile,
- (iii) Tracking status of bills submitted by contractors / suppliers
- (iv) Providing useful information related to CSR 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.

A separate mobile app has been developed by MCL for Viewing RDO Details, Loading Schedule, Daily Dispatch Summary and Dispatch details against any RDO, which has been integrated with CIL's mobile app "Grahak Sadak Koyla Vitaran".

**e) Technology Development :**

- i) 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. More than 92% of coal production is done through surface miner by using blast free technology. MCL is first company in India to introduce and start auto refund of EMD for unsuccessful bidders.
- ii) GPS/GPRS based Vehicle Tracking System :- GPS based VTS (Vehicle Tracking System) units have been installed in 1800 numbers of private tippers engaged in production and internal transportation of coal. Live tracking of these vehicles along with viewing of various reports related to violation of geo fences, trip, long stoppages, distance travelled etc are available on the web enabled link i.e. <http://.mclvts.in>. This link is also available on our website [www.mahanadicoal.in](http://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. Geo-fencing of the mine boundary along with the routes has been done for tracking the vehicles if they are crossing the geo-fence boundary. Central Control Rooms have been set up at MCL-HQ and at all the Area Offices.
- iii) e-Capital Fund Management System (Coal-net based) was introduced first time in MCL very successfully for paper less, first decision making process relating to capital expenditure & re-appropriation of funds.

- iv) **Contract Management Monitoring System:-** The module has been developed in Coalnet for capturing contract related information like contract details, commencement of work, daily performance at HQ / Area / Project level. Various MIS reports are being generated through this module. This has helped in effective monitoring of all Contracts.
- v) **Implementation of ERP in MCL:** In first phase, CIL has chosen MCL for implementation of ERP for which tender has been floated by CIL. Actions have been initiated for preparing infrastructure for ERP centre.
- vi) **Customer Satisfaction:** MCL has taken several measures to supply sized and quality coal to different Power Houses as well as other consumers to fulfil the consumer satisfaction. During the year, various measures were taken for ensuring dispatch of proper quality and size of coal. To name a few, frequent interaction with different consumers has been done to improve consumer satisfaction. For better transparency and consumer satisfaction, CIMFR has been deployed as an Independent 3<sup>rd</sup> Party Sampling Agency based on the directives of MoC/CIL to carry out the activities for collection and Analysis of coal being supplied to IPP & Power utility consumers.

There are total ten (10) coal analysis laboratories in different Areas of MCL. Five (05) coal analysis laboratories have been NABL accredited till date. Necessary steps have been initiated for obtaining NABL accreditation for analysis laboratory of remaining Areas, in a phased manner. Proper care has been taken towards supply of -100 mm size coal to the consumers by enhancing dispatch by rail, belt & MGR mode. Through stringent sampling procedure and engagement of Independent Agency by CCO, Kolkata, quality of coal in seam, stock, siding and tipper samples were assessed and declared as appropriate grade for the period 2017-18. This has built confidence in consumers.

#### **4. Green Initiatives:**

Your Company has produced highest quantity of coal through eco-friendly Surface Miner to the tune of 92% in comparison to average achievement of 42% in the entire CIL. In transportation also your Company dispatched around 81% coal through eco-friendly Rail, Conveyor, Washery mode and balance 21% through Road mode. In order to reduce dust pollution in the residential areas, your Company has initiated steps for construction of separate coal corridor bypassing the densely populated areas in Talcher Coalfield.

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 25 to 30 lakh units/year.

The job of preparing detailed Project Report for Solar Roof Top power plant on the roof of service building at 12 different locations of MCL is entrusted to M/s CMPDI. Data of roofs have been collected and the DPR will be finalised within the FY 2018-19. Scheme for replacement of 7,044 nos. of higher wattage conventional street lights with lower wattage LED lamps have been under procurement action. These lamps are expected to be replaced during the year 2018-19.

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 (1992-93 to 2017-18) is 54.903 lakhs (TCF- 22.024 lakhs, IbV CF - 30.345 lakhs, HQ and Govt. land - 2.534 lakhs).

During the FY 2017-18, total no. of saplings planted is 2.707 lakhs (including Govt. land plantation). Plantation on Govt. land through CSR funding of MCL has been done to the tune of 1.70 lakhs by the State Forest Department. More than 3,60,000 tree saplings were distributed during 2017-18. Plantations are also done in residential townships and Office premises especially with fruit-bearing, flowering and medicinal plants and trees.

#### **Project Greenery (Hariyali) :**

- Under this project, MCL and the MDO, M/s Bhubaneswari Coal Mining Limited in consultation with National Rice Research Institute, Cuttack, has grown Paddy (CR Dhan 206 - Gopinath) over 8 acre of land on de-coaled & reclaimed land of Bhubaneswari OCP.
- For the first time, such reclamation has been initiated in Talcher Coalfield mines. This has set a remarkable example of Rehabilitation and Livelihood in the mined out region.
- Adjacent to the paddy field, banana and papaya plantation have been done and
- Arhar Dal plantation has also been done along the bunds of the paddy field.

## **5. Safety**

Safety of mines and miners remains a top priority in MCL Agenda. In pursuit 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. Your Company is committed to provide safe environment to all the workmen for achieving the Company's objective towards 'Zero Harm'.

## **6. 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.



## 7. CSR

While pursuing the enhancement of Coal production, CSR is being undertaken to ensure inclusive growth of villages and affected community. MCL regards CSR as a key business process for sustainable development of the Society.

MCL has allocated Rs.122.85 Crore for the year 2017-18 based on 2% of average net profit of the Company for the three immediate preceding financial years towards CSR activities as per CIL and MCL's CSR policy. The amount spent under CSR during the financial year 2017-18 is Rs.267.52 Crore which is 218% of the target.

MCL has also embarked on the construction of Mahanadi Institute of Medical Science and Research (MIMSR), Talcher. The MIMSR will have a 100-seat medical college with 500 bedded multi-specialty Hospital with the state-of-the-art medical facilities. The project envisages a hostel for 300 boys, a separate hostel for 200 girl students, two blocks of Hostel for 100 interns, a hostel for 57 junior resident doctors and a 50-bedded nurses' hostel. An amount of Rs.492.62 Crore has been allocated to MIMSR out of which MCL has spent Rs 209.56 Crore in the FY 2017-18. An amount of Rs.21.70 Crore has also been spent during the year 2017-18 towards construction of school toilets.

The major activities undertaken during the financial year are as under:

(Amount in Rs. Lakh)

| Sl. No. | CSR Project or activity identified                                                                                                                                                                                        | Place of Project/District                                                                                                              | Budgeted Amount | Amount spent in 2017-18 |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------------------|
| 1       | Mahanadi Institute of Medical Science & Research (MIMSR) at Talcher under CSR of MCL                                                                                                                                      | Angul                                                                                                                                  | 49262.00        | 20956.74                |
| 2       | Construction of 10546 nos Toilets blocks in different Govt. schools in the 14 districts of Odisha under SVA of MCL.                                                                                                       | Bolangir, Dhenkanal, Ganjam, Gajapati, Jajpur, Jharsuguda, Angul, Kalahandi, Khorda, Sonepur, Kandhamal, Nayagarh, Rayagada, Sambalpur | 24000.00        | 2472.05                 |
| 3       | Construction of Road over bridge (ROB) at the level crossing near Ghantapada village before NTPC conveyor on the road from Handidhua chowk to NALCO chowk in Talcher Coalfields under CSR programme of MCL Jagannath Area | Angul                                                                                                                                  | 3721.55         | 342.74                  |
| 4       | Making Water Supply Arrangement to the peripheral villages of MCL.                                                                                                                                                        | Sundargarh, Angul, Jharsuguda                                                                                                          | 1627.58         | 870.12                  |
| 5       | Construction of District Stadium at Jharsuguda                                                                                                                                                                            | Jharsuguda                                                                                                                             | 1300.00         | 414.17                  |
| 6       | Completion of Miscellaneous on-going Development works in four Blocks (Laikera, Kolabira, Kirmira and Jharsuguda) of Jharsuguda districts of Odisha                                                                       | Jharsuguda                                                                                                                             | 672.00          | 126.86                  |
| 7       | Construction of 150 seated Ladies Hostel for Sambalpur University                                                                                                                                                         | Sambalpur                                                                                                                              | 547.27          | 89.73                   |
| 8       | RDC Approved work at Jharsuguda in Lakhanpur Block                                                                                                                                                                        | Jharsuguda                                                                                                                             | 179.69          | 179.46                  |
| 9       | Black topping of road from Radharamanpur village to Jilinda chhak & Arakhpal to Biraramchanderpur under CSR scheme of BBSRI OCP, JA                                                                                       | Angul                                                                                                                                  | 210.13          | 117.26                  |
| 10      | Repairing & Strengthening of roads, drains of R&R site Tikilipara                                                                                                                                                         | Sundargarh                                                                                                                             | 112.43          | 5.02                    |



| Sl. No. | CSR Project or activity identified                                                                                                                                                 | Place of Project/District | Budgeted Amount (in Rs. Lakh) | Amount spent in 2017-18 (in Rs. Lakh) |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-------------------------------|---------------------------------------|
| 11      | Construction of Boys Hostel, distemping of existing building and provision of iron cots for Mentally Challenged Children of Ashakiran.                                             | Jharsuguda                | 61.60                         | 46.12                                 |
| 12      | Construction of Kitchen dining, Additional Classroom, Toilets, Development work in ground floor and first floor of existing School building for Deaf and mentally retard at Badmal | Jharsuguda                | 45.30                         | 26.90                                 |
| 13      | Implementation of Afforestation activities i.e. raising Urban Plantation during the year 2017-18 by DFO, Chandaka Wildlife Division Bhubaneswar                                    | Khurda                    | 207.74                        | 53.15                                 |
| 14      | Implementation of Afforestation activities i.e. raising Urban Plantation during the year 2017-18 by DFO, Jharsuguda                                                                | Jharsuguda                | 399.20                        | 85.17                                 |
| 15      | Construction of Concrete road from NH-23 to Bangaru Nala via Baidyamunda at Gurujang under CSR programme of BBSRI OCP, JA                                                          | Angul                     | 79.39                         | 6.50                                  |
| 16      | Construction of bitumen road from Handidhua main road to Dera Shiva Mandir Chhak via Rodhasar under Jagannath Area                                                                 | Angul                     | 64.37                         | 16.00                                 |
| 17      | Construction of concrete road from Nua Sahi to Nanda Sahi through Maniak Banda at Gurujang of BBSR OCP                                                                             | Angul                     | 50.27                         | 19.11                                 |

## 8. 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.

## 9. 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 land losers who provided their land for mining operation, all Employees and their Unions, our Valued Customers, Suppliers, Coal / OB loading & transport Agencies, other Civil & E&M contractors and Media for their timely support and co-operation.



(A. K. Jha)  
Chairman-cum-Managing Director  
(DIN: 06645361)

## Awards & Accolades



MCL has been awarded with the "INDIA'S BEST COAL PRODUCING COMPANY" award for 2017 by USA based "International Brand Consulting Corporation" on 10.03.2018 at the Leela Hotel, Mumbai.



Shri A. K. Jha, CMD, MCL receives the "Best Miniratna" Award -2017" conferred on MCL by Dun & Bradstreet PSU.



Shri M. Khursheed, CVO, MCL receives two (02) awards from Hon'ble Vice-President Shri Venkaiah Naidu for vigilance innovation and best practices to fight corruption.



Shri M. Khursheed, CVO, MCL receives with "Excellence Award" at National Power Summit 2018 held in Hyderabad, Telangana on 09.02.2018.



Shri A. Majhi, Dy. Mgr (P), MCL receives CSR Leadership Award conferred on MCL for 'Concern for Health' Category by World CSR Day on 18.02.2018 at Taj Lands End, Mumbai.

## **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 SRB & Associates  
Chartered Accountants, Bhubaneswar.

## **Cost Auditor**

M/s Chandra Wadhwa & Co  
Cost Accountants, New Delhi

## **Branch Cost Auditor**

M/s S. Dhal & Co.  
Cost Accountants, Bhubaneswar.

## **Secretarial Auditor**

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

## **Registered Office**

At/Po: Jagruti Vihar, Burla,  
Sambalpur- 768020, Odisha  
Website: [www.mahanadicoal.in](http://www.mahanadicoal.in)

**NOTICE OF TWENTY SIXTH ANNUAL GENERAL MEETING**

Notice is hereby given that the 26<sup>th</sup> Annual General Meeting of Mahanadi Coalfields Limited is scheduled to be held on Friday the 27<sup>th</sup> July, 2018 at 10.00 AM at Coal Bhawan, Premise No-04 MAR, Plot No-AF-III, Action Area-1A, Newtown, Rajarhat, Kolkata, West Bengal-700156, to transact the following business:

**Ordinary Business:**

1. To consider and adopt:
  - a) The Audited Financial Statements of the Company for the financial year ended March 31, 2018 including the Audit Balance Sheet as at March 31, 2018 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, 2018 including the Audited Balance Sheet as at March, 31 2018 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 confirm the payment of interim dividend paid and final dividend proposed on equity shares for the financial year 2017-18.
3. To appoint Directors in place of Shri J. P. Singh, Director (DIN: 06620453 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 Directors 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.
5. To approve remuneration, as decided by the Board, payable to M/s Singh Ray Mishra & Co, Chartered Accountants, Bhubaneswar, the Principal Auditor and M/s SRB & Associates, Chartered Accountants, Bhubaneswar, the Branch Auditor who were appointed by the C&AG of India for the Financial Year, 2017-18 by passing the following resolution with or with out modification(s) :

“RESOLVED that pursuant to the provisions of Section 142(1) and other applicable provisions, if any of the Companies Act, 2013, approval be and is hereby accorded for payment of remuneration and reimbursement of T.A. & out of pocket expenses as decided by the Board of Directors to M/s Singh Ray Mishra & Co, Chartered Accountants, Bhubaneswar, the Principal Auditor and M/s SRB & Associates, Chartered Accountants, Bhubaneswar, the Branch Auditor in connection with the audit of Accounts of the Company for the financial year 2017-18.”

**By order of the Board of Directors  
For Mahanadi Coalfields Limited**

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

Date : 19.07.2018  
Sambalpur



## DIRECTORS' REPORT

To

The Shareholders,  
Mahanadi Coalfields Limited

Dear Shareholders,

I have great pleasure in presenting on behalf of the Board of Directors, the 26<sup>th</sup> Annual Report of your Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2018 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 ETC:

The organization of MCL comprises 02 Coalfields, comprising 10 Mining Areas with 04 operating UG and 15 OC mines, 02 Central Workshops and 02 Central Hospitals, Sales Offices at Kolkata and MCL Bhubaneswar Office and Headquarter at Burla, Sambalpur.

The operating Areas are as under:

#### A Talcher Coalfields

- (i) Jagannath Area
- (ii) Bharatpur Area
- (iii) Hingula Area
- (iv) Lingaraj Area
- (v) Kaniha Area
- (vi) Talcher Area (UG)

#### B IB-Valley Coalfields

- (i) Lakhanpur Area
- (ii) Ib Valley Area
- (iii) Basundhara-Garjanbahal Area
- (iv) Orient Area (UG)

### 3 SUBSIDIARY AND ASSOCIATE COMPANIES OF MCL:

#### 3.1. MJSJ Coal Ltd.

MJSJ Coal Ltd was incorporated on 13<sup>th</sup> August, 2008 for Gopalprasad OCP 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 allocated to MJSJ Coal Ltd. as illegal and has quashed the allocation.

#### 3.2. MNH Shakti Ltd.

MNH Shakti Ltd was incorporated on 16<sup>th</sup> 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 2<sup>nd</sup> December, 2011 and certificate for commencement of business, issued by ROC on 06-02-2012. MBPL has been formed as an SPV with 100% share held by Mahanadi Coalfields Limited and its nominees with power generation capacity of 2x800 MW through Pit Head Power plant at Basundhara Coalfields. The share capital as on 31.03.2018 was Rupees Five Lakh.

### 3.4. Neelanchal Power Transmission Company Private Limited

Apart from above, MCL further ventured into Power Transmission Business in the State of Odisha for better utilisation of surplus funds along with development of infrastructure in the State of Odisha. Accordingly, on 8<sup>th</sup> January, 2013 another joint Venture Company namely, Neelanchal Power Transmission Company Private Limited (NPTCPL) was incorporated in partnership with Odisha Power Transmission Company Ltd (OPTCL) having 50:50 equity participation by virtue of a Joint Venture Agreement between the MCL and OPTCL with an objective of carrying out power transmission business) in Odisha.

### 3.5. Mahanadi Coal Railway Limited

Pursuant to MoU signed between IDCO, MCL and IRCON on 20<sup>th</sup> May, 2015, a Joint venture Company namely, Mahanadi Coal Railway Limited was formed on 31<sup>st</sup> August, 2015 with a 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 capital as on 31.03.2018 was Rupees Five Lakh.

## 4. PERFORMANCE HIGHLIGHTS

- Your Company has achieved highest ever 143.06 Million Tonnes (MTe.) of coal production during the year 2017-18 against previous year's coal production of 139.21 MTe. registering a growth of 2.77%.

- Off-take of coal during the year 2017-18 was 138.26 MTe. against previous year's off-take of 143.01 MTe. with a decline of 3.32%.
- Your Company has achieved all time high Gross Sales Value of ₹ 22379.91 against the previous year's Gross Sales value of ₹ 23443.22 Crore registering a decline of 4.54%.
- The Profit before Tax (PBT) for the year was ₹ 7339.66 Crore against previous year's PBT of ₹ 6875.68 Crore. The Profit after Tax (PAT) for the year under review was ₹ 4761.29 crore against last year's PAT of ₹ 4512.97 Crore.
- The Company has been consistent in payment of dividend since last ten years Interim dividend of ₹ 4350.00 Crore has been paid on Equity Share Capital during the year as against ₹ 2982.00 Crore paid during the previous year.

## 5. PRODUCTION PERFORMANCE

(a) Production performance of MCL for the financial year 2017-18 as compared to the target and achievement of the previous year is given below:

(Figs. in M.Te.)

| Production       | 2017-18  |         | 2016-17  |        | % Ach . against Target | % Growth over L. Yr. |
|------------------|----------|---------|----------|--------|------------------------|----------------------|
|                  | AAP Tgt. | Actual  | AAP Tgt. | Actual |                        |                      |
| (i) Coal (M.Te)  |          |         |          |        |                        |                      |
| Opencast         | 148.95   | 142.02  | 166.00   | 138.19 | 95.3                   | 2.77                 |
| U G              | 1.05     | 1.04    | 1.00     | 1.02   | 99.1                   | 2.51                 |
| <b>Total</b>     |          |         |          |        |                        |                      |
| Coal(OC+UG)      | 150.00   | 143.058 | 167.00   | 139.21 | 95.4                   | 2.76                 |
| (ii) OBR (M.Cum) | 160.00   | 138.18  | 150.00   | 123.34 | 86.4                   | 12.03                |

(b) Production performance of MCL for last five years (incl. 2017-18) is appended below:

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

| Financial year | Target | Achievement | Growth over last year |       | %age Achievement against Target |
|----------------|--------|-------------|-----------------------|-------|---------------------------------|
|                |        |             | Absolute              | %age  |                                 |
| 2013-14        | 120.00 | 110.440     | 2.55                  | 2.36  | 92.0                            |
| 2014-15        | 127.00 | 121.380     | 10.94                 | 9.90  | 95.6                            |
| 2015-16        | 150.00 | 137.901     | 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                            |

(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 |                                                                       |
| 2013-14        | 86.46      | 12.63                 | 17.1 | 78.3                                                                  |
| 2014-15        | 106.82     | 20.35                 | 23.5 | 88.0                                                                  |
| 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                                                                  |

Coal production achieved is 95.4% of the AAP target with growth of (+) 2.76% over last yr. OB removal achieved is 86.4% of the AAP target with growth of (+) 12.03 % over last yr. The major reasons of shortfall against the AAP Tgt. are mainly due to:

**OC Mines:**

1. Jagannath OCP: Scarcity of working space due to much delay in shifting of village road (January, 2018).

2. Bharatpur OCP: Land constraints due to non-shifting of left out PAFs/Place of worship/Road of Padmabatipur village. Strike by Nakeipasi villagers over enhanced compensation issue (25/04/17 to 08/05/17). New Loading, cutting and transportation contract not allowed by locals from 24/06/17 to 08/07/17.

3. Ananta OCP: Delay in receipt FC of 240.7 Ha, FC Stage-I only received.

4. Lingaraj OCP: Land constraint due to non-shifting of Dera – Kandhal Road and non-shifting of left out PAFs of Langijoda, Madanmohanpur and Balugaon. Adverse geo-mining conditions due to numerous faults.

5. Kanhia OCP: Land constraint due to long pending non-shifting of Jarda Village on Resettlement issue.

6. Hingula OCP-Frequent stoppages and Bandhs of mining operations by villagers of Bhalugadia, Malibandh, Kalamchuin and Banbaspur. Blasting constraints as the mine reached the habitation of Bhalugadia Village.

7. Balram OCP: Land constraint due to late partial hand over of agricultural land of Solada Village in multiple phases. Frequent stoppage of coal and OB in outsourcing patch by Solada and Kalamchuin villagers.

8. Samaleswari OCP: Working space constraint due to non- shifting of Chingriguda village land.

9. Belpahar OCP: Delay in receipt of 15.0 Ha agricultural land (December 2017). Land constraint due to non-shifting of left out PAFs of Darlipali Village.

**General:** (1) Talcher CF: Bandh on 21<sup>st</sup> August, 27-29 August, 18<sup>th</sup> September, 2017 (Odisha Bandh), 24<sup>th</sup> January, 2018 (Odisha Bandh) due to various reasons. Bandh by local leaders / their supporters/ local villagers on various demands beyond norms on R&R and other issues on various days of the financial year.

Restriction of working hours (11.00 AM-3.30 PM) imposed by Dist. Administration due to hot weather from 24.04.17 to 05.06.17 in both Talcher and IB Vaalley Coalfields.

(iii) OB Removal of MCL (Figs. in MM<sup>3</sup>)

| Financial year | Target | Achievement | Growth over last year |       | %age Achievement against Target |
|----------------|--------|-------------|-----------------------|-------|---------------------------------|
|                |        |             | Absolute              | %age  |                                 |
| 2013-14        | 109.75 | 96.03       | 5.61                  | 6.20  | 87.5                            |
| 2014-15        | 113.00 | 89.22       | -6.81                 | -7.09 | 79.0                            |
| 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                            |

## System Capacity Utilisation (%)

|                                        | Capacity Assessed by CMPDIL |                 | System Capacity Utilisation (%) |
|----------------------------------------|-----------------------------|-----------------|---------------------------------|
|                                        | Production                  | Utilisation (%) |                                 |
| UG-Coal (Mte)                          | 1.435                       | 1.040           | 72.5                            |
| OC- Coal (Mte)                         | 173.15                      | 142.017         | 82.0                            |
| Total Coal (UG+OC) (Mte)               | 174.585                     | 143.058         | 81.9                            |
| OC-OB (M.Cum)                          | 157.42                      | 138.179         | 87.8                            |
| Total OC composite (Coal + OB) (M.Cum) | 261.44                      | 223.496         | 85.5                            |
| Overall (UG+OC) (M.Cum)                | 262.30                      | 224.121         | 85.4                            |

NB: Average Sp. Density of coal considered: 1.665 Te/ Cum

## 6. PRODUCTIVITY

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

|             | 2017-18 |       | 2016-17 |        | % Achievement against target | %Growth over previous year |
|-------------|---------|-------|---------|--------|------------------------------|----------------------------|
|             | Target  | AAP   | Actual  | Actual |                              |                            |
| Opencast    | 31.87   | 31.52 | 25.72   | 98.90  | 22.55                        |                            |
| Underground | 0.65    | 0.74  | 0.65    | 113.85 | 13.85                        |                            |
| Overall     | 23.81   | 24.22 | 20.08   | 101.73 | 20.63                        |                            |

6.2 The OMS was 24.22 Tonne/Manshift during 2017-18.

The details of Calculation of OMS is a under:

| Sl. No   | 2017-18                                 | 2016-17                                 | Growth over LY                                                                            |                           |
|----------|-----------------------------------------|-----------------------------------------|-------------------------------------------------------------------------------------------|---------------------------|
| 1        | OC OMS                                  | 31.52                                   | 25.72                                                                                     | 22.55                     |
| 2        | UG OMS                                  | 0.74                                    | 0.65                                                                                      | 13.85                     |
| 3        | Adjusted M/S of OC (Lakhs)              | 45.05                                   | 53.731                                                                                    | -16.16                    |
| 4        | Manshift of UG (Lakhs)                  | 14.014                                  | 15.602                                                                                    | -10.18                    |
| <b>A</b> | <b>Total Manshift for overall OMS</b>   | <b>59.064</b>                           | <b>69.333</b>                                                                             | <b>-14.81</b>             |
| 6        | OC Coal (L.Tes)                         | 1420.175                                | 1381.937                                                                                  | 2.77                      |
| 7        | UG Coal (L.Tes)                         | 10.404                                  | 10.146                                                                                    | 2.54                      |
| <b>B</b> | <b>Total Coal (L.Tes)</b>               | <b>1430.579</b>                         | <b>1392.083</b>                                                                           | <b>2.77</b>               |
| 8        | Overall OMS (B/A)                       | 24.22                                   | 20.08                                                                                     | 20.63                     |
| 9        | Formula OMS                             | Coal Production/ Actual Manshift        |                                                                                           |                           |
|          | UG                                      | =                                       | Coal Production + (1.4 x OB Production)<br>Actual Manshift x (1+(1.4xSt. Ratio))          |                           |
|          | OC                                      | =                                       | Coal Production of UG + Coal Production of OC<br>Manshift of UG + Adjusted manshift of OC |                           |
|          | Overall                                 | =                                       | Coal Production/ OMS                                                                      |                           |
| 10       | Adjusted manshift ( Mine wise for OC) = | Coal Production/ OMS                    |                                                                                           |                           |
|          |                                         | $\frac{1420.175+10.404}{45.050+14.014}$ | $\frac{1381.937+10.146}{53.731+15.602}$                                                   |                           |
|          | Calculation of Overall OMS              | =                                       | $\frac{1430.579}{59.064}$                                                                 | $\frac{1392.082}{69.333}$ |
|          |                                         |                                         | 24.221                                                                                    | 20.078                    |

## 7. 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 &amp; UTILIZATION ACHIEVED:

| Sl. No. | Equipment    | Population as on (Nos.) |            | %Availability        |                      | %Utilization                |                             |    |    |
|---------|--------------|-------------------------|------------|----------------------|----------------------|-----------------------------|-----------------------------|----|----|
|         |              | 31.03.18                | 31.03.17   | April'17 to March'18 | April'16 to March'17 | CMPDIL April'17 to March'18 | CMPDIL April'16 to March'17 |    |    |
| 1       | DRAGLINE     | 01                      | 02         | 93                   | 85                   | 85                          | 2                           | 16 | 73 |
| 2       | SHOVEL       | 82                      | 85         | 71                   | 68                   | 80                          | 30                          | 30 | 58 |
| 3       | SUR/MINER    | 20                      | 15         | 83                   | 83                   | -                           | 46                          | 49 | -  |
| 4       | DUMPER       | 323                     | 321        | 71                   | 67                   | 67                          | 27                          | 24 | 50 |
| 5       | DOZER        | 130                     | 116        | 71                   | 61                   | 70                          | 26                          | 26 | 45 |
| 6       | DRILL        | 88                      | 91         | 82                   | 81                   | 78                          | 21                          | 23 | 40 |
|         | <b>TOTAL</b> | <b>644</b>              | <b>630</b> |                      |                      |                             |                             |    |    |

## II. WORKING HOURS ACHIEVED

| Sl. No. | Equipment     | Working Hour |         |
|---------|---------------|--------------|---------|
|         |               | 2017-18      | 2016-17 |
| 1       | DRAGLINE      | 141          | 3547    |
| 2       | SHOVEL        | 192545       | 190478  |
| 3       | SURFACE MINER | 56858        | 57746   |
| 4       | DUMPER        | 520317       | 516319  |
| 5       | DOZER         | 180812       | 179969  |
| 6       | DRILL         | 76537        | 80906   |



**III.**

- (a) Availability of Dragline, Dumper, Dozer and Drill achieved are more than last year and more than CMPDI norms also. Availability of Shovel has achieved more than last year and less than CMPDI norm. Availability of Surface Miner has achieved equal to last year.
- (b) Working hour of Draglines compared to previous year is less due to idleness & non-availability of suitable working face/Land.
- (c) The restriction of time during summer i.e. from 1<sup>st</sup> April to 15<sup>th</sup> June and consequent closer of operations in projects from 11.00 am to 3.30 pm affected utilization of HEMM and it has impact of about 2%.
- (d) 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 is same as that of last year. Dumper utilization has increased with respect to last year.
- Utilization was also affected due to:-
  - 1) Law & Order problems especially in Talcher Coalfields,
  - 2) Delay in forest clearance of Jagannath & Ananta OCP,
  - 3) Blasting constraint at Belpahar & Samaleswari OCP due to proximity of village Darlipalli and Chingriguda.

**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, Law and Order problems are being taken up at various forums.
- h. Unskilled manpower like land-oustees are being trained in different Industrial Training Institutes.

**V. BREAKDOWN STATUS OF HEMM:**

| Equipment | Population     |                | Breakdown > 3 months |                |
|-----------|----------------|----------------|----------------------|----------------|
|           | As on 31.03.18 | As on 31.03.17 | As on 31.03.18       | As on 31.03.17 |
| Dragline  | 01             | 02             | 00                   | 00             |
| Shovel    | 82             | 85             | 05                   | 04             |
| Sur Miner | 20             | 15             | 01                   | 00             |
| Dumper    | 323            | 321            | 49                   | 55             |
| Dozer     | 130            | 116            | 24                   | 26             |
| Drill     | 88             | 91             | 06                   | 05             |
| MCL Total | 644            | 630            | 85                   | 90             |

**VI. EQUIPMENT REHABILITATED/SYSTEM REPAIRED AT CENTRAL WORKSHOPS:**

| Area             | Year      |           |
|------------------|-----------|-----------|
|                  | 2017-18   | 2016-17   |
| CWS (TALCHER)    | 01        | 01        |
| CWS (IB VALLEY)  | 03        | 00        |
| <b>MCL TOTAL</b> | <b>04</b> | <b>01</b> |

## VII. CAPACITY UTILIZATION (OPEN CAST PROJECTS)

| SL. NO. | DESCRIPTION                       | CAPACITY<br>(based on 1 <sup>st</sup> April of the year) |         | GROWTH OVER LAST YEAR (%) |
|---------|-----------------------------------|----------------------------------------------------------|---------|---------------------------|
|         |                                   | 2017-18                                                  | 2016-17 |                           |
| 1       | Departmental Capacity (M. Cum)    | 96.34                                                    | 111.24  | -13.4%                    |
| 2       | System Capacity (M.cum.)          | 261.43                                                   | 290.20  | -9.91%                    |
| 3       | Departmental Production (M. Cum)  | 48.91                                                    | 51.395  | -4.84%                    |
| 4       | Total Production (M. Cum)         | 223.731                                                  | 207.202 | 7.98%                     |
| 5       | Departmental Capacity Utilization | 51%                                                      | 46%     | 10.87%                    |
| 6       | System Capacity Utilization       | 85.58%                                                   | 71.39%  | 19.88%                    |

## 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 of Orissa 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 Orissa (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 Orissa (WESCO) at 220 kV with a Contract Demand of 6 MVA.

## 8.4 Availability of Power

| Parameter                                                                                                 | 2017-18 | 2016-17 |
|-----------------------------------------------------------------------------------------------------------|---------|---------|
| Contract Demand (MVA)                                                                                     | 61.271  | 60.650  |
| Maximum Demand (MVA)<br>(Highest in a month during FY)                                                    | 60.217  | 54.934  |
| Energy Consumed (Million kWh)                                                                             | 303.53  | 302.096 |
| Specific Energy Consumed<br>(kWh/ Tonne)                                                                  | 2.12    | 2.17    |
| Specific Consumption of power<br>(for Composite Production)<br>(i.e. Coal + O.B removal),<br>in KWh/Cu.M. | 1.35    | 1.46    |

The Contract demand at MCL Jagruti Vihar Office was enhanced from 0.5MVA to 0.9MVA and MCL Jagruti Vihar Colony was enhanced from 0.3MVA to 0.504 MVA and installation of new Sub-station at MCL Jagruti Vihar of Contract Demand 0.017 MVA. (Total enhancement of 0.621MVA)

## 9. POPULATION OF MAJOR UNDERGROUND EQUIPMENT OF MCL:-

9.1 Presently man-riding systems are in operation at Hirakhad-Bhundia Mine, Orient Mine no-2 of Orient Area and Nandira UG Mine of Talcher Area. During the year 2016-17, second man-riding system has been installed at Orient Mine no-2. Another manriding system is also being installed at Orient Mine no-2.

The population of major underground equipment and their availability during the year as compared to previous year are given here under:

| Sl. No | Name of the equipment | No. on roll |         | 2016-17 |         | 2017-18 |         |
|--------|-----------------------|-------------|---------|---------|---------|---------|---------|
|        |                       | 2016-17     | 2017-18 | % Avail | % Utili | % Avail | % Utili |
| 1      | Winder                | 6           | 2       | 66.66   | 101.46  | 100.00  | 99.09   |
| 2      | Haulage (Main)        | 32          | 71      | 100.00  | 101.46  | 38.03   | 99.09   |
| 3      | SDL* 17               | 13          | 52.93   | 25.31   | 52.90   | 22.54   |         |
| 4      | LHD* 27               | 27          | 75.39   | 44.76   | 61.22   | 32.14   |         |
| 5      | Main Pump             | 54          | 58      | 87.03   | 101.46  | 67.24   | 99.09   |
| 6      | Vent. Fan             | 11          | 10      | 90.91   | 101.46  | 90.00   | 99.09   |
| 7      | Belt Conveyor         | 71          | 58      | 83.09   | 101.46  | 81.03   | 99.09   |
| 8      | Locomotive            | 4           | 4       | 50.00   | 101.46  | 100.00  | 99.09   |
| 9      | Coal Drill            | 102         | 78      | 69.6    | 101.46  | 67.95   | 99.09   |

| UG PRODUCTION | 2017-18 | 2016-17  |
|---------------|---------|----------|
| Actual        | 10.40   | 10.14632 |
| Target        | 10.50   | 10       |

For equipments other than SDL & LHD for which no specific norm is available

$$\% \text{ Availability} = \frac{\text{Equipment available}}{\text{Equipment on Roll}} \times 100$$

$$\% \text{ Utilisation} = \frac{\text{Actual Production}}{\text{Target Production}} \times 100$$

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

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

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

$$* \% \text{ Utilisation} = \frac{H_w}{H_s} \times 100$$

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

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

8.21 MT of coal were crushed during 2017-18 against 8.93 MT of Coal crushed through CHP during 2016-17.

|                                             | 2017-18                  |                                  | 2016-17                  |                                  |
|---------------------------------------------|--------------------------|----------------------------------|--------------------------|----------------------------------|
|                                             | Crushing Capacity in MTY | Coal despatched through CHP (MT) | Crushing Capacity in MTY | Coal despatched through CHP (MT) |
| Coal Handling Feeder Breakers               | 36.5                     | 8.21                             | 36.5                     | 8.93                             |
| % Utilisation of Crushing Capacity of Plant |                          | 22.49%                           |                          | 24.47%                           |

After introduction of surface miners in most of the OCPs of MCL, use of crusher / CHP got reduced to large extent and thus these are used as standby and wherever meagre quantity of coal production is done conventionally, that quantity only is being crushed. During 2017-18, 91.5% of the total coal production was through Surface Miner. Total ROM coal production in MCL during 2017-18 is only 13.165 Million Tonnes. As capacity of crushing is quite high, no need of further adding any new Crusher or Feeder Breaker.

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            |
| <b>TOTAL</b> |                 | <b>5.50</b>    |

### 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            |
| <b>TOTAL</b> |                 | <b>31.00</b>   |

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

| Sl.No. | CHP/SILO particulars                                                                                                                     | Capacity | Present status                                                                                           |
|--------|------------------------------------------------------------------------------------------------------------------------------------------|----------|----------------------------------------------------------------------------------------------------------|
| 1      | Coal Handling Plant with SILO Loading arrangement at Bharatpur siding                                                                    | 15 MTY   | The Overall progress of the project is 99.80% and expected to be completed by June, 2018.                |
| 2      | Coal Transport and SILO Loading arrangement at Lingaraj OCP                                                                              | 16 MTY   | Work is under progress and overall progress is 99%. The project is likely to be completed by June, 2018. |
| 3      | Transportation of raw coal through Tube Conveyor from Bhubaneswari OCP to SILO near Spur siding-III by-passing Jagannath washery         | 10 MTY   | The Overall progress of the project is 17.26% and completion is expected by Sept, 2019.                  |
| 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 8.20% Completion is expected by July, 2019.                       |
| 5      | Coal Handling Plant and Rapid Loading system with SILO at Lakhanpur for supply of raw coal to Ib Valley washery                          | 10 MTY   | Under tendering process and tender is expected to be finalized by April, 2018.                           |

**9.2.4 DETAILS OF WEIGHBRIDGES**

| Sl.No | Type of Weighbridge                             | 2017-18 | 2016-17 |
|-------|-------------------------------------------------|---------|---------|
| 1     | Electronic Road Weighbridges (Static)           | 96      | 92      |
| 2     | Electronic Road Weighbridge (Inmotion)          | 40      | 40      |
| 3     | RAIL Weighbridges( Electronic)                  | 29      | 29      |
| 4     | % WEIGHMENT during the year (By RAIL)           | 99.14   | 99.21   |
| 5     | % WEIGHMENT during the year (Overall Weighment) | 99.45   | 99.5    |

In order to ensure 100 % weighment at both ends (stock yard & sidings), 34 numbers of 100 Te inmotion Road Weighbridges are under procurement action. Further, 21 nos of 100 Te capacity static road weighbridges for meeting the additional weighing requirement are also under procurement action. Both the items are expected to be commissioned during the year 2018-19. Additionally, 15 Number Rail In-motion Weighbridges are also under process of procurement and the installation will be completed within 2018-19.

**10. CAPITAL STRUCTURE**

The Authorised Share Capital of the Company as on 31.03.2018 is ₹ 980.00 crore, divided into 7758200 Equity Shares of ₹ 1000/- each and 2041800 10% Cumulative Redeemable Preference Shares of ₹ 1000/- each.

The paid up Equity Share Capital of the Company as on 31.03.2018 is ₹ 706.13 crore. The entire Equity Share Capital is held by Coal India Limited (CIL) and its nominees.

**11. FINANCIAL REVIEW**

The Company has recorded the gross Sales Value of ₹ 22379.91 Crore against ₹ 23443.22 Crore of the previous year. The Profit before Tax (PBT) for 2017-18 is ₹ 7339.66 crore against ₹ 6875.68 crore

in the previous year. Profit after Tax (PAT) for 2017-18 is ₹ 4761.29 crore against last year's PAT of ₹ 4512.97 Crore. The financial results of 2017-18 as compared to 2016-17 (restated) are summarised below:

|                                                            | [₹ in Crore]   |                       |
|------------------------------------------------------------|----------------|-----------------------|
|                                                            | 2017-18        | 2016-17<br>(restated) |
| Gross Profit (Before Depreciation and Interest)            | 7784.26        | 7279.12               |
| Less: Depreciation (Incl. Social Over headdepreciation)    | 371.34         | 348.44                |
| Interest and Financial Charges                             | 73.26          | 55.00                 |
| <i>Net Profit before Tax</i>                               | 7339.66        | 6875.68               |
| Less : Provision for Income Tax and deferred tax liability | 2578.37        | 2362.71               |
| <i>Net Profit after Tax</i>                                | 4761.29        | 4512.97               |
| <i>Op. Balance available in P&amp;L )</i>                  | 920.05         | 583.36                |
| Less : Transfer to General Reserve                         | 238.06         | 224.55                |
| Transfer to CSR Reserve                                    | -              | -                     |
| Transfer to Sustainable Development Reserve                | -              | -                     |
| Interim Dividend on Equity Shares                          | 4350.00        | 2982.00               |
| Proposed Dividend on Equity Shares                         | -              | -                     |
| Tax on Dividend                                            | 885.56         | 607.06                |
| Buy Back Distribution Tax on Equity Shares Buy back        |                | 362.67                |
| <b>Profit/Loss after above appropriation</b>               | <b>207.72</b>  | <b>920.05</b>         |
| Other Comprehensive Income (OCI) before Tax                | <b>27.34</b>   | <b>(1.40)</b>         |
| Less: Provision for Income Tax on OCI                      | <b>9.46</b>    | <b>(0.48)</b>         |
| Other Comprehensive Income (OCI) after Tax                 | <b>17.88</b>   | <b>(0.92)</b>         |
| <b>Total Comprehensive Income after Tax</b>                | <b>4779.17</b> | <b>4512.05</b>        |

**11.1 Transfer to Reserve**

An amount of ₹ 238.06 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 616.03% as interim dividend of the paid up Equity Share Capital ₹ 706.13 crore, thus a total dividend of 616.03 % of paid up equity share capital (previous year 1675.28%) for the year amounting to ₹ 4350.00 crore (interim dividend) for your approval.



The total outflow on account of dividend would be ₹5235.56 crore comprising ₹ 4350.00 crore as dividend and ₹ 885.56 crore towards tax on dividend.

### 11.3 Loans

#### Unsecured Loan:

The Company has given loan to NLCIL of ₹ 1000 crores during the year 2017-18 @7% per annum for meeting the general funding requirements.

### 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, 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 bonds, 7.22% secured non-convertible IRFC tax free bonds, 7.22% secured redeemable REC tax free bonds stood on 31.03.2018, 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 ₹ 1373.54 Crore against previous year's expenditure of ₹ 1822.29 Crore (restated).

### 14. Borrowings

The amount due to M/s Liebherr France SA, France as on 31.03.2018 stands at ₹ 7.09 crore for supply of four Hydraulic Shovels on deferred credit.

### 15. SALES REALISATION

Gross sales of MCL during 2017-18 were ₹ 22379.91 crore against ₹ 23443.22 crore in 2016-17.

Total realization during 2017-18 was ₹ 22906.88 Crore which works out to be 102.35% on current year's gross sales.

### 16. 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, Sales Tax, Stowing Excise Duty and Entry Tax during the year as compared to the payments made during previous year are as follows:

[₹ in Crore]

| Particulars           | 2017-18        | 2016-17         |
|-----------------------|----------------|-----------------|
| Royalty               | 1752.01        | 1663.66         |
| NMET                  | 35.03          | 33.37           |
| DMF                   | 525.58         | 846.77          |
| Sales Tax/Odisha VAT/ | 191.42         | 834.68          |
| Stowing Excise Duty   | 33.36          | 143.01          |
| Entry Tax             | 16.38          | 69.58           |
| Clean Energy Cess     | 1334.59        | 5720.34         |
| Central Excise Duty   | 230.50         | 1005.06         |
| Goods & Service Tax   | 668.71         | -               |
| GST Compensation Cess | 4195.91        | -               |
| <b>TOTAL</b>          | <b>8983.49</b> | <b>10316.47</b> |

## 16. PROJECT FORMULATION/CAPITAL PROJECTS

### 16.1 Planning

MCL had planned to achieve 150.00 million tonne of coal during the financial year 2017-18. The capital outlay estimated for the year 2017-18 was Rs.1300.00 crores, major share of which was to be utilized for land acquisition, development of infrastructures and procurement of Heavy Earth Moving Machineries (HEMM)

### 16.2 Project Formulation:

During the financial year 2017-18 following four Project Reports were prepared by CMPDIL:

1. Lakhanpur-Lilari-Belpahar Integrated (Normative-30 Mty, Peak- 37.5 Mty)
2. Bharatpur Re-organisation (Normative- 20 Mty, Peak 26 Mty)
3. Lajkura-Orient Expansion (15 Mty)
4. Bhubaneswari Expansion (38 Mty)

### 16.3 Project Implementation:

The total capital expenditure of MCL during 2017-18 is Rs.1367.87Cr. against the target of Rs.1300.00 Crs .

### 16.4 Capital Projects/Schemes

#### COAL PROJECTS: -

Total Coal Mining Projects sanctioned till date in MCL are 51 (including 3 exhausted Projects). The rated Production Capacity of these sanctioned Projects is 224.41 Mty, with a sanctioned Capital outlay of Rs.12738.75 Crs (including RCE). Out of total 51 Projects, 35 Projects are completed and 16 Projects are On-going.

The present Capacity alongwith Capital Outlay of 51 Projects are given as under:

| Project Category | No. of Projects Sanctioned | Sanctioned Capacity (Mty) | Sanctioned Capital (Rs.Cr.) | Exhausted | Completed | On-going  |
|------------------|----------------------------|---------------------------|-----------------------------|-----------|-----------|-----------|
| 100 & above      | 20                         | 162.50                    | 11618.88                    | 1         | 17        | 12        |
| 50 to 100        | 12                         | 26.33                     | 776.67                      | 0         | 5         | 4         |
| 20 to 50         | 10                         | 25.00                     | 246.67                      | 1         | 5         | 0         |
| Below 20         | 09                         | 10.58                     | 96.52                       | 1         | 5         | 0         |
| <b>Total</b>     | <b>51</b>                  | <b>224.41</b>             | <b>2738.75</b>              | <b>3</b>  | <b>32</b> | <b>16</b> |

#### Completed Projects: - 35 Nos.

| Sl.No.                                         | Name of the Project                   | PR Cap(MTY)  | Sanctioned Capital (Rs.Cr.) | Completion Date |
|------------------------------------------------|---------------------------------------|--------------|-----------------------------|-----------------|
| <b>TALCHER COALFIELDS</b>                      |                                       |              |                             |                 |
| 1.                                             | Ananta O/C                            | 4.00         |                             |                 |
| 2.                                             | Ananta O/C Expn. Ph-I                 | 1.50         | 338.44*                     | 01.04.2008      |
| 3.                                             | Ananta O/C Expn. Ph-II                | 6.50         |                             |                 |
| 4.                                             | Balanda O/C & RPR (Exhausted)         | 1.00         | 33.20                       | Mar 1984        |
| 5.                                             | Balaram O/C (Kalinga OCP) (Exhausted) | 8.00         | 344.63*                     | 31.03.2000      |
| 6.                                             | Bharatpur O/C                         | 3.50         | 158.97 (RCE)                | Mar 1991        |
| 7.                                             | Bharatpur O/C Expn Ph-I               | 1.50         | 48.02                       | Mar 1998        |
| 8.                                             | Chhendipada O/C                       | 0.35         | 19.75                       | Mar 2007        |
| 9.                                             | Hingula-II O/C                        | 2.00         | 47.93*                      | 31.03.2002      |
| 10.                                            | Hingula -II O/C Expn. Ph-I            | 2.00         | 89.78                       | Mar 2009        |
| 11.                                            | Hingula -II O/C Expn. Ph-II           | 4.00         | 35.67                       | Mar 2009        |
| 12.                                            | Jagannath O/C / Jagannath Extn.       | 4.00         | 66.71 / 4.71                | Mar 2004        |
| 13.                                            | Jagannath O/C Expn. Ph-II             | 2.00         | 4.95                        | Mar 2008        |
| 14.                                            | Lingaraj O/C                          | 5.00         | 229.84                      | Mar 1998        |
| 15.                                            | Lingaraj O/C Expn Ph-I                | 5.00         | 98.89                       | Mar 2007        |
| 16.                                            | Lingaraj O/C Expn. Ph-II              | 3.00         | 2.18                        | Mar 2008        |
| 17.                                            | Lingaraj OC Expn.Ph-III               | 3.00         | 306.18**                    | 31.03.2014      |
| 18.                                            | Nandira (Augmentation)                | U/G 0.33     | 17.96                       | Mar 1995        |
| <b>Sub Total</b>                               |                                       | <b>48.68</b> | <b>1847.81</b>              |                 |
| <i>(Including capacity of exhausted mines)</i> |                                       |              |                             |                 |

**IB VALLEY COALFIELDS**

| Sl.No.                                         | Name of the Project            | PR Cap(MTY)  | Sanctioned Capital (Rs.Cr.) | Completion Date |
|------------------------------------------------|--------------------------------|--------------|-----------------------------|-----------------|
| 19.                                            | Basundhara (E) O/C (Exhausted) | 0.60         | 19.70                       | Mar 1998        |
| 20.                                            | Basundhara (West) O/C          | 2.40         | 68.74 (RCE)                 | Mar 2007        |
| 21.                                            | Basundhara (West) Expn. Ph-I   | 4.60         | 46.52                       | Mar 2011        |
| 22.                                            | Belpahar O/C                   | 2.00         |                             |                 |
| 23.                                            | Belpahar O/C Expn. Ph-I        | 1.50         | 246.93*                     | 31.03.2015      |
| 24.                                            | Belpahar O/C Expn. Ph-II       | 4.50         |                             |                 |
| 25.                                            | Lajkura O/C / Lajkura Extn.    | 1.00         | 38.98 (RCE) / 3.22          | Mar 1991        |
| 26.                                            | Lajkura OCP Expn. Ph-I         | 1.50         | 194.99**                    | Mar 2013        |
| 27.                                            | Lakhanpur O/C                  | 5.00         | 215.02*                     | 31.03.2000      |
| 28.                                            | Lakhanpur O/C Expn.Ph-I        | 5.00         | 98.74                       | Mar 2010        |
| 29.                                            | Lakhanpur OCP Expn. Ph-II      | 5.00         | 116.54                      | Mar 2011        |
| 30.                                            | Lilari O/C / Lilari Extn.      | 0.80         | 19.78 / 0.63                | Mar 1992        |
| 31.                                            | Samaleswari O/C                | 3.00         |                             |                 |
| 32.                                            | Samaleswari O/C Expn. Ph-I     | 1.00         | 636.24**                    | 31.03.2013      |
| 33.                                            | Samaleswari O/C Expn. Ph-II    | 1.00         |                             |                 |
| 34.                                            | Samaleswari O/C Expn. Ph-III   | 2.00         |                             |                 |
| 35.                                            | Samaleswari O/C Expn. Ph-IV.   | 5.00         |                             |                 |
| <b>Sub Total</b>                               |                                | <b>45.90</b> | <b>1706.03</b>              |                 |
| <i>(Including capacity of exhausted mines)</i> |                                |              |                             |                 |
| <b>TOTAL</b>                                   |                                | <b>94.58</b> | <b>3553.84</b>              |                 |
| <i>(Completed Projects)</i>                    |                                |              |                             |                 |

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

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

**On-Going Projects:-16 Nos.**

| Sl.No.                                         | Name of the Project         | PR Cap(MTY)   | Sanctioned Capital (Rs.Cr.) | Completion Date |
|------------------------------------------------|-----------------------------|---------------|-----------------------------|-----------------|
| <b>TALCHER COALFIELDS</b>                      |                             |               |                             |                 |
| 1                                              | Ananta OCP Expn. Ph-III     | 3.00          | 251.95#                     | 31.08.2008      |
| 2                                              | Balaram OCP Extension.      | 8.00          | ^209.56                     | 22.12.2007      |
| 3                                              | Bharatpur OCP Expn. Ph-II   | 6.00          | 95.87                       | 25.06.2003      |
| 4                                              | Bharatpur OCP Expn. Ph-III  | 9.00          | 131.39                      | 12.02.2007      |
| 5                                              | Bhubaneswari OCP            | 20.00         | 490.10                      | 22.12.2007      |
| 6                                              | Hingula-II OCP Expn. Ph-III | 7.00          | 479.53                      | 08.11.2008      |
| 7                                              | Jagannath Re-organisation   | 6.00 *        | 337.66                      | 26.05.2014      |
| 8                                              | Jagannath U/G               | 0.67          | 80.75                       | 15.10.2001      |
| 9                                              | Kaniha OCP                  | 10.00         | 457.77                      | 22.12.2007      |
| 10                                             | Nataraj U/G                 | 0.64          | 92.11                       | 30.01.2001      |
| 11                                             | Talcher (W) U/G             | 0.52          | 85.08                       | 18.02.2002      |
| <b>Sub total</b>                               |                             | <b>64.83</b>  | <b>2711.77</b>              |                 |
| <b>IB VALLEY COALFIELDS</b>                    |                             |               |                             |                 |
| 12                                             | Basundhara (W) Extn.        | 7.00 *        | **620.42                    | 07.05.2014      |
| 13                                             | Kulda OCP                   | 10.00         | ^372.81#                    | 12.01.2005      |
| 14                                             | Kulda Expn OCP              | 5.00          | **348.16#                   | 25.06.2014      |
| 15                                             | Siarmal OCP                 | 40.00         | **3756.36                   | 29.05.2014      |
| 16                                             | Garjanbahal OCP             | 10.00         | **1375.38                   | 08.11.2014      |
| <b>Sub total</b>                               |                             | <b>65.00</b>  | <b>6473.14</b>              |                 |
| <b>TOTAL</b>                                   |                             | <b>129.83</b> | <b>9184.91</b>              |                 |
| <i>(Ongoing projects)</i>                      |                             |               |                             |                 |
| <b>GRAND TOTAL</b>                             |                             | <b>224.41</b> | <b>12738.75</b>             |                 |
| <i>(Including capacity of exhausted mines)</i> |                             |               |                             |                 |

(\*) 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.

(#) Including 10% of sanctioned capital within the DoP of CMD, MCL. (^) -Total sanction includes schemes.

**Existing Old Underground Mines: - 06 Nos.**

| Sl.          | Name of the Project   | Capacity in Mty as assessed by CMPDIL (MT/YR) |                 |              |              |              |
|--------------|-----------------------|-----------------------------------------------|-----------------|--------------|--------------|--------------|
|              |                       | 2013-14                                       | 2014-15         | 2015-16      | 2016-17      | 2017-18      |
| 1            | Himgir Rampur         | 0.245                                         | Closed Colliery | Closed       | Closed       | Closed       |
| 2            | Hirakhand Bundia Mine | 0.551                                         | 0.551           | 0.612        | 0.612        | 0.505        |
| 3            | Orient Mine 1& 2      | 0.490                                         | 0.428           | 0.428        | 0.367        | 0.352        |
| 4            | Orient Mine 3         | 0.643                                         | 0.551           | 0.490        | 0.000        | 0.122        |
| 5            | Orient Mine 4         | 0.061                                         | 0.061           | 0.061        | 0.122        | 0.061        |
| 6            | Talcher U/G           | 0.329                                         | 0.318           | 0.340        | 0.272        | 0.173        |
| <b>Total</b> |                       | <b>2.319</b>                                  | <b>1.909</b>    | <b>1.931</b> | <b>1.373</b> | <b>1.213</b> |

**Future projects: - 05 Nos.**

| Sl.                                          | Name of Projects                             | PR Cap(Mty.)            | Remarks                                                                                                                                                                                                                                                                                                    |
|----------------------------------------------|----------------------------------------------|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.                                           | Integrated Lakhanpur - Belpahar - Lilari OCP | 30.0<br>(Addl-6.20Mty)  | PR approved by MCL Board on 03.02.15. In-principal approval by CIL Board on 12.08.15 for expenditure of Rs.535.80Cr for first year only. Revised PR of 30 Mty including Washery (10 Mty) recommended by MCL Board on 23.12.17 in out sourcing variant. Revised PR submitted to CIL in Mar-18 for approval. |
| 2.                                           | Bharatpur Re-organisation (Expn)             | 20.0                    | Approved by 194th MCL Board on 08.09.17. Put up to PAC on 27.10.17. Revised PR as per recommendation of PAC is under preparation at CMPDI Bhubaneswar.                                                                                                                                                     |
| 3.                                           | Balaram Expn. OCP                            | 15.0<br>(Addl-7.0Mty)   | 'In principle' approval of PR by MCL Board on 31.03.12. Now, UCE is under preparation at CMPDI Ranchi.                                                                                                                                                                                                     |
| 4.                                           | Gopalji - Kaniha Expn. OCP                   | 30.0<br>(Addl-20Mty)    | PR of Gopalji-Kaniha Expn OC Project approved by MCL Board on 20.05.15 and by ESC on 23.09.15 for first year expenditure of Rs.80.15Cr. UCE of Gopalji-Kaniha Expansion (30 MTY) is under preparation.                                                                                                     |
| 5.                                           | Kulda - Garjanbahal Expn OCP                 | 40.0<br>(Addl-15Mty)    | Project Report under preparation at CMPDI                                                                                                                                                                                                                                                                  |
| 6.                                           | Lajkura - Orient Expn OCP                    | 15.0<br>(Addl-11.31Mty) | Project Report was submitted on 31.03.2017. The UCE is to be prepared as per Annual Action Plan-2018-19.                                                                                                                                                                                                   |
| 7.                                           | Samaleswari OCP                              | 20.00<br>(Addl-8.0Mty)  | Approved by MCL Board on 21.09.15. Put before 89th Empowered Sub Committee meeting on 10.02.16. Under revision at CMPDI, Ranchi.                                                                                                                                                                           |
| <b>Total Additional Capacity – 67.51 Mty</b> |                                              |                         |                                                                                                                                                                                                                                                                                                            |

**NON-MINING PROJECTS:-****Major On-going Non-Mining Projects of MCL costing > Rs.20Cr:**

| Sl. | Name of the Project                                                                                                                                                                                                                                                                                 | Capital Cost (Rs.Cr.)             |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| 1   | Construction of concrete CT Road connecting Bundia Mine to NH-200 of 12.54 km                                                                                                                                                                                                                       | 135.29                            |
| 2   | Construction of CT roads in IB-Valley CF having life more than 5 yrs.                                                                                                                                                                                                                               | 94.22                             |
| 3   | Construction of Bye Pass Rd from Lajkura Welcome Gate to Mine 3 Junction of 3.7 Km                                                                                                                                                                                                                  | 35.56                             |
| 4   | Construction of 4-Lane 41.5 km long road at Talcher Coalfield.                                                                                                                                                                                                                                      | 251.35                            |
| 5   | Construction of diversion road from check post of Lingaraj OCP to NH-200.                                                                                                                                                                                                                           | 135.16                            |
| 6   | Construction of ROB at the level crossing near Ghantpara Village at Talcher                                                                                                                                                                                                                         | 37.50                             |
| 7   | Construction of CT roads in TalcherCF having life more than 5 yrs.<br>a) Constructon of New Coal Corridor passing through Balaram OCP for Rs.27.26Cr (Date of approval – 25.05.17)<br>b) Constructon of New Coal Corridor passing through Lingaraj OCP for Rs.22.96Cr (Date of approval – 25.05.17) | 165.92 Revised- 243.00            |
| 8   | Widening of road from 2 lane to 4 lane from Bankibahal to Kanika Railway Siding- 27 km.                                                                                                                                                                                                             | Original- 162.87 Revised- 242.06  |
| 9   | 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                            |
| 10  | Construction of 2-Lane concrete road from Basundhara West Extension Check post to Sardega Railway Siding.                                                                                                                                                                                           | 30.39                             |
| 11  | SILO loading arrangement at Ananta Spur Siding V & VI for 15Mty.                                                                                                                                                                                                                                    | 198.66                            |
| 12  | SILO loading arrangement at Lingaraj OCP for 16Mty.<br>Revised – CHP & SILO loading arrangement at Lingaraj OCP                                                                                                                                                                                     | 237.56 Revised - 495.01           |
| 13  | Jharsuguda - Barpali – Sardega Railway Line.                                                                                                                                                                                                                                                        | Original- 469.68 Revised- 1007.12 |
| 14  | Railway Link from Angul Station to Kalinga CPP                                                                                                                                                                                                                                                      | 99.00                             |
| 15  | Auto signalling system between Talcher and Paradeep port                                                                                                                                                                                                                                            | 63.23                             |

|              |                                                             |                |
|--------------|-------------------------------------------------------------|----------------|
| 16           | Basundhara Washery (10.00 Mty) on B-O-M basis               | 334.72         |
| 17           | Jagannath Washery (10.00 Mty) on B-O-O basis                | 265.35         |
| 18           | IB Valley Washery (10.00 Mty) on B-O-M basis                | 336.90         |
| 19           | Hingula Washery (10.00 Mty) on B-O-O basis                  | 321.96         |
| 20           | Infrastructure Master Plan of Basundhara – Garjanbahal Area | 498.75         |
| <b>Total</b> |                                                             | <b>5224.20</b> |

### 16.5 Foreign Collaboration: Nil

### 16.6 Modernisation & Technology Absorption

- MCL is the trend-setter in introducing Blast-free technology for winning coal in opencast mine by Surface Miner.
- SILo with Rapid Loading System alongwith Pipe/Tube conveyor is going to be introduced in all the major opencast projects of MCL.
- LOA issued for IB valley Washery and 03 more washeries are under process of tendering for providing clean coal to customers.
- Ripper dozer for blastless OB removal.

### 16.7 Projects pending approval of Government: Nil

### 16.8 Land Acquisition during 2017-18:

(Figures are in Hectares)

| Sl. No.      | Area       | Tenancy  |                | Govt. non-Forest |                | Forest Land |          | Total Acquisition | Total Possession |
|--------------|------------|----------|----------------|------------------|----------------|-------------|----------|-------------------|------------------|
|              |            | Acq.     | Poss           | Acq.             | Poss           | Acq.        | Poss     |                   |                  |
| 1            | Jagannath  | 0        | 8.891          | 0                | 6.00           | 0           | 0        | 0                 | 14.891           |
| 2            | Hingula    | 0        | 112.453        | 0                | 0              | 0           | 0        | 0                 | 112.453          |
| 3            | Bharatpur  | 0        | 0              | 0                | 124.622        | 0           | 0        | 0                 | 124.622          |
| 4            | Lingaraj   | 0        | 0              | 0                | 0              | 0           | 0        | 0                 | 0                |
| 5            | Kaniha     | 0        | 56.801         | 0                | 106.346        | 0           | 0        | 0                 | 163.147          |
| 6            | lb- Valley | 0        | 7.771          | 0                | 0              | 0           | 0        | 0                 | 7.771            |
| 7            | Lakhanpur  | 0        | 36.145         | 0                | 0              | 0           | 0        | 0                 | 36.145           |
| 8            | B-G Area   | 0        | 1.958          | 0                | 0              | 0           | 0        | 0                 | 1.958            |
| <b>Total</b> |            | <b>0</b> | <b>224.019</b> | <b>0</b>         | <b>236.968</b> | <b>0</b>    | <b>0</b> | <b>0</b>          | <b>460.987</b>   |

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

In line to 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, lb-Valley Washery at Lakhanpur & Jagannath Washery of 10 Mty capacity each on BOM concept in Phase-I.

However, earlier tenders for Hingula Washery (10 Mty) & Jagannath Washery (10 Mty) on BOM Concept were not materialized and during the course of fresh/re-tendering, concept of setting up of these Washeries were changed from BOM Concept to B-O-O (Build-Own-Operate) Concept as per the directives of CIL based on the decision of MoC that “All new proposed washeries, whose tender is yet to be finalized, should be built under B-O-O (Build-Own-Operate) concept”. Subsequently, pre-tender activities for setting up of Jagannath Washery (10.0 Mty) and Hingula Washery (10.0Mty), MCL on BOO concept were started and Bid document preparation was at final stage. In the meantime, a letter was received from GM (Project Monitoring Division), Coal India Limited on 14.11.2017 vide which, timeline for new washeries was conveyed. In the said letter, the mode for setting up of Jagannath Washery (10 Mty) and Hingula Washery (10 Mty), MCL was mentioned as BOM. Subsequently, a letter was received from GM (Project Monitoring Division), Coal India Limited via e-mail on 05.01.2018. As per the said letter, GM (PMD), CIL communicated that:

Quote:

The communication issued vide letter no. CIL/ PMD/Ws/430 dated 14-11-2017 on the subject “Time lines of new washeries.” stands rescinded and status quo ante prevail.



Unquote:

Further, a review meeting on Washeries was held on 11.01.2018 at New Delhi under the Chairmanship of Secretary (Coal). In the review meeting, Secretary (Coal) mentioned that “subsidiary Companies should take the decision of mode of construction (BOM/ BOO/ EPC) of washeries in their respective Boards.”

MCL Board in its 198<sup>th</sup> meeting dated 31.01.2018, approved the change in the mode of setting up of Jagannath Washery and Hingula Washery from BOO concept to BOM Concept.

The tender for Jagannath washery (10Mty) and Hingula washery (10 Mty) on BOM Concept has been floated on 26<sup>th</sup> March, 2018.

Regarding Ib-Valley Washery (10 Mty) at Lakhapur, Letter of Award (LoA) was issued to L-1 bidder on 14.03.2018.

Regarding Basundhara Washery (10 Mty), Letter of Intimation was issued to the lowest bidder in May’14 and Letter of Award (LoA) will be issued to L-1 bidder after receipt of Environment Clearance (EC) & Forest Clearance (FC) from MoEF.

Beyond Phase-I, MCL is also planning to set-up three more washeries viz. Lakhapur Washery (20 Mty capacity), Garjanbahal Washery (10 Mty capacity) and Siarmal Washery (40 Mty capacity).

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

**(A) IB-Valley Washery (10 Mty capacity) at Lakhapur on BOM concept:**

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 is 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. Contract is scheduled to be signed by May, 2018.

**(B) Basundhara Washery (10 Mty capacity) on BOM Concept:**

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. ToR was issued by MoEF in September, 2014.
4. Amended ToR received on 29.02.2016.
5. Administrative approval for acquisition & possession of 6.82 Ha tenancy land received from MoC on 18<sup>th</sup> Jan’ 2016. Acquisition is expected by August, 2018.
6. Acquisition & Possession of 0.85 Ha of Govt. non-forest land is expected by April, 2017.
7. EAC meeting for EC was held on 28.02.2017. Minutes of meeting received on 10.03.2017. EAC has recommended to submit Mine Closure Status Report for Basundhara (East) OCP. MCSR report was submitted by RI-VII, CMPDI to MCL. This report is to be uploaded on MOEF&CC website after due approval.

8. FAC meeting for Stage-I FC of 29.41 Ha of Forest land was held on 28/02/2017. Minutes of meeting uploaded on 17/3/2017. Compliance to the observations of FAC was submitted to DFO, Sundergarh on 30.05.2017. DFO, Sundergarh returned the proposal for modification in R&R Plan. Modified R&R plan was submitted to District Collector, Sundergarh on 15.06.2017 for approval. The proposal was approved by District Collector, Sundergarh on 03.01.2017 and forwarded to DFO, Sundergarh on 05/01/2018 and further submitted to Additional PCCF, Bhubaneswar on 17.02.2018.
9. Letter of Award can be issued to the Lowest Bidder only after getting Environmental Clearance, Forest Clearance and possession of Land (Forest Land, Tenancy Land & Govt. Non forest Land).
10. Environmental Clearance is expected by July, 2018.

**(C) Hingula Washery (10 Mty capacity) on BOM Concept:**

1. EC granted on 30<sup>th</sup> October, 2015.
2. Consent to Establish issued by SPCB on 29<sup>th</sup> December, 2015.
3. Both EC and Consent to Establish were received in favour of MCL on BOM Concept.
4. Letter of Award (LoA) issued to M/s MIEL on 1<sup>st</sup> January, 2016.
5. 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.
6. During the course of fresh tender on BOM Concept, directives were received from CIL on regarding the decision of MoC that “all

the new proposed washeries, whose tender is yet to be finalised, should be built under B-O-O (Build-Own-Operate) concept” and the same was placed before MCL Board in its meeting held on 28/02/2016. While noting the change of BOM to BOO concept, MCL Board noted that it is being done at the instance of CIL/Ministry. Subsequently, pre-tender activities for setting up of Hingula Washery (10.0Mty), MCL on BOO concept were started and Bid document preparation was at final stage.

7. Further, a review meeting on Washerries was held on 11/01/2018 at New Delhi under the Chairmanship of Secretary (Coal). In the review meeting, Secretary (Coal) mentioned that “subsidiary Companies should take the decision of mode of construction (BOM/BOO/ EPC) of washeries in their respective boards.”
8. MCL Board in its 198<sup>th</sup> meeting dtd. 31.01.2018, approved the change in the mode of setting up of Jagannath Washery and Hingula Washery from BOO concept to BOM Concept.
9. The tender for Hingula washery (10 Mty) on BOM Concept has been floated on 26<sup>th</sup> March, 2018.

**(D) Jagannath Washery (10 Mty capacity) on BOM Concept:**

1. Environment Clearance (EC) dated 31/8/2016 received on 05/09/16. Modification is required in some of the specific conditions. As per the minutes of EAC meeting held on 27/12/2016 for amendment in EC, the committee recommended amendments in the EC dated 31st August 2016, as requested by the project proponent. Amended EC is still awaited.

2. Consent to establish dated 22/10/2016 received on 30/11/2016.
3. Both EC and Consent to Establish were received in favour of MCL on BOM Concept.
4. Tender floated in e-tender mode on 15<sup>th</sup> 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 07/10/2016.
5. The L-1 bidder has 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
6. During the course of re-tender on BOM Concept, directives were received from CIL on regarding the decision of MoC that "all the new proposed washeries, whose tender is yet to be finalized, should be built under B-O-O (Build-Own-Operate) concept" and the same was placed before MCL Board in its meeting held on 28/02/2016. While noting the change of BOM to BOO concept, MCL Board noted that it is being done at the instance of CIL/Ministry. Subsequently, pre-tender activities for setting up of Jagannath Washery (10.0 Mty), MCL on BOO concept were started and Bid document preparation was at final stage
7. Further, a review meeting on Washerries was held on 11.01.2018 at New Delhi under the Chairmanship of Secretary (Coal). In the review meeting, Secretary (Coal) mentioned that "subsidiary Companies should take the decision of mode of construction (BOM/BOO/EPC) of washerries in their respective boards."
8. MCL Board in its 198<sup>th</sup> meeting dtd. 31.01.2018, approved the change in the mode of setting up of Jagannath Washery and Hingula Washery from BOO concept to BOM Concept.
9. The tender for Jagannath washery (10Mtpa) on BOM Concept has been floated on 26<sup>th</sup> March, 2018.

### 17. Geological Exploration:

| Particulars                    | 2017-18    |              |
|--------------------------------|------------|--------------|
|                                | Target     | Actual       |
| Total drilling in Departmental | 15500      | 15448        |
| CIL blocks in Outsourced       | 16500      | 28907        |
| MCL Area (m) Total             | 32000      | 44355        |
|                                | Talcher CF | IB-Valley CF |
| Coal reserves Proved           | 10867.224  | 9212.817     |
| (CIL blocks) Indicated         | 4966.694   | 5154.010     |
| in MCL Area Inferred           | 500.450    | 1531.633     |
| (MT) Total                     | 16334.368  | 15898.460    |

### 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 five 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 report for 2016-17 will be aligned to the GRI G4 'in accordance' core criteria including the Mining and Metals Sector Supplement, and is in progress.

## 18.2 Statutory Clearances and 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 2017-18.

#### a) Stage-I FC

| S.N. | Name of the Project | Forest Area (in Ha) | Letter no. and date               |
|------|---------------------|---------------------|-----------------------------------|
| 1.   | Ananta Extn. OCP    | 240.672             | F.No-8-37/2015-FC Dtd. 11-09-2017 |
| 2.   | Garjanbahal OCP     | 88.899              | F.No-8-11/2015-FC Dtd. 11-09-2017 |

#### b) Stage-II FC

| S.N. | Name of the Project | Forest Area (in Ha) | Letter no. and date               |
|------|---------------------|---------------------|-----------------------------------|
| 1.   | Hingula-II OCP      | 440.53              | F.No-8-69/2014-FC Dtd: 19-01-2018 |
| 2.   | Garjanbahal OCP     | 88.899              | F.No-8-11/2015-FC Dtd: 06-03-2018 |

#### 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 2017-18 are listed in the below table.

#### a) ToRs obtained during 2017-18.

| Sl. No. | Name of the Project         | Capacity(Mty) | Letter no. and date                                                                  |
|---------|-----------------------------|---------------|--------------------------------------------------------------------------------------|
| 1.      | Kulda Expansion OCP         | 10.0 to 15.0  | J-11015/10/1995-IA-II(M)part Dtd: 18/05/17                                           |
| 2.      | Jagannath OC Expansion      | 6.0 to 7.5    | J-11015/177/2005-IA-II(M)pt Dtd: 16/08/17 (ToR) and Dtd: 28/12/17 (Amendment in ToR) |
| 3.      | Basundhara(W) Extension OCP | 8.75          | J-11015/26/2007-IA-II(M) Dtd: 02/02/18                                               |

#### b) ECs obtained during 2017-18.

| Sl. No. | Name of the Project                                      | Capacity(Mty) | Letter no. and date                                                                                                                               |
|---------|----------------------------------------------------------|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | Kaniha OC Expn                                           | 10 to 14.0    | J-11015/134/2007-IA-II(M)pt Dtd: 17/07/17                                                                                                         |
| 2.      | Garjanbahal OCP(New)                                     | 13.0          | J-11015/159/2015-IA-II(M)pt Dtd: 09/11/17                                                                                                         |
| 3.      | Ananta OCP Expansion Project Phase-III (Amendment in EC) | 12.0 to 20.0  | J-11015/397/2008-IA-II(M) Dtd: 16/02/18                                                                                                           |
| 4.      | Bhubaneswari Opencast Expansion                          | 25.0 to 28.0  | J-11015/397/2008-IA-II(M) Dtd:16/02/18(continuance of EC to be reviewed by EAC before Dec 2018)                                                   |
| 5.      | Lakhanpur Opencast (Phase-II)                            | 18.75 to 21.0 | J-11015/391/2012-IA-II(M) Dtd: 28/02/18(continuance of EC to be reviewed by EAC before Dec 2018)                                                  |
| 6.      | Kulda Expansion OCP                                      | 10.0 to 14.0  | J-11015/10/1995-IA-II(M) Dtd: 22/03/18and Clarification on validity obtained on 28/03/18(continuance of EC to be reviewed by EAC before Dec 2018) |

#### (c) Total available EC for MCL mines

| Sl. No. | Particulars                            | Talcher Coalfield | Ib Valley Coalfield | Total      |
|---------|----------------------------------------|-------------------|---------------------|------------|
| 1       | EC available as on 31.03.2017          | 124.60 Mty        | 68.26 Mty           | 192.86 Mty |
| 2       | EC Granted in 2017-18 (addl. capacity) | 7.00 Mty          | 19.25 Mty           | 26.25 Mty  |
| 3       | Total EC available as on 1.4.2018      | 131.60 Mty        | 87.51 Mty           | 219.11 Mty |

**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 and one Rly Siding.
- Regular Monitoring of ground water quality and fluctuation due to mining operation is being done through a network of 40 nos. of Piezometers as well as other bore wells.
- “Authorisation” under Hazardous Waste (Management & Trans boundary 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.
- 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 22 operating mines during the year. The said reports were submitted for all the 22 operating mines, timely to SPCB vide letter Dtd. 14.09.2017.
- 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., (209.076 Lakh Cum/Yr of which around 85.80 Lakh Cum/Yr was provided for drinking).

- No water has been discharged outside (Zero liquid discharge).
- Mine water utilisation data presented in the mobile app “CoalJal” has been validated by Sambalpur University in respect of 24 mines of MCL during 2017-18.
- 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 2017-18.
- Work order dtd: 16-03-18 has been issued to CMPDI, RI-VII for procurement and installation of 11 nos. Continuous Ambient Air Quality Monitoring Station (CAAQMS).

**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 92.17% in 2017-18). Coal production through Surface Miner during FY 2017-18 is tabulated below.

| Total Coal production (Mty) | Coal Production by Open Cast (Mty) | Coal Production by Surface Miner |       |
|-----------------------------|------------------------------------|----------------------------------|-------|
|                             |                                    | Mty                              | %     |
| 143.058                     | 142.017                            | 130.892                          | 92.17 |



- During 2017-18, around 81% of coal transportation is through the most eco-friendly inland mass transport system i.e. Rail, Belt & MGR and despatch through Road is only 19% (during 2016-17 despatch through road was 26.72%). In rail mode, per rake carrying capacity is around 3,800Te 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 21 sidings and 3 MGRs. Average numbers of rakes per day is 65 rakes. Construction of one new railway siding no. 10 at Balram OCP is in progress.
- 103 nos. of Mobile Water Tankers of different capacities (Ranging from 8KL to 34KL) both departmental and contractual are deployed in the mines 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.
- Ib Coalfield: In respect of Orient Area, work order has been issued and in case of Ib Valley Area, tender is under finalisation.
- Talcher Coalfield: Agreement has been executed and work is in progress.
- Eco-friendly dispatch system like SILO/Tube conveyor of capacity 61MTPA are under construction, which will significantly reduce the dust pollution.
- 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. Status of EC and FC is given below.

| Sl. | Name of the Washery | EC and FC status                                                                                     |
|-----|---------------------|------------------------------------------------------------------------------------------------------|
| 1   | Hingula Washery     | EC obtained vide letter no. J-11015/67/2013-IA-II(M)Dt-28/10/2015                                    |
| 2   | Jagannath Washery   | EC obtained vide letter no. J-11015/203/2015-IA-II(M)Dt-31/08/2016 and Amendment in EC Dt.15/02/2017 |
| 3   | Ib Valley Washery   | EC obtained vide letter no. J-11015/171/2015-IA-II(M)Dt.30/03/2017 and Amendment in EC Dt.15/06/2017 |
| 4   | Basundhara Washery  | EC and FC is in progress.                                                                            |

- On Coal Transportation road in the coalfield beyond the ML area, mobile water Tankers of 12 KL capacity are being deployed on contractual basis to control the dust pollution.
- In all the Railway Siding fixed sprinklers have been provided for dust suppression during wagon loading activities. Mobile Water Tankers have also been provided.
- Coal Handling Plants are provided with Misters, Fixed Sprinklers and Rain guns to control the dust pollution. However, negligible conventional coal production (11.125 % 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 Coal loaded trucks are covered with tarpaulin before leaving mine premises.
- Manual sweeping and collection of spillage and dust over coal transportation roads.
- Three 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 & Ib Valley Coalfields.
- All the drills are having dust extractor system and wet drilling system.

- The installation of Mist Blower cum Road fogger 10 nos. on hiring basis, one for each Area is going to be deployed for effective dust suppression in the next FY.
- Green belts are continued to be developed between residential areas and the mine including infrastructure.

#### **18.3.2 Strategies for water resource management:**

- All the mines of MCL have achieved “Zero discharge” during FY 2017-18.
- Regular Monitoring of ground water quality and fluctuation due to mining operation is being done through a network of 40 nos. of Piezometers as well as other existing network of 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 fire fighting, dust suppression, vehicle washing in workshops, watering of plantation in the mining areas etc.
- Some of these mine sumps are also used for supply of potable water to colonies after treatment. Peripheral villages also demand such sump 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 51 nos. of Rain Water Harvesting structures exist in MCL for recharging of groundwater.
- 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 run-off.
- Sewage Treatment Plants (STPs) have been provided for all the big colonies, (9 nos.). In other colonies septic tank arrangements exist for sewage disposal.

#### **18.3.3 Noise and Ground Vibration Control Measures:**

- 92.17% 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 this pollution.
- Ear Muffs and Ear Plugs have been provided to workers exposed at high noise working places.
- Non-electric detonators were used wherever necessary for blasting resulting in less noise and ground vibration. Controlled blasting system 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.

- 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 2017-18) is 54.903 lakhs (TCF- 22.024 lakhs, IbV CF – 30.345 lakhs, HQ and Govt. land – 2.534 lakhs).
- During the FY 2017-18, total no. of saplings planted is 2.707 lakhs (including Govt. land plantation). Plantation on Govt. land through CSR funding of MCL has been done to the tune of 1.70 lakhs by the State Forest Department. (Angul-0.2 lakhs, Jharsuguda-1.0 lakhs, Chandaka WL, BBSR-0.5 lakhs).
- More than 0.36 lakh tree saplings were distributed during 2017-18.
- Plantations are also done in residential townships and Office premises especially with fruit-bearing, flowering and medicinal plants and trees.
- **Project Greenery (Hariyali):**
- Under this project, MCL and the MDO, M/s Bhubaneswari Coal Mining Limited in consultation with National Rice Research Institute, Cuttack, has grown Paddy (CR Dhan 206-GOPINATH) over 8 acre of land on de-coaled & reclaimed land of Bhubaneswari OCP.
- For the first time, such reclamation has been initiated in Talcher Coalfield mines. This has set a remarkable example of Rehabilitation and Livelihood in the mined out region.
- Adjacent to the paddy field, banana and papaya plantation have been done and
- Arhar Dal plantation has also been done along the bunds of the paddy field.
- Monitoring of the land reclamation through remote sensing data generated by National Remote Sensing Agency is being done for

16 Open Cast Mines (Every year - 13nos> 5 MM<sup>3</sup>/Yr and Once in three years 3Nos< 5 MM<sup>3</sup>/Yr capacity) in both Ib-Valley and Talcher Coalfields through CMPDIL.

#### 18.3.5 Waste Management:

- Hazardous waste (burnt oil from HEMMs and used batteries) has been sold on auctioning to the registered recycling agencies.
- During 2017-18, burnt oil of 915.25 KL amounting to Rs. 1.76 Cr. and Lead acid batteries of 3219 nos. with value of Rs. 27.08 Lakh have been sold to the authorised recyclers.
- Bio medical and other hazardous wastes from the medical units are disposed as per the laid down methods /procedures.

#### 18.3.6 Environmental Monitoring:

- Routine Environmental Monitoring of air, water and noise was carried out during the year through CMPDI laboratories at an estimated cost of Rs. 9.75 Crore.
- 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.

#### 18.4 MCL Website Publication

For increasing transparency, MCL is publishing & regularly updating the following environmental information on its website [www.mahanadicoal.in](http://www.mahanadicoal.in)

- Environment Clearance letter issued by MoEF&CC & 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.

#### 18.5 Activities of Mine closure cell for the year 2017-18:

- Total Amount of fund deposited in the Escrow Accounts of MCL is ₹ 10,29,83,006.00 (31.03.2018) and Balance as on 31.03.2018 is ₹ 834,81,40,944.00
- Reimbursement of claim of Fund of ₹ 192.52 Lakh from the Escrow Account of Bhubaneswari OCP, Jagannath Area has been submitted to CCO, Kolkata under 1<sup>st</sup> Phase of progressive mine closure activities.
- Files for the claim of reimbursement of fund from the Escrow Account of the following projects have been submitted to CMPDI, RI-VII, Bhubaneswar for third party audit.

| Sl. | Name of the Mine    | * Phase of Progressive MCP Activities | Amount of Claim (in Rs. Lakh) |
|-----|---------------------|---------------------------------------|-------------------------------|
| 1   | Bhubaneswari OCP    | Phase-2                               | 2595.47                       |
| 2   | Samaleswari OCP     | Phase-1<br>Phase-2                    | 2527.296<br>4102.784          |
| 3   | Jagannath OCP       | Phase-1<br>Phase-2                    | 1684.00<br>2083.850           |
| 4   | Lakhanpur OCP       | Phase-1                               | 4194.00                       |
| 5   | Belpahar OCP        | Phase-1                               | 2377.764                      |
| 6   | Lilari OCP          | Phase-1                               | 1682.605                      |
| 7   | Talcher Colliery UG | Phase-1                               | 67.528                        |
| 8   | Nandira UG          | Phase-1                               | 79.40                         |

\* Phase indicates a cluster of five years.

## 19. SALES & MARKETING PERFORMANCE

MCL has achieved an off-take of 138.267 MTe. during 2017-18 in spite of obstruction, bandhs and the restriction imposed by District Administration on all mining operations including transportation of coal to sidings during day hours in summer season.

### 19.1. Demand & Off-take

Off-take during 2017-18 was 138.267 MTe. against the target of 150 MTe. which was 92.2% of target with a decrease of 4.7 MTe. over last year.

The Sector-wise dispatch during 2017-18 are appended below.

(Fig in MTe.)

| Sector            | 2017-18    |                |             | 2016-17 Actual |
|-------------------|------------|----------------|-------------|----------------|
|                   | Target     | Actual         | % Achieved  |                |
| Power             | 105.433    | 99.274         | 87.05       | 98.550         |
| Cement            | 0.260      | 0.186          | 85.66       | 0.257          |
| CPP & Others      | 44.307     | 38.802         | 82.63       | 44.200         |
| Coll. Consumption | 0          | 0.005          | -           | 0.005          |
| <b>Total</b>      | <b>150</b> | <b>138.267</b> | <b>85.6</b> | <b>143.012</b> |

The reason for the loss of coal offtake during 2017-18 due to force majeure are stated below:

(Fig in MTe)

| Name of Project / Particulars                                 | 2017-18     |             |             | Actual Loss due to Force Majeure | Remarks                                                                                                                                                                                                                                                                                                                                |
|---------------------------------------------------------------|-------------|-------------|-------------|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                               | MOU Target  | Actual      | Difference  |                                  |                                                                                                                                                                                                                                                                                                                                        |
| Kaniha Area                                                   | 10.000      | 8.038       | 1.962       | 1.962                            | Less lifting of coal by NTPC-Kaniha, NALCO through dedicated MGR. Less dispatch due to restriction imposed by state govt on day transportation in summer season. Less dispatch due to local agitations/ strikes at Talcher Coalfields. Non availability of EC of Kulda Mine for around 2 months and Lakhanpur Mine for around 10 days. |
| Linagraj Area                                                 | 15.000      | 13.640      | 1.360       | 1.360                            |                                                                                                                                                                                                                                                                                                                                        |
| Hingula Area                                                  | 13.650      | 9.435       | 4.215       | 4.215                            |                                                                                                                                                                                                                                                                                                                                        |
| Bharatpur Area                                                | 19.000      | 16.841      | 2.159       | 2.159                            |                                                                                                                                                                                                                                                                                                                                        |
| Less dispatch due to Less availability of Rakes from Railways | 70.10       | 65.2        | 4.9         | 6.86                             |                                                                                                                                                                                                                                                                                                                                        |
|                                                               | (Rakes/day) | (Rakes/day) | (Rakes/day) |                                  |                                                                                                                                                                                                                                                                                                                                        |
|                                                               |             |             |             | 1 Rake=1.4MT/ year               |                                                                                                                                                                                                                                                                                                                                        |
|                                                               |             |             |             |                                  |                                                                                                                                                                                                                                                                                                                                        |

Total loss in Off-take due to force majeure 16.556 MT but effective loss was 11.733 MT as other mines have dispatched more during 2017-18.

### 19.2. Wagon Loading

Daily average wagon loading during 2017-18 in MCL was 65.2 Rakes/Day against 66.3 Rakes/Day during 2016-17 with less of 1.1 Rakes/Day i.e. 1.8 % less than last year. The Field-wise loading against target and supply is appended below:

(Fig in Rakes/Day)

| Field        | 2016-17 |                | 2015-16     |
|--------------|---------|----------------|-------------|
|              | Target  | Supply Loading |             |
| Ib Valley    | 32.99   | 30.0           | 30.9        |
| Talcher      |         |                | 35.3        |
| <b>Total</b> |         |                | <b>66.2</b> |

### 19.3. e-Auction

During 2017-18 MCL had offered 16.398 MTe under Spot and other special type of e-auction against this 15.541 MTe. was booked by different bidders registering a premium of ₹ 1214.5 Crore over notified price.

### 19.4. Fuel Supply Agreement (FSA)

MCL has signed fifty (50) number of FSAs with consumers during 2017-18.

## 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. During the year various measures were taken for ensuring dispatch of proper quality and size of coal.

The following steps were taken by the Company to improve quality and consumer satisfaction.

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. All sidings from where huge quantity of coal is despatched to major consumers and Core Sector industries, have been put directly under the supervision of the Nodal Officers.
4. Whenever any complaint whether it was major or minor in nature is received, the same is being enquired and the findings of the inquiry is shown to the concerned consumer and corrective measure is taken by the concerned Area.
5. All the railway sidings at area level are being constantly monitored electronically by QC Department in respect of despatch of assured quality coal to all consumers.
6. Surprise inspections and analysis of coal from different sidings are being done regularly by teams of Officials of QC Department to ensure proper quantity and quality of coal despatched.
7. Frequent inspections of workings, sidings and coal analysis laboratories are being done regularly by QC Department. In case of any discrepancy or fault found during inspection, the same are communicated to the concerned GM of the Area for information and taking corrective measures.
8. To develop awareness on quality from grass root level, "QUALITY DRIVE" was observed from January, 18 to March, 18 in all Areas.
9. For better transparency and Consumer satisfaction CIMFR has been deployed as an independent 3<sup>rd</sup> Party Sampling Agency based on the directives of MoC/CIL to carry out the activities for collection and Analysis of coal being supplied to IPP & Power utility



- consumers. Non-regulated sector like CPP, Sponge & cement sector etc., Linkage Auction, other e-Auction schemes consumers for non-power are being covered for Third Party sampling by Quality Council of India/IIT-ISM.
10. There are total Ten coal analysis laboratories in different Areas like Ib Valley, Lakhanpur, Orient, Basundhara, Jagannath, Lingaraj, Bharatpur, Hingula, Talcher and Kaniha. Prior to 2017-18, three coal analysis laboratory of Ib Valley, Bharatpur and Jagannath Areas had been NABL accredited. During 2017-18, coal analysis laboratory of Hingula Area and Kaniha Area have been conferred with NABL accreditation certificate. Necessary steps have been initiated for obtaining NABL accreditation for analysis laboratory of remaining Areas in phased manner.
  11. During this year also selective mining method of extraction of coal was continued and accordingly 19 Nos. of departmental Surface Miners were deployed against 15 in last year at Lakhanpur OCP, Belpahar OCP, Lingaraj OCP, Bharatpur OCP, Balram OCP, Hingula OCP, Basundhara(W), Kulda OCP, Samleswari OCP, Ananta OCP, Bhubaneswari OCP and Kaniha OCP. Surface Miner production was 92.17% of the total OC Coal production - Highest in any PSU of the Country.
  12. By using surface miners the rejects are being separated from the coal seam which helps to maintain the quality of coal.
  13. Proper care has been taken towards supply of -100 mm size coal to the consumers. For this, coal which has been dispatched by rail, belt & MGR was crushed by CHPs & FBs.
  14. For the purpose of transparency and to get active participation of consumers on quality, bound paged registers has 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.
  15. By adopting stringent sampling procedure and engagement of Independent Agency by CCO, Kolkata quality of coal in seam, stock, siding & tipper samples were assessed and declared as appropriate grade for the period 2017-18. This has built confidence in consumers.

## 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.

### 1. Accident Statistics

| S N | Particulars                                                               | 2017-18    | 2016-17    |
|-----|---------------------------------------------------------------------------|------------|------------|
| 1   | No of fatal accidents                                                     | 3          | 6          |
| 2   | No of fatality                                                            | 3          | 6          |
| 3   | No of serious accidents                                                   | 6          | 8          |
| 4   | No of serious injury                                                      | 6          | 8          |
| 5   | Rate of fatality<br>Per million tonne output<br>Per 3 lakh manshift       | 0.0210.191 | 0.0430.379 |
| 6   | Rate of serious injury<br>Per million tonne output<br>Per 3 lakh manshift | 0.0420.382 | 0.0570.506 |
| 7   | Place-wise fatality                                                       |            |            |
|     | U G                                                                       | 0          | 1          |
|     | OC                                                                        | 2          | 5          |
|     | AG                                                                        | 1          | —          |

**2. Steps Taken for improving safety:**

- (i) MOU target is fixed at beginning of every financial year unit-wise and for the whole Company to bring about improvement in safety standard in operations, maintenance and working conditions in the mines.
- (ii) Review of developed Safety Management Plan for all operational 15 Opencast Mines & 6 underground mines was completed by May, 2017. Audit of Safety Management Plan of all mines was completed by November, 2017. Audited Safety Management Plan of all mines of MCL was submitted to DGMS in December, 2017.
- (iii) Adequate material and monetary resources are provided for the smooth and efficient execution for achieving MOU targets in respect of safety.
- (iv) All the employees are provided with the safety gadgets such as helmets; safety foot wears, etc. to provide protection against conditions which may cause ill-health and injuries. During 2017-18, 41007 pairs of mining shoes & 13606 pairs of gumboots were procured.
- (v) The recommendations of 11<sup>th</sup> 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.
- (vi) In addition to the statutory inspections by the Mine officials appointed under the provisions of the Coal Mines Regulations, 1957 & Coal Mines Regulations, 2017, safety standards of the mines are also monitored by Workmen's Inspectors (appointed under the Mine Rule, 1955), Safety Committee at mine level (constituted under the Mine Rule, 1955), Area Level Tripartite safety committees and Company Level Tripartite safety committee.
- (vii) 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 Tripartite Safety Committee meeting was conducted successfully on 22.09.2017.
- (viii) 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.
- (ix) 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, 16 dumper operators were imparted Simulator training at Northern Coalfields Limited, Singrauli during 2017-18.
- (x) Regular medical examination of workmen and supervisors are conducted for detecting diseases so that they can be treated in time. During 2017-18, Periodical Medical Examination of 5993 Departmental employees & 2138 Contractual work persons was carried out at PME Centers of MCL.
- (xi) A Safety drive was organized in all mines during celebration of "Meri Company, Mera Gaurav" from 15<sup>th</sup> October to 15<sup>th</sup> November, 2017 to foster greater sense of belongingness and responsibility amongst the employees on safety issues. During Safety drive, Safety committee meetings, display of videos on mine accidents, delivery of safety message on the spot in field, street plays on safety was carried out.

- (xii) Safety Fortnight and special safety drives are observed throughout the company to refresh and tune the whole system to the statutory requirements. On this occasion, trophies and shields are also distributed among the mining projects and workshops in different categories. During 2017-18, Annual Safety Fortnight was observed in all establishments of MCL from 06/02/2018 to 19/02/2018.
- (xiii) First Aid Competition as a part of Annual Mines Safety Fortnight 2017-18 was held first time on 17.01.2018. 05 Ladies teams representing Orient Area, Ib Valley Area, Lakhanpur Area, Jagannath Area & CWS(Talcher) participated in the competition. Altogether 17 teams participated in the Competition.
- (xiv) Establishment of Geotechnical cells at each mine, area and corporate level for effective monitoring of OB dumps and strata.
- (xv) Furnishing of Safety information online through Coal India Safety information Portal.

### **3. Rescue Services**

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 RRRT Talcher on 05.11.2017.
  2. Participated in All India Mines Rescue Competition from 12.12.2017 to 15.12.2017 at M/s Tata Steel Ltd, Dhanbad and awarded 4<sup>th</sup> position in Rescue & Recovery operation and Overall 5<sup>th</sup> position.
  3. Mines Rescue Station & RRRT attended total 24 number of emergencies/fire-fighting operations, one at Nandira U/G mines, 09 numbers at different mines premises and 14 numbers not related to any mining activity but arising in nearby society/civil township during 2017-18.
  4. 16 persons were imparted initial training in Rescue & Recovery operation during 17-18.
  5. 185 Rescue trained persons were imparted Refresher training in Rescue & Recovery operation at MRS, Orient Area and RRRT, Talcher Area.
  6. Total 185 rescue trained persons were medically examined and found to be fit.
  7. Training and Emergency support given to private U/G mines Gare Palama IV/4 of M/s. Hindalco Industries Limited, Raigarh Region during 2017-18.
- The Following were approved in the year 17-18:
1. 12 nos. Resuscitating Apparatus with 02 nos. Test Kit.
  2. 02 nos. Oxygen Booster Pump (Power Operated).
  3. 04 nos. Oxygen Booster Pump (Manual Operated).
  4. 03 nos. Tube Apparatus.
  5. 06 nos. Short Duration Breathing Apparatus.
  6. 16 nos. FRP basket Stretchers.
  7. 02 nos. Rescue Dummies, 01 no. Oxygen Purity Tester.
  8. Spare parts for Self Contained Breathing Apparatus.
  9. Proposal for procurement of 10 nos. of 7m<sup>3</sup> Oxygen cylinders.
  10. Proposal for procurement of 09 nos. of Air conditioners.
  11. Proposal for procurement of 02 nos. of wooden tables for storing SCBAs.

Following Materials were Procured in the year 2017-18:

1. 01 no. Station Wagon.
2. Procurement of gas chromatograph approved and supply order placed.

## 22. COMPUTERISATION

**Coalnet** – Various modules of Coalnet like Financial Information System (FIS), Personal Information System(PIS), Payroll, Sales & Marketing, Production Information System, Materials Management System, Equipment Monitoring System are in use. Some miscellaneous modules have also been added in Coalnet system which include the Personnel Information System (PIS) for capturing detailed information along with photographs of contractual workers, Periodical Medical Examination, Tenders and Awards below Rs. 2 lakhs, Online booking of Holiday home at Puri, File Tracking System, Online Contract Management System, Electronic Capital Fund Management etc.

The activities like Road sale & Rail sale billing, Bill payment status entry, updation of employee data, production detail entry, Online Material management system, Payroll System etc are operational in central coalnet server up to Area & Project level including the desk offices at Bhubaneswar and Kolkata. Financial Information System of Coalnet system at Areas are running successfully at the three Nodal servers at Jagannath, IB Valley and Basundhara Area.

**e-Payments & e-Receipts** – All Payments and Receipts are being done through electronic mode.

**Operator Independent Truck Despatch System (OITDS)** :- The OITDS installed in three open cast projects of MCL namely Balram, Lingraj and Bharatpur, is running successfully.

**MCL Website:** The website of MCL [www.mahanadicoal.in](http://www.mahanadicoal.in) is hosted in the server of CMPDI, Ranchi and is being maintained by them. The website is being restructured as per the need. With the facility for updation of relevant data remotely the information related to refund to the coal consumers, monthly third party coal sample analysis result, notices and results of recruitment department, CSR related activities, tenders and awards below Rs. 2 lakhs etc. are updated on regular basis. The status of bill payments to contractors/vendors is being reflected in the website in real time through Coalnet Server.

**Online Grievance Redressal (Samadhan)** :- “Online Grievance Redressal (Samadhan)” which was added in the existing website as an interface is being used for addressing grievances of stakeholders.

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

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

**OMMS (Online Material Management System):-** The OMMS is running in Central Coalnet Server for carrying out stores related activities of all the Regional/Central Stores and Central Workshops and also for issue / receipt of POL / Explosives. Various reports are also available for effective control of inventory. 100% of the store items have been codified as per the CIL's standard codification scheme with check digit.

**Linking between MCL Office at BBSR and Kolkata:-** MCL office at Bhubaneswar and Kolkata are connected to MCL HQ through 1 Mbps leased line obtained from BSNL for the purpose of accessing Coalnet Modules. The redundant MPLS network from BSNL has also been extended to these offices. Additionally to meet any eventuality Coalnet accessibility through VPN connectivity over internet also exists.

**Internet Leased Line:-** The existing Internet leased line obtained from BSNL meant for providing internet access to the users of MCL through the existing corporate network has been upgraded to 40 Mbps. Another 10 Mbps internet leased line obtained from RailTel Corporation has also been upgraded to 40 Mbps, which is being used for GPS/GPRS based Vehicle Tracking System.

**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 changes in the Scheme from time to time.

**Connectivity to Weighbridges:-** The weighbridges both rail & road (static and in-motion) have been connected through Radio Links established by M/s ITI Ltd.

**Redundant Data Communication Network:-** 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.

**Installation of Servers at Central data Centre and Nodal Computer Centres :-** 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 Basundhara Garjanbahal Area. All these servers at the nodal locations are in sync with HQ server. Basudhara Area Server has been established as the disaster recovery site.

**Monitoring of Contractual Bill Payments :-** The Bill Tracking module is successfully running in Coalnet server. In this system the bills received from the contractors/ vendors are being captured in Coalnet Server by the respective user departments. The status of these bills up to the final destination i.e their payment, is also being updated in Coalnet server and the same is made available on real-time basis through "Bill Status" link of the official website of MCL i.e [www.mahanadicoal.in](http://www.mahanadicoal.in) for online viewing by the concerned parties. Thus the concerned parties can track the status of their respective bill from our website itself. A mobile app has also been developed to enable the concerned parties to know the status of their bills on the basis of either work order no. or bill no and work order date.



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

- (i) GPS based VTS(Vehicle Tracking System) units have been installed in 1800 of private trucks/tippers engaged in production and internal transportation of coal. 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](http://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 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.
- (iv) On the basis of Rate Contract (RC) finalized for 3483 nos. of GPS Units, 2305 GPS Units have been supplied out of which 2156 GPS Units have been installed on vehicles / equipments engaged in production / internal transport of coal and OB removal work, both contractual and departmental.

**CCTVs for surveillance of Weighbridges & Railway sidings:-**

- (i) Video Surveillance cameras installed in 22 nos of railway sidings.
- (ii) IP cameras installed at 94 in-motion and static road weighbridges.

- (iii) Weighment data from the in-motion & static weighbridges are being transmitted online to the central VTS and Coalnet Server at MCL-HQ.

**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 31<sup>st</sup> March, 2018 around 50338 files have been processed through this module.

**SMS/Email Alert:** As per the 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.

**Wi-Fi Network** has been established at corporate office of MCL and residential complex at Jagriti Vihar.

**Mobile applications:** 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) Viewing video streaming of CCTV cameras installed at Railway Sidings through Mobile,

- (iii) Tracking status of bills submitted by contractors / suppliers
- (iv) Providing useful information related to CSR 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.
- (v) Viewing RDO Details, Loading Schedule, Daily Dispatch Summary and Dispatch details against any RDO, which has been integrated with CIL's mobile app "Grahak Sadak Koyla Vitaran".

**E-Office Implementation:** e-Office has been started at MCL-HQ for diarization of Receipts and is running LIVE. MCL has achieved the MoU target of more than 75% login by e-Office users by the month of February' 2018 for Excellent rating. Action has been initiated for sourcing 2 nos. of Training and Change Management Expert from NICS I for providing e-Office related support.

**Procurement / Replacement of PCs and Peripherals:** Proposal for procurement of PCs and peripherals against the replacement and additional requirement has been approved by competent authority for procurement through GeM portal. The procurement process through GeM is under progress.

**Up-gradation of existing LAN:** Order has been placed for upgrading the LANs at MCL-HQT, Areas Offices & Central/Regional Stores. Installation and commissioning at various locations is under progress.

**Electronic Capital Fund Management:** A unique module has been developed first time in any Coal PSU in Coalnet for maintaining 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 level of P&P department, Finance Department and final approval of the Competent Authority. 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. The module developed in Coalnet is running successfully since its implementation in July, 2017. Decision making through this system is very fast.

**Contract Management Monitoring System –** The module developed in Coalnet for capturing contract related information like contract details, commencement of work, daily performance at HQT / Area / Project level. Various MIS reports are being generated through this module. This has helped in effective monitoring of all Contracts.

**Automated Mailing System –** Provision has been made in Coalnet for sending copies of RDO, Coal Invoices to Consumers from Coalnet server through email in real-time. This will be introduced shortly.

**Pre-printed Stationary –** After centralization of salary processing of all the Areas, program has been modified to print pay slips on pre-printed stationeries. The same has been tested on pre-printed stationeries at HQT for its implementation across MCL.

**Future Plan / Other Ongoing Activities:**

- **Implementation of ERP in MCL:** MCL has been chosen in the first phase by CIL for implementation of ERP, for which tender has been floated by CIL. Actions have been initiated for preparing infrastructure for ERP centre.

- **Implementation of e-Office at Area and Projects** – e-Office shall be implemented at Area and Projects for diarization of Receipts in 2<sup>nd</sup> phase. File System of e-Office (eFile) shall also be implemented at all locations.

- **Document Management System** – Document Management System shall be implemented for preserving all archived files and documents. Procurement of high-end scanners is under progress. A module has been developed in Coalnet for preserving scanned documents and capture meta-data for migration to Document Management System once the same is implemented.

- **CCTV Surveillance in OC Mines** – CCTV Surveillance System shall be installed in all Open Cast Mines to monitor the activities. Video Streams will be available at HQ and Area Offices.

- **Mobile Apps** – More mobile apps shall be developed in near future to share maximum relevant information as far as possible and permissible with stakeholders.

- **Cost Management & Budget Control** – Cost Management and Budget Control module of Coalnet shall be modified and implemented for preparation and processing of cost sheet and revenue budget.

- **Contributory Post Retirement Medical Schemes for Employees (CPRMSE)** – A separate module will be developed in Coalnet for domiciliary payment and reimbursement under limit of Rs.25 lakh for executives and Rs.5 lakh for non-executives, and reimbursement under unlimited category for 5 specified diseases. The relevant information will be sent to the retired employees through auto generated SMS.

## 23. TELECOMMUNICATION

1. Mobile CUG facility has been provided to more than 2000 Executives, JCC Members, Key Staff, Railway Siding Officials, Security Personnel, Rescue Brigade Personnel and Drivers of Mines Rescue Stations, 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.
2. The IP based Wide Area Network (WAN) installed covering almost all the units of MCL, is being widely and successfully used 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 up for expanding and upgrading the network to increase its use for other real time data services like ERP, e-Surveillance, etc. Your Company is in the process of providing Wi-Fi facility to all executives in their workplace, using this upgraded network, giving access to the aforementioned in-house services of MCL and internet, thereby realizing the vision of a truly digital MCL. 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.
3. 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.

4. CCTV Surveillance System:
  - A. At Office Campus of MCL HQ, Burla, CCTV Surveillance System has been installed and is being used to enhance the security of the Corporate Office.
  - B. CCTV Surveillance Systems have been installed in all Regional / Central Stores and Central Workshops of MCL.
  - C. Multiple Cameras have been installed in various vulnerable locations in different Projects of MCL.
  - D. CCTV Surveillance System has also been installed in all Coal Stocks, Loading Points, Coal Sampling Points and Labs of all Areas of MCL.
  - E. Initiatives have been taken for installation of CCTV Surveillance system 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 create a sophisticated network of cameras to enhance the security and prevent entry of unauthorized vehicles and personnel.
5. Aadhaar Enabled Biometric Attendance System (AEBAS): In-line with the Digital India Programme of Government of India and the HR Vision 2020 of CIL, AEBAS has been installed at MCL HQ, Sambalpur, MCL Office, Bhubaneswar and all Area Offices to ensure punctuality among employees. AEBAS is being implemented in all units of MCL. More than 35500 employees, including contractors' employees, have already been registered in the AEBAS portal of MCL domain (*mclsbp.attendance.gov.in*)
6. Thousands of lines of internal telephone connectivity and EPABX systems have been installed and maintained in almost all Units of MCL for enhancing the internal communication facilities at these Offices.
7. High Speed Wireless Internet Hotspots have been provided to all Directors, CVO and HoD's at MCL HQ and some other executives, in addition to BSNL Broadband at 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.
8. An internal closed telephone network has been created specifically for Directors and CVO, to ensure privacy and quick access within the top management of the Company.
9. WiMAX Internet facility has been provided to all the Road weighbridges of MCL and is being used to enable generation of online e-transit pass for the trucks to be dispatched through Road Sale mode. WiMAX Internet facility has further been extended to in-motion road weighbridges for transmission of weighment and other related data to Central Server at MCL HQ.
10. Being an obscured place, for recreation of the employee at MCL HQs., Digital Addressable Cable TV services with about 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 the Department.

11. Underground Communications System has been installed 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.
  12. An enterprise grade Video Conferencing System has been installed 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. We are also in the process of extending the Video Conferencing System to all Area Offices as well as to MCL Offices at Bhubaneswar and Kolkata.
- 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 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 proven / provisional ancillary status for various consumable spares / items and service related jobs directly linked to production processes involved in engineering and mining section of MCL.

#### **24. DEVELOPMENT OF ANCILLARY INDUSTRIES**

MCL is committed to provide self-employment opportunities to the local budding entrepreneurs and 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.

Further, in its continued efforts in keeping alive ancillary units of MCL, MCL has been giving sustainable business to those ancillary units who are committed to supply of quality materials and maintaining prompt delivery schedules. After reviewing the performance of the ancillary units, their cases are considered for renewal of ancillary status. As on 31/03/2018, 30 MSEs units (ancillary units) have proven ancillary status based on merit and actively participating in the procurement process of MCL and supplying various quality ancillarised spares to the user areas. There are 49 ancillarised items identified by MCL apart from the reserved 358 items identified by Govt. of India.

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 2017-18, MCL has already participated in total 7 (seven) nos. of State Level and National Level Vendor Development Programmes cum B2B meets and Vendor Interactions as detailed below:

- i. "31<sup>st</sup> Annual State Convention and Alfinfoodtech Summit-2017" of OASME at IDCOL Auditorium, Bhubaneswar from 11<sup>th</sup> to 12<sup>th</sup> August 2017 organized by Odisha Assembly of Small and Medium Enterprises, Cuttack. In the event MCL has sponsored Rs. 2 lakh (Rupees Two Lakh only).
- ii. "Vendor Development Programme and interaction meet with MCL" at Jharsuguda, on 9<sup>th</sup> October 2017 organized by MSME-DI, Cuttack in association with MCL.
- iii. National Level Vendor Development Programme-cum-Industrial Exhibition and Buyers Sellers Meeting coined as "MSME EXPO ODISHA - 2017" at Cuttack from 17<sup>th</sup> to 19<sup>th</sup> December 2017 organized by MSME-DI, Cuttack. In the event MCL has sponsored Rs. 1.00 lakh (Rupees One Lakh only).
- iv. National Workshop on "Public Procurement Policy, Govt. e-Market (GeM) and Packaging and Export" at BBSR on 3<sup>rd</sup> January 2018.
- v. National Level Vendor Development Programme-cum-Industrial Exhibition and Buyers Sellers Meeting coined as "EXPO ODISHA - 2017" at Balasore from 31<sup>st</sup> January to 4<sup>th</sup> February 2018 organized by MSME-DI, Cuttack. In the event MCL has sponsored Rs. 50,000/- (Rupees fifty thousand only).

- vi. Special Vendor Development Programme was scheduled at Sambalpur on 20.12.2017 organized by NSIC, Rourkela for SC/ST entrepreneurs.
- vii. "MSME International Trade Fair - 2018" at Bhubaneswar from 5<sup>th</sup> to 10<sup>th</sup> March 2018 along with Entrepreneurs Week organized by Directorate of Industries, Odisha in association with Ministry of MSME, Odisha, Directorate of Export, promotion and Marketing & Orissa Small Industries Corporation, Bhubaneswar. In the event MCL has sponsored Rs. 5 lakh (Rupees Five Lakh Only).

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

As per MSEs Order 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.mahanaadicoal.in/About/pdf/ANCILLARY\\_POLICY.pdf](http://www.mahanaadicoal.in/About/pdf/ANCILLARY_POLICY.pdf)

- Procurement of minimum of 20 percent shall be made from MSEs, of total annual purchases of products produced and services rendered by MSEs. Out of 20 percent of annual procurement from Micro and Small Enterprises, a 20 percent (i.e., 4 percent out of 20 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.

- 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 MSE firms can participate & offers from other than MSEs 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 percentage of Procurement from MSEs of the last three years are given below:

|                                                 | 2017-18 | 2016-17 | 2015-16 |
|-------------------------------------------------|---------|---------|---------|
| 1 Total Annual Procurement (in lakhs)           | 9460.00 | 7927.00 | 8872.01 |
| 2 Total Purchase from MSEs (in lakhs)           | 5621.76 | 3002.69 | 2174.09 |
| 3 % Purchase from MSEs out of total procurement | 59.42   | 37.87   | 24.50   |

MCL has achieved 59.42% purchase for MSEs out of total annual procurement in the FY 2017-18 and continuously achieving the minimum 20% target starting from the year 2013-14 and also committed to maintain the trend in future. Policy entails about achieving 20% 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 20% & improve the same.

## 25. HUMAN RESOURCES MANAGEMENT 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.

Industrial Relation remained peaceful and there were no strikes during the year 2017-18 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 2017-18 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

Training & Development is an integral part of our company's corporate policy to deal with the development of existing Human Resources as well as to look ahead with clear perspective with special reference to technological advances and growth of manpower to fulfill the demand of production vis-à-vis technology.

An amount of Rs. 7.42 Crore has been spent for skill development training programmes. Total training days for executives, workers and supervisory staffs have been 384, 6292 and 1098 respectively.

Your Company has entered into an arrangement with many technical Institutes in Odisha for training of the land oustees to develop the requisite technical skill for their gainful deployment in MCL.

#### **Human Resource 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 three in company 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 (GVTC) located in Jagannath Area, Talcher Area, Lakhanpur Area, Orient Area and Basundhara Area.

#### **Training Details for the Year 2016-17 & 2017-18**

##### **1. Internal Training – MTI, BTI, MEETI & GVTCs**

| Sl. No. | Employees  | Year 2017-18 | Year 2016-17 |
|---------|------------|--------------|--------------|
| 1.      | Executive  | 384          | 384          |
| 2.      | Supervisor | 1098         | 990          |
| 3.      | Worker     | 6292         | 5695         |
|         | Total      | 7774         | 7132         |

##### **2. External Training Details**

| Sl. No. | Employees  | Year 2017-18 | Year 2016-17 |
|---------|------------|--------------|--------------|
| 1.      | Executive  | 747          | 873          |
| 2.      | Supervisor | 50           | 89           |
| 3.      | Worker     | 45           | 89           |
|         | Total      | 842          | 1051         |

##### **3. Total Training (Internal & External)**

| Sl. No. | Employees  | Year 2017-8 | Year 2016-17 |
|---------|------------|-------------|--------------|
| 1.      | Executive  | 1131        | 1320         |
| 2.      | Supervisor | 1148        | 1079         |
| 3.      | Worker     | 6337        | 5784         |
|         | Total      | 8616        | 8183         |

##### **4. Internship Training to Students of various Educational Institute**

| Sl. No. | Students           | Year 2017-18 | Year 2016-17 |
|---------|--------------------|--------------|--------------|
| 1.      | Mining Engineering | 167          | 158          |
| 2.      | Mining Diploma     | 1028         | 1134         |
| 3.      | B. Tech            | 104          | 112          |
| 4.      | MBA                | 48           | 42           |
| 5.      | Others             | 63           | 54           |
|         | Total              | 1410         | 1498         |

As per the decision of the MCL Board in its 155<sup>th</sup> Meeting held on 05.02.2014, newly appointed employees are being sponsored to different empanelled institutes for their Schooling and Skilling for duration of 02 years under Skill Development Programme.

**5. Details of sponsorship for Skill Development Training Under Schooling & Skilling (ITI)**

| Session                   | Trade  |             | Total |
|---------------------------|--------|-------------|-------|
|                           | Fitter | Electrician |       |
| 2017-19 upto (31.03.2018) | 48     | 91          | 139   |
| 2016-18 upto (31.03.2017) | 49     | 32          | 81    |

**6. Details of sponsorship for Skill Development Training (Under Schooling)**

| Session                   | KSAS, Bhubaneswar | MITS, Raygada | Total |
|---------------------------|-------------------|---------------|-------|
| 2017-19 upto (31.03.2018) | 127               | 26            | 153   |
| 2016-18 upto (31.03.2017) | 42                | 115           | 157   |

7. National Skill Development Council (NSDC) Recognition Prior Learning (RPL) Training of 02 days duration of departmental mine operation employees (more than 05 years experience) started from 03.04.2017 to 30.05.2017 for 571 employees and National Skill Development Council (NSDC) RPL (Bridge Course) for 10 days training programme started from 10.07.2017 to 01.11.2017 for 921 employees (less than 05 years experience) in the F.Y. 2017-18.

**8. Training Imparted to MCL Board Members**

| Sl. No. | Year    | Nos. of training | Within India | Foreign |
|---------|---------|------------------|--------------|---------|
| 1.      | 2017-18 | NIL              | NIL          | NIL     |
| 2.      | 2016-17 | 5                | 04           | 01      |

**9. Training Man Day's Achieved in the year 2016-17 & 2017-18**

| Sl. No. | Employees  | Year 2017-18 | Year 2016-17 |
|---------|------------|--------------|--------------|
| 1.      | Executive  | 5081         | 6949         |
| 2.      | Supervisor | 6079         | 6185         |
| 3.      | Worker     | 60606        | 48674        |
|         | Total      | 71766        | 61808        |

**10. Specialised Training Programme**

| Sl. No. | Employees                                            | Year 2017-18 | Year 2016-17 |
|---------|------------------------------------------------------|--------------|--------------|
| 1.      | Project Management                                   | 8            | 40           |
| 2.      | Contract Management                                  | 14           | 18           |
| 3.      | Risk Management                                      | 23           | 12           |
| 4.      | Environment, Forest Management and L and Acquisition | 10           | 28           |
| 5.      | Simulator Training                                   | 34           | 36           |

In 2017-18, 38.8% of employees have been given Skill upgradation training of 05 days duration as against 35% of MoU target.

**MCL Institute of Natural Resources and Energy Management (MINREM) at Bhubaneswar**

MCL has taken up a novel initiative to cater to the growing & emerging developmental needs of the executive population within the coal sector. The upcoming facility at Tomando, Bhubaneswar aims at multifarious activities like Training & Development, R&D, consultancy & General education Programmes. Competency gaps arising out of introduction of new Technology, diversification of Business, and superannuation of executives can be replenished at a faster rate through structured HRD interventions for which the Institute is poised.

MCL Institute of Natural Resources and Energy Management (MINREM) solely promoted and fully funded by MCL, will come out as a world class Institute in the capital city of Bhubaneswar. It has been registered by the Inspector General (Registration), Odisha as a Society on 16.01.2016 under the Societies Registration Act, 1860.

As it becomes operational MINREM is destined to develop and nourish the existing talent of executives as well as to instill innovativeness and competitiveness in them to make them capable of facing futuristic challenges.

**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 career growth 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 effectively for smooth function of Office.

**Management Training:**

Executives at each level are imparted need based training in various managerial and behavioural aspects of organizational development. In house training on various subject of companies 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 and abroad 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 up dated with the fast advancing technology. Following are the type of training 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.

**HR Initiatives****Mentor-Mentee Scheme**

In accordance with the CILs mentor mentee scheme, to ensure high retention rate of new entrants and to develop a pool of trained & committed mentors, MCL has appointed 23 mentors from different disciplines for 107 mentees (Assistant Manager in E-3 grade). This is a key priority area for the organization. This scheme is intended to help in building sociological contact with the mentees for ensuring their professional growth and to develop high potential executives for assuming senior leadership roles in future.

For training of Mentors & Mentees under Mentor Mentees scheme 1 no of interaction programme was arranged during the year 2017-18 at HQ by inviting faculties from the institutes of repute.

**Imparting Training under Apprentices Act, 1961 (Amended 2016)**

| Sl. No. | Year    | Nos. of ITI Pass out engaged as Apprentice | Nos. of PDPT engaged | Nos. of PGPT engaged |
|---------|---------|--------------------------------------------|----------------------|----------------------|
| 1.      | 2016-17 | 182                                        | 200                  | -                    |
| 2.      | 2017-18 | 207                                        | 195                  | 02                   |

**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. During the year 2017-18 MCL had organized Coal India Inter Company Table Tennis & Coal India Inter Company Chess tournament. 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 Cap in both the occasion containing company logo. A series of Cultural programme, Golf Tournament and other socio cultural activities were organized from 1<sup>st</sup> April, 2018 to 3<sup>rd</sup> April, 2018 covering Utkal Diwas, MCL Foundation day etc. Best Sports persons were awarded prizes on the Miners Day celebration 2017. MCL Mahila Mandal undertook a 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.

**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 including NK Mahavidyalaya, Talcher. 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 2017-18, Rs 3116.78 Lakh was sanctioned for DAV Public Schools towards recurring expenditure and Rs 53,82,940/- has been provided to Privately Managed Schools in the year 2017-18 including arrears. 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, 1081 nos. employee wards have been awarded scholarship on merit basis for which an amount of Rs. 16,07,580/- was spent during 2017-18.

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 35,67,463/- was disbursed under this head during 2017-18 to 144 Nos. of employee wards.

**Decent Housing/Social amenities:**

During financial year 2017-18, special budget of Rs.119,22,50,000/- was sanctioned towards decent housing which covers residential building, road & other allied works, non residential building & Sanitation etc.

**26. OFFICIAL LANGUAGE**

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

During the year 2017-18 following programmes/ activities were organized in MCL:

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

Official Language Implementation Committee meetings were held on 26.04.2017, 26.07.2017, 28.10.2017 and 07.02.2018 presided over by Director (Personnel), MCL wherein progress of Rajbhasha activities in Areas and HQs. were reviewed and important decisions were taken for smooth implementation of the Official Language Policy of Govt. of India.

**2. Rajbhasha Workshop :**

Rajbhasha Workshops were organized at MCL HQs and Areas as under:

In the year 2017-18, total 14 Rajbhasha Workshops were organized in MCL wherein 445 participants were made conversant with the Rules and Regulations of Official Language Policy of Govt. of India. The participants also practised noting and drafting in Hindi . In the year 2016-17, 10 Rajbhasha Workshops were organized in which total 447 officers/staff were trained.

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

Training of Official Language (Hindi) and Examinations were conducted under the Hindi Teaching Scheme, Govt. of India. In the financial year 2017-18 total 185 of employees passed. In the financial year 2016-17 total 244 employees passed under Hindi Teaching Scheme. The details are given below:-



| Session | Prabodh | Praveen | Pragya | Total |
|---------|---------|---------|--------|-------|
| 2017-18 | 38      | 63      | 80     | 181   |
| 2016-17 | 44      | 116     | 84     | 244   |

One time lump sum cash awards were given to successful 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 :

During the year 2017-18 a technical seminar was held on 12.08.2017 and Unicode supported Hindi Typing Training on computer were organized at Management Training Institute (MTI), Anand Vihar, MCL Hq. from 04.12.2017 to 07.12.2017 in which 65 employees of MCL were trained whereas in the year 2016-17, 87 employees were trained.

#### 5. Translation Training :

For the skill development of the translators, a five-days translation training programme was organized at MCL, HQ from 12.02.2018 to 16.02.2018 in which 15 employees of MCL were trained.

#### 6. 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 2017-18 all 09 prizes have been awarded by Chairperson on the occasion of closing ceremony of Rajbhasha Fortnight-2017 on 27.09.2017.

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

“All India Hindi Hasya Kavi Sammelan” was organized on 27.09.2017 at MCL HQs. on the Concluding-Day function of Rajbhasha Fortnight -2017.

#### 8. Hindi Diwas / Hindi Pakhwara :

Hindi Diwas was celebrated on 14.9.2017 at MCL HQs. and Areas. The programme was inaugurated by Shri A.K. Jha, CMD, MCL. Rajbhasha Pakhwara was celebrated at MCL HQs. and Areas from 14<sup>th</sup> to 28<sup>th</sup> September, 2017. During the Pakhawara various competitions like Hindi essay writing, Debate, Noting & Drafting, Hindi Typing on Computer and Quiz competition for employees' house wives were organized in which huge number of participants took part.

Prizes and Certificates were distributed by Shri J.P. Singh, Director Technical (Operation) and Shri Munawar Khursheed (IRPF), CVO, MCL to all winners of Hindi competitions on Concluding-Day function of Hindi Pakhwara held on 27.09.2017 at MCL Auditorium, Jagruti Vihar.

#### 9. Vishwa Hindi Diwas :

Vishwa Hindi Diwas was celebrated at MCL HQs. on 10.01.2018. The programme was inaugurated by Shri B.C. Tripathy, GM(MTI/RB/HRD). A Rajbhasha seminar was also organized on the occasion. Prof. K.P. Gupta, Ex-HoD(Hindi), G.M. university and Dr. Jayanta Kar Sharma, OES(I), Registrar, Odisha State Open University (OSOU) were honoured and they 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 23.06.2017 and 29.11.2017 at MCL HQ. Meetings were chaired by the Director (Personnel), MCL.

**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 of 2017-18 total 09 selected Member Offices were awarded with "Narakas Rajbhasha Shields". Shields were given by the Director (Personnel), MCL, TOLIC, Sambalpur during the meeting, held on 29.11.2017.

**12. Purchase of Books :**

As per Official Language Policy of Govt. of India, books were purchased of Rs.74, 725 /- out of which Rs. 56,737/- was spent only for procurement of Hindi and Odiya books which is 76% in the year 2017-18 whereas in the year 2016-17 Rs. 1,05,000/- out of which Rs. 59584/- was spent only for procurement of Hindi and Odiya books which is 56.74 % of the total amount spent.

**13. Website of MCL :**

Website of MCL has been made bilingual and is being updated on regular basis.

**14. Rajbhasha portal :**

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

**15. Rajbhasha Magazine:**

5<sup>th</sup> issue of two Rajbhasha magazines "Rajbhasha Jhalakiyan" and "Sambalprabha" have been published during the year 2017-18. "5<sup>th</sup> edition of Rajbhasha Jhalakiyan" released on dtd.27.09.2017 on the occasion of Final Day Function of Rajbhasha Pakhwara and 5<sup>th</sup> edition of "Sambalprabha" was released on 23.06.2017 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 786 Employments/Cash compensation in lieu of employment /Annuity during 2017-18 and total number of 15012 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, worshipping 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 2017-18 MCL has taken physical possession of **460.987** hectares of land.

## 28. CORPORATE SOCIAL RESPONSIBILITY

While pursuing the enhancement of Coal production, CSR is being undertaken to ensure inclusive growth of villages and affected community. MCL regards CSR as a key business process for sustainable development of the Society.

MCL has allocated Rs.122.85 Crore for the year 2017-18 based on 2% of average net profit of the company for the three immediate preceding financial years towards CSR activities as per CIL and MCL's CSR policy. The amount spent under CSR during financial year 2017-18 is Rs.267.52 Crore.

MCL has also embarked on the construction of Mahanadi Institute of Medical Science and Research (MIMSR), Talcher. The MIMSR will have a 100-seat medical college with 500 bedded multi-specialty Hospital with the state-of-the-art medical facilities. The project envisages a hostel for 300 boys, a separate hostel for 200 girl students, two blocks of Hostel for 100 interns, a hostel for 57 junior resident doctors and a 50-bedded nurses' hostel. An amount of Rs.492.62 Crore has been allocated to MIMSR out of which MCL has spent Rs 209.57 Crore in the FY 2017-18.

An amount of Rs.24.72 Crore has been spent towards construction of school toilets.

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 a powerful tool for achieving gender mainstreaming 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 31<sup>st</sup> March 2018 total Women employees' strength was 1941 which constitute 8.65% of MCL's total workforce.

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

- Stimulating the women in Public Sector (WIPS) forum, MCL Branch to function in an 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 & Regulations.

- Relaxation of age for employment to female spouses of employees dying in mine accidents.
- Encouraging Women employees to participate in Industrial Relations meetings 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 an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal 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.

No. of complaints received : Nil  
No. of complaints disposed off : Nil

**30. Public Relations**

Being proactive to communicate to the stakeholders is a basic mantra behind keeping the goodwill flowing for your Company. For that, we are very proactive towards keeping our stakeholders informed and updated about the happenings/events in the Organisation as well as its stand on various issues related to business operations.

We have continued to strengthen our bond with the internal as well as external public by strategically planned communication, as we consider mass media as a force multiplier that helps in accomplishing various business-related as well as social and developmental initiatives of the Company.

Your Company maintains a very healthy professional relation with the members of the Fourth Estate.

During the year 2017-18, your Company successfully organised “Sabka Saath, Sabka Vikas Sammelan” a Mass Outreach Programmes (MOP) of the Government of India at 13 different places in Odisha projecting the developmental schemes of the Central government as well as socio-economic upliftment measures being taken by your Company under Corporate Social Responsibility (CSR). Besides this, another MOP “New India: We Resolve to Make (Naya Bharat Hum Kar Ke Rahenge)” through Seminar-cum-Exhibition was successfully organised at Bhubaneswar on behalf of Ministry of Parliamentary Affairs, Government of India.

A special emphasis has been laid on building a humane image of the Company viz-a-viz environment-friendly coal mining operations, Corporate Social Responsibility (CSR), etc. which have also brought visible advancement in the common lives, particularly in the peripheries under MCL command in Odisha.

The Team PR of Company has engaged electronic and print media through press conferences as well as arranging exclusive interviews of the top management by senior journalists to ensure that the stakeholders of the Company are well informed. Increased flow of information from the Company in the form of press statements on various events, activities and achievements of the Company has provided widespread publicity to the Company’s initiatives and successes.

The Company's PR continues to be proactive towards creating favourable environment for business operations in the wake of crisis by turning turbulent conditions in favour of Company through strategic communication.

During the financial year 2017-18, Public Relations of MCL has participated in CSR Fair 2018 at Pragati Maidan, New Delhi as well as industry exhibitions at Bhubaneswar and Cuttack to project achievements of the Company.

MCL PR has produced audio-visuals on several subjects, like "Sahyog Ki Shakti" short Hindi film on Swachh Bharat initiative of involving masses organised by the Company, "Naya Bharat" a short series for social media, "A Growing Coal Giant!" a documentary on Company, "Apananka Saathi-Re, Sabubele" an Odia short film for MOP on Sabka Saath Sabka Vikas theme.

Besides promotion of Company through conventional media, your Company's presence in digital platforms/social media, through social networking website Facebook @/mahanadicoal; micro-blogging site Twitter @/mahanadicoal; and video sharing website YouTube @/MahanadiCoalfields is increasingly day-by-day engaging a wide spectrum of people. To further penetrate into social media space, particularly among teenagers, your Company is now on android-based social platform called Instagram @/pro.mcl for sharing photo and video.

The Team PR is continuously involved in generating awareness on social issues, like 'Corruption', 'AIDS', 'Beti Padhao', 'Swachh Bharat', 'environment-protection' etc. through supporting big events, printing, publishing / producing and circulating creative content among masses on behalf of your Company.

### 31. CAPITAL INVESTMENT ON SOCIAL AMENITIES

Details of Capital Investment on Social Amenities as on 31.03.2018 vis-à-vis 31.03.2017 is briefed here under:

(Rs. in Crore)

| Sl. No. | Particulars                       | Gross Value of fixed Assets |                 |
|---------|-----------------------------------|-----------------------------|-----------------|
|         |                                   | As at 31.3.2018             | As at 31.3.2017 |
| 1       | Buildings                         | 524.71                      | 476.49          |
| 2       | Plant and Machineries             | 75.96                       | 74.56           |
| 3       | Furniture, fittings and equipment | 9.44                        | 9.16            |
| 4       | Vehicle                           | 7.43                        | 7.56            |
| 5       | Development                       | 9.29                        | 9.29            |
|         | <b>Total</b>                      | <b>626.82</b>               | <b>577.06</b>   |

### 32. VIGILANCE ACTIVITIES AND 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. In addition, awareness on vigilance and anti-corruption issues amongst the employees also on the priority agenda which inter-alia includes newly inducted Management Trainees, Vendors, Students and common citizens through interactions/Seminar.

**1. Preventive Vigilance Activities:**

**(a) Inspections:**

During the financial year 2017-18, 88 Surprise Inspections and 23 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. Surprise Check of various field operations like quality check of coal stock yards, e-surveillance units, In-motion weighbridge calibration, coal transportation, road sale related activities, geo-fence violations etc. had been done leading to various systemic improvements in the form of issue of circular instructions, guidelines and recommendations of punitive action wherever found necessary.

**(b) Systemic Improvement undertaken during 2017-18:**

Twenty Four (24) numbers of advisories were issued by the Vigilance Department for Systemic Improvement in various business activities / Departments and Company as a whole.

**2. Punitive Vigilance:**

Following is the details of Vigilance Cases taken up for investigation, inquiry etc. in the financial year 2017-18:

| Particulars                                     | Numbers of cases | No. of employees involved |
|-------------------------------------------------|------------------|---------------------------|
| (a) Vigilance cases                             | 26               | 86                        |
| (b) Cases taken up for Departmental Proceedings | 11               | 24                        |
| i) Major Penalty Proceedings                    | 6                | 15                        |
| ii) Minor Penalty Proceedings                   | 5                | 9                         |
| (c) Cases in which penalty imposed              | 16               | 119                       |
| i) Major                                        | 7                | 104                       |
| ii) Minor                                       | 9                | 15                        |

**3. Rotation of Employees:**

Company has a policy for rotating the employees, who are working in sensitive posts/departments. During the year, 298 employees had been rotated. This includes those Officers whose names were figured in the “Agreed List” & “List of Officers of Doubtful Integrity” for the year 2017.

**4. Parliament Questions, RTI & Periodic Report:**

Fourteen (14) Parliament Questions and Five (05) RTI queries were replied during the reporting year. Monthly, Quarterly and Annual Reports were sent to the Central Vigilance Commission, Ministry of Coal and Coal India Limited timely.

**5. Vigilance Clearance:**

During the year, vigilance clearance status in respect of 14,575 employees including the Officers at the level of Directors, Senior Executives and Non-executives had been furnished to the CVC, CIL and MOC with relation to promotion, probation, superannuation matters. Online Vigilance Clearance Module has been implemented in respect of both Executives and Non-executives for furnishing vigilance status online.

**6. Leveraging of IT and other Technologies for better Surveillance & 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) Geo-Fencing
- ii) GPS/GPRS Bases Vehicle Tracking Devices
- iii) RFID Tagging of Internal Coal Transporting Tippers
- iv) RFID Readers
- v) Weighbridges
- vi) CCTV Camera Surveillance
- vii) Control Rooms
- viii) Modern Coal Survey & Measurement Gadgets:
  - a) SURPAC Software
  - b) 3D Terrestrial Laser Scanner (3DTLS)
  - c) Unmanned Aerial Vehicle (UAV Drones)
- ix) Explosive Testing (VoD Metre)
- x) Mobile Applications
- xi) Asset Management Portal
- xii) Biometric Attendance System
- xiii) Integrated Fuel Management System
- xiv) e-Office
- xv) Modules of CoalNet

**7. Observance of Vigilance Awareness Week - 2017:**

As per the directives received from the Central Vigilance Commission, New Delhi, the Company observed Vigilance Awareness Week-2017 from 30<sup>th</sup> October to 4<sup>th</sup> November, 2017 at HQs and in all its Project Areas.

**8. Awards & Recognitions received by the Vigilance Department at National Level:**

- 1) The CVC, New Delhi has conferred two Awards on MCL at the Inauguration Function of Vigilance Awareness Week - 2017 on 30.10.2017 at Vigyan Bhawan, New Delhi handed over by the Hon'ble Vice President of India for outstanding Contribution. The details are given as under:
  - i) In the category of Vigilance Innovation in the year 2016 - to the CVO, MCL.
  - ii) In the category of "Best Institutional Practice to Fight Corruption" for the year 2016 to Mahanadi Coalfields Limited as an Organization.
- 2) The CVO, MCL was awarded with "National Power Summit Award 2018" at Hyderabad, Telangana on 09.02.2018 by Shri Ajay Mishra, Special Chief Secretary, Department of Energy, Govt. of Telangana.
- 3) The CVO, MCL was awarded with "3<sup>rd</sup> Elelts PSU Summit Award – 2017" at New Delhi by the Hon'ble Minister of Steel, Govt. of India.

**33. e-PROCUREMENT**

The e-Procurement System of MCL, which was started on 15.08.2009, has been running successfully and till date more than 13500 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 itentails better transparency and convenience in tender management process. Management of Earnest Money Deposit(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 are constant improvements in the system and efforts are being made to add new features. Reverse Auction mode of tendering which was made available on portal w.e.f 21.01.2016 has started giving good results during this financial year. At present as a matter of policy, the Tenders valuing Rs 2.00 Lakhs and above are being finalised through e-Procurement mode. This includes procurement of Works, Goods and Services including multicurrency Global tenders.

**Special Features of the MCL e-Procurement System**

1. The evaluation of Technical part of the Tenders is done automatically by the portal software and human intervention in evaluation of Bid is minimised.
2. The evaluation is performed by the portal software based on the data provided by the Bidder in a structured and objective format. Bidders are required to upload documents in support of the information furnished by them in Tender.
3. Bidders are not required to submit any document off-line for evaluation of their Bid.
4. The business logic required for the evaluation of Tenders is incorporated in the portal software to validate the input data and to give appropriate alert messages.
5. The Bidders while submitting the Bid, receive feedback at each stage, as to whether the bid complies with the requirement of the Tender or not.
6. Online Reverse Auction process is adopted for the tenders valuing Rs 1 crore and above to secure, better price discovery.
7. Concept of H1 elimination in Reverse Auction has been implemented for better price discovery.

8. Two Part tendering system with verification of supporting documents before opening of Price Bids is being followed for the high value Tenders for procurement of Heavy Earth Moving Machinery (HEMM) and critical equipments.
9. Suitable changes in the portal and manual were incorporated for smooth migration of all the Tenders, published in Pre-GST period to Post-GST regime and the migration of tenders were smooth.

**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 completed in 2016 as follows.

ISO 9001: 2008 QMS-for managing customer focus and internal efficiency of the organization.

ISO 14001: 2004 EMS -for managing environmental concerns of the organization  
OHSAS 18001:2007 OHSMS -for managing occupational-health and safety concerns of the organization

The Certification was done by MS Certification Services Pvt. Ltd, Kolkata through CMPDI, Ranchi.

In April, 2016, MCL was re-certified against all the above-mentioned standards for a further period of 3 years valid up to 10.04.2019.

**Activities carried out by IMS Cell in the year 2017-18:-**

These standards have undergone revision and need to comply to the latest international versions i.e ISO 9001: 2015, ISO 14001: 2015 & OHSAS 18001 (To be replaced by ISO 45001) within 3 years of release of the new standards i.e. September, 2018.

For the purpose, CMPDIL was awarded the job for consultancy & up-gradation of ISO standards and effective implementation of the same in August, 2017. Subsequently CMPDIL carried out extensive study of the IMS in MCL by organizing meetings & discussion sessions with MCL officials. In January, 2018, new corporate management policy was formulated and included in the draft new IMS Manuals.

CMPDIL submitted the final draft manuals in March, 2018 for the approval of CMD, MCL. Updated IMS Manuals have been drafted after thorough study of the changes made in the revised standards. 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 25 Nos. of young executives from different dept. & Areas/Units have been awarded training in IICM Ranchi and MTI, MCL HQ. In 3<sup>rd</sup> week of March, 2018, as part of on site awareness and training, these 25 newly trained internal auditors with lead auditors from CMPDIL conducted 1<sup>st</sup> Internal Audit against the revised system.

Upon approval of IMS Manuals by CMD, MCL on dtd. 22.03.2018, the certifying agency, M/s MS Certification conducted document audit on dtd. 22.03.2018 and has scheduled 1<sup>st</sup> Surveillance audit in last week of April, 2018, upon successful completion of which, MCL shall be certified against the revised standards.

Apart from above, IMS cell has successfully accomplished the followings:

- Four Quarterly Internal Audits for the year 2017-18
- Half-yearly Surveillance audit by the certification agency, next being scheduled in April 2018.
- Model Mines Scheme for Balram OCP & Lajkura OCP for Performance Turn-around
- IMS 9.2 Annual Objectives, Targets & Programs for the year 2017-18 prepared and distributed.
- 360\* Feedback system on implementation of IMS; Felicitation of Best performing Units on Miners Day.
- Brainstorming-cum-Motivation sessions for employees across MCL

IMS Cell at MCL HQ is working for the betterment of management system by implementation of internationally accepted best art of practices as ISO standards with the following purpose in view :-

- 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.

- 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.
- 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.
- 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.
- To inculcate confidence in all its interested Parties regarding
- Mining & Supply of Coal that can consistently meet the requirement of customer, regulatory bodies and society.
- Committed to its responsibilities towards environmental, Occupational health and safety, social and energy concern.
- Systematic approach for achieving continual improvement
- Compliance of all legal and other requirements
- Thrust is on sustained and continual improvement, rather than on some short-term achievements.

#### **FUTURE ACTION PLAN :- Year 2018-19**

1. In the financial year 2018-19, MCL is going to apply for accreditation for ISO 50001:2011-Energy Management System for MCL as a whole which will help in managing rationalized consumption of all energy inputs in the organization.

The process for the integration of ISO 50001:2011 with the existing standards is being undertaken by CMPDIL, Ranchi and the same is reflected in the updated Management Manuals.

A committee has been constituted at MCL HQ for the process of selection of certifying agency and to find out some suitable and viable procedure for selection of Certifying Agency in consultation with CMDIL, Ranchi.

2. MCL also plans to upgrade OHSAS 18001:2007 to ISO 45000 as and when the guidelines from ISO for the same are finalized.

#### **35. AWARDS AND RECOGNITION**

35.1 In recognition of notable contribution/ achievement in various fields of its activities, your Company has been conferred upon the following awards during 2017-18.

- 1) MCL was awarded India's BEST COAL PRODUCING COMPANY AWARD for 2017 by USA based 'International Brand Consulting Corporation' on the Jury decision & Media Research Group evaluation. The award was presented at The Leela Hotel, Mumbai by MD & CEO, IBC in presence of Justice Annop Mehta, Retd. Judge, Mumbai High Court, Shri Satyendra Pal Singh, Consulate of India in Georgia and Shri Arbind Malkare, IRTS on 10<sup>th</sup> March, 2018.
- 2) MCL was conferred with GOLD Medal for excellence in productivity, Quality, Innovation and Management in the field of Industrial Development in the country held at the seminar on "Current Economic Scenario" in Constitution Club of India, New Delhi by Institute of Economic Studies on 8<sup>th</sup> July, 2017.

- On behalf of CMD, Mr. L N Mishra, Director (Personnel), MCL received the award from His Excellency the Governor of Odisha Dr. S.C. Jamir.
- 3) MCL was conferred with “Best Miniratna Award” on 25<sup>th</sup> July, 2017 at New Delhi by Dun & Bradstreet PSU Awards 2017 which was presented to Shri A.K. Jha, CMD, MCL by Mr. Neeraj Kumar Gupta, IAS, Secretary, Department of Investment and Public Asset Management, Ministry of Finance, Government of India.
  - 4) MCL was conferred with “Miniratna of the Year (Non-Manufacturing)” in the India’s Best Public Sector Undertaking Awards (PSU) 2016 by Dalal street Investment Journal at Mumbai, on 10<sup>th</sup> May, 2017.
  - 5) Mahanadi Coalfields Limited was awarded the 1<sup>st</sup> Best Enterprise Award under Miniratna category in the 28<sup>th</sup> National Meet of Women in Public Sector (WIPS) held in Guwahati & the award was given by Shri Sarbananda Sonowal, Hon’ble Chief Minister of Assam.
  - 6) Shri A.K. Jha, CMD, MCL was conferred with “Leadership Innovation Excellence Award” in recognition of his achievements & dedication in discharging duties towards corporate sector at the seminar on “Current Economic Scenario” in Constitution Club of India, New Delhi by Institute of Economic studies on 8<sup>th</sup> July, 2017. On behalf of CMD, Mr. L N Mishra, Director (Personnel), MCL received the award from His Excellency the Governor of Odisha Dr. S.C. Jamir.
  - 7) MCL was awarded for outstanding contribution in Vigilance Innovation on 30<sup>th</sup> October, 2017 at Vigyan Bhawan, New Delhi.
  - 8) MCL was conferred with “Gold Award” in “Sambad Corporate Excellence Award” on 19<sup>th</sup> January, 2018 at Bhubaneswar by Hon’ble Chief Minister of Odisha Shri Naveen Pattnaik.
  - 9) Jagannath Colliery (Talcher Coalfields) of MCL was conferred with National Safety Award for Mines awarded by Ministry of Labour and Employment, Govt. of India for consecutive two years 2013 & 2014 on 20<sup>th</sup> August, 2017 at Vigyan Bhawan, New Delhi. Sri. S K Choudhury, Project Officer, Sri. D K Pradhan Project Manager, Sri Sujit Biswal Workmen Inspector (Mining) and Sri Basanta Sahu, Workmen Inspector (Electrical) received the award from Hon’ble President of India Shri Ram Nath Kovind on behalf of Jagannath Colliery.
  - 10) MCL was declared 1<sup>st</sup> among all subsidiaries of Coal India and awarded Corporate Award for Swachhta Pakhwada 2017 by Coal India Limited on 1<sup>st</sup> November, Coal India Foundation Day at Kolkata. The Companies were judged for plantation, cleaning of schools & hospitals, cleaning of colonies and Swachhta campaign.
  - 11) MCL was awarded for outstanding contribution in the category of best Institutional practice to fight corruption on 30<sup>th</sup> October, 2017 at Vigyan Bhawan, New Delhi. Mr. Munawar Khursheed, Chief Vigilance Officer, MCL received the award from Hon’ble Vice President of India Shri Venkaiah Naidu.

- 12) Shri A. K. Jha, CMD, MCL was conferred with "Odisha Inc. Business Leadership Award 2017" on 23<sup>rd</sup> December, 17 at Bhubaneswar in Odisha Inc. Awards 2017 event.
- 13) Shri A.K. Jha, CMD, MCL was conferred with "Indian Achievers' Award for Business Excellence" for his outstanding achievements in Business and Social Service. The award was presented by Mr. Sunil Shastri, former Cabinet Minister in the Government of Uttar Pradesh and President of Lal Bahadur Shastri Foundation and Shri Ninong Ering, MP from Arunachal Pradesh on 20<sup>th</sup> February, 2018 at the "44<sup>th</sup> Indian Achievers' Seminar on Make in India: Creating & Enabling Environment for Entrepreneurs" in Indian Habitat Centre, New Delhi.
- 14) Shri A.K. Jha, CMD, MCL conferred with "Bharat Jyoti Award" on 24<sup>th</sup> August, 2017 at New Delhi by India International Friendship Society.
- 15) Mr. L.N. Mishra, Director (Personnel), MCL was awarded with "Rourkela Ratna Samman" by Canvas on 3<sup>rd</sup> March, 18 at Bhanja Bhawan, Rourkela on the occasion of Rourkela Divas for the developments in Industrial Relations and CSR activities.
- 16) Mr. Munawar Khursheed, Chief Vigilance Officer, MCL was awarded with Excellence Award at National Power Summit 2018 held in Hyderabad, Telangana on 9<sup>th</sup> February 2018. The award was presented by Mr. Ajay Mishra, Special Chief Secretary, Department of Energy, Government of Telangana.

## 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 2017-18

| <b>Statutory Auditors</b>                                        | <b>Branch Auditors</b>                                                            |
|------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| Singh Ray Mishra & Co.,<br>Chartered Accountants,<br>Bhubaneswar | M/s SRB Associates<br>5 <sup>th</sup> Floor, IDCO Towers,<br>Janpath, Bhubaneswar |

### 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 Chandra Wadhwa & Co, 204, Krishna House 4805/24, Bharat Ram Road, Daryaganj, New Delhi as the Principal Cost Auditor of the Company to audit Cost records of Company, Head Quarters and its units, IB Fields Areas, Basundhara Area and CWS (IB Valley) for the financial year 2017-18 at a total Audit fee of ₹ 2,78,910.00, Out of Pocket Expenses of Rs. 139455.00 (maximum) and applicable Tax on audit fee and (ii) M/s S. Dhal & Co., Cost Accountants, Plot-400/4897, Baramunda Village, Bhubaneswar, Odisha as the Branch Cost Auditor of the Company for the year 2017-18, to audit Cost records of Talcher Coalfields Areas including Kaniha area and CWS (Talcher) at a total Audit fee of ₹ 1,84,570.00, Out of Pocket Expenses of ₹ 92,285.00 (maximum) and applicable Tax on audit fee."

**36.3 Secretarial Auditors**

Pursuant 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. FIXED DEPOSITS**

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

**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 A.K. Jha - CMD
2. Shri J.P. Singh - Director (Tech./Op.)
3. Shri K.K. Parida - Director (Finance)
4. Shri L.N. Mishra - Director (Personnel)
5. Shri S.N. Prasad - Director
6. Dr. Rajib Mall - Director
7. Shri H. S. Pati - Director

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

1. Shri R. K. Sinha - Director  
(w.e.f. 12.06.2017)
2. Shri K. R. Vasudevan - Director (Finance)  
(w.e.f. 04.02.2018)
3. Ms. Seema Sharma - Independent Director  
(w.e.f. 06.09.2017)

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

1. Shri M. Choudhary - Director  
(Upto 12.06.2017)
2. Shri K. K. Parida - Director (Finance)  
(Upto 30.06.2017)

**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 31<sup>st</sup> March, 2018, 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 31<sup>st</sup> March, 2018 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 31<sup>st</sup> March, 2018 are placed at **Annexure-VI** to this report.

#### 44. AUDIT COMMITTEE

The Committee has been reconstituted on 22.12.2017 with the following members.

- |                                 |            |
|---------------------------------|------------|
| 1. Dr. Rajib Mall               | - Chairman |
| 2. Govt. Nominee Director       | - Member   |
| 3. Shri S. N. Prasad, D(M), CIL | - Member   |
| 4. Shri H. S. Pati              | - Member   |
| 5. Ms. Seema Sharma             | - Member   |
| 6. Director (Tech/Op.)          | - Member   |
| 7. Director (Finance) /CFO      | - Invitee  |
| 8. Director (Personnel)         | - Invitee  |
| 9. Director (Tech/P&P)          | - Invitee  |

##### 44.1 The scope of work

1. Review of financial statement.
  2. Periodical review of internal control system.
  3. Review of Govt. Audit and Statutory Auditor's Report.
  4. Review of operational performance vis-à-vis standard parameters.
  5. Review of projects and other capital scheme.
  6. Review of internal audit findings / observations.
  7. Development of a commensurate and effective internal audit functions in MCL.
  8. Special studies, investigation of any matter including issue referred to by the Board.
- 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 2016-17 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 2016-17 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 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return (Form No. MGT-9) is annexed as **Annexure VII** and uploaded on the website of the Company in the following link: <http://www.mcl.gov.in/Financial/MGT%209%202017-18.pdf>

#### 50. ACKNOWLEDGEMENTS

50.1 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.

50.2 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.

50.3 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.

50.4 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.

50.5 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.

**Sambalpur**  
**Date: 17.07.2018**

**Sd/-**  
**(A.K. Jha)**  
**Chairman-cum-Managing Director**  
(DIN: 06645361)

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.

**Sambalpur**  
**Date: 17.07.2018**

**Sd/-**  
**(A.K. Jha)**  
**Chairman-cum-Managing Director**  
(DIN: 06645361)

## Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 9 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/csrapolicy.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 (Env't), 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:

- Shri H.S. Pati (Independent Director) - Chairman
- Govt. Nominee Director - Member
- Dr. Rajib Mall (Independent Director) - Member
- Director (Tech/Op) - Member
- Director (Personnel) - Member
- Director (Tech/P&P) - Member
- Director (Finance) - Invitee

**III. Average net profit of the company for last three financial years****Budget Calculation for 2017-18**

Calculation of 3 Years Profits Before Tax for CSR

| <b>Year</b>                                                               | <b>Amount (Rs in Crores)</b> |
|---------------------------------------------------------------------------|------------------------------|
| 2014-2015                                                                 | 5314.24                      |
| 2015-2016                                                                 | 6260.43                      |
| 2016-2017                                                                 | 6853.32                      |
| <b>Total</b>                                                              | <b>18427.99</b>              |
| Average net profit (Profit before Tax)<br>of last three financial years : | 6142.66                      |
| 2 % of Average Profits                                                    | <b>122.85</b>                |

**IV. 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.122.85 Crore.

**V. 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.122.85 Cr.**

**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. 113.36 Cr. – Rs 166.60 Cr.)

The unspent/Balance amount in this year is NIL. (Actual spent is more than the budgeted amount) [(Rs. 122.85 Cr. + Rs 0) – **Rs 267.52 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**.

**VI. 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.**

NotApplicable

**VII. 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 Rs. Lakh)

| 1       | 2                                                                                                                                                                                                                                                                                | 3                                              | 4                                                                                                                                                  | 5                                              | 6                                                                                                              | 7                                                            | 8                                                   |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------|
| Sl. No. | CSR Project or activity identified for the financial year 2017-18                                                                                                                                                                                                                | 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 31.03.2018 | Amount Spent: Direct or through implementing agency |
| 1       | Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.                                                                                                                                          | All Mining District & Other District of Odisha | Angul, Jharsuguda, Sundergarh, Sambalpur, Khurda, Bolangir, Dhenkanal, Gajapati, Ganjam, Jajpur, Kalahandi, Nayagarh, Rayagada, Sonepur, Kandhamal | 19083.97                                       | 3435.92                                                                                                        | 15945.83                                                     | MCL, NPCC, & State Govt.                            |
| 2       | Promoting education, including special education and employment enhancing vocation skills aspecially among children, women, elderly, and the differently abled and livelihood enhancement projects;                                                                              | All Mining District & Other District of Odisha | Angul, Jharsuguda, Sundergarh, Sambalpur, Khurda, Bargarh                                                                                          | 50270.52                                       | 21400.38                                                                                                       | 33344.37                                                     | 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 centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially economically backward groups; | All Mining District & Other District of Odisha | Angul, Jharsuguda, Sambalpur, Nuapada                                                                                                              | 93.69                                          | 65.51                                                                                                          | 76.98                                                        | Direct by MCL                                       |
| 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;                                                                        | All Mining District & Other District of Odisha | Angul, Jharsuguda, Sundergarh, Khurda                                                                                                              | 286.58                                         | 233.84                                                                                                         | 275.03                                                       | MCL & State Govt.                                   |
| 5       | Protection of national heritage, alt and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional ans. And handicrafts;                                             | All Mining District & Other District of Odisha | Angul, Sundergarh, Sambalpur                                                                                                                       | 52.86                                          | 52.86                                                                                                          | 52.86                                                        | MCL & State Govt.                                   |

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|              |                                                                                                                                                                                                                                                                 |                                                |                                          |                 |                 |                 |                   |
|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------|-----------------|-----------------|-----------------|-------------------|
| 6.           | Measures for the benefits of armed forces veterans, war widows and their dependents.                                                                                                                                                                            |                                                |                                          | 0.00            | <b>0.00</b>     | <b>0.00</b>     |                   |
| 7.           | Training to promote rural sports, nationally recognized sports, paralympics sports and Olympic sports;                                                                                                                                                          | All Mining District & Other District of Odisha | Angul, Jharsuguda, Sundergarh, Sambalpur | 1335.18         | <b>420.80</b>   | <b>861.65</b>   | MCL & State Govt. |
| 8.           | Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for Socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, Other backward classes, minorities and women; |                                                |                                          | 0.00            | <b>0.00</b>     | <b>0.00</b>     |                   |
| 9.           | Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government.                                                                                                                      |                                                |                                          | 0.00            | <b>0.00</b>     | <b>0.00</b>     |                   |
| 10.          | Rural development projects.                                                                                                                                                                                                                                     | All Mining District & Other District of Odisha | Angul, Jharsuguda, Sundergarh, Sambalpur | 6091.67         | <b>1142.99</b>  | <b>1906.85</b>  | MCL & State Govt  |
| 11.          | Slum Area Development                                                                                                                                                                                                                                           |                                                |                                          | 0.00            | <b>0.00</b>     | <b>0.00</b>     |                   |
| <b>Total</b> |                                                                                                                                                                                                                                                                 |                                                |                                          | <b>77214.48</b> | <b>26752.31</b> | <b>52463.56</b> |                   |



## Corporate Social Responsibility



Women in Public Sector (WIPS), MCL Chapter Jagannath Area organises a seminar on "LET'S TALK" for women employees to spread awareness about "Health issues and Struggles of working women in the society".



Jagriti Mahila Mandal, MCL HQs led by President Dr Nisha Thakur distributed Food material, Saree, Lungi, & Stationery among needy in peripheral area on Makarsakranti.



# Corporate Social Responsibility



Medical College Campus Talcher



Skill development training to villagers by MCL



MCL donates a Garbage Compactor Vehicle to Sambalpur City under CSR



Providing Artificial limb by MCL in association with ALIMCO

## **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

Sd/-  
Chairman, CSR Committee  
(DIN: 05283445)

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 2017 – 2018

*[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 **MAHANADI COALFIELDS LIMITED** (hereinafter called the company). 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 31<sup>st</sup> March 2018 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 31<sup>st</sup> March, 2018 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; **(Not 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; **(Not Applicable)**
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **(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; **(Not Applicable)**
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable)** and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(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.**

**COMPOSITION OF BOARD:**

The Board of Directors of the Company is duly constituted subject to the Observations and Qualifications specified in **Annexure-B** and the changes in the Composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and disclosure of information to the Board were adequate and proper board procedure had been followed by the company.

**HOLDING OF MEETINGS:**

Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed Notes on Agenda were sent at least seven days in advance and a system exists for seeking and

obtaining further information and clarifications on the Agenda items before the Meeting and for meaningful participation at the Meeting. Majority decisions at Board & Committee Meetings are carried unanimously and duly recorded in the Minutes Book.

**COMPLIANCE WITH APPLICABLE LAWS, RULES, REGULATIONS & GUIDELINES:**

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

**INTER CORPORATE LOANS & ADVANCES:**

**Debt Funding to CCL**

During the Audit Period, the Board of Directors of the Company in their meeting held on 06<sup>th</sup> May 2017 has approved to provide the loan of Rs. 1,500 Crores to Central Coalfields Limited (CCL). The Company has obtained necessary approval from MoC in this regard.

**Debt Funding arrangement to NLCIL by MCL**

Further, during the Audit Period, the Board of Directors of the Company in their meeting held on 30<sup>th</sup> October 2017 has approved to provide the loan of Rs. 2,000 Crores in installments as per the terms and conditions recommended by the Audit Committee and approved by MCL Board to NLC India Limited. The Company has obtained necessary approval from MoC in this regard.

**INCREASE OF AUTHORISED CAPITAL:**

During the Audit Period, the Members of the Company in their meeting held on 21<sup>st</sup> March, 2018 have approved the Increase of Authorised Share Capital of the Company pursuant to the provisions of Sections- 13, 61, 62 and other applicable provisions, if any, of the Companies Act, 2013, from Rs. 5,00,00,00,000.00 (Rupees Five Hundred Crore Only) divided into 29,58,200 (Twenty Nine Lakh Fifty Eight Thousand Two Hundred) Equity Shares of Rs. 1,000.00 (Rupees One Thousand) each and 20,41,800 (Twenty Lakh Forty One Thousand Eight Hundred) 10% Cumulative Redeemable Preference Shares of Rs. 1,000.00 (Rupees One Thousand) each to Rs. 9,80,00,00,000.00 (Rupees Nine Hundred Eighty Crores Only) divided into 77,58,200 (Seventy Seven Lakh Fifty Eight Thousand Two Hundred) Equity Shares of Rs. 1,000.00 (Rupees One Thousand) each and 20,41,800 (Twenty Lakh Forty One Thousand Eight Hundred) 10% Cumulative Redeemable Preference Shares of Rs. 1,000.00 (Rupees One Thousand) each, ranking pari passu with the existing shares of the Company.

**ISSUE OF BONUS SHARES:**

During the Audit Period, the Board of Directors in its meeting held on 31<sup>st</sup> January 2018 has recommended issue of Bonus Shares capitalizing a sum of Rs. 564.91 Crores out of Capital Redemption Reserve and General Reserve of the Company pursuant to Section 23, 63 and other applicable provisions, if any, of the Companies Act, 2013 in the ratio of 4:1 to the existing shareholders

of the Company as the Defined Reserves and Surplus of the Company is more than 10 times of its paid up Equity Share Capital. The matter was put forward for approval of Members and a Committee was required to be constituted to give effect to the said Bonus Issue. Accordingly, a Bonus Committee was constituted comprising of CMD, D(T/OP), D(T/P&P) & D(P) to approve and give effect to the Bonus Issue of Shares as recommended by the Board. The Members have consented to the Issue of Bonus Shares in their meeting held on 21<sup>st</sup> March 2018. Thereafter, the Bonus Committee in its meeting held on 28<sup>th</sup> March 2018 approved the Bonus Issue of Shares by allotment of 56,49,064 numbers of Equity Shares of Rs. 1,000/- each (Distinctive Nos. 1412267 to 7061330) to Coal India Limited in the ratio of 04 numbers of Equity Shares offered to Coal India Limited for every one existing equity share credited as fully paid up to the equity shareholders of the Company in proportion of the shares held by them on 22/03/2018 (Record Date) ranking pari passu with the existing equity shares. The Company has made allotment of Bonus shares to CIL on 28.03.2018.

**APPOINTMENT OF WOMAN INDEPENDENT DIRECTOR:**

During the Audit Period, there is a shortfall of One Woman Independent Director on the Board from 01/04/2017 to 05/09/2017. However, after appointment of Mrs. Seema Sharma as Women Independent Director on its Board of Directors on Dt. 06/09/2017 the provisions of Rule-3 of Chapter XI (Appointment and Qualification of Director Rules, 2014) in context of Woman Director has been complied with.

For Deba Mohapatra & Co,  
Company Secretaries

Sd/-

CS Debadatta Mohapatra, Partner,  
FCS No. 5474, C P No: 4583

Place: Bhubaneswar

Date: 04.05.2018

Note: This report is to be read with our letter of even date which is annexed as **Annexure A & 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 Debadatta Mohapatra, Partner,  
FCS No. 5474, C P No: 4583

Place: Bhubaneswar

Date: 04.05.2018



## Observation of Secretarial Auditor & Management Reply

| SL. No. | OBSERVATIONS                                                                                                                                                                                                                                   | MANAGEMENT REPLY                                                                                                                                                                                                                                                             |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | No evaluation of performance of independent Directors was done by the Board of Directors during the year under the provision of Clause VIII of Schedule IV of the Companies Act, 2013.                                                         | Evaluation of Director is being done by the MoC from time to time. Govt. Company neither has the power to appoint Independent Director nor vested with power to evaluate the Independent Director.                                                                           |
| 2.      | Whether Company had adhered to the Guidelines issue by the Department of Public Enterprise on Corporate Governance for CPSE Dated 14-05-2010 and the Companies Act, 2013 w.r.t Optimum Combination of Board Members in the Board & Committee.  | The constitution of MCL Board has 4 Independent Directors. 03 of them have been appointed by MOC. Appointment of remaining 01 Director is pending with MoC. Once, they are appointed, the Committee would meet the provisions of the Company Law and DPE guidelines as well. |
| 3       | The Post of Woman Independent Director has been vacant from 01/04/2017 to 05/09/2017 as the Company has not appointed Women Director in the Board required under Rule-3 of Chapter XI (Appointment and Qualification of Director Rules, 2014). | Ms. Seema Sharma has been appointed as Woman Director on 06.09.2018 vide letter No. 21/18/2017-BA(iii) dated 06.09.2017 of Under Secretary to the Govt. of India, MoC.                                                                                                       |

## ANNEXURE - III

**ANNEXURE TO DIRECTORS' REPORT**

Information as required to be given in the Director's Report under Section 134 (3) of the Companies 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 2017-18 is 2.12 kWh/T in comparison to 2.17 kWh/T for 2016-17 i.e. % reduction of 2.36%.
- ii. Specific consumption of power (for Composite Production) (i.e. Coal + O.B Removal) during 2017-18 is 1.35 as against 1.46 kWh/Cu.M during 2016-17 .i.e. % reduction of 8.15%.
- iii. Power Factor incentive of Rs. 71.35 Lakhs was received during 2017-18 for maintaining p.f. above 0.96.
- iv. A total rebate of Rs. 173.6 lakhs was availed from WESCO / CESU during 2017-18 for arranging payment of monthly electricity bills of all supply points with in the fourth day of every month.

**1.(B) Special Initiatives**

- i. The job of preparing Detailed Project Report for Solar Roof Top power plant on the roof of service building at 12 different locations of MCL is entrusted to M/s CMPDI. Data of roofs have been collected and the DPR will be finalised within this FY i.e., 2018-19. The identified locations are tabulated below.

| Sl. No | Area Name   | Location/Building                     |
|--------|-------------|---------------------------------------|
| 1      | Jagannath   | DAV School (Eng med.)                 |
| 2      |             | Area GM Office                        |
| 3      | Lingaraj    | Project Office, Lingaraj              |
| 4      |             | LTS Dispensary                        |
| 5      | Hingula     | Project Office, Balaram OCP           |
| 6      | CWS Talcher | CWS Talcher                           |
| 7      |             | Area GM Office                        |
| 8      | Lakhanpur   | Belpahar Project Office, Belpahar OCM |
| 9      |             | Triveni Guest House                   |
| 10     | IB Valley   | Central Hospital                      |
| 11     | Orient      | Area GM Office (M Block)              |
| 12.    |             | Project Office, Rampur Sub Area       |

- i. Scheme for replacement of 13,908 nos. of 40W fluorescent tube lights with 20 Watt LED lamps have been under procurement action. These lamps are expected to be replaced during the year 2018-19.
- ii. Scheme for replacement of 7,044 nos. of higher wattage conventional street lights with lower wattage LED lamps have been under procurement action. These lamps are expected to be replaced during the year 2018-19.
- iii. Scheme for providing 17,235 nos. of energy meters in all the residential quarters of employees of MCL have been processed and the energy meters are expected to be installed during the year 2018-19.
- iv. Scheme 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 two nos. of solar water heater for the transit house of Bhubaneswari OCP have been approved and procurement of the same is under process.
- v. In order to eliminate unauthorized power consumption from overhead line, 43.5Kms of overhead line conductors have been replaced with Aerial Bunch conductors. Further quantity of 17.5 Kms is being replaced.

**(C) Steps taken wherever feasible / possible for reduction in power consumption for effective conservation of energy.**

- i. Benchmarking / Energy audit study for Electrical Energy Consumption in respect of Balaram and Kulda OCP has been conducted during the year 2017-18.
- ii. Merger of Anand Vihar Commercial and domestic point of supply of MCL Hqs to avail Maximum Captive use of Power generated from 2 MW Solar Power Plant. Field Inspection on this account has been done by M/s WESCO and the recommendation will be communicated along with increased contract demand.
- iii. Augmentation of Nandira Sub-station from 60MVA to 120MVA for providing reliable power supply for Talcher Coalfield is under completion stage.
- iv. 2 X 1.6 MVA, 33 / 11 KV Sub-stations at Jagruti Vihar Office-cum-Residential Complex was successfully commissioned on 30.11.2017.
- v. Feasibility for reorganisation of Township Power Distribution from single point transformer to Multi point pole mounted Transformer.
- vi. 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.
- vii. To reduce energy consumption by industrial pumps, some steps have been taken such as effective maintenance, optimization of delivery and suction sizes, use of pontoons, deliveries and cables through bore-holes etc.

- viii. Use of electronic regulators for fans instead of conventional chokes and regulators.
- ix. 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 including that of replacement against surveyed off are of five star rating.
- x. Avoiding loose connections and using proper size of fuses.
- xi. Ensuring minimum cable losses with proper size of cables, i.e., of rated capacity.
- xii. Optimum usage of transformer capacity thereby reducing transformer losses.
- xiii. Power factor close to 0.97 has been maintained by using power capacitors thereby reducing energy loss.
- xiv. Minimum transmission loss has been ensured by using proper sizes of overhead conductors.
- xv. Stage pumping / intermediate pumping has been reduced to minimize energy loss.
- xvi. Ensuring exact size of electric motors in pumps.
- xvii. Use of higher sizes / recommended sizes of delivery lines and suction in pumps and avoiding throttling.
- xviii. Ensuring no leakages in pipelines thereby improving pumping efficiency.
- xix. Ensuring proper condition of bearings etc.
- xx. To contain maximum demand close to the contract demand, close monitoring during peak hours are exercised by controlling non-productive load, i.e., resorting to load-shedding, if necessary. Capacitors of appropriate specification are being used to enhance power factor for dual benefit of reduced maximum demand.

**2.A. Fuel & Lubricants:**

Following steps were taken for reduction of consumption of Fuel & lubricants:

- a. Periodical overhauling of Engines, Transmissions & Hydraulic operated systems are being carried out.
- b. Specific Diesel Consumption is regularly monitored to keep within the norms fixed by CMPDI.
- c. Periodical checking of hoses and their routing is being carried out to minimize leakage of hydraulic oil of equipment.
- d. Proper inflation of Tyres is being carried out regularly.
- e. Regular checking of Self-starters, Alternators and Batteries.
- f. Efforts are being taken to minimize idling of equipments.
- g. For better control and monitoring of Diesel consumption, fitment & installation of Integrated Fuel Management System (IFMS) are being started.

## 2. B. Impact of measures of (a) for Energy Consumption and consequent impact on the parameters of production.

| DESCRIPTION                                                                                          | 17-18 | 16-17 | % change over previous year |
|------------------------------------------------------------------------------------------------------|-------|-------|-----------------------------|
| <b>Electrical Energy</b>                                                                             |       |       |                             |
| (i) Specific Consumption of power (for Coal), in kWh/Tonnes                                          | 2.12  | 2.17  | (-2.36)<br>(FAVOURABLE)     |
| (ii) Specific Consumption of power (for Composite Production) (i.e. Coal + O.B removal), in kWh/Cu.M | 1.35  | 1.46  | (-8.15)<br>(FAVOURABLE)     |
| <b>Fuel and Lubricants</b>                                                                           |       |       |                             |
| (i) Consumption of HSD, in ltrs/Cum of composite Production.                                         | 0.193 | 0.21  | (-8.10) (F)                 |
| (ii) Consumption of lubricants, in Ltrs./Cum of composite Production.                                | 0.009 | 0.010 | (-10.00) (F)                |
| (iii) Consumption of HSD, in ltrs/Tonne of Coal Production                                           | 0.303 | 0.313 | (-3.19) (F)                 |
| (iv) Consumption of lubricants, in Ltrs./Tonne of Coal Production.                                   | 0.014 | 0.014 | (0.00) (F)                  |
| v) Specific cost of POL, in Rs. / Tonne                                                              | 20.07 | 19.82 | (1.26) (A)                  |

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 (Rs. in crore)

| Description                           | Current Year | Previous Year |
|---------------------------------------|--------------|---------------|
| (a) Foreign Exchange used :           |              |               |
| (i) CIF value of imports              |              |               |
| a) Components, Stores and Spare parts | 0.03         | 0.10          |
| b) Capital goods                      | 1.93         | 28.37         |
| (ii) Travelling                       | 0.09         | 0.36          |
| (iii) Interest                        | 0.07         | 0.09          |
| (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 31<sup>st</sup> March, 2018 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, subject to the observations mentioned at “**Annexure-1**”.

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.

**For Raghav Garg &  
Associates  
(Company Secretaries)**

**Sd/-  
CS Raghav Garg, ACS  
Proprietor  
M No. 51644, CP No. 18834**

**Place: Sambalpur**

**Date: 24.04.2018**

**A. Composition of Audit Committee:-**

As stated above, 01 post of Independent Director is lying vacant since long and could not be filled up by Govt. of India during the financial year 2017-18. This has resulted in non-compliance of the DPE guidelines in respect of the Composition of the Audit Committee, as two-third of the members of the Audit Committee shall be Independent Directors.

The Management of the Company has stated that once 01 more Independent Director is inducted by Ministry of Coal, Government of India, Audit Committee of the Company would be re-constituted by inducting all the 04 Independent Directors as Members of the Audit Committee. This would comply with the provisions of DPE Guidelines.

**For Raghav Garg & Associates  
(Company Secretaries)**

**Sd/-**

**CS Raghav Garg, ACS  
Proprietor, M No. 51644,  
CP No. 18834**

**Place: Sambalpur**

**Date: 24.04.2018**

## 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 10 (Ten) Directors as on 31.03.2018 categorized as below.

- a) 05 (five) Functional Directors including Chairman-cum-Managing Director.
- b) 03 (three) 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 Twelve (12) times during the year 2017-18 on 18.04.2017, 06.05.2017, 25.05.2017, 10.06.2017, 01.08.2017, 08.09.2017, 30.10.2017, 07.11.2017, 22.12.2017, 31.01.2018, 28.02.2018, 09.03.2018, and 30.03.2018 with attendance of Directors exceeding 60% on average and gap between two meetings remaining less than 64 days.

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     |          | Directorships in other Companies                                            | Attended last AGM | Membership in other Committee |                 |
|-------------------------------------------|--------------------|--------------------|----------|-----------------------------------------------------------------------------|-------------------|-------------------------------|-----------------|
|                                           |                    | Held during tenure | Attended |                                                                             |                   | Audit Committee               | Other Committee |
| Shri A. K. Jha, CMD                       | Functional         | 13                 | 13       | Nil                                                                         | Yes               | Nil                           | 02              |
| Shri J. P. Singh, Director (T/Op)         | Functional         | 13                 | 13       | (i) MBPL<br>(ii) MCRL<br>(iii) MNH Shakti<br>(iv) MJSJ Coal Ltd.            | No                | 01                            | 05              |
| Shri O P Singh, Director(T/P&P)           | Functional         | 13                 | 13       | (i) MJSJ Coal Limited<br>(ii) MNH Shakti Limited<br>(iii) MBPL              | Yes               | Nil                           | 04              |
| Shri L. N. Mishra, Director(Personnel)    | Functional         | 13                 | 12       | (i) MBPL<br>(ii) MNH Shakti Limited<br>(iii) MCRL<br>(iv) MJSJ Coal Limited | No                | Nil                           | 03              |
| Shri K. K. Parida, Director (Finance)     | Functional         | 04                 | 04       | (i) MBPL<br>(ii) MJSJ Coal Limited<br>(iii) MCRL                            | No                | Nil                           | 04              |
| Shri M. Choudhary, Director               | Govt. Nominee      | 3                  | 2        | NLC Tamilnadu Power Limited                                                 | No                | 01                            | 01              |
| Shri S. N. Prasad, Director               | Official part time | 13                 | 09       | (i) Coal India Limited<br>(ii) Northern Coalfields Ltd                      | Yes               | 01                            | 01              |
| Dr. R. Mall, Director                     | Independent        | 13                 | 12       | Nil                                                                         | No                | 01                            | 02              |
| Shri. H.S. Pati, Director                 | Independent        | 13                 | 10       | Nil                                                                         | No                | 01                            | 02              |
| Shri. R.K. Sinha, Director                | GovtNominee        | 08                 | 05       | Coal India Ltd.                                                             | No                | 01                            | NIL             |
| Ms. S. Sharma, Director                   | Independent        | 07                 | 06       | Nil                                                                         | No                | 01                            | 02              |
| Shri. K. R. Vasudevan, Director (Finance) | Functional         | 03                 | 03       | (i) MCRL<br>(ii) MJSJ Coal Limited<br>(iii) MBPL                            | No                | NIL                           | 04              |

Certain items of governance like the Half-yearly and Annual Accounts, Capital expenditure, Coal sale contracts, Manpower budgets, statutory compliance reports etc. are reserved for Board's review and approval.

### Remuneration of Directors:

#### A) Whole time Directors

| Name                | Relationship with other Directors | Business relationship with the Company if any | Remuneration for the year 2017-18                                                                                          |              |
|---------------------|-----------------------------------|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|--------------|
|                     |                                   |                                               | All elements of remuneration package i.e. Salary, Performance linked incentive Scheme, PF contribution, Pension etc. (Rs.) |              |
| Shri A. K. Jha      | Nil                               | Chairman-cum-MD                               |                                                                                                                            | 35,60,516.00 |
| Shri A. K. Tiwari   | Nil                               | Director (Tech/ OP)                           | 8,61,064.30 (only PRP)                                                                                                     |              |
| Shri J. P. Singh    | Nil                               | Director(Tech/OP)                             |                                                                                                                            | 47,90,503    |
| Shri K. K. Parida   | Nil                               | Director (Finance)                            |                                                                                                                            | 39,97,752.00 |
|                     |                                   |                                               | (including retirement leave encashment of Rs.18,39,219.00)                                                                 |              |
| Shri L. N. Mishra   | Nil                               | Director(Personnel)                           |                                                                                                                            | 34,45,305.10 |
| Shri O. P. Singh    | Nil                               | Director (Tech./P&P)                          |                                                                                                                            | 33,24,834.50 |
| Shri K.R. Vasudevan | Nil                               | Director (Finance)                            |                                                                                                                            | 1,72,510.50  |

### **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**

- a) Review of financial statement.
- b) Periodical review of internal control system.
- c) Review of Govt. Audit and Statutory Auditor's Report.
- d) Review of operational performance vis-à-vis standard parameters.
- e) Review of projects and other capital scheme.
- f) Review of internal audit findings/observations.
- g) Development of a commensurate and effective internal audit functions in MCL.
- h) Special studies, investigation of any matter including issue referred to by the Board.

### **Composition and meeting details of the Audit Committee:**

The Audit Committee met for eleven times on 06.05.2017, 22.05.2017, 25.05.2017, 01.08.2017, 08.09.2017, 24.09.2017, 30.10.2017, 09.01.2018, 30.01.2018, 28.02.2018 and 09.03.2018 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.     | Shri S.N. Prasad  | Chairman | 4                                 | 4          |
| 2.     | Shri M. Choudhary | Member   | 3                                 | 2          |
| 3.     | Dr. R. Mall       | Member   | 4                                 | 4          |
| 4.     | Dr. R. Mall       | Chairman | 7                                 | 7          |
| 5.     | Shri. J.P. Singh  | Member   | 11                                | 11         |
| 6.     | Shri. H.S. Pati   | Member   | 11                                | 7          |
| 7.     | Shri. R. K. Sinha | Member   | 8                                 | 5          |
| 8.     | Shri. S.N. Prasad | Member   | 3                                 | 2          |
| 9.     | Shri. O.P. Singh  | Member   | 3                                 | 3          |
| 10.    | Ms. S. Sharma     | Member   | 4                                 | 3          |

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 134<sup>th</sup> and 135<sup>th</sup> 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 Three times during the year, i.e. on 06.09.2017, 18.10.2017 and 09.12.2017 with attendance of members as under:

| Sl. No | Name              | Status   | No of meetings held during tenure | Attendance |
|--------|-------------------|----------|-----------------------------------|------------|
| 1.     | Shri A. K. Jha    | Chairman | 3                                 | 3          |
| 2.     | Shri J. P. Singh  | Member   | 3                                 | 3          |
| 3.     | Shri O. P. Singh  | Member   | 3                                 | 3          |
| 5.     | Shri L. N. Mishra | Member   | 3                                 | 3          |
| 6.     | Shri S. Ghose     | Member   | 3                                 | 2          |

#### 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 four times during the year on 10.06.2017, 01.08.2017, 20.11.2017 and 30.03.2018 with attendance of members as under:

| Sl. No | Name                 | Status   | No of meetings held during tenure | Attendance |
|--------|----------------------|----------|-----------------------------------|------------|
| 1.     | Dr. Rajib Mall       | Member   | 4                                 | 4          |
| 2.     | Shri. M. Choudhary   | Member   | 4                                 | 4          |
| 3.     | Shri. J.P. Singh     | Member   | 4                                 | 4          |
| 4.     | Shri. L.N. Mishra    | Member   | 4                                 | 4          |
| 5.     | Shri. O.P Singh      | Member   | 2                                 | 2          |
| 6      | Shri. H.S. Pati      | Chairman | 4                                 | 3          |
| 7.     | Ms. S. Sharma        | Member   | 1                                 | 1          |
| 8.     | Shri. K.R. Vasudevan | Member   | 1                                 | 1          |

**iv) Risk Management Committee (RMC):****Scope of work:**

The scope of the Committee will be 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 on 09.02.2016 and reconstituted on 27.08.2016 with the following members.

| Sl. No | Name                     | Status             |
|--------|--------------------------|--------------------|
| 1      | Director (Tech/Op)       | Chairman           |
| 2      | Director (Personnel)     | Member             |
| 3      | Director (Tech/P&P)      | Member             |
| 4      | Director(Marketing), CIL | Member             |
| 5      | Director (Finance)       | Member             |
| 6      | GM(S&R)                  | Chief Risk Officer |

No meeting was held during the year 2017-18.

**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 onetime during this year on 10.06.2017 with attendance of members as under:

| Sl. No | Name               | Status   | No of meetings held during tenure | Attendance |
|--------|--------------------|----------|-----------------------------------|------------|
| 1.     | Dr. R. Mall        | Chairman | 1                                 | 1          |
| 2.     | Shri. M. Choudhary | Member   | 1                                 | 1          |
| 3.     | Shri. H.S Pati     | Member   | 1                                 | 0          |
| 4.     | Shri. S. N. Prasad | Member   | 1                                 | 0          |

**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 11 times during this year on 04.04.2017, 12.05.2017, 03.06.2017, 05.07.2017, 03.09.2017, 14.11.2017, 29.11.2017, 06.01.2018, 16.01.2018, 10.03.2018, 31.03.2018 with attendance of members as under:

| Sl. No | Name                 | Status   | No of meetings held during tenure | Attendance |
|--------|----------------------|----------|-----------------------------------|------------|
| 1      | Shri A. K. Jha       | Chairman | 11                                | 11         |
| 2      | Shri J. P. Singh     | Member   | 11                                | 11         |
| 3      | Shri K. K. Parida    | Member   | 03                                | 03         |
| 4      | Shri O.P. Singh      | Member   | 11                                | 11         |
| 5      | Shri L. N. Mishra    | Member   | 11                                | 11         |
| 6      | Shri. K.R. Vasudevan | 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 2017-18.

**Statutory Auditors**

Singh Ray Mishra & Co., Chartered Accountants, Bhubaneswar

**Branch Auditors**

M/s SRB Associates, 5<sup>th</sup> Floor, IDCO Towers, Janpath, Bhubaneswar

| Type of Audit                                          | Remuneration (Rs.)                                                                   | Remarks                                                                                            |
|--------------------------------------------------------|--------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| Statutory Audit for the year 2017-18                   | Rs 40,43,252/- (Rs 25,88,172 for Principal audit and Rs. 14,55,080 for Branch audit) | Reimbursement/payment of travelling expenses on actual basis and applicable GST payable thereon.   |
| Audit for consolidation                                | Rs.97,350/-                                                                          | Reimbursement / payment of travelling expenses on actual basis and applicable GST payable thereon. |
| Compliance with the conditions of Corporate Governance | Rs. 37,400/-                                                                         | Reimbursement/payment of travelling expenses on actual basis and applicable GST 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 |
|---------|------------|----------|--------------------------------------------------------------|----------------------------|
| 2014-15 | 08.07.2015 | 10.30 AM | Mahanadi Coalfields Limited, Jagruti Vihar, Burla, Sambalpur | Nil                        |
| 2015-16 | 11.07.2016 | 4.00 PM  | Mahanadi Coalfields Limited, Jagruti Vihar, Burla, Sambalpur | One                        |
| 2016-17 | 21.07.2017 | 11.00 AM | Mahanadi Coalfields Limited, Jagruti Vihar, Burla, Sambalpur | One                        |

**Extraordinary General Meeting:**

| Year    | Date       | Time     | Location                                                     | Special Resolution, if any |
|---------|------------|----------|--------------------------------------------------------------|----------------------------|
| 2015-16 | Nil        | Nil      | Nil                                                          | Nil                        |
| 2016-17 | 12.03.2017 | 11.00 AM | Mahanadi Coalfields Limited, Jagruti Vihar, Burla, Sambalpur | One                        |
| 2017-18 | 21.03.2018 | 10.30 AM | Mahanadi Coalfields Limited, Jagruti Vihar, Burla, Sambalpur | Two                        |

**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 94<sup>th</sup> meeting held on 29<sup>th</sup> March, 2008 at Kolkata and the same has been posted at Company's website: [www.mahanadicoal.in](http://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 2017-18.

**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 31<sup>st</sup> March, 2018 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 31<sup>st</sup> March, 2018 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 **87.00%** in Corporate Governance for the year 2017-18, which entails ‘**Excellent**’ grading.

**ANNEXURE - V****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 315.15 Billion Tonne (BT) upto 1200 meter depth in 68 different coalfields as on 01.04.2017, details are as below:

| SL NO | STATE        | NO. OF CF | COAL RESERVE (BT) | % OF INDIA  |
|-------|--------------|-----------|-------------------|-------------|
| 1     | JHARKHAND    | 12        | 82.440            | 26.16%      |
| 2     | ODISHA       | 2         | 77.285            | 24.52%      |
| 3     | CHHATTISGARH | 13        | 56.661            | 17.98%      |
| 4     | WEST BENGAL  | 4         | 31.667            | 10.05%      |
| 5     | M.P.         | 8         | 27.673            | 8.78%       |
| 6     | TELENGANA    | 1         | 21.464            | 6.81%       |
| 7     | MAHARASHTRA  | 5         | 12.259            | 3.89%       |
| 8     | NE STATE     | 20        | 1.702             | 0.54%       |
| 9     | A.P.         | 1         | 1.581             | 0.50%       |
| 10    | U.P.         | 1         | 1.062             | 0.34%       |
| 11    | BIHAR        | 1         | 1.354             | 0.43%       |
|       | <b>TOTAL</b> | <b>68</b> | <b>315.15</b>     | <b>100%</b> |

Odisha stands 2<sup>nd</sup> to Jharkhand in the reserve position in India. Total coal reserve of Odisha as on 1<sup>st</sup> April, 2017 is estimated to be 77.28 Billion Tonnes which is around 24.52 % of the total National coal reserve. The two Coalfields of Odisha, namely Talcher and Ib-valley are under the command area of MCL; Talcher being the largest Coalfield (51.163 BT) and Ib-valley being the 3<sup>rd</sup> largest (26.122 BT) Coalfield of India. Out of 77.285 Billion Tonnes of coal reserve, the proved coal reserve is 34.809 BT (45.04 %).



Talcher and Ib-valley coalfields of Odisha are the store house 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 CIL the year 2018-19 has been planned for 681.00 Mt out of which share of MCL is 169.00 Mt (24.82 %).

### Sector-wise actual coal off-take of MCL for XI Plan ,XII Plan ,2017-18 & Projection for 2018-19

(Fig. in Million Tonne)

|            | XI Plan           |                   |                   |                   |                   | XII Plan          |                   |                   |                   |                   |                   |                 |
|------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------|
|            | 2007-08<br>Actual | 2008-09<br>Actual | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual | 2014-15<br>Actual | 2015-16<br>Actual | 2016-17<br>Actual | 2017-18<br>Actual | 2018-19<br>(BE) |
| Power      | 68.09             | 70.47             | 70.88             | 74.73             | 77.11             | 88.16             | 78.223            | 87.717            | 91.173            | 98.550            | 99.274            | 124.43          |
| Cement     | 0.19              | 0.17              | 0.26              | 0.27              | 0.23              | 0.348             | 0.340             | 0.432             | 0.24              | 0.257             | 0.186             | 0.26            |
| Fertilizer | -                 | -                 | -                 | 0.02              | 0.026             | 0.060             | 0.0367            | 0.024             | 0.004             | 0.00              | 0.052             | 0.06            |
| Others     | 15.35             | 20.06             | 27.01             | 27.07             | 25.16             | 23.396            | 35.742            | 34.828            | 48.797            | 44.204            | 38.750            | 44.25           |
| Total      | 83.63             | 91.30             | 98.15             | 102.09            | 102.52            | 111.964           | 114.342           | 123.001           | 140.214           | 143.011           | 138.262           | 169.00          |

### Mode-wise actual coal movement of MCL for XI Plan , XII Plan ,2017-18 & Projection for 2018-19

(Fig. in Million Tonne)

|        | XI Plan           |                   |                   |                   |                   | XII Plan          |                   |                   |                   |                   |                   |                 |
|--------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------|
|        | 2007-08<br>Actual | 2008-09<br>Actual | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual | 2014-15<br>Actual | 2015-16<br>Actual | 2016-17<br>Actual | 2017-18<br>Actual | 2018-19<br>(BE) |
| Rail   | 51.68             | 54.18             | 55.84             | 59.24             | 60.310            | 68.727            | 72.2246           | 81.260            | 89.079            | 90.776            | 89.442            | 111.58          |
| Road   | 12.16             | 18.68             | 23.35             | 25.12             | 25.623            | 25.219            | 24.506            | 25.152            | 34.515            | 38.210            | 34.816            | 39.52           |
| MGR    | 18.59             | 17.08             | 17.37             | 16.11             | 14.797            | 16.191            | 15.745            | 15.166            | 15.231            | 12.611            | 12.588            | 16.70           |
| Others | 1.20              | 1.36              | 1.59              | 1.62              | 1.791             | 1.819             | 1.866             | 1.423             | 1.389             | 1.410             | 1.416             | 1.20            |
| Total  | 83.63             | 91.30             | 98.15             | 102.09            | 102.521           | 111.959           | 114.342           | 123.001           | 140.214           | 143.007           | 138.262           | 169.00          |

### Coal Availability:

The actual coal production from 2008-09 to 2017-18 and production projection during 2018-19 from existing mines, completed projects and on-going projects in MCL, is given below.

(Fig. in Million Tonne)

|                    | 2008-09<br>Actual | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual | 2014-15<br>Actual | 2015-16<br>Actual | 2016-17<br>Actual | 2017-18<br>Actual | 2018-19<br>(BE) |
|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------|
| Existing Mines     | 1.32              | 1.35              | 1.32              | 1.333             | 0.967             | 0.778             | 1.127             | 0.981             | 0.8936            | 0.91              | 0.86            |
| Completed Projects | 64.85             | 71.19             | 73.27             | 66.645            | 67.344            | 59.988            | 70.906            | 76.220            | 77.5699           | 68.817            | 64.64           |

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**MAHANADI COALFIELDS LIMITED**

|                         |       |        |        |         |         |         |         |         |          |         |        |
|-------------------------|-------|--------|--------|---------|---------|---------|---------|---------|----------|---------|--------|
| On-Going & New Projects | 30.17 | 31.54  | 25.69  | 35.140  | 39.584  | 49.674  | 49.346  | 60.70   | 60.7549  | 73.331  | 97.00  |
| Total                   | 96.34 | 104.08 | 100.28 | 103.118 | 107.895 | 110.440 | 121.379 | 137.901 | 139.2084 | 143.058 | 162.50 |

**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<br>Actual | 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual | 2014-15<br>Actual | 2015-16<br>Actual | 2016-17<br>Actual | 2017-18<br>Actual | 2018-19<br>Bedgeted |
|---------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| UG      | 1.25              | 1.29              | 1.25              | 1.24              | 0.97              | 0.84              | 0.77              | 0.67              | 0.65              | 0.74              | 0.73                |
| OC      | 23.05             | 18.89             | 20.50             | 20.38             | 21.34             | 22.16             | 22.11             | 24.24             | 25.72             | 31.52             | 29.45               |
| OVERALL | 16.59             | 14.66             | 15.37             | 15.36             | 16.07             | 16.69             | 17.10             | 18.88             | 20.08             | 24.22             | 23.71               |

**SWOT ANALYSIS****Strength:**

- 2<sup>ND</sup> 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 35 completed projects in MCL with rated capacity of 94.58 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 2018) with rated capacity of 129.83 Million tonne . Production from these On-going projects during 2017-18 is 73.331 Million tonne.

Basundhara Area (known as Gopalpur Tract) of Ib-valley coalfield has enough potentiality, but the only bottle neck 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, 2018.**

The preparation of standalone financial statements of Mahanadi Coalfields Limited for the year ended 31 March, 2018 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 Audit Report dated 24.05.2018 and revised Audit Report dated 07.06.2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6) (a) of the Act of the standalone financial statements of Mahanadi Coalfields Limited for the year ended 31 March 2018. 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 to the Independent Auditors' Report as indicated in (a) under "other matters" as a result of my audit observations highlighted during supplementary audit, I have no further comment to offer upon or supplement to the Statutory Auditors' Report under Section 143(6)(b) of the Act.

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

**Sd/-**

**(Reena Saha)**

**Pr. Director of Commercial Audit &  
Ex-officio Member, Audit Board-II**

**Kolkata**

Kolkata

Dated: 21.06.2018

**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, 2018.**

The preparation of consolidated financial statements of Mahanadi Coalfields Limited for the year ended 31 March, 2018 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) read with section 129(4) of the Act 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 Audit Report dated 24.05.2018 and revised Audit Report dated 06.07.2018.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6) (a) read with section 129(4) of the Act of the consolidated financial statements of Mahanadi Coalfields Limited for the year ended 31 March, 2018. We conducted a supplementary audit of the financial statement of Mahanadi Coalfields Limited, Mahanadi Coal Railway Limited, MJSJ Coal Limited, MNH Shakti Limited and Mahanadi Basin Power Limited 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 made to the Independent Auditors' Report as indicated in (b) under "other matters" as a result of my audit observations highlighted during supplementary audit, I have no further comment to offer upon or supplement to the Statutory Auditors' Report under Section 143(6)(b) of the Act.

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

**Sd/-**

**(Reena Saha)**

**Pr. Director of Commercial Audit &  
Ex-officio Member, Audit Board-II**

**Kolkata**

Kolkata

Dated: 10.07.2018

## **INDEPENDENT AUDITORS' REPORT**

### **To the Members of Mahanadi Coalfields Limited**

### **Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of Mahanadi Coalfields Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the statement of profit and loss (including Other Comprehensive Income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the 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 six mines area and one Central work shop of Talcher Field audited by Branch Auditors.

### **Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), Profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under.

The Board of Directors of the company are responsible for 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 statements 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 standalone Ind AS financial statements by the Directors of the Company, as aforesaid.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31<sup>st</sup> March 2018 and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year then ended.

### **Other Matters**

(a) We have issued an Audit Report dated 24.05.2018 (the Original Report) at Bhubaneswar on the financial statements as adopted by Board of Directors on even date. Pursuant to the observation of the Comptroller & Auditor General of India under section 143(6)(a) of the Companies Act, 2013, we have revised the said Audit Report. The revised Audit Report has no impact on the reported figures in the financial statements of the Company. This Audit Report, which has been suitably revised to consider observations of Comptroller & Auditor General of India and amendment made to item no. 3(h)(iii) under "Other Legal & Regulatory Requirements" and amendment made to vii(a) & vii(b) of Annexure 'A' to the Auditor's Report, supersedes the original Report.

Our audit procedures on events subsequent to the date of original report is restricted solely to the amendments made to the point no. 3(h)(iii) on the Report on Other Legal & Regulatory Requirements and amendment made to the point no. vii(a) & vii(b) of Annexure 'A' to the Auditor's Report (CARO 2016).



(b) We did not audit the financial statements/ information of six mines area and one Central work shop of Talcher Field audited by Branch Auditors included in the standalone Ind AS financial statements of the company, reflecting total asset of Rs. 1420660.03 Lakh as at 31st March 2018 and total revenues of Rs.842561.48 Lakh for the year ended on that date. The financial statements/ information of these branches have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

(c) It is to state that the company has not disclosed its mining right as an intangible asset as per the requirement under Schedule III to the Companies Act, 2013 (Ind AS compliant financial statement format), as because it is of the opinion that at present there is no measuring yard stick prescribed in Ind AS to assign a value to it.

(d) During the year the Company had given unsecured Loan to NLCIL of Rs. 1000 crore at an interest rate of 7% p.a interest due & payable on monthly basis, which got the concurrence from Ministry of Coal. As explained to us by the management, this rate of interest is at par with comparable market rate and therefore there is no impact of this transaction in terms of Ind AS 109 in the financial statements.

Our opinion is not qualified in respect of these matters.

**We have placed reliance on**

- (a) The technical data submitted by the Management in respect of 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 & 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 in terms of Section 143(11) of the Act, we give in "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 explanations given to us, in the "Annexure B" on the directions issued by the Comptroller & 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 so far as it appears from our examination of those books.

(c) The reports on the accounts of the six mines area and one Central work shop of Talcher Field audited under section 143(8) of the Act by the 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 statement of cash flows and statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained 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 relevant rules issued thereunder.

(f) We are informed that the provisions of Section 164(2) of the Act in respect of disqualification of directors are not applicable to the company, being a Government company in terms of notification no. G.S.R. 463(E) dated 5<sup>th</sup> 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. the company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts;
- iii. Since the Company does not have to transfer any amount to Investor Education & Protection Fund as required under section 125 (2) of Companies Act, 2013 (previously section 205C of Companies Act, 1956), the delay in transferring any amount to the fund doesn't arise.

**For Singh Ray Mishra & Co.**

*Chartered Accountants*

FRN: 318121E

**Sd/-**

**Jiten Kumar Mishra**

*Partner*

M. No.: 052796

Place: Kolkata

Date: 07.06.2018

### **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 2018, 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 record, we notice 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 has granted an unsecured loan of Rs. 1000 Crore to NLC India Ltd., which has also got 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 with accounted for by subsidiary companies of MCL.

The loan advanced to CCL during the year 2016-17 has been repaid by CCL along with interest at per terms of the agreement.

In respect of loans given to NLCIL, repayment of principal by NLCIL has not yet fallen due and NLCIL is regular in paying interest 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 during the financial year 2017-18, there is no overdue.

(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 except the following;

| Name of the Statute | Nature of the Dues | Amount (Rs. In Lakhs) | Period to which the amount relates | Due Date   | Date of Payment |
|---------------------|--------------------|-----------------------|------------------------------------|------------|-----------------|
| MM(DR) Act          | Penalty            | 5096.88               | 2015-16                            | 04/07/2017 | Not yet paid    |

(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 31<sup>st</sup> March, 2018 are given below:-

| Sl. No. | Name of the Statute | Nature of Dues | Amount (Rs. In Lakhs) | Period to which the amount relate        | Forum where dispute is pending |
|---------|---------------------|----------------|-----------------------|------------------------------------------|--------------------------------|
| 1       | Income Tax Act      | Income Tax     | 22735.34              | 2015-16                                  | CIT (A), Sambalpur             |
| 2       | Income Tax Act      | Income Tax     | 36,784.48             | 08-09, 09-10, 10-11, 11-12, 12-13, 13-14 | ITAT, Cuttack                  |
| 3       | Income Tax Act      | Income Tax     | 6909.33               | 97-98, 98-99, 05-06, 06-07 & 07-08       | High Court, Orissa             |

**Basundhara**

| Sl. No. | Name of the Statute | Nature of Dues | Amount (Rs. In Lakhs) | Period to which the amount relate | Forum where dispute is pending |
|---------|---------------------|----------------|-----------------------|-----------------------------------|--------------------------------|
| 1       | Central Excise ACT  | Excise Duty    | 654.11                | 2011-2014                         | CESTAT KOLKATA                 |
| 2       | Finance Act,1994    | Service Tax    | 2.75                  | 2009-2012                         | Commissioner Appeals           |

**Orient**

| Sl. No. | Name of the Statute   | Nature of Dues    | Amount (Rs. In Lakhs) | Period to which the amount relate | Forum where dispute is pending |
|---------|-----------------------|-------------------|-----------------------|-----------------------------------|--------------------------------|
| 1       | Central Excise ACT    | Excise Duty       | 12.74                 | 2017                              | GST Commissionerate, BBSR      |
| 2       | Finance Act 1994      | Service Tax       | 9.24                  | 2017                              | GST Asst, Comm., SBP           |
| 3       | Finance Act 1994      | Service Tax       | 7.35                  | 01.01.13-31.03.15                 | GST Asst, Comm., SBP           |
| 4       | Central Excise ACT    | Excise Duty       | 43.20                 | 2013-14 & 2014-15                 | GST Asst, Comm., SBP           |
| 5       | Clean Energy Cess Act | Clean Energy Cess | 89.04                 | 2013-14 & 2014-15                 | Joint Comm., RKL               |

**IB Valley**

| Sl. No. | Name of the Statute | Nature of Dues | Amount (Rs. In Lakhs) | Period to which the amount relate | Forum where dispute is pending |
|---------|---------------------|----------------|-----------------------|-----------------------------------|--------------------------------|
| 1       | Central Excise ACT  | Excise Duty    | 843.24                | 2011-12                           | CESTAT KOLKATA                 |
| 2       | Central Excise ACT  | Excise Duty    | 1,015.06              | 2012-13                           | CESTAT KOLKATA                 |
| 3       | Central Excise ACT  | Excise Duty    | 793.79                | 2013-14                           | CESTAT KOLKATA                 |
| 4       | Central Excise ACT  | Excise Duty    | 1,145.92              | 2014                              | CESTAT KOLKATA                 |
| 5       | Central Excise ACT  | Excise Duty    | 243.89                | 2014-15                           | CESTAT KOLKATA                 |
| 6       | Finance Act 1994    | service Tax    | 1.5                   | 2008-09                           | Commissioner CBEC              |
| 7       | Finance Act 1994    | service Tax    | 17.72                 | 2010-11 to 2014-15                | Commissioner CBEC              |
| 8       | Odisha Vat          | Sales Tax      | 123.93                | 2005-06                           | Commissioner Sales Tax         |
| 9       | Odisha Vat          | Sales Tax      | 683.12                | 2006-07                           | Commissioner Sales Tax         |
| 10      | Odisha Vat          | Sales Tax      | 2.68                  | 2009-11                           | Commissioner Sales Tax         |
| 11      | Odisha Vat          | Sales Tax      | 86.3                  | 2013-14                           | Commissioner Sales Tax         |
| 12      | Odisha Vat          | Sales Tax      | 6,694.67              | 2015-16                           | Commissioner Sales Tax         |

**Lingaraj**

| Sl. No. | Name of the Statute | Nature of Dues | Amount (Rs. In Lakhs) | Period to which the amount relate | Forum where dispute is pending |
|---------|---------------------|----------------|-----------------------|-----------------------------------|--------------------------------|
| 1       | Finance Act 1994    | Service Tax    | 2.26                  | 2007-08 to 2014-15                | Assistant Commissioner, Angul  |
| 2       | Finance Act 1994    | Service Tax    | 6.81                  | 2012-13                           | Assistant Commissioner, Angul  |
| 3       | ODISHA VAT          | CST            | 1.16                  | 1998-99                           | ACCT, Cuttack II Range         |
| 4       | ODISHA VAT          | CST            | 0.06                  | 2001-2002                         | Commissioner Cuttack           |
| 5       | ODISHA VAT          | CST            | 16.14                 | 2000-2001                         | Commissioner Cuttack           |
| 6       | ODISHA VAT          | CST            | 1.13                  | 2004-2005                         | ACCT, Cuttack II Range         |
| 7       | OET ACT             | Entry Tax      | 52.07                 | 1999-2000                         | Asst. Commissioner, Angul      |
| 8       | OET ACT             | Entry Tax      | 4.93                  | 2003-2004                         | High Court, Odisha             |
| 9       | OET ACT             | Entry Tax      | 4.52                  | 2004-2005                         | High Court, Odisha             |

**Bharatpur**

| Sl. No. | Name of the Statute     | Nature of Dues      | Amount (Rs. In Lakhs) | Period to which the amount relate | Forum where dispute is pending                                                    |
|---------|-------------------------|---------------------|-----------------------|-----------------------------------|-----------------------------------------------------------------------------------|
| 1       | Central Excise Act 1944 | Central Excise Duty | 95.2                  | April 2011 to March 2015          | Honourable High Court of Odisha                                                   |
| 2       | Central Excise Act 1944 | Clean Energy Cess   | 125.36                | April 2011 to March 2015          | Honourable High Court of Odisha                                                   |
| 3       | Service Tax Act 1994    | Service Tax         | 923.29                | 01.04.03 to 31.12.07              | CESTAT KOLKATA                                                                    |
| 4       | Service Tax Act 1994    | Service Tax         | 445.23                | Jan 08 to June 09.                | CESTAT KOLKATA                                                                    |
| 5       | Service Tax Act 1994    | Service Tax         | 146.46                | July 2009 to Jan 2010             | CESTAT KOLKATA                                                                    |
| 6       | Service Tax Act 1994    | Service Tax         | 124.22                | Feb 2010 to July 2010             | CESTAT KOLKATA                                                                    |
| 7       | Service Tax Act 1994    | Service Tax         | 111.12                | August 2010 to March 2011         | CESTAT KOLKATA                                                                    |
| 8       | Service Tax Act 1994    | Service Tax         | 83.57                 | April 2011 to Dec 2011            | CESTAT KOLKATA                                                                    |
| 9       | Service Tax Act 1994    | Service Tax         | 103.76                | January 12 to Nov 12              | Commissioner (Appeals), Central Excise, Customs and Service Tax, BBSR-I           |
| 10      | Service Tax Act 1994    | Service Tax         | 58.17                 | December 12 to March 14           | Commissioner, Central Excise, Customs & S. Tax, Bhubaneswar-II<br>Commissionerate |

| Sl. No. | Name of the Statute  | Nature of Dues | Amount (Rs. In Lakhs) | Period to which the amount relate | Forum where dispute is pending                                                   |
|---------|----------------------|----------------|-----------------------|-----------------------------------|----------------------------------------------------------------------------------|
| 11      | Service Tax Act 1994 | Service Tax    | 9.13                  | 1st June 2007 to 31st March 2012  | Asst. Commissioner, Central Excise, Customs & Service Tax, Angul Division, Angul |
| 12      | Service Tax Act 1994 | Service Tax    | 7,785.59              | 2006-07 to Feb 2011               | CESTAT KOLKATA                                                                   |
| 13      | Service Tax Act 1994 | Service Tax    | 20.14                 | 01.01.05 to 15.03.06              | CESTAT KOLKATA                                                                   |

**Jagannath**

| Sl. No. | Name of the Statute | Nature of Dues | Amount (Rs. In Lakhs) | Period to which the amount relate | Forum where dispute is pending |
|---------|---------------------|----------------|-----------------------|-----------------------------------|--------------------------------|
| 1.      | CST                 | Sales Tax      | 27.20                 | 1985-86                           | Sales Tax Tribunal, Cuttack    |
| 2.      | CST                 | Sales Tax      | 1.60                  | 1987-88                           | Sales Tax Tribunal, Cuttack    |
| 3.      | CST                 | Sales Tax      | 190.16                | 1993-94                           | Addl. Commissioner, Cuttack    |
| 4.      | CST                 | Sales Tax      | 4.10                  | 1994-95                           | Sales Tax Tribunal, Cuttack    |
| 5.      | CST                 | Sales Tax      | 18.01                 | 1995-96                           | Sales Tax Tribunal, Cuttack    |
| 6.      | CST                 | Sales Tax      | 7.90                  | 1996-97                           | Sales Tax Tribunal, Cuttack    |
| 7.      | CST                 | Sales Tax      | 0.13                  | 2001-02                           | Addl. Commissioner, Cuttack    |
| 8.      | CST                 | Sales Tax      | 14.76                 | 2003-04                           | Addl. Commissioner, Cuttack    |
| 9.      | CST                 | Sales Tax      | 31.56                 | 2005-2006                         | Addl. Commissioner, Cuttack    |
| 10.     | OET                 | Sales Tax      | 5.25                  | 2004-05                           | Asstt. Commissioner, Cuttack   |
| 11.     | OET                 | Sales Tax      | 2,000.00              | 2005-2007                         | Orissa High Court              |
| 12.     | OST                 | Sales Tax      | 2.46                  | 1989-90 to                        | Addl. Commissioner, Cuttack    |
| 13.     | OST                 | Sales Tax      | 1.30                  | 1991-92                           | Sales Tax Tribunal, Cuttack    |

| Sl. No. | Name of the Statute             | Nature of Dues    | Amount (Rs. In Lakhs) | Period to which the amount relate | Forum where dispute is pending           |
|---------|---------------------------------|-------------------|-----------------------|-----------------------------------|------------------------------------------|
| 14.     | OST                             | Sales Tax         | 74.12                 | 1992-93                           | Sales Tax Tribunal, Cuttack              |
| 15.     | OST                             | Sales Tax         | 1.37                  | 2001-02                           | Addl. Commissioner, Cuttack              |
| 16.     | OET                             | Sales Tax         | 209.80                | 01.04.2008 to 31.01.2012          | Addl. Commissioner (Appeals), Cuttack    |
| 17.     | VAT                             | Sales Tax         | 532.82                | 01.04.2009 to 30.09.2011          | Addl. Commissioner (Appeals), Cuttack    |
| 18.     | CST                             | Sales Tax         | 4,842.38              | 01.04.2009 to 30.09.2011          | Addl. Commissioner (Appeals), Cuttack    |
| 19.     | OET                             | Sales Tax         | 25.92                 | 01.04.2012 to 31.03.2014          | Addl. Commissioner (Appeals), Cuttack    |
| 20.     | VAT                             | Sales Tax         | 7.22                  | 01.04.2012 to 31.03.2014          | Addl. Commissioner (Appeals), Cuttack    |
| 21.     | CST                             | Sales Tax         | 104.61                | 01.04.2012 to 31.03.2014          | Addl. Commissioner (Appeals), Cuttack    |
| 22.     | CST                             | Sales Tax         | 0.33                  | 01.09.2011 to 31.03.2012          | Joint Commissioner (Appeals), Angul      |
| 23.     | Excise Act                      | Excise Duty       | 8.86                  | 01.03.2011 to 31.03.2015          | Commissioner of Central Excise, BBSR     |
| 24.     | Excise Act                      | Excise Duty       | 203.81                | Mar-11                            | Commissioner of Central Excise, BBSR     |
| 25.     | Clean Energy cess act & rules   | Clean Energy Cess | 9,117.79              | 2010-11 to 2014-15                | Commissioner of Central Excise, Rourkela |
| 26.     | Excise Act                      | Excise Duty       | 6,870.11              | 2010-11 to 2014-15                | Commissioner of Central Excise, Rourkela |
| 27.     | Central Excise Tariff Act, 1985 | Excise Duty       | 1.51                  | 2011-12 to 2013-14                | Commissioner (Appeals)                   |
| 28.     | Central Excise Tariff Act, 1985 | Excise Duty       | 49.23                 | 2013-14                           | Commissioner (Appeals)                   |



**Lakhanpur**

| Sl. No. | Name of the Statute | Nature of Dues    | Amount (Rs. In Lakhs) | Period to which the amount relate | Forum where dispute is pending |
|---------|---------------------|-------------------|-----------------------|-----------------------------------|--------------------------------|
| 1       | Clean Enrgy Cess    | Clean Energy Cess | 2488.00               | 2010-11 to 2014-15                | Cuttack High Court             |
| 2       | Central Excise Duty | Excise Duty       | 2304.45               | 2011-12 to 2014-15                | Cuttack High Court             |

**Talcher**

| Sl. No. | Name of the Statute | Nature of Dues              | Amount (Rs. In Lakhs) | Period to which the amount relate | Forum where dispute is pending                                                                    |
|---------|---------------------|-----------------------------|-----------------------|-----------------------------------|---------------------------------------------------------------------------------------------------|
| 1       | Sales Tax           | Central Sales Tax U/R 12(5) | 0.06                  | 2000-01                           | Additional Commissioner of Sales Tax, Cuttack given Stay order.                                   |
| 2       | Sales Tax           | Orissa Sales Tax 12(4)      | 1.08                  | 1998-99                           | Commissioner of Commercial Taxes, Cuttack given stay order.                                       |
| 3       | Sales Tax           | Orissa Sales Tax            | 1.07                  | 1993-94                           | As per Additional Commissioner of Sales Tax's direction, the assessment was returned back to STO. |

**Hingula**

| Sl. No. | Name of the Statute | Nature of Dues    | Amount (Rs. In Lakhs) | Period to which the amount relate | Forum where dispute is pending                         |
|---------|---------------------|-------------------|-----------------------|-----------------------------------|--------------------------------------------------------|
| 1       | Central Excise ACT  | Excise Duty       | 8,081.31              | 2010-11 to 2014-15                | High Court                                             |
| 2       | Central Excise ACT  | Clean Energy Cess | 8,294.82              | 2010-11 to 2014-15                | High Court                                             |
| 3       | OST                 | Sales Tax         | 66.50                 | 1993-94, 2001-02, 2003-04         | Appeal pending at Addl Commissioner Of Appeal, Cuttack |
| 4       | CST                 | Sales Tax         | 1.23                  | 1995-96, 2003-04                  | Appeal pending at Addl Commissioner Of Appeal, Cuttack |
| 5       | Odisha Entry Tax    | OET               | 140.87                | 2003-04 & 2004-05                 | Commercial Tax Tribunal                                |
| 6       | Finance Act         | Service Tax       | 8.96                  | 2011-12& 2013-16                  | Commissioner Appeals                                   |

Out of the above an amount of Rs. 31.41 Crore has been deposited against Sales Tax under protest, an amount of Rs. 664.29 Crore has been deposited against Income Tax under protest, an amount of Rs. 2.89 Crore has been deposited against Central Excise Duty under Protest and an amount of Rs. 0.45 Crore has been deposited against Service Tax under protest.

(viii) As per information and explanations given by the Management, the Company has not in 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 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.

(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.

(xi) According to the information and explanations give 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 a State Controlled enterprise and having related party transactions has disclosed relevant particulars as required under clause 26 of Ind AS-24.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. As the company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture 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/-**  
**Jiten Kumar Mishra**  
*Partner*  
M. No.: 052796

Place: Kolkata  
Date: 07.06.2018

**COMPANY : MAHANADI COALFIELDS LIMITED**  
**JAGRUTI VIHAR, BURLA, SAMBALPUR**

**FINANCIAL YEAR : 2017-18**

**Report pursuant to Directions issued by office of C & AG u/s 143(5) of the Companies Act, 2013 applicable for the year 2017-18 accounts audit**

| <b>Sl. No.</b> | <b>Direction</b>                                                                                                                                                                                      | <b>Statutory Auditor's Reply</b>                                                                                                                                                                                                                                                                                       |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.             | Whether the company has clear title/ lease deeds for freehold and leasehold respectively? if not, please state the area of freehold and leasehold land for which title/lease deeds are not available? | The company has cleared title/lease deeds for freehold and leasehold lands. However for 58.984 acres of leasehold land in Anand Vihar and Jagruti Vihar in possession of the company, the company has deposited the premium and applied for sanctioning the land in its favour. Conveyance deed is yet to be executed. |
| 2.             | Whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons therefore and the amount involved.                                                                 | As per information given to us, there was no case of waiver of debt/loans/interest etc during the year of audit.                                                                                                                                                                                                       |
| 3.             | Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Govt. Or other authorities.                                                    | Proper records wherever necessary are maintained for inventories lying with third parties. As informed to us the Company has not received of any gift from Govt. Or authorities.                                                                                                                                       |

**COMPANY : MAHANADI COALFIELDS LIMITED**  
**JAGRUTI VIHAR, BURLA, SAMBALPUR**

**FINANCIAL YEAR : 2017-18**

**Report pursuant to Additional Directions issued by office of C & AG u/s 143(5) of the Companies Act, 2013 to Statutory Auditors appointed for audit of Coal India Limited and its subsidiaries for the year 2017-18**

| <b>Sl. No.</b> | <b>Direction</b>                                                                                                                                                                                                                                                   | <b>Statutory Auditor's Reply</b>                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.             | Whether coal stock measurement was done keeping in view the contour map. Whether physical stock measurement reports are accompanied by contour map in all case? Whether new heap, if any, created during the year has got the approval of the competent authority? | Yes the stock measurement has been done keeping in view of the contour map and the physical stock measurement reports are accompanied by contour map in all cases. New heap, if any, created during the year has been approved by the competent authority.                                                                                                                                                              |
| 2.             | Whether the company conducted physical verification exercise of assets and properties at the time of merger/split/restructure of an area. If so, whether the concerned subsidiary followed the requisite procedure.                                                | As per information & explanation available to us, Ananta OCP has been transferred from Bharatpur Area to Jagannath Area and physical verification of fixed assets was done by the Internal Auditors.                                                                                                                                                                                                                    |
| 3.             | Whether separate Escrow Accounts for each mine has been maintained in CIL and 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 not withdrawn any amount for mine closure activity. However, progressive mine closure expenses incurred during the year is recognized as receivable from escrow accounts.                                                                                                                                |
| 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 demand notices to 17 mines of the company for violation of Environmental Clearance for the years 2000-01 to 2010-11. The claim is of Rs. 8297.77 crore. The company has filed Revision Application against such claim and has obtained stay order from Revisional Authority, Ministry of Coal, Govt. of India. This claim is appearing in the list of "Contingent Liabilities". |

## **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 31<sup>st</sup> March 2018, 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, 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") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, 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 ICAI.

**For Singh Ray Mishra & Co.**  
Chartered Accountants  
FRN: 318121E

**Sd/-**  
**Jiten Kumar Mishra**  
*Partner*  
M. No.: 052796

Place: Kolkata  
Date: 07.06.2018

## **INDEPENDENT AUDITORS' REPORT**

### **To the Members of Mahanadi Coalfields Limited**

#### **Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of Mahanadi Coalfields Limited ("the Holding Company") and its subsidiaries (collectively referred to as "the Company" or "the Group"), which comprise the consolidated balance sheet as at 31<sup>st</sup> March 2018, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

#### **Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with 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 the 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 statements 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and 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.

### **Opinion**

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Group, as at 31<sup>st</sup> March 2018 and its consolidated financial performance including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year then ended.

### **Emphasis of Matters**

As reported by the Auditors of MJSJ Coal Ltd., attention is drawn to the following matters;

Reference is invited to Para No. 3 of Notes to Accounts No. 40 of MJSJ Coal Ltd. (Subsidiary of MCL), where it has wrongly disclosed the Bank Guarantee amount as Rs. 22.448 Crores instead of Rs. 22.248 Crores and para no. 4(c) of Note 38 of Consolidated Financial Statements of the Company, where it has wrongly disclosed the bank guarantee amount as Rs. 51.62 crores instead of Rs. 51.42 crores.



MJSJ Coal Ltd. originally furnished Rs.111.24 Crores as Bank Guarantee in favour of the President of India through the Ministry of Coal. However this amount of Rs. 111.24 Crores was reduced to Rs. 22.248 Crores as per order of Hon'ble Delhi High Court and accordingly the company has furnished the Bank Guarantee bearing no. 50/48 issued by SBI, Talcher for the same amount which was valid up to 28.02.2018 . However the company has initiated the process of renewal of the same.

Our Opinion is not qualified in respect of these matters.

### **Other Matters**

(a) Balances of "Other Equity" and "Capital Work-in progress" appearing in the Consolidated Balance Sheet at Rs. 2224.33 Crore and Rs 2315.50 Crore respectively as at 31<sup>st</sup> March, 2018. Now we draw attention to the observation of Comptroller and Auditor General of India during the course of supplementary audit under section 143(6)(a) of the Companies Act, 2013 of the Financial Statements of Mahanadi Basin Power Limited (a subsidiary of "MCL") regarding overstatement of other Equity by Rs 5.01 crore on account of non-charging of preliminary expenses and consequent overstatement of Capital Work-in-progress by the same amount.

(b) We have issued an Audit Report dated 24.05.2018 (the Original Report) at Sambalpur on the consolidated financial statements as adopted by Board of Directors on even date. Pursuant to the observation of the Comptroller & Auditor General of India dated 25.06.2018 under section 143(6)(a) of the Companies Act, 2013, relating to Mahanadi Basin Power Limited (a subsidiary of "MCL"), and also consequent upon receiving revised statutory audit report o MJSJ Coal Limited (a subsidiary of "MCL"), we have revised the said Audit Report. This Audit Report supersedes the original Report, which has been suitably revised to consider observations of Comptroller & Auditor General of India as detailed in clause (a) above and amendment made to the Emphasis of Matters Paragraph and also amendment made to the point no. 1(g)(iii) on the Report on Other Legal & Regulatory Requirements.

Our audit procedures on events subsequent to the date of original report is restricted solely to the amendments made to the Emphasis of Matters Paragraph based on the revised statutory audit report of MJSJ Coal Ltd. (Subsidiary of "MCL"), observations of Comptroller and Auditor General of India on Mahanadi Basin Power Limited (Subsidiary of "MCL") as detailed in clause (a) above and amendment made to the point no. 1(g)(iii) on the Report on Other Legal & Regulatory Requirements.

(c) We did not audit the financial statements/ financial information of MNH Shakti Limited, MJSJ Coal Limited, Mahanadi Basin Power Limited, Mahanadi Coal Railway Limited (the subsidiary companies), whose financial statements/ financial information reflect total assets of Rs. 23395.59 Lakh as at 31<sup>st</sup> March 2018, total revenues of Rs. 0.11 Lakh and net cash flows amounting to Rs. 751.50 Lakh for 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. 1.59 lakhs for the year ended 31st March 2018, as considered in the consolidated financial statements. These

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 reports of the other auditors.

(d) It is to state that the Group has not disclosed its mining right as an intangible asset as per the requirement under Schedule III to the Companies Act, 2013 (IND AS compliant financial statement format), as because it is of the opinion that at present there is no measuring yard stick prescribed in Ind AS to assign a value to it.

(e) During the year the Company had given unsecured Loan to NLCIL of Rs. 1000 crore at an interest rate of 7% p.a interest due & payable on monthly basis, which got the concurrence from Ministry of Coal. As explained to us by the management, this rate of interest is at par with comparable market rate and therefore there is no impact of this transaction in terms of Ind AS 109 in the financial statements.

Our opinion on the consolidated financial statements, and our report on Other Legal Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the management.

### **Report on Other Legal and Regulatory Requirements**

1. 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 consolidated Ind AS financial statements.

(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 so far as it appears from our examination of those books.

(c) The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated statement of cash flows and consolidated statement of changes in equity 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) Provisions of Section 164(2) of the Act in respect of disqualification of Directors are not applicable to the companies, being Government Companies in terms of Notification no. G.S.R. 463(E) dated 5<sup>th</sup> June 2015 issued by the 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 A"; and

(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. the consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer in point no 4 of Note 38 to the consolidated Ind AS financial statements;
- ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts.
- iii. Since neither the Holding Company nor the Subsidiary Companies have to transfer any amount to Investor Education & Protection Fund as required under section 125 (2) of Companies Act, 2013 (previously section 205C of Companies Act, 1956), the delay in transferring any amount to the fund doesn't arise.

**For Singh Ray Mishra & Co.**  
*Chartered Accountants*  
FRN: 318121E

**Sd/-**  
**Jiten Kumar Mishra**  
*Partner*  
M. No.: 052796

Place: Kolkata  
Date: 06/07/2018

## **Annexure - A 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 consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2018, 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") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 generally accepted accounting principles, including the Indian Accounting Standards (Ind AS). A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, including 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) 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 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 31 March 2018, 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 ICAI.

**Other Matters**

Our aforesaid reports under section 143(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 of the auditors of such Companies.

**For Singh Ray Mishra & Co.**

*Chartered Accountants*

FRN: 318121E

**Sd/-**

**Jiten Kumar Mishra**

*Partner*

M. No.: 052796

Place: Kolkata

Date: 06/07/2018

**MAHANADI COALFIELDS LIMITED**

(A Subsidiary of Coal India Limited)

**FORM AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies  
(Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries****Part "A" : Subsidiaries**

(₹ in crore)

| SI No. | Particulars                            | Name of the Subsidiary Companies |                            |                            |                            |
|--------|----------------------------------------|----------------------------------|----------------------------|----------------------------|----------------------------|
|        |                                        | MJSJ Ltd.                        | MNH Shakti Ltd.            | MCRL                       | MBP Ltd.                   |
| 1      | Reporting Period                       | 01.04.17<br>to<br>31.03.18       | 01.04.17<br>to<br>31.03.18 | 01.04.17<br>to<br>31.03.18 | 01.04.17<br>to<br>31.03.18 |
| 2      | Reporting Currency                     | Rupees                           | Rupees                     | Rupees                     | Rupees                     |
| 3      | Share Capital                          | 95.10                            | 85.10                      | 0.05                       | 0.05                       |
| 4      | Reserves & Surplus                     | (1.01)                           | (0.52)                     | (0.02)                     | (0.89)                     |
| 5      | Total Assets                           | 94.45                            | 84.66                      | 33.87                      | 20.97                      |
| 6      | Total Liabilities                      | 94.45                            | 84.66                      | 33.87                      | 20.97                      |
| 7      | Investments                            | 0.00                             | 0.00                       | 0.00                       | 0.00                       |
| 8      | Turnover                               | 0.00                             | 0.00                       | 0.00                       | 0.00                       |
| 9      | Profit before Taxation                 | 0.00                             | 0.00                       | (0.01)                     | (0.01)                     |
| 10     | Provision for Taxation                 | 0.00                             | 0.00                       | 0.00                       | 0.00                       |
| 11     | Profit after Taxation                  | 0.00                             | 0.00                       | (0.01)                     | (0.01)                     |
| 12     | Proposed Dividend                      | 0.00                             | 0.00                       | 0.00                       | 0.00                       |
| 13     | % of Share holding as on<br>31.03.2018 | 60.00                            | 70.00                      | 64.00                      | 100.00                     |

**Part "B" : Associates and Joint Ventures**

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Joint ventures

| S.No | Particulars                                                                | Name of the Joint Venture                       |
|------|----------------------------------------------------------------------------|-------------------------------------------------|
|      |                                                                            | Neelanchal Power Transmission Company Pvt. Ltd. |
| 1    | Latest audited Balance Sheet Date                                          | -                                               |
| 2    | Shares of Associate/Joint Ventures held by the company as on 31.03.18      | -                                               |
|      | No.                                                                        | -                                               |
|      | Amount of Investment in Associates/Joint Venture                           | -                                               |
|      | Extend of Holding %                                                        | -                                               |
| 3    | Description of how there is significant influence                          | -                                               |
| 4    | Reason why the associate/joint venture is not consolidated                 | Yet to start operation.                         |
| 5    | Net worth attributable to Shareholding as per latest audited Balance Sheet | -                                               |
| 6    | Profit / Loss for the year ended on 31.03.18                               | -                                               |
|      | i. Considered in Consolidation                                             | -                                               |
|      | ii. Not Considered in Consolidation                                        | -                                               |

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/-  
**(V V K Raju)**  
General Manager (Finance)

Sd/-  
**(A K Jha)**  
Chairman-cum-Managing Director  
DIN: 06645361

Place: Bhubaneswar  
Date: 24.05.2018



**Form No. MGT-9****EXTRACT OF ANNUAL RETURN****As on the financial year ended on 31.03.2018 of Mahanadi Coalfields Limited***[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]***I. REGISTRATION AND OTHER DETAILS:**

- i) CIN:- **U10102OR1992GOI003038**
- ii) Registration Date: **3/04/1992**
- iii) Company Name : **MAHANADI COALFIELDS LIMITED**
- iv) Category of the Company: -  
 1 Public Company ( )  
 2 Private company (✓)
- v) Sub Category of the Company:- [ Please tick whichever are applicable]
- |                                    |     |
|------------------------------------|-----|
| Government Company                 | (✓) |
| Small Company                      | ( ) |
| One Person Company                 | ( ) |
| Subsidiary of Foreign Company      | ( ) |
| NBFC                               | ( ) |
| Guarantee Company                  | ( ) |
| Limited by shares                  | (✓) |
| Unlimited Company                  | ( ) |
| Company having share capital       | (✓) |
| Company not having share capital   | ( ) |
| Company Registered under Section 8 | ( ) |
- vi) Address : **At/Po - Jagruti Vihar, Burla**  
 Town / City : **Sambalpur**  
 State : **Odisha**  
 Country Name : **India**  
 Pin Code : **768020**  
 Fax Number : **0663-2542977**  
 Email Address : **cosecymcl@gmail.com**  
 Website : **www.mahanadicoal.in**
- vii) Whether shares listed on recognized Stock Exchange(s) - Yes/**No** ✓
- vii) Name, Address and Contact details of Registerer and Transfer agent, if any **Nil**

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|---------|--------------------------------------------------|---------------------------------|------------------------------------|
| 1       | Coal                                             | 051-05101 and<br>051-05102      | 100                                |

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

| Sl. No | NAME AND ADDRESS OF THE COMPANY                                                                                                         | CIN/GLN                   | HOLDING/ SUBSIDIARY / ASSOCIATE | % of shares held | Applicable Section |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------------|------------------|--------------------|
| 1      | Coal India Limited<br>Coal Bhawan, Premises No. 04<br>Plot No. AF-III, Action Area-1A,<br>New Town, Rajarhat,<br>Kolkata-700156.        | L23109WB19<br>73GOI028844 | Holding                         | 100              | Sec-2(87)          |
| 2      | MNH Shakti Limited,<br>At - Anand Vihar,<br>Po - Jagruti Vihar,<br>Burla, Sambalpur,<br>PIN – 768020, Odisha.                           | U10100OR20<br>08GOI010171 | Subsidiary                      | 70               | Sec-2(87)          |
| 3      | MJSJ Coal Limited, House No - 42,<br>1 <sup>st</sup> Floor, Hakimpara, Po. - Angul,<br>Angul – 759153,<br>Odisha.                       | U10200OR20<br>08GOI010250 | Subsidiary                      | 60               | Sec-2(87)          |
| 4      | Mahanadi Basin Power Limited,<br>Plot No. G-3, Gadakana,<br>Chandrasekharapur,<br>Bhubaneswar – 751017.                                 | U40102OR20<br>11GOI014589 | Subsidiary                      | 100              | Sec-2(87)          |
| 5      | Mahanadi Coal Railway Limited<br>C/o - MCL, Corporate Office,<br>MDF Room, At/Po - Jagruti Vihar,<br>Burla, Sambalpur,<br>PIN – 768020. | U60100OR20<br>15GOI019349 | Subsidiary                      | 64               | Sec-2(87)          |
| 6      | Neelanchal Power Transmission<br>Company Pvt. Limited<br>C/O - OPTCL<br>Janpath, Bhoi Nagar<br>Bhubaneswar-751022.                      | U40102OR20<br>13PTC016434 | Associate                       | 50               | Sec-2(6)           |

**IV. SHARE HOLDING PATTERN**

(Equity Share Capital Breakup as percentage of Total Equity)

**i) Category-wise Share Holding**

| Category of Shareholders                  | No. of Shares held at the beginning of the year |          |         |                   | No. of Shares held at the end of the year |           |           |                   | % Change during the year |
|-------------------------------------------|-------------------------------------------------|----------|---------|-------------------|-------------------------------------------|-----------|-----------|-------------------|--------------------------|
|                                           | Demat                                           | Physical | Total   | % of Total Shares | Demat                                     | Physical  | Total     | % of Total Shares |                          |
| <b>A. Promoters</b>                       |                                                 |          |         |                   |                                           |           |           |                   |                          |
| (1) Indian                                | 0                                               | 0        | 0       | 0                 | 0                                         | 0         | 0         | 0                 | 0                        |
| a) Individual/ HUF                        | 0                                               | 0        | 0       | 0                 | 0                                         | 0         | 0         | 0                 | 0                        |
| b) Central Govt                           | 0                                               | 0        | 0       | 0                 | 0                                         | 0         | 0         | 0                 | 0                        |
| c) State Govt(s)                          | 0                                               | 0        | 0       | 0                 | 0                                         | 0         | 0         | 0                 | 0                        |
| d) Bodies Corp.                           | 0                                               | 1412266  | 1412266 | 100               | 0                                         | 70,61,330 | 70,61,330 | 100               | 0                        |
| e) Banks / FI                             | 0                                               | 0        | 0       | 0                 | 0                                         | 0         | 0         | 0                 | 0                        |
| f) Any other                              | 0                                               | 0        | 0       | 0                 | 0                                         | 0         | 0         | 0                 | 0                        |
| <b>Total shareholding of Promoter (A)</b> | 0                                               | 1412266  | 1412266 | 100               | 0                                         | 70,61,330 | 70,61,330 | 100               | 0                        |
| <b>B. Public Shareholding</b>             |                                                 |          |         |                   |                                           |           |           |                   |                          |
| <b>1. Institutions</b>                    |                                                 |          |         |                   |                                           |           |           |                   |                          |
| a) Mutual Funds                           | 0                                               | 0        | 0       | 0                 | 0                                         | 0         | 0         | 0                 | 0                        |
| b) Banks / FI                             | 0                                               | 0        | 0       | 0                 | 0                                         | 0         | 0         | 0                 | 0                        |
| c) Central Govt                           | 0                                               | 0        | 0       | 0                 | 0                                         | 0         | 0         | 0                 | 0                        |
| d) State Govt(s)                          | 0                                               | 0        | 0       | 0                 | 0                                         | 0         | 0         | 0                 | 0                        |
| e) Venture Capital Funds                  | 0                                               | 0        | 0       | 0                 | 0                                         | 0         | 0         | 0                 | 0                        |
| f) Insurance Companies                    | 0                                               | 0        | 0       | 0                 | 0                                         | 0         | 0         | 0                 | 0                        |
| g) FIs                                    | 0                                               | 0        | 0       | 0                 | 0                                         | 0         | 0         | 0                 | 0                        |
| h) Foreign Venture Capital Funds          | 0                                               | 0        | 0       | 0                 | 0                                         | 0         | 0         | 0                 | 0                        |
| i) Others (specify)                       | 0                                               | 0        | 0       | 0                 | 0                                         | 0         | 0         | 0                 | 0                        |
| <b>Sub-total (B)(1):-</b>                 | 0                                               | 0        | 0       | 0                 | 0                                         | 0         | 0         | 0                 | 0                        |

**2. Non-Institutions**

|                                                                                  |   |         |         |     |   |           |           |     |   |
|----------------------------------------------------------------------------------|---|---------|---------|-----|---|-----------|-----------|-----|---|
| a) Bodies Corp.                                                                  |   |         |         |     |   |           |           |     |   |
| i) Indian                                                                        | 0 | 0       | 0       | 0   | 0 | 0         | 0         | 0   | 0 |
| ii) Overseas                                                                     | 0 | 0       | 0       | 0   | 0 | 0         | 0         | 0   | 0 |
| b) Individuals                                                                   |   |         |         |     |   |           |           |     |   |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh         | 0 | 0       | 0       | 0   | 0 | 0         | 0         | 0   | 0 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 0 | 0       | 0       | 0   | 0 | 0         | 0         | 0   | 0 |
| c) Others (specify)                                                              | 0 | 0       | 0       | 0   | 0 | 0         | 0         | 0   | 0 |
| Sub-total (B)(2):-                                                               | 0 | 0       | 0       | 0   | 0 | 0         | 0         | 0   | 0 |
| Total Public Shareholding (B)=(B)(1)+ (B)(2)                                     | 0 | 0       | 0       | 0   | 0 | 0         | 0         | 0   | 0 |
| C. Shares held by Custodian for GDRs & ADRs                                      | 0 | 0       | 0       | 0   | 0 | 0         | 0         | 0   | 0 |
| Grand Total (A+B+C)                                                              | 0 | 1412266 | 1412266 | 100 | 0 | 70,61,330 | 70,61,330 | 100 | 0 |

**ii) Shareholding of Promoters**

| SI No. | Shareholder's Name | Shareholding at the beginning of the year |                                  |                                                  | Share holding at the end of the year |                                  |                                                  | % change in share holding during the year |
|--------|--------------------|-------------------------------------------|----------------------------------|--------------------------------------------------|--------------------------------------|----------------------------------|--------------------------------------------------|-------------------------------------------|
|        |                    | No. of Shares                             | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                        | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |                                           |
| 1      | Coal India Limited | 1412266                                   | 100                              | 0                                                | 70,61,330                            | 100                              | 0                                                | 0                                         |

**iii) Change in Promoters' Shareholding**

| SI No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------|-------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|        |                                     | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1      | At the beginning of the year        |                                           |                                  |                                         |                                  |
|        | Coal India Limited                  | 14,12,266                                 | 99.99                            | 14,12,266                               | 99.99                            |

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|   |                                                                                                                                                              |           |         |           |         |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------|-----------|---------|
|   | Shri A.K. Jha                                                                                                                                                | 1         | 0.00001 | 1         | 0.00001 |
|   | Shri S. Bhattacharya                                                                                                                                         | 1         | 0.00001 | 1         | 0.00001 |
|   | Shri S.N. Prasad                                                                                                                                             | 1         | 0.00001 | 1         | 0.00001 |
| 2 | Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc): | 0         | 0       | 0         | 0       |
|   | Coal India Limited (Bonus)                                                                                                                                   | 56,49,064 | 80.00   | 70,61,330 | 99.99   |
| 3 | At the End of the year (or on the date of separation, if separated during the year)                                                                          |           |         |           |         |
|   | Coal India Limited                                                                                                                                           | 70,61,330 | 99.99   | 70,61,330 | 99.99   |
|   | Shri A.K. Jha                                                                                                                                                | 1         | 0.00001 | 1         | 0.00001 |
|   | Shri S. Bhattacharya                                                                                                                                         | 1         | 0.00001 | 1         | 0.00001 |
|   | Shri S.N. Prasad                                                                                                                                             | 1         | 0.00001 | 1         | 0.00001 |

**iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

| Sl No. |                                                                                                                                                                                | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|        |                                                                                                                                                                                | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1      | At the beginning of the year                                                                                                                                                   | 0                                         | 0                                | 0                                       | 0                                |
| 2      | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0                                         | 0                                | 0                                       | 0                                |
| 3      | At the End of the year                                                                                                                                                         | 0                                         | 0                                | 0                                       | 0                                |

v) **Shareholding of Directors and Key Managerial Personnel:**

| Sl No. | For Each of the Directors and KMP                                                                                                                                    | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|        |                                                                                                                                                                      | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1      | At the beginning of the year                                                                                                                                         |                                           |                                  |                                         |                                  |
|        | Shri A.K. Jha                                                                                                                                                        | 1                                         | 0.00001                          | 1                                       | 0.00001                          |
| 2      | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): |                                           |                                  | <b>NIL</b>                              |                                  |
| 3      | At the End of the year                                                                                                                                               |                                           |                                  |                                         |                                  |
|        | Shri A.K. Jha                                                                                                                                                        | 1                                         | 0.00001                          | 1                                       | 0.00001                          |

V. **INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment:**

( Figures in ₹ )

| Particulars                             | Secured Loans excluding deposits | Unsecured Loans | Deposits    | Total Indebtedness |
|-----------------------------------------|----------------------------------|-----------------|-------------|--------------------|
| Indebtedness at the beginning of the FY |                                  |                 |             |                    |
| i) Principal Amount                     | 1500.00                          | 706.64          | 0.00        | 2206.64            |
| ii) Interest due but not paid           | 0.00                             | 0.00            | 0.00        | 0.00               |
| iii) Interest accrued but not due       | 0.29                             | 0.00            | 0.00        | 0.29               |
| <b>Total (i + ii + iii)</b>             | <b>1500.29</b>                   | <b>706.64</b>   | <b>0.00</b> | <b>2206.93</b>     |
| Change in Indebtedness during the FY    |                                  |                 |             |                    |
| * Addition                              | 0.00                             | 0.45            | 0.00        | 0.45               |
| * Reduction                             | 1500.29                          | 700.00          | 0.00        | 2200.29            |
| Net Change                              | (1500.29)                        | (699.55)        | 0.00        | (2199.84)          |
| Indebtedness at the end of the FY       |                                  |                 |             |                    |
| i) Principal Amount                     | 0.00                             | 7.09            | 0.00        | 7.09               |
| ii) Interest due but not paid           | 0.00                             | 0.00            | 0.00        | 0.00               |
| iii) Interest accrued but not due       | 0.00                             | 0.00            | 0.00        | 0.00               |
| <b>Total (i + ii + iii)</b>             | <b>0.00</b>                      | <b>7.09</b>     | <b>0.00</b> | <b>7.09</b>        |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

| SI | Particulars of Remuneration                                                               | Name of MD/WTD/ Manager |                      |                       |                       |                      |                    | Total Amount |
|----|-------------------------------------------------------------------------------------------|-------------------------|----------------------|-----------------------|-----------------------|----------------------|--------------------|--------------|
| 1  | Gross salary                                                                              | A. K. Jha<br>(CMD)      | J. P. Singh<br>(WTD) | K. K. Parida<br>(WTD) | L. N. Mishra<br>(WTD) | O. P. Singh<br>(WTD) | K. R.<br>Vasudevan |              |
|    | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (Rs.) | 35,60,516               | 47,90,503            | 4997752               | 34,45,305             | 33,24,834            | 1,72,510           | 20291420     |
|    | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (Rs.)                      | 168301                  | 275490               | 151370                | 178799                | 193165               | 0                  | 967125       |
|    | (c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961 (Rs.)       | 0                       | 0                    | 0                     | 0                     | 0                    | 0                  | 0            |
| 2  | Stock Option (Rs.)                                                                        | 0                       | 0                    | 0                     | 0                     | 0                    | 0                  | 0            |
| 3  | Sweat Equity (Rs.)                                                                        | 0                       | 0                    | 0                     | 0                     | 0                    | 0                  | 0            |
| 4  | Commission<br>- as % of profit<br>- others, specify (Rs.)                                 | 0                       | 0                    | 0                     | 0                     | 0                    | 0                  | 0            |
| 5  | Others, please specify (Rs.)                                                              | 0                       | 0                    | 0                     | 0                     | 0                    | 0                  | 0            |
|    | Total (A) (Rs.)                                                                           | 3728817                 | 5065993              | 5149122               | 3624104               | 3517999              | 172510             | 21258545     |
|    | Ceiling as per the Act (Rs.)                                                              | -                       | -                    | -                     | -                     | -                    | -                  | -            |

**B. Remuneration to other directors:**

| SI. | Particulars of Remuneration                | Shri H.S. Pati | Dr. Rajib Mall | Ms. S. Sharma | Total Amount |
|-----|--------------------------------------------|----------------|----------------|---------------|--------------|
| 1   | Independent Directors                      |                |                |               |              |
|     | Fee for attending board committee meetings | 580000         | 420000         | 220000        | 1220000      |
|     | Commission                                 | 0              | 0              | 0             | 0            |
|     | Others, please specify                     | 0              | 0              | 0             | 0            |
|     | Total (1)                                  | 580000         | 420000         | 220000        | 1220000      |
| 2   | Other Non-Executive Directors              | 0              | 0              | 0             | 0            |
|     | Fee for attending board committee meetings | 0              | 0              | 0             | 0            |
|     | Commission                                 | 0              | 0              | 0             | 0            |
|     | Others, please specify                     | 0              | 0              | 0             | 0            |
|     | Total (2)                                  | 0              | 0              | 0             | 0            |
|     | Total (B)=(1+2)                            | 580000         | 420000         | 220000        | 1220000      |
|     | Total Managerial Remuneration              | 0              | 0              | 0             | 0            |
|     | Overall Ceiling as per the Act             | -              | -              | -             | 0            |

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/  
MANAGER/WTD**

| Sl. no. | Particulars of Remuneration                                                         | Key Managerial Personnel |              |
|---------|-------------------------------------------------------------------------------------|--------------------------|--------------|
|         |                                                                                     | Company Secretary        | Total        |
| 1       | Gross salary (Rs.)                                                                  |                          |              |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 30,03,830.70             | 30,03,830.70 |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 1,88,965.00              | 1,88,965.00  |
|         | (c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961              | -                        | -            |
| 2       | Stock Option (Rs.)                                                                  | -                        | -            |
| 3       | Sweat Equity (Rs.)                                                                  | -                        | -            |
| 4       | Commission (Rs.)                                                                    |                          |              |
|         | - as % of profit                                                                    | -                        | -            |
|         | Others, specify                                                                     | -                        | -            |
| 5       | Others, please specify (Rs.)                                                        | -                        | -            |
|         | Total                                                                               | 33,81,760.70             | 33,81,760.70 |

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made,if any (give Details) |
|-------------------------------------|------------------------------|-------------------|-----------------------------------------------------------|------------------------------|-----------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |                                                           |                              |                                   |
| Penalty                             | Nil                          | Nil               | Nil                                                       | Nil                          | Nil                               |
| Punishment                          | Nil                          | Nil               | Nil                                                       | Nil                          | Nil                               |
| Compounding                         | Nil                          | Nil               | Nil                                                       | Nil                          | Nil                               |
| <b>B. DIRECTORS</b>                 |                              |                   |                                                           |                              |                                   |
| Penalty                             | Nil                          | Nil               | Nil                                                       | Nil                          | Nil                               |
| Punishment                          | Nil                          | Nil               | Nil                                                       | Nil                          | Nil                               |
| Compounding                         | Nil                          | Nil               | Nil                                                       | Nil                          | Nil                               |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |                                                           |                              |                                   |
| Penalty                             | Nil                          | Nil               | Nil                                                       | Nil                          | Nil                               |
| Punishment                          | Nil                          | Nil               | Nil                                                       | Nil                          | Nil                               |
| Compounding                         | Nil                          | Nil               | Nil                                                       | Nil                          | Nil                               |





# Annual Accounts

2017-18



## Visit of Secretary, Coal, MoC



Shri S. Kumar, IAS, Secretary to Government of India, Ministry of Coal inaugurates renovated Belpahar Training Institute, Lakhanpur Area.



Shri S. Kumar, IAS, Secretary to Government of India, Ministry of Coal inspects railway line linking Basundhara Area of MCL.

**BALANCE SHEET**  
**As at 31<sup>st</sup> March, 2018**

(₹ in Crores)

|                                         | Note<br>No. | As at<br>31-03-2018 | As at<br>31-03-2017<br>(Restated) |
|-----------------------------------------|-------------|---------------------|-----------------------------------|
| <b><u>ASSETS</u></b>                    |             |                     |                                   |
| <b>Non-Current Assets</b>               |             |                     |                                   |
| (a) Property, Plant & Equipments        | 3           | 4,529.41            | 3,940.38                          |
| (b) Capital Work in Progress            | 4           | 2,247.62            | 1,864.74                          |
| (c) Exploration and Evaluation Assets   | 5           | 126.95              | 111.12                            |
| (d) Other Intangible Assets             | 6           | 4.83                | 5.31                              |
| (e) Intangible Assets under Development |             | -                   | -                                 |
| (f) Investment Property                 |             | -                   | -                                 |
| (g) Financial Assets                    |             |                     |                                   |
| (i) Investments                         | 7           | 1,075.41            | 1,075.41                          |
| (ii) Loans                              | 8           | 1,000.82            | 1,201.06                          |
| (iii) Other Financial Assets            | 9           | 876.30              | 732.24                            |
| (h) Deferred Tax Assets (net)           |             | -                   | -                                 |
| (i) Other non-current assets            | 10          | 305.00              | 382.50                            |
| <b>Total Non-Current Assets (A)</b>     |             | <b>10,166.34</b>    | <b>9,312.76</b>                   |
| <b>Current Assets</b>                   |             |                     |                                   |
| (a) Inventories                         | 12          | 474.76              | 322.13                            |
| (b) Financial Assets                    |             |                     |                                   |
| (i) Investments                         | 7           | -                   | 202.00                            |
| (ii) Trade Receivables                  | 13          | 606.86              | 1,054.44                          |
| (iii) Cash & Cash equivalents           | 14          | 204.85              | 372.36                            |
| (iv) Other Bank Balances                | 15          | 13,096.76           | 14,662.95                         |
| (v) Loans                               | 8           | 0.32                | 0.32                              |
| (vi) Other Financial Assets             | 9           | 745.43              | 999.28                            |
| (c) Current Tax Assets (Net)            |             | 698.66              | 706.54                            |
| (d) Other Current Assets                | 11          | 1,387.95            | 1,025.75                          |
| <b>Total Current Assets (B)</b>         |             | <b>17,215.59</b>    | <b>19,345.77</b>                  |
| <b>Total Assets (A+B)</b>               |             | <b>27,381.93</b>    | <b>28,658.53</b>                  |

( ₹ in Crores)

Balance Sheet Contd...

| <b><u>EQUITY AND LIABILITIES</u></b>                           | <b>Note<br/>No.</b> | <b>As at<br/>31-03-2018</b> | <b>As at<br/>31-03-2017<br/>(Restated)</b> |
|----------------------------------------------------------------|---------------------|-----------------------------|--------------------------------------------|
| <b>Equity</b>                                                  |                     |                             |                                            |
| (a) Equity Share Capital                                       | 16                  | 706.13                      | 141.23                                     |
| (b) Other Equity                                               | 17                  | 2,236.99                    | 3,258.28                                   |
| <b>Equity attributable to equityholders<br/>of the company</b> |                     | <b>2,943.12</b>             | <b>3,399.51</b>                            |
| Non-Controlling Interests                                      |                     | -                           | -                                          |
| <b>Total Equity (A)</b>                                        |                     | <b>2,943.12</b>             | <b>3,399.51</b>                            |
| <b>Liabilities</b>                                             |                     |                             |                                            |
| <b>Non-Current Liabilities</b>                                 |                     |                             |                                            |
| (a) Financial Liabilities                                      |                     |                             |                                            |
| (i) Borrowings                                                 | 18                  | 6.50                        | 6.13                                       |
| (ii) Trade Payables                                            |                     | -                           | -                                          |
| (iii) Other Financial Liabilities                              | 20                  | 45.08                       | 40.19                                      |
| (b) Provisions                                                 | 21                  | 17,650.46                   | 16,734.66                                  |
| (c) Deferred Tax Liabilities (net)                             |                     | 247.79                      | 201.82                                     |
| (d) Other Non-Current Liabilities                              | 22                  | 208.58                      | 176.83                                     |
| <b>Total Non-Current Liabilities (B)</b>                       |                     | <b>18,158.41</b>            | <b>17,159.63</b>                           |
| <b>Current Liabilities</b>                                     |                     |                             |                                            |
| (a) Financial Liabilities                                      |                     |                             |                                            |
| (i) Borrowings                                                 | 18                  | -                           | 2,200.00                                   |
| (ii) Trade payables                                            | 19                  | 572.01                      | 403.77                                     |
| (iii) Other Financial Liabilities                              | 20                  | 627.93                      | 510.63                                     |
| (b) Other Current Liabilities                                  | 23                  | 3,746.06                    | 3,954.71                                   |
| (c) Provisions                                                 | 21                  | 1,334.40                    | 1,030.28                                   |
| (d) Current Tax Liabilities (net)                              |                     | -                           | -                                          |
| <b>Total Current Liabilities (C)</b>                           |                     | <b>6,280.40</b>             | <b>8,099.39</b>                            |
| <b>Total Equity and Liabilities (A+B+C)</b>                    |                     | <b>27,381.93</b>            | <b>28,658.53</b>                           |

The Accompanying Notes form an integral part of Financial Statements.

|                        |                            |                                |
|------------------------|----------------------------|--------------------------------|
| Sd/-                   | on behalf of the board     | Sd/-                           |
| <b>(A K Singh)</b>     | As per our report annexed  | <b>(V V K Raju)</b>            |
| Company Secretary      | For SINGH RAY MISHRA & CO. | General Manager (Finance)      |
|                        | Chartered Accountants      |                                |
| Sd/-                   | Firm Regn No. 318121E      | Sd/-                           |
| <b>(K R Vasudevan)</b> | Sd/-                       | <b>(A K Jha)</b>               |
| Director (Finance)     | <b>(CA J K Mishra)</b>     | Chairman-cum-Managing Director |
| DIN : 07915732         | Partner                    | DIN: 06645361                  |
|                        | Membership No.052796       |                                |

Date: 24.05.2018

Place: Bhubaneswar

**STATEMENT OF PROFIT & LOSS**  
For the year ending on 31st March, 2018 (₹ in Crores)

|                                | Notes                                                                        | For the<br>year ended<br>31st March, 2018 | For the<br>year ended<br>31st March, 2017<br>(Restated) |                  |
|--------------------------------|------------------------------------------------------------------------------|-------------------------------------------|---------------------------------------------------------|------------------|
| <b>Revenue from Operations</b> |                                                                              |                                           |                                                         |                  |
| A                              | Sales (Net of other levies but including excise duty)                        | 24                                        | 13,673.32                                               | 14,156.95        |
| B                              | Other Operating Revenue (Net of other levies but including excise duty)      |                                           | 1,008.88                                                | 825.03           |
| <b>(I)</b>                     | <b>Revenue from Operations (A+B)</b>                                         |                                           | <b>14,682.20</b>                                        | <b>14,981.98</b> |
| (II)                           | Other Income                                                                 | 25                                        | 1,214.65                                                | 1,486.31         |
| <b>(III)</b>                   | <b>Total Income (I+II)</b>                                                   |                                           | <b>15,896.85</b>                                        | <b>16,468.29</b> |
| <b>(IV)</b>                    | <b>EXPENSES</b>                                                              |                                           |                                                         |                  |
|                                | Cost of Materials Consumed                                                   | 26                                        | 604.56                                                  | 583.60           |
|                                | Purchases of Stock-in-Trade                                                  |                                           |                                                         |                  |
|                                | Changes in inventories of finished goods/work in progress and Stock in trade | 27                                        | (188.54)                                                | 97.52            |
|                                | Excise Duty                                                                  |                                           | 230.50                                                  | 1,005.06         |
|                                | Employee Benefits Expense                                                    | 28                                        | 3,002.93                                                | 2,369.22         |
|                                | Power Expenses                                                               |                                           | 130.58                                                  | 124.69           |
|                                | Corporate Social Responsibility Expense                                      | 29                                        | 267.52                                                  | 166.60           |
|                                | Repairs                                                                      | 30                                        | 129.33                                                  | 118.57           |
|                                | Contractual Expense                                                          | 31                                        | 2,480.64                                                | 2,286.94         |
|                                | Finance Costs                                                                | 32                                        | 73.26                                                   | 55.00            |
|                                | Depreciation/Amortization/ Impairment expense                                |                                           | 371.34                                                  | 348.44           |
|                                | Provisions                                                                   | 33                                        | (194.09)                                                | 442.33           |
|                                | Write off                                                                    | 34                                        | -                                                       | -                |
|                                | Other Expenses                                                               | 35                                        | 648.51                                                  | 681.35           |
|                                | Stripping Activity Adjustment                                                |                                           | 1,000.65                                                | 1,313.29         |
|                                | <b>Total Expenses (IV)</b>                                                   |                                           | <b>8,557.19</b>                                         | <b>9,592.61</b>  |
| <b>(V)</b>                     | <b>Profit before exceptional items and Tax (III-IV)</b>                      |                                           | <b>7,339.66</b>                                         | <b>6,875.68</b>  |
| (VI)                           | Exceptional Items                                                            |                                           |                                                         |                  |
| <b>(VII)</b>                   | <b>Profit before Tax (V-VI)</b>                                              |                                           | <b>7,339.66</b>                                         | <b>6,875.68</b>  |
| (VIII)                         | Tax expense                                                                  | 36                                        | 2,578.37                                                | 2,362.71         |
| <b>(IX)</b>                    | <b>Profit for the period from continuing operations (VII-VIII)</b>           |                                           | <b>4,761.29</b>                                         | <b>4,512.97</b>  |
| (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)                                      |                                           | -                                                       | -                |
| <b>(XIV)</b>                   | <b>Profit for the Period (IX+XII+XIII)</b>                                   |                                           | <b>4,761.29</b>                                         | <b>4,512.97</b>  |

## Statement of Profit &amp; Loss Contd...

(₹ in Crores)

|                                                                                                                                      | Notes | For the<br>year ended<br>31st March, 2018 | For the<br>year ended<br>31st March, 2017 |
|--------------------------------------------------------------------------------------------------------------------------------------|-------|-------------------------------------------|-------------------------------------------|
| <b>Other Comprehensive Income</b>                                                                                                    |       |                                           |                                           |
| A (i) Items that will not be reclassified to profit or loss                                                                          |       | 27.34                                     | (1.40)                                    |
| (ii) Income tax relating to items that will not be reclassified to profit or loss                                                    |       | 9.46                                      | (0.48)                                    |
| 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                                                        |       | -                                         | -                                         |
| <b>(XV) Total Other Comprehensive Income</b>                                                                                         |       | <b>17.88</b>                              | <b>(0.92)</b>                             |
| <b>(XVI) Total Comprehensive Income for the year (XIV+XV) (Comprising Profit (Loss) and Other Comprehensive Income for the year)</b> |       | <b>4,779.17</b>                           | <b>4,512.05</b>                           |
| <b>Profit attributable to:</b>                                                                                                       |       |                                           |                                           |
| Owners of the company                                                                                                                |       | 4,761.29                                  | 4,512.97                                  |
| Non-controlling interest                                                                                                             |       | -                                         | -                                         |
|                                                                                                                                      |       | <b>4,761.29</b>                           | <b>4,512.97</b>                           |
| <b>Other Comprehensive Income attributable to:</b>                                                                                   |       |                                           |                                           |
| Owners of the company                                                                                                                |       | 17.88                                     | (0.92)                                    |
| Non-controlling interest                                                                                                             |       | -                                         | -                                         |
|                                                                                                                                      |       | <b>17.88</b>                              | <b>(0.92)</b>                             |
| <b>Total Comprehensive Income attributable to:</b>                                                                                   |       |                                           |                                           |
| Owners of the company                                                                                                                |       | 4,779.17                                  | 4,512.05                                  |
| Non-controlling interest                                                                                                             |       | -                                         | -                                         |
|                                                                                                                                      |       | <b>4,779.17</b>                           | <b>4,512.05</b>                           |
| <b>(XVII) Earnings per equity share (for continuing operation):</b>                                                                  |       |                                           |                                           |
| (1) Basic                                                                                                                            |       | 32,419.32                                 | 24,400.58                                 |
| (2) Diluted                                                                                                                          |       | 32,419.32                                 | 24,400.58                                 |
| <b>(XVIII) Earnings per equity share (for discontinued operation):</b>                                                               |       |                                           |                                           |
| (1) Basic                                                                                                                            |       | -                                         | -                                         |
| (2) Diluted                                                                                                                          |       | -                                         | -                                         |
| <b>(XIX) Earnings per equity share (for discontinued &amp; continuing operation):</b>                                                |       |                                           |                                           |
| (1) Basic                                                                                                                            |       | 32,419.32                                 | 24,400.58                                 |
| (2) Diluted                                                                                                                          |       | 32,419.32                                 | 24,400.58                                 |

The Accompanying Notes form an integral part of Financial Statements.

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

Sd/-  
**(K R Vasudevan)**  
Director (Finance)  
DIN : 07915732

Date: 24.05.2018  
Place: Bhubaneswar

on behalf of the board  
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/-  
**(V V K Raju)**  
General Manager (Finance)

Sd/-  
**(A K Jha)**  
Chairman-cum-Managing Director  
DIN: 06645361

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON 31.03.2018

(₹ in Crores)

A. EQUITY SHARE CAPITAL

| Particulars                                                    | Balance as at |            | Changes In                           |                                      | Balance as at |            | Changes In                           |                                      | Balance as at |            |
|----------------------------------------------------------------|---------------|------------|--------------------------------------|--------------------------------------|---------------|------------|--------------------------------------|--------------------------------------|---------------|------------|
|                                                                | 01.04.2016    | 31.03.2017 | Equity Share Capital During The Year | Equity Share Capital During The Year | 01.04.2017    | 31.03.2018 | Equity Share Capital During The Year | Equity Share Capital During The Year | 01.04.2017    | 31.03.2018 |
| 1412266 Equity Shares of Rs. 1000/- each fully paid up in cash | 186.40        | 141.23     | (45.17)                              | 564.90                               | 141.23        | 706.13     |                                      |                                      | 141.23        | 706.13     |

B. OTHER EQUITY

|                                                     | Other Reserves             |                 | General Reserve | Retained Earnings | Other Comprehensive Income | Total           |
|-----------------------------------------------------|----------------------------|-----------------|-----------------|-------------------|----------------------------|-----------------|
|                                                     | Capital Redemption Reserve | Capital Reserve |                 |                   |                            |                 |
| Balance as at 01.04.2016                            | 204.18                     | -               | 3,470.32        | 590.19            | 11.99                      | 4,276.68        |
| Changes in accounting policy                        | -                          | -               | -               | -                 | -                          | -               |
| Prior period errors                                 | -                          | -               | -               | (6.83)            | -                          | (6.83)          |
| <b>Restated balance as at 01.04.2016</b>            | <b>204.18</b>              | <b>45.17</b>    | <b>3,470.32</b> | <b>583.36</b>     | <b>11.99</b>               | <b>4,269.85</b> |
| Additions during the year                           | -                          | -               | -               | -                 | -                          | 45.17           |
| Adjustments during the year                         | -                          | -               | (1,617.06)      | -                 | -                          | (1,617.06)      |
| Profit during the year                              | -                          | -               | -               | 4,512.97          | -                          | 4,512.97        |
| Other Comprehensive Income during the year          | -                          | -               | -               | -                 | (0.92)                     | (0.92)          |
| Appropriations                                      | -                          | -               | -               | -                 | -                          | -               |
| Transfer to / from General Reserve                  | -                          | -               | 224.55          | (224.55)          | -                          | -               |
| Transfer to / from Other reserves                   | -                          | -               | -               | (2,982.00)        | -                          | (2,982.00)      |
| Interim Dividend                                    | -                          | -               | -               | -                 | -                          | -               |
| Final Dividend                                      | -                          | -               | -               | -                 | -                          | -               |
| Corporate Dividend tax                              | -                          | -               | -               | (607.06)          | -                          | (607.06)        |
| Buy Back Distribution tax                           | -                          | -               | -               | (362.67)          | -                          | (362.67)        |
| <b>Balance as at 31.03.2017</b>                     | <b>249.35</b>              | <b>249.35</b>   | <b>2,077.81</b> | <b>920.05</b>     | <b>11.07</b>               | <b>3,258.28</b> |
| <b>Balance as at 01.04.2017</b>                     | <b>249.35</b>              | <b>249.35</b>   | <b>2,077.81</b> | <b>920.05</b>     | <b>11.07</b>               | <b>3,258.28</b> |
| Additions during the year                           | -                          | -               | -               | -                 | -                          | -               |
| Adjustments during the year                         | (249.35)                   | -               | (315.55)        | -                 | -                          | (564.90)        |
| Changes in accounting policy or prior period errors | -                          | -               | -               | -                 | -                          | -               |
| Profit during the year                              | -                          | -               | -               | 4,761.29          | 17.88                      | 4,761.29        |
| Other Comprehensive Income during the year          | -                          | -               | -               | -                 | -                          | 17.88           |
| <b>Appropriations</b>                               | <b>-</b>                   | <b>-</b>        | <b>238.06</b>   | <b>(238.06)</b>   | <b>-</b>                   | <b>-</b>        |
| Transfer to / from General reserve                  | -                          | -               | -               | -                 | -                          | -               |
| Transfer to / from Other reserves                   | -                          | -               | -               | (4,350.00)        | -                          | (4,350.00)      |
| Interim Dividend                                    | -                          | -               | -               | -                 | -                          | -               |
| Final Dividend                                      | -                          | -               | -               | -                 | -                          | -               |
| Corporate Dividend tax                              | -                          | -               | -               | (885.56)          | -                          | (885.56)        |
| Buy Back Distribution tax                           | -                          | -               | -               | -                 | -                          | -               |
| <b>Balance as at 31.03.2018</b>                     | <b>0.00</b>                | <b>-</b>        | <b>2,000.32</b> | <b>207.72</b>     | <b>28.95</b>               | <b>2,236.99</b> |



## **Notes to the financial statements**

### **Note: 1**

#### **CORPORATE INFORMATION**

Mahanadi Coalfields Limited (MCL), a Miniratna Company with headquarters at Sambalpur, Odisha was incorporated on 3<sup>rd</sup> 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 subsidiaries & one joint venture Company in Odisha. All the subsidiaries are in development stage. 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 31<sup>st</sup> March 2017, 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. 2.21).

##### **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 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 companies are eliminated. Unrealised losses between 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 company 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 Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company'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 Company'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 Company 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 Company'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 Company.

### **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 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.

## **2.4 Revenue recognition**

### **2.4.1 Revenue from sale of goods**

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- (a) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the Company; and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes, levies or duties collected on behalf of the government/ other statutory bodies.

Advances received from the customers are reported as customer's deposits unless the above conditions for revenue recognition are met.

However, based on the educational material on Ind AS 18 issued by The Institute of Chartered Accountants of India, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not.

Since the recovery of excise duty flows to the Company on its own account, gross revenue includes excise duty.

However, other taxes, levies or duties are not considered to be received by the Company on its own account and are excluded from net revenue.

#### **2.4.2 Interest**

Interest income is recognised using the Effective Interest Method.

#### **2.4.3 Dividend**

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

#### **2.4.4 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.

#### **2.4.5 Rendering of Services**

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised with reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits associated with the transaction will flow to the Company;
- (c) the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

#### **2.5 Grants from Government**

Government Grants are not recognised until there is reasonable assurance that the company will comply with the conditions 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".

## **2.6 Leases**

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

An operating lease is a lease other than a finance lease.

### **2.6.1 Company as a lessee**

A lease is classified at the inception date as a finance lease or an operating lease.

**2.6.1.1 Finance leases** are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

**2.6.1.2 Operating lease-** Lease payments under an operating lease is recognised as an expense on a straight-line basis over the lease term unless either:

- (a) another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- (b) the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

## 2.6.2 Company as a lessor

**Operating leases:** Lease income from operating leases (excluding amounts for services such as insurance and maintenance) is recognised in income on a straight-line basis over the lease term, unless either:

- (a) another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished, even if the payments to the lessors are not on that basis; or
- (b) the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary according to factors other than inflation, then this condition is not met.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the initial lease term on the same basis as lease income.

**Finance leases** Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

## 2.7 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.

## 2.8 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 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    | : | 5-15 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.

## **2.9 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.

## **2.10 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 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.

### **2.14 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 Company 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 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.

### **2.15.2.3 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 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.

### **2.15.2.4 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 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.



### **2.15.2.6 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 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.

### **2.15.2.7 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.

### **2.15.3 Financial liabilities**

#### **2.15.3.1 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.

#### **2.15.3.2 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 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.

#### **2.15.3.4 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 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. |

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|        |                |                                                                                                                                                                                                                                                      |
|--------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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.                                                                                              |

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### 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 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.

## **2.18 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 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.

### **2.18.2.2 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 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."

### **2.18.3 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 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.

## 2.20 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 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 |                             |
|-----------------------------------|--------------------------------|-----------------------------|
|                                   | I                              | II                          |
|                                   | %                              | Quantum (in Mill. Cu. Mtr.) |
| Less than 1 Mill. CUM             | +/- 5%                         | 0.03                        |
| Between 1 and 5 Mill. CUM         | +/- 3%                         | 0.20                        |
| 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 First in First out 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 yearend only as per physically verified stores and are valued at cost.

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

### **2.21.3 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 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.

## **2.23 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 Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

### 2.24.1.1 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 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.

#### **2.24.1.2 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 Company may also be required to present separately immaterial items when required by law.

#### **2.24.1.3 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.

#### **2.24.2 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 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.

#### **2.24.2.1 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. 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.

#### **2.24.2.2 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 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.

#### **2.24.2.6 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 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 FINANCIAL STATEMENTS

## NOTE 3: PROPERTY, PLANT AND EQUIPMENTS

|                                                | Free-<br>hold<br>Land | Other<br>Land   | Land<br>Reclamation/<br>Site<br>Restoration<br>Costs | Building<br>(including<br>water supply,<br>roads and<br>culverts) | Plant<br>and<br>Equip-<br>ments | Telecom-<br>muni-<br>cation | Railway<br>Sidings | Furniture<br>and<br>Fixtures | Office<br>Equip-<br>ments | Vehicles     | Aircraft | Other<br>Mining<br>Infra-<br>structure | Surveyed<br>off Assets | Others   | Total           |
|------------------------------------------------|-----------------------|-----------------|------------------------------------------------------|-------------------------------------------------------------------|---------------------------------|-----------------------------|--------------------|------------------------------|---------------------------|--------------|----------|----------------------------------------|------------------------|----------|-----------------|
| <b>Gross Carrying Amount:</b>                  |                       |                 |                                                      |                                                                   |                                 |                             |                    |                              |                           |              |          |                                        |                        |          |                 |
| As at 1 April 2016                             | 30.29                 | 2,070.28        | 318.67                                               | 328.05                                                            | 777.81                          | 23.29                       | 84.86              | 13.32                        | 11.41                     | 15.50        | -        | 169.32                                 | 7.79                   | -        | 3,850.59        |
| Additions                                      | 0.03                  | 510.34          | 9.29                                                 | 52.86                                                             | 139.56                          | 1.81                        | 16.54              | 2.55                         | 3.82                      | 0.83         | -        | 46.04                                  | 9.42                   | -        | 792.89          |
| Deletions/Adjustments                          | -                     | -               | (12.38)                                              | (0.02)                                                            | (848)                           | -                           | -                  | 0.04                         | (0.13)                    | -            | -        | 0.45                                   | (0.82)                 | -        | (21.34)         |
| <b>As at 31st March 2017</b>                   | <b>30.32</b>          | <b>2,580.62</b> | <b>315.58</b>                                        | <b>380.89</b>                                                     | <b>908.89</b>                   | <b>25.10</b>                | <b>101.40</b>      | <b>15.91</b>                 | <b>15.10</b>              | <b>16.13</b> | <b>-</b> | <b>215.81</b>                          | <b>16.39</b>           | <b>-</b> | <b>4,622.14</b> |
| As at 1 April 2017                             | 30.32                 | 2,580.62        | 315.58                                               | 380.89                                                            | 908.89                          | 25.10                       | 101.40             | 15.91                        | 15.10                     | 16.13        | -        | 215.81                                 | 16.39                  | -        | 4,622.14        |
| Additions                                      | -                     | 660.35          | 4.97                                                 | 61.21                                                             | 170.33                          | 1.64                        | 49.18              | 2.07                         | 5.15                      | 2.04         | -        | 17.73                                  | 2.01                   | -        | 976.68          |
| Deletions/Adjustments                          | -                     | -               | (11.74)                                              | (1.46)                                                            | (2836)                          | 0.05                        | -                  | (0.15)                       | (2.05)                    | (0.10)       | -        | (0.61)                                 | (1.44)                 | -        | (45.86)         |
| <b>As at 31st March 2018</b>                   | <b>30.32</b>          | <b>3,240.97</b> | <b>308.81</b>                                        | <b>440.64</b>                                                     | <b>1,050.86</b>                 | <b>26.79</b>                | <b>150.58</b>      | <b>17.83</b>                 | <b>18.20</b>              | <b>18.07</b> | <b>-</b> | <b>232.93</b>                          | <b>16.96</b>           | <b>-</b> | <b>5,552.96</b> |
| <b>Accumulated Depreciation and Impairment</b> |                       |                 |                                                      |                                                                   |                                 |                             |                    |                              |                           |              |          |                                        |                        |          |                 |
| As at 1 April 2016                             | -                     | 75.96           | 41.01                                                | 9.55                                                              | 158.64                          | 4.73                        | 6.75               | 1.53                         | 2.65                      | 2.06         | -        | 13.45                                  | 0.53                   | -        | 316.86          |
| Charge for the year                            | -                     | 94.82           | 35.39                                                | 16.27                                                             | 160.17                          | 4.40                        | 9.10               | 1.80                         | 4.04                      | 2.29         | -        | 15.59                                  | 5.62                   | -        | 349.49          |
| Impairment                                     | -                     | -               | -                                                    | 0.02                                                              | 1.60                            | -                           | -                  | 0.76                         | (1.20)                    | 0.01         | -        | 0.56                                   | -                      | -        | 2.16            |
| Deletions/Adjustments                          | -                     | -               | -                                                    | -                                                                 | 12.96                           | 0.22                        | -                  | -                            | -                         | 0.47         | -        | -                                      | -                      | -        | 13.25           |
| <b>As at 31st March 2017</b>                   | <b>-</b>              | <b>170.78</b>   | <b>76.40</b>                                         | <b>25.84</b>                                                      | <b>333.37</b>                   | <b>9.35</b>                 | <b>15.86</b>       | <b>4.09</b>                  | <b>5.49</b>               | <b>4.36</b>  | <b>-</b> | <b>30.07</b>                           | <b>6.15</b>            | <b>-</b> | <b>681.76</b>   |
| As at 1 April 2017                             | -                     | 170.78          | 76.40                                                | 25.84                                                             | 333.37                          | 9.35                        | 15.86              | 4.09                         | 5.49                      | 4.36         | -        | 30.07                                  | 6.15                   | -        | 681.76          |
| Charge for the year                            | -                     | 149.23          | 36.44                                                | 15.54                                                             | 127.51                          | 4.73                        | 12.33              | 1.66                         | 3.25                      | 2.21         | -        | 17.98                                  | 0.87                   | -        | 371.75          |
| Impairment                                     | -                     | -               | -                                                    | -                                                                 | -                               | -                           | -                  | -                            | -                         | -            | -        | 0.91                                   | -                      | -        | 0.91            |
| Deletions/Adjustments                          | -                     | (1.28)          | -                                                    | 0.18                                                              | (2830)                          | 0.03                        | -                  | 0.78                         | (2.61)                    | 0.04         | -        | 0.84                                   | (0.55)                 | -        | (30.87)         |
| <b>As at 31st March 2018</b>                   | <b>-</b>              | <b>318.73</b>   | <b>112.84</b>                                        | <b>41.56</b>                                                      | <b>432.58</b>                   | <b>14.11</b>                | <b>28.19</b>       | <b>6.53</b>                  | <b>6.13</b>               | <b>6.61</b>  | <b>-</b> | <b>49.80</b>                           | <b>6.47</b>            | <b>-</b> | <b>1,023.55</b> |
| <b>Net Carrying Amount</b>                     |                       |                 |                                                      |                                                                   |                                 |                             |                    |                              |                           |              |          |                                        |                        |          |                 |
| As at 31st March 2017                          | 30.32                 | 2,922.24        | 195.97                                               | 399.08                                                            | 618.28                          | 12.68                       | 122.39             | 11.30                        | 12.07                     | 11.46        | -        | 183.13                                 | 10.49                  | -        | 4,529.41        |
| As at 31st March 2018                          | 30.32                 | 2,409.84        | 239.18                                               | 355.05                                                            | 575.52                          | 15.75                       | 85.54              | 11.82                        | 9.61                      | 11.77        | -        | 185.74                                 | 10.24                  | -        | 3,940.38        |

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- Land- Others also includes Land acquired under Coal Bearing Areas (Acquisition and Development) Act, 1957 and Land Acquisition Act, 1984.
- 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.
- Conveyance deed of land in favour of the company is pending for execution in most of the cases.
- Depreciation has been provided as per Schedule II of the Companies Act, 2013. However, pending completion of technical assessment to segregate the value of certain assets embedded within a different class of asset, depreciation has been provided on these assets on the basis of useful life applicable as per Schedule II of the Companies Act, 2013 for the un-segregated class of asset.
- During the year impairment in respect of property, plant and equipment amounting ₹ 0.91 crore has been charged to the Statement of Profit & Loss.

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE 4 : CAPITAL WIP

( ₹ in Crores )

|                                                 | Building (in-<br>cluding water<br>supply, roads<br>and culverts) | Plant and<br>Equip-<br>ments | Railway<br>Sidings | Develop-<br>ment | Others   | Total           |
|-------------------------------------------------|------------------------------------------------------------------|------------------------------|--------------------|------------------|----------|-----------------|
| <b>Gross Carrying Amount:</b>                   |                                                                  |                              |                    |                  |          |                 |
| As at 1 April 2016                              | 244.62                                                           | 349.46                       | 38.79              | 192.67           | -        | 825.54          |
| Additions                                       | 93.19                                                            | 196.90                       | 29.56              | 912.61           | -        | 1,232.26        |
| Capitalisation                                  | (83.71)                                                          | (82.66)                      | (5.04)             | (5.45)           | -        | (176.86)        |
| Deletions/Adjustments                           | (0.38)                                                           | (8.62)                       | -                  | 7.07             | -        | (1.93)          |
| <b>As at 31 March 2017</b>                      | <b>253.72</b>                                                    | <b>455.08</b>                | <b>63.31</b>       | <b>1,106.90</b>  | <b>-</b> | <b>1,879.01</b> |
| As at 1 April 2017                              | 253.72                                                           | 455.08                       | 63.31              | 1,106.90         | -        | 1,879.01        |
| Additions                                       | 73.69                                                            | 200.98                       | 17.73              | 300.99           | -        | 593.39          |
| Capitalisation                                  | (59.45)                                                          | (53.53)                      | -                  | (34.25)          | -        | (147.23)        |
| Deletions/Adjustments                           | (0.98)                                                           | (64.18)                      | 1.68               | 0.52             | -        | (62.96)         |
| <b>As at 31 Mar 2018</b>                        | <b>266.98</b>                                                    | <b>538.35</b>                | <b>82.72</b>       | <b>1,374.16</b>  | <b>-</b> | <b>2,262.21</b> |
| <b>Accumulated Provision<br/>and Impairment</b> |                                                                  |                              |                    |                  |          |                 |
| As at 1 April 2016                              | -                                                                | 11.88                        | -                  | -                | -        | 11.88           |
| Charge for the year                             | -                                                                | 0.77                         | -                  | -                | -        | 0.77            |
| Impairment                                      | -                                                                | 2.88                         | -                  | -                | -        | 2.88            |
| Deletions/Adjustments                           | -                                                                | (1.26)                       | -                  | -                | -        | (1.26)          |
| <b>As at 31 March 2017</b>                      | <b>-</b>                                                         | <b>14.27</b>                 | <b>-</b>           | <b>-</b>         | <b>-</b> | <b>14.27</b>    |
| As at 1 April 2017                              | -                                                                | 14.27                        | -                  | -                | -        | 14.27           |
| Charge during the year                          | -                                                                | 0.52                         | -                  | -                | -        | 0.52            |
| Impairment                                      | -                                                                | -                            | -                  | -                | -        | -               |
| Deletions/Adjustments                           | -                                                                | (0.20)                       | -                  | -                | -        | (0.20)          |
| <b>As at 31 Mar 2018</b>                        | <b>-</b>                                                         | <b>14.59</b>                 | <b>-</b>           | <b>-</b>         | <b>-</b> | <b>14.59</b>    |
| <b>Net Carrying Amount</b>                      |                                                                  |                              |                    |                  |          |                 |
| <b>As at 31 Mar 2018</b>                        | <b>266.98</b>                                                    | <b>523.76</b>                | <b>82.72</b>       | <b>1,374.16</b>  | <b>-</b> | <b>2,247.62</b> |
| <b>As at 31 Mar 2017</b>                        | <b>253.72</b>                                                    | <b>440.81</b>                | <b>63.31</b>       | <b>1,106.90</b>  | <b>-</b> | <b>1,864.74</b> |

1. In case of items of Plant & Machinery, which are kept in plant pending installation and at store, provision equivalent to depreciation is made followed by action for formal write-off where necessary. If any such item of plant & machinery is put to use afterwards i.e., after provisions have already been made, depreciation charged in first year of use is depreciation for the year plus provision already made against the item with due accounting adjustments between depreciation & such provision. During the year ended on 31st Mar 2018, an amount of ₹ 0.52 crore has been provided on this account.
2. Development above includes Enabling assets viz railway track amounting to ₹ 966.95 crore and widening of two lane road to four lane road from Bankibahal to Kanika Railway Siding amounting to ₹ 157.72 crore under Other Mining Infrastructure.



## NOTES TO THE FINANCIAL STATEMENTS

## NOTE 5 : EXPLORATION AND EVALUATION ASSETS

( ₹ in Crores )

|                                                 | <b>Exploration and<br/>Evaluation Costs</b> |
|-------------------------------------------------|---------------------------------------------|
| <b>Gross Carrying Amount:</b>                   |                                             |
| As at 1 April 2016                              | 114.27                                      |
| Additions                                       | 5.22                                        |
| Deletions/Adjustments                           | (8.37)                                      |
| <b>As at 31 March 2017</b>                      | <b>111.12</b>                               |
| As at 1 April 2017                              | 111.12                                      |
| Additions                                       | 15.83                                       |
| Deletions/Adjustments                           | -                                           |
| <b>As at 31 Mar 2018</b>                        | <b>126.95</b>                               |
| <b>Accumulated Provision and<br/>Impairment</b> |                                             |
| As at 1 April 2016                              | -                                           |
| Charge for the year                             | -                                           |
| Impairment                                      | -                                           |
| Deletions/Adjustments                           | -                                           |
| <b>As at 31 March 2017</b>                      | <b>-</b>                                    |
| As at 1 April 2017                              | -                                           |
| Charge during the year                          | -                                           |
| Impairment                                      | -                                           |
| Deletions/Adjustments                           | -                                           |
| <b>As at 31 Mar 2018</b>                        | <b>-</b>                                    |
| <b>Net Carrying Amount</b>                      |                                             |
| <b>As at 31 Mar 2018</b>                        | <b>126.95</b>                               |
| <b>As at 31 Mar 2017</b>                        | <b>111.12</b>                               |

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE 6 : OTHER INTANGIBLE ASSETS

( ₹ in Crores )

|                                                | Computer<br>Software | Coal Blocks<br>meant for sale | Others   | Total       |
|------------------------------------------------|----------------------|-------------------------------|----------|-------------|
| <b>Gross Carrying Amount:</b>                  |                      |                               |          |             |
| As at 1 April 2016                             | 0.51                 | 4.91                          | -        | 5.42        |
| Additions                                      | 0.22                 | -                             | -        | 0.22        |
| Deletions/Adjustments                          | (0.13)               | -                             | -        | -0.13       |
| <b>As at 31 March 2017</b>                     | <b>0.60</b>          | <b>4.91</b>                   | <b>-</b> | <b>5.51</b> |
| As at 1 April 2017                             | 0.60                 | 4.91                          | -        | 5.51        |
| Additions                                      | -                    | -                             | -        | -           |
| Deletions/Adjustments                          | -                    | (0.33)                        | -        | (0.33)      |
| <b>As at 31 Mar 2018</b>                       | <b>0.60</b>          | <b>4.58</b>                   | <b>-</b> | <b>5.18</b> |
| <b>Accumulated Amortisation and Impairment</b> |                      |                               |          |             |
| As at 1 April 2016                             | 0.04                 | -                             | -        | 0.04        |
| Charge for the year                            | 0.16                 | -                             | -        | 0.16        |
| Impairment                                     | -                    | -                             | -        | -           |
| Deletions/Adjustments                          | -                    | -                             | -        | -           |
| <b>As at 31 March 2017</b>                     | <b>0.20</b>          | <b>-</b>                      | <b>-</b> | <b>0.20</b> |
| As at 1 April 2017                             | 0.20                 | -                             | -        | 0.20        |
| Charge during the year                         | 0.15                 | -                             | -        | 0.15        |
| Impairment                                     | -                    | -                             | -        | -           |
| Deletions/Adjustments                          | -                    | -                             | -        | -           |
| <b>As at 31 Mar 2018</b>                       | <b>0.35</b>          | <b>-</b>                      | <b>-</b> | <b>0.35</b> |
| <b>Net Carrying Amount</b>                     |                      |                               |          |             |
| <b>As at 31 Mar 2018</b>                       | <b>0.25</b>          | <b>4.58</b>                   | <b>-</b> | <b>4.83</b> |
| <b>As at 31 Mar 2017</b>                       | <b>0.40</b>          | <b>4.91</b>                   | <b>-</b> | <b>5.31</b> |

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 7 : (I) INVESTMENTS

( ₹ in Crores )

| Non-Current                                                       | Percentage<br>(%) holding | Number of<br>shares<br>current year/<br>(previous<br>year) | Face value<br>per share<br>current year/<br>(previous<br>year) | As at          |                |
|-------------------------------------------------------------------|---------------------------|------------------------------------------------------------|----------------------------------------------------------------|----------------|----------------|
|                                                                   |                           |                                                            |                                                                | 31.03.2018     | 31.03.2017     |
| <b>Investment in Shares</b>                                       |                           |                                                            |                                                                |                |                |
| Equity Shares in Subsidiary Companies                             |                           |                                                            |                                                                |                |                |
| MNH Shakti LTD.                                                   | 70%                       | 59570000/<br>(59570000)                                    | 10.00                                                          | 59.57          | 59.57          |
| MJSJ Coal LTD.                                                    | 60%                       | 57060000/<br>(57060000)                                    | 10.00                                                          | 57.06          | 57.06          |
| MBPL                                                              | 100%                      | 50000/<br>(50000)                                          | 10.00                                                          | 0.05           | 0.05           |
| MCRL                                                              | 64%                       | 32000/<br>(32000)                                          | 10.00                                                          | 0.03           | 0.03           |
| <b>Non-Trade ( Quoted)</b>                                        |                           |                                                            |                                                                |                |                |
| In Secured Bonds                                                  |                           |                                                            |                                                                |                |                |
| 7.55 % Secured Non convertible IRFC Tax free 2021 series 79 bonds |                           | 20000/<br>(20000)                                          | 100000/<br>(100000)                                            | 200.00         | 200.00         |
| 8% Secured Non convertible IRFC bonds Tax free                    |                           | 1087537/<br>(1087537)                                      | 1000/<br>(1000)                                                | 108.75         | 108.75         |
| 7.22 % Secured Non convertible IRFC bond Tax free                 |                           | 4999/(4999)                                                | 1000100/<br>(1000100)                                          | 499.95         | 499.95         |
| 7.22 % Secured Redeemable REC bond Tax free                       |                           | 1500000/<br>(1500000)                                      | 1000/<br>(1000)                                                | 150.00         | 150.00         |
| <b>Total :</b>                                                    |                           |                                                            |                                                                | <b>1075.41</b> | <b>1075.41</b> |
| Aggregate amount of unquoted investments:                         |                           |                                                            |                                                                | <b>116.71</b>  | <b>116.71</b>  |
| Aggregate amount of quoted investments:                           |                           |                                                            |                                                                | <b>958.70</b>  | <b>958.70</b>  |
| Market value of quoted investments:                               |                           |                                                            |                                                                | <b>993.40</b>  | <b>995.19</b>  |
| Aggregate amount of impairment in value of investments:           |                           |                                                            |                                                                | -              | -              |

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 7 (II) INVESTMENTS

(₹ in Crores)

## Current

|                                                         | Number of units<br>current year/<br>(previous year) | NAV<br>(In ₹) | As at      |               |
|---------------------------------------------------------|-----------------------------------------------------|---------------|------------|---------------|
|                                                         |                                                     |               | 31.03.2018 | 31.03.2017    |
| <b>TRADE (Unquoted)</b>                                 |                                                     |               |            |               |
| <b>Mutual Fund Investment</b>                           |                                                     |               |            |               |
| Canara Robeco Liquid Fund                               | -(69617.11)                                         |               | -          | 7.00          |
| SBI Premier Liquid Fund                                 | -(1026663.34)                                       |               | -          | 103.00        |
| UTI Money Market Fund                                   | -(902451.20)                                        |               | -          | 92.00         |
| <b>Total :</b>                                          |                                                     |               | -          | <b>202.00</b> |
| Aggregate of Quoted Investment:                         |                                                     |               | -          | -             |
| Aggregate of unquoted investments:                      |                                                     |               | -          | 202.00        |
| Market value of unquoted Investment:                    |                                                     |               | -          | 202.04        |
| 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 Crores )

|                                     | As at           |                 |
|-------------------------------------|-----------------|-----------------|
|                                     | 31.03.2018      | 31.03.2017      |
| <b>Non-Current</b>                  |                 |                 |
| <b>Loans to Related parties</b>     |                 |                 |
| - Secured, considered good          | -               | -               |
| - Unsecured, considered good        | -               | 1,200.00        |
| - Doubtful                          | -               | -               |
| Less: Allowances for doubtful loans | -               | 1200.00         |
| <b>Loans to Employees</b>           |                 |                 |
| - Secured, considered good          | 0.82            | 1.06            |
| - Unsecured, considered good        | -               | -               |
| - Doubtful                          | -               | -               |
| Less: Allowances for doubtful loans | 0.82            | 1.06            |
| <b>Other Loans</b>                  |                 |                 |
| - Secured, considered good          | -               | -               |
| - Unsecured, considered good        | 1,000.00        | -               |
| - Doubtful                          | -               | -               |
| Less: Allowances for doubtful loans | 1000.00         | -               |
| <b>TOTAL</b>                        | <b>1,000.82</b> | <b>1,201.06</b> |
| <b>CLASSIFICATION</b>               |                 |                 |
| Secured, considered good            | 0.82            | 1.06            |
| Unsecured, Considered good          | 1,000.00        | 1,200.00        |
| Doubtful                            | -               | -               |
| Less: Allowances for doubtful loans | -               | -               |

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 8 : LOANS Contd...

( ₹ in Crores )

|                                     | As at       |             |
|-------------------------------------|-------------|-------------|
|                                     | 31.03.2018  | 31.03.2017  |
| <b>Current</b>                      |             |             |
| <b>Loans to Related parties</b>     |             |             |
| - Secured, considered good          | -           | -           |
| - Unsecured, considered good        | -           | -           |
| - Doubtful                          | -           | -           |
| Less: Allowances for doubtful loans | -           | -           |
| <b>Loans to Employees</b>           |             |             |
| - Secured, considered good          | 0.32        | 0.32        |
| - Unsecured, considered good        | -           | -           |
| - Doubtful                          | -           | -           |
| Less: Allowances for doubtful loans | 0.32        | 0.32        |
| <b>Other Loans</b>                  |             |             |
| - Secured, considered good          | -           | -           |
| - Unsecured, considered good        | -           | -           |
| - Doubtful                          | -           | -           |
| Less: Allowances for doubtful loans | -           | -           |
| <b>TOTAL</b>                        | <b>0.32</b> | <b>0.32</b> |
| <b>CLASSIFICATION</b>               |             |             |
| Secured, considered good            | 0.32        | 0.32        |
| Unsecured, Considered good          | -           | -           |
| Doubtful                            | -           | -           |

## NOTES TO THE FINANCIAL STATEMENTS

( ₹ in Crores )

## NOTE - 9 : OTHER FINANCIAL ASSETS

|                                                             | As at         |               |
|-------------------------------------------------------------|---------------|---------------|
|                                                             | 31.03.2018    | 31.03.2017    |
| <b>Non Current</b>                                          |               |               |
| Bank deposits                                               | 2.68          | 2.56          |
| Deposits with bank under<br>- Mine Closure Plan             | 834.81        | 696.75        |
| Receivable from Escrow Account for Mine<br>Closure Expenses | 0.57          | 0.57          |
| Other deposits                                              | 38.24         | 32.36         |
| Less : Allowances for doubtful deposits                     | -             | -             |
| Other receivables                                           | 0.16          | 0.16          |
| Less : Allowances for doubtful receivables                  | 0.16          | -             |
| <b>TOTAL</b>                                                | <b>876.30</b> | <b>732.24</b> |

Balances with banks to the extent held as margin money or security against the borrowings/others

2.68 2.56

Note:

1. Deposits in Escrow Accounts for mine closure with Scheduled Banks with maturity exceeding 3 months for ₹ 834.81 crore made as per guidelines issued by Ministry of Coal, Government of India and after agreement with Coal Controller.
2. Bank Deposits of ₹ 1.91 crore including accrued interest of ₹ 1.32 crore 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.
3. 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.
4. Bank Deposits includes ₹ 0.74 crore for issue of BG in favour of TAMDA for obtaining approval of Institutional Building Plan for MIMSR.

|                                 | 31.03.2018   | 31.03.2017   |
|---------------------------------|--------------|--------------|
| Others (non Current)            |              |              |
| Electricity supply undertakings | 36.30        | 31.66        |
| Security & Other deposits       | 0.06         | 0.06         |
| P&T dept                        | 0.03         | 0.03         |
| Deposit with gas co & others    | 1.85         | 0.61         |
|                                 | <u>38.24</u> | <u>32.36</u> |

## NOTES TO THE FINANCIAL STATEMENTS

( ₹ in Crores )

**NOTE - 9 : OTHER FINANCIAL ASSETS Contd...**

As at

|                                                          | <b>31.03.2018</b> | <b>31.03.2017</b> |
|----------------------------------------------------------|-------------------|-------------------|
| <b>Current</b>                                           |                   |                   |
| Surplus Fund with CIL                                    | -                 | 53.94             |
| Receivable from Escrow Account for Mine Closure Expenses | -                 | -                 |
| Current Account with Subsidiaries                        | 43.68             | 38.24             |
| Current Maturities of Unsecured Long Term loan           | -                 | 300.00            |
| Interest accrued on                                      |                   |                   |
| - Investments                                            | 31.35             | 31.29             |
| - Bank Deposits                                          | 369.25            | 569.96            |
| - Others                                                 | 4.68              | 2.78              |
| Other deposits                                           | -                 | -                 |
| Less : Allowances for doubtful deposits                  | -                 | -                 |
| Claims receivables                                       | 293.89            | 0.30              |
| Less : Allowances for doubtful claims                    | -                 | -                 |
| Other receivables                                        | 3.34              | 2.77              |
| Less : Allowances for doubtful claims                    | 0.76              | -                 |
| <b>TOTAL</b>                                             | <b>745.43</b>     | <b>999.28</b>     |

Note:

|                                               | <b>31.03.2018</b> | <b>31.03.2017</b> |
|-----------------------------------------------|-------------------|-------------------|
| 1. Other receivables:                         |                   |                   |
| a. Rent Recoverable from outsiders            | 1.71              | 1.48              |
| b. Electricity recoverable                    | 0.39              | 0.58              |
| c. Other receivable (towards supply of water) | 0.34              | 0.70              |
| d. Others                                     | 0.90              | 0.01              |
|                                               | <u>3.34</u>       | <u>2.77</u>       |

2. Claims receivable includes ₹ 293.79 crore towards receivable from State govt. towards DMF, deposited earlier with state government, pursuant to supreme court order quashing of notification no. GSR 837 (E) of MoC for change in effective date retrospectively to 12/01/2015 from 20/10/2015.



## NOTES TO THE FINANCIAL STATEMENTS

( ₹ in Crores )

## NOTE 10 : OTHER NON-CURRENT ASSETS

As at

|                                                  | 31.03.2018 |               | 31.03.2017 |               |
|--------------------------------------------------|------------|---------------|------------|---------------|
| <b>(i) Capital Advances</b>                      | 295.79     |               | 374.46     |               |
| Less : Provision for doubtful advances           | 0.55       | 295.24        | 0.55       | 373.91        |
| <b>(ii) Advances other than capital advances</b> |            |               |            |               |
| (a) Security Deposit for utilities               | -          |               | -          |               |
| Less : Provision for doubtful deposits           | -          | -             | -          | -             |
| (b) Other Deposits                               | 9.76       |               | 8.59       |               |
| Less : Provision for doubtful deposits           | -          | 9.76          | -          | 8.59          |
| (c) Advances to related parties                  |            | -             |            | -             |
| (d) Advance for Revenue                          | -          |               | -          |               |
| Less : Provision for doubtful advances           | -          | -             | -          | -             |
| (e) Exploratory drilling work                    | -          |               | -          |               |
| Less: Provision                                  | -          | -             | -          | -             |
| (f) Prepaid Expenses                             |            | -             |            | -             |
| (g) Others                                       |            | -             |            | -             |
| <b>TOTAL</b>                                     |            | <b>305.00</b> |            | <b>382.50</b> |

Note

**CLASSIFICATION**

|                             |        |        |
|-----------------------------|--------|--------|
| Unsecured - Considered Good | 304.45 | 381.95 |
| - Considered Doubtful       | 0.55   | 0.55   |

Other Deposits:-

|                             |             |             |
|-----------------------------|-------------|-------------|
| Deposit with Courts         | 6.45        | 6.33        |
| Deposit with Govt Authority | 3.31        | 2.26        |
|                             | <u>9.76</u> | <u>8.59</u> |

## NOTES TO THE FINANCIAL STATEMENTS

( ₹ in Crores )

| NOTE -11 : OTHER CURRENT ASSETS        | As at      |                 |            |                 |
|----------------------------------------|------------|-----------------|------------|-----------------|
|                                        | 31.03.2018 |                 | 31.03.2017 |                 |
| (a) Advance for Revenue                | 228.94     |                 | 225.86     |                 |
| Less : Provision for doubtful advances | 4.90       | 224.04          | 2.16       | 223.70          |
| (b) Advance payment of statutory dues  | 24.45      |                 | 27.99      |                 |
| Less : Provision for doubtful advances | -          | 24.45           | -          | 27.99           |
| (c) Advance to Related Parties         |            | -               |            | -               |
| (d) Advance to Employees               | 101.93     |                 | 5.64       |                 |
| Less : Provision for doubtful advances | 0.03       | 101.90          | 0.03       | 5.61            |
| (e) Advance- Others                    | -          |                 | -          |                 |
| Less : Provision for doubtful claims   | -          | -               | -          | -               |
| (f) Deposit for utilities              | -          |                 | -          |                 |
| Less: Provision                        | -          | -               | -          | -               |
| (g) Deposits- Others                   | 829.53     |                 | 679.58     |                 |
| Less: Provision                        | -          | 829.53          | -          | 679.58          |
| (h) CENVAT CREDIT receivable           |            | -               |            | 76.01           |
| (i) Input Tax Credit Receivable        |            | 195.58          |            | -               |
| (j) MAT CREDIT ENTITLEMENT             |            | -               |            | -               |
| (k) Prepaid Expenses                   |            | 12.45           |            | 12.86           |
| (l) Receivables- Others                | -          |                 | -          |                 |
| Less: Provision                        | -          | -               | -          | -               |
| <b>TOTAL</b>                           |            | <b>1,387.95</b> |            | <b>1,025.75</b> |

Note:

|                                                         |               |               |
|---------------------------------------------------------|---------------|---------------|
| 1 Deposit others:                                       |               |               |
| Sales Tax deposit under protest                         | 31.41         | 43.86         |
| Deposit of Central Excise Duty under protest            | 2.89          | 2.88          |
| Deposit of Service Tax & interest thereon under protest | 0.41          | 0.26          |
| Deposit on Penalty on Stax under protest                | 0.04          | 0.04          |
| Income Tax Deposit under protest                        | 794.78        | 632.54        |
|                                                         | <u>829.53</u> | <u>679.58</u> |

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 12 : INVENTORIES

( ₹ in Crores)

|                                           | As at                |                      |
|-------------------------------------------|----------------------|----------------------|
|                                           | 31.03.2018           | 31.03.2017           |
| (a) Stock of Coal                         | 400.78               | 254.70               |
| Coal under Development                    | -                    | -                    |
|                                           | <u>400.78</u>        | <u>254.70</u>        |
| Less : Provision                          | -                    | -                    |
| Stock of Coal (Net)                       | 400.78               | 254.70               |
| (b) Stock of Stores & Spares (at cost)    | 75.72                | 78.54                |
| Add: Stores-in-transit                    | 14.23                | 0.96                 |
| Less : Provision                          | <u>26.57</u>         | <u>19.89</u>         |
| Net Stock of Stores & Spares (at cost)    | 63.38                | 59.61                |
| (c) Stock of Medicine at Central Hospital | 0.76                 | 1.11                 |
| (d) Workshop Jobs:                        |                      |                      |
| Work-in-progress and Finished Goods       | 9.84                 | 6.71                 |
| Less: Provision                           | <u>-</u>             | <u>-</u>             |
| Net Stock of Workshop Jobs                | 9.84                 | 6.71                 |
| (e) Press Jobs:                           |                      |                      |
| Work-in-progress and Finished Goods       | -                    | -                    |
|                                           | <u><b>474.76</b></u> | <u><b>322.13</b></u> |

1. During the year, no shortage / excess is reported in respect of physical verification of stores / spares. The cumulative provision as at 31.03.2018 stands at ₹ 0.98 crore (as at 31.03.2017 ₹ 0.98 crore).
2. In respect of stores and spares obsolete / unserviceable items and items which have not moved for more than five years, a provision of 100 % & 50% respectively are made as per Accounting Policy. The cumulative provision as at 31.03.2018 stands at ₹ 25.38crore (as at 31.03.2017 ₹ 18.68 crore).
3. Provision includes ₹ 0.21 crore made for Loss of assets as at 31.03.2018 (as at 31.03.2017 ₹ 0.23 crore)
4. Valuation of stores and spares has been done on weighted average method as per accounting policy of the company. The comparison of cost so arrived, with net realizable value is neither made nor adjusted in the account due to difficulty in ascertainment of net realizable value.

**ANNEXURE TO NOTE - 12**  
**(Qty in lakh tonnes) ( value in lakh ₹ )**

**Reconciliation of closing stock adopted in Account with Book stock as 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 01.04.17        | 63.87         | 27654.17     | -                  | -     | 63.87          | 27654.17     |
| (B) Shortage beyond 5%                     | 1.19          | 2,184.54     | -                  | -     | 1.19           | 2,184.54     |
| Stock adopted in Accounts Opening          | 62.68         | 25,469.63    | -                  | -     | 62.68          | 25469.63     |
| 2. Production for the Period               | 1,430.58      | 1,381,827.81 | -                  | -     | 1430.58        | 1381827.81   |
| 3. Sub-Total ( 1A+2)                       | 1,494.45      | 1,409,481.98 | -                  | -     | 1,494.45       | 1,409,481.98 |
| 4. Off- Take for the Period                |               |              |                    |       |                |              |
| (A) Outside Despatch                       | 1,382.62      | 1,367,332.00 | -                  | -     | 1382.62        | 1367332.00   |
| (B) Coal feed to Washeries                 | -             | -            | -                  | -     | -              | -            |
| (C) Own Consumption                        | 0.05          | 95.67        | -                  | -     | 0.05           | 95.67        |
| TOTAL(A)                                   | 1,382.67      | 1,367,427.67 | -                  | -     | 1382.67        | 1367427.67   |
| 5. Derived Stock                           | 111.78        | 42,054.31    | -                  | -     | 111.78         | 42054.31     |
| 6. Measured Stock                          | 110.23        | 39,902.29    | -                  | -     | 110.23         | 39902.29     |
| 7. Difference (5-6)                        | 1.55          | 2,152.02     | -                  | -     | 1.55           | 2,152.02     |
| 8. Break-up of Difference:                 |               |              |                    |       |                |              |
| (A) Excess within 5%                       | 0.57          | 168.02       | -                  | -     | 0.57           | 168.02       |
| (B) Shortage within 5%                     | 0.95          | 343.64       | -                  | -     | 0.95           | 343.64       |
| (C) Excess beyond 5%                       | -             | -            | -                  | -     | -              | -            |
| (D) Shortage beyond 5%                     | 1.17          | 1,976.40     | -                  | -     | 1.17           | 1,976.40     |
| 9. Closing stock adopted in A/c.( 6-8A+8B) | 110.61        | 40,077.91    | -                  | -     | 110.61         | 40077.91     |

**Summary of Closing Stock of Coal**

|                                   | Raw Coal |       |            |              | Washed / Dashed 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)           | -        | -     | 63.87      | 27,654.17    | -                    | -     | -          | -     | -              | -     | 63.87    | 27,654.17    |
| Shortage beyond 5%                | -        | -     | 1.19       | 2,184.54     | -                    | -     | -          | -     | -              | -     | 1.19     | 2,184.54     |
| Less: Non-vendable Coal           | -        | -     | -          | -            | -                    | -     | -          | -     | -              | -     | -        | -            |
| Adjusted Opening Stock (Vendable) | -        | -     | 62.68      | 25,469.63    | -                    | -     | -          | -     | -              | -     | 62.68    | 25,469.63    |
| Production                        | -        | -     | 1,430.58   | 1,381,827.81 | -                    | -     | -          | -     | -              | -     | 1,430.58 | 1,381,827.81 |
| Offtake                           |          |       |            |              |                      |       |            |       |                |       |          |              |
| (A) Outside Despatch              | -        | -     | 1,382.62   | 1,367,332.00 | -                    | -     | -          | -     | -              | -     | 1,382.62 | 1,367,332.00 |
| (B) Coal feed to Washeries        | -        | -     | -          | -            | -                    | -     | -          | -     | -              | -     | -        | -            |
| (C) Own Consumption               | -        | -     | 0.05       | 95.67        | -                    | -     | -          | -     | -              | -     | 0.05     | 95.67        |
| Closing Stock derived             | -        | -     | 111.78     | 42,054.31    | -                    | -     | -          | -     | -              | -     | 111.78   | 42,054.31    |
| Less: Shortage                    | -        | -     | 1.17       | 1,976.40     | -                    | -     | -          | -     | -              | -     | 1.17     | 1,976.40     |
| Excess                            | -        | -     | -          | -            | -                    | -     | -          | -     | -              | -     | -        | -            |
| Closing Stock                     | -        | -     | 110.61     | 40,077.91    | -                    | -     | -          | -     | -              | -     | 110.61   | 40,077.91    |

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 31.03.2018          | As on 31.03.2017 | As on 31.03.2018              | As on 31.03.2017 | As on 31.03.2018 | As on 31.03.2017 |
| Orient  | Mine No 3- G 9 | 0.12                      | 0.20             | -                             | 0.08             | 100.00           | 58.98            |
|         | 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                      | 0.75             | -                             | 0.48             | 100.00           | 36.45            |
|         | TOTAL          | 1.17                      | 1.75             | -                             | 0.56             |                  |                  |

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 ₹ 19.76 crore as at 31.03.2018.

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 13 : TRADE RECEIVABLES

( ₹ in Crores)

|                                           | As at                |                       |
|-------------------------------------------|----------------------|-----------------------|
|                                           | 31.03.2018           | 31.03.2017            |
| <b>Current</b>                            |                      |                       |
| Trade receivables                         |                      |                       |
| - Secured, considered good                |                      |                       |
| - Unsecured, considered good              | 606.86               | 1054.44               |
| - Doubtful                                | 30.14                | 109.53                |
| Less : Allowance for bad & doubtful debts | <u>30.14</u>         | <u>109.53</u>         |
|                                           | 606.86               | 1054.44               |
| <b>Total</b>                              | <b><u>606.86</u></b> | <b><u>1054.44</u></b> |

**Note:**

|                                                                      |               |                |
|----------------------------------------------------------------------|---------------|----------------|
| Debt outstanding for a period less than six months from the due date | 440.84        | 960.92         |
| Debt outstanding for a period exceeding six months from the due date | 166.02        | 93.52          |
| Doubtful debt                                                        | <u>30.14</u>  | <u>109.53</u>  |
|                                                                      | <b>637.00</b> | <b>1163.97</b> |

**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 ₹ 173.45 Crores ( ₹ 80.77 Crores as at 31.03.2017) has been recognised as Coal Quality Variance for sampling results awaited from referee samplers and disclosed separately in Note 21 Provisions.

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 14 : CASH AND CASH EQUIVALENTS ( ₹ in Crores)

|                                                                    | As at         |               |
|--------------------------------------------------------------------|---------------|---------------|
|                                                                    | 31.03.2018    | 31.03.2017    |
| (a) Balances with Banks                                            |               |               |
| - in Deposit Accounts ( With maturity upto 3 months)               | -             | -             |
| - in Current Accounts                                              |               |               |
| (a) Interest bearing (CLTD Accounts etc)                           | 119.77        | 95.11         |
| (b) Non-Interest bearing                                           | 85.08         | 277.25        |
| - 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                                                         | -             | -             |
| <b>Total Cash and Cash Equivalents</b>                             | <b>204.85</b> | <b>372.36</b> |
| Bank Overdraft                                                     | -             | -             |
| <b>Total Cash and Cash Equivalents<br/>(net of Bank Overdraft)</b> | <b>204.85</b> | <b>372.36</b> |

|                                                                                                   |     |     |
|---------------------------------------------------------------------------------------------------|-----|-----|
| Maximum amount outstanding with Banks other than<br>Scheduled Banks at any time during the period | Nil | Nil |
|---------------------------------------------------------------------------------------------------|-----|-----|

**Note:**

- 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 FINANCIAL STATEMENTS

### NOTE - 15 : OTHER BANK BALANCES

( ₹ in Crore)

|                                                                                                     | As at            |                  |
|-----------------------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                                     | 31.03.2018       | 31.03.2017       |
| Balances with Banks                                                                                 |                  |                  |
| - in Deposit Accounts<br>(With maturity more than 3 months)                                         |                  |                  |
| (a) Fixed Deposits                                                                                  | 13,096.76        | 14,662.95        |
| (b) CLTD Accounts                                                                                   | -                | -                |
| - Mine Closure Plan                                                                                 | -                | -                |
| - Unpaid dividend accounts                                                                          | -                | -                |
| - Dividend accounts                                                                                 | -                | -                |
| <b>Total</b>                                                                                        | <b>13,096.76</b> | <b>14,662.95</b> |
| Balances with banks to the extent held as margin<br>money or security against the borrowings/others | 34.75            | 34.06            |

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. Fixed deposit includes ₹ 0.04 crore made against price difference recovered against explosive rate contracts in the year 2005-06, as per court order.
3. Fixed deposit includes ₹ 0.19 crore made against interim order of Hon'ble High Court for encashment of BG of M/s IRC Logistics Ltd.
4. Fixed deposit includes ₹ 8.26 crore made against BG encashment ( FSA) by the Company in respect of M/S Videocon Industries Ltd as per interim order of Hon'ble High Court , Cuttack .
5. Fixed deposits includes ₹ 0.16 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.
6. Fixed Deposits includes ₹ 5.97 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.
7. Fixed deposit of ₹ 1.06 crore made as per directives of Hon'ble High Court of Odisha regarding encashment of BG submitted by M/s MCL-KSIPL JV.
8. Fixed Deposit amounting to ₹ 13.35 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.
9. Fixed deposit includes ₹ 5.73 crore made against price difference recovered against explosive rate contracts in the year 2005-06, as per court order.

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 16 : EQUITY SHARE CAPITAL

( ₹ in Crore)

|                                                                  | As at         |               |
|------------------------------------------------------------------|---------------|---------------|
|                                                                  | 31.03.2018    | 31.03.2017    |
| <b><u>Authorised</u></b>                                         |               |               |
| 77,58,200 Equity Shares of ₹ 1000/- each                         | 775.82        | 295.82        |
|                                                                  | <b>775.82</b> | <b>295.82</b> |
| <b><u>Issued, Subscribed and Paid-up</u></b>                     |               |               |
| 7061330 Equity Shares of Rs.1000/- each<br>fully paid up in cash | 706.13        | 141.23        |
|                                                                  | <b>706.13</b> | <b>141.23</b> |

## 1 Shares in the company held by each shareholder holding more than 5% Shares

| Name of Shareholder                                | No.of Shares held<br>(Face value of Rs. 10 each) | % of Total<br>Shares |
|----------------------------------------------------|--------------------------------------------------|----------------------|
| Coal India Ltd.(Holding company)<br>& its nominees | 7061330                                          | 100                  |

- 2 During the year ended on 31.03.2018, the Company has issued 04 number of fully paid up equity shares of face value of ₹ 1000 for every 01 number of fully paid up existing equity shares.
- 3 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 FINANCIAL STATEMENTS

| NOTE 17 : OTHER EQUITY                     | Other Reserves             |                 | Retained Earnings | Other Comprehensive Income | Total           |
|--------------------------------------------|----------------------------|-----------------|-------------------|----------------------------|-----------------|
|                                            | Capital Redemption reserve | Capital reserve |                   |                            |                 |
|                                            | ( ₹ in Crores)             |                 |                   |                            |                 |
| <b>Balance as at 01.04.2016</b>            | 204.18                     | -               | 590.19            | 11.99                      | 4,276.68        |
| Additions during the year                  | -                          | -               | -                 | -                          | -               |
| Changes in accounting policy               | -                          | -               | -                 | -                          | -               |
| Prior period errors                        | -                          | -               | (6.83)            | -                          | (6.83)          |
| Restated balance as at 01.04.2016          | 204.18                     | -               | 583.36            | 11.99                      | 4,269.85        |
| Additions during the year                  | 45.17                      | -               | -                 | -                          | 45.17           |
| Adjustments during the year                | -                          | -               | -                 | -                          | (1,617.06)      |
| Profit during the year                     | -                          | -               | 4,512.97          | -                          | 4,512.97        |
| Other Comprehensive Income during the year | -                          | -               | -                 | (0.92)                     | (0.92)          |
| Appropriations                             | -                          | -               | -                 | -                          | -               |
| Transfer to / from General reserve         | -                          | -               | (224.55)          | -                          | -               |
| Transfer to / from Other reserves          | -                          | -               | (2,982.00)        | -                          | (2,982.00)      |
| Interim Dividend                           | -                          | -               | -                 | -                          | -               |
| Final Dividend                             | -                          | -               | (607.06)          | -                          | (607.06)        |
| Corporate Dividend tax                     | -                          | -               | (362.67)          | -                          | (362.67)        |
| Tax on Buyback                             | -                          | -               | -                 | -                          | -               |
| <b>Balance as at 31.03.2017</b>            | <b>249.35</b>              | -               | <b>920.05</b>     | <b>11.07</b>               | <b>3,258.28</b> |
| <b>Balance as at 01.04.2017</b>            | 249.35                     | -               | 920.05            | 11.07                      | 3,258.28        |
| Additions during the year                  | -                          | -               | -                 | -                          | -               |
| Adjustments during the year                | (249.35)                   | -               | -                 | -                          | (564.90)        |
| Changes in accounting policy               | -                          | -               | -                 | -                          | -               |
| Prior period errors                        | -                          | -               | -                 | -                          | -               |
| Profit during the year                     | -                          | -               | 4,761.29          | -                          | 4,761.29        |
| Other Comprehensive Income during the year | -                          | -               | -                 | 17.88                      | 17.88           |
| Appropriations                             | -                          | -               | -                 | -                          | -               |
| Transfer to / from General reserve         | -                          | 238.06          | (238.06)          | -                          | -               |
| Transfer to / from Other reserves          | -                          | -               | (4,350.00)        | -                          | (4,350.00)      |
| Interim Dividend                           | -                          | -               | -                 | -                          | -               |
| Final Dividend                             | -                          | -               | (885.56)          | -                          | (885.56)        |
| Corporate Dividend tax                     | -                          | -               | -                 | -                          | -               |
| Buyback of Equity Shares                   | -                          | -               | -                 | -                          | -               |
| Tax on Buyback                             | -                          | -               | -                 | -                          | -               |
| <b>Balance as at 31.03.2018</b>            | <b>0.00</b>                | -               | <b>207.72</b>     | <b>28.95</b>               | <b>2,236.99</b> |

## NOTES TO FINANCIAL STATEMENTS

## NOTE 18: BORROWINGS

(₹ in Crores)

| Non-Current                | As at       |             |
|----------------------------|-------------|-------------|
|                            | 31.03.2018  | 31.03.2017  |
| Term Loans                 |             |             |
| -From Banks                | 6.50        | 6.13        |
| -From Other Parties        | -           | -           |
| Loans from Related Parties | -           | -           |
| Other Loans                | -           | -           |
| <b>Total</b>               | <b>6.50</b> | <b>6.13</b> |

## CLASSIFICATION

|           |      |      |
|-----------|------|------|
| Secured   | -    | -    |
| Unsecured | 6.50 | 6.13 |

## Current

|                            |          |                 |
|----------------------------|----------|-----------------|
| Loans repayable on demand  |          |                 |
| -From Banks                | -        | 1,500.00        |
| -From Other Parties        | -        | -               |
| Loans from Related Parties | -        | 700.00          |
| Other Loans                | -        | -               |
| <b>Total</b>               | <b>-</b> | <b>2,200.00</b> |
| <b>CLASSIFICATION</b>      |          |                 |
| Secured                    | -        | 1,500.00        |
| Unsecured                  | -        | 700.00          |

Note:

- 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 31.03.2018 (net after repayments) is ₹ 7.09 crore. (As at 31.03.2017 ₹ 6.64 crore).

The details of balance are as under:-

|                                               | Euro      | ₹ in Lakh |
|-----------------------------------------------|-----------|-----------|
| Balance as on 01.04.2017                      | 956737.96 | 6.64      |
| Repayment during the year ended on 31.03.2018 | 74113.58  | 0.57      |
| Translation Difference                        | -         | 1.02      |
| Balance as on 31.03.2018                      | 882624.38 | 7.09      |

Current maturities of long-term debt of ₹ 0.59crore included in balance of ₹ 7.09 crore.

## NOTES TO FINANCIAL STATEMENTS

(₹ in Crores)

## NOTE - 19 : TRADE PAYABLES

|                                                        | As at         |               |
|--------------------------------------------------------|---------------|---------------|
|                                                        | 31.03.2018    | 31.03.2017    |
| <b>Current</b>                                         |               |               |
| Trade Payables for Micro, Small and Medium Enterprises | 0.92          | 1.26          |
| Other Trade Payables for                               |               |               |
| -Stores and Spares                                     | 44.34         | 41.52         |
| -Power and Fuel                                        | 2.21          | 0.51          |
| -Others                                                | 524.54        | 360.48        |
| <b>TOTAL</b>                                           | <b>572.01</b> | <b>403.77</b> |

**Note:**

1.Others: (major items)

|                              |               |               |
|------------------------------|---------------|---------------|
| Coal Transportation Charges  | 193.23        | 144.96        |
| Outstanding Expenses-Revenue | 291.77        | 177.81        |
| CMPDIL                       | 37.73         | 35.27         |
|                              | <b>522.73</b> | <b>358.04</b> |

Ageing of dues to MSME and interest thereon if any

| Period                      | As at       |             |
|-----------------------------|-------------|-------------|
|                             | 31.03.2018  | 31.03.2017  |
| Dues within 15 days         | 0.34        | 0.42        |
| Dues within 16 to 30 days   | 0.41        | 0.43        |
| Dues within 31 to 45 days   | -           | 0.08        |
| Dues beyond 45 days         | 0.17        | 0.33        |
| <b>Total MSME creditors</b> | <b>0.92</b> | <b>1.26</b> |

## NOTES TO FINANCIAL STATEMENTS

(₹ in Crores)

| NOTE - 20 : OTHER FINANCIAL LIABILITIES       | As at         |               |
|-----------------------------------------------|---------------|---------------|
|                                               | 31.03.2018    | 31.03.2017    |
| <b>Non Current</b>                            |               |               |
| Security Deposits                             | 40.48         | 34.76         |
| Earnest Money                                 | -             | -             |
| Others (Security Deposit -Management Trainee) | 4.60          | 5.43          |
|                                               | <b>45.08</b>  | <b>40.19</b>  |
| <b>Current</b>                                |               |               |
| Current Account with                          |               |               |
| - CIL                                         | 27.95         | -             |
| - Subsidiaries                                | -             | -             |
| Current maturities of long-term debt          | 0.59          | 0.51          |
| Unpaid dividends                              | -             | -             |
| Security Deposits                             | 120.41        | 105.74        |
| Earnest Money                                 | 39.77         | 49.15         |
| Liability for Salary, Wages and Allowances    | 211.62        | 168.61        |
| Others                                        | 227.59        | 186.62        |
| <b>TOTAL</b>                                  | <b>627.93</b> | <b>510.63</b> |

**Note :**

1. Loan repayment Liebherr France during the FY 2018-19 74113.58 euro ₹ 0.59 crore
2. Others (Current):-

|                                                                                                                                                                                                                                                                                                                                                                  |               |               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| Power & fuel                                                                                                                                                                                                                                                                                                                                                     | 15.05         | 16.19         |
| Others- (major items)<br>Repairs & Maintenance: ₹ 52.18 crore<br>Contractor payment/Bills/OBR jobs: ₹ 13.13 crore<br>Demurrage: ₹ 1.55 crore<br>Electricity, Salary, Quarterly Bonus: ₹ 0.50 crore      Audit fees<br>and expenses : ₹ 0.46 crore<br>Siding Maintenance- 1.16 crore<br>Maintenance of GPS based OITDS system- 2.44 crore                         | 71.52         | 67.00         |
| Other liabilities- (major items)<br>Withheld amount of M/s L&T for silo project (lingaraj) : ₹ 31.75 crore<br>CISPA: ₹ 3.48 crore<br>Withheld amount of contractor: ₹ 60.15 crore<br>Security Deposits (explosive): ₹ 25.06 crore<br>Stale cheque/return cheque cancelled: ₹ 7.51 crore<br>Deposit against sale of scrap/discard/Survey of assets : ₹ 6.77 crore | 137.25        | 98.28         |
| Security deposit-MTs                                                                                                                                                                                                                                                                                                                                             | 3.77          | 5.15          |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                     | <b>227.59</b> | <b>186.62</b> |

## NOTES TO FINANCIAL STATEMENTS

(₹ in Crores)

| NOTE - 21 : PROVISIONS                                      | As at            |                  |
|-------------------------------------------------------------|------------------|------------------|
|                                                             | 31.03.2018       | 31.03.2017       |
| <b>Non Current</b>                                          |                  |                  |
| Employee Benefits                                           |                  |                  |
| - Gratuity                                                  | -                | -                |
| - Leave Encashment                                          | 10.75            | 75.55            |
| - Other Employee Benefits                                   | 63.76            | 128.18           |
|                                                             | 74.51            | 203.73           |
| Site Restoration/Mine Closure Stripping Activity Adjustment | 773.97           | 729.59           |
| Others                                                      | 16,801.98        | 15,801.34        |
|                                                             | -                | -                |
| <b>TOTAL</b>                                                | <b>17,650.46</b> | <b>16,734.66</b> |
| <b>Current</b>                                              |                  |                  |
| Employee Benefits                                           |                  |                  |
| - Gratuity                                                  | 202.37           | 48.41            |
| - Leave Encashment                                          | 25.45            | 21.56            |
| - Ex- Gratia                                                | 118.15           | 109.75           |
| - Performance Related Pay                                   | 97.95            | 138.15           |
| - Other Employee Benefits                                   | 244.21           | 152.26           |
| - NCWAX                                                     | 303.06           | 146.36           |
| - Executive Pay Revision                                    | 103.71           | 9.78             |
|                                                             | 1,094.90         | 626.27           |
| Site Restoration/Mine Closure                               | -                | -                |
| Excise Duty on Closing Stock of Coal                        | -                | 39.33            |
| Coal Quality variance                                       | 173.45           | 80.77            |
| Others                                                      | 66.05            | 283.91           |
| <b>TOTAL</b>                                                | <b>1,334.40</b>  | <b>1,030.28</b>  |

**Note:-**

1. The Position of various provisions is given below:

| S.No. | Provisions                       | Opening Balance as on 01.04.2017 | Addition/ Write back during | Paid/ Adj during Year | Closing Balance as on 31.03.2018 |
|-------|----------------------------------|----------------------------------|-----------------------------|-----------------------|----------------------------------|
| i     | For Gratuity(Actuarial)          | -8.55                            | 377.51                      | 223.95                | 145.01                           |
|       | For Gratuity                     | 56.96                            | 34.52                       | 34.12                 | 57.36                            |
| ii    | For Leave Encashment (Actuarial) | 97.11                            | -10.31                      | 51.62                 | 35.18                            |
|       | For Leave Encashment             | -                                | 1.02                        | -                     | 1.02                             |
| iii   | For Other Employee Benefits      | 280.44                           | 32.75                       | 5.22                  | 307.97                           |
| iv    | For OBR Adjustment Account       | 15,801.34                        | 1,000.65                    | -                     | 16,801.98                        |
| v     | For Mine Closure Plan            | 728.80                           | 44.38                       | -                     | 773.18                           |
| vi    | For Reclamation of land          | 0.79                             | -                           | -                     | 0.79                             |

2. 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 year by unwinding the discount to arrive at the provision as on 31.03.2018

3. Provision for Mine Closure Expenses includes ₹ 4.42 crore on account of provision taken towards stowing and stabilization of unstable workings of Deulbera colliery after adjusting current period expenditure other than salary and wages of ₹ 0.23 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 ₹ 18.21 crore is not separately provided for, as the same forms part of normal Salary & Wages charged to Profit & Loss. ( Non Current)
4. Other Employee benefits (current) includes ₹ 154.34 crore provided for superannuation benefits @ 9.84% as on 31.03.2018.
5. National Coal Wage Agreement (NCWA)-X for non-executive employees effective from 01.07.2016 was finalized on 10th October 2017 and payment of salary to Non executive employees as per NCWA X has been started from October 2017. Provision against arrear salary for NCWA X amounting to ₹ 156.70 crores has been made for the period from 01.04.17 to 30.09.2017 resulting total provision of ₹ 303.06 crores for the period from 01.07.2016 to 30.09.2017. An advance amounting to ₹ 95.51 crores has been paid as an adhoc advance and the same is shown as advances under current asset in Note-11.
6. Department of Public Enterprises (DPE) vide office Memorandum (OM) No. W-02/0028/2017-DPE(WC)-GL-XIII/17 dated 3rd August, 2017 has circulated the approval of the Government of India regarding the guidelines of the revision of pay and allowances of Board level Executives and below Board level executives and non unionized supervisors of Central Public Sector Enterprises (CPSEs) w.e.f. 01.01.2017.
- Pending final implementation of these guidelines, the provision for executive pay revision of ₹ 103.71 crores considering estimate impact of increase in all elements of executive salary (including the employer's PF contribution), other employee benefits and all superannuation benefits as per DPE guidelines, covering the period 01.01.2017 to 31.03.2018, has been made in the financial statements
7. A provision as Coal Quality Variance of ₹ 173.45 Crore (₹ 80.77 Crore as at 31.03.2017) is recognised For sampling results awaited from referee samplers.

### NOTES TO FINANCIAL STATEMENTS

**NOTE - 22 : OTHER NON CURRENT LIABILITIES**

|                              | ( ₹ in Crores) |               |
|------------------------------|----------------|---------------|
|                              | As at          |               |
|                              | 31.03.2018     | 31.03.2017    |
| Deferred Income (CCDA Grant) | 208.58         | 176.83        |
| <b>Total</b>                 | <b>208.58</b>  | <b>176.83</b> |

## NOTES TO FINANCIAL STATEMENTS

### NOTE - 23 : OTHER CURRENT LIABILITIES ( ₹ in Crores)

|                                         | As at           |                 |      |        |
|-----------------------------------------|-----------------|-----------------|------|--------|
|                                         | 31.03.2018      | 31.03.2017      |      |        |
| Capital Expenditure                     | 900.26          | 636.46          |      |        |
| <b>Statutory Dues:</b>                  |                 |                 |      |        |
| Goods and Service Tax                   | 135.98          | -               |      |        |
| GST Compenstaion Cess                   | 546.51          | -               |      |        |
| Sales Tax/Vat                           | 1.48            | 11.02           |      |        |
| Provident Fund & Others                 | 12.68           | 8.62            |      |        |
| Central Excise Duty                     | -               | 6.92            |      |        |
| Royalty & Cess on Coal                  | 54.13           | 51.52           |      |        |
| Stowing Excise Duty                     | -               | 37.70           |      |        |
| Clean Energy Cess                       | -               | 791.77          |      |        |
| National Mineral Exploration Trust      | 2.56            | 3.20            |      |        |
| District Mineral Foundation             | 29.51           | 46.43           |      |        |
| Other Statutory Levies                  | 0.40            | 2.84            |      |        |
| Income Tax deducted/collected at Source | 9.92            | 793.17          | 3.40 | 963.42 |
| Advance from customers / others         | 2,022.11        | 2,325.03        |      |        |
| Tax on Dividend Distribution            | -               | -               |      |        |
| Others liabilities                      | 30.52           | 29.80           |      |        |
| <b>TOTAL</b>                            | <b>3,746.06</b> | <b>3,954.71</b> |      |        |

**Note:**

Other liabilities include 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 31.7.2001. The money is refundable to the customers. During the current year, the company has provided interest of ₹ 1.01 crore ( for the year ended on 31.03.2017 ₹ 1.01 crore) calculated at the rate of 12% for the unpaid principal amount of the Cess liability. The total liability thus included therein becomes ₹ 30.52 crore as at 31.03.2018. (as at 31.03.2017 ₹ 29.51 crore). The Company could not identify the customers / parties to whom the refund is to be made. Finalisation of modalities for refunding the same to the customers / parties is yet to be done.

## NOTES TO FINANCIAL STATEMENTS

(₹ in Crores)

| NOTE - 24 : REVENUE FROM OPERATIONS           | For Year Ended<br>31.03.2018 | For Year ended<br>31.03.2017 |
|-----------------------------------------------|------------------------------|------------------------------|
| <b>A. Sale of Coal</b>                        | <b>22,379.91</b>             | <b>23443.22</b>              |
| <b>Less :Other Statutory Levies</b>           |                              |                              |
| Royalty                                       | 1,752.01                     | 1,663.66                     |
| Goods and Service Tax                         | 628.65                       | -                            |
| GST Compenstaion Cess                         | 4,195.91                     | -                            |
| Cess on Coal                                  | -                            | -                            |
| Stowing Excise Duty                           | 33.36                        | 143.01                       |
| Central Sales Tax                             | 49.08                        | 224.06                       |
| Clean Energy Cess                             | 1,334.59                     | 5,720.34                     |
| State Sales Tax/VAT                           | 136.37                       | 586.87                       |
| National Mineral Exploration Trust            | 35.03                        | 33.37                        |
| District Mineral Foundation                   | 525.58                       | 846.77                       |
| Other Levies                                  | 16.01                        | 68.19                        |
| <b>Total Levies</b>                           | <b>8,706.59</b>              | <b>9,286.27</b>              |
| <b>Sale of Coal (Net) (A)</b>                 | <b>13,673.32</b>             | <b>14,156.95</b>             |
| <b>B. Other Operating Revenue</b>             |                              |                              |
| Facilitation charges for coal import          | -                            | -                            |
| Subsidy for Sand Stowing & Protective Works   | 2.05                         | 2.24                         |
| Loading and additional transportation charges | 838.47                       | 847.92                       |
| Less : Other Statutory Levies                 | 36.17                        | 25.13                        |
|                                               | <b>802.30</b>                | <b>822.79</b>                |
| Evacuation facilitating Charges               | 214.76                       | -                            |
| Less: Levies                                  | 10.23                        | -                            |
|                                               | <b>204.53</b>                | <b>-</b>                     |
| <b>Other Operating Revenue (Net) (B)</b>      | <b>1,008.88</b>              | <b>825.03</b>                |
| <b>Revenue from Operations (A+B)</b>          | <b>14,682.20</b>             | <b>14,981.98</b>             |

**Note:-**

- Subsidy for Sand Stowing & Protective Works includes ₹ 2.05 crores received from Ministry of Coal, Government of India in terms of Coal Mines (Conservation & Development) Act, 1974 towards reimbursement of expenditure incurred for the Sand Stowing & Protective Works during the year ended on 31.03.2018.
- Sales of goods includes excise duty of ₹ 219.66 Crores (31.03.2017 ₹ 951.36 crores) and sales of goods net of excise duty is ₹ 13453.66 crores (31.03.2017 ₹ 13213.09 crores).
- Loading and additional transportation charges includes excise duty of ₹ 10.84 Crores (31.03.2017 ₹ 53.70 crores). Loading and additional transportation charges net of excise duty is ₹ 791.46 crore (31.03.2017 ₹ 761.59 crore).



## NOTES TO FINANCIAL STATEMENTS

(₹ in Crores)

## NOTE 25 : OTHER INCOME

|                                                  | For Year ended<br>31.03.2018 | For Year ended<br>31.03.2017 |
|--------------------------------------------------|------------------------------|------------------------------|
| <b><u>Interest Income</u></b>                    |                              |                              |
| Deposits with Banks                              | 858.91                       | 1088.73                      |
| Investments                                      | 70.72                        | 70.53                        |
| Loans                                            | 100.27                       | 0.29                         |
| Funds parked within Group                        | -                            | 47.64                        |
| Others                                           | 20.14                        | 83.65                        |
| <b><u>Dividend Income</u></b>                    |                              |                              |
| Investments in Subsidiaries                      | -                            | -                            |
| Investments in Mutual Funds                      | 107.26                       | 114.45                       |
| <b><u>Other Non-Operating Income</u></b>         |                              |                              |
| Profit on Sale of Assets                         | 0.24                         | 0.05                         |
| Gain on Foreign exchange Transactions            | -                            | 0.59                         |
| Exchange Rate Variance                           | -                            | -                            |
| Lease Rent                                       | 17.21                        | 1.98                         |
| Liability / Provision Write Backs                | 1.68                         | 0.02                         |
| Excise Duty on Decrease in Stock                 | -                            | 16.07                        |
| Miscellaneous Income                             | 38.22                        | 62.31                        |
| <b>Total</b>                                     | <b><u>1,214.65</u></b>       | <b><u>1,486.31</u></b>       |
| Note:                                            |                              |                              |
| Others:                                          |                              |                              |
| Interest on I.T.Refunds                          | -                            | 71.95                        |
| Int. on Advances to Outside Parties              | 2.01                         | 3.06                         |
| Interest from subsidiaries                       | 2.74                         | 2.28                         |
| Interest earned on Group Leave encashment Scheme | 15.37                        | 6.35                         |
| Interest on employee loans                       | 0.02                         | 0.01                         |
|                                                  | <u>20.14</u>                 | <u>83.65</u>                 |
| 2 Miscellaneous income includes (major items)    |                              |                              |
| Penalty, LD recovered from suppliers             | 3.06                         |                              |
| Penalty recovered from customers                 | 12.65                        |                              |
| Penalty from Contractors & Others                | 4.18                         |                              |
| Forfeiture of EMD /SD from contractors/Suppliers | 9.35                         |                              |
| Sale of scraps                                   | 2.79                         |                              |
|                                                  | <u>32.03</u>                 |                              |

**NOTES TO FINANCIAL STATEMENTS**

( ₹ in Crores)

**NOTE 26 : COST OF MATERIALS CONSUMED**

|                                  | For Year ended<br>31.03.2018 | For Year ended<br>31.03.2017 |
|----------------------------------|------------------------------|------------------------------|
| Explosives                       | 135.96                       | 132.77                       |
| Timber                           | 0.28                         | 0.36                         |
| Oil & Lubricants                 | 288.82                       | 277.15                       |
| HEMM Spares                      | 125.37                       | 120.86                       |
| Other Consumable Stores & Spares | 54.13                        | 52.46                        |
| <b>Total</b>                     | <b>604.56</b>                | <b>583.60</b>                |

**NOTE :**

|                                  | Opening | Addition/<br>adjustments | Closing |
|----------------------------------|---------|--------------------------|---------|
| Explosives                       | 2.28    | 135.90                   | 2.22    |
| Timber                           | 0.15    | 0.13                     | -       |
| Oil & Lubricants                 | 8.33    | 287.79                   | 7.30    |
| HEMM Spares                      | 53.16   | 126.21                   | 54.00   |
| Other Consumable Stores & Spares | 14.62   | 55.33                    | 15.82   |
|                                  | 78.54   | 605.36                   | 79.34   |

**NOTE 27 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE**

( ₹ in Crores)

|                                                       | For Year ended<br>31.03.2018 | For Year ended<br>31.03.2017 |
|-------------------------------------------------------|------------------------------|------------------------------|
| Opening Stock of Coal                                 | 254.70                       | 346.83                       |
| Add: Adjustment of opening stock                      | (39.33)                      | -                            |
| Less: Deterioration of Coal                           | -                            | -                            |
|                                                       | 215.37                       | 346.83                       |
| Closing Stock of Coal                                 | 400.78                       | 254.70                       |
| Less: Deterioration of Coal                           | -                            | -                            |
| A Change in Inventory of Coal                         | (185.41)                     | 92.13                        |
| Opening Stock of Workshop made finished goods and WIP | 6.71                         | 12.10                        |
| Add: Adjustment of Opening Stock                      | -                            | -                            |
| Less: Provision                                       | -                            | -                            |
|                                                       | 6.71                         | 12.10                        |
| Closing Stock of Workshop made finished goods and WIP | 9.84                         | 6.71                         |
| Less: Provision                                       | -                            | -                            |
| B Change in Inventory of workshop                     | (3.13)                       | 5.39                         |
| Press Opening Job                                     | -                            | -                            |
| i)Finished Goods                                      | -                            | -                            |
| ii)Work in Progress                                   | -                            | -                            |
| Less: Press Closing Job                               | -                            | -                            |
| i)Finished Goods                                      | -                            | -                            |
| ii)Work in Progress                                   | -                            | -                            |
| C Change in Inventory of Closing Stock of Press Job   | -                            | -                            |
| Change in Inventory of Stock in trade (A+B+C)         | <b>(188.54)</b>              | <b>97.52</b>                 |
| { Decretion / ( Accretion) }                          |                              |                              |

## NOTES TO FINANCIAL STATEMENTS

( ₹ in Crores)

## NOTE 28 : EMPLOYEE BENEFITS

|                                                         | For Year ended<br>31.03.2018 | For Year ended<br>31.03.2017 |
|---------------------------------------------------------|------------------------------|------------------------------|
| Salary, Wages, Allowances ,Bonus etc.                   | 1,714.94                     | 1,544.75                     |
| Provision for National Coal Wages Agreement (NCWA) - X* | 156.50                       | 146.01                       |
| Executive Pay Revision - Provision**                    | 93.93                        | 9.78                         |
| Ex-Gratia                                               | 118.83                       | 112.38                       |
| Performance Related Pay                                 | 16.47                        | 21.09                        |
| Contribution to P.F. & Other Funds                      | 223.75                       | 204.91                       |
| Gratuity                                                | 411.76                       | 57.38                        |
| Leave Encashment                                        | 72.75                        | 106.01                       |
| VRS                                                     | -                            | -                            |
| Workman Compensation                                    | 0.49                         | 0.76                         |
| Medical Expenses for existing employees                 | 47.29                        | 43.69                        |
| Medical Expenses for retired employees                  | 9.44                         | 5.29                         |
| Grants to Schools & Institutions                        | 32.08                        | 26.04                        |
| Sports & Recreation                                     | 5.02                         | 4.92                         |
| Canteen & Creche                                        | 1.36                         | 1.03                         |
| Power - Township                                        | 57.83                        | 57.23                        |
| Hire Charges of Bus, Ambulance etc.                     | 4.54                         | 3.92                         |
| Other Employee Benefits                                 | 35.95                        | 24.03                        |
|                                                         | <b><u>3,002.93</u></b>       | <b><u>2,369.22</u></b>       |

\* Refer footnote no.5 in Note. 21

\*\* Refer footnote no. 6 in Note 21

- 1 "The NCWA -X for the year ended 31.03.2018 above includes ₹ 39.82Crore relating to the Period 01.07.2016 to 31.03.2017."
- 2 As per the Payment of Gratuity (Amendment)Act, 2018 and the notification issued thereafter, the ceiling for maximum gratuity has been increased from Rs.10 lakh to Rs.20 lakh w.e.f. 29.03.2018. Gratuity for the year ended 31.03.2018 above includes ₹ 354.97 Crore for impact of above change in gratuity ceiling.

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 29 : CORPORATE SOCIAL RESPONSIBILITY EXPENSE**

( ₹ in Crores)

|              | <b>For Year ended<br/>31.03.2018</b> | <b>For Year ended<br/>31.03.2017</b> |
|--------------|--------------------------------------|--------------------------------------|
| CSR Expenses | 267.52                               | 166.60                               |
| <b>Total</b> | <b>267.52</b>                        | <b>166.60</b>                        |

**NOTE 30 : REPAIRS**

( ₹ in Crores)

|                   | <b>For Year ended<br/>31.03.2018</b> | <b>For Year ended<br/>31.03.2017</b> |
|-------------------|--------------------------------------|--------------------------------------|
| Building          | 69.73                                | 57.91                                |
| Plant & Machinery | 56.67                                | 57.17                                |
| Others            | 2.93                                 | 3.49                                 |
| <b>Total</b>      | <b>129.33</b>                        | <b>118.57</b>                        |

## NOTES TO FINANCIAL STATEMENTS

### NOTE 31 : CONTRACTUAL EXPENSES

(₹ in Crores)

|                                | For Year ended<br>31.03.2018 | For Year ended<br>31.03.2017 |
|--------------------------------|------------------------------|------------------------------|
| Transportation Charges :       |                              |                              |
| - Sand                         | 0.03                         | 0.01                         |
| - Coal                         | 1,180.87                     | 1,173.56                     |
| - Stores & Others              | 0.03                         | -                            |
| Wagon Loading                  | 68.61                        | 80.37                        |
| Hiring of Plant and Equipments | 1,177.65                     | 983.20                       |
| Other Contractual Work         | 53.45                        | 49.80                        |
| <b>Total</b>                   | <b>2,480.64</b>              | <b>2,286.94</b>              |

### NOTE 32 : FINANCE COSTS

(₹ in Crores)

|                                           | For Year ended<br>31.03.2018 | For Year ended<br>31.03.2017 |
|-------------------------------------------|------------------------------|------------------------------|
| <b>Interest Expenses</b>                  |                              |                              |
| Borrowings                                | 14.05                        | 0.38                         |
| Unwinding of discounts (Site Restoration) | 51.15                        | 47.05                        |
| Funds parked within Group                 | -                            | -                            |
| Others                                    | 8.06                         | 7.57                         |
| <b>Total</b>                              | <b>73.26</b>                 | <b>55.00</b>                 |

**NOTES TO FINANCIAL STATEMENTS**

( ₹ in Crores)

**NOTE 33 : PROVISIONS (NET OF REVERSAL)**

|                                                                     | For Year ended<br>31.03.2018 | For Year ended<br>31.03.2017 |
|---------------------------------------------------------------------|------------------------------|------------------------------|
| <b>(A) Allowances/Provision made for</b>                            |                              |                              |
| Doubtful debts                                                      | 19.64                        | 71.77                        |
| Coal Quality Variance                                               | 173.45                       | 80.77                        |
| Doubtful Advances & Claims                                          | 0.08                         | 0.14                         |
| Stores & Spares                                                     | 6.68                         | 1.96                         |
| Others                                                              | 55.83                        | 289.09                       |
| <b>Total(A)</b>                                                     | <b>255.68</b>                | <b>443.73</b>                |
| <b>(B) Allowances/ Provision Reversal</b>                           |                              |                              |
| Doubtful debts                                                      | 99.03                        | -                            |
| Coal Quality Variance                                               | 80.77                        | -                            |
| Doubtful Advances & Claims                                          | 0.02                         | 0.05                         |
| Stores & Spares                                                     | -                            | 1.19                         |
| Others                                                              | 269.95                       | 0.16                         |
| <b>Total(B)</b>                                                     | <b>449.77</b>                | <b>1.40</b>                  |
| <b>Total (A-B)</b>                                                  | <b>(194.09)</b>              | <b>442.33</b>                |
| Note:                                                               |                              |                              |
| <b>Others:- Created</b>                                             |                              |                              |
| Capital WIP                                                         | 0.53                         | 0.64                         |
| Surveyed off                                                        | 0.37                         | 4.47                         |
| Claims receivables                                                  | 3.44                         | 14.19                        |
| Misc Advance                                                        | -                            | 0.06                         |
| Excise Duty                                                         | -                            | 115.86                       |
| Clean Energy Cess                                                   | -                            | 153.87                       |
| Medicines                                                           | 0.02                         | -                            |
| Demand for Environment clearance 2015-16                            | 50.97                        | -                            |
|                                                                     | 55.33                        | 289.09                       |
| <b>Others:- Reversal</b>                                            |                              |                              |
| Stowing and stabilization of unstable workings of Deulbera colliery | 0.22                         | 0.16                         |
| Excise Duty                                                         | 115.86                       | -                            |
| Clean Energy Cess                                                   | 153.87                       | -                            |
| Surveyed off                                                        | -                            | -                            |
|                                                                     | 269.95                       | 0.16                         |

Note : A provision as Coal Quality Variance of ₹ 173.45 Crore (₹ 80.77 Crore) is recognised For sampling results awaited from referee samplers.

**NOTES TO FINANCIAL STATEMENTS**

(₹ in Crores)

**NOTE 34 : Write Off (Net of past Provisions)**

|                          | <b>For Year ended<br/>31.03.2018</b> | <b>For Year ended<br/>31.03.2017</b> |
|--------------------------|--------------------------------------|--------------------------------------|
| Doubtful debts           |                                      |                                      |
| Less :- Provided earlier | -                                    | -                                    |
| Doubtful advances        |                                      |                                      |
| Less :- Provided earlier | -                                    | -                                    |
| Stock of Coal            |                                      |                                      |
| Less :- Provided earlier | -                                    | -                                    |
| Others                   |                                      |                                      |
| Less :- Provided earlier | -                                    | -                                    |
| <b>Total</b>             | <b>-</b>                             | <b>-</b>                             |

## NOTES TO FINANCIAL STATEMENTS

( ₹ in Crores)

## NOTE 35 : OTHER EXPENSES

|                                              | For Year ended<br>31.03.2018 | For Year ended<br>31.03.2017 |
|----------------------------------------------|------------------------------|------------------------------|
| Travelling expenses                          |                              |                              |
| - Domestic                                   | 14.93                        | 14.75                        |
| - Foreign                                    | 0.09                         | 0.36                         |
| Training Expenses                            | 7.42                         | 11.98                        |
| Telephone & Postage                          | 6.44                         | 4.25                         |
| Advertisement & Publicity                    | 14.30                        | 5.48                         |
| Freight Charges                              | 0.05                         | 0.08                         |
| Demurrage                                    | 1.44                         | 4.70                         |
| Donation/Subscription                        | 0.13                         | 0.12                         |
| Security Expenses                            | 106.44                       | 66.60                        |
| Service Charges of CIL                       | 143.22                       | 70.30                        |
| Hire Charges                                 | 38.30                        | 35.00                        |
| CMPDI Charges                                | 17.17                        | 22.44                        |
| Legal Expenses                               | 1.69                         | 1.19                         |
| Bank Charges                                 | 0.01                         | 0.03                         |
| Guest House Expenses                         | 2.41                         | 2.46                         |
| Consultancy Charges                          | 1.23                         | 1.60                         |
| Under Loading Charges                        | 35.60                        | 16.83                        |
| Loss on Sale/Discard/Surveyed of Assets      | 0.98                         | 0.82                         |
| Auditor's Remuneration & Expenses            |                              |                              |
| - For Audit Fees                             | 0.14                         | 0.14                         |
| - For Taxation Matters                       | -                            | -                            |
| - For Other Services                         | 0.13                         | 0.13                         |
| - For Reimbursement of Exps.                 | 0.20                         | 0.24                         |
| Internal & Other Audit Expenses              | 2.08                         | 2.57                         |
| Rehabilitation Charges                       | 82.96                        | 85.81                        |
| Royalty & Cess                               | 0.18                         | 0.19                         |
| SBC & KKC on Royalty and Stowing Excise Duty | 4.85                         | 21.61                        |
| Central Excise Duty on closing stock of coal | -                            | -                            |
| GST                                          | -                            | -                            |
| Rent                                         | 0.42                         | 0.90                         |
| Rates & Taxes                                | 24.93                        | 34.76                        |
| Insurance                                    | 0.41                         | 0.52                         |
| Loss on Foreign Exchange Transactions        | -                            | -                            |
| Loss on Exchange Rate Variance               | 1.02                         | -                            |
| Lease Rent                                   | 0.07                         | -                            |
| Rescue/Safety Expenses                       | 2.41                         | 2.39                         |
| Dead Rent/Surface Rent                       | 0.19                         | 0.45                         |
| Siding Maintenance Charges                   | 32.63                        | 22.34                        |
| Land/Crops Compensation                      | 0.08                         | 0.07                         |
| R & D expenses                               | 0.79                         | 0.86                         |
| Environmental & Tree Plantation Expenses     | 16.17                        | 17.89                        |
| Expenses on Buyback of shares                | 0.03                         | 0.33                         |
| Miscellaneous expenses                       | 86.97                        | 231.16                       |
| <b>Total</b>                                 | <b>648.51</b>                | <b>681.35</b>                |



## NOTES TO FINANCIAL STATEMENTS

( ₹ in Crores)

## NOTE 36 : TAX EXPENSE

|                                                                                                                        | For Year ended<br>31.03.2018 | For Year ended<br>31.03.2017 |
|------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| Current Year                                                                                                           | 2532.40                      | 2325.80                      |
| Deferred tax                                                                                                           | 45.97                        | 42.36                        |
| MAT Credit Entitlement                                                                                                 | -                            | -                            |
| Earlier Years                                                                                                          | -                            | (5.45)                       |
| <b>Total</b>                                                                                                           | <b>2,578.37</b>              | <b>2,362.71</b>              |
| <b>Reconciliation of tax Expenses and the accounting profit multiplied by India's domestic Tax rate for 31.03.2018</b> |                              |                              |
| <b>Profit/(Loss) before tax</b>                                                                                        | 7,339.66                     | 6,854.72                     |
| <b>At India's statutory income tax rate of 34.6081% (31 March 2017: 34.6081%)</b>                                      | 2,540.12                     | 2,372.29                     |
| Less : Adjustment in respect of current income tax of previous year                                                    | 4.89                         | 1.27                         |
| Less: Income exempt form Tax                                                                                           | (61.60)                      | (64.02)                      |
| Less: share of results of associates and Joint venture                                                                 | -                            | -                            |
| Add: Non-deductible expenses for tax purposes                                                                          | 385.46                       | 303.86                       |
| Less: Additional Expenses allowed as per Income Tax                                                                    | (336.48)                     | (287.61)                     |
| <b>Income Tax Expenses reported in statement of Profit &amp; Loss</b>                                                  | <b>2,532.39</b>              | <b>2,325.80</b>              |
| <b>Effective income tax rate :</b>                                                                                     | <b>34.50%</b>                | <b>33.93%</b>                |
| <b>Deferred tax liability relates to following:</b>                                                                    |                              |                              |
| <b>Deffered Tax Liability</b>                                                                                          |                              |                              |
| Related to Property, Plant and Equipment                                                                               | 123.47                       | 55.95                        |
| Others                                                                                                                 | 241.87                       | 257.35                       |
| <b>Total Deferred Tax Liability</b>                                                                                    | <b>365.34</b>                | <b>313.30</b>                |
| <b>Deferred Tax Asset</b>                                                                                              |                              |                              |
| Related to Trade Receivables                                                                                           | 9.68                         | 36.89                        |
| Employee Benefits                                                                                                      | 67.75                        | 34.88                        |
| Others                                                                                                                 | 40.12                        | 39.71                        |
| <b>Total Deferred Tax Asset</b>                                                                                        | <b>117.55</b>                | <b>111.48</b>                |
| <b>Net Deffered Tax Asset/(Liabilities)</b>                                                                            | <b>(247.79)</b>              | <b>(201.82)</b>              |

- 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 31 March 2018, deferred tax liability of ₹ 45.97 Crores (31 March 2017: ₹ 42.36 Crores ) recognised for all taxable temporary differences.
- c) During the year ended 31 March, 2018, the company has paid Interim Dividend of Rs. 4,350 crores to its shareholders. This has resulted in payment of DDT of Rs. 885.56 crores to the taxation authorities. The company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

## NOTES TO FINANCIAL STATEMENTS

(₹ in Crores)

## NOTE 37 : OTHER COMPREHENSIVE INCOME

|                                                                                             | For Year ended<br>31.03.2018 | For Year ended<br>31.03.2017 |
|---------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>(A) (i) Items that will not be reclassified to profit or loss</b>                        |                              |                              |
| Changes in revaluation surplus                                                              | -                            | -                            |
| Remeasurement of defined benefit plans                                                      | 27.34                        | (1.40)                       |
| Equity instrument through OCI                                                               | -                            | -                            |
| Fair value changes relating to own credit risk of financial liabilities designated at FVTPL | -                            | -                            |
| Share of OCI in Joint ventures                                                              | 27.34                        | (1.40)                       |
| <b>(ii) Income tax relating to items that will not be reclassified to profit or loss</b>    |                              |                              |
| Changes in revaluation surplus                                                              | -                            | -                            |
| Remeasurement of defined benefit plans                                                      | 9.46                         | (0.48)                       |
| Equity instrument through OCI                                                               | -                            | -                            |
| Fair value changes relating to own credit risk of financial liabilities designated at FVTPL | -                            | -                            |
| Share of OCI in Joint ventures                                                              | -                            | -                            |
| <b>Total (A)</b>                                                                            | <b>17.88</b>                 | <b>(0.92)</b>                |
| <b>(B) (i) Items that will be reclassified to profit or loss</b>                            |                              |                              |
| Exchange differences in translating the financial statements of a foreign operation         | -                            | -                            |
| Debt instrument through OCI                                                                 | -                            | -                            |
| The effective portion of gains and loss on hedging instruments in a cash flow hedge         | -                            | -                            |
| Share of OCI in Joint ventures                                                              | -                            | -                            |
| <b>(ii) Income tax relating to items that will be reclassified to profit or loss</b>        |                              |                              |
| Exchange differences in translating the financial statements of a foreign operation         | -                            | -                            |
| Debt instrument through OCI                                                                 | -                            | -                            |
| The effective portion of gains and loss on hedging instruments in a cash flow hedge         | -                            | -                            |
| Share of OCI in Joint ventures                                                              | -                            | -                            |
| <b>Total (B)</b>                                                                            | <b>-</b>                     | <b>-</b>                     |
| <b>Total (A+B)</b>                                                                          | <b>17.88</b>                 | <b>(0.92)</b>                |

**NOTE – 38 ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018 (STANDALONE)**

**1. Fair Value Measurement****(a) Financial Instruments by Category**

(Rs. In Crores)

|                                      | 31 <sup>st</sup> March 2018 |        |                | 31 <sup>st</sup> March 2017 |        |                |
|--------------------------------------|-----------------------------|--------|----------------|-----------------------------|--------|----------------|
|                                      | FVTPL                       | FVTOCI | Amortised cost | FVTPL                       | FVTOCI | Amortised cost |
| <b>Financial Assets</b>              |                             |        |                |                             |        |                |
| Investments :                        |                             |        |                |                             |        |                |
| Secured Bonds                        |                             |        | 958.70         |                             |        | 958.70         |
| Equity share in Subsidiary Companies |                             |        | 116.71         |                             |        | 116.71         |
| Preference Share in Subsidiary       |                             |        | NIL            | NIL                         |        | NIL            |
| Mutual Fund                          | 0.00                        |        |                | 202.00                      |        |                |
| Loans                                |                             |        | 1001.14        |                             |        | 1201.38        |
| Deposits & receivable                |                             |        | 1621.73        |                             |        | 1731.52        |
| Trade receivables                    |                             |        | 606.86         |                             |        | 1054.44        |
| Cash & cash equivalents              |                             |        | 204.85         |                             |        | 372.36         |
| Other Bank Balances                  |                             |        | 13096.76       |                             |        | 14662.95       |
| <b>Financial Liabilities</b>         |                             |        |                |                             |        |                |
| Borrowings                           |                             |        | 6.50           |                             |        | 2206.13        |
| Trade payables                       |                             |        | 572.01         |                             |        | 403.77         |
| Security Deposit and Earnest money   |                             |        | 209.03         |                             |        | 200.23         |
| Other Liabilities                    |                             |        | 463.98         |                             |        | 350.59         |

**(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. An explanation of each level follows underneath the table.

| Financial assets and liabilities measured at fair value – recurring fair value measurement | 31 <sup>st</sup> March 2018 |          |           | 31 <sup>st</sup> March 2017 |          |           |
|--------------------------------------------------------------------------------------------|-----------------------------|----------|-----------|-----------------------------|----------|-----------|
|                                                                                            | Level I                     | Level II | Level III | Level I                     | Level II | Level III |
| <b>Financial Assets at FVTPL</b>                                                           |                             |          |           |                             |          |           |
| Investments :                                                                              |                             |          |           |                             |          |           |
| Mutual Fund                                                                                | -                           | -        | -         | 202.00                      | -        | -         |
| <b>Financial Liabilities</b>                                                               |                             |          |           |                             |          |           |
| If any item                                                                                | -                           | -        | -         | -                           | -        | -         |

| Financial assets and liabilities measured at amortised cost for which fair values are disclosed at 31 <sup>st</sup> March, 2018 | 31 <sup>st</sup> March 2018 |          |           | 31 <sup>st</sup> March 2017 |          |           |
|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------|-----------|-----------------------------|----------|-----------|
|                                                                                                                                 | Level I                     | Level II | Level III | Level I                     | Level II | Level III |
| <b>Financial Assets at FVTPL</b>                                                                                                |                             |          |           |                             |          |           |
| Investments :                                                                                                                   |                             |          |           |                             |          |           |
| Equity Shares in JV                                                                                                             | -                           | -        | 116.71    | -                           | -        | 116.71    |
| Mutual Fund                                                                                                                     | -                           | -        | -         | -                           | -        | -         |
|                                                                                                                                 |                             |          |           |                             |          |           |
| <b>Financial Liabilities</b>                                                                                                    |                             |          |           |                             |          |           |
| Preference Share                                                                                                                | -                           | -        | -         | -                           | -        | -         |
| Borrowings                                                                                                                      | -                           | -        | 6.50      | -                           | -        | 2206.13   |
| Trade payables                                                                                                                  | -                           | -        | 572.01    | -                           | -        | 403.77    |
| Security Deposit and Earnest money                                                                                              | -                           | -        | 209.03    | -                           | -        | 200.23    |
| Other Liabilities                                                                                                               | -                           | -        | 463.98    | -                           | -        | 350.59    |

The Company uses the judgments and estimates in determining the fair values of the financial instruments that are recognised and measured at fair value. 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. An explanation of each level is given below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

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.

**(a) Valuation technique used in determining fair value**

Valuation techniques used to value financial instruments include the use of quoted market prices of instruments

**(b) Fair value measurements using significant unobservable inputs**

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

**(c) 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 milestone payments (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.

## **1. FINANCIAL RISK MANAGEMENT**

### **Financial risk management objectives and policies**

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

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a risk committee that advises, inter alia, on financial risks and the appropriate financial risk governance framework for the Company. The risk committee provides assurance to the Board of Directors that the Company's financial risk activities are governed by appropriate policies and

procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

The Company is exposed to market risk, credit risk and liquidity risk. 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/<br>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 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 arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as including outstanding receivables.

**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

As contemplated in and in accordance with the terms of the NCDP, we enter 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.

**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 31.03.2018

(₹ 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          | 423.96           | 47.02            | 27.34          | 47.96          | 60.44          | 30.28                    | 637.00 |
| Expected loss rate             | -                | -                | -              | -              | -              | 99.54%                   | 4.73%  |
| Expected credit loss allowance | -                | -                | -              | -              | -              | 30.14                    | 30.14  |

As on 31.03.2017

(₹ 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          | 559.48           | 401.44           | 96.46          | 77.19          | 1.12           | 28.28                    | 1163.97 |
| Expected loss rate             | -                | 2.34%            | 73.64%         | 2.25%          | 96.43%         | 93.00%                   | 9.41%   |
| Expected credit Loss allowance | -                | 9.38             | 71.03          | 1.74           | 1.08           | 26.30                    | 109.53  |

Reconciliation of loss allowance provision – Trade receivables

|                                   | ₹ in crores |
|-----------------------------------|-------------|
| <b>Loss allowance on 31.03.17</b> | 109.53      |
| Change in loss allowance          | 79.39       |
| <b>Loss allowance on 31.03.18</b> | 30.14       |

### 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.

#### A. 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 below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Company in accordance with practice and limits set by the Company.



**(i) Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

( ₹ in Crores )

| <b>Contractual maturities of financial liabilities 31.03.2018</b> | <b>Less than 3 months</b> | <b>3 months to 6 months</b> | <b>6 months to 1 year</b> | <b>1 year to 2 years</b> | <b>2 year to 5 years</b> | <b>Total</b>   |
|-------------------------------------------------------------------|---------------------------|-----------------------------|---------------------------|--------------------------|--------------------------|----------------|
| Borrowings                                                        | -                         | -                           | -                         | 0.59                     | 5.91                     | 6.50           |
| Obligation under finance lease                                    | -                         | -                           | -                         | -                        | -                        | -              |
| Trade payables                                                    | 572.01                    | -                           | -                         | -                        | -                        | 572.01         |
| Other financial liabilities                                       | 569.87                    | 2.81                        | 55.25                     | 10.61                    | 34.47                    | 673.01         |
| <b>Total</b>                                                      | <b>1141.88</b>            | <b>2.81</b>                 | <b>55.25</b>              | <b>11.21</b>             | <b>40.37</b>             | <b>1251.52</b> |

| <b>Contractual maturities of financial liabilities 31.03.2017</b> | <b>Less than 3 months</b> | <b>3 months to 6 months</b> | <b>6 months to 1 year</b> | <b>1 year to 2 years</b> | <b>2 year to 5 years</b> | <b>Total</b>   |
|-------------------------------------------------------------------|---------------------------|-----------------------------|---------------------------|--------------------------|--------------------------|----------------|
| Borrowings                                                        | 2200.00                   | -                           | -                         | 0.51                     | 5.62                     | 2206.13        |
| Obligation under finance lease                                    | -                         | -                           | -                         | -                        | -                        | -              |
| Trade payables                                                    | 385.14                    | 18.22                       | 0.41                      | -                        | -                        | 403.77         |
| Other financial liabilities                                       | 377.93                    | 28.91                       | 103.79                    | 24.25                    | 15.94                    | 550.82         |
| <b>Total</b>                                                      | <b>2976.79</b>            | <b>47.13</b>                | <b>104.20</b>             | <b>24.76</b>             | <b>21.56</b>             | <b>3160.72</b> |

**C. Market risk****a) Foreign currency risk**

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 Crores )

|                                             | 31.03.2018 | 31.03.2017 |
|---------------------------------------------|------------|------------|
| <b>Equity Share capital</b>                 | 706.13     | 141.23     |
| <b>Preference share capital</b>             | NIL        | NIL        |
| <b>Long term debt</b>                       | 6.50       | 6.13       |
| <b>Current maturities of long-term debt</b> | 0.59       | 0.51       |

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

## i) 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), which invests the fund in permitted securities. The contribution towards the fund during the year ended is ₹ 223.75 Crores (₹ 204.91 Crore as on 31.03.2017) has been recognized in the Statement of Profit & Loss (Note 28).

ii) The Company operates some defined benefit plans as follows which are valued on actuarial basis:

**(a) Funded**

- Gratuity
- Leave Encashment

**(b) Unfunded**

- Life Cover Scheme
- Settlement Allowance
- Group Personal Accident Insurance
- Leave Travel Concession
- Medical Benefits
- Compensation to dependent on Mine Accident Benefits

Total liability as on 31.03.2018 based on valuation made by the Actuary, details of which are mentioned below is ₹ 1522.36 Crores.

( ₹ in Crores )

| Head                                                        | Opening Actuarial Liability as on 01.04.2017 | Incremental Liability during the year | Closing Actuarial Liability as on 31.03.2018 |
|-------------------------------------------------------------|----------------------------------------------|---------------------------------------|----------------------------------------------|
| Gratuity                                                    | 718.74                                       | 355.18                                | 1073.92                                      |
| Earned Leave                                                | 245.66                                       | 1.85                                  | 247.51                                       |
| Half Pay Leave                                              | 55.02                                        | (12.16)                               | 42.86                                        |
| Life Cover Scheme                                           | 5.68                                         | (0.23)                                | 5.45                                         |
| Settlement Allowance Executives                             | 4.61                                         | 1.33                                  | 5.94                                         |
| Settlement Allowance Non-executives                         | 8.69                                         | (0.26)                                | 8.43                                         |
| Group Personal Accident Insurance Scheme                    | 0.12                                         | (0.01)                                | 0.11                                         |
| Leave Travel Concession                                     | 42.23                                        | 3.21                                  | 45.44                                        |
| Medical Benefits Executives                                 | 70.41                                        | 7.15                                  | 77.56                                        |
| Medical Benefits Non-Executives                             | 0.50                                         | 0.73                                  | 1.23                                         |
| Compensation to dependents in case of mine accidental death | 13.49                                        | 0.42                                  | 13.91                                        |
| <b>Total</b>                                                | <b>1165.15</b>                               | <b>357.21</b>                         | <b>1522.36</b>                               |

### iii) 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 31.03.2018**  
**CERTIFICATES AS PER IND AS 19 (2015)**

( ₹ in Crores )

| <b>Changes in Present Value of defined benefit obligations</b>               | <b>As at 31.03.2018</b> | <b>As at 31.03.2017</b> |
|------------------------------------------------------------------------------|-------------------------|-------------------------|
| Present Value of obligation at beginning of the period                       | 718.74                  | 686.00                  |
| Current Service Cost                                                         | 53.43                   | 56.85                   |
| Interest Cost                                                                | 52.43                   | 46.69                   |
| Plan Amendments: Vested Portion at end of period (Past Service)              | 354.97                  |                         |
| Actuarial (Gain) / Loss on obligations due to change in financial assumption | (50.13)                 | 43.54                   |
| Actuarial (Gain) / Loss on obligations due to unexpected experience          | 21.96                   | (30.24)                 |
| Benefits Paid                                                                | 77.48                   | 84.10                   |
| Present Value of obligation at end of the period                             | 1073.92                 | 718.74                  |

( ₹ in Crores )

| <b>Changes in Fair Value of Plan Assets</b>         | <b>As at 31.03.2018</b> | <b>As at 31.03.2017</b> |
|-----------------------------------------------------|-------------------------|-------------------------|
| Fair Value of Plan Asset at beginning of the period | 727.20                  | 669.61                  |
| Interest Income                                     | 56.07                   | 48.55                   |
| Employer Contributions                              | 223.45                  | 81.24                   |
| Benefits Paid                                       | 77.48                   | 84.10                   |
| Return on Plan Assets excluding Interest income     | (0.83)                  | 11.90                   |
| Fair Value of Plan Asset as at end of the period    | 928.41                  | 727.20                  |

( ₹ in Crores )

| <b>Statement showing reconciliation to Balance Sheet</b>  | <b>As at 31.03.2018</b> | <b>As at 31.03.2017</b> |
|-----------------------------------------------------------|-------------------------|-------------------------|
| Funded Status                                             | (145.51)                | 8.46                    |
| Unrecognized actuarial (gain) / loss at end of the period | -                       | -                       |
| Fund Asset                                                | 928.41                  | 727.20                  |
| Fund Liability                                            | 1073.92                 | 718.74                  |

| <b>Statement showing Plan Assumptions:</b>               | <b>As at<br/>31.03.2018</b>                       | <b>As at<br/>31.03.2017</b>                       |
|----------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| Discount Rate                                            | 7.71%                                             | 7.25%                                             |
| Expected Return on Plan Asset                            | 7.71%                                             | 7.25%                                             |
| Rate of Compensation Increase (Salary Inflation)         | 9.00% for Executives and 6.25% for Non-Executives | 9.00% for Executives and 6.50% for Non-Executives |
| Average Expected Future Service (Remaining Working Life) | 14                                                | 11                                                |
| Mortality Table                                          | IALM 2006-2008 ULTIMATE                           |                                                   |
| Superannuation at Age (Male & Female)                    | 60                                                | 60                                                |
| Early Retirement and Disablement                         | 0.30%                                             | 1.00%                                             |

( ₹ in Crores )

| <b>Expense Recognized in Statement of Profit / Loss</b>       | <b>As at<br/>31.03.2018</b> | <b>As at<br/>31.03.2017</b> |
|---------------------------------------------------------------|-----------------------------|-----------------------------|
| Current Service Cost                                          | 53.43                       | 56.85                       |
| Past Service Cost (vested)                                    | 354.97                      | -                           |
| Net Interest Cost                                             | (3.64)                      | (1.86)                      |
| Benefit Cost (Expense recognised in Statement of Profit/Loss) | 404.76                      | 54.99                       |

( ₹ in Crores )

| <b>Other Comprehensive Income</b>                                              | <b>As at<br/>31.03.2018</b> | <b>As at<br/>31.03.2017</b> |
|--------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Actuarial (Gain) / Loss on obligations due to change in financial assumption   | (50.13)                     | 43.54                       |
| Actuarial (Gain) / Loss on obligations due to unexpected experience            | 21.96                       | (30.24)                     |
| Total Actuarial (Gain) / Loss                                                  | (28.17)                     | 13.30                       |
| Return on Plan Asset, excluding Interest Income                                | (0.83)                      | 11.90                       |
| Balance at the end of the period                                               | (27.34)                     | 1.40                        |
| Net (Income) / Expense for the period recognised in Other Comprehensive Income | (27.34)                     | 1.40                        |

| 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 Crores )

| Disclosure Item |          |                                             |            |          |
|-----------------|----------|---------------------------------------------|------------|----------|
| 31.03.2017      |          |                                             | 31.03.2018 |          |
| Increase        | Decrease | Sensitivity Analysis                        | Increase   | Decrease |
| 692.54          | 746.69   | Discount Rate (-/+ 0.5%)                    | 103.69     | 1113.33  |
| -3.64%          | 3.89%    | %Change Compared to base due to sensitivity | -3.444%    | 3.670%   |
| 727.22          | 709.75   | Salary Growth (-/+ 0.5%)                    | 110.24     | 1045.00  |
| 1.18%           | -1.25%   | %Change Compared to base due to sensitivity | 2.652%     | -2.693%  |
| 719.53          | 717.94   | Attrition Rate (-/+ 0.5%)                   | 107.49     | 1072.97  |
| 0.11%           | -0.11%   | %Change Compared to base due to sensitivity | 0.088%     | -0.088%  |
| 723.62          | 713.85   | Mortality Rate (-/+ 10%)                    | 108.03     | 1067.52  |
| 0.68%           | -0.68%   | %Change Compared to base due to sensitivity | 0.596%     | -0.596%  |

| Table Showing Cash Flow Information | ₹ in crores |
|-------------------------------------|-------------|
| Next Year Total (Expected)          | 1084.08     |
| Minimum Funding Requirements        | 422.32      |

| <b>Table Showing Benefit Information Estimated Future payments( Past Service)</b> |            |
|-----------------------------------------------------------------------------------|------------|
| Year                                                                              | ₹ in Crore |
| 1                                                                                 | 132.48     |
| 2                                                                                 | 114.36     |
| 3                                                                                 | 111.77     |
| 4                                                                                 | 108.77     |
| 5                                                                                 | 116.04     |
| 6 to 10                                                                           | 585.93     |
| More than 10 years                                                                | 999.23     |
| Total Undiscounted Payments Past and Future Service                               |            |
| Total Undiscounted Payments related to Past Service                               | 2168.58    |
| Less Discount For Interest                                                        | (1094.66)  |
| Projected Benefit Obligation                                                      | 1073.92    |

| <b>Table Showing Outlook Next Year Components of Net Periodic benefit Cost Next Year</b> |            |
|------------------------------------------------------------------------------------------|------------|
|                                                                                          | ₹ in Crore |
| Current service Cost(Employer portion Only) Next period                                  | 54.59      |
| Interest Cost next period                                                                | 77.69      |
| Expected Return on Plan Asset                                                            | 82.80      |
| Unrecognized past service Cost                                                           |            |
| Unrecognized actuarial/gain loss at the end of the period                                |            |
| Settlement Cost                                                                          |            |
| Curtailment Cost                                                                         |            |
| other( Actuarial Gain/loss)                                                              |            |
| Benefit Cost                                                                             | 49.49      |

( ₹ in Crores )

| <b>Bifurcation of Net Liability</b> | <b>As at<br/>31.03.2018</b> | <b>As at<br/>31.03.2017</b> |
|-------------------------------------|-----------------------------|-----------------------------|
| Current liability                   | 127.65                      | 78.59                       |
| Non-Current Liability               | 946.27                      | 640.15                      |
| Net Liability                       | 1073.92                     | 718.74                      |

**ACTUARIAL VALUATION OF LEAVE ENCASHMENT BENEFIT (EL/HPL) AS AT 31.03.2018  
CERTIFICATES AS PER IND AS 19 (2015)**

( ₹ in Crores )

| <b>Changes in Present Value of defined benefit obligations</b>                 | <b>As at 31.03.2018</b> | <b>As at 31.03.2017</b> |
|--------------------------------------------------------------------------------|-------------------------|-------------------------|
| Present Value of obligation at beginning of the period                         | 300.68                  | 243.98                  |
| Current Service Cost                                                           | 23.39                   | 61.22                   |
| Interest Cost                                                                  | 22.27                   | 16.84                   |
| Actuarial (Gain) / Loss on obligations due to change in financial assumption   | (15.97)                 | 49.02                   |
| Actuarial (Gain) / Loss on obligations due to change in demographic assumption | 0.00                    | 0.00                    |
| Actuarial (Gain) / Loss on obligations due to unexpected experience            | (16.30)                 | (46.90)                 |
| Benefits Paid                                                                  | 23.69                   | 23.47                   |
| Present Value of obligation at end of the period                               | 290.38                  | 300.68                  |

( ₹ in Crores )

| <b>Changes in Fair Value of Plan Assets</b>         | <b>As at 31.03.2018</b> | <b>As at 31.03.2017</b> |
|-----------------------------------------------------|-------------------------|-------------------------|
| Fair Value of Plan Asset at beginning of the period | 203.57                  | -                       |
| Interest Income                                     | 15.70                   | 6.69                    |
| Employer Contributions                              | 60.05                   | 220.69                  |
| Benefits Paid                                       | 23.69                   | 23.47                   |
| Return on Plan Assets excluding Interest income     | (0.43)                  | (0.34)                  |
| Fair Value of Plan Asset as at end of the period    | 255.19                  | 203.57                  |

( ₹ in Crores )

| <b>Statement showing reconciliation to Balance Sheet</b>  | <b>As at 31.03.2018</b> | <b>As at 31.03.2017</b> |
|-----------------------------------------------------------|-------------------------|-------------------------|
| Funded Status                                             | (35.19)                 | (97.11)                 |
| Unrecognized actuarial (gain) / loss at end of the period | 0.00                    | 0.00                    |
| Fund Asset                                                | 255.19                  | 203.57                  |
| Fund Liability                                            | 290.38                  | 300.68                  |



| <b>Statement showing Plan Assumptions:</b>               | <b>As at<br/>31.03.2018</b>                           | <b>As at<br/>31.03.2017</b>                       |
|----------------------------------------------------------|-------------------------------------------------------|---------------------------------------------------|
| Discount Rate                                            | 7.71%                                                 | 7.25%                                             |
| Expected Return on Plan Asset                            | 7.71%                                                 | 7.25%                                             |
| Rate of Compensation Increase (Salary Inflation)         | 9.00% for Executives Staff & 6.25% for Non-Executives | 9.00% for Executives and 6.50% for Non-Executives |
| Average Expected Future Service (Remaining Working Life) | 14                                                    | 11                                                |
| Mortality Table                                          | IALM 2006-2008 ULTIMATE                               |                                                   |
| Superannuation at Age(Male & Female)                     | 60                                                    | 60                                                |
| Early Retirement and Disablement                         | 0.30% p.a.                                            | 1.00% p.a.                                        |
| Voluntary Retirement                                     | Ignored                                               | Ignored                                           |

( ₹ in Crores )

| <b>Expense Recognized in Statement of Profit / Loss</b>       | <b>As at<br/>31.03.2018</b> | <b>As at<br/>31.03.2017</b> |
|---------------------------------------------------------------|-----------------------------|-----------------------------|
| Current Service Cost                                          | 23.39                       | 61.22                       |
| Net Interest Cost                                             | 6.57                        | 10.15                       |
| Net Actuarial Gain / Loss                                     | (31.84)                     | 2.46                        |
| Benefit Cost (Expense recognised in Statement of Profit/Loss) | (1.88)                      | 73.82                       |

| <b>Mortality Table</b> |                       |
|------------------------|-----------------------|
| Age                    | Mortality (Per Annum) |
| 25                     | 0.00984               |
| 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 Crores )

| Disclosure Item |          |                                             |            |          |
|-----------------|----------|---------------------------------------------|------------|----------|
| 31.03.2017      |          |                                             | 31.03.2018 |          |
| Increase        | Decrease | Sensitivity Analysis                        | Increase   | Decrease |
| 287.63          | 314.75   | Discount Rate (-/+ 0.5%)                    | 278.19     | 303.53   |
| -4.34%          | 4.68%    | %Change Compared to base due to sensitivity | -4.196%    | 4.529%   |
| 314.57          | 287.69   | Salary Growth (-/+ 0.5%)                    | 303.44     | 278.16   |
| 4.62%           | -4.32%   | %Change Compared to base due to sensitivity | 4.500%     | -4.207%  |
| 301.01          | 300.35   | Attrition Rate (-/+ 0.5%)                   | 290.71     | 290.04   |
| 0.11%           | -0.11%   | %Change Compared to base due to sensitivity | 0.116%     | -0.116%  |
| 302.52          | 298.85   | Mortality Rate (-/+ 10%)                    | 292.18     | 288.57   |
| 0.61%           | -0.61%   | %Change Compared to base due to sensitivity | 0.622%     | -0.622%  |

**Table Showing Benefit Information Estimated Future Payments**

| Year                                                | ( ₹ in Crore) |
|-----------------------------------------------------|---------------|
| 1                                                   | 26.34         |
| 2                                                   | 22.41         |
| 3                                                   | 23.40         |
| 4                                                   | 24.80         |
| 5                                                   | 29.25         |
| 6 to 10                                             | 164.90        |
| More than 10 years                                  | 421.54        |
| Total Undiscounted Payments Past and Future Service |               |
| Total Undiscounted Payments related to Past Service | 712.64        |
| Less Discount For Interest                          | 422.27        |
| Projected Benefit Obligation                        | 290.38        |

( ₹ in Crores )

| Bifurcation of Net Liability | As at<br>31.03.2018 | As at<br>31.03.2017 |
|------------------------------|---------------------|---------------------|
| Current liability            | 25.45               | 21.56               |
| Non-Current Liability        | 264.92              | 279.12              |
| Net Liability                | 290.38              | 300.68              |

**4. Unrecognised items****a) Contingent Liabilities****I. Claims against the Company not acknowledged as debts** (including interest, wherever applicable)

( ₹ in Crores)

| Particulars                                   | Central Government | State Government and other localities | CPSE   | Others | Total    |
|-----------------------------------------------|--------------------|---------------------------------------|--------|--------|----------|
| Opening as on 01.04.2017                      | 1727.33            | 2763.52                               | 313.75 | 227.76 | 5032.36  |
| Addition during the year                      | 578.85             | 8437.01*                              | -      | 99.52  | 9115.38  |
| Claims settled during the year:-              |                    |                                       |        |        |          |
| a. From opening balance                       | 769.80             | 49.44                                 | 312.62 | 80.21  | 1212.07  |
| b. Out of addition during the year            | 0.02               | -                                     | -      | -      | 0.02     |
| c. Total claims settled during the year (a+b) | 769.82             | 49.44                                 | 312.62 | 80.21  | 1212.09  |
| Closing as on 31.03.2018                      | 1536.36            | 11151.09                              | 1.13   | 247.07 | 12935.65 |

\*Following the judgment of the Hon'ble Supreme Court of India in the case of Common Cause vs. UOI and Others (W.P. (C) No. 114 of 2014), certain District Mining Officers of Odisha, issued demand notices in 17 projects, alleging the production in these projects exceeding the available Environmental Clearances limits.

The Company has duly filed revision petition against the above demands, before the Hon'ble Coal Tribunal, Ministry of Coal, Govt. of India, the adjudicating authority under the MMDR, Act. The Revisional Authority Ministry of Coal Govt. of India in their interim order dated 11.04.2018 has admitted the revision application and stayed the execution of the demand order of ₹ 8297.77 Crores till further order. The balance of Rs. 139.24 crores is towards claims by state Government and other local authorities which are not acknowledge as debts.

**b) Guarantee**

The company has not provided any guarantee on behalf of any other Company.

**c) Letter of Credit :**

As on 31.03.2018 outstanding letters of credit is ₹ 7.24 crores (₹ 26.77 crores as at 31.03.2017) and bank guarantee issued is ₹ 51.62 Crore (₹ 29.17 Crores as at 31.03.2017).

**II. Commitments**

Estimated amount of contracts remaining to be executed on

Capital account and not provided for: ₹ 833.04 crores (₹ 427.76 crores as at 31.03.2017)

Others (Revenue Commitment) : ₹ 2894.57crores (₹ 2815.04 crores as at 31.03.2017)

## 5. Group Information:

| Name                           | Relationship with MCL | Principal activities                       | Country of Incorporation | % of Equity interest |          |
|--------------------------------|-----------------------|--------------------------------------------|--------------------------|----------------------|----------|
|                                |                       |                                            |                          | 31.03.18             | 31.03.17 |
| 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) Government Assistance

Sand Stowing & Protective Works includes ₹ 2.05 crores received from Ministry of Coal, Government of India in terms of Coal Mines (Conservation Development) Act, 1974 towards reimbursement of expenditure incurred for the Sand Stowing & Protective Works during the year ended on 31.03.2018 (Note-24).

CCDA Grant of ₹ 31.75 Crores received as Capital Grant from Ministry of Coal, Government of India towards assistance for Road and Rail Infrastructure work during the year ended on 31.03.2018 and total of ₹ 208.58 crores received till date is disclosed under Note-22 as Deferred Income.

### b) Provisions

The position and movement of various provisions except those relating to employee benefits which are valued actuarially, as on 31.03.2018 are given below:

(₹ in Crore)

| Provisions                                                                             | Opening Balance as on 01.04.2017 | Addition during the period | Write back/ Adj. during the period | Unwinding of discounts | Closing Balance as on 31.03.2018 |
|----------------------------------------------------------------------------------------|----------------------------------|----------------------------|------------------------------------|------------------------|----------------------------------|
| <b>Note 3:-Property, Plant and Equipment:</b><br>Depreciation & Impairment of Assets : | 681.76                           | 372.66                     | (30.87)                            | -                      | 1023.55                          |
| <b>Note 4:- Capital Work in Progress :</b><br>Against CWIP :                           | 14.27                            | 0.52                       | (0.20)                             | -                      | 14.59                            |
| <b>Note 5:- Exploration And Evaluation Assets :</b><br>Provision and Impairment:       | -                                | -                          | -                                  | -                      | -                                |
| <b>Note 6:- Other Intangible Assets:</b><br>Provision :                                | 0.20                             | 0.15                       | -                                  | -                      | 0.35                             |

|                                                        |        |        |          |       |        |
|--------------------------------------------------------|--------|--------|----------|-------|--------|
| <b>Note 8:- Loans :</b>                                |        |        |          |       |        |
| Other Loans :                                          | -      | -      | -        | -     | -      |
| <b>Note 9:- Other Financial Assets:</b>                |        |        |          |       |        |
| Current Account with Subsidiaries :                    | -      | -      | -        | -     | -      |
| Claim receivables :                                    | -      | -      | -        | -     | 0.16   |
| Other Receivables (Non Current)                        | 0.16   | -      | -        | -     | -      |
| Other Receivables (Current)                            | -      | 0.76   | -        | -     | 0.76   |
| <b>Note 10:- Other Non-Current Assets :</b>            |        |        |          |       |        |
| Capital Advances :                                     | 0.55   | -      | -        | -     | 0.55   |
| Against Security Deposit for Utilities:                | -      | -      | -        | -     | -      |
| <b>Note 11:- Other Current Assets :</b>                |        |        |          |       |        |
| Advances for Revenue :                                 | 2.16   | 2.74   | -        | -     | 4.90   |
| Advance Payment Against Statutory Dues:                | -      | -      | -        | -     | -      |
| Advance to employees:                                  | 0.03   | -      | -        | -     | 0.03   |
| Other Deposits:                                        | -      | -      | -        | -     | -      |
| Other Receivables:                                     | -      | -      | -        | -     | -      |
| <b>Note 12:-Inventories :</b>                          |        |        |          |       |        |
| Stock of Coal :                                        | -      | -      | -        | -     | -      |
| Stock of Stores & Spares :                             | 19.89  | 6.68   | -        | -     | 26.57  |
| <b>Note 13:-Trade Receivables :</b>                    |        |        |          |       |        |
| Provision for bad & doubtful debts :                   | 109.53 | 19.64  | 99.03    | -     | 30.14  |
| <b>Note 21 :- Non-Current &amp; Current Provision:</b> |        |        |          |       |        |
| Performance related pay                                | 138.15 | 16.69  | (56.89)  | -     | 97.95  |
| NCWA-X                                                 | 146.36 | 156.70 | -        | -     | 303.06 |
| Executive Pay Revision                                 | 9.78   | 93.93  | -        | -     | 103.71 |
| Mine Closure                                           | 729.59 | 4.97   | (11.74)  | 51.15 | 773.97 |
| Ex-Gratia                                              | 109.75 | 115.80 | (107.40) | -     | 118.15 |
| Terminal benefits                                      | 133.93 | 20.41  | -        | -     | 154.34 |
| Coal Quality Variance                                  | 80.77  | 173.45 | (80.77)  | -     | 173.45 |
| Claim Receivable                                       | 14.19  | 3.44   | (14.19)  | -     | 3.44   |
| Clean Energy Cess & Excise Duty                        | 269.73 | -      | (269.73) | -     | -      |
| Environment clearance Demand for the Year 2015-16      | -      | 50.97  | -        | -     | 50.97  |
| Others                                                 | -      | 15.08  | -        | -     | 15.08  |

### 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 as follows

|                | India          | Other countries |
|----------------|----------------|-----------------|
| <b>Revenue</b> | 13673.32 Crore | Nil             |

Revenue by customer is as follows

| Customer name                                                             | Amount (in Crores) | Country |
|---------------------------------------------------------------------------|--------------------|---------|
| Name of each parties having more than 10% of \Net sales value <b>NTPC</b> | 2465.74            | India   |
| Others                                                                    | 11207.58           | India   |

Net current asset by location are as follows

|                          | India            | Other countries |
|--------------------------|------------------|-----------------|
| <b>Net Current Asset</b> | ₹ 10935.19 Crore | Nil             |

**d) Authorised Capital:**

|                                                                                                                          | 31.03.2018 | 31.03.2017 |
|--------------------------------------------------------------------------------------------------------------------------|------------|------------|
| 77,58,200 Equity Shares of ₹ 1000/- each                                                                                 | 775.82     | 295.82     |
| 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 31.03.2018 |         | For the year ended 31.03.2017(restated) |         |
|---------|--------------------------------------------------------------------------------------|-------------------------------|---------|-----------------------------------------|---------|
|         |                                                                                      | PAT                           | OCI     | PAT                                     | OCI     |
| i)      | Net profit after tax attributable to Equity Share Holders (₹ in Crore)               | 4761.29                       | 17.88   | 4512.97                                 | (0.92)  |
| ii)     | Weighted Average no. of Equity Shares Outstanding (in nos.)                          | 1474174                       | 1474174 | 1849157                                 | 1849157 |
| iii)    | Basic and Diluted Earnings per Share in Rupees (Face value Rs.1000/- per share) (₹ ) | 32298.03                      | 121.29  | 24405.55                                | (4.98)  |

**(f) Related Party Disclosures**

**(a) Key Managerial Personnel**

Mr. A.K. Jha , Chairman-Cum-Managing Director

Mr. L.N. Mishra, Director (P&IR)

Mr. J.P. Singh, Director (Technical-Operation)

Mr. O. P. Singh, Director (Technical-P&P)

Mr. K. R. Vasudevan, Director (Finance)

Mr. A. K. Singh, Company Secretary

#### Independent Directors

Mr. H. S. Pati

Dr. R. Mall

Ms. Seema Sharma

#### Part-Time Director

Shri S. N. Prasad

#### Government Nominee

Shri R. K. Sinha

#### Remuneration of Key Managerial Personnel

(₹ in Crore)

| Sl. No. | Remuneration to CMD, Whole Time Directors and Company Secretary | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|---------|-----------------------------------------------------------------|-------------------------------|-------------------------------|
| i)      | <b>Short Term Employee Benefits</b>                             |                               |                               |
|         | Gross Salary                                                    | 1.53                          | 1.49                          |
|         | Perquisites                                                     | 0.00                          | 0.00                          |
|         | Medical Benefits                                                | 0.00                          | 0.04                          |
| ii)     | <b>Post-Employment Benefits</b>                                 |                               |                               |
|         | Contribution to P.F. & other fund                               | 0.16                          | 0.16                          |
| iii)    | <b>Termination Benefits</b> (Paid at the time of separation)    |                               |                               |
|         | Leave Encashment                                                | 1.05                          | -                             |
|         | Gratuity                                                        | 0.83                          | -                             |
|         | <b>TOTAL</b>                                                    | <b>3.57</b>                   | <b>1.69</b>                   |

#### 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 Crores)

| Sl. No. | Payment to Independent Directors | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|---------|----------------------------------|-------------------------------|-------------------------------|
| i)      | Sitting Fees                     | 0.13                          | 0.11                          |

#### Balances Outstanding

(₹ in Crores)

| Sl. No. | Particulars       | As on 31.03.2018 | As on 31.03.2017 |
|---------|-------------------|------------------|------------------|
| i)      | Amount Payable    | Nil              | Nil              |
| ii)     | Amount Receivable | Nil              | Nil              |

**f) Related Party Transactions within Group**

The Company being a Government related entity is exempt from the general disclosure requirements in relation to related party transactions and outstanding balances with the controlling Government and another entity under same Government.

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 through current account.

As per Ind AS 24, following are the disclosures regarding nature and amount of significant transactions.

| <b>Name of the Company</b>       | <b>Nature of relationship</b>   | <b>Amount of transactions during the period ( ₹ in crore)</b> |
|----------------------------------|---------------------------------|---------------------------------------------------------------|
| Coal India Limited               | 100% Holding Co.                | (247.28)                                                      |
| Eastern Coalfields Limited       | 100% Subsidiary of Holding Co.  | (0.34)                                                        |
| Bharat Coking Coal Limited       | 100% Subsidiary of Holding Co.  | 0.06                                                          |
| Central Coalfields Limited       | 100% Subsidiary of Holding Co.  | (0.07)                                                        |
| Western Coalfields Limited       | 100% Subsidiary of Holding Co.  | (0.07)                                                        |
| Northern Coalfields Limited      | 100% Subsidiary of Holding Co.  | (0.14)                                                        |
| South Eastern Coalfields Limited | 100% Subsidiary of Holding Co.  | (1.13)                                                        |
| CMPDI Limited                    | 100% Subsidiary of Holding Co.  | 75.49                                                         |
| MJSJ Coal Limited                | Subsidiary (60% share holding)  | 0.47                                                          |
| MNH Shakti Limited               | Subsidiary (70% share holding)  | 0.07                                                          |
| Mahanadi Basin Power Limited     | Subsidiary (100% share holding) | 1.20                                                          |
| Mahanadi Coal Railway Limited    | Subsidiary (64% share holding)  | 1.02                                                          |

Figures in Bracket denote net credit transaction with the other company.

**g) Insurance and escalation claims**

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

**h) 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.

**i) 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.



**j) Current Liabilities**

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

**k) Balance Confirmations**

Balance confirmation/reconciliation is carried out for cash & bank balances, certain loans & advances, long term liabilities and current liabilities.

**l) Value of imports on CIF basis**

(₹ in Crore)

| Particulars |                             | For the year ended<br>31.03.2018 | For the year ended<br>31.03.2017 |
|-------------|-----------------------------|----------------------------------|----------------------------------|
| (i)         | Raw Material                | NIL                              | NIL                              |
| (ii)        | Capital Goods               | 1.93                             | 28.37                            |
| (iii)       | Stores, Spares & Components | 0.03                             | 0.10                             |

**m) Expenditure incurred in Foreign Currency**

(₹ in Crore)

| Particulars         | For the year ended<br>31.03.2018 | For the year ended<br>31.03.2017 |
|---------------------|----------------------------------|----------------------------------|
| Travelling Expenses | 0.09                             | 0.36                             |
| Training Expenses   | NIL                              | NIL                              |
| Consultancy Charges | NIL                              | NIL                              |
| Interest            | 0.07                             | 0.09                             |
| Stores and Spares   | 0.03                             | 0.10                             |
| Capital Goods       | 1.93                             | 28.37                            |
| Others              | NIL                              | NIL                              |

**n) Earning in Foreign Exchange:**

(₹ in Crores)

| Particulars         | For the year ended<br>31.03.2018 | For the year ended<br>31.03.2017 |
|---------------------|----------------------------------|----------------------------------|
| Travelling Expenses | NIL                              | NIL                              |
| Training Expenses   | NIL                              | NIL                              |
| Consultancy Charges | NIL                              | NIL                              |

**o) Total Consumption of Stores and Spares**

| Particulars            | For the year ended<br>31.03.2018 |                           | For the year ended<br>31.03.2017 |                           |
|------------------------|----------------------------------|---------------------------|----------------------------------|---------------------------|
|                        | Amount                           | % of total<br>consumption | Amount                           | % of total<br>consumption |
| (i) Imported Materials | 0.03                             | 0.01                      | 0.10                             | 0.02                      |
| (ii) Indigenous        | 604.37                           | 99.99                     | 583.50                           | 99.98                     |

**p) Statement of Opening Stock, Production, Purchases, Turnover and Closing Stock of Coal**

(₹ in Crore and Quantity in '000 MT)

| Particulars          | For the year ended<br>31.03.2018 |               | For the year ended<br>31.03.2017 |               |
|----------------------|----------------------------------|---------------|----------------------------------|---------------|
|                      | Qty.                             | Value         | Qty.                             | Value         |
| <b>Opening Stock</b> | <b>6387.29</b>                   | <b>276.54</b> | <b>10191.73</b>                  | <b>367.52</b> |
| Production           | 143057.91                        | 13818.28      | 139208.39                        | 14066.87      |
| Sales                | 138262.45                        | 13673.32      | 143008.03                        | 14156.95      |
| Own Consumption      | 4.83                             | 0.96          | 4.80                             | 0.90          |
| Write Off            | -                                | -             | -                                | -             |
| Shortage beyond 5%   | 116.80                           | 19.76         | 119.40                           | 21.85         |
| Excess beyond 5%     | -                                | -             | -                                | -             |
| <b>Closing Stock</b> | <b>11061.12</b>                  | <b>400.78</b> | <b>6267.89</b>                   | <b>254.69</b> |

**q) 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 Crores) |
|-------------------------------|------------|----------------------|----------------------|
| 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           | 1000.00              |

- No Corporate guarantees given by the company in respect of any loan as at 31.03.2018.
- Company has given a loan of ₹ 1000 crores to NLCIL for meeting the general funding requirements @ 7% interest payable on monthly basis, repayment of principal in 48 monthly equal installments to be started from the next month of full disbursement of total loan sanctioned of ₹ 2000 crores.

**r) Interests in Joint Ventures (Ind AS-31)**

On 8th January 2013 a joint venture group named Neelanchal Power transmission Company Pvt Limited was incorporated by virtue of a joint venture agreement between the company and Odisha Power Transmission Corporation Ltd. Up to 31.03.2018, the company has incurred ₹ 0.02 crore ( for previous year ₹ 0.02 crore) for miscellaneous expenses incidental for

incorporation and the same has been included in claim receivables (Note -9). There is no investment in the joint venture company upto 31.03.2018.

**s) Construction of Mahanadi Institute of Coal Management**

The Company is constructing an Institute 'Mahanadi Institute of Coal Management, Bhubaneswar' with an estimated total value of Rs. 138.83 crores through the contractor M/S. NBCC. As per the clause no. 5.18 of MOU between the Company & the contractor, it is the responsibility of the contractor to obtain necessary approval /clearances related to construction & completion of the project from the statutory authorities. However Bhubaneswar Development Authority did not consider the proposal for approval due to the project falls on the proposed ring road alignment finalized in CDP-2010. Now the said CDP-2010 ring road has been re-aligned in CDP-01/2016 which has been approved by Govt. of Odisha vide no. HUD-TP-SCH-0022/2014/8008/HUD dtd. 28.03.18. Now NBCC, consultant of MCL has again applied to BDA for approval of plan of MICM and is yet to be approved by BDA. However the Company has already incurred Rs.104.23 crores towards construction of the institute

**t) Land at Balipanda Mouza, Puri**

5 acres of land at Balipanda Mouza, Puri amounting to Rs. 0.80 crores 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 "Sweet 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 Sweet Water Zone, Tahsildar, Puri has accepted ground rent along with cess till 2008-09. Further MCL have written letter to Tahsildar, Puri requesting them to send the demand note from the period 2009-10 to 2018-19. Further D(P), MCL vide letter no. 4401 dated 03.03.2018 requested to the Principal Secretary, Govt. of Odisha to take necessary steps for physical handing over the said plot of land for possession in MCL.

**u) Reconciliation of Profit**

|                                                                                   | Period to which Error is related | For Year ended 2016-17 (Rs. in Crore) |
|-----------------------------------------------------------------------------------|----------------------------------|---------------------------------------|
| Total Comprehensive Income attributable to owners of the company reported earlier |                                  | 4491.09                               |
| <i>Adjustment for prior period items :</i>                                        |                                  |                                       |
| Other Expenses (Note 35)( CMPDIL charges)                                         | 2016-17                          | 1.39                                  |
| Provisions (Note 33) (Doubtful debts)                                             | 2016-17                          | 8.37                                  |
| Finance cost (Note 32) Unwinding of discount                                      | 2016-17                          | 2.55                                  |
| Depreciation (P&L) Depreciation on site restoration cost                          | 2016-17                          | 5.62                                  |

|                                                                            |         |         |
|----------------------------------------------------------------------------|---------|---------|
| Employee Benefit expenses (Note 28)(Sports Expenses)                       | 2016-17 | 3.03    |
| Total Comprehensive income attributable to owners of the company(Restated) |         | 4512.05 |
| <b>Adjusted with opening retained earnings as on 01.04.16</b>              |         |         |
| Sales (Note 24)(Performance incentive)                                     | 2012-13 | (20.28) |
| Revenue From Operation (Note 24) Performance Incentive                     | 2015-16 | (0.14)  |
| Other Expenses (Note 35)Siding Maintenance Charges                         | 2015-16 | 13.72   |
| P/L (Depreciation & Amortization)                                          | 2015-16 | (0.13)  |

**v) Others :**

- a) Previous 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 3 to 23 form parts of the Balance Sheet as at 31<sup>st</sup> March 2018 and 24 to 37 form part of Statement of Profit & Loss for the year ended on that date. Note – 2 represents Significant Accounting Policies 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/-  
**(K R Vasudevan)**  
Director (Finance)  
DIN : 07915732

Sd/-  
**(V V K Raju)**  
General Manager (Finance)

Sd/-  
**(A K Jha)**  
Chairman-cum-Managing Director  
DIN: 06645361

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

Date: 24.05.2018  
Place: Bhubaneswar

**CASH FLOW STATEMENT**

For the year ended on 31st March, 2018

( ₹ in Crores)

|                                                                                           | For the Year Ended<br>31.03.2018 | For the Year Ended<br>31.03.2017<br>(Restated) |
|-------------------------------------------------------------------------------------------|----------------------------------|------------------------------------------------|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>                                             |                                  |                                                |
| <b>Profit Before Tax</b>                                                                  | <b>7,367.00</b>                  | <b>6,874.28</b>                                |
| Adjustment for :                                                                          |                                  |                                                |
| Depreciation/Impairment of fixed assets                                                   | 341.94                           | 365.06                                         |
| Interest on Bank Deposits                                                                 | (858.91)                         | (1,088.73)                                     |
| Finance Cost related to financing activity                                                | 22.11                            | 7.95                                           |
| Unwinding of Discount                                                                     | 51.15                            | 47.05                                          |
| Profit/loss on sale of Fixed Assets                                                       | (0.24)                           | (0.05)                                         |
| Exchange Rate Fluctuation                                                                 | 1.02                             | (0.59)                                         |
| Stripping Activity Adjustment                                                             | 1,000.64                         | 1,313.31                                       |
| Interest/Dividend from investments                                                        | (177.98)                         | (304.57)                                       |
| Provisions made & write off                                                               | 150.39                           | 394.82                                         |
| <b>Operating Profit before Current/Non Current Assets and Liabilities Adjustment for:</b> | <b>7,897.12</b>                  | <b>7,608.53</b>                                |
| Adjustments for :                                                                         |                                  |                                                |
| Inventories                                                                               | (159.31)                         | 102.69                                         |
| Trade Receivables                                                                         | 526.97                           | (39.02)                                        |
| Non current Loans,Advances,Other Financial Assets,Other Assets                            | 133.68                           | (675.69)                                       |
| Current Loans,Advances,Other Financial Assets,Other Assets                                | 1,400.40                         | (3,145.70)                                     |
| Current/Non Current Provisions, Other Financial Liabilities and Other Liabilities         | (2,086.55)                       | 3,592.57                                       |
| <b>Cash generated from operations</b>                                                     | <b>7,712.31</b>                  | <b>7,443.38</b>                                |
| Income Tax Paid/Refund                                                                    | (2,533.98)                       | (2,670.82)                                     |
| <b>Net Cash from operating activities</b>                                                 | <b>5,178.33</b>                  | <b>4,772.56</b>                                |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>                                             |                                  |                                                |
| Purchase of Fixed Assets                                                                  | (1,329.52)                       | (1,822.09)                                     |
| Short Term Deposit with CIL                                                               | 53.94                            | 293.87                                         |
| Profit/loss on sale of Fixed Assets                                                       | 0.24                             | 0.05                                           |
| Change in Investments                                                                     | 202.00                           | 1,143.00                                       |
| Interest pertaining to Investing Activities                                               | 929.63                           | 1,278.85                                       |
| Interest/Dividend from Investments                                                        | 107.26                           | 114.45                                         |
| <b>Net Cash used in investing activities</b>                                              | <b>(36.45)</b>                   | <b>1,008.13</b>                                |

**CASH FLOW STATEMENT**

**For the year ended on 31st March, 2018**

( ₹ in Crores)

|                                                                          | <b>For the Year Ended<br/>31.03.2018</b> | <b>For the Year Ended<br/>31.03.2017</b> |
|--------------------------------------------------------------------------|------------------------------------------|------------------------------------------|
| <b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>                            |                                          |                                          |
| Change in borrowings                                                     | 0.45                                     | -1.13                                    |
| Exchange Rate Fluctuation                                                | (1.02)                                   | 0.59                                     |
| Interest and Finance cost pertaining to Finance Activities               | (73.26)                                  | (55.00)                                  |
| Dividend on Equity Shares                                                | (4,350.00)                               | (2,982.00)                               |
| Tax on Dividend on Equity Shares                                         | (885.56)                                 | (607.06)                                 |
| Buyback of Equity Share Capital                                          | -                                        | (1,979.73)                               |
| Tax on Buy Back of Equity Share Capital                                  |                                          |                                          |
| <b>Net Cash used in financing activities</b>                             | <b>(5,309.39)</b>                        | <b>(5,624.33)</b>                        |
| <b>Net increase/ (decrease) in cash and cash equivalents<br/>(A+B+C)</b> | <b>(167.51)</b>                          | <b>156.36</b>                            |
| <b>Cash and cash equivalents as at beginning of the year</b>             | <b>372.36</b>                            | <b>216.00</b>                            |
| <b>Cash and cash equivalents as at the end of the year</b>               | <b>204.85</b>                            | <b>372.36</b>                            |

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/-  
**(V V K Raju)**  
General Manager (Finance)

Sd/-  
**(A K Jha)**  
Chairman-cum-Managing Director  
DIN: 06645361

Date: 24.05.2018  
Place: Bhubaneswar

## Promoting Sports & Culture



MCL team wins All India Public Sector Golf Tournament 2017



MCL celebrates its 27th Foundation day.



## Promoting Sports & Culture



Shri A K Jha, CMD, MCL felicitates budding Tennis player Ms. Rutuparna Choudhury, a Class-X student of Bhubaneswar for her outstanding achievements in the field of Tennis.



Shri A K Jha, CMD, MCL felicitates swimming sensation Ms Pratyasa Ray, a Class-X student of Bhubaneswar for her excellence in sport at National level.



MCL Celebrates International Yoga Day 2017



CONSOLIDATED ACCOUNTS  
OF  
MAHANADI COALFIELDS LIMITED  
WITH ITS SUBSIDIARIES,  
MNH SHAKTI LTD., MJSJ COAL LTD.,  
MAHANADI BASIN POWER LTD. &  
MAHANADI COAL RAILWAY LTD.  
AS ON  
31<sup>ST</sup> MARCH, 2018

JAGRUTI VIHAR, BURLA  
SAMBALPUR, ODISHA - 768020

## CONSOLIDATED BALANCE SHEET

As at 31<sup>st</sup> March, 2018

( ₹ in Crores)

|                                         | Note<br>No. | As at      |                          |
|-----------------------------------------|-------------|------------|--------------------------|
|                                         |             | 31-03-2018 | 31-03-2017<br>(Restated) |
| <b>ASSETS</b>                           |             |            |                          |
| <b>Non-Current Assets</b>               |             |            |                          |
| (a) Property, Plant & Equipments        | 3           | 4,589.24   | 4,001.90                 |
| (b) Capital Work in Progress            | 4           | 2,315.50   | 1,914.40                 |
| (c) Exploration and Evaluation Assets   | 5           | 142.27     | 126.44                   |
| (d) Intangible Assets                   | 6           | 4.83       | 5.31                     |
| (e) Intangible Assets under Development |             | -          | -                        |
| (f) Investment Property                 |             |            |                          |
| (g) Financial Assets                    |             |            |                          |
| (i) Investments                         | 7           | 958.70     | 958.70                   |
| (ii) Loans                              | 8           | 1,000.82   | 1,201.06                 |
| (iii) Other Financial Assets            | 9           | 877.05     | 732.99                   |
| (i) Deferred Tax Assets (net)           |             | -          | -                        |
| (j) Other non-current assets            | 10          | 305.01     | 382.58                   |
| <b>Total Non-Current Assets (A)</b>     |             | 10,193.42  | 9,323.37                 |
| <b>Current Assets</b>                   |             |            |                          |
| (a) Inventories                         | 12          | 474.76     | 322.13                   |
| (b) Financial Assets                    |             |            |                          |
| (i) Investments                         | 7           | -          | 202.00                   |
| (ii) Trade Receivables                  | 13          | 606.86     | 1,054.44                 |
| (iii) Cash & Cash equivalents           | 14          | 205.49     | 372.55                   |
| (iv) Other Bank Balances                | 15          | 13,168.31  | 14,741.62                |
| (v) Loans                               | 8           | 0.32       | 0.32                     |
| (vi) Other Financial Assets             | 9           | 702.28     | 961.90                   |
| (c) Current Tax Assets (Net)            |             | 700.94     | 706.54                   |
| (d) Other Current Assets                | 11          | 1,392.89   | 1,032.94                 |
| <b>Total Current Assets (B)</b>         |             | 17,251.85  | 19,394.44                |
| <b>Total Assets (A+B)</b>               |             | 27,445.27  | 28,717.81                |

## CONSOLIDATED BALANCE SHEET Contd...

( ₹ in Crores)

**EQUITY AND LIABILITIES**

|                                                            | Note No. | As at            |                          |
|------------------------------------------------------------|----------|------------------|--------------------------|
|                                                            |          | 31-03-2018       | 31-03-2017<br>(Restated) |
| <b>Equity</b>                                              |          |                  |                          |
| (a) Equity Share Capital                                   | 16       | 706.13           | 141.23                   |
| (b) Other Equity                                           | 17       | 2,224.33         | 3,248.40                 |
| <b>Equity attributable to equityholders of the company</b> |          | <b>2,930.46</b>  | <b>3,389.63</b>          |
| Non-Controlling Interests                                  |          | 63.59            | 63.59                    |
| <b>Total Equity (A)</b>                                    |          | <b>2,994.05</b>  | <b>3,453.22</b>          |
| <b>Liabilities</b>                                         |          |                  |                          |
| <b>Non-Current Liabilities</b>                             |          |                  |                          |
| (a) Financial Liabilities                                  |          |                  |                          |
| (i) Borrowings                                             | 18       | 6.50             | 6.13                     |
| (ii) Trade Payables (if any)                               |          | -                | -                        |
| (iii) Other Financial Liabilities                          | 20       | 45.08            | 40.19                    |
| (b) Provisions                                             | 21       | 17,650.46        | 16,734.66                |
| (c) Deferred Tax Liabilities (net)                         |          | 247.79           | 201.82                   |
| (d) Other Non-Current Liabilities                          | 22       | 208.58           | 176.83                   |
| <b>Total Non-Current Liabilities (B)</b>                   |          | <b>18,158.41</b> | <b>17,159.63</b>         |
| <b>Current Liabilities</b>                                 |          |                  |                          |
| (a) Financial Liabilities                                  |          |                  |                          |
| (i) Borrowings                                             | 18       | -                | 2,200.00                 |
| (ii) Trade payables                                        | 19       | 572.69           | 404.15                   |
| (iii) Other Financial Liabilities                          | 20       | 628.49           | 511.10                   |
| (b) Other Current Liabilities                              | 23       | 3,757.07         | 3,959.26                 |
| (c) Provisions                                             | 21       | 1,334.56         | 1,030.45                 |
| (d) Current Tax Liabilities (net)                          |          | -                | -                        |
| <b>Total Current Liabilities (C)</b>                       |          | <b>6,292.81</b>  | <b>8,104.96</b>          |
| <b>Total Equity and Liabilities (A+B+C)</b>                |          | <b>27,445.27</b> | <b>28,717.81</b>         |

The Accompanying Notes form an integral part of Financial Statements.

Sd/-

**(A K Singh)**

Company Secretary

Sd/-

**(K R Vasudevan)**

Director (Finance)

DIN : 07915732

Date: 24.05.2018

Place: Bhubaneswar

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/-

**(V V K Raju)**

General Manager (Finance)

Sd/-

**(A K Jha)**

Chairman-cum-Managing Director

DIN: 06645361

## CONSOLIDATED STATEMENT OF PROFIT & LOSS

For the year ended 31<sup>st</sup> March, 2018

( ₹ in Crores)

|                                                                              | Note<br>No. | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017<br>(Restated) |
|------------------------------------------------------------------------------|-------------|-------------------------------------------|---------------------------------------------------------|
| <b><u>Revenue from Operations</u></b>                                        |             |                                           |                                                         |
| A Sales (Net of other levies but including excise duty)                      | 24          | 13,673.32                                 | 14,156.95                                               |
| B Other Operating Revenue (Net of other levies but including excise duty)    |             | 1,008.88                                  | 825.03                                                  |
| <b>(I) Revenue from Operations (A+B)</b>                                     |             | <b>14,682.20</b>                          | <b>14,981.98</b>                                        |
| (II) Other Income                                                            | 25          | 1,211.89                                  | 1,484.01                                                |
| <b>(III) Total Income (I+II)</b>                                             |             | <b>15,894.09</b>                          | <b>16,465.99</b>                                        |
| <b>(IV) EXPENSES</b>                                                         |             |                                           |                                                         |
| Cost of Materials Consumed                                                   | 26          | 604.56                                    | 583.60                                                  |
| Purchases of Stock-in-Trade                                                  |             |                                           |                                                         |
| Changes in inventories of finished goods/work in progress and Stock in trade | 27          | (188.54)                                  | 97.52                                                   |
| Excise Duty                                                                  |             | 230.50                                    | 1,005.06                                                |
| Employee Benefits Expenses                                                   | 28          | 3,002.93                                  | 2,369.22                                                |
| Power & Fuel                                                                 |             | 130.58                                    | 124.69                                                  |
| Corporate Social Responsibility Expense                                      | 29          | 267.52                                    | 166.60                                                  |
| Repairs                                                                      | 30          | 129.33                                    | 118.57                                                  |
| Contractual Expenses                                                         | 31          | 2,480.64                                  | 2,286.94                                                |
| Finance Costs                                                                | 32          | 73.26                                     | 55.00                                                   |
| Depreciation/Amortization/ Impairment expense                                |             | 371.34                                    | 348.44                                                  |
| Provisions                                                                   | 33          | (194.09)                                  | 442.33                                                  |
| Write off                                                                    | 34          | -                                         | -                                                       |
| Other Expenses                                                               | 35          | 648.53                                    | 681.37                                                  |
| Stripping Activity Adjustment                                                |             | 1,000.65                                  | 1,313.29                                                |
| <b>Total Expenses (IV)</b>                                                   |             | <b>8,557.21</b>                           | <b>9,592.63</b>                                         |
| <b>(V) Profit before exceptional items and Tax (III-IV)</b>                  |             | <b>7,336.88</b>                           | <b>6,873.36</b>                                         |
| (VI) Exceptional Items                                                       |             |                                           |                                                         |
| <b>(VII) Profit before Tax (V-VI)</b>                                        |             | <b>7,336.88</b>                           | <b>6,873.36</b>                                         |
| (VIII) Tax expense                                                           | 36          | 2,578.37                                  | 2,362.71                                                |
| <b>(IX) Profit for the period from continuing operations (VII-VIII)</b>      |             | <b>4,758.51</b>                           | <b>4,510.65</b>                                         |
| (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)                               |             | -                                         | -                                                       |
| <b>(XIV) Profit for the Period (IX+XII+XIII)</b>                             |             | <b>4,758.51</b>                           | <b>4,510.65</b>                                         |

|                                                                                                                                          | Note<br>No. | Year ended<br>31 <sup>st</sup> March 2018 | ( ₹ in Crores)<br>Year ended<br>31 <sup>st</sup> March 2017<br>(Restated) |
|------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------------------------------------|---------------------------------------------------------------------------|
| <b>Other Comprehensive Income</b>                                                                                                        | 37          |                                           |                                                                           |
| A (i) Items that will not be reclassified to profit or loss                                                                              |             | 27.34                                     | (1.40)                                                                    |
| (ii) Income tax relating to items that will not be reclassified to profit or loss                                                        |             | 9.46                                      | (0.48)                                                                    |
| 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                                                            |             | -                                         | -                                                                         |
| <b>(XV) Total Other Comprehensive Income</b>                                                                                             |             | <u>17.88</u>                              | <u>(0.92)</u>                                                             |
| <b>(XVI) Total Comprehensive Income for the period (XIV+XV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b> |             | 4,776.39                                  | 4,509.73                                                                  |
| <b>Profit attributable to:</b>                                                                                                           |             |                                           |                                                                           |
| Owners of the company                                                                                                                    |             | 4,758.51                                  | 4,510.65                                                                  |
| Non-controlling interest                                                                                                                 |             | -                                         | -                                                                         |
|                                                                                                                                          |             | <u>4,758.51</u>                           | <u>4,510.65</u>                                                           |
| <b>Other Comprehensive Income attributable to:</b>                                                                                       |             |                                           |                                                                           |
| Owners of the company                                                                                                                    |             | 17.88                                     | (0.92)                                                                    |
| Non-controlling interest                                                                                                                 |             | -                                         | -                                                                         |
|                                                                                                                                          |             | <u>17.88</u>                              | <u>(0.92)</u>                                                             |
| <b>Total Comprehensive Income attributable to:</b>                                                                                       |             |                                           |                                                                           |
| Owners of the company                                                                                                                    |             | 4,776.39                                  | 4,509.73                                                                  |
| Non-controlling interest                                                                                                                 |             | -                                         | -                                                                         |
|                                                                                                                                          |             | <u>4,776.39</u>                           | <u>4,509.73</u>                                                           |
| <b>(XVII) Earnings per equity share (for continuing operation):</b>                                                                      |             |                                           |                                                                           |
| (1) Basic                                                                                                                                |             | 32,400.46                                 | 24,388.03                                                                 |
| (2) Diluted                                                                                                                              |             | 32,400.46                                 | 24,388.03                                                                 |
| <b>(XVIII) Earnings per equity share (for discontinued operation):</b>                                                                   |             |                                           |                                                                           |
| (1) Basic                                                                                                                                |             | -                                         | -                                                                         |
| (2) Diluted                                                                                                                              |             | -                                         | -                                                                         |
| <b>(XIX) Earnings per equity share (for discontinued &amp; continuing operation):</b>                                                    |             |                                           |                                                                           |
| (1) Basic                                                                                                                                |             | 32,400.46                                 | 24,388.03                                                                 |
| (2) Diluted                                                                                                                              |             | 32,400.46                                 | 24,388.03                                                                 |

The Accompanying Notes form an integral part of Financial Statements.

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

Sd/-  
**(K R Vasudevan)**  
Director (Finance)  
DIN : 07915732

Date: 24.05.2018  
Place: Bhubaneswar

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/-  
**(V V K Raju)**  
General Manager (Finance)

Sd/-  
**(A K Jha)**  
Chairman-cum-Managing Director  
DIN: 06645361

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON 31.03.2018

A. EQUITY SHARE CAPITAL

(₹ in Crores)

| Particulars                                                   | Balance as at 01.04.2016 |                                                 | Changes in Equity Share Capital During The Year |                                                 | Balance as at 31.03.2017 |                                                 | Changes in Equity Share Capital During The Year |                                                 | Balance as at 31.03.2018 |  |
|---------------------------------------------------------------|--------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|--------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|--------------------------|--|
|                                                               | Balance as at 01.04.2016 | Changes in Equity Share Capital During The Year | Balance as at 01.04.2017                        | Changes in Equity Share Capital During The Year | Balance as at 01.04.2017 | Changes in Equity Share Capital During The Year | Balance as at 01.04.2018                        | Changes in Equity Share Capital During The Year | Balance as at 31.03.2018 |  |
| 1412266 Equity Shares of Rs.1000/- each fully paid up in cash | 186.40                   | (45.17)                                         | 141.23                                          | 141.23                                          | 564.90                   | 706.13                                          |                                                 |                                                 |                          |  |

B. OTHER EQUITY

|                                            | Other Reserves             |                 | General Reserve | Retained Earnings | Other Comprehensive Income | Non-Controlling Interest | Total      |
|--------------------------------------------|----------------------------|-----------------|-----------------|-------------------|----------------------------|--------------------------|------------|
|                                            | Capital Redemption reserve | Capital Reserve |                 |                   |                            |                          |            |
| Balance as at 01.04.2016                   | 204.18                     | -               | 3,470.32        | 583.66            | 11.99                      | 63.59                    | 4,270.15   |
| Changes in accounting policy               | -                          | -               | -               | -                 | -                          | -                        | -          |
| Prior period errors                        | -                          | -               | -               | (7.86)            | -                          | -                        | (7.86)     |
| Restated balance as at 01.04.2016          | 204.18                     | -               | 3,470.32        | 575.80            | 11.99                      | 63.59                    | 4,267.29   |
| Additions during the year                  | 45.17                      | -               | -               | -                 | -                          | -                        | 45.17      |
| Adjustments during the year                | -                          | -               | (1,617.06)      | -                 | -                          | -                        | (1,617.06) |
| Investment during the year                 | -                          | -               | -               | -                 | -                          | -                        | -          |
| Profit during the year                     | -                          | -               | -               | 4,510.65          | -                          | -                        | 4,510.65   |
| Other Comprehensive Income during the year | -                          | -               | -               | -                 | (0.92)                     | -                        | (0.92)     |
| Appropriations                             | -                          | -               | -               | -                 | -                          | -                        | -          |
| Transfer to / from General Reserve         | -                          | -               | 224.55          | (224.55)          | -                          | -                        | -          |
| Transfer to / from Other reserves          | -                          | -               | -               | (2,982.00)        | -                          | -                        | (2,982.00) |
| Interim Dividend                           | -                          | -               | -               | -                 | -                          | -                        | -          |
| Final Dividend                             | -                          | -               | -               | (607.06)          | -                          | -                        | (607.06)   |
| Corporate Dividend tax                     | -                          | -               | -               | (362.67)          | -                          | -                        | (362.67)   |
| Buy Back Distribution tax                  | -                          | -               | -               | 910.17            | -                          | -                        | 910.17     |
| Balance as at 31.03.2017                   | 249.35                     | -               | 2,077.81        | 910.17            | 11.07                      | 63.59                    | 3,248.40   |
| Balance as at 01.04.2017                   | 249.35                     | -               | 2,077.81        | 910.17            | 11.07                      | 63.59                    | 3,248.40   |
| Additions during the year                  | -                          | -               | -               | -                 | -                          | -                        | -          |
| Adjustments during the year                | (249.35)                   | -               | (315.55)        | -                 | -                          | -                        | (564.90)   |
| Investment during the year                 | -                          | -               | -               | -                 | -                          | -                        | -          |
| Profit during the year                     | -                          | -               | -               | 4,758.51          | -                          | -                        | 4,758.51   |
| Other Comprehensive Income during the year | -                          | -               | -               | -                 | 17.88                      | -                        | 17.88      |
| Appropriations                             | -                          | -               | -               | -                 | -                          | -                        | -          |
| Transfer to / from General reserve         | -                          | -               | 238.06          | (238.06)          | -                          | -                        | -          |
| Transfer to / from Other reserves          | -                          | -               | -               | (4,350.00)        | -                          | -                        | (4,350.00) |
| Interim Dividend                           | -                          | -               | -               | -                 | -                          | -                        | -          |
| Final Dividend                             | -                          | -               | -               | (885.56)          | -                          | -                        | (885.56)   |
| Corporate Dividend tax                     | -                          | -               | -               | -                 | -                          | -                        | -          |
| Buy Back Distribution tax                  | -                          | -               | -               | 195.06            | -                          | -                        | 195.06     |
| Balance as at 31.03.2018                   | 0.00                       | -               | 2,000.32        | 195.06            | 28.95                      | 63.59                    | 2,224.33   |

## **Notes to the financial statements**

### **Note: 1**

#### **CORPORATE INFORMATION**

Mahanadi Coalfields Limited (MCL), a Miniratna Company with headquarters at Sambalpur, Odisha was incorporated on 3<sup>rd</sup> 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 Group 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 & one joint venture Company in Odisha. All the subsidiaries are in development stage. 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 Group 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 31<sup>st</sup> March 2018, the MCL Consolidated (hereinafter referred as "Group") 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' upto two decimal points.

## **2.2 Basis of consolidation**

### **2.2.1 Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group 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 Group. They are deconsolidated from the date when control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group 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 companies are eliminated. Unrealised losses between 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 group 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 Group has significant influence but no control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights.

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

The Group 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 Group is having joint control with one or more other parties.



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

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

#### **2.2.3.1 Joint Operations**

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

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

#### **2.2.3.2 Joint ventures**

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

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

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

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

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

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

### **2.3 Current and non-current Classification**

The 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**

### **2.4.1 Revenue from sale of goods**

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- (a) the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the Group; and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes, levies or duties collected on behalf of the government/ other statutory bodies.

Advances received from the customers are reported as customer's deposits unless the above conditions for revenue recognition are met.

However, based on the educational material on Ind AS 18 issued by The Institute of Chartered Accountants of India, the Group has assumed that recovery of excise duty flows to the Group on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not.

Since the recovery of excise duty flows to the Group on its own account, gross revenue includes excise duty.

However, other taxes, levies or duties are not considered to be received by the Group on its own account and are excluded from net revenue.

#### **2.4.2 Interest**

Interest income is recognised using the Effective Interest Method.

#### **2.4.3 Dividend**

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

#### **2.4.4 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.

#### **2.4.5 Rendering of Services**

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised with reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits associated with the transaction will flow to the Group;
- (c) the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- (d) the costs incurred for the transaction and the costs to complete the transaction 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 finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

An operating lease is a lease other than a finance lease.

### 2.6.1 Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease.

**2.6.1.1 Finance leases** are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

**2.6.1.2 Operating lease-** Lease payments under an operating lease is recognised as an expense on a straight-line basis over the lease term unless either:

- (a) another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- (b) the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

### 2.6.2 Group as a lessor

**Operating leases:** Lease income from operating leases (excluding amounts for services such as insurance and maintenance) is recognised in income on a straight-line basis over the lease term, unless either:

- (a) another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished, even if the payments to the lessors are not on that basis; or
- (b) the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary according to factors other than inflation, then this condition is not met.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the initial lease term on the same basis as lease income.

**Finance leases** Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of 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    | : | 5-15 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 OB Of the Mine | Permissible limits of variance |                             |
|----------------------------------|--------------------------------|-----------------------------|
|                                  | I                              | II                          |
|                                  | %                              | Quantum (in Mill. Cu. Mtr.) |
| Less than 1 Mill. CUM            | +/- 5%                         | 0.03                        |
| Between 1 and 5 Mill. CUM        | +/- 3%                         | 0.20                        |
| 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 First in First out 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 yearend only as per physically verified stores and are valued at cost.

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

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

- a) relevant to the economic decision-making needs of users and
- b) reliable in that financial statements:
  - (i) represent faithfully the financial position, financial performance and cash flows of the 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.

#### **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.

#### 2.24 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. | IndAS  | Indian Accounting Standards                   |
| g. | OCI    | Other Comprehensive Income                    |
| h. | P&L    | Profit and Loss                               |
| i. | PPE    | Property, Plant and Equipment                 |
| j. | SPPI   | Solely Payment of Principal and Interest      |
| k. | EIR    | Effective Interest Rate                       |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE3: PROPERTY, PLANT AND EQUIPMENTS

|                                                | Free-<br>hold<br>Land | Other<br>Land   | Land<br>Reclamation/<br>Site<br>Restoration<br>Costs | Building<br>(including<br>water supply,<br>roads and<br>culverts) | Plant<br>and<br>Equip-<br>ments | Telecom-<br>muni-<br>cation | Railway<br>Sidings | Furniture<br>and<br>Fixtures | Office<br>Equip-<br>ments | Vehicles     | Aircraft | Other<br>Mining<br>Infra-<br>structure | Surveyed<br>off Assets | Others   | Total           |
|------------------------------------------------|-----------------------|-----------------|------------------------------------------------------|-------------------------------------------------------------------|---------------------------------|-----------------------------|--------------------|------------------------------|---------------------------|--------------|----------|----------------------------------------|------------------------|----------|-----------------|
| (₹ in Crores)                                  |                       |                 |                                                      |                                                                   |                                 |                             |                    |                              |                           |              |          |                                        |                        |          |                 |
| <b>Gross Carrying Amount:</b>                  |                       |                 |                                                      |                                                                   |                                 |                             |                    |                              |                           |              |          |                                        |                        |          |                 |
| As at 1 April 2016                             | 30.29                 | 2,134.81        | 318.67                                               | 328.09                                                            | 777.81                          | 23.29                       | 84.86              | 13.47                        | 11.56                     | 15.50        | -        | 169.32                                 | 7.79                   | -        | 3,915.46        |
| Additions                                      | -                     | 510.34          | 9.29                                                 | 52.86                                                             | 139.56                          | 1.81                        | 16.54              | 2.63                         | 3.86                      | 0.63         | -        | 46.04                                  | 9.42                   | -        | 793.01          |
| Deletions/Adjustments                          | -                     | -               | (12.38)                                              | (0.06)                                                            | (8.48)                          | -                           | -                  | (0.14)                       | (0.82)                    | -            | -        | 0.45                                   | (0.82)                 | -        | (21.39)         |
| <b>As at 31 March 2017</b>                     | <b>30.32</b>          | <b>2,645.15</b> | <b>315.58</b>                                        | <b>380.89</b>                                                     | <b>908.89</b>                   | <b>25.10</b>                | <b>101.40</b>      | <b>16.14</b>                 | <b>15.28</b>              | <b>16.13</b> | <b>-</b> | <b>215.81</b>                          | <b>16.39</b>           | <b>-</b> | <b>4,687.08</b> |
| As at 1 April 2017                             | 30.32                 | 2,645.15        | 315.58                                               | 380.89                                                            | 908.89                          | 25.10                       | 101.40             | 16.14                        | 15.28                     | 16.13        | -        | 215.81                                 | 16.39                  | -        | 4,687.08        |
| Additions                                      | -                     | 660.35          | 4.97                                                 | 61.21                                                             | 170.33                          | 1.64                        | 49.18              | 2.09                         | 5.15                      | 2.04         | -        | 17.73                                  | 2.01                   | -        | 976.70          |
| Deletions/Adjustments                          | -                     | -               | (11.74)                                              | (1.46)                                                            | (28.36)                         | 0.05                        | -                  | (0.15)                       | (2.06)                    | (0.10)       | -        | (0.61)                                 | (1.44)                 | -        | (45.87)         |
| <b>As at 31 Mar 2018</b>                       | <b>30.32</b>          | <b>3,305.50</b> | <b>308.81</b>                                        | <b>440.64</b>                                                     | <b>1,050.86</b>                 | <b>26.79</b>                | <b>150.58</b>      | <b>18.08</b>                 | <b>18.37</b>              | <b>18.07</b> | <b>-</b> | <b>232.93</b>                          | <b>16.96</b>           | <b>-</b> | <b>5,617.91</b> |
| <b>Accumulated Depreciation and Impairment</b> |                       |                 |                                                      |                                                                   |                                 |                             |                    |                              |                           |              |          |                                        |                        |          |                 |
| As at 1 April 2016                             | -                     | 77.60           | 41.01                                                | 9.56                                                              | 158.64                          | 4.73                        | 6.75               | 1.55                         | 2.69                      | 2.06         | -        | 13.45                                  | 0.53                   | -        | 318.57          |
| As at 1 April 2017                             | -                     | 96.46           | 35.39                                                | 16.26                                                             | 160.17                          | 4.40                        | 9.10               | 1.82                         | 4.10                      | 2.29         | -        | 15.59                                  | 5.62                   | -        | 351.20          |
| Charge for the year                            | -                     | -               | -                                                    | -                                                                 | 1.60                            | -                           | -                  | -                            | -                         | -            | -        | 0.56                                   | -                      | -        | 2.16            |
| Deletions/Adjustments                          | -                     | -               | -                                                    | 0.02                                                              | 12.96                           | 0.22                        | 0.01               | 0.76                         | (1.20)                    | 0.01         | -        | 0.47                                   | -                      | -        | 13.25           |
| <b>As at 31 March 2017</b>                     | <b>-</b>              | <b>174.06</b>   | <b>76.40</b>                                         | <b>25.84</b>                                                      | <b>333.37</b>                   | <b>9.35</b>                 | <b>15.86</b>       | <b>4.13</b>                  | <b>5.59</b>               | <b>4.36</b>  | <b>-</b> | <b>30.07</b>                           | <b>6.15</b>            | <b>-</b> | <b>685.18</b>   |
| As at 1 April 2017                             | -                     | 174.06          | 76.40                                                | 25.84                                                             | 333.37                          | 9.35                        | 15.86              | 4.13                         | 5.59                      | 4.36         | -        | 30.07                                  | 6.15                   | -        | 685.18          |
| Charge during the year                         | -                     | 150.87          | 36.44                                                | 15.54                                                             | 127.51                          | 4.73                        | 12.33              | 1.70                         | 3.29                      | 2.21         | -        | 17.98                                  | 0.87                   | -        | 373.47          |
| Impairment                                     | -                     | -               | -                                                    | -                                                                 | -                               | -                           | -                  | -                            | -                         | -            | -        | -                                      | -                      | -        | 0.91            |
| Deletions/Adjustments                          | -                     | (1.28)          | -                                                    | 0.18                                                              | (28.30)                         | 0.03                        | -                  | 0.78                         | (2.63)                    | 0.04         | -        | 0.84                                   | (0.55)                 | -        | (30.89)         |
| <b>As at 31 Mar 2018</b>                       | <b>-</b>              | <b>323.65</b>   | <b>112.84</b>                                        | <b>41.56</b>                                                      | <b>432.58</b>                   | <b>14.11</b>                | <b>28.19</b>       | <b>6.61</b>                  | <b>6.25</b>               | <b>6.61</b>  | <b>-</b> | <b>49.80</b>                           | <b>6.47</b>            | <b>-</b> | <b>1,028.67</b> |
| <b>Net Carrying Amount</b>                     |                       |                 |                                                      |                                                                   |                                 |                             |                    |                              |                           |              |          |                                        |                        |          |                 |
| As at 31 Mar 2018                              | 30.32                 | 2,981.85        | 195.97                                               | 399.08                                                            | 618.28                          | 12.68                       | 122.39             | 11.47                        | 12.12                     | 11.46        | -        | 183.13                                 | 10.49                  | -        | 4,589.24        |
| As at 31 Mar 2017                              | 30.32                 | 2,471.09        | 239.18                                               | 355.05                                                            | 575.52                          | 15.75                       | 85.54              | 12.01                        | 9.69                      | 11.77        | -        | 185.74                                 | 10.24                  | -        | 4,001.90        |

Note:

- Land- Others also includes Land acquired under Coal Bearing Areas (Acquisition and Development) Act, 1957 and Land Acquisition Act, 1984.
- 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.
- Conveyance deed of land in favour of the company is pending for execution in most of the cases.
- Depreciation has been provided as per Schedule II of the Companies Act, 2013. However, pending completion of technical assessment to segregate the value of certain assets embedded within a different class of asset, depreciation has been provided on these assets on the basis of useful life applicable as per Schedule II of the Companies Act, 2013 for the un-segregated class of asset.
- During the year impairment in respect of property, plant and equipment amounting ₹ 0.91 has been charged to the Statement of Profit & Loss.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 4 : CAPITAL WIP

( ₹ in Crores)

|                                                 | Building (in-<br>cluding water<br>supply, roads<br>and culverts) | Plant and<br>Equip-<br>ments | Railway<br>Sidings | Develop-<br>ment | Others      | Total           |
|-------------------------------------------------|------------------------------------------------------------------|------------------------------|--------------------|------------------|-------------|-----------------|
| <b>Gross Carrying Amount:</b>                   |                                                                  |                              |                    |                  |             |                 |
| As at 1 April 2016                              | 244.62                                                           | 349.46                       | 41.42              | 232.06           | -           | 867.56          |
| Additions                                       | 93.19                                                            | 196.90                       | 42.28              | 916.24           | 0.20        | 1,248.81        |
| Capitalisation                                  | (83.71)                                                          | (82.66)                      | (5.04)             | (5.45)           | -           | (176.86)        |
| Deletions/Adjustments                           | (0.38)                                                           | (8.62)                       | (2.63)             | 0.79             | -           | (10.84)         |
| <b>As at 31 March 2017</b>                      | <b>253.72</b>                                                    | <b>455.08</b>                | <b>76.03</b>       | <b>1,143.64</b>  | <b>0.20</b> | <b>1,928.67</b> |
| As at 1 April 2017                              | 253.72                                                           | 455.08                       | 76.03              | 1,143.64         | 0.20        | 1,928.67        |
| Additions                                       | 73.69                                                            | 200.98                       | 35.03              | 303.80           | 0.03        | 613.53          |
| Capitalisation                                  | (59.45)                                                          | (53.53)                      | -                  | (34.25)          | -           | (147.23)        |
| Deletions/Adjustments                           | (0.98)                                                           | (64.18)                      | 1.68               | (1.40)           | -           | (64.88)         |
| <b>As at 31 Mar 2018</b>                        | <b>266.98</b>                                                    | <b>538.35</b>                | <b>112.74</b>      | <b>1,411.79</b>  | <b>0.23</b> | <b>2,330.09</b> |
| <b>Accumulated Provision<br/>and Impairment</b> |                                                                  |                              |                    |                  |             |                 |
| As at 1 April 2016                              | -                                                                | 11.88                        | -                  | -                | -           | 11.88           |
| Charge for the year                             | -                                                                | 0.77                         | -                  | -                | -           | 0.77            |
| Impairment                                      | -                                                                | 2.88                         | -                  | -                | -           | 2.88            |
| Deletions/Adjustments                           | -                                                                | (1.26)                       | -                  | -                | -           | (1.26)          |
| <b>As at 31 March 2017</b>                      | <b>-</b>                                                         | <b>14.27</b>                 | <b>-</b>           | <b>-</b>         | <b>-</b>    | <b>14.27</b>    |
| As at 1 April 2017                              | -                                                                | 14.27                        | -                  | -                | -           | 14.27           |
| Charge during the year                          | -                                                                | 0.52                         | -                  | -                | -           | 0.52            |
| Impairment                                      | -                                                                | -                            | -                  | -                | -           | -               |
| Deletions/Adjustments                           | -                                                                | (0.20)                       | -                  | -                | -           | (0.20)          |
| <b>As at 31 Mar 2018</b>                        | <b>-</b>                                                         | <b>14.59</b>                 | <b>-</b>           | <b>-</b>         | <b>-</b>    | <b>14.59</b>    |
| <b>Net Carrying Amount</b>                      |                                                                  |                              |                    |                  |             |                 |
| <b>As at 31 Mar 2018</b>                        | <b>266.98</b>                                                    | <b>523.76</b>                | <b>112.74</b>      | <b>1,411.79</b>  | <b>0.23</b> | <b>2,315.50</b> |
| <b>As at 31 Mar 2017</b>                        | <b>253.72</b>                                                    | <b>440.81</b>                | <b>76.03</b>       | <b>1,143.64</b>  | <b>0.20</b> | <b>1,914.40</b> |

1. In case of items of Plant & Machinery, which are kept in plant pending installation and at store, provision equivalent to depreciation is made followed by action for formal write-off where necessary. If any such item of plant & machinery is put to use afterwards i.e., after provisions have already been made, depreciation charged in first year of use is depreciation for the year plus provision already made against the item with due accounting adjustments between depreciation & such provision. During the year ended on 31st Mar 2018, an amount of ₹ 0.52 crore has been provided on this account.
2. Development above includes Enabling assets viz railway track amounting to ₹ 966.95 crore and widening of two lane road to four lane road from Bankibahal to Kanika Railway Siding amounting to ₹ 157.72 crore under Other Mining Infrastructure.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 5 : EXPLORATION AND EVALUATION ASSETS**

( ₹ in Crores)

|                                                 | <b>Exploration and<br/>Evaluation Costs</b> |
|-------------------------------------------------|---------------------------------------------|
| <b>Gross Carrying Amount:</b>                   |                                             |
| As at 1 April 2016                              | 140.91                                      |
| Additions                                       | 5.22                                        |
| Deletions/Adjustments                           | (19.69)                                     |
| <b>As at 31 March 2017</b>                      | <b>126.44</b>                               |
| As at 1 April 2017                              | 126.44                                      |
| Additions                                       | 15.83                                       |
| Deletions/Adjustments                           | -                                           |
| <b>As at 31 Mar 2018</b>                        | <b>142.27</b>                               |
| <b>Accumulated Provision and<br/>Impairment</b> |                                             |
| As at 1 April 2016                              | -                                           |
| Charge for the year                             | -                                           |
| Impairment                                      | -                                           |
| Deletions/Adjustments                           | -                                           |
| <b>As at 31 March 2017</b>                      | <b>-</b>                                    |
| As at 1 April 2017                              | -                                           |
| Charge during the year                          | -                                           |
| Impairment                                      | -                                           |
| Deletions/Adjustments                           | -                                           |
| <b>As at 31 Mar 2018</b>                        | <b>-</b>                                    |
| <b>Net Carrying Amount</b>                      |                                             |
| <b>As at 31 Mar 2018</b>                        | <b>142.27</b>                               |
| <b>As at 31 Mar 2017</b>                        | <b>126.44</b>                               |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 6 : OTHER INTANGIBLE ASSETS

( ₹ in Crores)

|                                                | Computer Software | Coal Blocks meant for sale | Others   | Total       |
|------------------------------------------------|-------------------|----------------------------|----------|-------------|
| <b>Gross Carrying Amount:</b>                  |                   |                            |          |             |
| As at 1 April 2016                             | 0.51              | 4.91                       | -        | 5.42        |
| Additions                                      | 0.22              | -                          | -        | 0.22        |
| Deletions/Adjustments                          | (0.13)            | -                          | -        | (0.13)      |
| <b>As at 31 March 2017</b>                     | <b>0.60</b>       | <b>4.91</b>                | <b>-</b> | <b>5.51</b> |
| As at 1 April 2017                             | 0.60              | 4.91                       | -        | 5.51        |
| Additions                                      | -                 | -                          | -        | -           |
| Deletions/Adjustments                          | -                 | (0.33)                     | -        | (0.33)      |
| <b>As at 31 Mar 2018</b>                       | <b>0.60</b>       | <b>4.58</b>                | <b>-</b> | <b>5.18</b> |
| <b>Accumulated Amortisation and Impairment</b> |                   |                            |          |             |
| As at 1 April 2016                             | 0.04              | -                          | -        | 0.04        |
| Charge for the year                            | 0.16              | -                          | -        | 0.16        |
| Impairment                                     | -                 | -                          | -        | -           |
| Deletions/Adjustments                          | -                 | -                          | -        | -           |
| <b>As at 31 March 2017</b>                     | <b>0.20</b>       | <b>-</b>                   | <b>-</b> | <b>0.20</b> |
| As at 1 April 2017                             | 0.20              | -                          | -        | 0.20        |
| Charge during the year                         | 0.15              | -                          | -        | 0.15        |
| Impairment                                     | -                 | -                          | -        | -           |
| Deletions/Adjustments                          | -                 | -                          | -        | -           |
| <b>As at 31 Mar 2018</b>                       | <b>0.35</b>       | <b>-</b>                   | <b>-</b> | <b>0.35</b> |
| <b>Net Carrying Amount</b>                     |                   |                            |          |             |
| <b>As at 31 Mar 2018</b>                       | <b>0.25</b>       | <b>4.58</b>                | <b>-</b> | <b>4.83</b> |
| <b>As at 31 Mar 2017</b>                       | <b>0.40</b>       | <b>4.91</b>                | <b>-</b> | <b>5.31</b> |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE - 7 : (I) INVESTMENTS

( ₹ in Crores)

| Non Current                                                          | Number of<br>shares<br>current<br>period/<br>(previous<br>year) | Face value<br>per share<br>current<br>period/<br>(previous<br>year) | As at         |               |
|----------------------------------------------------------------------|-----------------------------------------------------------------|---------------------------------------------------------------------|---------------|---------------|
| Non-Trade (Quoted)                                                   |                                                                 |                                                                     | 31.03.2018    | 31.03.2017    |
| In Secured Bonds                                                     |                                                                 |                                                                     |               |               |
| 7.55 % Secured Non convertible IRFC Tax free<br>2021 series 79 bonds | 20000/(20000)                                                   | 100000/ (100000)                                                    | 200.00        | 200.00        |
| 8% Secured Non convertible IRFC bonds<br>Tax free                    | 1087537/ (1087537)                                              | 1000/ (1000)                                                        | 108.75        | 108.75        |
| 7.22 % Secured Non convertible IRFC bond<br>Tax free                 | 4999/(4999)                                                     | 1000100/ (1000100)                                                  | 499.95        | 499.95        |
| 7.22 % Secured Redeemable REC bond<br>Tax free                       | 1500000/ (1500000)                                              | 1000/ (1000)                                                        | 150.00        | 150.00        |
| <b>Total :</b>                                                       |                                                                 |                                                                     | <b>958.70</b> | <b>958.70</b> |
| Aggregate amount of unquoted investments:                            |                                                                 |                                                                     | -             | -             |
| Aggregate amount of quoted investments:                              |                                                                 |                                                                     | <b>958.70</b> | <b>958.70</b> |
| Market value of quoted investments:                                  |                                                                 |                                                                     | <b>993.40</b> | <b>995.19</b> |
| Aggregate amount of impairment in value of<br>investments:           |                                                                 |                                                                     | -             | -             |



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE - 7 (II) INVESTMENTS

(₹ in Crores)

#### Current

|                                                         | Number of units<br>current year/<br>(previous year) | NAV<br>(In ₹) | As at         |            |
|---------------------------------------------------------|-----------------------------------------------------|---------------|---------------|------------|
|                                                         |                                                     |               | 31.03.2018    | 31.03.2017 |
| <b>TRADE (Unquoted)</b>                                 |                                                     |               |               |            |
| <b>Mutual Fund Investment</b>                           |                                                     |               |               |            |
| Canara Robeco Liquid Fund                               | 0.00/(69617.11)                                     | -             | 7.00          |            |
| SBI Premier Liquid Fund                                 | 0.00/(1026663.34)                                   | -             | 103.00        |            |
| UTI Money Market Fund                                   | 0.00/(902451.20)                                    | -             | 92.00         |            |
| <b>Total :</b>                                          |                                                     | -             | <b>202.00</b> |            |
| Aggregate of Quoted Investment:                         |                                                     | -             | -             |            |
| Aggregate of unquoted investments:                      |                                                     | -             | 202.00        |            |
| Market value of unquoted Investment:                    |                                                     | -             | 202.04        |            |
| 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 Crores)

### NOTE - 8 : LOANS

|                                    | 31.03.2018      | As at    | 31.03.2017      |
|------------------------------------|-----------------|----------|-----------------|
| <b>Non-Current</b>                 |                 |          |                 |
| <b>Loans to Related parties</b>    |                 |          |                 |
| - Secured, considered good         | -               | -        |                 |
| - Unsecured, considered good       | -               | 1,200.00 |                 |
| - Doubtful                         | -               | -        |                 |
| Less: Provision for doubtful loans | -               | -        | 1,200.00        |
| <b>Loans to Employees</b>          |                 |          |                 |
| - Secured, considered good         | 0.82            | 1.06     |                 |
| - Unsecured, considered good       | -               | -        |                 |
| - Doubtful                         | -               | -        |                 |
| Less: Provision for doubtful loans | 0.82            | -        | 1.06            |
| <b>Other Loans</b>                 |                 |          |                 |
| - Secured, considered good         | -               | -        |                 |
| - Unsecured, considered good       | 1,000.00        | -        |                 |
| - Doubtful                         | -               | -        |                 |
| Less: Provision for doubtful loans | 1000.00         | -        | 0.00            |
| <b>TOTAL</b>                       | <b>1,000.82</b> |          | <b>1,201.06</b> |
| <b>CLASSIFICATION</b>              |                 |          |                 |
| Secured, considered good           | 0.82            |          | 1.06            |
| Unsecured, Considered good         | 1,000.00        |          | 1,200.00        |
| Doubtful                           | -               |          | -               |
| Less: Provision for doubtful loans | -               |          | -               |
| <b>Current</b>                     |                 |          |                 |
| <b>Loans to Related parties</b>    |                 |          |                 |
| - Secured, considered good         | -               | -        |                 |
| - Unsecured, considered good       | -               | -        |                 |
| - Doubtful                         | -               | -        |                 |
| Less: Provision for doubtful loans | -               | -        | -               |
| <b>Loans to Employees</b>          |                 |          |                 |
| - Secured, considered good         | 0.32            | 0.32     |                 |
| - Unsecured, considered good       | -               | -        |                 |
| - Doubtful                         | -               | -        |                 |
| Less: Provision for doubtful loans | 0.32            | -        | 0.32            |
| <b>Other Loans</b>                 |                 |          |                 |
| - Secured, considered good         | -               | -        |                 |
| - Unsecured, considered good       | -               | -        |                 |
| - Doubtful                         | -               | -        |                 |
| Less: Provision for doubtful loans | -               | -        | -               |
| <b>TOTAL</b>                       | <b>0.32</b>     |          | <b>0.32</b>     |
| <b>CLASSIFICATION</b>              |                 |          |                 |
| Secured, considered good           | 0.32            |          | 0.32            |
| Unsecured, Considered good         | -               |          | -               |
| Doubtful                           | -               |          | -               |
| Less: Provision for doubtful loans | -               |          | -               |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

| NOTE - 9 : OTHER FINANCIAL ASSETS                           | ( ₹ in Crores)       |                      |
|-------------------------------------------------------------|----------------------|----------------------|
|                                                             | 31.03.2018           | 31.03.2017           |
| <b>Non Current</b>                                          |                      |                      |
| Bank deposits                                               | 2.68                 | 2.56                 |
| Deposits with bank under<br>- Mine Closure Plan             | 834.81               | 696.75               |
| Receivable from Escrow Account for<br>Mine Closure Expenses | 0.57                 | 0.57                 |
| Other deposits                                              | 38.99                | 33.11                |
| Less : Provision for doubtful deposits                      | <u>- 38.99</u>       | <u>- 33.11</u>       |
| Other receivables                                           | 0.16                 | 0.16                 |
| Less: Provision                                             | <u>0.16</u>          | <u>0.16</u>          |
| <b>TOTAL</b>                                                | <b><u>877.05</u></b> | <b><u>732.99</u></b> |

Balances with banks to the extent held as margin money or security against the borrowings/others

2.68                      2.56

Note:

- Deposits in Escrow Accounts for mine closure with Scheduled Banks with maturity exceeding 3 months for ₹ 834.81 crore made as per guidelines issued by Ministry of Coal, Government of India and after agreement with Coal Controller.
- Bank Deposits of ₹ 1.91 crore including accrued interest of ₹ 1.32 crore 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.
- 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.
- Bank Deposits includes ₹ 0.74 crore for issue of BG in favour of TAMDA for obtaining approval of Institutional Building Plan for MIMSR.

|                                 | 31.03.2018   | 31.03.2017   |
|---------------------------------|--------------|--------------|
| 5. <u>Others deposits :-</u>    |              |              |
| Electricity supply undertakings | 36.30        | 31.66        |
| Security & Other deposits       | 0.06         | 0.06         |
| P&T dept                        | 0.03         | 0.03         |
| Deposit with gas co & others    | 1.85         | 0.61         |
| Application fee paid to Water   | 0.75         | 0.75         |
| Resource dept of Odisha (MBPL)  | <u>38.99</u> | <u>33.11</u> |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

| <b>NOTE - 9 : OTHER FINANCIAL ASSETS</b>                 | ( ₹ in Crores) |               |
|----------------------------------------------------------|----------------|---------------|
|                                                          | As at          |               |
|                                                          | 31.03.2018     | 31.03.2017    |
|                                                          |                |               |
| <b>Current</b>                                           |                |               |
| Surplus Fund with CIL                                    | -              | 53.94         |
| Receivable from Escrow Account for Mine Closure Expenses | -              | -             |
| Current Account with Subsidiaries                        | -              | -             |
| Current Maturities of Unsecured Long Term loan           | -              | 300.00        |
| Interest accrued on                                      |                |               |
| - Investments                                            | 31.35          | 31.29         |
| - Bank Deposits                                          | 369.71         | 570.77        |
| - Others                                                 | 4.68           | 2.78          |
| Other deposits                                           | -              | -             |
| Less : Provision for doubtful deposits                   | -              | -             |
| Claims receivables                                       | 293.89         | 0.30          |
| Less : Provision for doubtful claims                     | -              | -             |
| Other receivables                                        | 3.41           | 2.82          |
| Less : Provision for doubtful claims                     | 0.76           | -             |
| <b>TOTAL</b>                                             | <b>702.28</b>  | <b>961.90</b> |

**Note:**

|                                                                                                                                                                                                                                                                                                    | 31.03.2018 | 31.03.2017 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
| 1. Other receivables                                                                                                                                                                                                                                                                               |            |            |
| Rent Recoverable from outsiders                                                                                                                                                                                                                                                                    | 1.71       | 1.48       |
| Electricity recoverable                                                                                                                                                                                                                                                                            | 0.39       | 0.58       |
| Other receivable (towards supply of water)                                                                                                                                                                                                                                                         | 0.34       | 0.70       |
| Others                                                                                                                                                                                                                                                                                             | 0.97       | 0.01       |
|                                                                                                                                                                                                                                                                                                    | 3.41       | 2.77       |
| 2. Claims receivable includes ₹ 293.79 crore towards receivable from State govt. towards DMF, deposited earlier with state government, pursuant to supreme court order quashing of notification no. GSR 837 (E) of MoC for change in effective date retrospectively to 12/01/2015 from 20/10/2015. |            |            |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

( ₹ in Crores)

### NOTE 10 : OTHER NON-CURRENT ASSETS

|                                                  |  | 31.03.2018    | As at  | 31.03.2017         |
|--------------------------------------------------|--|---------------|--------|--------------------|
| <b>(i) Capital Advances</b>                      |  | 295.79        |        | 374.46             |
| Less : Provision for doubtful advances           |  | <u>0.55</u>   | 295.24 | <u>0.55</u> 373.91 |
| <b>(ii) Advances other than capital advances</b> |  |               |        |                    |
| (a) Security Deposit for utilities               |  | 0.01          |        | 0.01               |
| Less :Provision for doubtful deposits            |  | <u>-</u>      | 0.01   | <u>-</u> 0.01      |
| (b) Other Deposits (to be specified in note)     |  | 9.76          |        | 8.59               |
| Less :Provision for doubtful deposits            |  | <u>-</u>      | 9.76   | <u>-</u> 8.59      |
| (c) Advances to related parties                  |  |               | -      | -                  |
| (d) Advance for Revenue                          |  | -             |        | -                  |
| Less :Provision for doubtful advances            |  | <u>-</u>      | -      | <u>-</u> -         |
| (e) Exploratory drilling work                    |  | -             |        | -                  |
| Less: Provision                                  |  | <u>-</u>      | -      | <u>-</u> -         |
| (f) Prepaid Expenses                             |  |               | -      | 0.07               |
| (g) Others                                       |  |               |        |                    |
| <b>TOTAL</b>                                     |  | <u>305.01</u> |        | <u>382.58</u>      |

**Note:****CLASSIFICATION**

|                             |             |  |             |
|-----------------------------|-------------|--|-------------|
| Unsecured - Considered Good | 304.46      |  | 382.03      |
| - Considered Doubtful       | 0.55        |  | 0.55        |
| Other Deposits:-            |             |  |             |
| Deposit with Courts         | 6.45        |  | 6.33        |
| Deposit with Govt Authority | <u>3.31</u> |  | <u>2.26</u> |
|                             | <u>9.76</u> |  | <u>8.59</u> |

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

( ₹ in Crores)

**NOTE -11 : OTHER CURRENT ASSETS**

|                                                | As at       |                        |             |                        |
|------------------------------------------------|-------------|------------------------|-------------|------------------------|
|                                                | 31.03.2018  |                        | 31.03.2017  |                        |
| (a) Advance for Revenue                        | 228.94      |                        | 227.86      |                        |
| Less : Provision for doubtful advances         | <u>4.90</u> | 224.04                 | <u>2.16</u> | 225.70                 |
| (b) Advance payment of statutory dues          | 24.48       |                        | 27.99       |                        |
| Less : Provision for doubtful advances         | <u>-</u>    | 24.48                  | <u>-</u>    | 27.99                  |
| (c) Advance to Related Parties                 |             | -                      |             | -                      |
| (d) Advance to Employees                       | 101.95      |                        | 5.66        |                        |
| Less : Provision for doubtful advances         | <u>0.03</u> | 101.92                 | <u>0.03</u> | 5.63                   |
| (e) Advance- Others (to be specified in note)  | 2.28        |                        | -           |                        |
| Less : Provision for doubtful claims           | <u>-</u>    | 2.28                   | <u>-</u>    | -                      |
| (f) Deposit for utilities                      | -           |                        | -           |                        |
| Less: Provision                                | <u>-</u>    | -                      | <u>-</u>    | -                      |
| (g) Deposits- Others (to be specified in note) | 832.10      |                        | 684.72      |                        |
| Less: Provision                                | <u>-</u>    | 832.10                 | <u>-</u>    | 684.72                 |
| (h) CENVAT CREDIT receivable                   |             | -                      |             | 76.04                  |
| (i) Input Tax Credit Receivable                |             | 195.62                 |             |                        |
| (j) MAT CREDIT ENTITLEMENT                     |             | -                      |             | -                      |
| (k) Prepaid Expenses                           |             | 12.45                  |             | 12.86                  |
| (l) Receivables- Others                        | -           |                        | -           |                        |
| Less: Provision                                | <u>-</u>    | -                      | <u>-</u>    | -                      |
| <b>TOTAL</b>                                   |             | <b><u>1,392.89</u></b> |             | <b><u>1,032.94</u></b> |

**Note:**

|                                                         |               |               |
|---------------------------------------------------------|---------------|---------------|
| 1. Deposit others:                                      |               |               |
| Sales Tax deposit under protest                         | 31.41         | 43.86         |
| Deposit of Central Excise Duty under protest            | 2.89          | 2.88          |
| Deposit of Service Tax & interest thereon under protest | 0.41          | 0.26          |
| Deposit on Penalty on Stax under protest                | 0.04          | 0.04          |
| Deposit of Water cess/charge under protest              | -             | -             |
| Income Tax Deposit under protest                        | <u>797.35</u> | <u>637.68</u> |
|                                                         | 832.10        | 684.72        |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE - 12 : INVENTORIES

( ₹ in Crores)

(As taken, valued and certified by the Management)

|                                           | 31.03.2018           | As at<br>31.03.2017  |
|-------------------------------------------|----------------------|----------------------|
| (a) Stock of Coal                         | 400.78               | 254.70               |
| Coal under Development                    | <u>-</u>             | <u>-</u>             |
|                                           | 400.78               | 254.70               |
| Less : Provision                          | <u>-</u>             | <u>-</u>             |
| Stock of Coal (Net)                       | 400.78               | 254.70               |
| (b) Stock of Stores & Spares (at cost)    | 75.72                | 78.54                |
| Add: Stores-in-transit                    | 14.23                | 0.96                 |
| Less : Provision                          | <u>26.57</u>         | <u>19.89</u>         |
| Net Stock of Stores & Spares (at cost)    | 63.38                | 59.61                |
| (c) Stock of Medicine at Central Hospital | 0.76                 | 1.11                 |
| (d) Workshop Jobs:                        |                      |                      |
| Work-in-progress and Finished Goods       | 9.84                 | <b>6.71</b>          |
| Less: Provision                           | <u>-</u>             | <u>-</u>             |
| Net Stock of Workshop Jobs                | 9.84                 | 6.71                 |
| (e) Press Jobs:                           |                      |                      |
| Work-in-progress and Finished Goods       | -                    | -                    |
|                                           | <u><b>474.76</b></u> | <u><b>322.13</b></u> |

1. During the year, no shortage / excess is reported in respect of physical verification of stores / spares. The cumulative provision as at 31.03.2018 stands at ₹ 0.98 crore (as at 31.03.2017 ₹ 0.98 crore).
2. In respect of stores and spares obsolete / unserviceable items and items which have not moved for more than five years, a provision of 100 % & 50% respectively are made as per Accounting Policy. The cumulative provision as at 31.03.2018 stands at ₹ 25.38crore (as at 31.03.2017 ₹ 18.68 crore).
3. Provision includes ₹ 0.21 crore made for Loss of assets as at 31.03.2018 (as at 31.03.2017 ₹ 0.23 crore).
4. Valuation of stores and spares has been done on weighted average method as per accounting policy of the group. The comparison of cost so arrived, with net realizable value is neither made nor adjusted in the account due to difficulty in ascertainment of net realizable value.

**MAHANADI COALFIELDS LIMITED AND ITS SUBSIDIARIES**

**ANNEXURE TO NOTE - 12**

(Qty in lakh tonnes) ( value in lakh ₹)

**Table:A**

**Reconciliation of closing stock adopted in Account with Book stock as 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 01.04.17        | 63.87         | 27654.17     | -                  | -     | 63.87          | 27654.17     |
| (B) Shortage beyond 5%                     | 1.19          | 2184.54      | -                  | -     | 1.19           | 2,184.54     |
| Stock adopted in Accounts Opening          | 62.68         | 25,469.63    | -                  | -     | 62.68          | 25469.63     |
| 2. Production for the Period               | 1430.58       | 1,381,827.81 | -                  | -     | 1430.58        | 1381827.81   |
| 3. Sub-Total ( 1A+2)                       | 1,494.45      | 1,409,481.98 | -                  | -     | 1,494.45       | 1,409,481.98 |
| 4. Off- Take for the Year                  |               |              |                    |       |                |              |
| (A) Outside Despatch                       | 1382.62       | 1367332.00   | -                  | -     | 1382.62        | 1367332.00   |
| (B) Coal feed to Washeries                 | -             | -            | -                  | -     | -              | -            |
| (C) Own Consumption                        | 0.05          | 95.67        | -                  | -     | 0.05           | 95.67        |
| TOTAL(A)                                   | 1,382.67      | 1,367,427.67 | -                  | -     | 1382.67        | 1367427.67   |
| 5. Derived Stock                           | 111.78        | 42,054.31    | -                  | -     | 111.78         | 42054.31     |
| 6. Measured Stock                          | 110.23        | 39,902.29    | -                  | -     | 110.23         | 39902.29     |
| 7. Difference (5-6)                        | 1.55          | 2,152.02     | -                  | -     | 1.55           | 2,152.02     |
| 8. Break-up of Difference:                 |               |              |                    |       |                |              |
| (A) Excess within 5%                       | 0.57          | 168.02       | -                  | -     | 0.57           | 168.02       |
| (B) Shortage within 5%                     | 0.95          | 343.64       | -                  | -     | 0.95           | 343.64       |
| (C ) Excess beyond 5%                      | -             | -            | -                  | -     | -              | -            |
| (D ) Shortage beyond 5%                    | 1.17          | 1,976.40     | -                  | -     | 1.17           | 1,976.40     |
| 9. Closing stock adopted in A/c.( 6-8A+8B) | 110.61        | 40,077.91    | -                  | -     | 110.61         | 40077.91     |

**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)            | -        | -     | 63.87      | 27,654.17    | -                      | -     | -          | -     | -              | -     | 63.87    | 27,654.17    |
| Shortage beyond 5%                 |          |       | 1.19       | 2,184.54     |                        |       |            |       |                |       | 1.19     | 2,184.54     |
| Less: Non-vendable Coal            | -        | -     | -          | -            | -                      | -     | -          | -     | -              | -     | -        | -            |
| Adjusted Opening Stock ( Vendable) | -        | -     | 62.68      | 25,469.63    | -                      | -     | -          | -     | -              | -     | 62.68    | 25,469.63    |
| Production                         | -        | -     | 1,430.58   | 1,381,827.81 | -                      | -     | -          | -     | -              | -     | 1,430.58 | 1,381,827.81 |
| Offtake                            |          |       |            |              |                        |       |            |       |                |       |          |              |
| (A) Outside Despatch               | -        | -     | 1,382.62   | 1,367,332.00 | -                      | -     | -          | -     | -              | -     | 1,382.62 | 1,367,332.00 |
| (B) Coal feed to Washeries         | -        | -     | -          | -            | -                      | -     | -          | -     | -              | -     | -        | -            |
| (C) Own Consumption                | -        | -     | 0.05       | 95.67        | -                      | -     | -          | -     | -              | -     | 0.05     | 95.67        |
| Closing Stock derived              | -        | -     | 111.78     | 42,054.31    | -                      | -     | -          | -     | -              | -     | 111.78   | 42,054.31    |
| Less: Shortage                     | -        | -     | 1.17       | 1,976.40     | -                      | -     | -          | -     | -              | -     | 1.17     | 1,976.40     |
| Excess                             | -        | -     | -          | -            | -                      | -     | -          | -     | -              | -     | -        | -            |
| Closing Stock                      | -        | -     | 110.61     | 40,077.91    | -                      | -     | -          | -     | -              | -     | 110.61   | 40,077.91    |

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 LTe) |                  | % variance       |                  |
|---------|-------------|--------------------------|------------------|------------------------------|------------------|------------------|------------------|
|         |             | As on 31.03.2018         | As on 31.03.2017 | As on 31.03.2018             | As on 31.03.2017 | As on 31.03.2018 | As on 31.03.2017 |
| Orient  | Mine No 3   | 0.12                     | 0.20             | -                            | 0.08             | 100.00           | 58.98            |
|         | HBM- G 9    | 0.30                     | 0.30             | -                            | -                | 100.00           | 100.00           |
| Talcher | Nandira-G 8 | 0.50                     | 0.50             | -                            | -                | 100.00           | 100.00           |
|         | Talcher G5  | 0.25                     | 0.75             | -                            | 0.48             | 100.00           | 36.45            |
| TOTAL   |             | <b>1.17</b>              | <b>1.75</b>      | -                            | <b>0.56</b>      | -                | -                |

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 ₹ 19.76 crore as at 31.03.2018.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE - 13 : TRADE RECEIVABLES

( ₹ in Crores)

|                                                                        | 31.03.2018    | As at  | 31.03.2017     |         |
|------------------------------------------------------------------------|---------------|--------|----------------|---------|
|                                                                        |               |        |                |         |
| <b>Current</b>                                                         |               |        |                |         |
| Trade receivables                                                      |               |        |                |         |
| - Secured, considered good                                             | -             |        | -              |         |
| - Unsecured, considered good                                           | 606.86        |        | 1054.44        |         |
| - Doubtful                                                             | 30.14         |        | 109.53         |         |
| Less : Provision for bad & doubtful debts                              | 30.14         | 606.86 | 109.53         | 1054.44 |
| <b>Total</b>                                                           | <b>606.86</b> |        | <b>1054.44</b> |         |
| <br>Note:                                                              |               |        |                |         |
| 1 Debt outstanding for a period less than six months from the due date | 440.84        |        | 960.92         |         |
| 2 Debt outstanding for a period exceeding six months from the due date | 166.02        |        | 93.52          |         |
| Doubtful debt                                                          | 30.14         |        | 109.53         |         |
|                                                                        | <b>637.00</b> |        | <b>1163.97</b> |         |

**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 ₹ 173.45 Crores ( ₹ 80.77 Crores as at 31.03.2017) has been recognised as Coal Quality Variance for sampling results awaited from referee samplers and disclosed separately in Note 21 Provisions.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Crores)

**NOTE - 14 : CASH AND CASH EQUIVALENTS**

|                                                                                                   | As at         |               |
|---------------------------------------------------------------------------------------------------|---------------|---------------|
|                                                                                                   | 31.03.2018    | 31.03.2017    |
| (a) Balances with Banks                                                                           |               |               |
| - in Deposit Accounts<br>(with maturity up to 3 months)                                           | -             | -             |
| - in Current Accounts                                                                             |               |               |
| a. Interest bearing (CLTD Accounts etc)                                                           | 119.77        | 95.11         |
| b. Non-Interest bearing                                                                           | 85.72         | 277.44        |
| - 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                                                                                        | -             | -             |
| <b>Total Cash and Cash Equivalents</b>                                                            | <b>205.49</b> | <b>372.55</b> |
| Bank Overdraft                                                                                    | -             | -             |
| <b>Total Cash and Cash Equivalents<br/>(net of Bank Overdraft)</b>                                | <b>205.49</b> | <b>372.55</b> |
| Maximum amount outstanding with Banks other<br>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 Crores)

### NOTE - 15 : OTHER BANK BALANCES

|                                                         | 31.03.2018              | As at<br>31.03.2017     |
|---------------------------------------------------------|-------------------------|-------------------------|
| Balances with Banks                                     |                         |                         |
| - Deposit accounts                                      |                         |                         |
| a. Fixed Deposits<br>(with maturity more than 3 months) | 13,096.76               | 14,662.94               |
| b. CLTD Accounts                                        | 71.55                   | 78.68                   |
| - Mine Closure Plan                                     | -                       | -                       |
| - Shifting and Rehabilitation Fund scheme               | -                       | -                       |
| - Unpaid dividend accounts                              | -                       | -                       |
| - Dividend accounts                                     | -                       | -                       |
| <b>Total</b>                                            | <b><u>13,168.31</u></b> | <b><u>14,741.62</u></b> |

|                                                                                                  |       |       |
|--------------------------------------------------------------------------------------------------|-------|-------|
| Balances with banks to the extent held as margin money or security against the borrowings/others | 34.75 | 34.06 |
|--------------------------------------------------------------------------------------------------|-------|-------|

#### 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. Fixed deposit includes ₹ 0.04 crore made against price difference recovered against explosive rate contracts in the year 2005-06, as per court order.
3. Fixed deposit includes ₹ 0.19 crore made against interim order of Hon'ble High Court for encashment of BG of M/s IRC Logistics Ltd.
4. Fixed deposit includes ₹ 8.26 crore made against BG encashment ( FSA) by the Company in respect of M/S Videocon Industries Ltd as per interim order of Hon'ble High Court , Cuttack .
5. Fixed deposits includes ₹ 0.16 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.
6. Fixed Deposits includes ₹ 5.97 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.
7. Fixed deposit of ₹ 1.06 crore made as per directives of Hon'ble High Court of Odisha regarding encashment of BG submitted by M/s MCL-KSIPL JV.
8. Fixed Deposit amounting to ₹ 13.35 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.
9. Fixed deposit includes ₹ 5.73 crore made against price difference recovered against explosive rate contracts in the year 2005-06, as per court order.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

( ₹ in Crores)

**NOTE - 16 : EQUITY SHARE CAPITAL**

|                                                                  | As at         |               |
|------------------------------------------------------------------|---------------|---------------|
|                                                                  | 31.03.2018    | 31.03.2017    |
| <b><u>Authorised</u></b>                                         |               |               |
| 77,58,200 Equity Shares of ₹ 1000/- each                         | 775.82        | 295.82        |
|                                                                  | <u>775.82</u> | <u>295.82</u> |
| <b><u>Issued, Subscribed and Paid-up</u></b>                     |               |               |
| 7061330 Equity Shares of Rs.1000/- each<br>fully paid up in cash | 706.13        | 141.23        |
|                                                                  | <u>706.13</u> | <u>141.23</u> |

**Note:**

- 1 Shares in the Company held by each shareholder holding more than 5% Shares

| Name of Shareholder                                | No.of Shares held<br>(Face value of ₹1000<br>each) | % of Total |
|----------------------------------------------------|----------------------------------------------------|------------|
| Coal India Ltd.(Holding company) & its<br>nominees | 7061330                                            | 100        |

- 2 During the year ended on 31.03.2018, the Group has issued 04 number of fully paid up equity shares of face value of ₹ 1000 for every 01 number of fully paid up existing equity shares.
3. 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 Crores)

|                                            | Other Reserves             |                 | General Reserve | Retained Earnings | Other Comprehensive Income | Total      |
|--------------------------------------------|----------------------------|-----------------|-----------------|-------------------|----------------------------|------------|
|                                            | Capital Redemption reserve | Capital reserve |                 |                   |                            |            |
| <b>Balance as at 01.04.2016</b>            | 204.18                     | -               | 3,470.32        | 583.66            | 11.99                      | 4,270.15   |
| Changes in accounting policy               | -                          | -               | -               | -                 | -                          | -          |
| Prior period errors                        | -                          | -               | -               | (7.86)            | -                          | (7.86)     |
| Restated balance as at 01.04.2016          | 204.18                     | -               | 3,470.32        | 575.80            | 11.99                      | 4,262.29   |
| Additions during the year                  | 45.17                      | -               | -               | -                 | -                          | 45.17      |
| Adjustments during the year                | -                          | -               | (1,617.06)      | -                 | -                          | (1,617.06) |
| Profit during the year                     | -                          | -               | -               | 4,510.65          | -                          | 4,510.65   |
| Other Comprehensive Income during the year | -                          | -               | -               | -                 | (0.92)                     | (0.92)     |
| Appropriations                             | -                          | -               | -               | -                 | -                          | -          |
| Transfer to / from General reserve         | -                          | -               | 224.55          | (224.55)          | -                          | -          |
| Transfer to / from Other reserves          | -                          | -               | -               | -                 | -                          | -          |
| Interim Dividend                           | -                          | -               | -               | (2,982.00)        | -                          | (2,982.00) |
| Final Dividend                             | -                          | -               | -               | -                 | -                          | -          |
| Corporate Dividend tax                     | -                          | -               | -               | (607.06)          | -                          | (607.06)   |
| Buyback of Equity Shares                   | -                          | -               | -               | (362.67)          | -                          | (362.67)   |
| Tax on Buyback                             | -                          | -               | -               | -                 | -                          | -          |
| <b>Balance as at 31.03.2017</b>            | 249.35                     | -               | 2,077.81        | 910.17            | 11.07                      | 3,248.40   |
| <b>Balance as at 01.04.2017</b>            | 249.35                     | -               | 2,077.81        | 910.17            | 11.07                      | 3,248.40   |
| Additions during the year                  | -                          | -               | -               | -                 | -                          | -          |
| Adjustments during the year                | (249.35)                   | -               | (315.55)        | -                 | -                          | (564.90)   |
| Changes in accounting policy               | -                          | -               | -               | -                 | -                          | -          |
| Prior period errors                        | -                          | -               | -               | -                 | -                          | -          |
| Profit during the year                     | -                          | -               | -               | 4,758.51          | -                          | 4,758.51   |
| Other Comprehensive Income during the year | -                          | -               | -               | -                 | 17.88                      | 17.88      |
| Appropriations                             | -                          | -               | -               | -                 | -                          | -          |
| Transfer to / from General reserve         | -                          | -               | 238.06          | (238.06)          | -                          | -          |
| Transfer to / from Other reserves          | -                          | -               | -               | -                 | -                          | -          |
| Interim Dividend                           | -                          | -               | -               | (4,350.00)        | -                          | (4,350.00) |
| Final Dividend                             | -                          | -               | -               | -                 | -                          | -          |
| Corporate Dividend tax                     | -                          | -               | -               | (885.56)          | -                          | (885.56)   |
| Buyback of Equity Shares                   | -                          | -               | -               | -                 | -                          | -          |
| Tax on Buyback                             | -                          | -               | -               | -                 | -                          | -          |
| <b>Balance as at 31.03.2018</b>            | 0.00                       | -               | 2,000.32        | 195.06            | 28.95                      | 2,224.33   |

**NOTES TO THE FINANCIAL STATEMENTS**

( ₹ in Crores)

**NOTE 18: BORROWINGS**

|                            | As at       |                 |
|----------------------------|-------------|-----------------|
|                            | 31.03.2018  | 31.03.2017      |
| <b>Non-Current</b>         |             |                 |
| Term Loans                 |             |                 |
| -From Banks                | 6.50        | 6.13            |
| -From Other Parties        | -           | -               |
| Loans from Related Parties | -           | -               |
| Other Loans                | -           | -               |
| <b>Total</b>               | <u>6.50</u> | <u>6.13</u>     |
| <b>CLASSIFICATION</b>      |             |                 |
| Secured                    | -           | -               |
| Unsecured                  | 6.50        | 6.13            |
| <b>Current</b>             |             |                 |
| Loans repayable on demand  |             |                 |
| -From Banks                | -           | 1,500.00        |
| -From Other Parties        | -           | -               |
| Loans from Related Parties | -           | 700.00          |
| Other Loans                | -           | -               |
| <b>Total</b>               | <u>-</u>    | <u>2,200.00</u> |
| <b>CLASSIFICATION</b>      |             |                 |
| Secured                    | -           | -               |
| Unsecured                  | -           | -               |

**Note:**

- 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 31.03.2018 (net after repayments) is ₹ 7.09 crore.(As at 31.03.2017 ₹ 6.64 crore).

The details of balance are as under:-

|                                               | Euro        | ₹ in crore |
|-----------------------------------------------|-------------|------------|
| Balance as on 01.04.2017                      | 9,56,737.96 | 6.64       |
| Repayment during the year ended on 31.03.2018 | 74,113.58   | 0.57       |
| Translation Difference                        | -           | 1.02       |
| Balance as on 31.03.2018                      | 8,82,624.38 | 7.09       |

Current maturities of long-term debt of ₹ 0.59crore included in balance of ₹ 7.09 crore.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

( ₹ in Crores)

## NOTE - 19 : TRADE PAYABLES

|                                                        | As at             |                   |
|--------------------------------------------------------|-------------------|-------------------|
|                                                        | 31.03.2018        | 31.03.2017        |
| <b>Current</b>                                         |                   |                   |
| Trade Payables for Micro, Small and Medium Enterprises | 0.92              | 1.26              |
| Other Trade Payables for                               |                   |                   |
| - Stores and Spares                                    | 44.34             | 41.52             |
| - Power and Fuel                                       | 2.21              | 0.51              |
| - Others                                               | 525.22            | 360.86            |
| <b>TOTAL</b>                                           | <b>572.69</b>     | <b>404.15</b>     |
| <b>Note:</b>                                           |                   |                   |
| Others: (major items)                                  |                   |                   |
| Coal Transportation Charges                            | 193.23            | 144.96            |
| Outstanding Expenses-Revenue                           | 291.77            | 194.56            |
| CMPDIL                                                 | 37.73             | 35.27             |
|                                                        | <b>522.73</b>     | <b>374.79</b>     |
| Ageing of dues to MSME and interest thereon if any     |                   |                   |
| <b>Period</b>                                          | <b>31.03.2018</b> | <b>31.03.2017</b> |
| Dues within 15 days                                    | 0.34              | 0.42              |
| Dues within 16 to 30 days                              | 0.41              | 0.43              |
| Dues within 31 to 45 days                              | -                 | 0.08              |
| Dues beyond 45 days                                    | 0.17              | 0.33              |
| <b>Total MSME creditors</b>                            | <b>0.92</b>       | <b>1.26</b>       |

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS** (₹ in Crores)

**NOTE - 20 : OTHER FINANCIAL LIABILITIES**

|                                              | As at         |               |
|----------------------------------------------|---------------|---------------|
|                                              | 31.03.2018    | 31.03.2017    |
| <b>Non Current</b>                           |               |               |
| Security Deposits                            | 40.48         | 34.76         |
| Earnest Money                                | -             | -             |
| Others(Security Deposit -Management Trainee) | 4.60          | 5.43          |
| <b>Current</b>                               | <b>45.08</b>  | <b>40.19</b>  |
| Current Account with current                 |               |               |
| - CIL                                        | 27.95         | -             |
| - Subsidiaries                               | -             | -             |
| - Minority Shareholders                      | 0.03          | 0.03          |
| Current maturities of long-term debt         | 0.59          | 0.51          |
| Unpaid dividends                             | -             | -             |
| Security Deposits                            | 120.51        | 105.75        |
| Earnest Money                                | 39.80         | 49.16         |
| Liability for Salary, Wages and Allowances   | 211.62        | 168.61        |
| Others                                       | 227.99        | 187.04        |
| <b>TOTAL</b>                                 | <b>628.49</b> | <b>511.10</b> |

**Note :**

1.Loan repayment Liebherr France during the FY 2018-19 74113.58 euro ₹ 0.59 crore

2.Others (Current):-

|                                                                       |               |               |
|-----------------------------------------------------------------------|---------------|---------------|
| Power & fuel                                                          | 15.05         | 16.19         |
| Others- (major items)                                                 |               |               |
| Repairs & Maintenance: ₹ 52.18 crore                                  |               |               |
| Contractor payment/Bills/OBR jobs: ₹ 13.13 crore                      |               |               |
| Demurrage: ₹ 1.55 crore                                               |               |               |
| Electricity, Salary, Quarterly Bonus: ₹ 0.50 crore                    |               |               |
| Audit fees and expenses : ₹ 0.46 crore                                |               |               |
| Siding Maintenance- 1.16 crore                                        |               |               |
| Maintenance of GPS based OITDS system- 2.44 crore                     | 71.52         | 67.00         |
| Other liabilities- (major items)                                      |               |               |
| Withheld amount of M/s L&T for silo project(lingaraj) : ₹ 31.75 crore |               |               |
| CISPA: ₹ 3.48 crore                                                   |               |               |
| Withheld amount of contractor: ₹ 60.15 crore                          |               |               |
| Security Deposits (explosive): ₹ 25.06 crore                          |               |               |
| Stale cheque/return cheque cancelled: ₹ 7.51 crore                    |               |               |
| Deposit against sale of scrap/discard/Survey of assets ₹ 6.77 crore   | 137.65        | 98.47         |
| Security deposit-MTs                                                  | 3.77          | 5.38          |
| <b>Total</b>                                                          | <b>227.99</b> | <b>187.04</b> |



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

( ₹ in Crores)

## NOTE - 21 : PROVISIONS

|                                      | As at            |                  |
|--------------------------------------|------------------|------------------|
|                                      | 31.03.2018       | 31.03.2017       |
| <b>Non Current</b>                   |                  |                  |
| Employee Benefits                    |                  |                  |
| - Gratuity                           | -                | -                |
| - Leave Encashment                   | 10.75            | 75.55            |
| - Other Employee Benefits            | 63.76            | 128.18           |
|                                      | 74.51            | 203.73           |
| Site Restoration/Mine Closure        | 773.97           | 729.59           |
| Stripping Activity Adjustment        | 16,801.98        | 15,801.34        |
| Others                               | -                | -                |
| <b>TOTAL</b>                         | <b>17,650.46</b> | <b>16,734.66</b> |
| <b>Current</b>                       |                  |                  |
| Employee Benefits                    |                  |                  |
| - Gratuity                           | 202.37           | 48.41            |
| - Leave Encashment                   | 25.45            | 21.56            |
| - Ex- Gratia                         | 118.15           | 109.75           |
| - Performance Related Pay            | 97.95            | 138.15           |
| - Other Employee Benefits            | 244.37           | 152.42           |
| - NCWA X                             | 303.06           | 146.37           |
| - Executive Pay Revision             | 103.71           | 9.78             |
|                                      | 1,095.06         | 626.44           |
| Excise Duty on Closing Stock of Coal | -                | 39.33            |
| Coal Quality variance                | 173.45           | 80.77            |
| Others                               | 66.05            | 283.91           |
| <b>TOTAL</b>                         | <b>1,334.56</b>  | <b>1,030.45</b>  |

## Note:-

1 The Position of various provisions is given below:

| S.No. | Provisions                       | Opening Balance as on 01.04.2017 | Addition/ Write back during | Paid/ Adj during Year | Closing Balance as on 30.09.2017 |
|-------|----------------------------------|----------------------------------|-----------------------------|-----------------------|----------------------------------|
| i     | For Gratuity (Actuarial)         | (8.55)                           | 377.51                      | 223.95                | 145.01                           |
|       | For Gratuity                     | 56.96                            | 34.52                       | 34.12                 | 57.36                            |
| ii    | For Leave Encashment (Actuarial) | 97.11                            | (10.31)                     | 51.62                 | 35.18                            |
|       | For Leave Encashment             | -                                | 1.02                        | -                     | 1.02                             |
| iii   | For Other Employee Benefits      | 280.44                           | 32.91                       | 5.22                  | 308.13                           |
| iv    | For OBR Adjustment Account       | 15,801.34                        | 1,000.65                    | -                     | 16,801.98                        |
| v     | For Mine Closure Plan            | 728.80                           | 44.38                       | -                     | 773.18                           |
| vi    | For Reclamation of land          | 0.79                             | -                           | -                     | 0.79                             |

2 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 year by unwinding the discount to arrive at the provision as on 31.03.2018.

3. Provision for Mine Closure Expenses includes ₹ 4.42 crore on account of provision taken towards stowing and stabilization of unstable workings of Deulbera colliery after adjusting current period expenditure other than salary and wages of ₹ 0.23 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 ₹ 18.21 crore is not separately provided for, as the same forms part of normal Salary & Wages charged to Profit & Loss. ( Non Current)
4. Other Employee benefits (current) includes ₹ 154.34 crore provided for superannuation benefits @ 9.84% as on 31.03.2018.
5. National Coal Wage Agreement (NCWA)-X for non-executive employees effective from 01.07.2016 was finalized on 10th October 2017 and payment of salary to Non executive employees as per NCWA X has been started from October 2017. Provision against arrear salary for NCWA X amounting to ₹ 156.70 crores has been made for the period from 01.04.17 to 30.09.2017 resulting total provision of ₹ 303.06 crores for the period from 01.07.2016 to 30.09.2017. An advance amounting to ₹ 95.51 crores has been paid as an adhoc advance and the same is shown as advances under current asset in Note-11.
6. Department of Public Enterprises (DPE) vide office Memorandum (OM) No. W-02/0028/2017-DPE(WC)-GL-XIII/17 dated 3rd August,2017 has circulated the approval of the Government of India regarding the guidelines of the revision of pay and allowances of Board level Executives and below Board level executives and non unionized supervisors of Central Public Sector Enterprises (CPSEs) w.e.f. 01.01.2017. Pending final implementation of these guidelines, the provision for executive pay revision of ₹ 103.71 crores considering estimate impact of increase in all elements of executive salary (including the employer's PF contribution), other employee benefits and all superannuation benefits as per DPE guidelines, covering the period 01.01.2017 to 31.03.2018, has been made in the financial statements
7. A provision as Coal Quality Variance of ₹ 173.45 Crore (₹ 80.77 Crore as at 31.03.2017) is recognised For sampling results awaited from referee samplers.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****NOTE - 22 : OTHER NON CURRENT LIABILITIES**

(₹ in Crores)

|                              | <b>As at</b>      |                   |
|------------------------------|-------------------|-------------------|
|                              | <b>31.03.2018</b> | <b>31.03.2017</b> |
| Deferred Income (CCDA Grant) | 208.58            | 176.83            |
| <b>Total</b>                 | <b>208.58</b>     | <b>176.83</b>     |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

( ₹ in Crores)

### NOTE - 23 : OTHER CURRENT LIABILITIES

|                                         | As at<br>31.03.2018 | 31.03.2016<br>(Restated) |
|-----------------------------------------|---------------------|--------------------------|
| Capital Expenditure                     | 911.13              | 640.96                   |
| <b>Statutory Dues:</b>                  |                     |                          |
| Goods and Service Tax                   | 135.98              | -                        |
| GST Compensation Cess                   | 546.51              | -                        |
| Sales Tax/Vat                           | 1.48                | 11.02                    |
| Provident Fund & Others                 | 12.68               | 8.62                     |
| Central Excise Duty                     | -                   | 6.92                     |
| Royalty & Cess on Coal                  | 54.13               | 51.52                    |
| Storing Excise Duty                     | 0.00                | 37.70                    |
| Clean Energy Cess                       | 0.00                | 791.77                   |
| National Mineral Exploration Trust      | 2.56                | 3.20                     |
| District Mineral Foundation             | 29.51               | 46.43                    |
| Other Statutory Levies                  | 0.40                | 2.84                     |
| Income Tax deducted/collected at Source | 10.06               | 3.45                     |
|                                         | 793.31              | 963.47                   |
| Advance from customers / others         | 2022.11             | 2325.03                  |
| Tax on Dividend Distribution            | -                   | -                        |
| Others liabilities                      | 30.52               | 29.80                    |
| <b>TOTAL</b>                            | <b>3,757.07</b>     | <b>3,959.26</b>          |

**Note:**

Other liabilities include 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 31.7.2001. The money is refundable to the customers. During the current year, the company has provided interest of ₹ 1.01 crore (for the year ended on 31.03.2017 ₹ 1.01 crore) calculated at the rate of 12% for the unpaid principal amount of the Cess liability. The total liability thus included therein becomes ₹ 30.52 crore as at 31.03.2018. (as at 31.03.2017 ₹ 29.51 crore). The Company could not identify the customers / parties to whom the refund is to be made. Finalisation of modalities for refunding the same to the customers / parties is yet to be done.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

( ₹ in Crores)

## NOTE - 24 : REVENUE FROM OPERATIONS

|                                               | For Year Ended<br>31.03.2018 | For Year ended<br>31.03.2017 |
|-----------------------------------------------|------------------------------|------------------------------|
| <b>A. Sales of Coal</b>                       | 22,379.91                    | 23,443.22                    |
| <b>Less :Other Statutory Levies</b>           |                              |                              |
| Royalty                                       | 1,752.01                     | 1663.66                      |
| Goods and Service Tax                         | 628.65                       | -                            |
| GST Compensation Cess                         | 4,195.91                     | -                            |
| Cess on Coal                                  | -                            | -                            |
| Stowing Excise Duty                           | 33.36                        | 143.01                       |
| Central Sales Tax                             | 49.08                        | 224.06                       |
| Clean Energy Cess                             | 1,334.59                     | 5720.34                      |
| State Sales Tax/VAT                           | 136.37                       | 586.87                       |
| National Mineral Exploration Trust            | 35.03                        | 33.37                        |
| District Mineral Foundation                   | 525.58                       | 846.77                       |
| Other Levies                                  | 16.01                        | 68.19                        |
| <b>Total Levies</b>                           | <b>8,706.59</b>              | <b>9,286.27</b>              |
| <b>Sales (Net) (A)</b>                        | <b>13,673.32</b>             | <b>14,156.95</b>             |
| <b>B. Other Operating Revenue</b>             |                              |                              |
| Facilitation charges for coal import          | -                            | -                            |
| Subsidy for Sand Stowing & Protective Works   | 2.05                         | 2.24                         |
| Loading and additional transportation charges | 838.47                       | 847.92                       |
| Less : Other Statutory Levies                 | 36.17                        | 25.13                        |
|                                               | 802.30                       | 822.79                       |
| Evacuation facilitating Charges               | 214.76                       | -                            |
| Less: Levies                                  | 10.23                        | -                            |
|                                               | <b>204.53</b>                | -                            |
| <b>Other Operating Revenue (Net) (B)</b>      | <b>1,008.88</b>              | <b>825.03</b>                |
| <b>Revenue from Operations (A+B)</b>          | <b>14,682.20</b>             | <b>14,981.98</b>             |

- Subsidy for Sand Stowing & Protective Works includes ₹ 2.05 crores received from Ministry of Coal, Government of India in terms of Coal Mines (Conservation & Development) Act, 1974 towards reimbursement of expenditure incurred for the Sand Stowing & Protective Works during the year ended on 31.03.2018.
- Sales of goods includes excise duty of ₹ 219.66 Crores (31.03.2017 ₹ 951.36 crores) and sales of goods net of excise duty is ₹ 13453.66 crores (31.03.2017 ₹ 13213.09 crores).
- Loading and additional transportation charges includes excise duty of ₹ 10.84 Crores (31.03.2017 ₹ 53.70 crores). Loading and additional transportation charges net of excise duty is ₹ 791.46 crore (31.03.2017 ₹ 761.59 crore).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

( ₹ in Crores)

### NOTE 25 : OTHER INCOME

|                                                  | Year Ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|--------------------------------------------------|-------------------------------------------|-------------------------------------------|
| <b><u>Interest Income</u></b>                    |                                           |                                           |
| Deposits with Banks                              | 858.91                                    | 1088.73                                   |
| Investments                                      | 70.72                                     | 70.53                                     |
| Loans                                            | 100.27                                    | -                                         |
| Funds parked within Group                        | 0.00                                      | 47.64                                     |
| Others                                           | 17.40                                     | 81.66                                     |
| <b><u>Dividend Income</u></b>                    |                                           |                                           |
| Investments in Subsidiaries                      | -                                         | -                                         |
| Investments in Mutual Funds                      | 107.26                                    | 114.45                                    |
| <b><u>Other Non-Operating Income</u></b>         |                                           |                                           |
| Profit on Sale of Assets                         | 0.24                                      | 0.05                                      |
| Gain on Foreign exchange Transactions            | -                                         | 0.59                                      |
| Exchange Rate Variance                           | -                                         | -                                         |
| Lease Rent                                       | 17.19                                     | 1.96                                      |
| Liability / Provision Write Backs                | 1.68                                      | 0.02                                      |
| Excise Duty on Decrease in Stock                 | -                                         | 16.07                                     |
| Miscellaneous Income                             | 38.22                                     | 62.31                                     |
| <b>Total</b>                                     | <b>1,211.89</b>                           | <b>1,484.01</b>                           |
| <b>Note</b>                                      |                                           |                                           |
| 1 Others:                                        |                                           |                                           |
| Interest on I.T.Refunds                          | 0.00                                      | 71.95                                     |
| Int. on Loans/Advances to Outside Parties        | 2.01                                      | 3.35                                      |
| Interest from subsidiaries                       | 0.00                                      |                                           |
| Interest earned on Group Leave encashment Scheme | 15.37                                     | 6.35                                      |
| Interest on employee loans                       | 0.02                                      | 0.01                                      |
|                                                  | 17.40                                     | 81.66                                     |
| 2 Miscellaneous income includes (major items)    |                                           |                                           |
| Penalty, LD recovered from suppliers             | 3.06                                      |                                           |
| Penalty recovered from customers                 | 12.65                                     |                                           |
| Penalty from Contractors & Others                | 4.18                                      |                                           |
| Forfeiture of EMD /SD from contractors/Suppliers | 9.35                                      |                                           |
| Sale of scraps                                   | 2.79                                      |                                           |
|                                                  | 32.03                                     |                                           |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

( ₹ in Crores)

## NOTE 26 : COST OF MATERIALS CONSUMED

|                                  | Year Ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|----------------------------------|-------------------------------------------|-------------------------------------------|
| Explosives                       | 135.96                                    | 132.77                                    |
| Timber                           | 0.28                                      | 0.36                                      |
| Oil & Lubricants                 | 288.82                                    | 277.15                                    |
| HEMM Spares                      | 125.37                                    | 120.86                                    |
| Other Consumable Stores & Spares | 54.13                                     | 52.46                                     |
| <b>Total</b>                     | <b>604.56</b>                             | <b>583.60</b>                             |

| NOTE :                           | Opening      | Addition/<br>adjustments | Closing      |
|----------------------------------|--------------|--------------------------|--------------|
| Explosives                       | 2.28         | 135.90                   | 2.22         |
| Timber                           | 0.15         | 0.13                     | -            |
| Oil & Lubricants                 | 8.33         | 287.79                   | 7.30         |
| HEMM Spares                      | 53.16        | 126.21                   | 54.00        |
| Other Consumable Stores & Spares | 14.62        | 55.33                    | 15.82        |
|                                  | <u>78.54</u> | <u>605.36</u>            | <u>79.34</u> |

## NOTE 27 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

( ₹ in Crores )

|                                                                            | Year Ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|----------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Opening Stock of Coal                                                      | 254.7                                     | 346.83                                    |
| Add: Adjustment of opening stock                                           | (39.33)                                   | -                                         |
| Less: Deterioration of Coal                                                | - 215.37                                  | - 346.83                                  |
|                                                                            | <u>400.78</u>                             | <u>254.70</u>                             |
| Closing Stock of Coal                                                      | 400.78                                    | 254.70                                    |
| Less: Deterioration of Coal                                                | - 400.78                                  | - 254.70                                  |
| A Change in Inventory of Coal                                              | (185.41)                                  | 92.13                                     |
| Opening Stock of Workshop made finished goods and WIP                      | 6.71                                      | 12.10                                     |
| Add: Adjustment of Opening Stock                                           | -                                         | -                                         |
| Less: Provision                                                            | - 6.71                                    | - 12.10                                   |
|                                                                            | <u>9.84</u>                               | <u>6.71</u>                               |
| Closing Stock of Workshop made finished goods and WIP                      | 9.84                                      | 6.71                                      |
| Less: Provision                                                            | - 9.84                                    | - 6.71                                    |
| B Change in Inventory of workshop                                          | (3.13)                                    | 5.39                                      |
| Press Opening Job                                                          |                                           |                                           |
| i) Finished Goods                                                          | -                                         | -                                         |
| ii) Work in Progress                                                       | -                                         | -                                         |
| Less: Press Closing Job                                                    |                                           |                                           |
| i) Finished Goods                                                          | -                                         | -                                         |
| ii) Work in Progress                                                       | -                                         | -                                         |
| C Change in Inventory of Closing Stock of Press Job                        | -                                         | -                                         |
| Change in Inventory of Stock in trade (A+B+C) { Decretion / ( Accretion) } | <u>(188.54)</u>                           | <u>97.52</u>                              |

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

| <b>NOTE 28 : EMPLOYEE BENEFITS EXPENSES</b>             | ( ₹ in Crores)                                   |                                                  |
|---------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
|                                                         | <b>Year Ended<br/>31<sup>st</sup> March 2018</b> | <b>Year ended<br/>31<sup>st</sup> March 2017</b> |
| Salary, Wages, Allowances ,Bonus etc.                   | 1,714.94                                         | 1,544.75                                         |
| Provision for National Coal Wages Agreement (NCWA) - X* | 156.50                                           | 146.01                                           |
| Executive Pay Revision - Provision                      | 93.93                                            | 9.78                                             |
| Ex-Gratia                                               | 118.83                                           | 112.38                                           |
| Performance Related Pay                                 | 16.47                                            | 21.09                                            |
| Contribution to P.F. & Other Funds                      | 223.75                                           | 204.91                                           |
| Gratuity                                                | 411.76                                           | 57.38                                            |
| Leave Encashment                                        | 72.75                                            | 106.01                                           |
| VRS                                                     | -                                                | -                                                |
| Workman Compensation                                    | 0.49                                             | 0.76                                             |
| Medical Expenses for existing employees                 | 47.29                                            | 43.69                                            |
| Medical Expenses for retired employees                  | 9.44                                             | 5.29                                             |
| Grants to Schools & Institutions                        | 32.08                                            | 26.04                                            |
| Sports & Recreation                                     | 5.02                                             | 4.92                                             |
| Canteen & Creche                                        | 1.36                                             | 1.03                                             |
| Power - Township                                        | 57.83                                            | 57.23                                            |
| Hire Charges of Bus, Ambulance etc.                     | 4.54                                             | 3.92                                             |
| Other Employee Benefits                                 | 35.95                                            | 24.03                                            |
|                                                         | <b>3,002.93</b>                                  | <b>2,369.22</b>                                  |

\* Refer footnote no. 5 in Note. 21

\*\* Refer footnote no. 6 in Note 21

- 1 “The NCWA -X for the year ended 31.03.2018 above includes ₹ 39.82Crore relating to the Period 01.07.2016 to 31.03.2017.”
- 2 As per the Payment of Gratuity (Amendment) Act, 2018 and the notification issued thereafter, the ceiling for maximum gratuity has been increased from Rs.10 lakh to Rs.20 lakh w.e.f. 29.03.2018 Gratuity for the year ended 31.03.2018 above includes ₹ 354.97 Crore for impact of above change in gratuity ceiling.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 29 : CORPORATE SOCIAL RESPONSIBILITY EXPENSE ( ₹ in Crores)

|              | As at                        |                              |
|--------------|------------------------------|------------------------------|
|              | For Year ended<br>31.03.2018 | For Year ended<br>31.03.2017 |
| CSR Expenses | 267.52                       | 166.60                       |
| <b>Total</b> | <b>267.52</b>                | <b>166.60</b>                |

### NOTE 30 : REPAIRS

( ₹ in Crores)

|                   | As at                        |                              |
|-------------------|------------------------------|------------------------------|
|                   | For Year ended<br>31.03.2018 | For Year ended<br>31.03.2017 |
| Building          | 69.73                        | 57.91                        |
| Plant & Machinery | 56.67                        | 57.17                        |
| Others            | 2.93                         | 3.49                         |
| <b>Total</b>      | <b>129.33</b>                | <b>118.57</b>                |

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 31 : CONTRACTUAL EXPENSES**

( ₹ in Crores)

|                                | As at                        |                              |
|--------------------------------|------------------------------|------------------------------|
|                                | For Year ended<br>31.03.2018 | For Year ended<br>31.03.2017 |
| Transportation Charges :       |                              |                              |
| - Sand                         | 0.03                         | 0.01                         |
| - Coal                         | 1,180.87                     | 1,173.56                     |
| - Stores & Others              | 0.03                         | -                            |
| Wagon Loading                  | 68.61                        | 80.37                        |
| Hiring of Plant and Equipments | 1,177.65                     | 983.20                       |
| Other Contractual Work         | 53.45                        | 49.80                        |
| <b>Total</b>                   | <b>2,480.64</b>              | <b>2,286.94</b>              |

**NOTE 32 : FINANCE COSTS**

( ₹ in Crores)

|                                           | As at                        |                              |
|-------------------------------------------|------------------------------|------------------------------|
|                                           | For Year ended<br>31.03.2018 | For Year ended<br>31.03.2017 |
| <b>Interest Expenses</b>                  |                              |                              |
| Borrowings                                | 14.05                        | 0.38                         |
| Unwinding of discounts (Site Restoration) | 51.15                        | 47.05                        |
| Funds parked within Group                 | -                            | -                            |
| Others                                    | 8.06                         | 7.57                         |
| <b>Total</b>                              | <b>73.26</b>                 | <b>55.00</b>                 |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crores)

## NOTE 33 : PROVISIONS (NET OF REVERSAL)

|                                                                        | As at                        |                              |
|------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                        | For Year ended<br>31.03.2018 | For Year ended<br>31.03.2017 |
| <b>(A) Allowances/Provision made for</b>                               |                              |                              |
| Doubtful debts                                                         | 19.64                        | 71.77                        |
| Coal Quality Variance                                                  | 173.45                       | 80.77                        |
| Doubtful Advances & Claims                                             | 0.08                         | 0.14                         |
| Stores & Spares                                                        | 6.68                         | 1.96                         |
| Others                                                                 | 55.83                        | 289.09                       |
| <b>Total(A)</b>                                                        | <b>255.68</b>                | <b>443.73</b>                |
| <b>(B) Allowances/ Provision Reversal</b>                              |                              |                              |
| Doubtful debts                                                         | 99.03                        | -                            |
| Coal Quality Variance                                                  | 80.77                        | -                            |
| Doubtful Advances & Claims                                             | 0.02                         | 0.05                         |
| Stores & Spares                                                        | -                            | 1.19                         |
| Others                                                                 | 269.95                       | 0.16                         |
| <b>Total(B)</b>                                                        | <b>449.77</b>                | <b>1.40</b>                  |
| <b>Total (A-B)</b>                                                     | <b>(194.09)</b>              | <b>442.33</b>                |
| Note:                                                                  |                              |                              |
| 1 <b>Others:- Created</b>                                              |                              |                              |
| Capital WIP                                                            | 0.53                         | 0.64                         |
| Surveyed off                                                           | 0.37                         | 4.47                         |
| Claims receivables                                                     | 3.44                         | 14.19                        |
| Misc Advance                                                           | -                            | 0.06                         |
| Excise Duty                                                            | -                            | 115.86                       |
| Clean Energy Cess                                                      | -                            | 153.87                       |
|                                                                        | 4.34                         | 289.09                       |
| <b>Others:- Reversal</b>                                               |                              |                              |
| Stowing and stabilization of unstable workings<br>of Deulbera colliery | 0.22                         | 0.16                         |
| Excise Duty                                                            | 115.86                       | -                            |
| Clean Energy Cess                                                      | 153.87                       | -                            |
| Surveyed off                                                           | -                            | -                            |
|                                                                        | 269.95                       | 0.16                         |

2 Note : A provision as Coal Quality Variance of ₹ 173.45 Crore (₹ 80.77 Crore) is recognised for sampling results awaited from referee samplers.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

| NOTE 34 : WRITE OFF ( Net of past provisions ) | ( ₹ in Crores)               |                              |
|------------------------------------------------|------------------------------|------------------------------|
|                                                | As at                        |                              |
|                                                | For Year ended<br>31.03.2018 | For Year ended<br>31.03.2017 |
| Doubtful debts                                 | -                            |                              |
| Less :- Provided earlier                       | -                            |                              |
|                                                | -                            | -                            |
| Doubtful advances                              | -                            |                              |
| Less :- Provided earlier                       | -                            |                              |
|                                                | -                            | -                            |
| Stock of Coal                                  | -                            |                              |
| Less :- Provided earlier                       | -                            |                              |
|                                                | -                            | -                            |
| Others                                         | -                            |                              |
| Less :- Provided earlier                       | -                            |                              |
|                                                | -                            | -                            |
| <b>Total</b>                                   | <u>-</u>                     | <u>-</u>                     |
|                                                | <u>-</u>                     | <u>-</u>                     |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

( ₹ in Crores)

## NOTE 35 : OTHER EXPENSES

|                                              | As at                        |                              |
|----------------------------------------------|------------------------------|------------------------------|
|                                              | For Year ended<br>31.03.2018 | For Year ended<br>31.03.2017 |
| Travelling expenses                          |                              |                              |
| - Domestic                                   | 14.93                        | 14.75                        |
| - Foreign                                    | 0.09                         | 0.36                         |
| Training Expenses                            | 7.42                         | 11.98                        |
| Telephone & Postage                          | 6.44                         | 4.25                         |
| Advertisement & Publicity                    | 14.30                        | 5.48                         |
| Freight Charges                              | 0.05                         | 0.08                         |
| Demurrage                                    | 1.44                         | 4.70                         |
| Donation/Subscription                        | 0.13                         | 0.12                         |
| Security Expenses                            | 106.44                       | 66.60                        |
| Service Charges of CIL                       | 143.22                       | 70.30                        |
| Hire Charges                                 | 38.30                        | 35.00                        |
| CMPDI Charges                                | 17.17                        | 22.44                        |
| Legal Expenses                               | 1.69                         | 1.19                         |
| Bank Charges                                 | 0.01                         | 0.03                         |
| Guest House Expenses                         | 2.41                         | 2.46                         |
| Consultancy Charges                          | 1.23                         | 1.60                         |
| Under Loading Charges                        | 35.60                        | 16.83                        |
| Loss on Sale/Discard/Surveyed of Assets      | 0.98                         | 0.82                         |
| Auditor's Remuneration & Expenses            |                              | -                            |
| - For Audit Fees                             | 0.16                         | 0.16                         |
| - For Taxation Matters                       | -                            | -                            |
| - For Other Services                         | 0.13                         | 0.13                         |
| - For Reimbursement of Exps.                 | 0.20                         | 0.24                         |
| Internal & Other Audit Expenses              | 2.08                         | 2.57                         |
| Rehabilitation Charges                       | 82.96                        | 85.81                        |
| Royalty & Cess                               | 0.18                         | 0.19                         |
| SBC & KKC on Royalty and Stowing Excise Duty | 4.85                         | 21.61                        |
| Central Excise Duty                          | -                            | -                            |
| GST                                          |                              | -                            |
| Rent                                         | 0.42                         | 0.90                         |
| Rates & Taxes                                | 24.93                        | 34.76                        |
| Insurance                                    | 0.41                         | 0.52                         |
| Loss on Foreign Exchange Transactions        | -                            | -                            |
| Loss on Exchange Rate Variance               | 1.02                         | -                            |
| Lease Rent                                   | 0.07                         | -                            |
| Rescue/Safety Expenses                       | 2.41                         | 2.39                         |
| Dead Rent/Surface Rent                       | 0.19                         | 0.45                         |
| Siding Maintenance Charges                   | 32.63                        | 22.34                        |
| Land/Crops Compensation                      | 0.08                         | 0.07                         |
| R & D expenses                               | 0.79                         | 0.86                         |
| Environmental & Tree Plantation Expenses     | 16.17                        | 17.89                        |
| Expenses on buyback of shares                | 0.03                         | 0.33                         |
| Miscellaneous expenses                       | 86.97                        | 231.16                       |
| <b>Total</b>                                 | <b>648.53</b>                | <b>681.37</b>                |

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

( ₹ in Crores)

**NOTE 36 : TAX EXPENSE**

|                        | As at                        |                              |
|------------------------|------------------------------|------------------------------|
|                        | For Year ended<br>31.03.2018 | For Year ended<br>31.03.2017 |
| Current Year           | 2,532.40                     | 2325.80                      |
| Deferred tax           | 45.97                        | 42.36                        |
| MAT Credit Entitlement | -                            | -                            |
| Earlier Years          | -                            | (5.45)                       |
| <b>Total</b>           | <b>2,578.37</b>              | <b>2,362.71</b>              |

**Reconciliation of tax expenses and the accounting profit multiplied by India's domestic Tax rate for 31.03.2018**

|                                                                                   |                 |                 |
|-----------------------------------------------------------------------------------|-----------------|-----------------|
| <b>Profit/(Loss) before tax</b>                                                   | 7339.66         | 6,854.72        |
| <b>At India's statutory income tax rate of 34.6081% (31 March 2017: 34.6081%)</b> | 2,540.12        | 2,372.29        |
| Less : Adjustment in respect of current income tax of previous year               | 4.89            | 1.27            |
| Less: Income exempt form Tax                                                      | (61.60)         | (64.02)         |
| Less: share of results of associates and Joint venture                            | -               | -               |
| Add: Non-deductible expenses for tax purposes                                     | 385.46          | 303.86          |
| Less: Additional Expenses allowed as per Income Tax                               | (336.48)        | (287.61)        |
| <b>Income Tax Expenses reported in statement of Profit &amp; Loss</b>             | <b>2,532.39</b> | <b>2,325.80</b> |
| <b>Effective income tax rate :</b>                                                | 34.50%          | 33.93%          |

**Deferred tax liability relates to following:**

**Deferred Tax Liability**

|                                              |                 |                 |
|----------------------------------------------|-----------------|-----------------|
| Related to Property, Plant and Equipment     | 123.47          | 55.95           |
| Others                                       | 241.87          | 257.35          |
| <b>Total Deferred Tax Liability</b>          | <b>365.34</b>   | <b>313.30</b>   |
| <b>Deferred Tax Asset</b>                    |                 |                 |
| Related to Trade Receivables                 | 9.68            | 36.89           |
| Employee Benefits                            | 67.75           | 34.88           |
| Others                                       | 40.12           | 39.71           |
| <b>Total Deferred Tax Asset</b>              | <b>117.55</b>   | <b>111.48</b>   |
| <b>Net Deffered Tax Asset/ (Liabilities)</b> | <b>(247.79)</b> | <b>(201.82)</b> |

- 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 31 March 2018, deferred tax liability of ₹ 45.97 Crores (31 March 2017: ₹ 42.36 Crores ) recognised for all taxable temporary differences. There are no temporary differences associated with investments in subsidiaries, associate and joint venture, for which no deferred tax liability has been recognised.
- c) During the year ended 31 March, 2018, the group has paid Interim Dividend of Rs. 4,350 crores to its shareholders. This has resulted in payment of DDT of Rs. 885.56 crores to the taxation authorities. The group believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

( ₹ in Crores)

## NOTE 37 : OTHER COMPREHENSIVE INCOME

As at

|                                                                                             | For Year ended<br>31.03.2018 | For Year ended<br>31.03.2017 |
|---------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>(A) (i) Items that will not be reclassified to profit or loss</b>                        |                              |                              |
| Changes in revaluation surplus                                                              | -                            | -                            |
| Remeasurement of defined benefit plans                                                      | 27.34                        | (1.40)                       |
| Equity instrument through OCI                                                               | -                            | -                            |
| Fair value changes relating to own credit risk of financial liabilities designated at FVTPL | -                            | -                            |
| Share of OCI in Joint ventures                                                              | -                            | -                            |
|                                                                                             | 27.34                        | (1.40)                       |
| <b>(ii) Income tax relating to items that will not be reclassified to profit or loss</b>    |                              |                              |
| Changes in revaluation surplus                                                              | -                            | -                            |
| Remeasurement of defined benefit plans                                                      | 9.46                         | (0.48)                       |
| Equity instrument through OCI                                                               | -                            | -                            |
| Fair value changes relating to own credit risk of financial liabilities designated at FVTPL | -                            | -                            |
| Share of OCI in Joint ventures                                                              | -                            | -                            |
|                                                                                             | 9.46                         | (0.48)                       |
| <b>Total (A)</b>                                                                            | <b>17.88</b>                 | <b>(0.92)</b>                |
| <b>(B) (i) Items that will be reclassified to profit or loss</b>                            |                              |                              |
| Exchange differences in translating the financial statements of a foreign operation         | -                            | -                            |
| Debt instrument through OCI                                                                 | -                            | -                            |
| The effective portion of gains and loss on hedging instruments in a cash flow hedge         | -                            | -                            |
| Share of OCI in Joint ventures                                                              | -                            | -                            |
|                                                                                             | -                            | -                            |
| <b>(ii) Income tax relating to items that will be reclassified to profit or loss</b>        |                              |                              |
| Exchange differences in translating the financial statements of a foreign operation         | -                            | -                            |
| Debt instrument through OCI                                                                 | -                            | -                            |
| The effective portion of gains and loss on hedging instruments in a cash flow hedge         | -                            | -                            |
| Share of OCI in Joint ventures                                                              | -                            | -                            |
|                                                                                             | -                            | -                            |
| <b>Total (B)</b>                                                                            | -                            | -                            |
| <b>Total (A+B)</b>                                                                          | <b>17.88</b>                 | <b>(0.92)</b>                |

**NOTE – 38:**  
**ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018 (CONSOLIDATION)**

**1. Fair Value measurement**

**(a) Financial Instruments by Category**

( ₹ in Crores)

|                                                   | 31 <sup>st</sup> March 2018 |        |                | 31 <sup>st</sup> March 2017 |        |                |
|---------------------------------------------------|-----------------------------|--------|----------------|-----------------------------|--------|----------------|
|                                                   | FVTPL                       | FVTOCI | Amortised cost | FVTPL                       | FVTOCI | Amortised cost |
| <b>Financial Assets</b>                           |                             |        |                |                             |        |                |
| <b>Investments :</b>                              |                             |        |                |                             |        |                |
| <b>Secured Bonds</b>                              |                             |        | 958.70         |                             |        | 958.70         |
| <b>Equity share in Subsidiary Companies</b>       |                             |        | -              |                             |        | -              |
| <b>Preference Share in Subsidiary Mutual Fund</b> | 0.00                        |        | NIL            | NIL                         |        | NIL            |
| <b>Loans</b>                                      |                             |        | 1001.14        | 202.00                      |        | 1201.38        |
| <b>Deposits &amp; receivable</b>                  |                             |        | 1579.33        |                             |        | 1694.89        |
| <b>Trade receivables</b>                          |                             |        | 606.86         |                             |        | 1054.44        |
| <b>Cash &amp; cash equivalents</b>                |                             |        | 205.49         |                             |        | 372.55         |
| <b>Other Bank Balances</b>                        |                             |        | 13168.31       |                             |        | 14741.62       |
| <b>Financial Liabilities</b>                      |                             |        |                |                             |        |                |
| <b>Borrowings</b>                                 |                             |        | 6.50           |                             |        | 2206.13        |
| <b>Trade payables</b>                             |                             |        | 572.69         |                             |        | 404.15         |
| <b>Security Deposit and Earnest money</b>         |                             |        | 209.16         |                             |        | 200.48         |
| <b>Other Liabilities</b>                          |                             |        | 464.41         |                             |        | 350.81         |

**(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. An explanation of each level follows underneath the table.



| Financial assets and liabilities measured at fair value – recurring fair value measurement | 31 <sup>st</sup> March 2018 |          |           | 31 <sup>st</sup> March 2017 |          |           |
|--------------------------------------------------------------------------------------------|-----------------------------|----------|-----------|-----------------------------|----------|-----------|
|                                                                                            | Level I                     | Level II | Level III | Level I                     | Level II | Level III |
| <b>Financial Assets at FVTPL</b>                                                           |                             |          |           |                             |          |           |
| Investments :                                                                              |                             |          |           |                             |          |           |
| Mutual Fund                                                                                | -                           | -        | -         | 202.00                      | -        | -         |
| <b>Financial Liabilities</b>                                                               |                             |          |           |                             |          |           |
| If any item                                                                                | -                           | -        | -         | -                           | -        | -         |

| Financial assets and liabilities measured at amortised cost for which fair values are disclosed at 31 <sup>st</sup> March, 2018 | 31 <sup>st</sup> March 2018 |          |           | 31 <sup>st</sup> March 2017 |          |           |
|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------|-----------|-----------------------------|----------|-----------|
|                                                                                                                                 | Level I                     | Level II | Level III | Level I                     | Level II | Level III |
| <b>Financial Assets at FVTPL</b>                                                                                                |                             |          |           |                             |          |           |
| Investments :                                                                                                                   |                             |          |           |                             |          |           |
| Equity Shares in JV                                                                                                             | -                           | -        | -         | -                           | -        | -         |
| Mutual Fund                                                                                                                     | -                           | -        | -         | -                           | -        | -         |
|                                                                                                                                 |                             |          |           |                             |          |           |
| <b>Financial Liabilities</b>                                                                                                    |                             |          |           |                             |          |           |
| Preference Share                                                                                                                | -                           | -        | -         | -                           | -        | -         |
| Borrowings                                                                                                                      | -                           | -        | 6.50      | -                           | -        | 2206.13   |
| Trade payables                                                                                                                  | -                           | -        | 572.69    | -                           | -        | 404.15    |
| Security Deposit and Earnest money                                                                                              | -                           | -        | 209.16    | -                           | -        | 200.48    |
| Other Liabilities                                                                                                               | -                           | -        | 464.41    | -                           | -        | 350.81    |

The Group uses the judgments and estimates in determining the fair values of the financial instruments that are recognised and measured at fair value. 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. An explanation of each level is given below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

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.

**(a) Valuation technique used in determining fair value**

Valuation techniques used to value financial instruments include the use of quoted market prices of instruments

**(b) Fair value measurements using significant unobservable inputs**

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

**(c) 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 milestone payments (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.

**2. FINANCIAL RISK MANAGEMENT**

**Financial risk management objectives and policies**

The Group's principal financial liabilities comprise loans and borrowings, 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 is 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.

The Group is exposed to market risk, credit risk and liquidity risk. 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 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 arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as including outstanding receivables.

**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**

As contemplated in and in accordance with the terms of the NCDP, we enter 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.

**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 31.03.2018

(₹ 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          | 423.96           | 47.02            | 27.34          | 47.96          | 60.44          | 30.28                    | 637.00 |
| Expected loss rate             | -                | -                | -              | -              | -              | 99.54%                   | 4.73%  |
| Expected credit loss allowance | -                | -                | -              | -              | -              | 30.14                    | 30.14  |

As on 31.03.2017

(₹ 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          | 559.48           | 401.44           | 96.46          | 77.19          | 1.12           | 28.28                    | 1163.97 |
| Expected loss rate             | -                | 2.34%            | 73.64%         | 2.25%          | 96.43%         | 93.00%                   | 9.41%   |
| Expected credit Loss allowance | -                | 9.38             | 71.03          | 1.74           | 1.08           | 26.30                    | 109.53  |

## Reconciliation of loss allowance provision – Trade receivables

|                                   | ₹ in crores |
|-----------------------------------|-------------|
| <b>Loss allowance on 31.03.17</b> | 109.53      |
| Change in loss allowance          | (79.39)     |
| <b>Loss allowance on 31.03.18</b> | 30.14       |

**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 below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Group in accordance with practice and limits set by the Group.

**(i) Maturities of financial liabilities**

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ in crore)

| <b>Contractual maturities of financial liabilities 31.03.2018</b> | <b>Less than 3 months</b> | <b>3 months to 6 months</b> | <b>6 months to 1 year</b> | <b>1 year to 2 years</b> | <b>2 year to 5 years</b> | <b>Total</b> |
|-------------------------------------------------------------------|---------------------------|-----------------------------|---------------------------|--------------------------|--------------------------|--------------|
| Borrowings                                                        | -                         | -                           | -                         | 0.59                     | 5.91                     | 6.50         |
| Obligation under finance lease                                    | -                         | -                           | -                         | -                        | -                        | -            |
| Trade payables                                                    | 572.69                    | -                           | -                         | -                        | -                        | 572.69       |
| Other financial liabilities                                       | 570.43                    | 2.81                        | 55.25                     | 10.61                    | 34.47                    | 673.57       |
| <b>Total</b>                                                      | 1143.12                   | 2.81                        | 55.25                     | 11.21                    | 40.37                    | 1252.76      |

| Contractual maturities<br>of financial liabilities<br>31.03.2017 | Less than<br>3 months | 3 months<br>to 6<br>months | 6 months<br>to 1 year | 1 year to<br>2 years | 2 year to<br>5 years | Total   |
|------------------------------------------------------------------|-----------------------|----------------------------|-----------------------|----------------------|----------------------|---------|
| Borrowings                                                       | 2200.00               | -                          | -                     | 0.51                 | 5.62                 | 2206.13 |
| Obligation under finance<br>lease                                | -                     | -                          | -                     | -                    | -                    | -       |
| Trade payables                                                   | 385.52                | 18.22                      | 0.41                  | -                    | -                    | 404.15  |
| Other financial liabilities                                      | 378.40                | 28.91                      | 103.79                | 24.25                | 15.94                | 551.29  |
| <b>Total</b>                                                     | 2963.92               | 47.13                      | 104.20                | 24.76                | 21.56                | 3161.57 |

### C. Market risk

#### a) Foreign currency risk

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 Group is as follows:** (₹ in crore)

|                                             | 31.03.2018 | 31.03.2017 |
|---------------------------------------------|------------|------------|
| <b>Equity Share capital</b>                 | 706.13     | 141.23     |
| <b>Preference share capital</b>             | NIL        | NIL        |
| <b>Long term debt</b>                       | 6.50       | 6.13       |
| <b>Current maturities of long-term debt</b> | 0.59       | 0.51       |

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

i) 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), which invests the fund in permitted securities. The contribution towards the fund during the year ended is ₹ 223.75 Crores (₹ 204.91 Crore as on 31.03.2017) has been recognized in the Statement of Profit & Loss (Note 28).

ii) The Group operates some defined benefit plans as follows which are valued on actuarial basis:

**(a) Funded**

- Gratuity
- Leave Encashment

**(b) Unfunded**

- Life Cover Scheme
- Settlement Allowance
- Group Personal Accident Insurance
- Leave Travel Concession
- Medical Benefits
- Compensation to dependent on Mine Accident Benefits

Total liability as on 31.03.2018 based on valuation made by the Actuary, details of which are mentioned below is ₹ 1522.36 Crores.

(₹ in Crores)

| Head                                     | Opening Actuarial Liability as on 01.04.2017 | Incremental Liability during the year | Closing Actuarial Liability as on 31.03.2018 |
|------------------------------------------|----------------------------------------------|---------------------------------------|----------------------------------------------|
| Gratuity                                 | 718.74                                       | 355.18                                | 1073.92                                      |
| Earned Leave                             | 245.66                                       | 1.85                                  | 247.51                                       |
| Half Pay Leave                           | 55.02                                        | (12.16)                               | 42.86                                        |
| Life Cover Scheme                        | 5.68                                         | (0.23)                                | 5.45                                         |
| Settlement Allowance Executives          | 4.61                                         | 1.33                                  | 5.94                                         |
| Settlement Allowance Non-executives      | 8.69                                         | (0.26)                                | 8.43                                         |
| Group Personal Accident Insurance Scheme | 0.12                                         | (0.01)                                | 0.11                                         |

MAHANADI COALFIELDS LIMITED AND ITS SUBSIDIARIES

|                                                             |                |               |                |
|-------------------------------------------------------------|----------------|---------------|----------------|
| Leave Travel Concession                                     | 42.23          | 3.21          | 45.44          |
| Medical Benefits Executives                                 | 70.41          | 7.15          | 77.56          |
| Medical Benefits Non-Executives                             | 0.50           | 0.73          | 1.23           |
| Compensation to dependents in case of mine accidental death | 13.49          | 0.42          | 13.91          |
| <b>Total</b>                                                | <b>1165.15</b> | <b>357.21</b> | <b>1522.36</b> |

iii) **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 31.03.2018  
CERTIFICATES AS PER IND AS 19 (2015)**

(₹ in Crore)

| Changes in Present Value of defined benefit obligations                      | As at<br>31.03.2018 | As at<br>31.03.2017 |
|------------------------------------------------------------------------------|---------------------|---------------------|
| Present Value of obligation at beginning of the period                       | 718.74              | 686.00              |
| Current Service Cost                                                         | 53.43               | 56.85               |
| Interest Cost                                                                | 52.43               | 46.69               |
| Plan Amendments: Vested Portion at end of period (Past Service)              | 354.97              | -                   |
| Actuarial (Gain) / Loss on obligations due to change in financial assumption | (50.13)             | 43.54               |
| Actuarial (Gain) / Loss on obligations due to unexpected experience          | 21.96               | (30.24)             |
| Benefits Paid                                                                | 77.48               | 84.10               |
| Present Value of obligation at end of the period                             | 1073.92             | 718.74              |

(₹ in Crores)

| Changes in Fair Value of Plan Assets                | As at<br>31.03.2018 | As at<br>31.03.2017 |
|-----------------------------------------------------|---------------------|---------------------|
| Fair Value of Plan Asset at beginning of the period | 727.20              | 669.61              |
| Interest Income                                     | 56.07               | 48.55               |
| Employer Contributions                              | 223.45              | 81.24               |
| Benefits Paid                                       | 77.48               | 84.10               |
| Return on Plan Assets excluding Interest income     | (0.83)              | 11.90               |
| Fair Value of Plan Asset as at end of the period    | 928.41              | 727.20              |



( ₹ in Crores )

| <b>Statement showing reconciliation to Balance Sheet</b>  | <b>As at 31.03.2018</b> | <b>As at 31.03.2017</b> |
|-----------------------------------------------------------|-------------------------|-------------------------|
| Funded Status                                             | (145.51)                | 8.46                    |
| Unrecognized actuarial (gain) / loss at end of the period | -                       | -                       |
| Fund Asset                                                | 928.41                  | 727.20                  |
| Fund Liability                                            | 1073.92                 | 718.74                  |

| <b>Statement showing Plan Assumptions:</b>               | <b>As at 31.03.2018</b>                           | <b>As at 31.03.2017</b>                           |
|----------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| Discount Rate                                            | 7.71%                                             | 7.25%                                             |
| Expected Return on Plan Asset                            | 7.71%                                             | 7.25%                                             |
| Rate of Compensation Increase (Salary Inflation)         | 9.00% for Executives and 6.25% for Non-Executives | 9.00% for Executives and 6.50% for Non-Executives |
| Average Expected Future Service (Remaining Working Life) | 14                                                | 11                                                |
| Mortality Table                                          | IALM 2006-2008 ULTIMATE                           |                                                   |
| Superannuation at Age(Male & Female)                     | 60                                                | 60                                                |
| Early Retirement and Disablement                         | 0.30%                                             | 1.00%                                             |

( ₹ in Crores )

| <b>Expense Recognized in Statement of Profit / Loss</b>       | <b>As at 31.03.2018</b> | <b>As at 31.03.2017</b> |
|---------------------------------------------------------------|-------------------------|-------------------------|
| Current Service Cost                                          | 53.43                   | 56.85                   |
| Past Service Cost (vested)                                    | 354.97                  | -                       |
| Net Interest Cost                                             | (3.64)                  | (1.86)                  |
| Benefit Cost (Expense recognised in Statement of Profit/Loss) | 404.76                  | 54.99                   |

| <b>Other Comprehensive Income</b>                                              | <b>As at 31.03.2018</b> | <b>As at 31.03.2017</b> |
|--------------------------------------------------------------------------------|-------------------------|-------------------------|
| Actuarial (Gain) / Loss on obligations due to change in financial assumption   | (50.13)                 | 43.54                   |
| Actuarial (Gain) / Loss on obligations due to unexpected experience            | 21.96                   | (30.24)                 |
| Total Actuarial (Gain) / Loss                                                  | (28.17)                 | 13.30                   |
| Return on Plan Asset, excluding Interest Income                                | (0.83)                  | 11.90                   |
| Balance at the end of the period                                               | (27.34)                 | 1.40                    |
| Net (Income) / Expense for the period recognised in Other Comprehensive Income | (27.34)                 | 1.40                    |

MAHANADI COALFIELDS LIMITED AND ITS SUBSIDIARIES

| <b>Mortality Table</b> |                       |
|------------------------|-----------------------|
| 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             |

| <b>Disclosure Item</b> |                 | ( ₹ in Crores )                             |                 |                 |
|------------------------|-----------------|---------------------------------------------|-----------------|-----------------|
| <b>31.03.2017</b>      |                 | <b>31.03.2018</b>                           |                 |                 |
| <b>Increase</b>        | <b>Decrease</b> | <b>Sensitivity Analysis</b>                 | <b>Increase</b> | <b>Decrease</b> |
| 692.54                 | 746.69          | Discount Rate (-/+ 0.5%)                    | 103.69          | 1113.33         |
| -3.64%                 | 3.89%           | %Change Compared to base due to sensitivity | -3.444%         | 3.670%          |
| 727.22                 | 709.75          | Salary Growth (-/+ 0.5%)                    | 110.24          | 1045.00         |
| 1.18%                  | -1.25%          | %Change Compared to base due to sensitivity | 2.652%          | -2.693%         |
| 719.53                 | 717.94          | Attrition Rate (-/+ 0.5%)                   | 107.49          | 1072.97         |
| 0.11%                  | -0.11%          | %Change Compared to base due to sensitivity | 0.088%          | -0.088%         |
| 723.62                 | 713.85          | Mortality Rate (-/+ 10%)                    | 108.03          | 1067.52         |
| 0.68%                  | -0.68%          | %Change Compared to base due to sensitivity | 0.596%          | -0.596%         |

| <b>Table Showing Cash Flow Information</b> | ₹ in crores |
|--------------------------------------------|-------------|
| Next Year Total (Expected)                 | 1084.08     |
| Minimum Funding Requirements               | 422.32      |

| <b>Table Showing Benefit Information Estimated Future payments (Past Service)</b> |            |
|-----------------------------------------------------------------------------------|------------|
| Year                                                                              | ₹ in Crore |
| 1                                                                                 | 132.48     |
| 2                                                                                 | 114.36     |
| 3                                                                                 | 111.77     |
| 4                                                                                 | 108.77     |
| 5                                                                                 | 116.04     |
| 6 to 10                                                                           | 585.93     |
| More than 10 years                                                                | 999.23     |
| Total Undiscounted Payments Past and Future Service                               |            |
| Total Undiscounted Payments related to Past Service                               | 2168.58    |
| Less Discount For Interest                                                        | (1094.66)  |
| Projected Benefit Obligation                                                      | 1073.92    |

| <b>Table Showing Outlook Next Year Components of Net Periodic benefit Cost Next Year</b> |            |
|------------------------------------------------------------------------------------------|------------|
|                                                                                          | ₹ in Crore |
| Current service Cost(Employer portion Only) Next period                                  | 54.59      |
| Interest Cost next period                                                                | 77.69      |
| Expected Return on Plan Asset                                                            | 82.80      |
| Unrecognized past service Cost                                                           | -          |
| Unrecognized actuarial/gain loss at the end of the period                                | -          |
| Settlement Cost                                                                          | -          |
| Curtailement Cost                                                                        | -          |
| other( Actuarial Gain/loss)                                                              | -          |
| Benefit Cost                                                                             | 49.49      |

( ₹ in Crores)

| <b>Bifurcation of Net Liability</b> | <b>As at<br/>31.03.2018</b> | <b>As at<br/>31.03.2017</b> |
|-------------------------------------|-----------------------------|-----------------------------|
| Current liability                   | 127.65                      | 78.59                       |
| Non-Current Liability               | 946.27                      | 640.15                      |
| Net Liability                       | 1073.92                     | 718.74                      |

**ACTUARIAL VALUATION OF LEAVE ENCASHMENT BENEFIT (EL/HPL) AS AT 31.03.2018  
CERTIFICATES AS PER IND AS 19 (2015)**

( ₹ in Crores)

| <b>Changes in Present Value of defined benefit obligations</b>                 | <b>As at 31.03.2018</b> | <b>As at 31.03.2017</b> |
|--------------------------------------------------------------------------------|-------------------------|-------------------------|
| Present Value of obligation at beginning of the period                         | 300.68                  | 243.98                  |
| Current Service Cost                                                           | 23.39                   | 61.22                   |
| Interest Cost                                                                  | 22.27                   | 16.84                   |
| Actuarial (Gain) / Loss on obligations due to change in financial assumption   | (15.97)                 | 49.02                   |
| Actuarial (Gain) / Loss on obligations due to change in demographic assumption | 0.00                    | 0.00                    |
| Actuarial (Gain) / Loss on obligations due to unexpected experience            | (16.30)                 | (46.90)                 |
| Benefits Paid                                                                  | 23.69                   | 23.47                   |
| Present Value of obligation at end of the period                               | 290.38                  | 300.68                  |

( ₹ in Crores)

| <b>Changes in Fair Value of Plan Assets</b>         | <b>As at 31.03.2018</b> | <b>As at 31.03.2017</b> |
|-----------------------------------------------------|-------------------------|-------------------------|
| Fair Value of Plan Asset at beginning of the period | 203.57                  | -                       |
| Interest Income                                     | 15.70                   | 6.69                    |
| Employer Contributions                              | 60.05                   | 220.69                  |
| Benefits Paid                                       | 23.69                   | 23.47                   |
| Return on Plan Assets excluding Interest income     | (0.43)                  | (0.34)                  |
| Fair Value of Plan Asset as at end of the period    | 255.19                  | 203.57                  |

( ₹ in Crores)

| <b>Statement showing reconciliation to Balance Sheet</b>  | <b>As at 31.03.2018</b> | <b>As at 31.03.2017</b> |
|-----------------------------------------------------------|-------------------------|-------------------------|
| Funded Status                                             | (35.19)                 | (97.11)                 |
| Unrecognized actuarial (gain) / loss at end of the period | 0.00                    | 0.00                    |
| Fund Asset                                                | 255.19                  | 203.57                  |
| Fund Liability                                            | 290.38                  | 300.68                  |

| <b>Statement showing Plan Assumptions:</b>               | <b>As at<br/>31.03.2018</b>                           | <b>As at<br/>31.03.2017</b>                       |
|----------------------------------------------------------|-------------------------------------------------------|---------------------------------------------------|
| Discount Rate                                            | 7.71%                                                 | 7.25%                                             |
| Expected Return on Plan Asset                            | 7.71%                                                 | 7.25%                                             |
| Rate of Compensation Increase (Salary Inflation)         | 9.00% for Executives Staff & 6.25% for Non-Executives | 9.00% for Executives and 6.50% for Non-Executives |
| Average Expected Future Service (Remaining Working Life) | 14                                                    | 11                                                |
| Mortality Table                                          | IALM 2006-2008 ULTIMATE                               |                                                   |
| Superannuation at Age(Male & Female)                     | 60                                                    | 60                                                |
| Early Retirement and Disablement                         | 0.30% p.a.                                            | 1.00% p.a.                                        |
| Voluntary Retirement                                     | Ignored                                               | Ignored                                           |

( ₹ in Crores)

| <b>Expense Recognized in Statement of Profit / Loss</b>       | <b>As at<br/>31.03.2018</b> | <b>As at<br/>31.03.2017</b> |
|---------------------------------------------------------------|-----------------------------|-----------------------------|
| Current Service Cost                                          | 23.39                       | 61.22                       |
| Net Interest Cost                                             | 6.57                        | 10.15                       |
| Net Actuarial Gain / Loss                                     | (31.84)                     | 2.46                        |
| Benefit Cost (Expense recognised in Statement of Profit/Loss) | (1.88)                      | 73.82                       |

| <b>Mortality Table</b> |                       |
|------------------------|-----------------------|
| Age                    | Mortality (Per Annum) |
| 25                     | 0.00984               |
| 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             |

MAHANADI COALFIELDS LIMITED AND ITS SUBSIDIARIES

( ₹ in Crores)

| Disclosure Item |          |                                             |            |          |
|-----------------|----------|---------------------------------------------|------------|----------|
| 31.03.2017      |          |                                             | 31.03.2018 |          |
| Increase        | Decrease | Sensitivity Analysis                        | Increase   | Decrease |
| 287.63          | 314.75   | Discount Rate (-/+ 0.5%)                    | 278.19     | 303.53   |
| -4.34%          | 4.68%    | %Change Compared to base due to sensitivity | -4.196%    | 4.529%   |
| 314.57          | 287.69   | Salary Growth (-/+ 0.5%)                    | 303.44     | 278.16   |
| 4.62%           | -4.32%   | %Change Compared to base due to sensitivity | 4.500%     | -4.207%  |
| 301.01          | 300.35   | Attrition Rate (-/+ 0.5%)                   | 290.71     | 290.04   |
| 0.11%           | -0.11%   | %Change Compared to base due to sensitivity | 0.116%     | -0.116%  |
| 302.52          | 298.85   | Mortality Rate (-/+ 10%)                    | 292.18     | 288.57   |
| 0.61%           | -0.61%   | %Change Compared to base due to sensitivity | 0.622%     | -0.622%  |

| Table Showing Benefit Information Estimated Future Payments |               |
|-------------------------------------------------------------|---------------|
| Year                                                        | ( ₹ in Crore) |
| 1                                                           | 26.34         |
| 2                                                           | 22.41         |
| 3                                                           | 23.40         |
| 4                                                           | 24.80         |
| 5                                                           | 29.25         |
| 6 to 10                                                     | 164.90        |
| More than 10 years                                          | 421.54        |
| Total Undiscounted Payments Past and Future Service         |               |
| Total Undiscounted Payments related to Past Service         | 712.64        |
| Less Discount For Interest                                  | 422.27        |
| Projected Benefit Obligation                                | 290.38        |

( ₹ in Crores)

| Bifurcation of Net Liability | As at<br>31.03.2018 | As at<br>31.03.2017 |
|------------------------------|---------------------|---------------------|
| Current liability            | 25.45               | 21.56               |
| Non-Current Liability        | 264.92              | 279.12              |
| Net Liability                | 290.38              | 300.68              |

**4. Unrecognised items****a) Contingent Liabilities****I. Claims against the Group not acknowledged as debts** (including interest, wherever applicable)

( ₹ in Crores)

| Particulars                                   | Central Government | State Government and other localities | CPSE   | Others | Total    |
|-----------------------------------------------|--------------------|---------------------------------------|--------|--------|----------|
| Opening as on 01.04.2017                      | 1727.33            | 2763.52                               | 313.75 | 227.76 | 5032.36  |
| Addition during the year                      | 578.85             | 8437.01*                              | -      | 99.52  | 9115.38  |
| Claims settled during the year:-              |                    |                                       |        |        |          |
| a. From opening balance                       | 769.80             | 49.44                                 | 312.62 | 80.21  | 1212.07  |
| b. Out of addition during the year            | 0.02               | -                                     | -      | -      | 0.02     |
| c. Total claims settled during the year (a+b) | 769.82             | 49.44                                 | 312.62 | 80.21  | 1212.09  |
| Closing as on 31.03.2018                      | 1536.36            | 11151.09                              | 1.13   | 247.07 | 12935.65 |

\*Following the judgment of the Hon'ble Supreme Court of India in the case of Common Cause vs. UOI and Others (W.P. (C) No. 114 of 2014), certain District Mining Officers of Odisha, issued demand notices in 17 projects, alleging the production in these projects exceeding the available Environmental Clearances limits.

The Group has duly filed revision petition against the above demands, before the Hon'ble Coal Tribunal, Ministry of Coal, Govt. of India, the adjudicating authority under the MMDR, Act. The Revisional Authority Ministry of Coal Govt. of India in their interim order dated 11.04.2018 has admitted the revision application and stayed the execution of the demand order of Rs. 8297.77 Crores till further order. The balance of Rs. 139.24 Crores is towards claims by state Government and Other local authorities which are not acknowledge as debts.

**b) Guarantee**

The Group has not provided any guarantee on behalf of any other Company.

**c) Letter of Credit :**

As on 31.03.2018 outstanding letters of credit is ₹ 7.24 crores (₹ 26.77 crores as at 31.03.2017) and bank guarantee issued is ₹ 51.62 Crore (₹ 29.17 Crores as at 31.03.2017).

**II. Commitments**

Estimated amount of contracts remaining to be executed on

Capital account and not provided for: ₹ 833.04 crores (₹ 427.76 crores as at 31.03.2017)

Others (Revenue Commitment) : ₹ 2894.57crores (₹ 2815.04 crores as at 31.03.2017)

**5. Group Information:**

| Name                           | Relationship with MCL | Principal activities                       | Country of Incorporation | % of Equity interest |          |
|--------------------------------|-----------------------|--------------------------------------------|--------------------------|----------------------|----------|
|                                |                       |                                            |                          | 31.03.18             | 31.03.17 |
| 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) Government Assistance**

Sand Stowing & Protective Works includes ₹ 2.05 crores received from Ministry of Coal, Government of India in terms of Coal Mines (Conservation Development) Act, 1974 towards reimbursement of expenditure incurred for the Sand Stowing & Protective Works during the year ended on 31.03.2018 (Note-24).

CCDA Grant of ₹ 31.75 Crores received as Capital Grant from Ministry of Coal, Government of India towards assistance for Road and Rail Infrastructure work during the year ended on 31.03.2018 and total of ₹ 208.58 crores received till date is disclosed under Note-22 as Deferred Income.

**b) Provisions**

The position and movement of various provisions except those relating to employee benefits which are valued actuarially, as on 31.03.2018 are given below:

( ₹ in Crores )

| Provisions                                                                             | Opening Balance as on 01.04.2017 | Addition during the period | Write back/ Adj. during the period | Unwinding of discounts | Closing Balance as on 31.12.2018 |
|----------------------------------------------------------------------------------------|----------------------------------|----------------------------|------------------------------------|------------------------|----------------------------------|
| <b>Note 3:-Property, Plant and Equipment:</b><br>Depreciation & Impairment of Assets : | 685.18                           | 374.38                     | (30.89)                            | -                      | 1028.67                          |
| <b>Note 4:- Capital Work in Progress :</b><br>Against CWIP :                           | 14.27                            | 0.52                       | (0.20)                             | -                      | 14.59                            |
| <b>Note 5:- Exploration And Evaluation Assets :</b><br>Provision and Impairment:       | -                                | -                          | -                                  | -                      | -                                |
| <b>Note 6:- Other Intangible Assets</b><br>Provision :                                 | 0.20                             | 0.15                       | -                                  | -                      | 0.35                             |



( ₹ in Crores )

|                                                                                    |        |        |          |       |        |
|------------------------------------------------------------------------------------|--------|--------|----------|-------|--------|
| <b>Note 8:- Loans :</b><br>Other Loans :                                           | -      | -      | -        | -     | -      |
| <b>Note 9:- Other Financial Assets:</b><br>Current Account with Subsidiaries :     | -      | -      | -        | -     | -      |
| Claim receivables :                                                                | -      | -      | -        | -     | -      |
| Other Receivables (Non Current)                                                    | 0.16   | -      | -        | -     | 0.16   |
| Other Receivables (Current)                                                        | -      | 0.76   | -        | -     | 0.76   |
| <b>Note 10:- Other Non-Current Assets :</b><br>Capital Advances :                  | 0.55   | -      | -        | -     | 0.55   |
| Against Security Deposit for Utilities:                                            | -      | -      | -        | -     | -      |
| <b>Note 11:- Other Current Assets :</b><br>Advances for Revenue :                  | 2.16   | 2.74   | -        | -     | 4.90   |
| Advance Payment Against Statutory Dues:                                            | -      | -      | -        | -     | -      |
| Advance to employees:                                                              | 0.03   | -      | -        | -     | 0.03   |
| Other Deposits:                                                                    | -      | -      | -        | -     | -      |
| Other Receivables:                                                                 | -      | -      | -        | -     | -      |
| <b>Note 12:-Inventories :</b><br>Stock of Coal :                                   | -      | -      | -        | -     | -      |
| Stock of Stores & Spares :                                                         | 19.89  | 6.68   | -        | -     | 26.57  |
| <b>Note 13:-Trade Receivables :</b><br>Provision for bad & doubtful debts :        | 109.53 | 19.64  | 99.03    | -     | 30.14  |
| <b>Note 21 :- Non-Current &amp; Current Provision :</b><br>Performance related pay | 138.15 | 16.69  | (56.89)  | -     | 97.95  |
| NCWA-X                                                                             | 146.36 | 156.70 | -        | -     | 303.06 |
| Executive Pay Revision                                                             | 9.78   | 93.93  | -        | -     | 103.71 |
| Mine Closure                                                                       | 729.59 | 4.97   | (11.74)  | 51.15 | 773.97 |
| Ex-Gratia                                                                          | 109.75 | 115.80 | (107.40) | -     | 118.15 |
| Terminal benefits                                                                  | 133.93 | 20.41  | -        | -     | 154.34 |
| Coal Quality Variance                                                              | 80.77  | 173.45 | (80.77)  | -     | 173.45 |
| Claim Receivable                                                                   | 14.19  | 3.44   | (14.19)  | -     | 3.44   |
| Clean Energy Cess & Excise Duty.                                                   | 269.73 | -      | (269.73) | -     | -      |
| Environment clearance Demand for the Year 2015-16                                  | -      | 50.97  | -        | -     | 50.97  |
| Others                                                                             | -      | 15.08  | -        | -     | 15.08  |

**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 as follows

|                | India          | Other countries |
|----------------|----------------|-----------------|
| <b>Revenue</b> | 13673.32 Crore | Nil             |

Revenue by customer is as follows

| Customer name                                                            | Amount (in Crores) | Country |
|--------------------------------------------------------------------------|--------------------|---------|
| Name of each parties having more than 10% of Net sales value <b>NTPC</b> | 2465.74            | India   |
| Others                                                                   | 11207.58           | India   |

**Net current asset by location are as follows**

|                          | India            | Other countries |
|--------------------------|------------------|-----------------|
| <b>Net Current Asset</b> | ₹ 10935.19 Crore | Nil             |

**d) Authorised Capital:**

|                                                                                                                          | 31.03.2018 | 31.03.2017 |
|--------------------------------------------------------------------------------------------------------------------------|------------|------------|
| 77,58,200 Equity Shares of ₹ 1000/- each                                                                                 | 775.82     | 295.82     |
| 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 31.03.2018 |         | For the year ended 31.03.2017(restated) |         |
|---------|--------------------------------------------------------------------------------------|-------------------------------|---------|-----------------------------------------|---------|
|         |                                                                                      | PAT                           | OCI     | PAT                                     | OCI     |
| i)      | Net profit after tax attributable to Equity Share Holders (₹ in Crore)               | 4758.51                       | 17.88   | 4510.65                                 | (0.92)  |
| ii)     | Weighted Average no. of Equity Shares Outstanding (in nos.)                          | 1474174                       | 1474174 | 1849157                                 | 1849157 |
| iii)    | Basic and Diluted Earnings per Share in Rupees (Face value Rs.1000/- per share) (₹ ) | 32279.17                      | 121.29  | 24393.00                                | (4.98)  |

**(f) Related Party Disclosures****(a) Key Managerial Personnel**

Mr. A.K. Jha , Chairman-Cum-Managing Director  
 Mr. L.N. Mishra, Director (P&IR)  
 Mr. J.P. Singh, Director (Technical-Operation)  
 Mr. O. P. Singh, Director (Technical-P&P)  
 Mr. K. R. Vasudevan, Director (Finance)  
 Mr. A. K. Singh, Company Secretary

**Independent Directors**

Mr. H. S. Pati  
 Dr. R. Mall  
 Ms. Seema Sharma

**Part-Time Director**

Shri S. N. Prasad

**Government Nominee**

Shri R. K. Sinha

**Remuneration of Key Managerial Personnel**

( ₹ in Crores)

| Sl. No.      | Remuneration to CMD, Whole Time Directors and Company Secretary                              | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|--------------|----------------------------------------------------------------------------------------------|-------------------------------|-------------------------------|
| i)           | <b>Short Term Employee Benefits</b><br>Gross Salary<br>Perquisites<br>Medical Benefits       | 1.53<br>0.00<br>0.00          | 1.49<br>0.00<br>0.04          |
| ii)          | <b>Post-Employment Benefits</b><br>Contribution to P.F. & other fund                         | 0.16                          | 0.16                          |
| iii)         | <b>Termination Benefits</b> (Paid at the time of separation)<br>Leave Encashment<br>Gratuity | 1.05<br>0.83                  | -                             |
| <b>TOTAL</b> |                                                                                              | <b>3.57</b>                   | <b>1.69</b>                   |

**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 Crores)

| Sl. No. | Payment to Independent Directors | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|---------|----------------------------------|-------------------------------|-------------------------------|
| i)      | Sitting Fees                     | 0.13                          | 0.11                          |

**Balances Outstanding**

( ₹ in Crores)

| Sl. No. | Particulars       | As on 31.03.2018 | As on 31.03.2017 |
|---------|-------------------|------------------|------------------|
| i)      | Amount Payable    | Nil              | Nil              |
| ii)     | Amount Receivable | Nil              | Nil              |

**f) Related Party Transactions within Group**

The Group being a Government related entity is exempt from the general disclosure requirements in relation to related party transactions and outstanding balances with the controlling Government and another entity under same Government.

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 through current account.

As per Ind AS 24, following are the disclosures regarding nature and amount of significant transactions.

| Name of the Company              | Nature of relationship          | Amount of transactions during the period ( ₹ in crore) |
|----------------------------------|---------------------------------|--------------------------------------------------------|
| Coal India Limited               | 100% Holding Co.                | (247.28)                                               |
| Eastern Coalfields Limited       | 100% Subsidiary of Holding Co.  | (0.34)                                                 |
| Bharat Coking Coal Limited       | 100% Subsidiary of Holding Co.  | 0.06                                                   |
| Central Coalfields Limited       | 100% Subsidiary of Holding Co.  | (0.07)                                                 |
| Western Coalfields Limited       | 100% Subsidiary of Holding Co.  | (0.07)                                                 |
| Northern Coalfields Limited      | 100% Subsidiary of Holding Co.  | (0.14)                                                 |
| South Eastern Coalfields Limited | 100% Subsidiary of Holding Co.  | (1.13)                                                 |
| CMPDI Limited                    | 100% Subsidiary of Holding Co.  | 75.49                                                  |
| MJSJ Coal Limited                | Subsidiary (60% share holding)  | 0.47                                                   |
| MNH Shakti Limited               | Subsidiary (70% share holding)  | 0.07                                                   |
| Mahanadi Basin Power Limited     | Subsidiary (100% share holding) | 1.20                                                   |
| Mahanadi Coal Railway Limited    | Subsidiary (64% share holding)  | 1.02                                                   |

Figures in Bracket denote net credit transaction with the other company.

**g) Insurance and escalation claims**

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

**h) 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.

**i) 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.

**j) Current Liabilities**

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

**k) Balance Confirmations**

Balance confirmation/reconciliation is carried out for cash & bank balances, certain loans & advances, long term liabilities and current liabilities.

**l) Value of imports on CIF basis**

(₹ in Crore)

| Particulars |                             | For the year ended<br>31.03.2018 | For the year ended<br>31.03.2017 |
|-------------|-----------------------------|----------------------------------|----------------------------------|
| (i)         | Raw Material                | NIL                              | NIL                              |
| (ii)        | Capital Goods               | 1.93                             | 28.37                            |
| (iii)       | Stores, Spares & Components | 0.03                             | 0.10                             |

**m) Expenditure incurred in Foreign Currency**

(₹ in Crore)

| Particulars |                     | For the year ended<br>31.03.2018 | For the year ended<br>31.03.2017 |
|-------------|---------------------|----------------------------------|----------------------------------|
|             | Travelling Expenses | 0.09                             | 0.36                             |
|             | Training Expenses   | NIL                              | NIL                              |
|             | Consultancy Charges | NIL                              | NIL                              |
|             | Interest            | 0.07                             | 0.09                             |
|             | Stores and Spares   | 0.03                             | 0.10                             |
|             | Capital Goods       | 1.93                             | 28.37                            |
|             | Others              | NIL                              | NIL                              |

**n) Earning in Foreign Exchange:**

| Particulars |                     | For the year ended<br>31.03.2018 | For the year ended<br>31.03.2017 |
|-------------|---------------------|----------------------------------|----------------------------------|
|             | Travelling Expenses | NIL                              | NIL                              |
|             | Training Expenses   | NIL                              | NIL                              |
|             | Consultancy Charges | NIL                              | NIL                              |

**o) Total Consumption of Stores and Spares**

| Particulars            | For the year ended<br>31.03.2018 |                           | For the year ended<br>31.03.2017 |                           |
|------------------------|----------------------------------|---------------------------|----------------------------------|---------------------------|
|                        | Amount                           | % of total<br>consumption | Amount                           | % of total<br>consumption |
| (i) Imported Materials | 0.03                             | 0.01                      | 0.10                             | 0.02                      |
| (ii) Indigenous        | 604.37                           | 99.99                     | 583.50                           | 99.98                     |

**p) Statement of Opening Stock, Production, Purchases, Turnover and Closing Stock of Coal**

(₹ in Crore and Quantity in '000 MT)

| Particulars          | For the year ended<br>31.03.2018 |               | For the year ended<br>31.03.2017 |               |
|----------------------|----------------------------------|---------------|----------------------------------|---------------|
|                      | Qty.                             | Value         | Qty.                             | Value         |
| <b>Opening Stock</b> | <b>6387.29</b>                   | <b>276.54</b> | <b>10191.73</b>                  | <b>367.52</b> |
| Production           | 143057.91                        | 13818.28      | 139208.39                        | 14066.87      |
| Sales                | 138262.45                        | 13673.32      | 143008.03                        | 14156.95      |
| Own Consumption      | 4.83                             | 0.96          | 4.80                             | 0.90          |
| Write Off            | -                                | -             | -                                | -             |
| Shortage beyond 5%   | 116.80                           | 19.76         | 119.40                           | 21.85         |
| Excess beyond 5%     | -                                | -             | -                                | -             |
| <b>Closing Stock</b> | <b>11061.12</b>                  | <b>400.78</b> | <b>6267.89</b>                   | <b>254.69</b> |

**q) 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 Crores) |
|-------------------------------|------------|----------------------|----------------------|
| 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           | 1000.00              |

- No Corporate guarantees given by the company in respect of any loan as at 31.03.2018.
- Group has given a loan of ₹ 1000 crores to NLCIL for meeting the general funding requirements @ 7% interest payable on monthly basis, repayment of principal in 48 monthly equal installments to be started from the next month of full disbursement of total loan sanctioned of Rs. 2000 crores.

**r) Interests in Joint Ventures (Ind AS-31)**

On 8th January 2013 a joint venture company named Neelanchal Power transmission Company Pvt Limited was incorporated by virtue of a joint venture agreement between the company and Odisha Power Transmission Corporation Ltd. Up to 31.03.2018, the company has incurred ₹ 0.02 crore ( for previous year ₹ 0.02 crore) for miscellaneous expenses incidental for incorporation and the same has been included in claim receivables (Note -9). There is no investment in the joint venture company upto 31.03.2018.

**s) Construction of Mahanadi Institute of Coal Management**

The Company is constructing an Institute 'Mahanadi Institute of Coal Management, Bhubaneswar' with an estimated total value of Rs. 138.83 crores through the contractor M/S. NBCC. As per the clause no. 5.18 of MOU between the Company & the contractor, it is the responsibility of the contractor to obtain necessary approval /clearances related to construction & completion of the project from the statutory authorities. However, Bhubaneswar Development Authority did not consider the proposal for approval due to the project falls on the proposed ring road alignment finalized in CDP-2010. Now the said CDP-2010 ring road has been re-aligned in CDP-01/2016 which has been approved by Govt. of Odisha vide no. HUD-TP-SCH-0022/2014/8008/HUD dtd. 28.03.18. Now NBCC, consultant of MCL has again applied to BDA for approval of plan of MICM and is yet to be approved by BDA. However the Company has already incurred Rs.104.23 crores towards construction of the institute

**t) Land at Balipanda Mouza, Puri**

5 acres of land at Balipanda Mouza, Puri amounting to Rs. 0.80 crores 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 "Sweet 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 Sweet Water Zone, Tahsildar, Puri has accepted ground rent along with cess till 2008-09. Further MCL have written letter to Tahsildar, Puri requesting them to send the demand note from the period 2009-10 to 2018-19. Further D(P), MCL vide letter no. 4401 dated 03.03.2018 requested to the Principal Secretary, Govt. of Odisha to take necessary steps for physical handing over the said plot of land for possession in MCL.

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|                                                                                   | Period to which Error is related | For Year ended 2016-17 (Rs. in Crore) |
|-----------------------------------------------------------------------------------|----------------------------------|---------------------------------------|
| Total Comprehensive Income attributable to owners of the company reported earlier |                                  | 4488.78                               |
| <b><i>Adjustment for prior period items :</i></b>                                 |                                  |                                       |
| Other Expenses (Note 35)( CMPDIL charges)                                         | 2016-17                          | 1.39                                  |
| Provisions (Note 33) (Doubtful debts)                                             | 2016-17                          | 8.37                                  |
| Finance cost (Note 32) Unwinding of discount                                      | 2016-17                          | 2.55                                  |
| Depreciation (P&L) Depreciation on site restoration cost                          | 2016-17                          | 5.62                                  |
| Employee Benefit expenses (Note 28)(Sports Expenses)                              | 2016-17                          | 3.03                                  |
| Total Comprehensive income attributable to owners of the company(Restated)        |                                  | 4509.73                               |
| <b>Adjusted with opening retained earnings as on 01.04.16</b>                     |                                  |                                       |
| Sales (Note 24)(Performance incentive)                                            | 2012-13                          | (20.28)                               |
| Revenue From Operation (Note 24) Performance Incentive                            | 2015-16                          | (0.14)                                |
| Other Expenses (Note 35)Siding Maintenance Charges                                | 2015-16                          | 13.72                                 |
| P/L (Depreciation & Amortization)                                                 | 2015-16                          | (0.13)                                |
| Capital Work-in-Progress Note - 4 (Development)                                   | 2014-15                          | (0.19)                                |
| Capital Work-in-Progress Note - 4 (Development)                                   | Prior to 2014-15                 | (0.84)                                |

v) Minority Interest as on 31.03.2018 is as under:-

| Name of subsidiary | Address                                                            | Stake of parent company | Date of incorporation | Minority interest as per Consolidated Accounts as at 31.03.2018 ( ₹ in crore) |
|--------------------|--------------------------------------------------------------------|-------------------------|-----------------------|-------------------------------------------------------------------------------|
| 1) MNH Shakti Ltd  | Anand Vihar , Burla , Sambalpur                                    | 70 %                    | 16.07.2008            | 25.53                                                                         |
| 2) MJSJ Coal Ltd   | House No 42, 1 <sup>st</sup> floor, Anand Nagar, Hakimpara . Angul | 60%                     | 13.08.2008            | 38.04                                                                         |



|                                  |                                                                                 |      |            |              |
|----------------------------------|---------------------------------------------------------------------------------|------|------------|--------------|
| 3) Mahanadi Basin Power Limited  | Plot no G -3<br>Mancheswar<br>Railway colony,<br>Bhubaneswar                    | 100% | 02.12.2011 | -            |
| 4) Mahanadi Coal Railway limited | MDF Room,<br>Corporate<br>Office,MCL<br>HQ,Jagriti Vihar ,<br>Burla , Sambalpur | 64%  | 31.08.2015 | 0.02         |
| <b>Total</b>                     |                                                                                 |      |            | <b>63.59</b> |

**w) Others :**

- Previous period's figures have been restated as per Ind AS and regrouped and rearranged wherever considered necessary.
- Previous period's figures in Note No. 3 to 38 are in brackets.
- Note 3 to 23 form parts of the Balance Sheet as at 31<sup>st</sup> March 2018 and 24 to 37 form part of Statement of Profit & Loss for the year ended on that date. Note – 2 represents Significant Accounting Policies and Note – 38 represents Additional Notes to the Financial Statements.

Signature to Note 1 to 38.

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

Sd/-  
**(V V K Raju)**  
General Manager (Finance)

Sd/-  
**(K R Vasudevan)**  
Director (Finance)  
DIN : 07915732

Sd/-  
**(A K Jha)**  
Chairman-cum-Managing Director  
DIN: 06645361

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

Date: 24.05.2018  
Place: Bhubaneswar

**CASH FLOW STATEMENT**

**For the period ended on 31st March, 2018**

( ₹ in Crores)

|                                                                                           | <b>For the Year<br/>Ended 31.03.2018</b> | <b>For the Year<br/>Ended 31.03.2017<br/>(Restated)</b> |
|-------------------------------------------------------------------------------------------|------------------------------------------|---------------------------------------------------------|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>                                             |                                          |                                                         |
| <b>Profit Before Tax</b>                                                                  | <b>7,364.22</b>                          | <b>6,871.96</b>                                         |
| Adjustment for :                                                                          |                                          |                                                         |
| Depreciation/Impairment of fixed assets                                                   | 343.64                                   | 366.77                                                  |
| Interest on Bank Deposits                                                                 | (858.91)                                 | (1,088.73)                                              |
| Finance Cost related to financing activity                                                | 22.11                                    | 7.95                                                    |
| Unwinding of Discount                                                                     | 51.15                                    | 47.05                                                   |
| Profit/loss on sale of Fixed Assets                                                       | -                                        | -                                                       |
| Exchange Rate Fluctuation                                                                 | (0.24)                                   | (0.05)                                                  |
| Stripping Activity Adjustment                                                             | 1.02                                     | (0.59)                                                  |
| Interest/Dividend from investments                                                        | 1,000.64                                 | 1,313.31                                                |
| Provisions made & write off                                                               | (177.98)                                 | (304.57)                                                |
| <b>Operating Profit before Current/Non Current Assets and Liabilities Adjustment for:</b> | <b>150.38</b>                            | <b>394.97</b>                                           |
| <b>Adjustments for :</b>                                                                  | <b>7,896.03</b>                          | <b>7,608.07</b>                                         |
| Inventories                                                                               |                                          |                                                         |
| Trade Receivables                                                                         | (159.31)                                 | 102.69                                                  |
| Non current Loans,Advances,Other Financial Assets,Other Assets                            | 526.97                                   | (39.02)                                                 |
| Current Loans,Advances,Other Financial Assets,Other Assets                                | 133.75                                   | (675.73)                                                |
| Current/Non Current Provisions, Other Financial Liabilities and Other Liabilities         | 1,415.54                                 | (3,159.03)                                              |
|                                                                                           | (2,079.70)                               | 3,597.46                                                |
| <b>Cash generated from operations</b>                                                     | <b>7,733.28</b>                          | <b>7,434.44</b>                                         |
| Income Tax Paid/Refund                                                                    | (2,536.26)                               | (2,665.27)                                              |
| <b>Net Cash from operating activities</b>                                                 | <b>5,197.02</b>                          | <b>4,769.17</b>                                         |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>                                             |                                          |                                                         |
| Purchase of Fixed Assets                                                                  | (1,347.76)                               | (1,818.48)                                              |
| Short Term Deposit with CIL                                                               | 53.94                                    | 293.87                                                  |
| Profit/loss on sale of Fixed Assets                                                       | 0.24                                     | 0.05                                                    |
| Change in Investments                                                                     | 202.00                                   | 1,143.00                                                |
| Interest pertaining to Investing Activities                                               | 929.63                                   | 1,278.85                                                |
| Interest/Dividend from Investments                                                        | 107.26                                   | 114.45                                                  |
| <b>Net Cash used in investing activities</b>                                              | <b>(54.69)</b>                           | <b>1,011.74</b>                                         |

**CASH FLOW STATEMENT**  
**For the period ended on 31st March, 2018** (₹ in Crores)

|                                                                          | <b>For the Year<br/>Ended 31.03.2018</b> | <b>For the Year<br/>Ended 31.03.2017<br/>(Restated)</b> |
|--------------------------------------------------------------------------|------------------------------------------|---------------------------------------------------------|
| <b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>                            |                                          |                                                         |
| Change in borrowings                                                     | 0.45                                     | (1.13)                                                  |
| Exchange Rate Fluctuation                                                | (1.02)                                   | 0.59                                                    |
| Interest and Finance cost pertaining to Finance Activities               | (73.26)                                  | (55.00)                                                 |
| Dividend on Equity Shares                                                | (4,350.00)                               | (2,982.00)                                              |
| Tax on Dividend on Equity Shares                                         | (885.56)                                 | (607.06)                                                |
| Buyback of Equity Share Capital                                          | -                                        | (1,979.73)                                              |
| Tax on Buy Back of Equity Share Capital                                  |                                          |                                                         |
| <b>Net Cash used in financing activities</b>                             | <b>(5,309.39)</b>                        | <b>(5,624.33)</b>                                       |
| <b>Net increase/ (decrease) in cash and cash equivalents<br/>(A+B+C)</b> | (167.06)                                 | 156.58                                                  |
| <b>Cash and cash equivalents as at beginning of the year</b>             | 372.55                                   | 215.97                                                  |
| <b>Cash and cash equivalents as at the end of the year</b>               | <b>205.49</b>                            | <b>372.55</b>                                           |

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/-  
**(V V K Raju)**  
 General Manager (Finance)

As per our report annexed  
 For SINGH RAY MISHRA & CO.  
 Chartered Accountants  
 Firm Regn No. 318121E

Sd/-  
**(K R Vasudevan)**  
 Director (Finance)  
 DIN : 07915732

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 Chairman-cum-Managing Director  
 DIN: 06645361

Sd/-  
**(CA J K Mishra)**  
 Partner  
 Membership No.052796

Date: 24.05.2018  
 Place: Bhubaneswar



**MAHANADI COALFIELDS LIMITED**

(A subsidiary of Coal India Limited)

At/PO - JAGRUTI VIHAR, BURLA, SAMBALPUR -768020 (ODISHA)

Website: [www.mahanadicoal.in](http://www.mahanadicoal.in)