MAHANADI COAL RAILWAY LIMITED

(A subsidiary of Mahanadi Coalfields Limited)

5th Annual Report and Accounts

2019-20

Regd Office:- Jagruti Vihar, Burla
Sambalpur, Odisha - 768020

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COMPANY INFORMATION

MANAGEMENT DURING 2019-20

CHAIRMAN

Shri O. P. Singh	(w.e.f. 01.03.2019)

DIRECTORS

Shri A. Hussain		(w.e.f. 01.03.2019)
Shri S. K. Mohanty		(w.e.f. 01.06.2016)
Shri S. L. Gupta		(w.e.f. 25.08.2016)
Shri K.R. Vasudevan		(upto 03.07.2019)
Shri D. Sabhlok		(upto 01.11.2019)
Shri A. Narendra		(w.e.f. 02.08.2017)
Shri B. K. Behera	CEO	(w.e.f. 08.07.2019)
Shri B. P. Mishra	CFO	(w.e.f 26.10.2019)

STATUTORY AUDITORS

S. Kakkad & Associates
Chartered Accountants
Sansadak,
Sambalpur, Odisha

BANKERS

State Bank of India,
MCL Complex Branch, Jagruti Vihar, Burla,
Sambalpur, Odisha-768020.

ICICI Bank
Sachivalaya Marg, Burma Nagar,
Unit-4, Bhubaneswar - 751001

REGISTERED OFFICE

Mahanadi Coal Railway Limited,
Jagruti Vihar, Burla, Sambalpur, Odisha-768020.

BOARD OF DIRECTORS AS ON 28.07.2020

Shri O. P. Singh	Chairman
Shri S.L. Gupta	Director
Shri M.K. Singh	Director
Shri A. Hussain	Director
Shri K.K. Roul	Director
Shri A. Narendra	Director
Shri S.K. Mohanty	Director
Shri B.K. Behera	CEO/COO
Shri P.K. Panda	CFO

NOTICE OF 5th ANNUAL GENERAL MEETING

Notice is hereby given that the 5th Annual General Meeting of Mahanadi Coal Railway Limited is scheduled to be held at 04.00 PM on Tuesday, the 4th August, 2020 at the registered Office of the Company, Jagruti Vihar, Burla, Sambalpur, Odisha - 768020 to transact the following business.

ORDINARY BUSINESS:

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

By order of the Board of Directors
For Mahanadi Coal railway Limited

Sd/-
(K. K. Roul)
Director
DIN: 08522021

Place: Sambalpur
Date: 28.07.2020

Note:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. Proxies, to be effective, must be received by the Company not less than 48 hours before the meeting.
3. Corporate members intending to send their Authorised Representatives to attend the meeting and requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
4. Pursuant to provisions of Section 105 of the Companies Act, 2013, read with the applicable rules thereon, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy, who shall not act as a proxy for any other member
5. The shareholders are requested to give their consent for calling the Annual General Meeting at a shorter notice pursuant to the provisions under Section 101(1) of the companies Act, 2013.

DIRECTORS' REPORT

Dear Members,

On behalf of the Board of Directors of your Company, it is my privilege and honour to present the 5th Annual Report of your Company together with the audited Financial Statements for the year 2019-20 along with the report of the Statutory Auditors and the comments of the Comptroller and Auditor General of India.

1. Brief Details of the project of MCRL.

Angul-Balaram-Putugadia-Jarapada and one leg to Tentuloi (68 Km) section has been identified by MCRL as its 1st project during its 1st Board meeting held on 11.09.2015. The project consists primarily of 3 legs, (1) Angul- Balaram, (2) Balaram-Putagadia and (3) Jarapada-Putagadia-Tentuloi. Land for the Angul-Balaram leg of the corridor has already been acquired by MCL. Land for the Balaram-Putagaria and Jarapada-Putagadia-Tentuloi legs are being acquired under the Railways Act, 1989 as the entire project is declared as railway special project.

HIGHLIGHTS OF PERFORMANCE:

A) Establishment of MCRL Office

Mahanadi Coal Railway Limited (MCRL) has set-up its Office at 5th floor of 11 storied OSHB Building on Plot No. A/32, Kharavel Nagar, Sachivalaya Marg, Bhubaneswar for development of Rail Corridor in Talcher area in the state of Odisha for evacuation of coal. The office is functioning at the said address from 01.02.2017.

B) Detailed Project Report (DPR)

DPR of Angul-Balaram-Putagadia–Jarapada and one leg upto Tentuloi (about 68 Km) has been approved in principle by Railway Board on 27.10.2017. Final approval of DPR by East Coast Railway has been accorded on 31.01.2018. COM, East Coast Railway sent the proposal to Railway Board on 29.01.2018 for approval of inflated mileage of 60% and for sanction as Railway project. The approval from Railway for inflated mileage of 60% and Special Railway Project has been obtained. Total cost of the project is Rs. 1,700 Crore including inflation, Project Management and interest during construction.

C) Meeting with Stakeholders

One meeting has been held with the prospective stakeholders i.e. National Thermal Power Corporation Limited (NTPC), National Aluminium Company Limited (NALCO), Singareni Colliery Company Limited (SCCL) and Odisha Mining Corporation Limited (OMC) on 18.11.2016 regarding mining plan and traffic generation which was included in O-D Traffic study.

D) Land

IDCO had initiated land acquisition for M/s Brahmani Railway Limited (BRL) for comprehensive corridor to accommodate the railway, road and also water pipeline. Govt. of Odisha has published 6(1) notification on May, 2015 under LA Act, 1894 for land requirement of M/s Brahmani Railway Limited / IDCO.

It has been decided by Board of Director of the Company in its meeting held on 21.03.2016 to reduce the width of land to accommodate only the rail line and additional land required for maintenance/approach road. Accordingly, fresh survey has been undertaken up and revised land schedule prepared.

The entire alignment of MCRL corridor strategically kept within the notified land boundary of M/s Brahmani Railway Limited/IDCO. Now, as the entire project is declared as Railways Special Project vide the Gazette of India notification no 4171 dated 23rd October, 2018, the further land acquisition will be done under the Railways Act.

E) Appointment of Independent Engineer

As per Article 20 of the Model Joint Venture Agreement of Railway of the year 2014, it is mandatory to deploy an Independent Engineer from approved list of Zonal Railway by the concessionaire i.e. MCRL to check the drawings and designs submitted by IRCON. Therefore, a consultant from approved list of Zonal Railway has to be engaged as an Independent Engineer for the commissioning of the project. The process of engagement of Independent Engineer is going on.

F) Tie up with bank for Debt

As per the financial study, the total expenditure for development of Angul-Balram-Putgadia- Tentuloi-Jarapada Rail corridor will be about Rs. 1,700 Crore. After taking 30% as equity from the promoter, about Rs.1,190 Crore required in the form of debt from financial institutions. The tender has been floated on 26.11.2019 for Financial Closure of Inner Corridor of MCRL i.e. arrangement of term loan of Rs 1,190 Crore. The activities of Financial Closure are in process.

G) Construction of Angul-Balaram Section

During 6th BOD meeting, it was decided that the work between Angul-Balram Section will taken up irrespective of financial closure. Requisite funds for this portion of the project shall be arranged by MCL in the form of loan. Accordingly, M/s IRCON has awarded the work for Angul-Balaram section to M/S Laxmi Enterprises, Jharkhand on 16.11.2018 with an estimated cost of Rs 64.69 crore and completion period of 09 months.

MCRL requested MCL for arrangement of the fund to the tune of Rs.145 Crore for construction of above section and also agreed to enhance authorized and paid up share capital to the tune of Rs.100,00,00,000 (Rupees One Hundred Crore) divided into 10,00,00,000 (Ten Crore) equity shares of Rs. 10 each.

H) Survey for outer corridor

In the 1st BOD meeting of MCRL on 11.09.2015, another corridor named as 'outer corridor' i.e. Tentuloi-Budhapank via Tiribira, Chandrabila, Sakhigopal about 98 KM has been identified by the Company. The initial work of this corridor is expected to be started after commencement of Angul-Balram-Putgadia-Tentuloi-Jarapada Rail corridor and considering the viability of the project.

I) Connection from Tentuloi to OMC Mine

Chief Secretary, Govt. of Odisha while reviewing the mining plan of M/s Odisha Mining Corporation Limited, has decided that Tentuloi to Baitarani (West) may be connected by Rail. Minutes of meeting and follow up letter of MD/OMC was communicated to MCL on 02.03.2017. IRCON has been advised to conduct the survey and prepare the feasibility report/DPR keeping in view that this action can be part of the western corridor of MCRL in future.

2. ORGANISATION:

Memorandum of Understanding (MoU) was signed between Mahanadi Coalfields Limited (MCL), IRCON International Limited (IRCON) and Odisha Industrial Infrastructure Development Corporation (IDCO) to create a Special Purpose Vehicle (SPV) for developing rail corridor in the state of Odisha, thus, an idea of forming a separate company was conceived in the name of Mahanadi Coal Railway Limited (MCRL) with an equity participation ratio of 64:26:10, incorporated on 31st of August, 2015. Such a venture creates synergy by seeking administrative support from Central and State Govt., Technical support from Railways and commercial support from MCL to meet the logistic challenges faced by coal mines. It has been conceptualized to sustain in the venture through a participative business model by investing in rail infrastructure and sharing of revenue generated from the traffic out of rail corridor.

As per the MoU, IDCO share of equity shall correspond to the value of land provided by the Govt. of Odisha (GoO) or 10 % whichever is more. If the value of land provided by GoO exceeds 10% of the equity, the shareholding percentage of IDCO and MCL shall stand modified accordingly. GoO shall provide land owned by State Govt. (Revenue and Forest land) and value of such land shall be adjusted towards its equity. Cost of compensatory afforestation, net present value, wildlife management plan, demarcation, felling and other charges for diversion proposal of forest plan under the Forest (Conservation) Act, 1980 shall be borne by MCRL. It has been envisaged to carry out preliminary activities through IRCON, having domain expertise on railway projects and to act as implementing agency for undertaking the construction work in two phases. MCRL shall enter into separate agreements with Ministry of Railways for Concession, Operation & Maintenance of assets.

3. CAPITAL STRUCTURE:

The Board of Directors of the Company, in its 18th meeting held on 03.08.2019 has approved the proposal for increase of the authorized and paid up capital of the Company from Rs. 5,00,000/- to Rs.100,00,00,000/- (Rupees One Hundred Crore) divided into 10,00,00,000 (Ten Crore) equity shares of Rs. 10 each. The paid up share capital of the Company as on 31.03.2020 is Rs. 5,00,000/-.

The equity shareholding pattern of the promoter companies are as follows:

4. FINANCIAL RESULTS:

Financial Results for the financial year 2019-20 are given below:

Particulars	For the Year ended on 31-03-2020 (Rs in Lakh)
Income for the year	2.02
Expenditure for the year excluding Depreciation and Amortization Exp.	85.17
Profit or Loss before Depreciation and Amortization Exp.	(83.15)
Less: Depreciation and Amortization Exp.	0.00
Profit or Loss after Depreciation and Amortization Exp. but before Tax	(83.15)
Less: Current Tax	0.00
Profit or Loss after Tax	(83.15)

The Company is in construction stage and operational activities have not yet been started. Hence, all the expenditure incurred by the Company, which is directly attributable to Project during F.Y. 2019-20, has been capitalized and other indirect expenses has been charged to “Profit and Loss Statement. During the financial year 2019-20, the Company has taken Rs.4249.58/- Lakh as Unsecured Short Term Loans from Mahanadi Coalfields Limited (Holding Company).

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013 in terms of Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act, as applicable and guidelines issued by the Securities and

Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluated all recently issued or revised accounting standards on an on going basis. The Company has disclosed standalone audited financial results on quarterly and annual basis.

5. DIVIDEND:

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

6. RESERVES:

The Company didn't transfer any amount in Reserves.

7. **CONTRIBUTION TO THE EXCHEQUER:** NIL

8. SUBSIDIARY/ JV COMPANIES:

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

9. 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.

10. 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. The Management monitors all critical factors continuously.

11. RELATED PARTY TRANSACTION:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons, which may have potential conflict with interest of the Company at large.

12. PARTICULARS OF LOANS GURANTEES OR INVESTMENTS:

Pursuant to the clarification dated February 13, 2015 issued by Ministry of Corporate Affairs and Section 186 (4) & (11) and of the Companies Act, 2013 requiring disclosure in the financial statements of full particulars of the investment made, loan given or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient of the loan or guarantee is disclosed.

13. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

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

14. AUDITORS:

Under Section 139 of the Companies Act, 2013, the following Audit Firm was appointed as Statutory Auditor of the Company for the financial year 2019-20:

S. Kakkad & Associates, Chartered Accountants, Gole Bazar, Sambalpur, Odisha.

15. BOARD OF DIRECTORS:

The Board of Directors of Mahanadi Coal Railway Limited consists of 07 (Seven) members, viz., Chairman and 02 (two) Directors as nominees of MCL, 02 (two) Directors as nominee of IRCON, 01 (one) Director as nominee of IDCO and 01 (one) Director as nominee from MoR.

The Composition of Board of Directors as on 31.03.2020 is as under:

Sl. No.	Name	Designation	Date of Appointment
1.	Shri O. P. Singh	Chairman	01.03.2019
2.	Shri Anwar Hussain	Director	22.03.2019
3.	Shri K. K. Roul	Director	10.01.2020
4.	Shri S. L. Gupta	Director	25.08.2016
5.	Shri M. K. Singh	Director	01.11.2019
6.	Shri S. K. Mohanty	Director	01.06.2016
7.	Shri A. Narendra	Director	02.08.2017

16. BOARD MEETINGS:

The Board met six (06) times during the Financial year 2019-20 on 24.04.2019, 29.04.2019, 03.07.2019, 03.08.2019, 23.11.2019, 17.01.2020 and a gap between two meetings was less than 120 days. The details of the Board meetings and Directors attendance held during the financial year are given as under.

Sl. No.	Name of Directors	Category	Board Meetings	
			Held during the tenure	Attended
1.	Shri O. P. Singh	Non-Executive (MCL)	6	6
2.	Shri A. Hussain	Non-Executive (MCL)	6	6
3.	Shri K.R. Vasudevan	Non-Executive (MCL)	2	2
4.	Shri S. L. Gupta	Non-Executive (IRCON)	6	5
5.	Shri Deepak Sabhlok	Non-Executive (IRCON)	4	2
6.	Shri Abhijit Narendra	Non-Executive (Railway Nominee)	6	2
7.	Shri S. K. Mohanty	Non-Executive (IDCO)	6	5
8.	Shri S.K. Kundu	Non-Executive (MCL)	2	1
9.	Shri K.K.Roul	Non-Executive (MCL)	1	1
10.	Shri M.K. Singh	Non-Executive (IRCON)	2	2

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO:

Information in accordance with the provision of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 regarding Conservation of Energy, Technology absorption and Foreign Exchange earnings and Outgo is Annexed to this Report.

18. INFORMATION UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014, REGARDING EMPLOYEES REMUNERATION:

Information as per Section 197 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable to your company as no employee in the Company was drawing more than Rs. 5,00,000/- per month or Rs. 60,00,000 per annum or in excess of that drawn by Managing Director or Whole-time Director or manager and holds by himself or along with spouse and dependent children, not less than two percent of the equity shares of the Company.

19. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section-134 (5) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, it is hereby confirmed:-

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

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

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

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

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

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

20. BANKER'S NAME AND ADDRESS:

Sl. No.	Name	Branch Address
1	State Bank of India	MCL Complex Branch, Jagruti Vihar, Burla, Sambalpur.
2.	ICICI Bank	Sachivalaya Marg, Burma Nagar, Unit-4, Bhubaneswar - 751001

19. C & A G COMMENTS:

Comments of the Comptroller & Auditor General of India on the Accounts of the Company for the year ended 31st March, 2020 is annexed herewith.

20. AUDITOR'S REPORT:

The observation made in the Auditors' Report read together with relevant notes thereon are self explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013. The report is annexed herewith.

21. ACKNOWLEDGEMENT:

Your Directors acknowledge with deep sense of appreciation the co-operation, valuable support and guidance received from the Ministry of Coal, Ministry of Railways and Government of Odisha, Coal India Limited, Mahanadi Coalfields Limited, IRCON International Limited and Odisha Industrial Infrastructure Development Corporation. Your Directors also express their sincere thanks to the District Administration and to all those, who have directly or indirectly extended their help and cooperation from time to time for the development of the Rail Corridor.

Your Directors express their deep felt thanks and best wishes to all the shareholders for their continued support and reposing trust on the management. Your Directors would like to place on record their appreciation for the untiring efforts and contributions made by the employees and associates at all levels to achieve the progress so far and moving closer towards reality.

Your Directors also record their appreciation for the services rendered by the Officers and staff of the Principal Director of Commercial Audit & Ex-officio Member Audit Board-II, Kolkata, O/o the Comptroller & Auditor General of India and Registrar of Companies, Odisha.

22. ADDENDA:

The following documents are annexed:

1. Information regarding Conservation of Energy, Technology absorption and Foreign Exchange earnings and Outgo, (Annexure-I).
2. Report of the Statutory Auditor under Section 139 of the Companies Act, 2013, (Annexure-II).
3. Comment of the Comptroller and Auditor General of India under section 143(6) (b) of the Companies Act 2013, (Annexure-III).

Sd/-
(O.P. Singh)
Chairman

Place : Sambalpur
Dated : 28th July, 2020.

Annexure – I

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO

(Information under Section 134 (3) (m) of the Companies Act, 2013 read with rule 8(3) the Companies (Accounts) Rules, 2014 and forming part of the Report of the Directors.)

(A) Conservation of energy-

(i) The steps taken or impact on conservation of energy: NIL

(ii) The steps taken by the company for utilising alternate sources of energy: NIL

(iii) The capital investment on energy conservation equipments: NIL

(B) Technology absorption-

(i) The efforts made towards technology absorption: NIL

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution: NIL

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- : NIL

(iv) The expenditure incurred on Research and Development: NIL

(C) Foreign exchange earnings and Outgo-

The Company's has been incorporated on 31st August, 2015 and no such activity has yet been started. Therefore, there are not any transaction w.r.t foreign exchange earnings or Outgo.

(₹ in Lakhs)

Particulars	2019-2020
Total Foreign Exchange Received (F.O.B. Value of Export)	-
Total Foreign Exchange used:	
i) Raw Materials	-
ii) Consumable Stores	-
iii) Capital Goods	-
iv) Foreign Travels	-
v) Others	-

INDEPENDENT AUDITOR'S REPORT

To the Members of
MAHANADI COAL RAILWAY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the Ind AS financial statements of **MAHANADI COAL RAILWAY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss, statement of changes in equityand the Statement of Cash Flows for the year then ended, and notes to the financial statements including summary of the significant accounting policies and other explanatory information (herein after referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2020 and its loss, the changes in Equityand its cash flows for the year ended on that date.

Basis for Opinion

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

Material Uncertainty Relating to Going Concern

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of the most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

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

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

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

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

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of theFinancial Statements

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

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

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

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure-1", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. We are enclosing our report in terms of section 143(5) of the Act, on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us in the "Annexure-2" on the directions and sub directions issued by Comptroller and Auditor General of India.
3. As required by Section 143(3) of the Act, we report that:
   i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Ind AS Financial Statements.
   ii. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Ind AS Financial Statements have been kept by the Company so far as it appears from our examination of those books.
   iii. The Balance Sheet, the Statement of Profit and Loss, the statement of changes in Equityand the Statement of Cash flow dealt with by this Report are in agreement with the relevant books of account maintained for the preparation of the Ind AS financial Statements.

iv. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

v. We are informed that the provision of section 164(2) of the Act in respect of disqualification of the directors are not applicable to the company, being a Government Company in the terms of notification no G.S.R 463(E) dated 5th June 2015, issued by the Ministry of Corporate Affairs.

vi. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-3". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

   a. As explained to us the Company does not have any pending litigation which would impact its financial positionin itsInd AS financial statements.

   b. As explained to us the Company has not entered into any derivative contracts and the Company has not foreseen any material losses on long term contracts, hence no provision has been made on this account.

   c. The Company does not have to transfer any amount to Investor Education & Protection und as required under section 125(2) of the Companies Act, 2013, the delay in transferring any amount to the Fund does not arise.

FOR S.KAKKAD & ASSOCIATES,
CHARTERED ACCOUNTNATS,
Firm's Registration No.: 317066E

Sd/-
(**SUNIL KAKKAD**)
PROPRIETOR
Membership No. 053159
UDIN: 20053159AAAABY8437

Place : Sambalpur
Dated : 08 June, 2020.

Annexure-1 to the Independent Auditor's Report

Statement referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of **Mahanadi Coal Railway Limited**on the Ind AS financial statements for the year ended 31st March, 2020, we report that:

(i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

b) As per information available the fixed assets of the company have been physically verified by the management during the year and no material discrepancy was noticed on such verificationand in our opinion the periodicity of such physical verification is reasonable having regard to the size of the Company and nature of its assets.

c) According to the information and explanations given to us the company does not hold any immovable property and hence no title deeds are held.

(ii) As explained to us the company has no stock of stores, spare parts and raw materials during the year. Hence the requirement of clause (ii) of paragraph 3 of the said order is not applicable to the company.

(iii) As per the information and explanations given to us and on the basis of examination of the records, we noticed that the company has no loans and advances to parties covered under section 189 of the Companies Act, 2013 has been given during the year.

(iv) As per the information and explanations given to us and on the basis of examination of the records the company, the company has not granted any loans/ investments/ guarantees/ security hence reporting in respect of compliance of section 185 and 186 of the Companies Act, 2013 does not arise.

(v) The Company has not accepted any deposit within the meaning of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. The directives issued by the Reserve Bank of India are not applicable to the Company.

(vi) The company has not commenced any business/service and hence the provision of 3(vi) of the Order not applicable to the company.(vii)

(a) According to the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of customs, goods and service tax, cess or any other statutory dues, to the extent applicable, have been regularly deposited with appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as at 31st March, 2020 for a period of more than six months from the date of becoming payable.

(b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income tax, sales tax, Goods and

Service Tax, customs duty, central excise duty and value added tax which has not been deposited on account of any dispute. (viii)On the basis of our examination of records and according to the information and explanations given to us, the Company has not taken any loans or borrowing from financial institution, bank or Government. The Company has not issued any debentures. Therefore, clause (viii) of paragraph 3 of the said order is not applicable to the Company.

(ix) As per information and explanations given to us the Company has not raised any money by way of initial public offer (including debt instruments) and terms loans during the year. Accordingly paragraph 3 (is) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.

(xii) The Company is not a Nidhi company. Therefore, clause (xii) of paragraph 3 of the said order is not applicable to the Company.

(xiii) The company being a Central government controlled enterprise and having related party transactions has disclosed relevant particulars as required under Paragraph 26 of Ind AS24.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, clause (xv) of paragraph 3 of the said order is not applicable to the Company.

(xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

FOR S. KAKKAD & ASSOCIATES,
CHARTERED ACCOUNTNATS,
Firm's Registration No.: 317066E

Sd/-
(**SUNIL KAKKAD**)
PROPRIETOR
Membership No. 053159
UDIN: 20053159AAAABY8437

Place : Sambalpur
Dated : 08 June, 2020.

Annexure - 2 to the Independent Auditor's Report
Report pursuant to Direction and Additional Direction u/s 143(5) of the Companies Act, 2013 to Statutory Auditors for the year 2019-20

Sl. No.	PARTICULAR	Auditors Reply
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any may be stated.	The Company has **NO**system in placeto process all the accounting transactions through IT system.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by the lender to the company due to the company's in ability to repay the loan? If yes, the financial impact may be stated.	As per our information and explanations given to us, there is no restructuring/waiver/write off of debts/loans/interest etc. by any lender.
3	Whether fund received/receivable for specific schemes from Central/State agencies were properly accounted for /utilized as per its term and conditions? List the cases of deviation.	As per information and explanations given to us the Company has not received/ receivable any fund for specific schemes from Central/State agencies.

FOR S.KAKKAD & ASSOCIATES,
CHARTERED ACCOUNTNATS,
Firm's Registration No.: 317066E

Sd/-
(**SUNIL KAKKAD**)
PROPRIETOR
Membership No. 053159
UDIN: 20053159AAAABY8437

Place : Sambalpur
Dated : 08 June, 2020.

Annexure - 3 to the Independent Auditor's Report

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

We have audited the internal financial controls over financial reporting of **Mahanadi Coal Railway Limited** ('the Company')as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended and as on date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR S.KAKKAD & ASSOCIATES,
CHARTERED ACCOUNTNATS,
Firm's Registration No.: 317066E

Sd/-
(**SUNIL KAKKAD**)
PROPRIETOR
Membership No. 053159
UDIN: 20053159AAAABY8437

Place : Sambalpur
Dated : 08 June, 2020.

COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of **Mahanadi Coal** Railway Limited for the year ended31st March 2020 in accordance with the directions/sub-directions issued by the office of the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013 and certify that we have complied with all Directions/Sub-Directions issued to us.

FOR S.KAKKAD & ASSOCIATES,
CHARTERED ACCOUNTNATS,
Firm's Registration No.: 317066E

Sd/-
(**SUNIL KAKKAD**)
PROPRIETOR
Membership No. 053159
UDIN: 20053159AAAABY8437

Place : Sambalpur
Dated : 08 June, 2020.

Annexure – III

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MAHANADI COAL RAILWAY LIMITED FOR THE YEAR ENDED 31ST MARCH 2020.

The preparation of financial statements of Mahanadi Coal Railway Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on these 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 08 June 2020.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Mahanadi Coal Railway Limited for the year ended 31 March, 2020 under section 143 (6) (a) of the Act.

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

Sd/-
(Mausumi Ray Bhattacharyya)
DIRECTOR GENERAL OF AUDIT (COAL)
KOLKATA

Place: Kolkata,
Dated: 06 July, 2020

FINANCIAL STATEMENTS
2019-20

Important disclosure

Notes on Accounts No.5,6,7,8,12,13,18,21, 24,27,28,29,30,31,32,33,34,36 & 37 has not been annexed as there is nil figure for the current as well as previous financial year.

BALANCE SHEET AS AT 31.03.2020

(₹ in Lakhs)

	Note No.	As at 31.03.2020	As at 31.03.2019
ASSETS			
Non-Current Assets			
(a) Property, Plant & Equipments	3	23.85	27.07
(b) Capital Work in Progress	4	6,245.15	3,725.42
(c) Exploration and Evaluation Assets	5	-	-
(d) Intangible Assets	6	-	-
(e) Financial Assets			
(i) Investments	7	-	-
(ii) Loans	8	-	-
(iii) Other Financial Assets	9	-	-
(f) Deferred Tax Assets (net)			
(g) Other non-current assets	10	853.81	648.33
Total Non-Current Assets (A)		**7,122.81**	**4,400.82**
Current Assets			
(a) Inventories	12	-	-
(b) Financial Assets			
(i) Investments	7	-	-
(ii) Trade Receivables	13	-	-
(iii) Cash & Cash equivalents	14	52.11	10.56
(iv) Other Bank Balances	15	-	-
(v) Loans	8	-	-
(vi) Other Financial Assets	9	2.93	1.43
(c) Current Tax Assets (Net)		0.54	0.33
(d) Other Current Assets	11	0.02	-
Total Current Assets (B)		**55.60**	**12.32**
Total Assets (A+B)		**7,178.41**	**4,413.14**

BALANCE SHEET AS AT 31.03.2020 Contd ...

(₹ in Lakhs)

EQUITY AND LIABILITIES	Note No.	As at 31.03.2020	As at 31.03.2019
Equity			
(a) Equity Share Capital	16	5.00	5.00
(b) Other Equity	17	(85.80)	(2.65)
Total Equity (A)		**-80.80**	**2.35**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	-	-
(ii) Other Financial Liabilities	20	-	-
(b) Provisions	21	-	-
(c) Other Non-Current Liabilities	22	-	-
Total Non-Current Liabilities (B)		**-**	**-**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	-	-
(ii) Trade payables	19	86.50	46.02
Total Outstanding dues of micro and small enterprises			
Total Outstanding dues of creditors other than micro and small enterprises		86.50	46.02
(iii) Other Financial Liabilities	20	7,165.51	4,358.78
(b) Other Current Liabilities	23	7.20	5.99
(c) Provisions	21	-	-
Total Current Liabilities (C)		**7,259.21**	**4,410.79**
Total Equity and Liabilities (A+B+C)		**7,178.41**	**4,413.14**

The Accompanying Notes form an integral part of the Financial Statements.

Sd/- **(P.K Panda)** Chief Financial Officer	**Sd/-** **(B.K. Behera)** CEO	**For S. Kakkad & Associates** **Chartered Accountants** **Firm Reg. No. - 317066E**
Sd/- **(K.K. Roul)** Director	**Sd/-** **(O.P Singh)** Chairman	**(CA Sunil Kakkad)** **Proprietor** **(Membership No. 053159)**

Date : 08.06.2020
Place : SAMBALPUR

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2020

(₹ in Lakhs)

		Note	For the Period ended 31.03.2020	For the Period ended 31.03.2019
	Revenue from Operations			
A	Sales (Net of other levies)	24	-	-
B	Other Operating Revenue (Net of other levies)			
(I)	**Revenue from Operations (A+B)**			
(II)	Other Income	25	2.02	0.52
(III)	**Total Income (I+II)**		**2.02**	**0.52**
(IV)	**EXPENSES**			
	Cost of Materials Consumed	26	-	-
	Changes in inventories of finished goods/work in	27	-	-
	progress and Stock in trade		-	-
	Employee Benefits Expense	28	-	-
	Power Expense		-	-
	Corporate Social Responsibility Expense	29	-	-
	Repairs	30	-	-
	Contractual Expense	31	-	-
	Finance Costs	32	-	-
	Depreciation/Amortization/ Impairment		-	-
	Provisions	33	-	-
	Write off	34	85.17	1.53
	Other Expenses	35	**85.17**	**1.53**
	Total Expenses (IV)			
(V)	**Profit before exceptional items and Tax (III-IV)**		**-83.15**	**-1.01**
(VI)	Exceptional Items		**-83.15**	**-1.01**
(VII)	**Profit before Tax (V-VI)**			
(VIII)	Tax expense	36	-	-
(IX)	**Profit for the period from continuing operations (VII-VIII)**			
(X)	Profit/(Loss) from discontinued operations		**-83.15**	**-1.01**
(XI)	Tax exp of discontinued operations			
(XII)	Profit/(Loss) from discontinued operations (after Tax) (X-XI)			
(XIII)	Share in JV's/Associate's profit/(loss)			
(XIV)	**Profit for the Period (IX+XII+XIII)**		**-83.15**	**-1.01**
	Other Comprehensive Income		-	-
	A (i) Items that will not be reclassified to profit or loss	37		
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	B (i) Items that will be reclassified to profit or loss			
	(ii) Income tax relating to items that will be reclassified to profit or loss			
(XV)	**Total Other Comprehensive Income**			

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2020 Contd ...

(₹ in Lakhs)

		Note	For the Period ended 31.03.2020	For the Period ended 31.03.2019
(XVI)	**Total Comprehensive Income for the year (XIV+XV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)**		**-83.15**	**-1.01**
	Profit attributable to:			
	Owners of the company		**-83.15**	**-1.01**
	Non-controlling interest			
	Other Comprehensive Income attributable to:			
	Owners of the company			
	Non-controlling interest			
	Total Comprehensive Income attributable to:			
	Owners of the company		**-83.15**	**-1.01**
	Non-controlling interest			
(XVII)	Earnings per equity share (for continuing operation):			
	(1) Basic		-166.30	-2.02
	(2) Diluted		-166.30	-2.02
(XVIII)	Earnings per equity share (for discontinued operation):			
	(1) Basic			
	(2) Diluted			
(XIX)	Earnings per equity share (for discontinued & continuing operation):			
	(1) Basic		-166.30	-2.02
	(2) Diluted		-166.30	-2.02

Sd/- **(P.K Panda)** Chief Financial Officer	**Sd/-** **(B.K. Behera)** CEO	**For S. Kakkad & Associates** **Chartered Accountants** **Firm Reg. No. - 317066E**
Sd/- **(K.K. Roul)** Director	**Sd/-** **(O.P Singh)** Chairman	**(CA Sunil Kakkad)** **Proprietor** **(Membership No. 053159)**

Date : 08.06.2020
Place : SAMBALPUR

CASH FLOW STATEMENT (INDIRECT METHOD)

(₹ in Lakhs)

	For the Period ended 31.03.2020	For the Period ended 31.03.2019
CASH FLOW FROM OPERATING ACTIVITIES		
Total Comprehensive Income before tax	(83.15)	(1.01)
Adjustments for :	-	-
Depreciation / Impairment of Fixed Assets	-	-
Interest from Bank Deposits	-	-
Finance cost related to financing activity	-	-
Interest / Dividend from investments	-	-
Profit / Loss on sale of Fixed Assets	-	-
Provisions made & write off during the period	-	-
Liability write back during the period	-	-
Operating Profit before Current/Non Current Assets and Liabilities	**(83.15)**	**(1.01)**
Adjustment for :	-	-
Trade Receivables	-	-
Inventories	-	-
Short/Long Term Loans/Advances & Other Current Assets	(207.21)	(644.81)
Short/Long Term Liablities and Provisions	2,848.42	1,026.75
Cash Generated from Operation	**2,641.21**	**381.94**
Income Tax Paid/Refund	-	-
Net Cash Flow from Operating Activities (A)	**2,558.06**	**380.93**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,516.51)	(391.50)
Investment in Bank Deposit	-	-
Change in investments	-	-
Investment in joint venture	-	-
Interest pertaining to Investing Activities	-	-
Interest / Dividend from investments	-	-
Net Cash from Investing Activities (B)	**(2,516.51)**	**(391.50)**

CASH FLOW STATEMENT (INDIRECT METHOD) Contd ...

(₹ in Lakhs)

	For the Period ended 31.03.2020	For the Period ended 31.03.2019
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital	-	-
Repayment of Borrowings	-	-
Short Term Borrowings	-	-
Interest & Finance cost pertaining to Financing Activities	-	-
Receipt of Shifting & Rehabilitation Fund	-	-
Dividend & Dividend Tax	-	-
Buyback of Equity Share Capital	-	-
Net Cash used in Financing Activities (C)	-	-
Net Increase / (Decrease) in Cash & Bank Balances (A+B+C)	**41.55**	**(10.57)**
Cash & Bank Balance (opening balance)	**10.56**	**21.13**
Cash & Bank Balance (closing balance)	**52.11**	**10.56**

(All figures in bracket represent outflow.)

Sd/- **(P.K Panda)** Chief Financial Officer	**Sd/-** **(B.K. Behera)** CEO	**For S. Kakkad & Associates** **Chartered Accountants** **Firm Reg. No. - 317066E**
Sd/- **(K.K. Roul)** Director	**Sd/-** **(O.P Singh)** Chairman	**(CA Sunil Kakkad)** **Proprietor** **(Membership No. 053159)**

Date : 08.06.2020
Place : SAMBALPUR

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.03.2020

(₹ in Lakhs)

A. EQUITY SHARE CAPITAL

Particulars	Balance as at 01.04.2018	Changes In Equity Share Capital during the year	Balance as at 31.03.2019	Balance as at 01.04.2019	Changes In Equity Share Capital during the year	Balance as at 31.03.2020
50000 Equity Shares of ₹10/- each	5.00	-	5.00	5.00	-	5.00

B. OTHER EQUITY

	Other Reserves		General Reserve	Retained Earnings (Surplus)	Other Comprehensive Income	Total
	Capital Redemption reserve	Capital reserve				
Balance as at 01.04.2018	-	-	-	(1.64)	-	(1.64)
Other adjustment			-	-		
Changes in Accounting policy	-	-	-	-	-	-
Prior period errors	-	-	-	-	-	-
Restated balance as at 01.04.2018	**-**	**-**	**-**	**(1.64)**	**-**	**(1.64)**
Additions during the year	-	-	-	-	-	-
Adjustments during the year	-	-	-	-	-	-
Profit for the year	-	-	-	(1.01)	-	(1.01)
Remeasurement of Defined Benefit Plans (net of Tax)	-	-	-	-	-	-
Appropriations						
Transfer to General Reserve.	-	-	-	-	-	-
Transfer to / from Other reserves	-	-	-	-	-	-
Interim Dividend	-	-	-	-	-	-
Final Dividend	-	-	-	-	-	-
Corporate Dividend tax	-	-	-	-	-	-
Balance as at 31.03.2019	**-**	**-**	**-**	**(2.65)**	**-**	**(2.65)**
Additions during the period	-	-	-	-	-	-
Adjustments during the period	-	-	-	-	-	-
Profit for the period	-	-	-	(83.15)	-	(83.15)
Remeasurement of Defined Benefit Plans (net of Tax)	-	-	-	-	-	-
Appropriations	-	-	-	-	-	-
Transfer to General Reserve.	-	-	-	-	-	-
Transfer to / from Other reserves	-	-	-	-	-	-
Interim Dividend	-	-	-	-	-	-
Final Dividend	-	-	-	-	-	-
Corporate Dividend Tax	-	-	-	-	-	-
Balance as at 31.03.2020	**-**	**-**	**-**	**(85.80)**	**-**	**(85.80)**

Note: 1 CORPORATE INFORMATION

The coal blocks of Talabira II and Talabira III, was decided by the Cental Government, to be mined as one mine with ultimate capacity of 20 MTY and peak capacity 23 MTY by a joint venture company to be formed between MCL, NLC and HINDALCO with an equity holding of 70:15:15. Subsequently, a JV Company namely MNH Shakti Ltd was incorporated and registered under the Companies Act, 1956 on 16th July, 2008.

Note 2: SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

For all periods up to and including the year ended 31stMarch 2016, the Company prepared its financial statements in accordance withAccounting 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 (erstwhile - Indian GAAP). These financial statements for the year ended 31stMarch 2017 are the first financial statements of the Company prepared in accordance with Ind AS.

The financial statements have been prepared on historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments in para 2.15).

2.1.1 Rounding of amounts

Amounts in these financial statements have, unless otherwise indicated, have been rounded off to 'rupees in Lakhs'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 togetherlike items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated.

Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. A member of the group normally uses accounting policies as adopted by the group for like transactions and events in similar circumstances. In case of significant deviations, appropriate adjustments are made to the group member financial statement to ensure conformity with the groups accounting policies.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidatedstatement 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, s classified as held for sale, in which case it is accounted in accordance with Ind AS 105

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

2.2.3 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 jointoperations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

2.2.4 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.

2.2.5 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, s classified as held for sale, in which case it is accounted in accordance with Ind AS 105.

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

2.2.6 Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjustedthereafter 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 theentity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated tothe 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.

2.2.7 Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control astransactions 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 significantinfluence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.3 Current and non-current Classification

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

(a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;

(b) it holds the asset primarily for the purpose of trading;

(c) it expects to realise the asset within twelve months after the reporting period; or

(d)the asset is cash or a cash equivalent (as defined in Ind AS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

An entity shall classify a liability as current when:

(a) it expects to settle the liability in its normal operating cycle;

(b) it holds the liability primarily for the purpose of trading;

(c) the liability is due to be settled within twelve months after the reporting period; or

(d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

2.4 Revenue recognition

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

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

Revenue from contracts with customers

Coal India Limited is an Indian state controlled enterprise headquartered in Kolkata, West Bengal, India and the largest coal producing company in the world. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

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

Step 1 : Identifying the contract:

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

a) the parties to the contract have approved the contract and are committed to perform their respective obligations;
b) the Company can identify each party's rights regarding the goods or services to be transferred;
c) the Company can identify the payment terms for the goods or services to be transferred;
d) the contract has commercial substance (i.e. the risk, timing or amount of the Company's future cash flows is expected to change as a result of the contract); and
e) it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. The amount of consideration to which the Company will be entitled may be less than the price stated

in the contract if the consideration is variable because the Company may offer the customer a price concession, discount, rebates, refunds, credits or be entitled to incentives, performance bonuses, or similar items.

Combination of contracts

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

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

Contract modification

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

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

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

Step 2 : Identifying performance obligations:

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

a) a good or service (or a bundle of goods or services) that is distinct; or
b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Step 3 : Determining the transaction price

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

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

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

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

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

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

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

The Company recognizes a refund liability if the Company receives consideration from a customer and expects to refund some or all of that consideration to the customer. A refund liability is measured at the amount of consideration received (or receivable) for which the company does not expect to be entitled (i.e. amounts not included in the transaction price). The refund liability (and corresponding change in the transaction price and, therefore, the contract liability) is updated at the end of each reporting period for changes in circumstances.

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

Step 4 : Allocating the transaction price:

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

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

Step 5 : Recognizing revenue:

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

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

a) the customer simultaneously receives and consumes the benefits provided by the company's performance as the Company performs;

b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced;

c) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

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

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

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

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

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

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

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

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

Contract assets:

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

Trade receivables:

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

Contract liabilities:

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

Interest

Interest income is recognised using the Effective Interest Method.

Dividend

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

Other Claims

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

2.5 <u>Grants from Government</u>

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

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

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

Grants related to income (i.e. grant related to other than assets) are presented as part of statement of profit or loss under the general heading ‘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 entity with no future related costs, is recognised in profit or loss of the period in which it becomes receivable.

2.6 <u>Leases</u>

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

2.6.1 Company as a lessee

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

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

2.5.2 Companyas a lessor

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

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

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

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

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

2.7 <u>Non-current assets held for sale</u>

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:

Ø 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 are directly attributable to the acquisition of the land like, rehabilitation expenses, resettlement cost and compensation in lieu of employment incurred for concerned displaced persons etc.

After recognition, an item of allother Property, plant and equipmentare 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 an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

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

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

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

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

Other Land

(incl. Leasehold Land): Life of the project or lease term whichever is lower

Building	:	3-60 years
Roads	:	3-10 years
Telecommunication	:	3-9 years
Railway Sidings	:	15 years
Plant and Equipment	:	5-30 years
Computers and Laptops	:	3 Years
Office equipment	:	3-6 years
Furniture and Fixtures	:	10 years
Vehicles	:	8-10 years

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.

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

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

Value of “Other Lands” 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 landsuch 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 incurredby the company on construction/development of certain assets which are essential for production, supply of goods or for the access to any existing Assets of the company are recognised as Enabling Assets under Property, Plant and Equipment.

Transition to Ind AS

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

2.9 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:

- 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 establishedeither on the basis of conditions specifically stated in the project report or on thebasis 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 or loss and other comprehensive income in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss.

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 or loss

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

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

2.13 Impairment of 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.

2.14 Investment Property

Property (land or a buildingor part of a buildingor 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.

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 instrumentby-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 Company's balance sheet) when:

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

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

2.15.2.7 Impairment of financial assets

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

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

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

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

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

2.15.3 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 risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

2.15.3.4 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.

2.15.4Reclassification 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 the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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

2.17 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 or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax 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 arerecognised 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 <u>Employee Benefits</u>

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 by CMPDIL and recorded in the project report).

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 (COAL:OB) 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 Assets/ Non-Current Provisions 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 permissible limits, as detailed hereunder:-

Annual Quantum of OBROf the Mine	Permissible limits of variance
Less than 1 Mill. CUM	+/- 5%
Between 1 and 5 Mill. CUM	+/- 3%
More than 5 Mill. CUM	+/- 2%

However, where the variance is beyond the permissible limits as above, the measured quantity is considered.

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 for 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 have 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 informationabout 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 entity; (ii) reflect the economic substance of transactions, other events and conditions, and not merely the legal form; (iii) are neutral, i.e. free from bias; (iv) are prudent; and (v) are complete in all material respects on a consistent basis

In making the 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 judgment in deciding whether individual items or groups of the 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 the judgement of materiality for determining the compliance requirement of the Ind AS. In particular circumstances, either the nature or the amount of an item or aggregate of items could be the determining factor. Further, the Company may also be required to present separately immaterial items when required by law.

W.e.f. 01.04.2019 Errors/omissions discovered in the current year relating to prior periods may be treated as immaterial and adjusted during the current year, if all such errors and omissions in aggregate do not exceed 1% of total assets as per the last audited financial statement of the Company.

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 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 valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

2.24.2.5 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 by Central Mine Planning and Design Institute Limited.

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 following assumptions:

- Estimated cost per hectare as specified in guidelines issued by ministry of Coal, Government of India

2.25 <u>Abbreviation used:</u>

a.	CGU	Cash generating unit
b.	DCF	Discounted Cash Flow
c.	FVTOCI	Fair value through Other Comprehensive Income
d.	FVTPL	Fair value through Profit & Loss
e.	GAAP	Generally accepted accounting principal
f.	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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 : PROPERTY , PLANT AND EQUIPMENT

(₹ in Lakhs)

	Free-hold Land	Other Land	Land Reclamation/ Site Restoration Costs	Building (including water supply, roads and culverts)	Plant and Equip-ments	P&M in Stores	Tele commu-nication	Railway Sidings	Furniture and Fixtures	Office Equip-ments	Vehicles	Aircraft	Other Infra structure	Sur-veyed off Assets	Others	Total
Gross Carrying Amount:																
As at 1st April 2018	-	-	-	-	-		-	-	9.65	0.63	-	-	-	-	-	10.28
Additions	-	-	-	-	-	-	-	-	23.31	-	-	-	-	-	-	23.31
Deletions/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2019	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**32.96**	**0.63**	**-**	**-**	**-**	**-**	**-**	**33.59**
As at 1st April 2019	-	-	-	-	-	-	-	-	32.96	0.63	-	-	-	-	-	33.59
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2020	-	-	-	-	-	-	-	-	32.96	0.63	-	-	-	-	-	33.59
Accumulated Depreciation and Impairment																
As at 1st April 2018	-	-	-	-	-	-	-	-	0.98	0.22	-	-	-	-	-	1.20
Charge for the year	-	-	-	-	-	-	-	-	5.12	0.20	-	-	-	-	-	5.32
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2019	-	-	-	-	-	-	-	-	6.10	0.42	-	-	-	-	-	6.52
As at 1st April 2019	-	-	-	-	-	-	-	-	6.10	0.42	-	-	-	-	-	6.52
Charge for the Period	-	-	-	-	-	-	-	-	3.02	0.20	-	-	-	-	-	3.22
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2020	-	-	-	-	-	-	-	-	9.12	0.62	-	-	-	-	-	9.74
Net Carrying Amont																
As at 31st March, 2020	-	-	-	-	-		-	-	23.84	0.01	-	-	-	-	-	27.07
As at 31st March, 2019	-	-	-	-	-		-	-	26.86	0.21	-	-	-	-	-	23.85

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 : CAPITAL WIP

(₹ in Lakhs)

	Building (including water supply, roads and culverts)	Plant and Equipments	Railway Sidings	Other infrastructure/ Development	Rail Corridor under Construction	Others	Total
Gross Carrying Amount:							
As at 1st April 2018	-	-		326.80	3,001.62	23.49	3,351.91
Additions	-	-		331.80	65.21	-	397.01
Capitalisation	-	-	-	-		-23.31	-
Adjustment/ Deletions					-0.01	-0.18	
As at 31st March 2019	-	-	-	658.60	3,066.82	0.00	3,725.42
							-
As at 1st April 2019	-	-	-	658.60	3,066.82	-	3,725.42
Additions	-	-		341.44	2178.29	-	2,519.73
Capitalisation	-	-		-	-	-	-
Adjustment/ Deletions				-	-	-	-
As at 31st March, 2020	-	-	-	1,000.04	5,245.11	0.00	6,245.15
							-
Provision and Impairment							
As at 1st April 2018	-	-	-	-	-	-	-
Charge for the period	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-	-	-
As at 31st March 2019	-	-	-	-		-	-
							-
As at 1st April 2019	-	-	-	-	-	-	-
Charge for the period	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-	-	-
As at 31st March, 2020	-	-	-	-	-	-	-
Net Carrying Amont							
As at 31st March, 2020	-	-		1,000.04	5,245.11	0.00	6,245.15
As at 31st March 2019	-	-	-	658.60	3,066.82	0.00	3,725.42

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 9 : OTHER FINANCIAL ASSETS

(₹ in Lakhs)

	As at 31.03.2020	As at 31.03.2019
Non Current		
Bank Deposits		
Security Deposit for utilities	-	-
Less : Allowance for doubtful deposits	-	-
	-	-
Other Deposit and Receivables	-	-
Less : Allowance for doubtful deposits & receivables	-	-
	-	-
TOTAL	**-**	**-**
Current		
Current maturities of long term loan		-
Interest accrued	1.47	0.05
Claims & other receivables	1.46	1.38
Less : Allowance for doubtful claims	-	-
	1.46	1.38
TOTAL	**2.93**	**1.43**

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 10 : OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

	As at 31.03.2020	As at 31.03.2019
(i) Capital Advances	852.34	646.85
Less : Provision for doubtful advances		
	852.34	**646.85**
(ii) Advances other than capital advances		
(a) Security Deposit for utilities	1.48	1.48
Less : Provision for doubtful deposits		
	1.48	**1.48**
(b) Other Deposits and Advances		
Less : Provision for doubtful deposits		
	-	**-**
(c) Advances to related parties	**-**	**-**
TOTAL	**853.81**	**648.33**

NOTE - 11 : OTHER CURRENT ASSETS

(₹ in Lakhs)

	As at 31.03.2020	As at 31.03.2019
(a) Advance for Revenue (goods & services)	-	-
Less : Provision for doubtful advances		
	-	**-**
(b) Advance payment of statutory dues		
Less : Provision for doubtful advances		
	-	**-**
(c) Advance to Related Parties	-	-
(d) Other Advances and Deposits	0.02	-
Less : Provision for doubtful advances		
	0.02	**-**
(e) Input Tax Credit Receivable	**-**	**-**
Less: Provision		
TOTAL	**0.02**	**-**

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 14 : CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

	As at 31.03.2020	As at 31.03.2019
(a) Balances with Banks		
in Deposit Accounts	-	-
in Current Accounts		
a. Interest bearing (CLTD Accounts etc)	51.64	5.69
b. Non-Interest bearing	0.47	4.87
in Cash Credit Accounts		
(b) Bank Balances outside India	-	-
(c) Cheques, Drafts and Stamps in hand	-	-
(d) Cash on hand	-	-
(e) Cash on hand outside India	-	-
(f) Others	-	-
Total Cash and Cash Equivalents	52.11	10.56
(g) Bank Overdraft	-	-
Total Cash and Cash Equivalents (net of Bank Overdraft)	**52.11**	**10.56**

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.

2 The balances as per bank statements are:-Interest Bearing (CLTD) Account - ₹ 51.64 lakhsNon-Interest Bearing- ₹ 0.47 lakhsThe variation in balances as compared to Note-14 (a) is NIL. The balances are duly reconciled through bank reconciliation statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 15 : OTHER BANK BALANCES

(₹ in Lakh)

	As at 31.03.2020	As at 31.03.2019 (Restated)
Balances with Banks		
- Deposit Accounts		
- Deposit Accounts (For specific purposes)	-	-
Total	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 16 : EQUITY SHARE CAPITAL

(₹ in Lakhs)

	As at 31.03.2020	As at 31.03.2019
Authorised		
10,0000,000 Equity Shares of ₹ 10/- each	10,000.00	5.00
Issued, Subscribed and Paid-up		
50,000 Equity Shares of ₹ 10/- each	5.00	5.00
	5.00	**5.00**

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

Name of Shareholder	No.of Shares Held (Face value of ₹ 10 each)	% of Total Shares
Mahanadi Coalfields Limited and its nominees	32000	64
IRCON International Limited and its nominees	13000	26
Odisha Industrial Infrastructure Development Corporation	5000	10
TOTAL	**50000**	**100**

2) During the Period, there is no change in the number of shares.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 17 : OTHER EQUITY

(₹ in Lakhs)

	Other Reserves		General Reserve	Retained Earnings (Surplus)	Other Comprehensive Income	Total Equity
	Capital Redemption reserve	Capital reserve				
Balance as at 01.04.2018				(1.64)		(1.64)
Other Adjustment	-	-	-	-	-	-
Changes in Accounting policy	-	-	-	-	-	-
Prior period adjustments	-	-	-	-	-	-
Restated balance as at 01.04.2018	-	-	-	**(1.64)**	-	(1.64)
Addition during the year/Transfer from retained earnings	-	-	-	-	-	-
Adjustments during the year	-	-	-		-	-
Profit for the Year	-	-	-	(1.01)	-	(1.01)
Remeasurement of Defined Benefits Plans (net of Tax)	-	-	-	-	-	-
Appropriations						
Transfer to Retained Earnings (HQ)	-	-	-	-	-	-
Transfer to / from Other reserves	-	-	-	-	-	-
Interim Dividend	-	-	-	-	-	-
Final Dividend	-	-	-	-	-	-
Corporate Dividend tax	-	-	-	-	-	-
Balance as at 31.03.2019	-	-	-	**(2.65)**	-	**(2.65)**
Addition during the period/Transfer from retained earnings	-	-	-	-	-	-
Adjustments during the Period	-	-	-	-	-	-
Profit for the Period	-	-	-	(83.15)	-	(83.15)
Remeasurement of Defined Benefits Plans (net of Tax)	-	-	-	-	-	-
Appropriations						
Transfer to / from General reserves	-	-	-	-	-	-
Transfer to / from Other reserves	-	-	-	-	-	-
Interim Dividend	-	-	-	-	-	-
Final Dividend	-	-	-	-	-	-
Corporate Dividend tax	-	-	-	-	-	-
Balance as at 31.12.2019	-	-	-	**(85.80)**	-	**(85.80)**

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 19 :TRADE PAYABLES

(₹ in Lakhs)

	As at 31.03.2020	As at 31.03.2019
Current		
Trade Payables for Micro, Small and Medium Enterprises	-	-
Other Trade Payables for	-	-
Stores and Spares	-	-
Power and Fuel	-	-
Liability for Salary, Wages and Allowances	78.93	37.17
Others expenses	7.57	8.85
TOTAL	**86.50**	**46.02**

Ageing of dues to MSME and interest thereon if any

Period	As at 31.03.2020	As at 31.03.2019
Dues within 15 days		
Dues within 16 to 30 days		
Dues within 31 to 45 days		
Dues beyond 45 days		
Total MSME creditors		

Note:

	As at 31.03.2020	As at 31.03.2019
Trade Payable - Total outstanding dues of Micro & Small enterprises		
a) Principal & Interest amount remaining unpaid but not due as at period end	-	-
b) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act,2006, along with the amount of the payment made to the supplier beyond the appointed day during the period.	-	-
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
d) Interest accrued and remaining unpaid as at period end		
e) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 20 : OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

	As at 31.03.2020	As at 31.03.2019
Non Current		
Security Deposits	-	-
Earnest Money	-	-
Others	-	-
	-	**-**
Current	-	-
Current Account with MCL	6,588.84	4,249.58
Current Account with IRCON	44.00	44.00
Current maturities of long-term debt		
Unpaid dividends	-	-
Security Deposits	-	-
Earnest Money	-	-
Payable for Capital Expenditure	305.00	65.20
Others	227.67	-
TOTAL	**7,165.51**	**4,358.78**

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 22 :OTHER NON CURRENT LIABILITIES

(₹ in Lakh)

	As at 31.03.2020	As at 31.03.2019
Deferred Income	-	-
Total	**-**	**-**

NOTE - 23 : OTHER CURRENT LIABILITIES

(₹ in Lakhs)

	For the Period ended 31.03.2020	For the Period ended 31.03.2019
Statutory Dues	7.20	5.99
	7.20	**5.99**
Advance from customers / others	-	-
Others liabilities		-
TOTAL	**7.20**	**5.99**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 25 : OTHER INCOME

(₹ in Lakhs)

	For the Period ended 31.03.2020	For the Period ended 31.03.2019
Interest Income	2.02	0.52
Dividend Income		
Others		
Profit on Sale of Assets	-	-
Gain on Foreign exchange Transactions	-	-
Lease Rent	-	-
Liability Written Back	-	-
Provision Written Back	-	
Fair value changes (net)	-	-
Miscellaneous Income	-	-
Total	**2.02**	**0.52**

NOTE 26 : COST OF MATERIALS CONSUMED

	For the ended 31.03.2020	For the ended 31.03.2019
Explosives	-	-
Timber	-	-
Oil & Lubricants	-	-
HEMM Spares	-	-
Other Consumable Stores & Spares	-	-
Total	**-**	**-**

NOTES TO FINANCIAL STATEMENTS

(₹ in Lakhs)

NOTE 35 : OTHER EXPENSES

	For the Period ended 31.03.2020	For the Period ended 31.03.2019
Travelling expenses	1.92	-
Training Expenses	-	-
Telephone & Postage	0.65	-
Advertisement & Publicity	-	-
Freight Charges	-	-
Security Expenses	-	-
Service charges of Holding Company		-
Hire Charges	-	-
Legal Expenses	76.10	-
Bank Charges	0.01	0.01
Printing and stationary	0.57	-
Consultancy Charges	0.35	-
Loss on Sale/Discard/Surveyed of Assets	-	-
Auditor's Remuneration & Expenses	-	-
For Audit Fees	0.90	0.90
For Taxation Matters	-	-
For Other Services	-	-
For Reimbursement of Exps.	0.46	0.62
Internal & Other Audit Expenses	-	-
Rent	-	-
Rates & Taxes	-	-
Insurance	-	-
Loss on Exchange rate variance	-	-
Contractual expenses -	3.79	-
R & D expenses	-	-
Environmental & Tree Plantation Expenses	-	-
Miscellaneous expenses	0.43	-
Total	**85.17**	**1.53**

NOTE – 38:

ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2020

1. Fair Value Measurement

(₹ in Lakhs)

(a) Financial Instruments by Category

	31st March 2020			31st March 2019		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial Assets						
Investments :						
Secured Bonds	-	-	-	-	-	-
Preference Shares - Equity Component - Debt Component	- -	- -	- -	- -	- -	- -
Mutual Fund/ICD	-	-	-	-	-	-
Other Investments	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Deposits & receivable	-	-	2.93	-	-	1.43
Trade receivables	-	-	52.11	-	-	-
Cash & cash equivalents	-	-	-	-	-	10.56
Other Bank Balances	-	-		-	-	-
Financial Liabilities			-			
Borrowings	-	-	86.50	-	-	-
Trade payables	-	-		-	-	46.02
Security Deposit and Earnest money	-	-	-	-	-	-
Other Liabilities	-	-	7165.51	-	-	4358.78

(b) Fair value hierarchy

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

(₹ in Lakhs)

Financial assets and liabilities measured at fair value – recurring fair value measurement	31st March 2020			31st March 2019		
	Level I	Level II	Level III	Level I	Level II	Level III
Financial Assets at FVTPL						
Investments :						
Mutual Fund/ICD	-	-	-	-	-	-
Financial Liabilities						
If any item	-	-	-	-	-	-

Financial assets and liabilities measured at amortised cost for which fair values are disclosed	31st March 2020			31st March 2019		
	Level I	Level II	Level III	Level I	Level II	Level III
Financial Assets at Amortised cost						
Investments :	-	-	-	-	-	-
Preference Shares - Equity Component - Debt Component	 - -	 - -	 - -	 - -	 - -	 - -
Other Investments	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Deposits & receivable	-	-	2.93	-	-	1.43
Trade receivables	-	-	-	-	-	-
Cash & cash equivalents	-	-	52.11	-	-	10.56
Other Bank Balances	-	-	-	-	-	-
Financial Liabilities						
Borrowings	-	-	-	-	-	-
Trade payables	-	-	86.50	-	-	46.02
Security Deposit and Earnest money	-	-	-	-	-	-
Other Liabilities	-	-	7165.51	-	-	4358.78

A brief of each level is given below.

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

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level3. 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 (NAV) of instruments in respect of investment in Mutual Funds.

Fair value measurements using significant unobservable inputs

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

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

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

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

2. FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

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

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

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

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

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and Cash equivalents, trade receivables financial asset measured at amortised cost	Ageing analysis / Credit rating	Department of public enterprises (DPE guide-lines), 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 enter-prises (DPE guidelines), Regular watch and review by senior management and audit committee.

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

A. Credit Risk:-Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as including outstanding receivables.

Expected credit loss: The Company provides for expected credit risk loss for doubtful/ credit impaired assets, by lifetime expected credit losses (Simplified approach)

Significant estimates and judgements Impairment of financial assets

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing

market conditions as well as forward looking estimates at the end of each reporting period.

B. Liquidity Risk

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

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

(i) Maturities of financial liabilities

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(₹ in Lakhs)

Particulars	As at 31.03.2020				As at 31.03.2019			
	less than one year	between one to five years	more than 5 years	Total	less than one year	between one to five years	more than 5 years	Total
Non- derivative financial liabilities	-	-	-	-	-	-	-	-
Borrowings including interest obligations	-	-	-	-	-	-	-	-
Trade payables	86.50	-	-	86.50	46.02	-	-	46.02
Other financial liabilities	7165.51	-	-	6937.84	4358.78	-	-	4358.78
Total	7252.01	-	-	7252.01	4404.80	-	-	4404.80

C. Market risk

a) 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.

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 Lakhs)

	31.03.2020	31.03.2019
Equity Share capital	5.00	5.00
Preference share capital	-	-
Long term debt	-	-

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

i) Unrecognised items

a) Contingent Liabilities

I. Claims against the Company not acknowledged as debts

(₹ in Lakhs)

SL No.	Particulars	Opening as on 01.04.2018	Addition during the year/period	Claims settled during the year/period			Closing as on 31.03.2019
				a. From opening balance	b. Out of addition during the year/period	c. Total claims settled during the year / period(a+b)	
A	**CENTRAL GOVERNMENT**						
1	Income Tax	0	0	0	0	0	0
2	Any Other Items:- a)	0	0	0	0	0	0
B	**STATE GOVERNMENT:-**						
1	a)	0	0	0	0	0	0
C	**CPSEs:-** Suit Against the Company	0	0	0	0	0	0
D	**Others:-**						
1	Others suit against the co.	0	0	0	0	0	0
2	Any Other Items:- a)	0	0	0	0	0	0

b) Guarantee

The company has not provided any guarantee on behalf of any other Company.

c) Letter of Credit :

As on 31.03.2020 outstanding letters of credit is ₹0.00 lakhs (₹0.00 lakhs as at 31.03.2019) and bank guarantee issued is ₹ 0.00Lakhs (₹0.00Lakhs as at 31.03.2019).

I. Commitments

Estimated amount of contracts remaining to be executed on

Capital account and not provided for: ₹ 0.00 lakhs (₹ 0.00 lakhs as at 31.03.2020)

Others (Revenue Commitment) : ₹ 0.00 lakhs (₹ 0.00 lakhs as at 31.03.2020)

5. Other Information

a) Authorized Capital: (₹ in Lakhs)

	31.03.2020	31.03.2019
50,000 Equity Shares of ₹ 10/- each	10000.00	5.00

b) Earnings per share

Sl. No.	Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
		PAT	OCI	PAT	OCI
i)	Net profit after tax attributable to Equity Share Holders (₹ in Lakhs)	(83.15)	-	(1.01)	-
ii)	Weighted Average no. of Equity Shares Outstanding (in nos.)	50,000	50,000	50,000	50,000
iii)	Basic and Diluted Earnings per Share in Rupees (Face value Rs.10/- per share) (₹)	(166.30)	-	(2.02)	-

c) Related Party Disclosures

i) Key Managerial Personnel

Name	Designation	W.e.f
Shri O.P Singh	Chairman	01.03.2019
Shri S.K Mohanty	Director	01.06.2016
Shri S.L. Gupta	Director	25.08.2016
Shri M.K Singh	Director	01.11.2019
Shri AbhijeetNarendra	Director	02.08.2017
Shri A. Hussain	Director	22.03.2019
Shri K. K Roul	Director	10.01.2020

Shri B.K. Behera	COO	01.07.2019
Shri B.K. Behera	CEO	08.07.2019
Shri B.PMishra	CFO	26.10.2019

ii) Remuneration of Key Managerial Personnel

(₹ in Lakhs)

Sl. No.	Payment to Key Managerial Personnel	For the year ended 31.03.2020	For the year ended 31.03.2019
i)	**Short Term Employee Benefits**		
	Gross Salary	44.00	20.00
	Medical Benefits	-	-
	Perquisites and other benefits	-	-
ii)	**Post-Employment Benefits**		
	Contribution to P.F. & other fund	-	-
	Actuarial valuation of Gratuity and Leave encashment	-	-
iii)	**Termination Benefits**	-	-
	TOTAL	**44.00**	**20.00**

iii) Payment to Independent Directors

(₹ in Lakhs)

Sl. No.	Payment to Independent Directors	For the year ended 31.03.2020	For the year ended 31.03.2019
i)	Sitting Fees	-	-

iv) Balances Outstanding with Key Managerial Personnel as on 31.03.2020

(₹ in Lakhs)

Sl. No.	Particulars	As on 31.03.2020	As on 31.03.2019
i)	Amount Payable	-	-
ii)	Amount Receivable	-	-

v) Related Party Transactions within Group

Company has entered into transactions with its Holding Company and other JV Partners which includes expenditure incurred by or on behalf of others through current account and interest on current account balance.

Transactions with Related Parties during the period **Amount (Rs in Lakhs)**

Name of Related Parties	Loan to Related Parties	Loan from Related Parties	Lease Rent	Interest on Current Account Balance	Project Execution Expendi-ture	Current Account Balance
Mahanadi Coalfields Limited	-	-	-	240.12	-	6588.84
IRCON	-	-	-		-	44.00
IDCO				-		-

Recent Accounting Pronouncements

i) Ind AS, 116- Leases

Vide Notification of Ministry of Corporate Affairs dated 30th March, 2019 Indian Accounting Standard (Ind AS) 116, Leases has become effective for the company from 01.04.2019 replacing Ind AS 17, Leases. The accounting policy on leases has been changed as per Ind AS 116. The principal change of Ind AS 116, Leases is change in the accounting treatment by lessees of leases currently classified as operating leases. Lease agreements has given rise to the recognition of a right-of-use asset and a lease liability for future lease payments in case of company being lessee.

On transition company has followed cumulative method i.e. recognised the cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings and [1] NIL has been adjusted to the opening retained earnings. For calculation of the lease liability recognised in the balance sheet 8% has been used as lessee's incremental borrowing rate.

Lease liability commitment regarding operating lease as on 31.03.2018, discounted using above lessee's incremental borrowing rate were ₹NIL whereas lease liability as on 01.04.2019 recognised in the Balance sheet is ₹NIL.

ii) Amendment to Ind AS 19 – plan amendment, curtailment or settlement-

Ministry of Corporate Affairs vide notification dated 30th March 2019 has notified amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019. Management is in the process of estimating the impact of the above in the Financial Statement.

a) Insurance and escalation claims

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

b) Provisions made in the Accounts

Provisions made in the accounts against claims receivable, advances etc. are considered adequate to cover possible losses.

c) 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.

d) Current Liabilities

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

e) Balance Confirmations

Balance confirmation/reconciliation is carried out for cash &bank balances, certain loans & advances, long term liabilities and current liabilities.

f) Significant accounting policy

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

g) Others :

a) Previous year/ period's figures have been restated as per Ind AS and regrouped and rearranged wherever considered necessary.

b) Previous period's figures in Note No. 3 to 38 are in brackets.

c) Note – 1 and 2 represents Corporate information and Significant Accounting Policies respectively, Note 3 to 23 form parts of the Balance Sheet as at 31st March2020 and 24 to 37 form part of Statement of Profit & Loss for the quarterended on that date. Note – 2 represents Significant Accounting Policies and Note – 38 represents Additional Notes to the Financial Statements.

For and behalf of Board of Directors

Sd/- **(P.K Panda)** Chief Financial Officer	**Sd/-** **(B.K. Behera)** CEO	**For S. Kakkad & Associates** **Chartered Accountants** **Firm Reg. No. - 317066E**
Sd/- **(K.K. Roul)** Director	**Sd/-** **(O.P Singh)** Chairman	**Sd/-** **(CA Sunil Kakkad)** **Proprietor** **(Membership No. 053159)**

Date : 08.06.2020
Place : SAMBALPUR