



# 96th Annual Report & Accounts (2016-17)



**THE SINGARENI COLLIERIES COMPANY LIMITED**  
(A GOVERNMENT COMPANY)





# THE SINGARENI COLLIERIES COMPANY LIMITED

(A GOVERNMENT COMPANY)

## OUR MISSION

To retain our strategic role of a premier Coal Producing Company in the Country and excel in a competitive business environment.

To strive for self-reliance by optimum utilisation of existing resources and earn adequate returns on the capital employed.

To exploit the available mining blocks with maximum conservation and utmost safety by adopting suitable technologies & practices and constantly upgrading them against international benchmarks.

To supply reliable and qualitative coal in adequate quantities and strive to satisfy customers needs by constantly sharing their experience and customising our product.

To emerge as a model employer and maintain harmonious industrial relations within the legal and social framework of the State.

To emerge as a responsible Company through good Corporate Governance, by laying emphasis on protection of environment & ecology and with due regard for corporate social obligations.



# THE SINGARENI COLLIERIES COMPANY LIMITED

(A Government Company)

## 96th ANNUAL REPORT & ACCOUNTS 2016-17

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#### **BANKERS:**

State Bank of India  
Indian Bank  
Canara Bank  
Andhra Bank

#### **STATUTORY AUDITORS:**

M/s. Ramamoorthy (N) & Co.,  
Chartered Accountants,  
4-1-1229, Gulshan Manzil, Bogulkunta,  
Hyderabad – 500 001, Telangana State.

#### **SECRETARIAL AUDITOR:**

Sri K.V.Chalama Reddy,  
Company Secretary,  
Flat No.301, Madhava Apts., Hill Colony,  
Khairatabad, Hyderabad – 500 004.

#### **LOCATION OF MINING AREAS:**

##### **Khammam & Bhadradi Kothagudem Districts**

Yellandu  
Rudrampur  
Manuguru

##### **Peddapalli District**

Ramagundam (Godavarikhani)

##### **Mancherial & Komarambheem Asifabad Districts**

Srirampur  
Mandamarri  
Bellampalli

##### **Jayashankar Bhoopalpalli District**

Bhoopalpalli



## BOARD OF DIRECTORS

1. *Chairman & Managing Director*  
**Sri N. Sridhar** (From 1.1.2015 FN)
2. *Director (Finance) & CFO*  
**Sri J.Pavitran Kumar** (From 4.6.2015)
3. *Director (Personnel, Administration & Welfare)*  
**Sri J.Pavitran Kumar (FAC)** (From 6.7.2015)
4. *Director (Electrical & Mechanical)*  
**Sri S. Shankar** (From 1.2.2017)  
**Sri P.Ramesh Babu** (From 1.3.2014 to 31.1.2017)
5. *Director (Operations)*  
**Sri S. Chandrasekhar** (From 2.5.2017 AN)  
**Sri J.Pavitran Kumar (FAC)** (From 1.5.2017 to 2.5.2017 FN)  
**Sri B. Ramesh Kumar** (From 13.12.2012 to 30.4.2017)
6. *Director (Planning & Projects)*  
**Sri B. Bhaskara Rao** (From 2.5.2017 AN)  
**Sri S. Shankar (FAC)** (From 1.5.2017 to 2.5.2017 FN)  
**Sri B. Ramesh Kumar (FAC)** (From 1.4.2017 to 30.4.2017)  
**Sri A.Manohar Rao** (From 13.12.2012 to 31.3.2017)
7. **Sri R.R. Mishra** (From 7.12.2015)  
*Chairman-cum- Managing Director, Western Coalfields Ltd., Nagpur*
8. **Sri Syed Ashraf** (From 14.10.2015)  
*Director, Ministry of Coal, Govt. of India, New Delhi*
9. **Sri J.S.Bindra** (From 9.6.2017)  
*Director, Ministry of Coal, Govt. of India, New Delhi*  
**Sri D.N.Prasad** (From 14.10.2015 to 31.5.2017)  
*Adviser(Projects), Ministry of Coal, Govt. of India, New Delhi*
10. **Sri Ajay Misra** (From 20.12.2016)  
*Special Chief Secretary, Energy Dept., Govt. of Telangana.*  
**Sri Arvind Kumar** (From 30.1.2015 to 19.12.2016)  
*Principal Secretary, Energy Dept., Govt. of Telangana.*
11. **Sri K.Rama Krishna Rao** (From 28.6.2014)  
*Principal Secretary, Finance Dept., Govt. of Telangana.*

**Sri G.Srinivas**

Chief (Corporate Affairs) & Company Secretary

**Sri M. Narasimha Reddy**

General Manager (Finance & Accounts)

# Board of Directors

(as on 27.12.2017)



**Sri N. Sridhar**  
Chairman & Managing Director



**Sri J. Pavitrnan Kumar**  
Director (Finance) & (PA&W)  
and CFO



**Sri S. Shankar**  
Director (E & M)



**Sri S. Chandrasekhar**  
Director (Operations)



**Sri B. Bhaskara Rao**  
Director (P&P)



**Sri Ajay Misra**  
Director



**Sri K. Rama Krishna Rao**  
Director



**Sri R.R. Mishra**  
Director



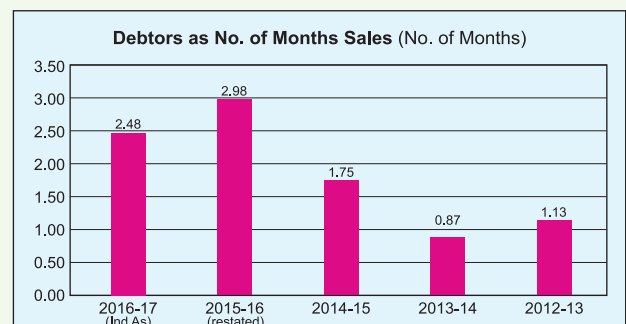
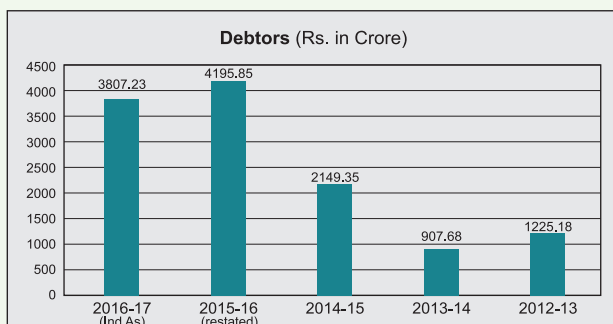
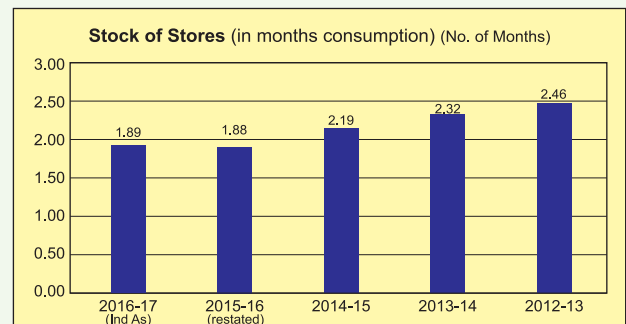
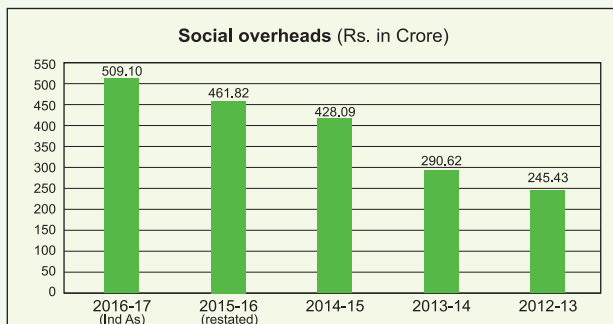
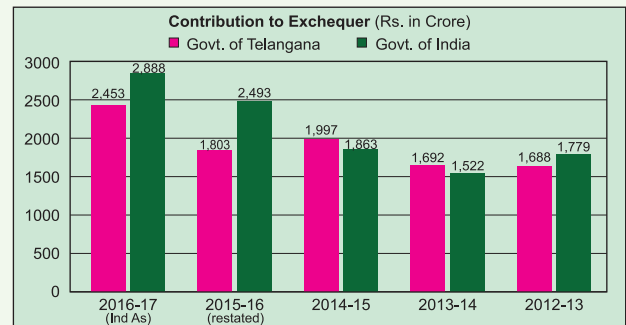
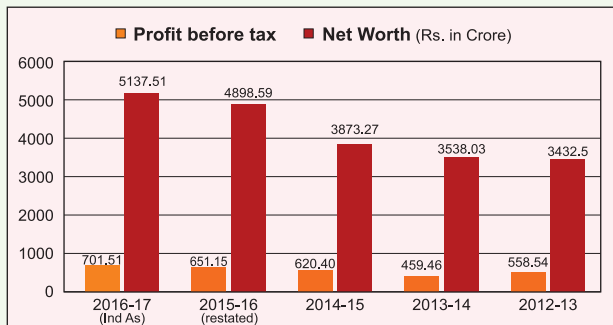
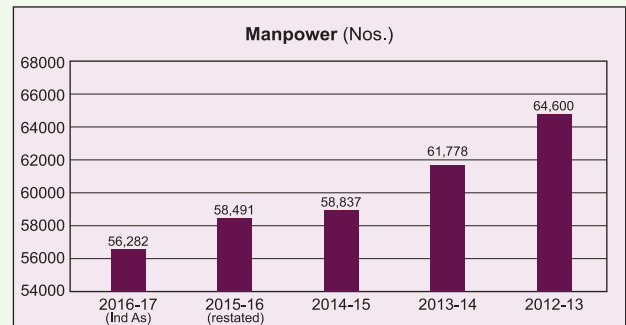
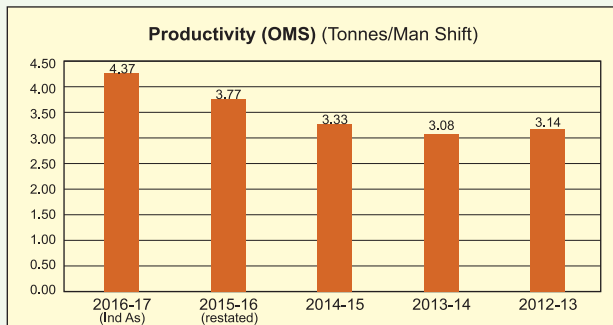
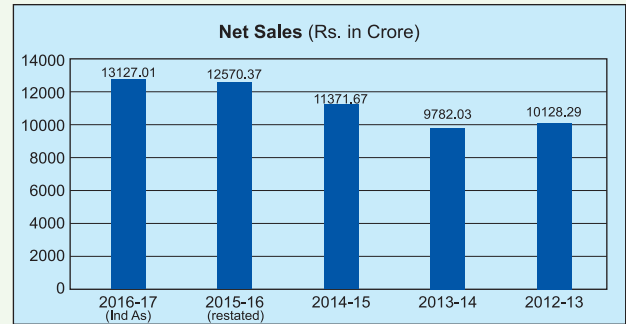
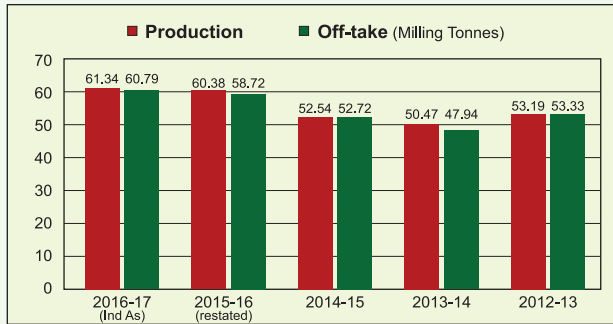
**Sri Syed Ashraf**  
Director



**Sri J.S. Bindra**  
Director



## Graphs Indicating Important Statistics





## PERFORMANCE INDICATORS AT A GLANCE

Sl. No.	Indicators	Unit	2016-17	2015-16 (restated)	2015-16	2014-15	2013-14	2012-13
1.	Production:							
	a) Open cast	(Lakh Tonnes)	<b>518.21</b>	497.28	497.28	423.33	399.21	415.93
	b) Underground	(Lakh Tonnes)	<b>95.15</b>	106.52	106.52	102.03	105.48	115.97
	c) Total	(Lakh Tonnes)	<b>613.36</b>	603.80	603.80	525.36	504.69	531.90
2.	Off-take	(Lakh Tonnes)	<b>607.91</b>	587.22	587.22	527.18	479.41	533.34
3.	Stock of Coal	(Lakh Tonnes)	<b>79.50</b>	72.71	72.71	53.66	55.52	30.22
4.	Output per Man Shift	(Tonnes)	<b>4.37</b>	3.77	3.77	3.33	3.08	3.14
5.	Manpower	(Nos.)	<b>56282</b>	58491	58491	58837	61778	64600
6.	Net Sales	(Rs. crore)	<b>13127.01</b>	12570.37	12570.37	11371.67	9782.03	10128.29
7.	Profit Before Tax	(Rs. crore)	<b>701.51</b>	651.15	1313.63	620.40	459.46	558.54
8.	Profit After Tax	(Rs. crore)	<b>395.38</b>	616.54	1066.13	490.44	418.74	401.14
9.	Accumulated Profit	(Rs. crore)	<b>2043.91</b>	1904.99	1789.35	979.67	744.43	738.90
10.	General Reserve	(Rs. crore)	<b>1360.40</b>	1260.40	1260.40	1160.40	1060.40	960.40
11.	Equity Share Capital	(Rs. crore)	<b>1733.20</b>	1733.20	1733.20	1733.20	1733.20	1733.20
12.	Long-Term Debt	(Rs. crore)	<b>4273.72</b>	3956.43	3956.43	3545.59	2304.77	1028.48
13.	Net Worth	(Rs. crore)	<b>5137.51</b>	4898.59	4782.95	3873.27	3538.03	3432.50
14.	Contribution to Exchequer							
	- State Government	(Rs. crore)	<b>2453.38</b>	1802.63	1802.63	1996.58	1691.83	1688.10
	- Central Government	(Rs. crore)	<b>2887.60</b>	2492.60	2492.60	1863.11	1521.67	1778.91
15.	Earning per Share	(Rs.)	<b>3.15</b>	4.19	6.15	2.83	2.42	2.31
16.	Debt - Equity Ratio	(ratio)	<b>2.47:1</b>	2.28:1	2.28:1	2.05:1	1.33:1	0.59:1
17.	Cost of Sales to Sales	(percentage)	<b>94.66</b>	94.82	89.55	94.54	95.30	94.49
18.	Debtors as No. of months' Sales	(months)	<b>2.48</b>	2.98	2.98	1.75	0.87	1.13



## THE SINGARENI COLLIERIES COMPANY LIMITED

( A Government Company )

Regd. office: Kothagudem Collieries (P.O) – 507 101,  
Bhadradri Kothagudem Dist., Telangana State.

CIN: U10102TG1920SGC000571 | Website: [www.scclmines.com](http://www.scclmines.com) | email: [cosecy@scclmines.com](mailto:cosecy@scclmines.com)

### NOTICE

Notice is hereby given to all the shareholders of The Singareni Collieries Company Limited that the 96th Annual General Meeting of the Company will be held on Wednesday, the 27th day of December, 2017 at 11.00 am at the Registered office, Head office building, Kothagudem Collieries (P.O) – 507 101, Bhadradri Kothagudem District, Telangana State to transact the following business.

1. To consider and adopt the Board's Report and the audited Annual Accounts for the financial year 2016-17.
2. To declare dividend @7.5% on the paid-up equity share capital for the financial year 2016-17.
3. To appoint Directors in place of Sri R.R.Mishra and Sri K.Rama Krishna Rao who retire by rotation in accordance with Section 152 of the Companies Act, 2013 and Article 93 of the Articles of Association of the Company and are eligible for re-election.
4. To appoint Director in place of Sri Ajay Misra and Sri J.S.Bindra who retire under Article 98 of the Articles of Association of the Company and are eligible for re-election.
5. To fix the remuneration payable to Statutory Auditors appointed by the C&AG of India for the financial year 2017-18.

"Resolved that pursuant to the provisions of Section 142 and other applicable provisions if any, of the Companies Act, 2013, the sanction be and is hereby accorded for payment of remuneration and reimbursement of T.A & out of pocket expenses as decided by the Board of Directors to Statutory Auditors appointed by the C&AG of India for the audit of accounts of the Company for the financial year 2017-18."

#### SPECIAL BUSINESS:

To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution.

6. Resolved that pursuant to the provisions of Section 148 and other applicable provisions if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the sanction be and is hereby accorded for payment of remuneration and reimbursement of T.A & out of pocket expenses to M/s.Narasimha Murthy & Co., Cost Accountants appointed as Cost Auditors by the Board of Directors on 19.8.2017 for the audit of cost accounting records of the Company for the financial year 2017-18 as decided by the Board of Directors.

To consider and if thought fit to pass with or without modification the following resolutions as special resolutions.

7. Resolved that the sanction be and is hereby accorded for payment of remuneration to Sri N. Sridhar as Chairman & Managing Director of the Company from 1.1.2017 on the existing terms & conditions laid before the meeting duly initialled by the Chairman for the purpose of identification.
8. Resolved that the sanction be and is hereby accorded for payment of remuneration to Sri A. Manohar Rao as Director (Planning & Projects) of the Company for a further period of 3 months 19 days from 13.12.2016 to 31.3.2017 i.e., till the date of his superannuation on the existing terms & conditions laid before the meeting duly initialled by the Chairman for the purpose of identification.



9. Resolved that the sanction be and is hereby accorded for payment of remuneration to Sri J. Pavitrana Kumar as Director (Finance) of the Company for a further period of one year from 4.6.2017 to 3.6.2018 on the existing terms & conditions laid before the meeting duly initialled by the Chairman for the purpose of identification.
10. Resolved that the sanction be and is hereby accorded for payment of remuneration to Sri S. Shankar as Director (Electrical & Mechanical) of the Company for a period of 2 years from 1.2.2017 on the terms & conditions laid before the meeting duly initialled by the Chairman for the purpose of identification.
11. Resolved that the sanction be and is hereby accorded for payment of remuneration to Sri S. Chandrasekhar as Director (Operations) of the Company for a period of 2 years from 2.5.2017 on the terms & conditions laid before the meeting duly initialled by the Chairman for the purpose of identification.
12. Resolved that the sanction be and is hereby accorded for payment of remuneration to Sri B. Bhaskara Rao as Director (Planning & Projects) of the Company for a period of 2 years from 2.5.2017 on the terms & conditions laid before the meeting duly initialled by the Chairman for the purpose of identification.

By order of the Board

Sd/-

**(G. Srinivas)**

Chief (Corporate Affairs) &  
Company Secretary

Date: 1 .12 .2017

Place: Kothagudem.

**Notes:**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
2. The explanatory statements pursuant to section 102 of the Companies Act, 2013 in respect of the special business are annexed.
3. The Board of Directors in the 542<sup>nd</sup> meeting held on 30.10.2017 recommended dividend @7.5% on the paid up equity share capital for the financial year 2016-17. If approved the dividend will be paid to the shareholders as at the opening hours of 28.12.2017.
4. The Register of members and Share transfer books of the Company will remain closed from 21.12.2017 to 27.12.2017 (both days inclusive).
5. The shareholders are requested to intimate any change in their address to the Registered office of the Company for sending all correspondence.



## ANNEXURE TO NOTICE

Explanatory statements pursuant to Section 102 of the Companies Act, 2013.

### Resolution No.6:

On the recommendation of the Audit Committee, the Board of Directors in the 541<sup>st</sup> meeting held on 19.8.2017 appointed M/s.Narasimha Murthy & Co., Cost Accountants as Cost Auditors for the audit of cost accounting records of the Company for the financial year 2017-18 on the following terms & conditions.

- a) The fee for Cost Audit will be Rs.3.125 lakh.
- b) The travelling and out of pocket expenses will be restricted to 50% of the audit fee subject to production of documentary evidence.
- c) Tax shall be paid as extra as applicable on furnishing the registration number with the appropriate authority.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, approval of the shareholders is sought for payment of remuneration and reimbursement of T.A & out of pocket expenses to M/s.Narasimha Murthy & Co., for the financial year 2017-18 as decided by the Board of Directors.

None of the Directors is personally interested in the resolution proposed to be passed.

### Resolution No.7:

In exercise of the powers conferred under the Tripartite Agreement and the provisions of Articles of Association of the Company, Govt. of Telangana, issued orders in GO Rt. No.53 dt.31.12.2014 of Energy(HR.A1) Dept., appointing Sri N.Sridhar, IAS, as chairman & managing Director of The Singareni Collieries Company Limited on the terms and conditions contained in G.O. Rt.No.1467 dt.30.12.2014 of General administration (SC-A) department for a period of 2 years from 1.1.2015. The Board in the 528th meeting held on 31.1.2015 noted the appointment of Sri N. Sridhar. The Govt. of Telangana has continued his services as C&MD of the Company after initial term of 2 years i.e., from 1.1.2017. Further the Board in the 540th meeting held on 27.5.2017 noted that Sri N. Sridhar has been reposted after availment of Ex-India earned leave from 4.5.2017 to 12.5.2017 as per G.O.Rt.No.975 dt.22.4.2017 of General Administration(SplA) Department, Govt. of Telangana.

Copies of relevant office orders containing terms & conditions of his appointment are available for inspection at the Registered Office of the Company on any working day during office hours.

Approval of the shareholders is sought for payment of remuneration to Sri N. Sridhar from 1.1.2017.

None of the Directors except Sri N. Sridhar is personally interested in the resolution proposed to be passed.

### Resolution No.8:

The Board in the 538th meeting held on 7.1.2017 co-opted Sri A. Manohar Rao as Director (Planning & Projects) of the Company for a further period of 3 months 19 days from 13.12.2016 to 31.3.2017 i.e., till the date of his superannuation on the existing terms & conditions.

Copies of relevant office orders containing terms & conditions of extension are available for inspection at the Registered Office of the Company on any working day during office hours.

Approval of the shareholders is sought for payment of remuneration to Sri A. Manohar Rao from 13.12.2016 to 31.3.2017.

None of the Directors except Sri A. Manohar Rao is personally interested in the resolution proposed to be passed.

### Resolution No.9:

The Board in the 541<sup>st</sup> meeting held on 19.8.2017 co-opted Sri J. Pavitraran Kumar as Director (Finance) of the Company for a further period of one year from 4.6.2017 to 3.6.2018 on the existing terms & conditions.



Copies of relevant office orders containing terms & conditions of extension are available for inspection at the Registered Office of the Company on any working day during office hours.

Approval of the shareholders is sought for payment of remuneration to Sri J. Pavitrana Kumar from 4.6.2017 to 3.6.2018.

None of the Directors except Sri J. Pavitrana Kumar is personally interested in the resolution proposed to be passed.

**Resolution No.10:**

The Board in the 539<sup>th</sup> meeting held on 4.3.2017 co-opted Sri S. Shankar as Director (Electrical & Mechanical) of the Company for a period of 2 years from 1.2.2017 on the terms & conditions contained in office order No.CRP/PER/C/025/313 dt.31.1.2017.

Copies of relevant office orders containing terms & conditions of appointment are available for inspection at the Registered Office of the Company on any working day during office hours.

Approval of the shareholders is sought for payment of remuneration to Sri S. Shankar from 1.2.2017.

None of the Directors except Sri S. Shankar is personally interested in the resolution proposed to be passed.

**Resolution No.11:**

The Board in the 540<sup>th</sup> meeting held on 27.5.2017 co-opted Sri S. Chandrasekhar as Director (Operations) of the Company for a period of 2 years from 2.5.2017(AN) on the terms & conditions contained in office order No.CRP/PER/C/025/1148 dt.2.5.2017.

Copies of relevant office orders containing terms & conditions of appointment are available for inspection at the Registered Office of the Company on any working day during office hours.

Approval of the shareholders is sought for payment of remuneration to Sri S. Chandrasekhar from 2.5.2017(AN).

None of the Directors except Sri S. Chandrasekhar is personally interested in the resolution proposed to be passed.

**Resolution No.12:**

The Board in the 540<sup>th</sup> meeting held on 27.5.2017 co-opted Sri B. Bhaskara Rao as Director (Planning & Projects) of the Company for a period of 2 years from 2.5.2017(AN) on the terms & conditions contained in office order No.CRP/PER/C/025/1149 dt.2.5.2017.

Copies of relevant office orders containing terms & conditions of appointment are available for inspection at the Registered Office of the Company on any working day during office hours.

Approval of the shareholders is sought for payment of remuneration to Sri B. Bhaskara Rao from 2.5.2017(AN).

None of the Directors except Sri B. Bhaskara Rao is personally interested in the resolution proposed to be passed.



## BOARD'S REPORT

Dear Members,

Your Board of Directors are glad to present the 96th Annual Report and audited financial statements of the Company for the year ended on 31<sup>st</sup> March 2017.

### PERFORMANCE:

The Company has registered growth rate in production, dispatches and sales during the year under report. The performance achieved by the Company during the year is as under:

Performance parameters	2016-17	2015-16	% variance over 2015-16
Production (in million tonnes)	<b>61.34</b>	60.38	1.58
Despatches (in million tonnes) (excluding Colliery consumption)	<b>60.80</b>	58.69	0.56
Gross sales of coal and power (Rs. in crore)	<b>17822.73</b>	16325.28	9.17

### OPERATIONAL RESULTS:

The financial performance of the Company for the year 2016-17 as compared to the previous year is as under:

Particulars	2016-17 (As per IND AS)	2015-16 (Restated)
Gross revenue	<b>18540.69</b>	16974.49
Profit before interest, depreciation, provisions, tax & prior period adjustments	<b>2980.80</b>	3045.35
Less: Finance Costs	<b>899.26</b>	715.20
Depreciation and Amortisation	<b>1138.56</b>	1024.28
Provisions including write-offs	<b>9.98</b>	486.02
Prior period adjustments (net)	<b>-8.82</b>	--
Tax expenses	<b>395.06</b>	92.99
Other comprehensive income (Net)	<b>151.38</b>	110.32
Total comprehensive income – Profit After Tax	<b>395.38</b>	616.54
<b>Appropriations : #</b>		
Dividend	<b>129.99*</b>	129.99
Tax on Dividend	<b>26.46</b>	25.21
Transfer to General Reserve	<b>100.00</b>	100.00

\* Dividend @ 7.5% on the paid-up equity capital for the financial year 2016-17 is recommended by your Board of Directors in the 542<sup>nd</sup> meeting held on 30.10.2017.



### Share Capital:

During the year under report there is no change in the authorised and paid-up capital of the Company and it remained Rs.1800 crore and Rs.1733.20 crore respectively as in the previous year.

### Capital Expenditure:

During 2016-17 amount spent on capital additions is Rs.2417.60 crore as against Rs.2805.47 crore incurred in the previous year.

### Foreign exchange earnings and outgo:

During 2016-17 the foreign exchange outgo was Rs.192.04 crore as against Rs.126.71 crore in the previous year, which is mainly due to import of equipment & spares, payment of consultancy charges etc. There were no foreign exchange earnings.

## PRODUCTION PERFORMANCE:

### Production from opencast & underground mines:

The Company has achieved 61.34 million tonnes of production during the year under report as against the target of 58 million tonnes. Out of this, open cast projects have produced 51.82 million tonnes and underground mines have produced 9.52 million tonnes. The technology-wise details of production achieved during the year under report against the targets as well as achievement in the previous year are as under:

(in million tonnes)

Sl. No.	Technology	2016-17		2015-16	
		Target	Actual	Actual	% variance over 2015-16
1.	Underground				
	a) Hand section	0.12	<b>0.228</b>	<b>0.437</b>	-47.83
	b) Machine mining:				
	i. Road header	<b>0.23</b>	<b>0.029</b>	0.085	-65.88
	ii. Longwall	<b>2.50</b>	<b>1.101</b>	1.783	-38.25
	iii. High wall	-	<b>0.013</b>	0.072	-81.94
	iv. Side Dump Loaders	<b>6.23</b>	<b>5.494</b>	5.278	4.09
	v. Load Haul Dumpers	<b>2.67</b>	<b>1.812</b>	1.999	-9.35
	vi. Short Wall-	-	<b>0.132</b>	-100.00	
	vii. Blasting Gallery	-	<b>0.179</b>	0.157	14.01
	viii. Continuous miner	<b>1.10</b>	<b>0.657</b>	0.709	-7.33
	Total machine mining	<b>12.73</b>	<b>9.285</b>	10.215	-9.10
	Total underground	<b>12.85</b>	<b>9.515</b>	10.653	-10.68
2.	<b>Opencast</b>	<b>45.15</b>	<b>51.823</b>	49.727	4.22
	<b>Total (1 + 2)</b>	<b>58.00</b>	<b>61.338</b>	60.380	1.59



Newly provided Surface Manriding System at Adriyala Longwall project



Silo at RG-II area for dispatch of coal to NTPC



### Reasons for shortfall in production in UG mines:

- Excess seepage of water in panel 1 and salvaging of Longwall from panel 1 to Panel 2 at Adriyala Shaft Project.
- Adverse geological conditions and shortage of sand for stowing due to extended rains.
- Spontaneous heating in PVK 5 Incline.

### Overburden removal performance:

The company has achieved overburden removal of 312.63 million cubic metres in opencast projects during the year under report as against 310.76 million cubic metres achieved in the previous year. The details of overburden removal by Company equipment and through outsourcing agencies are as under:

(in million Cu. Mtrs.)

Particulars	2016-17		2015-16	Variance over 2015-16	
	Target	Actual	Actual	Absolute	Percentage
Company equipment	70.00	58.52	64.96	-6.44	-9.9
Outsourcing	250.00	254.11	245.80	8.31	3.4
Total	320.00	312.63	310.76	1.87	0.6

### Utilization of Capacity :

Particulars	2016-17			2015-16		
	Target	Actual against Target	% Achieved	Target	Actual against Target	% Achieved
Capacity Utilization	92 %	98%	107	90.50%	98%	108

### Productivity in terms of out put per man shift:

Productivity in terms of output per man shift in underground mines & opencast projects and for the entire Company for the year under report vis-à-vis previous year is as under:

(in tonnes)

Particulars	2016-17		2015-16	Variance over 2015-16	
	Target	Actual	Actual	Absolute	Percentage
Underground Mines					
- Hand section	0.41	0.52	0.44	0.08	18.2
- Machine mining	1.54	1.20	1.36	-0.16	-11.8
Total UG mines	1.50	1.17	1.25	-0.08	-6.4
Opencast projects	14.10	13.85	13.82	0.03	0.2
Overall					
- Mines	4.93	4.74	4.74	0.00	0.0
- Mines & Departments	3.85	3.72	3.77	-0.05	-1.3



### Performance of HEMM:

The performance of Heavy Earth Moving Machinery in terms of availability and utilisation as against the previous year is indicated below:

HEMM	Numbers on roll		CMPDI Norms		% Availability		% Utilisation on Scheduled shift hours	
	2016-17	2015-16	% availability	% utilisation on SSH	2016-17	2015-16	2016-17	2015-16
Draglines	2	2	85	73	70	73	59(81)	64 (88)
Shovels	59	68	80	60	83	81	56(93)	55 (92)
Dumpers	485	474	67	50	77	75	38(76)	38 (76)
Dozers	97	104	70	45	57	61	23(51)	27 (60)
Drills	58	66	78	40	79	74	25(63)	27 (68)
Others	163	167	–	--	70	70	24	26
Total	864	881	–	--	74	74	34	36

Note: Figures shown in brackets indicate percentage achievement of CMPDI norm.

### Performance of Underground Mining Machinery

The performance of Underground Mining Machinery in terms of availability and utilisation as against the previous year is indicated below:

HEMM	Numbers on roll		SCCL Norms		% Availability		% Utilisation on Scheduled shift hours*	
	2016-17	2015-16	% availability	% utilisation w.r.t. SSH	2016-17	2015-16	2016-17	2015-16
Longwall	1	2	75	67	54	41	17(26)	19 (28)
Shortwall	#	1	75	67	--	47	–	23 (34)
Continuous Miner	3	2	75	42	58	72	21(50)	32 (76)
Road Header	7	9	83	42	88	67	3(8)	9 (21)
Blasting Gallery	1	1	91	57	85	84	21(36)	20 (35)
Load Hauler Dumper	38	45	91	57	82	82	29(50)	32 (56)
Side Discharge Loader	171	165	91	58	92	92	33(57)	33 (56)
Total	221	225			90	88	31	31

\* Figures in ( ) indicate % achievement of system utilization.

# Shortwall technology in RK NT was not planned during 2016-17.

**MARKETING:****Target and off-take of coal:**

During the year under report, your Company has achieved 60.83 million tonnes off-take of coal against the target of 58.00 million tonnes. The details of sector-wise AAP target & off-take and colliery consumption during the year 2016-17 as compared to the previous year are as under.

(in million tonnes)

Sector	2016-17			2015-16		
	Target	Off-take	% Achieved	Target	Off-take	% Achieved
Power	46.40	51.50	111	36.16	49.34	136
Cement	3.80	2.71	71	7.70	3.15	41
Heavy Water Plant	0.50	0.38	76	0.50	0.52	104
Other Industries	7.24	6.21	86	11.14	5.54	50
Colliery Consumption	0.06	0.03	50	0.50	0.05	10
Total	58.00	60.83	105	56.00	58.60	105

Some complaints were received with regard to quality of coal and the same were addressed.

**Mode of dispatches:**

The details of dispatches through different modes (excluding colliery consumption) during the year under report as against previous year are as indicated below;

(in million tonnes)

Year	Rail (incl. RCR)	Road	Merry-go-round	Rope-way	Total
2016-17	39.96	11.95	8.51	0.38	60.80
2015-16	40.30	9.12	8.61	0.52	58.55
Absolute increase/ decrease	-0.34	2.83	-0.10	-0.14	2.25

Presently 7 Nos. of Railway sidings are existing in SCCL for a total length of 86.66 Km., and 4 new Railway sidings are proposed to be constructed viz., Bethampudi-Koyagudem, Asifabad Road Railway station-Goleti CHP, BDCR-Sathupalli Railway line project and KK-1 CHP sidings.

**Wagon loading performance:**

Daily average loading of 3,956 / 1,582 Four Wheeler Wagons / Box wagons was done during the year 2016-17 as against 3,977 / 1,591 FWW/ Box wagons done in 2015-16.

**Measures for improving quality:**

Measures taken for improving quality of coal are as under;

- ◆ Quality awareness programme was conducted from 24.10.2016 to 29.10.2016.
- ◆ Quality assurance week was conducted from 10.11.2016 to 16.11.2016.



Coal handling plant at Srirampur – Biggest in Singareni



Central road lighting system provided by the Company under CSR at Bhupalpalli



- ◆ Coal is being supplied to power customers through 3<sup>rd</sup> party sampling from 14.7.2016.
- ◆ Presently 3 Washeries at Manuguru, RKP & RG II Areas are functioning. It is proposed to establish Coal washeries as under;
  - i. Washery at JVR OCP, Sattupalli with 4.0 Mtpa capacity under BOO concept.
  - ii. Washery at Khairagura OCP with 2.5 Mtpa capacity under BOM concept.

### EXPLORATION ACTIVITIES:

During the year under report, 319.78 million tonnes of reserves were proved against 325.97 million tonnes proved in the previous year. With this the total proved reserves in Godavari Valley Coalfield have gone up to 10,846 million tonnes as on 31.3.2017. The coal extracted by the Company in the Godavari Valley Coalfield up to the year 2016-17 was about 1405.26 million tonnes.

On the request of Govt. of Telangana, the Exploration department of your Company has completed drilling for Iron ore investigation in Bayyaram area, Mahbubabad district.

### INDUSTRIAL RELATIONS:

There has been congenial atmosphere and harmonious industrial relations during the year under report. There was only one strike during the year 2016-17 on the issue pertaining to national level i.e., policies of the Central / State Governments pursuant to the call given by Central Trade Unions. The details of strikes, mandays and production lost during the year 2016-17 as against the previous year are as under:

Particulars	Unit	2016-17	2015-16
Strikes	No.	1	1
Mandays lost	No.	40,785	43,177
Production lost	Tonne	88,554	79,614

### EMPLOYEES' WELFARE MEASURES AND SOCIAL SECURITY SCHEMES:

Welfare and social security to the employees are given due importance and various welfare activities viz., housing & sanitation, educational, recreational, medical facilities with super specialty services and social security schemes that were in vogue are being continued. The overall housing satisfaction as on 31.3.2017 was 88.83% as against 88.61% at the end of previous year.

There are 18 swimming pools throughout the Company for the benefit of employees and 3 new swimming pools at Bhoopalpalli, Mandamarri and Belampalli areas are under construction.

Measures are being taken for continuous improvement of Company's main hospital at Kothagudem and other area hospitals and Air Conditioning of the wards is also being done. High end medical equipment viz., ICU Ambulances (Sanjeevani), 8 Nos. of 2D Echo and Colour Doppler machines, 7 Nos. of TMT machines were newly introduced. The Govt. of Telangana has issued GO Ms No.73 dt. 6.6.2016 of Health, Medical and Family Welfare (C1) Department for treating service rendered by the Doctors in the SCCL hospitals as Government Rural Service so as to consider them as in-service candidates for admission into PG Medical Courses. This will facilitate in attracting the Doctors to work in the Company hospitals and also encourages Doctors with MBBS qualification to pursue PG courses.

Yoga & Meditation camps were conducted extensively throughout the areas in association with Vivekananda Yoga Anusandhana Samsthan, Bangaluru, Aruna Yoga, Hyderabad and Patanjali Yoga Samithi in which 24,400 employees and their family members participated. 2nd International Yoga day was conducted on 21.6.2016 throughout the areas in a grand manner. The Company organised Mega Yoga programme on the International Yoga day throughout the areas



Sri J. Pavitrnan Kumar, Director (Finance) & (P.A&W) inspecting the newly provided modern equipment in Main Hospital, Kothagudem along with the representatives of the Trade unions

Organising Medical camps for the well being of the employees, general public



Visit of Smt. Swathi Sridhar to a Self Employment Training Centre at Srirampur area



in 176 centres wherein 60,369 persons have participated and this event has achieved National record and entered in the Limca Book of records.

An awareness programme called as “Mee Kosam – Mee Arogyam Kosam” was conducted from 2<sup>nd</sup> to 17th September, 2016 in which 17,363 employees and their dependants were benefited by the Super Speciality Medical Services.

The Singareni Collieries Educational Society sponsored by the Company has been running 9 Schools at various areas, Women’s PG, Degree & Junior College at Kothagudem and one Polytechnic College at Srirampur. Apart from curriculum and academic activities encouragement is also being given for NCC, Scouts & Guides movement, various arts like drawing, music etc.

Women’s Degree College has secured ‘A’ grade accreditation from NAAC from the academic year 2016-17 which is valid for 5 years. A 2-Day National Seminar on the topic of ‘Democracy in India, Issues and Challenges’ and a National level symposium on the topic of ‘Communication – Life Skills’ were conducted at Women’s Degree College.

Employees are being provided sports facilities & required infrastructure and are also encouraged to participate in sports & games.

Contributory Post-Retirement Medicare scheme is being implemented for retired executives and their spouses.

The Company has extended insurance coverage to all the employees under Pradhan Manthri Suraksha Bima Yojana (PMSBY) and paying premium.

### **Social Overheads:**

An expenditure of Rs.508.04 crore was incurred on various social overheads during the year 2016-17 as against Rs.461.82 crore incurred in the previous year.

### **Corporate Social Responsibility and activities through Singareni Seva Samithi:**

The Company has formulated CSR Policy and taken up several CSR activities. The Company has also taken up several CSR activities through 'Singareni Seva Samithi', a non-profit organisation established in 1998. During the year under report the Samithi activities are as under;

About 3,388 dependants of employees / Ex-employees and locals have undergone training in Skill Development Programmes through Khadi Gramodyog Maha Vidyalay, Rajendranagar (KGMV) in different vocational trades like Electrician, Tailoring, Beautician, Fashion Designing etc. Out of them, 1244 candidates have successfully completed training and got certificates from KGMV.

210 candidates have undergone training in Pre-Primary Teacher training, spoken English etc. 30 candidates have undergone CNC training through Grama Tarang (Centurian University).

384 candidates belonging to PAP were trained in different vocational courses.

160 candidates have undergone Light Motor Vehicle driving course at different areas of SCCL.

With the assistance of Seva Samithi 390 self employment units were established at various areas during the year taking the total self units established so far to 2,897.

Financial assistance extended to 29 outsourced employees children for continuing their education.

100 students of PAPs of Koyagudem Opencast project, Yellandu area were given polytechnic entrance coaching. ST students of PAPs of Bhupalpalli area were given free transportation facility to schools.

ST Homes of Kothagudem & Bellampalli were adopted for free education, uniforms, school bags, books etc.

49 Special children were supported by the Company, who are associated with Satya Sai Deaf & Dumb School, Manuguru.

About 1500 candidates were trained at all Areas for Army / Police recruitment rallies. Study material for recruitments tests was also distributed. Out of the above, 54 candidates are selected in Army Recruitment Rally held at Warangal



and 86 candidates were selected as Police Constables. Further, 320 candidates have passed preliminary written test & physical endurance test and appeared final written test for State level Sub-Inspector of police. Results are awaited.

Outsourcing works are being awarded to Mutually Aided Cooperative Societies in the Project Affected Villages (PAF) formed by ITDA authorities.

### **CSR Committee of Board:**

Corporate Social Responsibility Committee of Board constituted under the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 consists following members.

- i) Chairman & Managing Director - Chairman
- ii) Director (Finance) - Member
- iii) Director (Operations) - Member
- iv) Director (PA&W) – Member

Annual Report on CSR activities of the Company for the financial year 2016-17 as required under Rule 8 of Companies (CSR Policy) Rules, 2014 is given in Annexure-I.

### **INFORMATION TECHNOLOGY & NETWORKING:**

The following measures were taken for using Information Technology in the operations of the Company.

- ◆ Revamped Hospital Management System in Main Hospital and rolled out in all area hospitals of the Company successfully.
- ◆ GPS/GRPS based Vehicle Tracking System (VTS):
  - GPS based VTS system for monitoring internal coal transportation trucks including PHD vehicles was implemented at SRP Area successfully from September, 2016.
  - GPS based VTS system was installed for all sites of BPA & MM Areas and tested. The system is ready to put in operation.
  - For implementing VTS, Civil and Electrical works are completed in all Areas of RGM Region. GPS modules are being fixed to the coal trucks.
  - GPS based VTS was installed for all sites of MNG Area and testing is in progress.
  - For implementing VTS, Civil and Electrical works are completed in KGM Area. VTS equipment is supplied and ready for installation.
- ◆ Enhancements are made in Application to monitor Energy Meter Readings and Power consumption to generate various report for parameter analysis and Energy Audit including SEC Reports.
- ◆ Measures are being taken for establishing Aadhaar Enabled Biometric Attendance System.

### **SAFETY STATUS:**

Your Company is taking all measures for improving the safety status in mines. Corporate and region level safety review meetings are conducted regularly. Safety Audit is also being done. Stage-I training on risk assessment based Safety Management Plan by M/s. SIMTARS, Australia has been completed and stage-II training at Australia will be imparted for improving safety and health management systems on par with the international standards by specialised training in risk management and hazard identification. Radars for monitoring stability of slopes in opencast mines are being procured.



The details of accidents and persons involved are as under:

Year	Fatal		Serious		Injury rate per million tonne of production	
	No. of accidents	No. of persons involved	No. of accidents	No. of persons injured	Fatal	Serious
2016-17	10	12	220	224	0.20	3.65
2015-16	7	7	225	225	0.12	3.73

#### Mines rescue services:

Mines Rescue Services of SCCL have attended 8 underground emergencies and 10 surface; and 14 outside emergencies as part of corporate social responsibility.

SCCL Rescue team participated in International Mines Rescue Competitions held at Sudbury, Canada from 19th to 26th August, 2016.

#### HUMAN RESOURCE DEVELOPMENT:

The objective of HRD department of the Company is to improve the competencies of all its employees and to enable them to become excellent performers, responsible citizens and best teams and ideal family members by harnessing their full potential so as to make them to lead healthy, peaceful, stress-free prosperous life. The Company has good in-house training centres with facilities like Library, LCD projector, Computers and Internet at various areas. During the year under report, the details of total training centers are as indicated below:

Sl. No.	Name of the centre	No. of centres
1.	Mines Vocational Training Centres (MVTC)	10
2.	Corporate training Centre (CTC), Kothagudem	1
3.	Technical Training Centre (TTC), Ramagundam (for opencast technology)	1
4.	Underground Mechanisation Training Institute (UMTI), RG-II (for underground technology)	1
5.	Nargundkar Institute of Management (NIM), RG-II (for executive training)	1

Number of executives & non-executives covered under in-house and outside training programmes are as under:

Sl. No.	Particulars of training programmes	2016-17		2015-16	
		Executives	Non-Executives	Executives	Non-Executives
1.	In-house	571	572	854	542
2.	Within the country	297	144	497	151
3.	Outside the country	20	10	7	-



Mano Vikas School for special children at Mandamarri area supported by the Company

Employees participating in the International Yoga Day on 21.6.2016



Imparting self employment training in different trades to the women in the surrounding coal belt areas



### Workshops:

- ◆ One-day international workshop was organised on 14.4.2016 on the topic of 'Successful introduction of high capacity longwall at Adriyala'.
- ◆ One-day workshop was organised in association with CSIRO on 8.2.2017 on the topic of 'Stability Analysis and Design Optimisation of Overburden Dumps and Deep Opencast Mines at SCCL'. Recommendations of the Workshop were circulated for implementation in all Opencast mines of the SCCL.

### Multi Departmental team meetings:

The programme known as “touching every employee and sensitizing every employee” which started during 2014-15 has been continued. Total 160 meetings of Multi Departmental Teams (MDT) involving 36,866 employees were conducted at all areas wherein issues were discussed for improving the production with productivity, safety, profitability and quality of coal. Feedback obtained in the meetings is summarised and appropriate measures are being taken.

### Manpower:

The manpower of the company has come down from 58,491 as at the end of the previous year to 56,282 by the end of the year under report.

### MEASURES FOR CONSERVATION OF ENERGY:

- ◆ Suitable Capacitor Banks were added in the load centre which could save 1.73 M units.
- ◆ Solar Power Plants erected:

Location	Grid connection Capacity in KWp	Generation of power in Units
Singareni Bhavan, Hyderabad	60	28,775
RG-3	10	8,768
Mandamarri Area	4	4,000

- ◆ The proposals for installation of Solar Power Plants of 100 KWp at Singareni Collieries Polytechnic College, Srirampur and 80 KWp at EPI center building at Corporate office are in process.

The specific energy consumption in KWH/ tonne of coal production has come down during the year under report by 2.56% over the previous year as mentioned below:

Description	2016-17		2015-16		% variance over 2015-16
	Target	Actual	Target	Actual	
Specific energy consumption in KWH/tonne	14.50	11.41	14.50	11.71	-2.56

### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

The Company has introduced Bolter Miner technology in underground mines during 2016-17. Bolter Miner technology is useful for driving the roadways by cutting the face as well as supporting. The technology was imported during the year under report and it is at initial stage.

**PROJECTS AND SCHEMES:****Projects/schemes under implementation:**

As at the end of March 2017, there are 20 mining projects, (14 opencast and 6 underground) under various stages of implementation with a sanctioned capital cost of Rs.6186.90 crore. The implementation of 13 projects is as per schedule, 7 projects are lagging behind schedule. The Management is taking all possible steps to reduce slippages in implementing the projects.

**Projects approved by the Company:**

The Board of Directors of the Company have approved the following projects / schemes during the year 2016-17:

Sl. No.	Name of the Project	Sanctioned Capital (Rs. crore)	Capacity per annum (MTPA)	Approved on
1.	Expansion of KTK-5 incline with LW	77.12 *	0.70	30.4.2016
		420.84 **		
2.	RCE of JVR OCP-II	437.51	10.00	26.8.2016
3.	Rampuram Shaft Block	431.92	1.40	26.8.2016
4.	Expansion of SRP OC-II Project	272.73	3.50	4.11.2016
5.	RCE of Kistaram OC Project	164.04	2.00	4.3.2017
6.	KTK OC-III Project	413.84	2.50	4.3.2017

\* Outsourcing option      \*\* Departmental option

**Pre-mining activities approved by the Board:**

Sl. No.	Name of the Project	Sanctioned Capital (Rs. crore)	Approved on
1.	Pre-mining activities of KTK-3 LW Project	30.91	4.11.2016
2.	Pre-mining activities of Naini Coal Block	42.42	4.3.2017

**Up gradation of Explosive plant:**

The work for enhancement of capacity of Site Mixed Slurry (SMS) Explosive plants at Ramagundam from the existing 10,000 Tons to 30,000 Tons per annum and Manuguru plant from 5,000 Tons to 20,000 Tons per annum and converting to Site Mixed Emulsion (SME) technology is in progress.

**Dropping / Closure of Projects:**

The Board of Directors in the 539th meeting held on 4th March, 2017 have approved for dropping of Kakatiya Longwall Project as it was proposed to be converted into KTK OC-III Project.

The Board of Directors in the 539th meeting held on 4th March, 2017 approved for closure of 18 MW power house at Ramagundam as it was commissioned about 39 years back and became obsolete.



### Projects completed:

The Board of Directors of the Company have approved the completion reports in respect of the following projects during the year 2016-17:

Sl. No.	Name of the Project	Capacity per annum (MTPA)	Completion cost (Rs. crore)	Date of completion	Approved on
1.	JK 5 Opencast Project	2.500	116.47	31.3.2016	4.11.2016
2.	Adriyala Shaft Project	2.817	1237.34	31.3.2016	4.11.2016

### STATUS OF 2x600 MW POWER PROJECT:

The 2x600 MW coal based Thermal Power Plant at Jaipur Mandal of Adilabad District of Telangana was dedicated to the Nation by Hon'ble Prime Minister on 7.8.2016. The commercial operation of Unit-1 & Unit-2 achieved on 25.9.2016 and 2.12.2016 respectively.

Raw water storage reservoir (R-2) and roads for alternate coal transport arrangements were completed. 2 TMC water supply scheme, Railway siding, residential quarters are in progress. BTG package works have been completed. PG test of Unit-1 Boiler completed. While major BoP package works have been completed, some building works and finishing works are in advance stage of completion.

Consent for operation (CFO) of STPP has been issued by TSPCB on 27.5.2016 and the same was renewed on 4.4.2017 for a period of 5 years i.e., up to 30.4.2022.

Laying of 400 KV alternate line by TSTRANSCO for power evacuation from STPP to Nirmal is under progress.

Power generation from 2x600 MW STPP has started from 1.6.2016.

### STATUS OF 1x800 MW ADDITIONAL 3RD UNIT (STAGE-2) OF STPP:

Govt. of Telangana has accorded approval for 800 MW Super Critical Unit (Stage-2) as a part of expansion of 2x600 MW (Stage-1) STPP vide letter dated 16.3.2017. The earlier proposal of setting up 600 MW 3rd Unit was changed as per the advice of Govt. of India to go for Super Critical Unit. Order placed on NTPC for preparation of DPR for 1x800 MW 3<sup>rd</sup> unit. Preparation of DPR by NTPC under process.

### PROTECTION OF ENVIRONMENT, ECOLOGY & BIO-DIVERSITY:

During the year under report, plantation was done on OB dumps in 357.5 Ha. with 29,06,491 seedlings, Block plantation in 369 Ha., with 16,31,077 seedlings and avenue plantation in 92.5 KMs with 42,110 seedlings. Thus the total area of plantation done during the year 2016-17 was 726.5 Ha. of OB & Block plantations apart from avenue plantation with 45,79,678 seedlings. Reclamation of OB dumps is being done concurrent to mining operations. The Company has banned usage of plastic carry bags & other plastic materials in all the mining areas, offices, clubs, guesthouses etc. Overburden is being processed for stowing in underground mines. The Company has developed and is maintaining 44 parks and 69 gardens throughout coal belt areas. There is a total stock of 68.34 lakh seedlings in 12 nurseries maintained by the Company throughout coal belt areas. Under the 'Telanganaku Haritaharam' programme of the State Govt. 54.40 lakh saplings were distributed. Thus, the Company has achieved plantation of about one crore. The plantations raised in the Company Areas are highly successful with survival rate of more than 90%. The Company is raising such saplings which is depleting in faster rate in Reserve forest like *Mitragyna parvifolia*, *Adyna cardifolia*, *Dalbergia latifolia*, *Pterocarpus santalinus* etc.



Dr.B.R.Ambedkar eco-friendly park at Manuguru area



Plantation by officers & employees of the Company at Srirampur area as part of Harita Haram programme of the State Government. The company has done one crore plantations in the year 2016



25 Effluent Treatment Plants and 7 Sewage Treatment Plants are functioning at different areas to treat workshop effluents and domestic effluents respectively.

Fly ash bricks are being used in all construction works.

## RESEARCH & DEVELOPMENT:

During the year under report, R&D activities taken up are as under;

### In UG mines:

- ◆ Strata monitoring, subsidence monitoring, environment monitoring of Adriyala LW project.
- ◆ Design of method of work and support plan and monitoring in Continuous Miner panel at VK-7 incline, GDK-11 Incline and Shanthi Khani.
- ◆ Non-destructive testing of critical components of man riding / winding systems.
- ◆ Periodical quality testing of permitted explosives and accessories.
- ◆ Subsidence prediction studies at KTK-3 incline, Rampur Shaft Block & Mandamari Shaft Block.
- ◆ Bottom ash stowing studies at RK-7 incline.

### In OC mines:

- ◆ Study on effect of blasting on nearby structures at RG OCP-III.
- ◆ Processed OB for stowing in UG Mines.
- ◆ Periodical quality testing of explosives & accessories.
- ◆ Slope stability studies.
- ◆ Stability analysis and design optimization of OB dumps and deep OC mines in association with CSIRO, Australia.

The expenditure incurred on R&D during the year under report is Rs. 3.51 crore as against Rs. 3.00 crore incurred in the previous year. The expenditure on R&D is 0.025% of turnover.

The feasibility of commercial use of clay generated as by-product in processed OB Plants is being explored.

### Benefits derived:

The R&D activities have facilitated in successful implementation of longwall technology at Adriyala Longwall Project, use of bottom ash as underground stowing material and processed OB for underground stowing and civil constructions, ensuring good quality of explosives and accessories, maintaining good ventilation in UG mines, improving the safety in production and productivity.

### Future Plan of Action:

- ◆ In order to utilize the expertise of Indian Institute of Chemical Technology, Hyderabad and NIT, Warangal, proposals are under way for entering into MoUs with them.
- ◆ Formulation of new S&T Projects in the Areas for optimum extraction of rare earth minerals from opencast waste overburden material, optimum utilisation of clay generated from processed OB, development of instrument to determine thickness of parting between the inaccessible water bodies and underground workings etc.



## INTERNAL AUDIT:

The Internal Audit dept. has been conducting pre-audit, post-audit, system studies etc., under annual audit programme which is approved by the Audit Committee.

During the year under report, the Internal Audit dept., after conducting audit of different bills disallowed an amount of Rs.264.55 lakh under pre-audit and advised for recovery of an amount of Rs.68.24 lakh under post-audit as against the amount of Rs.186.50 lakh disallowed under pre-audit and recovery of Rs.27.43 lakh under post audit in the previous year. Apart from this, the Internal Audit Dept. has conducted physical verification under perpetual inventory verification, surprise checks and studies on performance of explosive plants, obsolete store items, processing of overburden to sand, implementation of projects, idle freight and penal freight charges. The studies and activities of Internal Audit Dept. are reviewed by the Audit Committee.

The status of compliance of Internal Audit memos as on 31.3.2017 when compared to the end of previous year is as under:

Period up to	Issued		Complied		Pending		% compliance No. of memos	Recovery percentage
	No. of memos	Value (Rs. lakh)	No. of memos	Value (Rs. lakh)	No. of memos	Value (Rs. lakh)		
31.3.2017	1311	291	1276	282.81	35	8.19	97.33	97.19
31.3.2016	744	182.62	690	171.75	54	10.88	92.74	94.05

## VIGILANCE:

During the year under report, while 33 cases were pending at the beginning, 107 cases were received during the year 2016-17. The Vigilance dept. has submitted reports in 109 cases and 31 cases were pending as on 31.3.2017. Based on the reports submitted by the Vigilance department action was taken on 287 employees. The Vigilance Dept. has conducted 96 surprise checks and surveillance at CHPs, weigh bridges, check posts, OCP's, mines and certain strategic junction points in and around coal belt areas etc., system studies on different subjects. As a result of the checks, coal and iron thefts and pilferages were reduced. The short comings observed during vigilance studies were analysed and appropriate recommendations were given to the concerned for rectification action. The Vigilance reports are being reviewed by the Board of Directors.

## WHISTLE BLOWER MECHANISM:

Whistle Blower Mechanism of SCCL is in operation. During the year under report, there were no disclosures received under the mechanism.

Implementation of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

The Company has established procedures for dealing with the complaints under the above Act. During the year under report the complaints received under the Act are Nil.

## SUBSIDIARY:

SCCL continues to hold Rs.1408.27 lakh of equity amounting to 81.54% in A.P Heavy Machinery & Engineering Ltd. as on 31st March 2017 as at the end of previous year. During the year 2016-17 the Company has earned a total comprehensive income of Rs.298.94 lakh as against Rs. 254.92 lakh earned in the previous year.

## Related party transactions:

Related party transactions during the year under report are given in Form AOC-2 as Annexure-II.



## **NEW BUSINESS INITIATIVES:**

### **Naini Coal Block:**

The Company was allocated Naini Coal Block located at Talcher Coal Fields, Angul Dist. of Odisha, by Govt., of India through allotment process to Govt. Companies. The Block is having Geological reserves of 495.00 Million Tonnes, out of which 180.00 Million Tonnes are proved. Prospecting license was received on 11.5.2016 and application has been submitted for forest clearance for prospecting. Drilling contract for exploration was awarded in July, 2016. Drilling is in progress.

The Company proposes to appoint MDO for development & operation of Naini Coal mine in Odisha.

### **Penagadapa Coal Block:**

The Company has been allocated Penagadapa Coal Block located at Kothagudem area under the category of allotment of coal blocks to the State PSUs of coal mine bearing States. Allotment agreement has been executed on 27.10.2016 and allotment order issued by the Nominated Authority on 15.12.2016. Commencement plan and pre-commencement report was submitted to the Nominated Authority on 20.1.2017.

### **Processed OB for civil works / commercial purpose:**

Processed OB to sand for commercial purpose is being explored. Contract was awarded on experimental basis at RG OC-II for processing OB to meet IS : 383 standard.

### **Consultancy jobs:**

Contract for consultancy work of “study on underground coal mining in CIL – Problems, potential, Technology, Modernisation, Production & safety” was awarded to the consortium of ISM-SCCL-Pwc. Agreement was signed between the consortium and CMPDIL on 12.12.2016. 25 mines have been studied by the SCCL teams and based on the SCCL's report, ISM has submitted interim report to CMPDIL. Composite report is under preparation.

Consultancy services were also extended to various organizations like CIL, APMDC, TSGENCO, APGENCO, ECL etc.

### **JV Company with NTPC:**

Since there is no business opportunity to JV Company with NTPC i.e, NTPC–SCCL Global Ventures Private Limited as approved by the Board of Directors of your Company, the voluntary winding up of the said JV is in advanced stage. Distributable proceeds have been received.

### **JV Company with APMDC:**

Pursuant to the directions of erstwhile Govt., of AP Joint Venture Company named as ‘APMDC SCCL Suliyari Coal Company Ltd.’ was formed on 1.7.2013 along with APMDC for exploration and mining of coal from Suliyari-Belwar coal block in Madhya Pradesh. The equity participation was in the ratio of 51:49 between APMDC and SCCL and the SCCL has invested Rs.9.80 crore which is kept by JV Company in share application money account. However, in pursuance of the AP Reorganization Act, 2014, the APMDC has been bifurcated into APMDC and TMDC. Objectives of formation of the JV Company with erstwhile APMDC have become null & void as the allotment of this coal block to the erstwhile APMDC was cancelled by Hon'ble Supreme Court along with other coal blocks. Later though the coal block is reallocated to the present APMDC under non-host PSU category, the transfer of the rights of the coal block to the JV Company and other conditions of the JV agreement cannot be fulfilled as per the eligibility conditions of MoC in the Allotment Document. Therefore the Board in 539th meeting held on 4.3.2017 approved for voluntary winding-up of the JV Company.

## **CONTRACT MINING ACTIVITIES:**

SCCL is a consortium member of Indu-SCCL-Caterpillar for mine development and operation of Moonidih XV Seam of BCCL. Due to land related issues, the tunneling and air shaft work is in slow progress. Coal production is likely to start from the year 2018.



### **AWARDS & ACCOLADES:**

- ◆ Your Company has received 'Best Management Award-2017' on the eve of May Day 2017 consecutively for the 2nd year from the Govt. of Telangana for implementation of best practices in production, productivity and welfare of employees.
- ◆ The Company organised Mega Yoga programme on the International Yoga day throughout the areas in 176 centres wherein 60,369 persons have participated and this event has achieved National record and entered in the a Limca Book of records.

### **STATUTORY AUDITORS:**

For the financial year 2016-17, the Comptroller & Auditor General of India has appointed M/s. Ramamoorthy (N) & Co., Chartered Accountants, Hyderabad as Statutory Auditors of the Company under Section 139 of the Companies Act, 2013.

### **SECRETARIAL AUDITOR:**

For the financial year 2016-17, the Board of Directors of the Company have appointed Sri K.V. Chalama Reddy, Company Secretary in practice, Hyderabad as Secretarial Auditor of the Company under Section 204 (1) of the Companies Act, 2013.

The Secretarial Audit Report vis-à-vis replies of the management for the remarks of the Secretarial Auditor is given as Annexure-III.

### **COST ACCOUNTING RECORDS:**

As per the Company's (Cost Accounting Records) Rules, 2011 issued by Ministry of Corporate Affairs, your Company has been maintaining cost accounting records.

#### **Cost Auditors:**

On the recommendation of Audit Committee, the Board of Directors in the 536<sup>th</sup> meeting held on 26.8.2016 appointed M/s.Narasimha Murthy & Co., as Cost Auditors of the Company for the financial year 2016-17.

#### **Internal Auditor:**

The Board of Directors have appointed Sri Ch.Vara Prasad, General Manager (F&A) (Internal Audit) as Internal Auditor of the Company under Section 138 of The Companies Act, 2013.

#### **Chief Financial Officer:**

The Board of Directors have appointed Sri J. Pavitrana Kumar, Director (Finance) as Chief Financial Officer of the Company under Section 203 of The Companies Act, 2013 w.e.f.,4.6.2015.

### **AUDIT COMMITTEE:**

Audit committee of the Company consists of all non-executive Directors viz., Sri Ajay Misra, Special Chief Secretary, Energy Dept., Govt. of Telangana, Sri K.Rama Krishna Rao, Principal Secretary, Finance Dept., Govt. of Telangana, Sri R.R. Mishra, C-MD, Western Coalfields Ltd., Sri Syed Ashraf, Director, Ministry of Coal, Govt. of India and Sri J.S.Bindra, Director, Ministry of Coal, Govt. of India as Members. The Board has concurred with the recommendations of the Committee given in its 3 meetings held during the year under report.

#### **UNPAID DIVIDEND:**

An amount of Rs.7,098/- is lying in the "Unpaid Dividend Account for the Year 2009-10". The amount becomes due for credit to Investor Education and Protection Fund and the same will be remitted to the Fund within the due date as per the provisions of the Companies Act.



## BOARD / BOARD COMMITTEE MEETINGS:

The details of Board / Board Committee meetings held during the year and attendance of Directors / Members are as under:

### Board :

Meeting No.	Date of Meeting	Total Strength of the Board	No. of Directors Present
535	30.4.2016	10	8
536	26.8.2016	10	8
537	4.11.2016	10	8
538	7.1.2017	10	7
539	4.3.2017	10	8

### Audit Committee :

Meeting No.	Date of Meeting	Total Strength of the Board	No. of Directors Present
37	26.8.2016	5	3
38	4.11.2016	5	2
39	4.3.2017	5	3

### Technical Committee :

Meeting No.	Date of Meeting	Total Strength of the Board	No. of Directors Present
2/2016	11.7.2016	4	3
3/2016	17.9.2016	4	3
1/2017	28.1.2017	4	4

### Committee of Directors (Appellate Authority under C.D&A Rules)

Meeting No.	Date of Meeting	Total Strength of the Board	No. of Directors Present
10	21.4.2016	3	3

### Corporate Social Responsibility (CSR) Committee:

Meeting No.	Date of Meeting	Total Strength of the Board	No. of Directors Present
7	25.8.2016	3	3



## **DIRECTORS:**

Sri N. Sridhar, IAS is continuing as C&MD of the Company from 1.1.2015 as appointed by the Govt., of Telangana vide GO Rt. No.53 dt.31.12.2014 of Energy (HR.A1) Dept.

Sri J. Pavitrnan Kumar, IRS is continuing as Director (Finance) of the Company from 4.6.2015 and later he has been given full additional charge of the post of Director (P.A&W) from 5.7.2015.

Sri P.Ramesh Babu has been Director (Electrical & Mechanical) from 1.3.2014 to 31.1.2017 i.e., till the date of his retirement on attaining the age of superannuation. Sri S.Shankar has been appointed as Director (Electrical & Mechanical) on the Board of the Company from 1.2.2017.

Sri B. Ramesh Kumar has been Director (Operations) from 13.12.2012 to 30.4.2017 i.e., till the date of his retirement on attaining the age of superannuation. Later Sri S. Chandrasekhar has been appointed as Director (Operations) from 2.5.2017.

Sri A.Manohar Rao has been Director (Planning & Projects) from 13.12.2012 to 31.3.2017 i.e., till the date of his retirement on attaining the age of superannuation. Later, Sri B. Bhaskara Rao has been appointed as Director (Planning & Projects) from 2.5.2017.

Sri Arvind Kumar, IAS, Principal Secretary to Govt., Energy department, GoT has been Director on the Board of the Company from 30.1.2015 to 19.12.2016. Later, Sri Ajay Misra, Spl. Chief Secretary to Govt., Energy department, GoT has been appointed as Director from 20.12.2016.

Sri K. Rama Krishna Rao, Principal Secretary, Finance dept., Govt. of Telangana is continuing as Director on the Board of the Company from 28.6.2014 afternoon.

Sri R.R.Mishra, C-MD, Western Coalfields Ltd. is continuing as Director on the Board of the Company from 7.12.2015.

Sri Syed Ashraf, Director, Ministry of Coal, Govt. of India is continuing as Director on the Board of the Company from 14.10.2015.

Sri D.N. Prasad, Adviser (Projects), Ministry of Coal, Govt. of India has been Director on the Board of the Company from 14.10.2015 to 31.5.2017. Later, Sri J.S.Bindra, Director, Ministry of Coal has been appointed as Director from 9.6.2017.

Sri R.R.Mishra and Sri K.Rama Krishna Rao retire by rotation in accordance with Section 152 of the Companies Act, 2013 and Article 93 of the Articles of Association of the Company and are eligible for re-election. Sri Ajay Misra and Sri J.S.Bindra retire under Article 98 of the Articles of Association of the Company and are eligible for re-election.

Your Directors wish to place on record their appreciation of the valuable services rendered by Sri Arvind Kumar, Sri D.N.Prasad, Sri B. Ramesh Kumar, Sri A.Manohar Rao and Sri P. Ramesh Babu as Directors.

During the year under report 5 Board meetings were held.

## **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to Directors' responsibility statement, your Board of Directors hereby confirm that-

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments 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 of the Company for that period;
- iii. they have taken proper and sufficient care for the 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 fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;

- v. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Extract of Annual Return:

Extract of Annual Return in Form MGT-9 is given as Annexure-IV.

### ACKNOWLEDGEMENTS:

Your Directors place on record their appreciation for the guidance, support and co-operation extended by the Govt. of Telangana, particularly Energy & Finance Departments and the Govt. of India particularly the Ministries of Coal, Finance and Environment, & Forests & Climate Change.

Your Directors express their thankfulness for the confidence and support received from the valued customers, bankers & financial institutions and all stake holders of the Company. Your Directors gratefully acknowledge the valuable guidance extended by the Statutory Auditors, Cost Auditors, Secretarial Auditor, the Comptroller & Auditor General of India, Ministry of Corporate Affairs and the Director General of Mines Safety.

Your Directors place on record their deep sense of gratitude and appreciation for the relentless efforts of employees but for which the performance achieved by the Company would have never been possible.

for and on behalf of the Board of Directors

Date: 15.11.2017  
Place: Kothagudem.

Sd/-  
(N. Sridhar)  
Chairman & Managing Director



Inauguration of CC camera display unit at Kulsumpura Police Station by Sri N. Sridhar, C&MD and Sri M.Mahender Reddy, DGP sponsored by the Company under CSR



## REPORT ON CSR ACTIVITIES FOR THE YEAR 2016-17

### 1. A BRIEF OUTLINE OF CSR POLICY AND PROJECTS OR PROGRAMMES:

The CSR policy has been approved by Board of Directors on 31.01.2015.

The Board in the 534th meeting held on 11-03-2016 has accorded approval for earmarking CSR Budget for an amount of Rs.40 crore for the financial year 2016-17 as recommended by CSR Committee as per approved policy of Company.

The CSR Policy of the Company is placed in Company's website and its Web link is – [www.scclmines.com>csr>csr policy](http://www.scclmines.com>csr>csr%20policy)

### SALIENT FEATURES OF CSR POLICY

#### OBJECTIVE:

The main objective of this Policy is to integrate CSR and Sustainability as a key business process for achieving triple-bottom line impact as mentioned below;

- ◆ SCCL recognizes that pursuit of sustainable development is an integral part of growing its business, creating value for its stakeholders and in building a responsible future through ethical business practices and governance.
- ◆ SCCL supports practical measures and policies that will help to protect and improve the environment.
- ◆ SCCL adopts a responsible approach towards communities and aim for sustainable development without creating dependency.

#### Major Thrust Areas:

Major thrust areas are identified to have long term benefits to the society at large which are as under:

1. Basic Services (Drinking Water supply, Sanitation etc.)
2. Health
3. Education
4. Livelihood and Local Economic Development
5. Interventions for marginalized communities such as SCs and STs
6. Other related activities.

#### Geographical area to be covered:

A substantial portion of CSR Budget i.e., to the extent of 80% shall be spent on CSR activities in all the coal belt districts of Telangana State and 20% may be spent outside the coal belt districts of Telangana State.

#### Implementation:

- ◆ A major portion of the CSR activities should be undertaken in project mode. Every project shall be time framed.
- ◆ Identified CSR activities are to be implemented / carried out by the Company itself or by other agencies as prescribed in the provisions of the Companies Act, 2013 and the Rules made there under.

### 2. Composition of CSR Committee:

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules-2014 CSR Committee of Board was constituted with following Directors:

- |                          |   |          |
|--------------------------|---|----------|
| 1) Sri N.Sridhar         | – | Chairman |
| 2) Sri B.Ramesh Kumar    | – | Member   |
| 3) Sri J.Pavitrana Kumar | – | Member   |



### 3. Average Net profit of the company for the last three financial years

Year	Net profit calculated in accordance with provisions of Section 198 of the Companies Act, 2013(Rs. in crore)
2013-14	452.46
2014-15	619.44
2015-16	1313.63
Total	2385.53
Average Net Profit	795.17

### 4. Prescribed CSR Expenditure ( two per cent of the amount as in item No. 3 above)

2% of the Average Net Profit for the preceding three years -- Rs. 15.90 crore

### 5. Details of CSR spent during the financial year

- Total amount to be spent for the financial year 2016-17 as per CSR Budget approved by the Board (equivalent of 7.18% of average profits of preceding 3 years i.e., more than the prescribed expenditure) -- Rs. 40.00 crore
- Amount unspent if any -- Rs. 24.64 crore
- Manner in which the amount spent during the financial year is detailed below:

### Statement showing details of CSR activities undertaken during financial year 2016-17

Sl. No	CSR activity	CSR Project or Activity Identified	Sector in which the Project is covered	Projects or Programs (1) Local area or Other (2) Specify the state and district where projects or programs was undertaken	Amount Outlay (Budget) Project or Programme wise	Amount spent on the projects or programs sub-heads: 1) Direct expenditure on projects 2) Overheads	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	CCTV Surveillance System in Old City areas of Hyderabad City.	CCTV cameras for old city areas for Hyderabad	Schedule-(VII) Item no.(i),(ii),(v),(xi)	1) Other Area 2)Hyderabad, Telangana state	50,00,000	50,00,000	50,00,000	Police Commissioner, IPS
2	Development works (Roads, drains etc.)in Mancheril Assembly Constituency-	Development works (Roads,Drains)	Schedule-(VII) Item no.(i) &(x)	1)Local Area 2) Mancheril, Adilabad district, Telangana state	50,00,000	30,00,000	30,00,000	District Collector, Adilabad
3	Open Auditorium in Siddipet	Construction of Open Air auditorium, Siddipet	Schedule-(VII) Item no.(v)	1)Other area 2)Siddipet, Medak district, Telangana state	50,00,000	50,00,000	50,00,000	District Collector, Medak
4	Conducting Army Recruitment Rally, WARANGAL	Army Recruitment rally at Warangal.	Schedule-VII Item no. (ii)	1) Local area 2)Warangal, Warangal district, Telangana state	10,00,000	10,00,000	10,00,000	District Collector, Warangal
5	Infrastructure development works pertaining to Bellampalli and Villages	Infrastructure Development Works in Bellampalli Assembly Constituency	Schedule-VII Item no. (i)&(x)	1) Local area 2) Bellampalli, Adilabad district, Telangana state	75,00,000	22,50,000	22,50,000	District Collector, Adilabad



Sl. No	CSR activity	CSR Project or Activity Identified	Sector in which the Project is covered	Projects or Programs (1) Local area or Other (2) Specify the state and district where projects or programs was undertaken	Amount Outlay (Budget) Project or Programme wise	Amount spent on the projects or programs sub-heads: 1) Direct expenditure on projects 2) Overheads	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through Implementing agency
6	Providing one 2 HP submersible pump to the bore well at Pallamguda,MM Area	Providing one 2 HP submersible pump to the bore well at Pallamguda, MM Area	Schedule-VII Item no.(i)	1) Local area 2)Mandamarri area, Adilabad district, Telangana state	1,60,000	59,591	59,591	Directly
7	JNTU-H,Manthani, establishing mining machinery lab	JNTU-H,Manthani, establishing mining machinery lab	Schedule -(VII) Item no.(ii).	1)Local area 2)Manthani, Karimnagar district, Telangana state	5,00,000	30,000	30,000	GM, RG III
8	Infrastructure development works in Bhupalapalli Nagarapanchayat	Infrastructure development works in Bhupalapalli Nagarapanchayat	Schedule-VII Item No.(i)	1) Local area 2) Bhupalapalli, Warangal district, Telangana state	4,00,00,000	45,00,000	45,00,000	District Collector, Bhupala-palli/ Superintendent
9	Infrastructure facilities i.e., supplying the benches, tables and furniture - various constituencies of Karimnagar.	Infrastructure facilities i.e., supplying the benches, tables and furniture - various constituencies of Karimnagar.	Schedule-VII Item No.(ii)	1) Local area 2) Karimnagar district, Telangana state	50,00,000	50,00,000	50,00,000	District collector, Karimnagar
10	Telangana for celebration of Olympic Day-2016 in all over the state	Telangana for celebration of Olympic Day-2016 in all over the state	Schedule-VII Item No.(vii).	1)Other area 2)Hyderabad, Telangana state	4,00,000	4,00,000	4,00,000	Directly
11	Requirement of Eucalyptus clones to plant under Telanganaku haritha haram through CSR	Eucalyptus Clones to the surrounding villages of coal fields	Schedule-VII Item No.(iv).	1) Local area 2) Warangal district, Telangana state	98,80,000	3,88,390	3,88,390	Directly
12	CSR- providing infrastructure for educational & medical institutes jagtial n Korutla asembly segments, karimnagar dist	CSR- providing infrastructure for educational & medical institutes jagtial n Korutla asembly segments, karimnagar dist	Schedule-VII Item No.(i) &(ii)	1) Local area 2)Karimnagar district, Telangana state	50,00,000	50,00,000	50,00,000	District collector, Karimnagar
13	PROVIDING COMMON FACILITIES TO SCHOOLS AT SIRCILLA CONSTITUENCY KARIMNAGAR DIST	PROVIDING COMMON FACILITIES TO SCHOOLS AT SIRCILLA CONSTITUENCY KARIMNAGAR DIST	Schedule-VII Item No.(i) &(ii)	1)Local area 2)Sircilla, Karimnagar district, Telangana state	2,00,00,000	2,00,00,000	2,00,00,000	District collector, Karimnagar



Sl. No	CSR activity	CSR Project or Activity Identified	Sector in which the Project is covered	Projects or Programs (1) Local area or Other (2) Specify the state and district where projects or programs was undertaken	Amount Outlay (Budget) Project or Programme wise	Amount spent on the projects or programs sub-heads: 1) Direct expenditure on projects 2) Overheads	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through Implementing agency
14	Infrastructure development works (Roads, drains etc.) pertaining to Mancherial Assembly Constituency	Infrastructure development works (Roads, drains etc.) pertaining to Mancherial Assembly Constituency	Schedule-VII Item No.(i) &(x)	1)Local area 2)Mancherial, Adilabad district, Telangana state	25,00,000	7,50,000	7,50,000	District collector, Adilabad
15	Providing Serum Ferritin Levels machine ABBOTT 1000-I to Govt.civil hospital mancherial under CSR	Providing Serum Ferritin Levels machine ABBOTT 1000-I to Govt.civil hospital mancherial under CSR	Schedule-(VII) (x)	1) Local area 2)Mancherial, Mancherial district, Telangana state	42,00,000	17,81,850	17,81,850	District collector, Mancherial
16	Proposal for payment of Electrical service line charge- Project Displaced Families- Manuguru OCP under CSR	Electrical Service line charge-Project	Schedule-(VII) (x)	1) Local area 2) Manuguru area, Bhadradri-Kothagudem District, Telangana State	10,65,278	5,96,719	5,96,719	villagers, PDF
17	Providing development works at MM and its surrounding villages under CSR. Requisition by N Odelu	Providing development works at MM and its surrounding villages under CSR. Requisition by N Odelu	Schedule-(VII) (x)	1) Local area 2)Mandamarri, Mancherial District, Telangana state	75,00,000	34,50,000	34,50,000	District collector, Mancherial
18	Mellacheruvu foundation.Requesting financial assistance for social welfare activities under CSR	Mellacheruvu foundation.Requesting financial assistance for social welfare activities under CSR	Schedule-(VII) (v)	1)Other area 2)Hyderabad, Telangana state	2,00,000	2,00,000	2,00,000	IAS
19	Infrastructure for Education and Medical sectors in Suryapet district	Infrastructure for Education and Medical sectors in Suryapet district	Schedule-(VII) (i) & (VII) (ii)	1)Other area 2)Suryapet, Telangana state	2,00,00,000	2,00,00,000	2,00,00,000	District Collector, suryapet
20	Laying of CC roads in Rebbana Mandal, at Goleti and Pulikunta villages	Laying of CC roads in Rebbana Mandal, at Goleti and Pulikunta villages	Schedule-(VII) (x)	1) Local area 2) Rebbana, Komuram Bheem(Asifabad) district	50,00,000	15,00,000	15,00,000	District collector, Komram-bheem Asifabad.
21	Telangana State Police Sports & Games Meet-2017. Requesting funds under CSR	Telangana State Police Sports & Games Meet	Schedule-VII (VII)	1) Local area 2) Warangal, Warangal dist	5,00,000	5,00,000	5,00,000	Commissioner of Police, Warangal



Sl. No	CSR activity	CSR Project or Activity Identified	Sector in which the Project is covered	Projects or Programs (1) Local area or Other (2) Specify the state and district where projects or programs was undertaken	Amount Outlay (Budget) Project or Programme wise	Amount spent on the projects or programs sub-heads: 1) Direct expenditure on projects 2) Overheads	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through Implementing agency
22	Hiring of 200 HP Hydraulic excavators for desilting of Jangoan village tank near RG-I area, GDK under CSR- Reg.	Desilting of Village tanks	Schedule VI - (X)	1) Local area 2) RG-I area, Godavarikhani, Peddapalli District, TS	20,24,000	39,813	39,813	Directly
23	Providing facilities for the birthday celebrations of Sant Sri seva lal Maharaj Birthday anniversary.	Providing facilities for the birthday celebrations of Sant Sri seva lal Maharaj Birthday anniversary.	Schedule-(VII)(v)	1) Local area 2) Golya Thanda, Singareni Colony, Tekulapalli Mandal, Bhadradi district	52,000	19,000	19,000	Agent
24	Delhi telugu academy - socio cultural organization - Financial assistance under CSR for 29th Ugadi Celebrations	Delhi telugu academy - socio cultural organization - Financial assistance under CSR for 29th Ugadi Celebrations	Schedule-(VII)(v)	1) Other Area 2)Hyderabad, Telangana state	3,00,000	3,00,000	3,00,000	Agent
25	Kakatiya heritage trust requesting funds under CSR for restoration of a temple(Kakatiya Monument)	Restoration of Temple/Kakatiya Monument	Schedule VII - (V)	1) Local area 2) Warangal, Warangal dist, TS	25,00,000	25,00,000	25,00,000	Kakatiya Heritage Trust
26	Procurement of Materials for Bharat Scouts and Guides	Materials purchased for Bharat Scouts and Guides events	Schedule-VII Item no. (ii)	1) Local area 2) Singareni Dist	5,65,000	5,30,299	5,30,299	Directly
27	Infrastructure development works at Bhupalapally and surrounding villages	Infrastructure works in areas surrounding Bhupalapally District	Schedule-VII Item no. (X)	1) Local area 2) Bhupalapally Dist	2,25,00,000	2,03,40,981	2,03,40,981	Directly
28	Development of hindu smashana vatika at Godavarikhani	Construction of Smashana Vatika near Godavari river at Godavarikhani	Schedule-VII Item no. (X)	1) Local area 2) Peddapalli Dist	67,82,000	36,98,307	36,98,307	Directly
29	Bore wells at handicap school	Laying of Bore wells in schools	Schedule-VII Item no. (X)	1) Local area 2) Adilabad Dist	27,75,000	47,616	47,616	Directly
30	Filling of low level areas of Indiramma Colony_Nasapur SRP	Filling of low level areas	Schedule-VII Item no. (X)	1) Local area 2) Mancheril Dist	1,65,000	1,03,016	1,03,016	Directly
31	Construction of two Nos toilets at ZPHS Indaram village, SRP	Infrastructure works near SRP area	Schedule-VII Item no. (X)	1) Local area 2) Mancheril Dist	2,98,000	21,336	21,336	Directly



Sl. No	CSR activity	CSR Project or Activity Identified	Sector in which the Project is covered	Projects or Programs (1) Local area or Other (2) Specify the state and district where projects or programs was undertaken	Amount Outlay (Budget) Project or Programme wise	Amount spent on the projects or programs sub-heads: 1) Direct expenditure on projects 2) Overheads	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through Implementing agency
32	Construction of CC Roads and BT Roads from SRP 3 incline 9 to royal talkies in SRP area	Infrastructure works near SRP area	Schedule-VII Item no. (X)	1) Local area 2) Mancherial Dist	82,30,000	49,75,597	49,75,597	Directly
33	Infrastructure development works in surrounding villages of Yellandu	Infrastructure works in areas surrounding Yellandu Area	Schedule-VII Item no. (X)	1) Local area 2) Kothagudem Dist	1,00,00,000	33,24,961	33,24,961	Directly
34	Supply of Drinking water through hired tankers_near by villages of Bhupalpally	Infrastructure works in areas surrounding Bhupalpally District	Schedule-VII Item no. (i)	1) Local area 2) Near by villages of Bhupalpally 3) Warangal Dist	20,00,000	4,23,211	4,23,211	Directly
35	Three new development works surrounding villages of KGM area	Infrastructure works near Kothagudem Area	Schedule-VII Item no. (x)	1) Local area 2) Near by villages of Kothagudem 3) Khammam Dist	26,66,000	11,16,389	11,16,389	Directly
36	Infra development areas surrounding RG1 area_Req by MLA	Infrastructure works near Ramagundam Area	Schedule-VII Item no. (x)	1) Local area 2) Near by villages of RG1 Area 3) Karimnagar Dist	32,00,000	17,43,512	17,43,512	District Collector, Karimnagar
37	Supply of Drinking water through hired tankers_Mangalpally and Peddapet villages	Infrastructure works near Mangalpally	Schedule-VII Item no. (i)	1) Local area 2) Near by villages of Ramagundam, RG-2 3) Karimnagar Dist	7,01,000	40,860	40,860	Directly
38	Development projects in peddapally Constituency_MP	Infrastructure works near Peddapalli	Schedule-VII Item no. (x)	1) Local area 2) Peddapalli 3) Karimnagar Dist	1,00,00,000	12,60,000	12,60,000	District Collectors, Karimnagar & Adilabad
39	Bore wells and hand pumps - JVR OCP- Sathupally-Khammam	Infrastructure works	Schedule-VII Item no. (i)	1) Local area 2) Near by villages of Sathupalli 3) Khammam Dist	9,20,000	6,49,589	6,49,589	Directly
40	Hiring of Mini bus for children of project affected areas around Bhpl	Infrastructure works	Schedule-VII Item no. (x)	1) Local area 2) near by villages of Bhupalpally 3) Warangal	20,00,000	2,68,318	2,68,318	Directly
41	Infra development areas (Approach roads, sheds at ZPHS etc) at RG3	Infrastructure works	Schedule-VII Item no. (x)	1) Local area 2) RG3 3) Ramagundam	50,00,000	13,91,529	13,91,529	Directly
42	Infra development works in Wyra Constituency_Wyra MLA	Infrastructure works	Schedule-VII Item no. (x)	1) Local area 2) Wyra 3) Khammam	50,00,000	34,14,954	34,14,954	Directly
43	Drilling of 28 Bore wells around Mandamarri Area	Drilling of borewells	Schedule-VII Item no. (x)	1) Local area 2) around Mandamarri 3) Adilabad Dist	15,00,000	4,39,200	4,39,200	Directly



Sl. No	CSR activity	CSR Project or Activity Identified	Sector in which the Project is covered	Projects or Programs (1) Local area or Other (2) Specify the state and district where projects or programs was undertaken	Amount Outlay (Budget) Project or Programme wise	Amount spent on the projects or programs sub-heads: 1) Direct expenditure on projects 2) Overheads	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through Implementing agency
44	Drilling of 40 bore wells at near by villages of RG3 areas	Drilling of borewells	Schedule-VII Item no. (i)	1) Local area 2) around RG3 3) Karimnagar	45,00,000	17,30,495	17,30,495	Directly
45	Drilling of 40 bore wells at near by villages of Mandamarri Area	Drilling of borewells	Schedule-VII Item no. (i)	1) Local area 2) around RG3 3) Karimnagar	31,10,000	9,80,766	9,80,766	Directly
46	Infra Development around sathupally nagar panchayat, Khammam	Development works around sathupalli	Schedule-VII Item no. (X)	1) Local area 2) Sathupally 3) Khammam Dist	2,00,00,000	60,00,000	60,00,000	District Collector, Khammam
47	Tarpaulin Sheets and water proofing at Kothagudem Area	Tarpaulin Sheets and water proofing	Schedule-VII Item no. (x)	1) Local area 2) Kothagudem 3) Khammam Dist	5,39,857	5,60,088	5,60,088	Directly
48	Providing road signalling system at old bus stand mandamarri area	Road signalling system	Schedule-VII Item no. (x)	1) Local area 2) Mandamarri 3) Adilabad Dist	2,00,030	2,00,030	2,00,030	Directly
49	Construction of public toilets in bazar area, bandarigudem village, manuguru	Construction of public toilets	Schedule-VII Item no. (x)	1) Local area 2) Bandarigudem (v), Manuguru 3) Khammam Dist	6,00,000	4,54,492	4,54,492	Directly
50	Desilting of Nalla from SCCL main road near main check post to samithi singaram cheruvu	Desilting of Nalla from SCCL main road near main check post to samithi singaram cheruvu	Schedule-VII Item no. (x)	1) Local area 2) Manuguru 3) Khammam Dist	2,35,486	2,33,072	2,33,072	Directly
51	Drilling of borewells with handpumps for drinking water purpose in surrounding villages of Manuguru area	Drilling of borewells with handpumps for drinking water purpose	Schedule-VII Item no. (i)	1) Local area 2) Manuguru 3) Khammam Dist	2,08,548	1,73,606	1,73,606	Directly
52	people need based works as part of approach under CSR at Samithi singaram Cheruvu	people need based works at Samithi singaram Cheruvu	Schedule-VII Item no. (x)	1) Local area 2) Manuguru 3) Khammam Dist	2,56,328	2,54,236	2,54,236	Directly
53	Desilting of kattavagu nalla from upstream of culvert near church to entry post of Nerella cheruvu	Desilting of kattavagu nalla	Schedule-VII Item no. (x)	1) Local area 2) Manuguru 3) Khammam Dist	2,61,348	2,76,738	2,76,738	Directly
54	3 Nos of borewells at Vijaya nagaram and Ramanujavaram villages	3 Nos of borewells	Schedule-VII Item no. (i)	1) Local area 2) Manuguru 3) Khammam Dist	2,52,000	2,23,962	2,23,962	Directly



Sl. No	CSR activity	CSR Project or Activity Identified	Sector in which the Project is covered	Projects or Programs (1) Local area or Other (2) Specify the state and district where projects or programs was undertaken	Amount Outlay (Budget) Project or Programme wise	Amount spent on the projects or programs sub-heads: 1) Direct expenditure on projects 2) Overheads	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through Implementing agency
55	Shifting of un-used shed from RG-1 stores to Godavari River at Manthani, Pushkaralu	Shifting of un-used shed	Schedule-VII Item no. (X)	1) Local area 2) Manthani 3) Karimnagar Dist	18,00,000	62,580	62,580	Directly
56	Providing four yellow solar blinkers at Mandamarri area	Providing four yellow solar blinkers	Schedule-VII Item no. (X)	1) Local area 2) Mandamarri 3) Mancherial Dist	2,24,400	2,24,400	2,24,400	Directly
57	Construction of Bheemanna temple at Gouriguda at Bellampalli area	Construction of Bheemanna temple	Schedule-VII Item no. (X)	1) Local area 2) Mandamarri 3) Mancherial Dist	2,86,000	2,11,407	2,11,407	Directly
58	Hire charges of Bus to RIMS under CSR	Hire charges of Bus	Schedule-VII Item no. (X)	1) Local area 2) Bellampalli 3) Adilabad Dist	1,25,205	1,25,205	1,25,205	Directly
59	Civil works at singapur	Civil works	Schedule-VII Item no. (X)	1) Local area 2) Singapur 3) Adilabad Dist	3,00,000	2,29,434	2,29,434	Directly
60	CC Road from SRP3 incline to royal talkies	CC Road	Schedule-VII Item no. (X)	1) Local area 2) Srirampur 3) Adilabad Dist	82,30,000	9,46,269	9,46,269	Directly
61	Construction of vehicle parking shed at police station Jaipur-Srirampur - Mancherial	Construction of vehicle parking shed	Schedule-VII Item no. (X)	1) Local area 2) Jaipur 3) Adilabad Dist	99,000	83,814	83,814	Directly
62	drilling 3 Nos of borewells at singapur village	drilling 3 Nos of borewells	Schedule-VII Item no. (i)	1) Local area 2) Singapur(v), Srirampur 3) Adilabad Dist	2,50,000	64,939	64,939	Directly
63	procu.Eco-fri.criy hand bags free distri.to emp.	procu.Eco-fri.criy hand bags free distri.to emp.	Schedule-VII Item no. (i)	1) Local area 2) Srirampur 3) Adilabad Dist	25,000	25,000	25,000	Directly
64	CSR budget expndr lr:36 dt:21.07.16,	CSR budget expndr lr:36	Schedule-VII Item no. (X)	1) Local area 2) Srirampur 3) Adilabad Dist	11,240	11,240	11,240	Directly
65	Community Breakfast in surroundings,	Community Breakfast in surroundings,	Schedule-VII Item no. (i)	1) Local area 2) Srirampur 3) Adilabad Dist	8,000	8,000	8,000	Directly
66	Purchase of Blankets to distribute in around vlgrs	Purchase of Blankets to distribute in around vlgrs	Schedule-VII Item no. (X)	1) Local area 2) Srirampur 3) Mancherial Dist	49,688	49,688	49,688	Directly
67	construction of toilets at Zilla parishad High school, Indaram	construction of toilets at Zilla parishad High school, Indaram	Schedule-VII Item no. (i)	1) Local area 2) Srirampur 3) Adilabad Dist	2,98,000	1,90,000	1,90,000	Directly
68	CSR works in surrounding areas of SCCL	Development works	Schedule-VII Item no. (X)	1) Local area 2) Kothagudem Bhadradi District	27,75,000	16,70,461	16,70,461	Directly

Sl. No	CSR activity	CSR Project or Activity Identified	Sector in which the Project is covered	Projects or Programs (1) Local area or Other (2) Specify the state and district where projects or programs was undertaken	Amount Outlay (Budget) Project or Programme wise	Amount spent on the projects or programs sub-heads: 1) Direct expenditure on projects 2) Overheads	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through Implementing agency
69	Singareni Seva Samithi (SSS) activities	Singareni Seva Samithi (SSS) activities	Schedule-VII Item no. (i) (ii)	1) Local area 2)Coal belt Districts	2,50,00,000	1,16,00,000	1,16,00,000	Directly
					30,42,28,408	15,36,44,959	15,36,44,959	

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

The Board has accorded approval for earmarking Rs.40 crore towards CSR budget for 2016-17 which is equivalent of 7.18% of average profits of the preceding 3 years. Out of this CSR budget of Rs.40 crore, CSR proposals were sanctioned for an amount of Rs.30.42 crore, the actual amount spent during FY 2016-17 was Rs.15.36 crore. The prescribed amount of CSR expenditure i.e., 2% average net profits of preceding 3 years amounts to Rs.15.90 crore. Though the actual amount spent during 2016-17 is slightly less than the prescribed amount, proposals sanctioned under CSR cost to Rs.30.42 crore. The CSR activities / programmes sanctioned are at various stages of implementation. Therefore, the committed amount towards the CSR activities during the financial year 2016-17 is far above the prescribed amount.

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

We hereby declare that implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

Date: 15-11-2017  
Place : Hyderabad

Sd/-  
(N. Sridhar)  
Chairman & Managing Director



Inauguration of ICU Ambulance named as 'Singareni Sanjeevini' at Bhupalpalli by Sri S. Madhusudana Chary, Hon'ble Speaker of Telangana Legislative Assembly



## FORM NO: AOC-2

[Pursuant to Clause (h) of sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

**1. Name of the related party and nature of relationship:**

Andhra Pradesh Heavy Machinery & Engineering Limited - Subsidiary Company.

**2. Details of contracts, value, duration of the contract from 1.4.2016 to 31.3.2017 at arm's length basis:**

Sl. No.	Description of contract/ order	Nature & duration of contract	Net Value (Rs.)	Manner of determination of price
1.	Orders / contracts placed for purchase of various equipment, spares, services at different dates during 2016-17	Each order / contract has separate period	6,40,85,792.00	Orders against open tenders on L1 basis
2.	Orders / contracts placed for purchase of various equipment, spares, services at different dates during 2016-17	Each order / contract has separate period	3,40,08,313.00	Orders on proprietary basis
	<b>Total</b>		<b>9,80,94,105.00</b>	

**3. Details of contracts, value, duration of the contract from 1.4.2016 to 31.3.2017 not at arm's length basis:**

Sl. No.	Description of contract/ order	Nature & duration of contract	Net Value (Rs.)	Manner of determination of price
1.	Orders / contracts placed for purchase of various equipment, spares, services at different dates during 2016-17	Each order / contract has separate period	9,07,95,523.00	Orders on nomination basis

**4. Date of approval of Board for transactions not on arm's length basis: 19.8.2017**

**5. Amount paid as advance: Nil**

**6. Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: Not applicable**

**7. Justification for above contracts / orders : APHMEL is a subsidiary company of the SCCL.**

Date: 15.11.2017  
Place: Hyderabad.

Sd/-  
Chairman & Managing Director



## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31-03-2017

### FORM NO. MR 3

(Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To  
The Members,  
The Singareni Collieries Company Limited,  
Kothagudem.

I have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable Statutory Provisions and the adherence to good corporate practices by The Singareni Collieries Company Limited., (hereinafter called as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

1. Based on our verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by me and explanations furnished and representations made to me by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the audit period covering the Financial Year ended on 31st March, 2017 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
2. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 ("Audit Period") according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the rules made thereunder;
  - ii. The Depositories Act, 1996 and regulations made thereunder - *Not applicable during the audit period.*
  - iii. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - *Not Applicable during the audit period.*
  - iv. The Securities Contracts (Regulation) Act, 1956 and rules made thereunder : *Not applicable being the unlisted Company.*
  - v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): *Not applicable being the unlisted Company.*
  - vi. The Company is into the business of mining and sale of coal and also power generation. Accordingly, the following major industry specific Acts and Rules are applicable to the Company, in view of the Management:
    - a. Mines Act, 1952 and Rules & regulations made thereunder.
    - b. Coal Mines Provident Fund & Miscellaneous Provisions Act, 1948.
    - c. The Environment (Protection) Act, 1986.
    - d. The Forest (Conservation) Act, 1980.



- e. Mines and Minerals (Development & Regulation) Act, 1957 and Rules & Regulations made thereunder.
  - f. Cess and other Taxes on Minerals (Validation) Act, 1992.
  - g. The Coal Mines (Nationalization) Act, 1973.
  - h. Coal Mines Pension Scheme, 1998.
  - i. Land Acquisition Act, 1894.
  - j. The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.
  - k. Essential Services Maintenance Act, 1971
  - l. Mines and Minerals Act 1957 and Rules & regulations made thereunder.
  - m. Explosive Substance Act, 1908 and Rules & regulations made thereunder.
  - n. The Coal Bearing Areas Act, 1957.
  - o. National Minerals Policy, 1993.
  - p. Coal Mines Conservation and Development Act, 1974 and Rules & regulations made thereunder.
  - q. The Explosives Act, 1884 and Rules and notifications made thereunder.
  - r. The Electricity Act, 2003 and Rules & regulations made thereunder.
  - s. Secretarial Standards issued by The Institute of Company Secretaries of India.
- vii. During the period under review, the Company has complied with the provisions of the applicable Acts, Rules, Regulations, and Guidelines etc. as mentioned above except to the extent as mentioned below:
- a. ***The Company has not appointed requisite number of Independent Directors as prescribed under the provisions of Sub-section (4) of Section 149 of the Companies Act, 2013. Consequently, the Company could not comply with in respect of formulation of code for Independent Directors, conducting of separate meetings of Independent directors, evaluation mechanism for performance of Independent directors by Board of Directors of the Company as prescribed under Sub-section (8) of Section 149 of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013. Further, vide Notification No.GSR 163 (E) dt.5<sup>th</sup> June, 2015 of Ministry of Corporate Affairs, Govt. of India, the responsibility for appointment of Independent Directors on the Board of Govt. Companies was shifted from Board of Directors of the Company to Ministry or Department of the Central / State Government, as the case may be.***
  - b. ***The Company has Audit Committee without Independent directors as prescribed under the provisions of Section 177 of the Companies Act, 2013.***
  - c. ***The Company has constituted Corporate Social Responsibility (C S R) Committee without Independent director as prescribed under the provisions of Section 135 of the Companies Act, 2013.***
  - d. ***The Company has not appointed a Woman Director as prescribed under the provisions of Section 149 of the Companies Act, 2013.***
  - e. ***The Company has not constituted Nomination and Remuneration Committee as prescribed under the provisions of Section 178 of the Companies Act, 2013.***
  - f. ***The production of coal has exceeded the Environment Clearance capacity sanctioned by Ministry of Environment, Forest and Climate Change , Government of India in respect of 8 opencast mines & one Under Ground mine. Apart from this, 7 Under Ground mines are operating with 1993-94 base level production and require Environment Clearance at the time of mining lease renewal/exceeding 1993-94 base level production.***



3. I, further report that:
- a. *The Board of Directors of the Company is constituted with executive and non-executive directors without requisite number of independent directors and a woman director as stated elsewhere in the report. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act except in respect of independent directors and a woman director.*
  - b. Adequate Notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance. Wherever the notes on agenda were sent with less than 7 days prior to the meeting, the same were taken up by the Board for consideration with the consent of all Members present in the meeting and permission of the Chairman & Managing Director of the Company. There is adequate system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting. Majority decision is carried through and except on the following proposals, there were no instances of dissenting members in the Board of Directors.
    - i) In the proposal placed before the Board of Directors in the 537th meeting held on 4.11.2016 for "Payment of Special Incentive @ 23% of net profit for the financial year 2015-16 to the employees as per the directives of Government of Telangana" 2 Directors nominated by the Ministry of Coal, Govt. of India have expressed their dissent in the meeting and one Director nominated by Ministry of Coal, Govt. of India conveyed his dissent to the proposal while communicating his comments on the draft minutes as per clause No.7.4 of SS-1 i.e., Secretarial Standard on Meetings of the Board of Directors.
    - ii) In the proposal placed before the Board of Directors in the 537th meeting held on 4.11.2016 for "Introduction of Voluntary Retirement Scheme on health reasons for NCWA employees in SCCL as per the directives of Govt. of Telangana" 2 Directors nominated by the Ministry of Coal, Govt. of India have expressed their dissent in the meeting and one Director nominated by Ministry of Coal, Govt. of India conveyed his dissent to the proposal while communicating his comments on the draft minutes as per clause No.7.4 of SS-1 i.e., Secretarial Standard on Meetings of the Board of Directors. Further, in the proposal placed before the Board of Directors in the 539th meeting held on 4.3.2017 for "Ratification for modification of eligibility criteria for dependants regarding maximum age limit under Voluntary Retirement Scheme on health reasons" approved in the 537th meeting as stated above, 3 Directors nominated by the Ministry of Coal, Govt. of India stated that since they have already expressed their dissent to the original proposal in the 537th Board meeting held on 4.11.2016, they have the same stand on this proposal also.

However, the scheme approved by the Board has been set aside by the Hon'ble High Court of Hyderabad vide its judgment dt.16.3.2017 in a writ petition (PIL) No.19/2017 filed by Sri K.Satish Kumar, Godavarikhani. The court found that the scheme is violative of Articles 14 & 16 of Constitution of India.
    - iii) In the proposal placed before the Board of Directors in the 535th meeting held on 30.4.2016 for "Sakala Janula Samme (Strike) by the Gazetted and Non-Gazetted Officers of Telangana Region and also by SCCL employees – Issue of G.O. by State Govt. for treatment of period of Strike as "Special Casual Leave" – Representation of Unions for implementation of the G.O. in SCCL" 2 Directors nominated by the Ministry of Coal, Govt. of India have expressed their dissent.
4. I, further report that there exists adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

Sd/-

(K.V.Chalama Reddy)

Practising Company Secretary

M.No: F.C.S. 9268, C.P.No.5451.

Place: Hyderabad,

Date: 19.08.2017

This report is to be read with my letter of even date which is given as Annexure 'A' and forms an integral part of this report.



## MANAGEMENT REPLIES TO THE OBSERVATIONS OF SECRETARIAL AUDITOR IN HIS REPORT FOR THE YEAR 2016-17

<b>Secretarial Auditor's Report</b> (Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)	<b>Management reply on the audit observations</b> (Under Section 134(3)(f)(ii) of the Companies Act, 2013)
<p>2.vii. During the period under review, the Company has complied with the provisions of the applicable Acts, Rules, Regulations, and Guidelines etc. as mentioned above except to the extent as mentioned below:</p> <p>(a) <b>The Company has not appointed requisite number of Independent Directors as prescribed under the provisions of Sub-section (4) of Section 149 of the Companies Act, 2013. Consequently, the Company could not comply with in respect of formulation of code for Independent Directors, conducting of separate meetings of Independent directors, evaluation mechanism for performance of Independent directors by Board of Directors of the Company as prescribed under Sub-section (8) of Section 149 of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013. Further, vide Notification No.GSR 163 (E) dt.5th June, 2015 of Ministry of Corporate Affairs, Govt. of India, the responsibility for appointment of Independent Directors on the Board of Govt. Companies was shifted from Board of Directors of the Company to Ministry or Department of the Central/ State Government, as the case may be.</b></p>	<p>i) The aforesaid provisions were apprised to the Board in the 524th meeting held on 27.9.2014 and with the approval of the Board a letter dated 20.2.2015 was sent to Secretary, Energy dept., from Director (Finance), SCCL requesting the Govt. of Telangana to take suitable decision with regard to appointment of three Independent Directors and one Woman Director on the Board of SCCL before 31.3.2015 and recommend the same to the Govt. of India for concurrence.</p> <p>ii) Later, letter was written by C&amp;MD, SCCL to Secretary, Energy dept., Govt. of Telangana on 13.5.2015 requesting to take suitable action for appointment of Independent &amp; Woman Directors on the Board of the SCCL as the same has been made mandatory w.e.f., 1.4.2015 under the provisions of the Companies Act, 2013.</p> <p>iii) The Board in the meeting held on 22.8.2015 while reviewing the compliance of laws directed to send a reminder to Energy Dept., Govt. of Telangana for expediting appointment of Independent &amp; Woman directors. Accordingly a letter dated 29.10.2015 was sent to Secretary, Energy Dept., from C&amp;MD, SCCL.</p> <p>iv) Again vide letter No.CMD/PS/H/67, dt.4.6.2016 from C&amp;MD, SCCL addressed to Prl. Secretary, Energy Dept., Govt. of Telangana, it was once again requested to expedite appointment of Independent &amp; Woman Directors keeping in view the more than one year time already elapsed from the stipulated date for complying with the relevant provisions of the Companies Act, 2013 and also the observations made by the Secretarial Auditor of SCCL.</p> <p>v) On the issue of appointment of Woman Director, letter dt.27.3.2017 was issued by RoC, Hyderabad to Prl. Secretary to Govt., Energy Dept. and the same was forwarded to SCCL vide letter</p>



<p><b>Secretarial Auditor’s Report (contd.,)</b></p>	<p><b>Management reply on the audit observations (contd.,)</b></p>
	<p>dt.17.4.2017 of Spl. Chief Secretary, Energy Dept., Govt. of Telangana for discussing the same in the Board meeting. It was also suggested to discuss about appointment of independent Directors. Pursuant to the same the Board in the 540th meeting held on 27.5.2017 deliberated the issue and the Board requested the Govt. of Telangana to take decision on the issue of appointment of Independent &amp; Woman Directors on the Board of the SCCL at the earliest keeping in view the instructions from the Ministry of Corporate Affairs, Govt. of India as communicated by the Registrar of Companies, Hyderabad vide letter dt.27.3.2017 as the provisions under the Companies Act, 2013 in this regard were mandatory w.e.f., 1.4.2015. Accordingly vide letter No.CMD/PS/H/202 dated 27.6.2017 from C&amp;MD, SCCL addressed to Special Chief Secretary, Energy dept., Govt. of Telangana, it was once again requested to take immediate decision on the issue. Copy of the Board resolution was also forwarded to Special Chief Secretary.</p>
<p><b>b. The Company has Audit Committee without Independent directors as prescribed under the provisions of Section 177 of the Companies Act, 2013.</b></p>	<p>Same as replied to 2 (vii) (a) above. However, Independent Directors will be nominated to the Audit Committee after their appointment by the State Govt</p>
<p><b>c. The Company has constituted Corporate Social Responsibility (C S R) Committee without Independent director as prescribed under the provisions of Section 135 of the Companies Act, 2013.</b></p>	<p>Same as replied to point No.2 (vii) (a) above. However, Independent Directors will be nominated to the CSR Committee after their appointment by the State Govt.</p>
<p><b>d. The Company has not appointed a Woman Director as prescribed under the provisions of Section 149 of the Companies Act, 2013.</b></p>	<p>Same as replied to point No.2 (vii) (a) above.</p>
<p><b>e. The Company has not constituted Nomination and Remuneration Committee as prescribed under the provisions of Section 178 of the Companies Act, 2013.</b></p>	<p>The Nomination and Remuneration Committee will be constituted after appointment of Independent Directors by the State Govt.</p>
<p><b>f. The production of coal has exceeded the Environment Clearance capacity sanctioned by Ministry of Environment, Forest and Climate Change, Government of India in respect of 8 opencast mines &amp; one Under Ground mine. Apart from this, 7 Under Ground mines are operating with</b></p>	<p>SCCL has been complying with the provisions of EIA Notification and is seeking Environmental Clearance for New / Expansion Coal Mining Projects. However, the coal production exceeded the sanctioned EC capacity in respect of 8 opencast mines &amp; one UG mine; and 7 underground mines were operating without EC at 1993-94 base level production. SCCL submitted applications</p>



<p><b>Secretarial Auditor's Report (contd.,)</b></p>	<p><b>Management reply on the audit observations (contd.,)</b></p>
<p><b>1993-94 base level production and require Environment Clearance at the time of mining lease renewal/ exceeding 1993-94 base level production.</b></p>	<p>to MoEF&amp;CC for seeking Environmental Clearance for the following mines:</p> <ul style="list-style-type: none"> <li>□ Increase in production more than sanctioned EC capacity (JVR OC-I Expansion, Koyagudem OC-II, RG OC-I Expansion, Dorli OC-I, Kasipet-1 Incline)</li> <li>□ Not obtaining EC at the time of renewal of mining lease / exceeding 1993-94 base level production (GDK-1&amp;3, GDK-2&amp;2A, GDK-5, GDK-7 LEP, RK-8, VK-7 and IK-1A Inclines).</li> </ul> <p>Applications submitted for revised EC were de-listed by MoEF&amp;CC on account of violation under section 15/16 of Environment (Protection) Act, 1986, vide MoEF letter dated 17th December 2013. Subsequently, MoEF&amp;CC advised the State Government for initiation of credible action by invoking provisions of section 19 of Environment (Protection) Act, 1986 vide MoEF Lr.dt.16th December 2013. Proposals are pending at MoEF&amp;CC for want of submission of evidence of initiation of credible action taken by the State Government. SCCL submitted several representations to MoEF&amp;CC through Ministry of Coal, GoI and State Government to consider the proposals of SCCL for issue of EC without resorting to legal action since the additional production was taken only to meet the coal demand from Power Plants in the larger interest of the Nation.</p> <p>As per MOEF &amp; CC OM dt.27.6.2013, "In case the project is in operation and the violation is on account of enhanced production beyond the capacity stated in the Environment Clearance (EC), the production will need to be restricted to the capacity stated in the EC till revised EC is obtained for enhanced capacity. In case of operation of mines without a valid EC, the production needs to stop till the required EC clearance is obtained."</p> <p>Though coal production has exceeded the sanctioned EC capacity in some of the mines, the pollution levels are within the stipulated limits due to the effective mitigation measures adopted by the Company from time to time and the same has been revealed by the environmental monitoring data submitted by EPTRI, a CPCB recognized and NABL accredited laboratory.</p>
<p>3. I, further report that:</p> <p>a. The Board of Directors of the Company is constituted with executive and non-executive directors without requisite number of independent directors and a woman director as stated elsewhere in the report. The changes in the</p>	<p>As replied in point Nos.2(vii)(a)&amp;(d)</p>



<p><b>Secretarial Auditor’s Report (contd.,)</b></p>	<p><b>Management reply on the audit observations (contd.,)</b></p>
<p>composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act except in respect of independent directors and a woman director.</p>	
<p>b. Adequate Notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance. Wherever the notes on agenda were sent with less than 7 days prior to the meeting, the same were taken up by the Board for consideration with the consent of all Members present in the meeting and permission of the Chairman &amp; Managing Director of the Company. There is adequate system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting. Majority decision is carried through and except on the following proposals, there were no instances of dissenting members in the Board of Directors.</p> <p>i) In the proposal placed before the Board of Directors in the 537th meeting held on 4.11.2016 for “Payment of Special Incentive @ 23% of net profit for the financial year 2015-16 to the employees as per the directives of Government of Telangana” 2 Directors nominated by the Ministry of Coal, Govt. of India have expressed their dissent in the meeting and one Director nominated by Ministry of Coal, Govt. of India conveyed his dissent to the proposal while communicating his comments on the draft minutes as per clause No.7.4 of SS-1 i.e., Secretarial Standard on Meetings of the Board of Directors.</p>	<p>The SCCL is a State Govt. Company. As per the directions of the State Govt., the SCCL has been paying Special Incentive (Profit Sharing) from 1999-2000 in order to motivate the employees to improve production &amp; productivity.</p> <p>During 2015-16 also, the State Govt., has directed to pay 23% of the net profit as Special Incentive to the employees of SCCL for the year 2015-16. Pursuant to the same, Special Incentive @ 23% of net profit has been paid.</p>
<p>ii) In the proposal placed before the Board of Directors in the 537th meeting held on 4.11.2016 for “Introduction of Voluntary Retirement Scheme on health reasons for NCWA employees in SCCL as per the directives of Govt. of Telangana” 2 Directors nominated by the Ministry of Coal, Govt. of India have expressed their dissent in the meeting and one Director nominated by Ministry of Coal, Govt. of India conveyed his dissent to the proposal while communicating his comments on the draft minutes as per clause No.7.4 of SS-1 i.e., Secretarial</p>	<p>The SCCL is a State Govt. Company. As per the directives of the State Govt., the proposal for “Introduction of Voluntary Retirement Scheme on health reasons for NCWA employees in SCCL” was submitted to the Board.</p> <p>The Hon’ble Supreme Court has also upheld the order dated 16.3.2017 of the Hon’ble High Court, Hyderabad in the Special Leave Petition Nos.11268 of 2017 filed by the SCCL and 11566 of 2017 filed by TBGKS against the orders of High Court. This was apprised to the Board in the 540th meeting held on 27.5.2017.</p>



<p><b>Secretarial Auditor's Report (contd.,)</b></p>	<p><b>Management reply on the audit observations (contd.,)</b></p>
<p>Standard on Meetings of the Board of Directors. Further, in the proposal placed before the Board of Directors in the 539th meeting held on 4.3.2017 for "Ratification for modification of eligibility criteria for dependants regarding maximum age limit under Voluntary Retirement Scheme on health reasons" approved in the 537th meeting as stated above, 3 Directors nominated by the Ministry of Coal, Govt. of India stated that since they have already expressed their dissent to the original proposal in the 537th Board meeting held on 4.11.2016, they have the same stand on this proposal also.</p> <p>However, the scheme approved by the Board has been set aside by the Hon'ble High Court of Hyderabad vide its judgment dt.16.3.2017 in a writ petition (PIL) No.19/2017 filed by Sri K. Satish Kumar, Godavarikhani. The court found that the scheme is violative of Articles 14 &amp; 16 of Constitution of India.</p>	
<p>iii) In the proposal placed before the Board of Directors in the 535th meeting held on 30.4.2016 for "Sakala Janula Samme (Strike) by the Gazetted and Non-Gazetted Officers of Telangana Region and also by SCCL employees – Issue of G.O. by State Govt. for treatment of period of Strike as "Special Casual Leave" – Representation of Unions for implementation of the G.O. in SCCL" 2 Directors nominated by the Ministry of Coal, Govt. of India have expressed their dissent.</p>	<p>The SCCL is a State Govt. Company. As per the directives of the State Govt., the proposal for implementation of GO of the State Government for treatment of period of Strike as "Special Casual Leave" was submitted to the Board.</p>
<p>4. I, further report that there exists adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.</p>	
<p style="text-align: center;">Sd/- (K.V.Chalama Reddy)</p> <p>Date: 19.08.2017      Practising Company Secretary Place: Hyderabad,    M.No: F.C.S. 9268, C.P.No.5451.</p>	<p style="text-align: right;">for and on behalf of the Board</p> <p style="text-align: right;">Sd/- (N. Sridhar)</p> <p>Date: 15.11.2017      Chairman &amp; Managing Director Place: Hyderabad.</p>



To,  
The Members,  
The Singareni Collieries Company Limited.,  
Kothagudem.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date: 19.08.2017  
Place: Hyderabad,

Sd/-  
(K.V.Chalama Reddy)  
Practising Company Secretary  
M.No: F.C.S. 9268, C.P.No.5451.

**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration) Rules, 2014.

**I REGISTRATION & OTHER DETAILS:**

i	CIN	U10102TG1920SGC000571
ii	Registration Date	23.12.1920
iii	Name of the Company	<b>The Singareni Collieries Company Limited</b>
iv	Category / Sub-category of the Company	Mining, Consultancy & Power
v	Address of the Registered office & contact details	The Singareni Collieries Company Limited Registered Office, Kothagudem Collieries – 507 101, Bhadradi Kothagudem Dist., Telangana.
vi	Whether listed company	No
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	NA

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY: Coal Mining**

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

SL. No.	Name & Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1.	Bituminous Coal	270112.00	91.50
2.	Power	271600.00	8.50

**III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:**

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	Andhra Pradesh Heavy Machinery & Engineering Limited	U29219AP1976SGC002071	Subsidiary	81.54	2(87)(ii)
2.	NTPC-SCCL Global Ventures Pvt. Ltd. *	U40101DL2007PTC166472	Associate	50.00	2(6)
3.	APMDC SCCL Suliyari Coal Co. Ltd.	U10300TG2013SGC088684	Associate	49.00	2(6)

\* Winding-up of the Company is in final stage.



**IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters</b>										
<b>(1) Indian</b>										
a) Individual/HUF		37252	37252	0.0021		37252	37252	0.0021		
b) Central Govt. or State Govt.		1733159147	1733159147	99.9977		1733159147	1733159147	99.9977	-	-
c) Bodies Corporates										
d) Bank/FI										
e) Any other										
<b>Sub Total:(A)(1)</b>		1733196399	1733196399	99.9999		1733196399	1733196399	99.9999		
<b>(2) Foreign</b>										
a) NRI- Individuals										
b) Other Individuals		1720	1720	0.0001		1720	1720	0.0001		
c) Bodies Corp.										
d) Banks/FI										
e) Any other...										
<b>Sub Total (A) (2)</b>		1720	1720	0.0001		1720	1720	0.0001		
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>		1733198119	1733198119	100.00		1733198119	1733198119	100.00		
<b>B. Public Shareholding</b>										
<b>(1) Institutions</b>										
a) Mutual Funds										
b) Banks/FI										
c) Central govt.										
d) State Govt.										
e) Venture Capital Fund										
f) Insurance Companies										
g) FIIS										
h) Foreign Venture Capital Funds										
i) Others (specify)										
<b>Sub Total (B)(1):</b>										



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>(2) Non Institutions</b>										
a) Bodies corporates										
i) Indian										
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.1 lakh.										
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh.										
c) Others (specify)										
Sub Total (B)(2):										
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>										
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>										
<b>Grand Total (A+B+C)</b>		1733198119	1733198119	100.00		1733198119	1733198119	100.00		

**(ii) SHARE HOLDING OF PROMOTERS**

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Govt. of Telangana	885599147	51.0962	Nil	885599147	51.0962	Nil	-
2	Govt. of India	847560000	48.9015	Nil	847560000	48.9015	Nil	-
	<b>Total</b>	1733159147	99.9977	-	1733159147	99.9977	-	-



(iii) **CHANGE IN PROMOTERS' SHAREHOLDING** (specify if there is no change)

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise increase/ decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)	- No change -			
	At the end of the year				

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	17885	0.0010	17885	0.0010
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	- No change -			
	At the end of the year (or on the date of separation, if separated during the year)	17885	0.0010	17885	0.0010

(v) **Shareholding of Directors & KMP**

Sl. No.	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	11	-	11	-
	Date wise increase/ decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)	- No change -			
	At the end of the year	11	-	11	-



## V. INDEBTEDNESS

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

(Rs. in Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	4772.76	-	-	4772.76
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	97.91	-	-	97.91
Total (i+ii+iii)	4870.67	-	-	4870.67
<b>Change in Indebtedness during the financial year</b>				
Additions	713.17	-	-	713.17
Reduction	810.71	-	-	810.71
Net Change	-97.54	-	-	-97.54
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	4684.54	-	-	4684.54
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	88.59	-	-	88.59
Total (i+ii+iii)	4773.13	-	-	4773.13

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

(in Rs.)

Sl. No.	Particulars of remuneration	Name of MD/WTD/Manager						Total amount (Rs)
		N.Sridhar, C&MD	J. Pavitrn Kumar, Director (Finance) & (P.A&W)(FAC) and CFO	B Ramesh Kumar, Director (Operations)	A. Manohar Rao, Director (P&P)	P.Ramesh Babu, Director (E&M) (up to 31.1.2017)	S.Shankar, Director (E&M) (w.e.f., 1.2.2017)	
1	Gross salary							
	(a) Salary as per provisions contained in section 17(1) of the IT Act, 1961	2164509	1110165	3065634	3377935	5464152	431804	15614199
	(b) Value of perquisites u/s 17(2) IT Act, 1961	66071	126830	273946	299046	225533	614	992040
	(c) Profits in lieu of salary u/s 17(3) Income Tax Act, 1961							
2	Stock Option							
3	Sweat Equity							
4	Commission –as % of profit –others, specify							
5	Others, please specify							
	TOTAL (A)	2230580	1236995	3339580	3676981	5689685	432418	16606239
	Ceiling as per the Act (Rs. in Crore)	47.09 (5% of PBT)	9.42 (1% of PBT)	9.42 (1% of PBT)	9.42 (1% of PBT)	9.42 (1% of PBT)	9.42 (1% of PBT)	103.60 (11% of PBT)



**B. Remuneration to other directors: : Nil**

(in Rs.)

Sl. No.	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors				
	(a) Fee for attending board committee meetings				
	(b) Commission				
	(c) Others, please specify				
	<b>Total (1)</b>				
2	Other Non Executive Directors				
	(a) Fee for attending board committee meetings				
	(b) Commission				
	(c) Others, please specify.				
	<b>Total (2)</b>				
	<b>Total (B)=(1+2)</b>				
	<b>Total Managerial Remuneration</b>				
	<b>Overall ceiling as per the Act.</b>				

**c. Remuneration to key managerial personnel other than MD / Manager / WTD**

(in Rs.)

Sl.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO *	Company Secretary	CFO *	Total
<b>1</b>	<b>Gross Salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	4771243	-	4771243
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	163259	-	163259
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961.	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	-	<b>4934502</b>	-	<b>4934502</b>

\* C&MD is CEO and Director (Finance) is CFO, details are given in Sl. No.VI.A.

**VII Penalties / Punishment / Compounding of offences : Nil**

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

Date : 15.11.2017

Sd/-  
Chariman & Managing Director



Sri J. Nagaiah, GM(Coordination) receiving best Management Award on behalf of C&MD from Sri Naini Narsimha Reddy, Hon'ble Minister for Home, Labour & Employment on the eve of May day 2017



## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF THE SINGARENI COLLIERIES COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2017.

The preparation of financial statements of The Singareni Collieries Company Limited for the year ended 31 March 2017 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) Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 19.08.2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of The Singareni Collieries Company Limited for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

S. No.	Comments of the Comptroller & Auditor General of India under section 143 (6)(b) of the Companies Act, 2013 on the financial statements of The Singareni Collieries Company Limited, Kothagudem for the year ended 31st March, 2017.	Replies of the Management forming part of the Board's Report to the Shareholders
1	<p><b>Balance sheet</b>  <b>Liabilities</b>  <b>1. Non-Current Liabilities</b>  <b>Provisions (Note 22) – Rs.15873.76 Crore</b>  <b>Others – Rs. 12801.88 Crore</b>  <b>Backfilling Provision- Rs. 8930.10 Crore</b></p> <p>The Company was required to review the provision for backfilling of Ramagundam Open Cast II mine as per Revised Cost Estimates (RCE) - 2015 approved by Board in March 2016. Excess provision, if any, is to be written back and the related asset revalued. However, the company did not conduct a review or did not write back the excess provision. Instead, Finance cost and depreciation during the year was charged to the Profit &amp; Loss account, resulting in overstatement of current year expenditure by Rs 36.42 Crore, Property, Plant and Equipment (PPE) by Rs 215.59 Crore and backfilling provision by Rs 252.01 Crore, with consequential understatement of profit by Rs. 36.42 Crore.</p>	<p>In respect of RG OC-II Project, the Backfilling obligation was estimated by adopting the mine life of 25 years from 2014-15 as per the approved Mining plan. (vide MoC Letter No. 13016 / 03 /2009-CAII/Pt 1, dt.6.9.16).</p> <p>In respect of Backfilling obligation, the approved mining plan and environmental clearance by MoC and MoEF respectively are considered as reliable information for revision of backfilling estimates. The life of the mine as per Revised Cost estimates (RCE 2015) will be adopted only after approval of the mining plan as per RCE and Environmental Clearance (EC) by the MoC and MoEF respectively.</p> <p>The above procedure is consistently being followed since 2009-10.</p>



S. No.	Comments of the Comptroller & Auditor General of India under section 143 (6)(b) of the Companies Act, 2013 on the financial statements of The Singareni Collieries Company Limited, Kothagudem for the year ended 31st March, 2017.	Replies of the Management forming part of the Board's Report to the Shareholders
2	<p><b>Notes to Accounts</b>  <b>Note No. 2.3.1.D -System of accounting of certain specific claims/revenues</b>  <b>a. Penalty for short lifting of coal, on termination of contracts, interest on belated payment of coal and power dues on realization.</b></p> <p>It was disclosed that late payment surcharge (receivable) of Rs.17.96 Crore for delay in payment of power bills by TSNPDCL and TSSPDCL was not accounted in the books of accounts for the year 2016-17.</p> <p>As per Power Purchase agreements, late payment surcharges shall be levied for delay in payment of power bills and appropriated by the company in the order of priority (i) Towards late payment surcharges, payable if any, (ii) Towards earlier unpaid bills, and (iii) Towards the statutory dues in the current bill.</p> <p>As the late payment surcharges comes under priority (i), in the order of priority, late payment surcharges of Rs.17.96 Crore should have been levied and accounted on accrual basis instead of cash basis. The accounting policy is deficient to that extent.</p>	<p>The late payment surcharge is in the nature of interest on delayed payment of dues. The treatment of revenue recognition of the interest on belated receipt of dues was elaborated in the accounting policy No.2.3.1 D(a) as under: "Penalty for short lifting of coal, on termination of contracts, interest of belated payment of coal and power dues on realisation".</p> <p>However, for more clarity the policy will be suitably modified during FY 2017-18 as under. "Penalty for short lifting of coal, on termination of contracts and interest/late payment surcharge on belated payment of coal and power dues, on realisation".</p> <p>Relevant information on this will be disclosed in additional notes to financial statements henceforth.</p>
	<p style="text-align: center;">For and on behalf of the Comptroller and Auditor General of India</p> <p style="text-align: center;">Sd/- (Rebecca Mathai) Principal Accountant General (Audit)</p> <p>Date : 6.12.2017 Place: Hyderabad.</p>	<p style="text-align: center;">For and on behalf of the Board</p> <p style="text-align: center;">Sd/- (N. Sridhar) Chairman &amp; Managing Director</p> <p>Date : 16.12.2017 Place: Hyderabad.</p>



## COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6)(b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE SINGARENI COLLIERIES COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2017.

The preparation of financial statements of The Singareni Collieries Company Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under Section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 19.8.2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the Consolidated financial statements of The Singareni Collieries Company Limited for the year ended 31 March 2017. I was decided by Principal Accountant General (Audit), Andhra Pradesh not to review the financial statements of Andhra Pradesh Heavy Machinery and Engineering Limited, Subsidiary. I did not conduct supplementary audit of the financial statements of Joint Ventures NTPC-SCCL Global Ventures Private Limited and APMDC-SCCL Suliari Coal Company Limited ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

S. No.	Comments of the Comptroller & Auditor General of India under section 143 (6)(b) read with section 129(4) of the Companies Act, 2013 on the Consolidated financial statements of The Singareni Collieries Company Limited, Kothagudem for the year ended 31st March, 2017.	Replies of the Management forming part of the Board's Report to the Shareholders
1	<p><b>Balance sheet</b></p> <p><b>Liabilities</b></p> <p><b>1. Non-Current Liabilities</b></p> <p><b>Provisions (Note 22) – Rs.15873.76 Crore</b></p> <p><b>Others – Rs. 12801.88 Crore</b></p> <p><b>Backfilling Provision- Rs. 8930.10 Crore</b></p> <p>The Company was required to review the provision for backfilling of Ramagundam Open Cast II mine as per Revised Cost Estimates (RCE) - 2015 approved by Board in March 2016. Excess provision, if any, is to be written back and the related asset revalued. However, the company did not conduct a review or did not write back the excess provision. Instead, Finance cost and depreciation during the year was charged to the Profit &amp; Loss account, resulting in overstatement of current year expenditure by Rs 36.42 Crore, Property, Plant and</p>	<p>In respect of RG OC-II Project, the Backfilling obligation was estimated by adopting the mine life of 25 years from 2014-15 as per the approved Mining plan. (vide MoC Letter No. 13016 / 03 /2009-CAII/Pt 1, dt.6.9.16).</p> <p>In respect of Backfilling obligation, the approved mining plan and environmental clearance by MoC and MoEF respectively are considered as reliable information for revision of backfilling</p>



S. No.	Comments of the Comptroller & Auditor General of India under section 143 (6)(b) read with section 129(4) of the Companies Act, 2013 on the Consolidated financial statements of The Singareni Collieries Company Limited, Kothagudem for the year ended 31st March, 2017.	Replies of the Management forming part of the Board's Report to the Shareholders
	<p>Equipment (PPE) by Rs.215.59 Crore and back filling provision by Rs.252.01Crore, with consequential understatement of profit by Rs.36.42 Crore.</p>	<p>estimates. The life of the mine as per Revised Cost estimates (RCE 2015) will be adopted only after approval of the mining plan as per RCE and Environmental Clearance (EC) by the MoC and MoEF respectively.</p> <p>The above procedure is consistently being followed since 2009-10.</p>
2	<p><b>Notes to Accounts</b>  <b>Note No. 2.3.1.D -System of accounting of certain specific claims/revenues</b>  <b>a. Penalty for short lifting of coal, on termination of contracts, interest on belated payment of coal and power dues on realization.</b></p> <p>It was disclosed that late payment surcharge (receivable) of Rs.17.96 Crore for delay in payment of power bills by TSNPDCL and TSSPDCL was not accounted in the books of accounts for the year 2016-17.</p> <p>As per Power Purchase agreements, late payment surcharges shall be levied for delay in payment of power bills and appropriated by the company in the order of priority (i) Towards late payment surcharges, payable if any, (ii) Towards earlier unpaid bills and (iii) Towards the statutory dues in the current bill.</p> <p>As the late payment surcharges comes under priority (i), in the order of priority, late payment surcharges of Rs.17.96 Crore should have been levied and accounted on accrual basis instead of cash basis. The accounting policy is deficient to that extent.</p>	<p>The late payment surcharge is in the nature of interest on delayed payment of dues. The treatment of revenue recognition of the interest on belated receipt of dues was elaborated in the accounting policy No.2.3.1 D(a) as under: "Penalty for short lifting of coal, on termination of contracts, interest of belated payment of coal and power dues on realisation".</p> <p>However, for more clarity the policy will be suitably modified during FY 2017-18 as under. "Penalty for short lifting of coal, on termination of contracts and interest/late payment surcharge on belated payment of coal and power dues, on realisation".</p> <p>Relevant information on this will be disclosed in additional notes to financial statements henceforth.</p>
	<p style="text-align: center;">For and on behalf of the Comptroller and Auditor General of India</p> <p style="text-align: center;">Sd/- (Rebecca Mathai) Principal Accountant General (Audit)</p> <p>Date : 6.12.2017 Place: Hyderabad.</p>	<p style="text-align: center;">For and on behalf of the Board</p> <p style="text-align: center;">Sd/- (N. Sridhar) Chairman &amp; Managing Director</p> <p>Date : 16.12.2017 Place: Hyderabad.</p>



<p style="text-align: center;"><b>INDEPENDENT AUDITORS' REPORT on standalone Financial Statements</b></p>	<p style="text-align: center;"><b>Management reply on the audit observations (Under Section 134 (3) of the Companies Act, 2013)</b></p>
<p><b>To</b> <b>The Members of</b> <b>The Singareni Collieries Company Limited</b> <b>Kothagudem</b></p>	
<p><b>Report on Standalone Ind AS Financial Statements</b></p>	
<p>We have Audited the accompanying standalone Ind AS financial statements of The Singareni Collieries Company Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").</p>	--
<p><b>Management's Responsibility for the Standalone Financial Statements</b></p>	
<p>The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs(financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.</p> <p>This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.</p>	--
<p><b>Auditor's Responsibility</b></p>	
<p>Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.</p>	--



<p style="text-align: center;"><b>INDEPENDENT AUDITORS' REPORT on standalone Financial Statements (Contd.,)</b></p>	<p style="text-align: center;"><b>Management reply on the audit observations (Under Section 134 (3) of the Companies Act, 2013) (Contd.)</b></p>
<p>We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.</p> <p>We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.</p> <p>An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS Financial Statements.</p> <p>We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.</p>	<p style="text-align: center;">--</p>
<p><b>Opinion</b></p>	
<p>In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and subject to:</p>	<p style="text-align: center;">--</p>
<p><b>Overburden removal provision of earlier years of Rs.1246.26 Crores for KOC-II Mine was withdrawn during the current year and credited to profit and loss account instead of increasing the retained earnings as on 1-4-2015 as required under IND AS-8. This has the effect of increasing the profit for the year by 1246.26 Crores (Refer Note No. 22.1).</b></p>	<p>Koyagudem OC-II was originally envisaged with three pits i.e., Pit-I, Pit-II, Pit-III with estimated reserves of 30.53 MT of Coal and 260.20 M Cum of Overburden at a Stripping ratio (SR) of 8.52 Cum/T. Excavation of coal and OB was carried out in Pit-II and Pit-III continuously but due to delay in land diversion/acquisition process with new LA&amp;RR Act 2013, the envisaged land for Pit-I is not in the possession of SCCL for commencement of mining operations. Hence Pit-I could not be excavated.</p>



<b>INDEPENDENT AUDITORS' REPORT on standalone Financial Statements (Contd.,)</b>	<b>Management reply on the audit observations (Under Section 134 (3) of the Companies Act, 2013) (Contd.)</b>
	<p>The general periodic revision of stripping ratio of KOC-II due in 2014-15 was deferred to the succeeding years in view of the reorganization of the properties of KOC-II and carving out the KOC-III Project and preparation of RCE for Koyagudem Opencast-II project. Further, the revision of stripping ratio could not be firmed up owing to involvement of huge quantities of OB, saleability of the inferior grade coal earlier considered as overburden, detailed study required for assessing the reserves and further mining prospects of RCE of Koyagudem OC-II and KOC-III which are interlinked.</p> <p>Subsequently during 2015-16, vide Board Minute no. 532:5:10, dt.16.10.2015, KOC III was formulated by considering dip side property of KOC II and utilising exhausted part of KOC-II project area (Pit-II and Pit-III) for dumping of OB from KOC-III Project. The Feasibility Report of this KOC-III project was approved as standalone Project.</p> <p>Later, the RCE of KOC-II, considering reserves of Pit 1 only, has been approved for 387.8 LT of extractable reserves; planned OBR of 1644.10 L.Cum and stripping ratio of 4.19 Cum/T by the Board vide Minute no. 534:5:19 on 11.03.2016 treating as a carved out mine from the existing KOC II.</p> <p>Consequent to the above reorganisation of projects, the OBR reserve amounting to Rs.1246.26 crs up to 31.03.2016 pertaining to the erstwhile KOC II (with Pit I, II and III) was no longer required to be carried in books since the provision was made for the backlog quantities of Pit II and Pit III and the reserves of PIT II and III have exhausted. Hence, the reserve was withdrawn by crediting to Profit &amp; Loss account for the year 2016-17, as per the Accounting Policy No.2.3.10 (ii) of the Company.</p> <p>Further, as per Ind AS 8, a change in accounting estimate is an adjustment of the carrying amount of an asset or a liability, or the amount of the periodic consumption of an asset, that results from the assessment of the present status of, and expected future benefits and obligations</p>



<b>INDEPENDENT AUDITORS' REPORT on standalone Financial Statements (Contd.,)</b>	<b>Management reply on the audit observations (Under Section 134 (3) of the Companies Act, 2013) (Contd.)</b>
<p>Give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of</p> <ol style="list-style-type: none"><li>the state of affairs (financial position) of the Company as at 31st March, 2017, and</li><li>its profits (financial performance including other comprehensive income),</li><li>its cash flows ( cash flows for the year ended on that) and</li><li>The changes in equity for the year ended on that date.</li></ol> <p><b>Emphasis of Matter</b></p> <p>Without qualifying our opinion, we draw attention to:</p> <ol style="list-style-type: none"><li><i>The company has made provision for Gratuity considering a Ceiling of Rs.20.00 lakh per eligible employee during the current year from a ceiling of 10.00 lakhs per employee based on the recommendation of the 3rd PRC and approved by the government. The excess charge to P&amp;L account for the year is Rs.826.62 Crore (refer Note No.39.3(iii) under the Additional Notes of Gratuity liability.)</i></li><li><i>Bonus on Diesel consumption and explosives payable to contractors of Rs.36.71 Crore has not been accounted for in the books as liability. (Refer Note. No. 5.12 C of Additional Notes).</i></li></ol>	<p>associated with, assets and liabilities. Changes in accounting estimates result from new information or new developments and, accordingly, are not corrections of errors. The effect of change in Accounting Estimate shall be recognised prospectively by including in the Profit &amp; Loss Account for the period of such change.</p> <p>As per the above provisions of Ind AS 8, on reorganisation/carving of RCE of Koyagudem Opencast-II, the withdrawal of OB reserve pertaining to Pit II and Pit III workings in the earlier periods is owing to a change in Accounting Estimate during the year 2016-17 in which the operational modalities for RCE of Koyagudem OC II ( with pit I property only) have been firmed up. As such, the accounting treatment followed by the Company was in order</p> <p>The Auditors have drawn specific attention of the users of the financial statements on these matters, though they have been appropriately presented and disclosed in Financial Statements.</p>



<p style="text-align: center;"><b>INDEPENDENT AUDITORS' REPORT</b>  <b>on standalone Financial Statements (Contd.,)</b></p>	<p style="text-align: center;"><b>Management reply on the audit observations</b>  <b>(Under Section 134 (3) of the Companies Act, 2013)</b>  <b>(Contd.)</b></p>
<p><b>Other Matters</b></p> <p>The comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2016 and 31st March 2015 dated 26-8-2016 and 23-08-2015 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the Accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.</p> <p>Our opinion is not modified in respect of these matters.</p> <p><b>Report on Other Legal and Regulatory Requirements</b></p> <ol style="list-style-type: none"> <li>1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order. <span style="float: right;">--</span></li> <li>2. As required by Section 143(3) of the Act, we report that;             <ol style="list-style-type: none"> <li>a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. <span style="float: right;">--</span></li> <li>b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.</li> <li>c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account. <span style="float: right;">--</span></li> <li>d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.</li> <li>e) Being a government company, Section 164(2) of the Act is not applicable as per GSR 463(E) dated June, 05, 2016.</li> <li>f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".</li> <li>g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the</li> </ol> </li> </ol>	



<b>INDEPENDENT AUDITORS' REPORT on standalone Financial Statements (Contd.,)</b>	<b>Management reply on the audit observations (Under Section 134 (3) of the Companies Act, 2013) (Contd.)</b>
<p>Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:</p> <ul style="list-style-type: none"><li>i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Refer Note No. 4 a of Additional Notes (Contingent Liabilities) to the Ind AS Financial Statements;</li><li>ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.</li><li>iii) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled entities/ joint ventures and joint operations incorporated in India during the year ended 31st March 2017.</li><li>iv) The company has provided requisite disclosures in its financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company.</li></ul> <p>3. As required by Section 143(5) of the Act and as per directions of Comptroller and Auditor General of India, we report that:</p> <ul style="list-style-type: none"><li>(a) According to the information and explanations given to us and based on our examination of records, the company has clear title/lease deeds for freehold and leasehold land respectively, except to the extent disclosed in Note No. 3.1</li><li>(b) As explained to us, there are no cases for waiver/write off of debts/Loans/interest etc.</li><li>(c) As informed to us there are no inventories lying with third parties and as informed to us there are no gifts received from government or other authorities.</li></ul>	

for Ramamoorthy(N) &Co  
Chartered Accountants  
FRN: 002899S  
Sd/-

CA Surendranath Bharathi  
Partner  
Membership No.023837

Date : 19.08.2017  
Place : Hyderabad

for and on behalf of the Board

Sd/-  
( N. Sridhar )  
Chairman & Managing Director

Date : 17.10.2017  
Place : Hyderabad



<p style="text-align: center;"><b>ANNEXURE “A”</b> <b>A statement on the matters specified in paragraphs 3 and 4 of the CARO, 2016</b></p>	<p style="text-align: center;"><b>Management reply on the audit observations</b> <b>(Under Section 134 (3) of the Companies Act, 2013)</b></p>
<p>As required by the Companies (Auditor’s Report) Order, 2016 issued by the Government of India in terms of Section 143(11) of the Companies Act, 2013, we report that:</p> <p>(i) In respect of its Fixed Assets:</p> <p>a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;</p> <p>b) The company has a phased programme of verification of fixed assets that is reasonable having regard to the size of the company and the nature of its business. As per the Phased Programme, during the year, the management has carried out physical verification of fixed assets and discrepancies noted have been properly dealt within the books of account.</p> <p>(c) According to the information and explanations given to us by the management, all the title deeds of immovable properties are held in the name of the company; except to the extent disclosed in Note No 3.1.</p> <p>(ii) In respect of its Inventory:</p> <p>a) The company has conducted physical verification of its inventory during the year in a phased manner.</p> <p>b) In our opinion, having regard to the size of the company and nature of its business, the frequency of inventory verification process is reasonable and commensurate.</p> <p>c) Any material discrepancies were noticed, between book stocks and physical stocks have been properly dealt in books of account.</p> <p>(iii) In our opinion and according to the information and explanations given to us, the company has not entered into any contract or arrangement with the entities in which the directors are interested within the meaning under section 189 of the Companies Act, 2013.</p> <p>(iv) In our opinion and according to the information and explanations given to us, there are no such loans, investments, guarantees and securities to which provision of section 185 and 186 of the companies Act, 2013 are applicable.</p> <p>(v) The company has not accepted the deposits</p>	<p>This being a statement of fact, calls for no comment separately.</p> <p>This being a statement of fact, calls for no comment separately.</p> <p>This being a statement of fact, calls for no comment separately.</p> <p>This being a statement of fact, calls for no comment separately.</p> <p>This being a statement of fact, calls for no comment separately.</p> <p>This being a statement of fact, calls for no comment separately.</p> <p>This being a statement of fact, calls for no comment separately.</p> <p>This being a statement of fact, calls for no comment separately.</p> <p>This being a statement of fact, calls for no comment separately.</p>



<p style="text-align: center;"><b>ANNEXURE "A"</b> <b>A statement on the matters specified in paragraphs 3 and 4 of the CARO, 2016 (Contd.,)</b></p>	<p style="text-align: center;"><b>Management reply on the audit observations</b> <b>(Under Section 134 (3) of the Companies Act, 2013)</b> <b>(Contd.,)</b></p>
<p>(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the order made by the Central government for the maintenance of Cost Records under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not however, made a detailed examination of the records with the view to determine whether they are complete.</p> <p>(vii) (a) In respect of undisputed statutory dues including Coal Mine Provident Fund, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities, according to the information and explanations given to us, the company has been generally regular in depositing with the appropriate authorities during the period. According to information and explanations given to us and records of the company examined by us there are no arrears of outstanding statutory dues as at 31st March 2017 for a period of more than six months from the date they became payable.</p> <p>(b) According to information and explanation given to us and records of the company examined by us, the particulars in respect of income tax, service tax or duty of customs or duty of excise or value added tax or cess and any other statutory dues that have not been deposited on account of pending disputes as at 31st March, 2017 are furnished hereunder.</p>	<p>This being a statement of fact, calls for no comment separately.</p> <p>This being a statement of fact, calls for no comment separately.</p> <p>This being a statement of fact, calls for no comment separately.</p>



<b>ANNEXURE "A"</b> <b>A statement on the matters specified in paragraphs 3 and 4 of the CARO, 2016 (Contd.,)</b>						<b>Management reply on the audit observations</b> (Under Section 134 (3) of the Companies Act, 2013) (Contd.,)
Sl. No	Name of the statute	Nature of Dues	Amount not deposited (In Rs. Lakhs)	Period for which the demand pertains to	Forum where dispute is pending (2015-16)	
1.	Clean Energy Cess	Clean Energy Cess on captive consumption of coal	4.08	February 2012 to November 2012	Dy. Commissioner of Customs and Central Excise	The appeals pending at various stages are being contested by the Company with the help of professional firms wherever necessary for an early and favourable settlement.
2.	Clean Energy Cess	Clean Energy Cess on captive consumption of coal	1.02	Dec 2012 to Jul 2013	Assistant Commissioner of Customs and Central Excise.	
3.	Clean Energy Cess	Clean Energy Cess on captive consumption of coal	24.07	March 2011 to Jan 2012	CESTAT	
4.	The Central Excise Act 1944	Refund order for Education Cess and Secondary & Higher Education Cess issued and later set aside	77.65	Mar 2011	Commissioner of Customs and Central Excise	
5.	The Central Excise Act 1944	Non-payment of Ex. Duty on APGENCO Perf.inc	854.60	2014-15	CESTAT	
6.	The Central Excise Act 1944	Central Excise due to difference in quantity between Excise Returns and Clean Energy Cess Returns	81.67	Mar 2011 to Jan 2012	CESTAT	
7.	The Central Excise Act 1944	Central Excise due to difference in quantity between Excise Returns and Clean Energy Cess Returns	1.02	Aug 2011 to Jan 2012	CESTAT	
8.	The Central Excise Act 1944	Central Excise due to difference in quantity between Excise Returns and Clean Energy Cess Returns	72.39	Feb 2012 to Jun 2013	CESTAT	
9.	The Central Excise Act 1944	Central Excise due to difference in quantity between Excise Returns and Clean Energy Cess Returns	159.47	Feb 2012 to Nov 2012	CESTAT	
10.	The Central Excise Act 1944	Penalty on Payment of ED & CEC on qty Variance	15.00	Feb 2012 to Nov 2012	CESTAT	
11.	The Central Excise Act 1944	Central Excise Duty (with-held pending adjustment with credit notes)	5.05	Jan and Feb 2012	CESTAT	
12.	The Central Excise Act 1944	Non-payment of CEC on Captive Consumption	3.68	Aug 2013 to Feb 2014	Dy. Commissioner of Customs and Central Excise	



<b>ANNEXURE "A"</b> <b>A statement on the matters specified in paragraphs 3 and 4 of the CARO, 2016 (Contd.,)</b>						<b>Management reply on the audit observations</b> (Under Section 134 (3) of the Companies Act, 2013) (Contd.,)
Sl. No	Name of the statute	Nature of Dues	Amount not deposited (In Rs. Lakhs)	Period for which the demand pertains to	Forum where dispute is pending (2015-16)	
13.	The Central Excise Act 1944	Quantity Variance	97.25	Jul 2013 to Feb 2014	CESTAT	The appeals pending at various stages are being contested by the Company with the help of professional firms wherever necessary for an early and favourable settlement.
14.	Clean Energy Cess	Clean Energy Cess on captive consumption of coal	7.11	Mar 2014 to Dec 2014	Dy. Commissioner of Customs and Central Excise	
15.	Clean Energy Cess	Clean Energy Cess on captive consumption of coal	2.60	Jan 2015 to Jun 2015	Joint Commissioner of Customs and Central Excise	
16.	The Central Excise Act 1944	Quantity Variance	92.77	Mar 2014 to Dec 2014	CESTAT	
17.	The Central Excise Act 1945	Quantity Variance	50.74	Jan 2015 to Jun 2015	CESTAT	
18.	Clean Energy Cess	Clean Energy Cess on captive consumption of coal	0.43	Jul 2015 to Dec 2015	Joint Commissioner of Customs and Central Excise	
19.	The Central Excise Act 1944	Quantity Variance	56.60	Jul 2015 to Dec 2015	Joint Commissioner of Customs and Central Excise	
20.	APGST Act, 1957	Sales Tax (on steel, Cement, HSD oil, Explosives etc to Contractors)	9.39	FY 2000 -01	Sales Tax Appellate Tribunal	
21.	APGST Act, 1957	Sales Tax (on steel, Cement, HSD oil, Explosives etc to Contractors)	227.23	FY 2000 -01	Sales Tax Appellate Tribunal	
22.	APGST Act, 1957	Sales Tax (on steel, Cement, HSD oil, Explosives etc to Contractors)	55.26	FY 2001 -02	Judicature of Hyderabad	
23.	APGST Act, 1957	Sales Tax (on steel, Cement, HSD oil, Explosives etc to Contractors)	27.54	FY 2002 -03	AC (CT) WGL	
24.	APGST Act, 1957	Sales Tax (on steel, Cement, HSD oil, Explosives etc to Contractors)	68.99	FY 2003 -04	AC (CT) WGL	
25.	APGST Act, 1957	Sales Tax (on steel, Cement, HSD oil, Explosives etc to Contractors)	91.21	FY 2004 -05	AC (CT) WGL	



<b>ANNEXURE "A"</b> <b>A statement on the matters specified in paragraphs 3 and 4 of the CARO, 2016 (Contd.,)</b>						<b>Management reply on the audit observations</b> (Under Section 134 (3) of the Companies Act, 2013) (Contd.,)
Sl. No	Name of the statute	Nature of Dues	Amount not deposited (In Rs. Lakhs)	Period for which the demand pertains to	Forum where dispute is pending (2015-16)	
26.	APGST Act, 1957	Bonus received from Coal Customers – treated as sale consideration by department and contested by SCCL	10.81	FY 2001-02	Sales Tax Appellate Tribunal	The appeals pending at various stages are being contested by the Company with the help of professional firms wherever necessary for an early and favourable settlement.
27.	APGST Act, 1957	Adjustment of credit note issued to customer against APGST payable for August 2003	122.91	FY 2003-04	AC (CT) WGL	
28.	AP VAT ACT, 2005	VAT on Steel, Cement, Explosives issued to contractors	2.82	FY 2005-06	DC (CT) WGL	
29.	APGST Act, 1957	Sales tax - interest on alleged delayed remittance of tax	43.74	FY 2001-02	Judicature of Hyderabad	
30.	Entry Tax Act	additional tax demand on purchases made from outside A P sales	15.71	FY 2003-04	Judicature of Hyderabad	
31.	Life Tax On Motor Vehicles Under A.P.Motor Vehicles Act.	Life Tax on Motor Vehicles treating Dumpers, Dozers considering them as Motor Vehicles	209.46	Various years up to 2010-11	Judicature of Hyderabad	
32.	Central Sales Tax Act, 1956	Central Sales Tax	14.90	FY 2012-13	ADC(CT)Appeals Warangal	
33.	Andhra Pradesh Tax on Professions, Trades, Callings and Employments Act, 1987	Professional Tax - arrears of professional tax recovery from employees and remittance to the Department	17644.03	FY 1990-91 to 2012-13	Deputy. C.T.O, Kothagudem	
34.	Income Tax Act 1961	Income Tax	188.46	FY 2007-08	ITAT, Hyderabad	
35.	Income Tax Act 1961	Income Tax	183.45	FY 2012-13	CIT ( Appeals), Hyd	
36.	Income Tax Act 1961	Income Tax	268.80	FY 2013-14	CIT ( Appeals), Hyd	
37.	Income Tax Act 1961	Income Tax	213.63	FY 2014-15	CIT ( Appeals), Hyd	
38.	Income Tax Act 1961	Fringe benefit Tax	81.49	FY2006-07	ITAT, Hyderabad	
39.	Income Tax Act 1961	Fringe benefit Tax	28.07	FY2007-08	ITAT, Hyderabad	



**ANNEXURE "A"**  
**A statement on the matters specified in paragraphs 3 and 4 of the CARO, 2016 (contd..)**

**Management reply on the audit observations (Under Section 134 (3) of the Companies Act, 2013) (contd..)**

S. No.	Name of the statute	Nature of Dues	Amount not deposited (In Rs. Lakhs)	Period for which the demand pertains to	Forum where dispute is pending (2015-16)
40.	Income Tax Act 1961	Fringe benefit Tax	0.98	FY2008-09	ITAT, Hyderabad
41.	Finance Act 1994 / Central Excise Act 1944	Interest on alleged availment of CENVAT Credit of Service Tax	1382.18	FY 2006-07 to 2008-09	CESTAT, Bangalore
42.	CESTAT	Service Tax	6.39	FY 2008-09 to Sep 2012	CESTAT, Bangalore
43.	CESTAT	Service Tax	4.77	Oct 2012 to Mar 2014	CESTAT, Hyderabad
44.	Finance Act 1994	Service Tax demand on TDS Component on Import Services	2.20	Apr 2014 to Sep 2015	Commissioner of Service Tax(Appeals)
		<b>Total</b>	<b>22511.62</b>		

The appeals pending at various stages are being contested by the Company with the help of professional firms wherever necessary for an early and favourable settlement.

- (viii) According to information and explanation given to us and based on records of the company examined by us, the company has not defaulted in repayment of loans, or borrowings to any financial institution, bank, Government or due to debenture holders.
- (ix) The company did not raise any money by way of initial public offer (IPO) or further public offer (FPO) (including debt instruments) and term loans raised are used for the purpose for which it was raised during the year.
- (x) To the best of our knowledge and belief, and according to the information and explanations given to us, during the year fraud aggregating to Rs.55.59 lakh has been reported as detailed hereunder, on the company by its officers or employees or others.

This being a statement of fact, calls for no comment separately.

This being a statement of fact, calls for no comment separately.

This being a statement of fact, calls for no comment separately.

Sl. No	Nature of Fraud	Amount involved (Rs. in Lakhs)	Remarks
1.	Diversion of Coal	55.59	1426.820 MT of coal
	<b>Total</b>	<b>55.59</b>	

Vigilance department is conducting surprise inspections regularly to curb pilferages/ misappropriation of the property of the company.

- (xi) Payment or provision for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act is not applicable in the case of government company vide notification GSR 463 (E) dated June 05,2015;
- (xii) The Company is not a Nidhi Company Accordingly, Paragraph 3(xii) of the order is not applicable.

This being a statement of fact, calls for no comment separately.

This being a statement of fact, calls for no comment separately.



<p style="text-align: center;"><b>ANNEXURE “A”</b>  <b>A statement on the matters specified in paragraphs 3 and 4 of the CARO, 2016 (contd..)</b></p>	<p style="text-align: center;"><b>Management reply on the audit observations</b>  <b>(Under Section 134 (3) of the Companies Act, 2013) (contd..)</b></p>
<p>(xiii) According to the information and explanations given to us, and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.</p> <p>(xiv) According to the information and explanations given to us, and based on our examination of the records of the company , the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review;</p> <p>(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 any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.</p> <p>(xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.</p>	<p>This being a statement of fact, calls for no comment separately.</p> <p>This being a statement of fact, calls for no comment separately.</p> <p>This being a statement of fact, calls for no comment separately.</p> <p>This being a statement of fact, calls for no comment separately.</p>
<p style="text-align: center;">for Ramamoorthy(N) &amp;Co  Chartered Accountants  FRN: 002899S  Sd/-  CA Surendranath Bharathi  Partner  Membership No.023837</p> <p>Date : 19.08.2017  Place : Hyderabad</p>	<p style="text-align: center;">for and on behalf of the Board</p> <p style="text-align: center;">Sd/-  (N. Sridhar )  Chairman &amp; Managing Director</p> <p>Date : 17.10.2017  Place : Hyderabad</p>



<b>ANNEXURE “B” TO THE INDEPENDENT AUDITORS REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF THE SINGARENI COLLIERIES COMPANY LIMITED</b>	<b>Management reply on the audit observations (Under Section 134 (3) of the Companies Act, 2013)</b>
<p>(Referred to in paragraph 2(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the Members of The Singareni collieries Company limited)</p> <p><b>Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)</b></p> <p>We have audited the Internal Financial Controls over Financial reporting of Singareni Collieries Company Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.</p> <p><b>Management’s Responsibility for Internal Financial Controls</b></p> <p>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. 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.</p>	<p>--</p> <p>--</p>



<p style="text-align: center;"><b>ANNEXURE “B” TO THE INDEPENDENT AUDITORS REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF THE SINGARENI COLLIERIES COMPANY LIMITED (Contd.)</b></p>	<p style="text-align: center;"><b>Management reply on the audit observations (Under Section 134 (3) of the Companies Act, 2013) (Contd.)</b></p>
<p>(Referred to in paragraph 2(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the Members of The Singareni collieries Company limited)</p> <p><b>Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)</b></p> <p><b>Auditors Responsibility:</b></p> <p>Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.</p> <p>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.</p> <p>The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.</p> <p>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.</p>	<p style="text-align: center;">--</p> <p style="text-align: center;">--</p>



<p style="text-align: center;"><b>ANNEXURE “B” TO THE INDEPENDENT AUDITORS REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF THE SINGARENI COLLIERIES COMPANY LIMITED (Contd.)</b></p>	<p style="text-align: center;"><b>Management reply on the audit observations (Under Section 134 (3) of the Companies Act, 2013) (Contd.)</b></p>
<p>(Referred to in paragraph 2(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the Members of The Singareni collieries Company limited)</p> <p><b>Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)</b></p> <p><b>Meaning of Internal Financial Controls over Financial Reporting:</b></p> <p>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</p> <ol style="list-style-type: none"> <li>(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;</li> <li>(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and</li> <li>(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.</li> </ol> <p><b>Inherent Limitations of Internal Financial Controls over Financial Reporting</b></p> <p>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.</p>	<p style="text-align: center;">--</p> <p style="text-align: center;">--</p> <p style="text-align: center;">--</p> <p style="text-align: center;">--</p> <p style="text-align: center;">--</p>



<p style="text-align: center;"><b>ANNEXURE “B” TO THE INDEPENDENT AUDITORS REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF THE SINGARENI COLLIERIES COMPANY LIMITED (Contd.)</b></p>	<p style="text-align: center;"><b>Management reply on the audit observations (Under Section 134 (3) of the Companies Act, 2013) (Contd.)</b></p>
<p>(Referred to in paragraph 2(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the Members of The Singareni collieries Company limited)</p> <p><b>Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)</b></p> <p><b>Disclaimer of Opinion</b></p> <p>According to the information and explanations given to us, the company is in the process of establishing Internal Financial Control over financial reporting frame work on criteria based on or considering the essential components of internal financial control stated in the Guidance Note on Audit of internal Financial Controls over Financial Reporting issued by the ICAI. However, we are unable to obtain the audit evidence in supporting the implementation of the IFC over financial reporting. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at 31st March, 2017.</p>	<p style="text-align: center;">--</p>
<p style="text-align: center;">for Ramamoorthy(N) &amp;Co Chartered Accountants FRN: 002899S Sd/- CA Surendranath Bharathi Partner Membership No.023837</p> <p>Date : 19.08.2017 Place : Hyderabad</p>	<p style="text-align: center;">for and on behalf of the Board  Sd/- ( N. Sridhar ) Chairman &amp; Managing Director</p> <p>Date : 17.10.2017 Place : Hyderabad</p>



<p style="text-align: center;"><b>INDEPENDENT AUDITORS' REPORT on consolidated Financial Statements</b></p>	<p style="text-align: center;"><b>Management reply on the audit observations (Under Section 134 (3) of the Companies Act, 2013)</b></p>
<p><b>To</b> <b>The Members of</b> <b>The Singareni Collieries Company Limited</b> <b>Kothagudem</b></p>	
<p><b>Report on Standalone Ind AS Financial Statements</b></p>	
<p>We have audited the accompanying consolidated Ind AS financial statements of The Singareni Collieries Company Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and its jointly controlled entities/joint ventures and joint operations, comprising the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income) , the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity , for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").</p>	--
<p><b>Management's Responsibility for the Standalone Financial Statements</b></p>	
<p>The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including its Associates and Jointly controlled entities/ Joint ventures and Joint operations in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 3(1) Companies (Indian Accounting Standards ) Rules, 2015 as amended from time to time.</p> <p>The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities /joint ventures and joint operations are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its jointly controlled entities/joint ventures and joint operations and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design,</p>	--



<p style="text-align: center;"><b>INDEPENDENT AUDITORS' REPORT on consolidated Financial Statements (Contd.,)</b></p>	<p style="text-align: center;"><b>Management reply on the audit observations (Under Section 134 (3) of the Companies Act, 2013) (Contd.,)</b></p>
<p>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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.</p>	
<p><b>Auditor's Responsibility</b></p>	
<p>Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.</p> <p><b>Opinion</b></p> <p>In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and subject to:</p>	<p style="text-align: center;">--</p> <p style="text-align: center;">--</p>



<b>INDEPENDENT AUDITORS' REPORT on consolidated Financial Statements (Contd.,)</b>	<b>Management reply on the audit observations (Under Section 134 (3) of the Companies Act, 2013) (Contd.,)</b>
<p>Overburden removal provision of earlier years of Rs.1246.26 Crores for KOC-II Mine was withdrawn during the current year and credited to profit and loss account instead of increasing the retained earnings as on 1-4-2015 as required under IND AS-8. This has the effect of increasing the profit for the year by 1246.26 Crores. (Refer Note No. 22.1)</p>	<p>Koyagudem OC-II was originally envisaged with three pits i.e., Pit-I, Pit-II, Pit-III with estimated reserves of 30.53 MT of Coal and 260.20 M Cum of Overburden at a Stripping ratio (SR) of 8.52 Cum/T. Excavation of coal and OB was carried out in Pit-II and Pit-III continuously but due to delay in land diversion/acquisition process with new LA&amp;RR Act 2013, the envisaged land for Pit-I is not in the possession of SCCL for commencement of mining operations. Hence Pit-I could not be excavated.</p> <p>The general periodic revision of stripping ratio of KOC-II due in 2014-15 was deferred to the succeeding years in view of the reorganization of the properties of KOC-II and carving out the KOC-III Project and preparation of RCE for Koyagudem Opencast-II project. Further, the revision of stripping ratio could not be firmed up owing to involvement of huge quantities of OB, saleability of the inferior grade coal earlier considered as overburden, detailed study required for assessing the reserves and further mining prospects of RCE of Koyagudem OC-II and KOC-III which are interlinked.</p> <p>Subsequently during 2015-16, vide Board Minute no. 532:5:10, dt. 16.10.2015, KOC III was formulated by considering dip side property of KOC II and utilising exhausted part of KOC-II project area (Pit-II and Pit-III) for dumping of OB from KOC-III Project. The Feasibility Report of this KOC-III project was approved as standalone Project.</p> <p>Later, the RCE of KOC-II, considering reserves of Pit 1 only, has been approved for 387.8 LT of extractable reserves; planned OBR of 1644.1 L.Cum and stripping ratio of 4.19 Cum/T by the Board vide Minute no. 534:5:19 on 11.03.2016 treating as a carved out mine from the existing KOC II.</p> <p>Consequent to the above reorganisation of projects, the OBR reserve amounting to Rs.1246.26 Crores upto 31.03.2016 pertaining to the erstwhile KOC II (with Pit I, II and III) was no longer required to be carried in books since the provision was made for the backlog quantities of Pit II and Pit III and the reserves of PIT II and III</p>



<p style="text-align: center;"><b>INDEPENDENT AUDITORS' REPORT</b>  <b>on consolidated Financial Statements (Contd.,)</b></p>	<p style="text-align: center;"><b>Management reply on the audit observations</b>  <b>(Under Section 134 (3) of the Companies Act, 2013)</b>  <b>(Contd.,)</b></p>
<p>Give a true and fair view in conformity with the accounting principles generally accepted in India including the IndAS, of</p> <ul style="list-style-type: none"> <li>i) The Consolidated state of affairs (financial position) of the Group as at 31st March, 2017, and</li> <li>ii) its Consolidated profits (financial performance including other comprehensive income) of the group,</li> <li>iii) its consolidated cash flows ( cash flows for the year ended on that) of the group and</li> <li>iv) Its consolidated the changes in equity for the year ended on that date of the group.</li> </ul> <p><b>Emphasis of Matter:</b>  <b>Without qualifying our opinion, we draw attention to:</b></p> <ul style="list-style-type: none"> <li>a. The company has made provision for Gratuity considering a Ceiling of Rs.20.00 lakh per eligible employee during the current year from a ceiling of 10.00 lakhs per employee based on the recommendation of the 3rd PRC and approved by the</li> </ul>	<p>have exhausted. Hence, the reserve was withdrawn by crediting to Profit &amp; Loss account for the year 2016-17, as per the Accounting Policy No.2.3.10 (ii) of the Company.</p> <p>Further, as per Ind AS 8, a change in accounting estimate is an adjustment of the carrying amount of an asset or a liability, or the amount of the periodic consumption of an asset, that results from the assessment of the present status of, and expected future benefits and obligations associated with, assets and liabilities. Changes in accounting estimates result from new information or new developments and, accordingly, are not corrections of errors. The effect of change in Accounting Estimate shall be recognised prospectively by including in the Profit &amp; Loss Account for the period of such change.</p> <p>As per the above provisions of Ind AS 8, on reorganisation/carving of RCE of Koyagudem Opencast-II, the withdrawal of OB reserve pertaining to Pit II and Pit III workings in the earlier periods is owing to a change in Accounting Estimate during the year 2016-17 in which the operational modalities for RCE of Koyagudem OC II (with pit I property only) have been firmed up. As such, the accounting treatment followed by the Company was in order.</p>



<p style="text-align: center;"><b>INDEPENDENT AUDITORS' REPORT</b>  <b>on consolidated Financial Statements (Contd.,)</b></p>	<p style="text-align: center;"><b>Management reply on the audit observations</b>  <b>(Under Section 134 (3) of the Companies Act, 2013)</b>  <b>(Contd.,)</b></p>
<p><b>government. The excess charge to P&amp;L account for the year is Rs.826.62 Crore (refer Note No.39.3(iii)under the Additional Notes of Gratuity liability.)</b></p> <p><b>b. Bonus on Diesel consumption and explosives payable to contractors of Rs.36.71 Crores has not been accounted for in the books as liability. (Refer Note.No. 5.12 C of Additional Notes).</b></p> <p><b>Other Matters</b></p> <p>We did not audit the financial statement of the one subsidiary, whose financial statements/financial information reflect total assets of Rs. 62.76 Crores as at 31st March, 2017, total revenue of Rs. 77.83 Crores and net cash flow amounting to Rs.(-1.65) Crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs.2.99 Crores for the year ended 31st March, 2017, as considered in the consolidated financial statement, in respect of one subsidiary, whose financial statements, /financial information have not been audited by us.</p> <p>These financial statements/financial information have been audited by other auditors whose report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-section (3), (5) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.</p> <p>Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.</p> <p><b>Report on Other Legal and Regulatory Requirements</b></p> <p>Companies ( Auditor's Report) Order, 2016 issued by the Government of India in terms of Section 143(11) of the Act, is not applicable to auditor's report on consolidated financial statements as per Para 2 of the said Order</p> <p>As required by Section 143(3) of the Act, we report, to the extent applicable, that:</p> <p>a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the</p>	<p>The Auditors have drawn specific attention of the users of the financial statements on these matters, though they have been appropriately presented and disclosed in Financial Statements.</p> <p style="text-align: center;">--</p> <p style="text-align: center;">--</p> <p style="text-align: center;">--</p>





<p style="text-align: center;"><b>INDEPENDENT AUDITORS' REPORT</b>  <b>on consolidated Financial Statements (Contd.,)</b></p>	<p style="text-align: center;"><b>Management reply on the audit observations</b>  <b>(Under Section 134 (3) of the Companies Act, 2013)</b>  <b>(Contd.,)</b></p>
<p>incorporated in India during the year ended 31st March 2017.</p> <p>iv. The company has provided requisite disclosures in its financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company.</p> <p>3. As required by Section 143(5) of the Act and as per directions of Comptroller and Auditor General of India, we report that:</p> <p>(i) According to the information and explanations given to us and based on our examination of records, the company has clear title/lease deeds for freehold and leasehold land respectively, except to the extent disclosed in Note No. 3.1 of additional notes.</p> <p>(ii) As explained to us, there are no cases for waiver/write off of debts/Loans/interest etc.</p> <p>(iii) As informed to us there are no inventories lying with third parties and as informed to us there are no gifts received from government or other authorities.</p>	<p style="text-align: center;">--</p> <p style="text-align: center;">--</p> <p style="text-align: center;">--</p> <p style="text-align: center;">--</p>
<p style="text-align: right;">for Ramamoorthy(N) &amp;Co Chartered Accountants FRN: 002899S Sd/- CA Surendranath Bharathi Partner Membership No.023837</p> <p>Date : 19.08.2017 Place : Hyderabad</p>	<p style="text-align: center;">for and on behalf of the Board</p> <p style="text-align: center;">Sd/- ( N. Sridhar ) Chairman &amp; Managing Director</p> <p>Date : 17.10.2017 Place : Hyderabad</p>



<p><b>Annexure–A to the Independent Auditors of even date on the Consolidated Financial Statements of the Singareni Collieries Company Limited</b></p>	<p><b>Management reply on the audit observations</b> (Under Section 134 (3) of the Companies Act, 2013)</p>
<p>(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the Members of The Singareni collieries Company Limited)</p> <p><b>Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)</b></p> <p>In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended March, 2017, we have audited the Internal Financial Controls over financial reporting of Singareni Collieries Company Limited (“the Holding Company”) as of March 31, 2017 and its subsidiary which is companies incorporated in India, as of that date.</p> <p><b>Management’s Responsibility for Internal Financial Controls</b></p> <p>The respective Board of Directors of the Holding company and its subsidiary company, which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.</p> <p><b>Auditor’s Responsibility</b></p> <p>Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.</p>	<p>This being a statement of fact, calls for no comment separately.</p> <p>This being a statement of fact, calls for no comment separately.</p> <p>This being a statement of fact, calls for no comment separately.</p>



<p><b>Annexure–A to the Independent Auditors of even date on the Consolidated Financial Statements of the Singareni Collieries Company Limited (Contd.)</b></p>	<p><b>Management reply on the audit observations</b> (Under Section 134 (3) of the Companies Act, 2013) (Contd.,)</p>
<p>(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the Members of The Singareni collieries Company Limited)</p> <p><b>Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)</b></p> <p>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.</p> <p>The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.</p> <p>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.</p> <p><b>Meaning of Internal Financial Controls over Financial Reporting</b></p> <p>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:</p> <ol style="list-style-type: none"> <li>(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;</li> <li>(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and</li> <li>(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.</li> </ol>	<p>This being a statement of fact, calls for no comment separately.</p> <p>This being a statement of fact, calls for no comment separately.</p> <p>This being a statement of fact, calls for no comment separately.</p> <p>This being a statement of fact, calls for no comment separately.</p>



<p><b>Annexure–A to the Independent Auditors of even date on the Consolidated Financial Statements of the Singareni Collieries Company Limited (Contd.)</b></p>	<p><b>Management reply on the audit observations (Under Section 134 (3) of the Companies Act, 2013) (Contd.,)</b></p>
<p>(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the Members of The Singareni collieries Company Limited)</p> <p><b>Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)</b></p> <p>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.</p> <p><b>Disclaimer of Opinion</b></p> <p>According to the information and explanations given to us, the company is in the process of establishing Internal Financial Control over financial reporting frame work on criteria based on or considering the essential components of internal financial control stated in the Guidance Note on Audit of internal Financial Controls over Financial Reporting issued by the ICAI. However, we are unable to obtain the audit evidence in supporting the implementation of the IFC over financial reporting. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at 31st March, 2017.</p> <p><b>Other Matters</b></p> <p>Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it related to one subsidiary company, in corporate in India, is based on the corresponding report of the auditor of such company incorporated in India.</p>	<p>This being a statement of fact, calls for no comment separately.</p> <p>This being a statement of fact, calls for no comment separately.</p> <p>This being a statement of fact, calls for no comment separately.</p>
<p style="text-align: center;">for Ramamoorthy(N) &amp;Co Chartered Accountants FRN: 002899S Sd/- CA Surendranath Bharathi Partner Membership No.023837</p> <p>Date : 19.08.2017 Place : Hyderabad</p>	<p style="text-align: center;">for and on behalf of the Board  Sd/- ( N. Sridhar ) Chairman &amp; Managing Director</p> <p>Date : 17.10.2017 Place : Hyderabad</p>



**Balance Sheet as at 31<sup>st</sup> March, 2017**

(Rs. in crore)

	Particulars	Note No	As at 31.03.2017	As at 31.03.2016 (Restated)	As at 01.04.2015 (Restated)
	<b><u>ASSETS</u></b>				
<b>A.</b>	<b>Non-current Assets</b>				
	(a) Property, Plant and Equipment	3	15188.97	7153.00	8139.17
	(b) Capital Work-In-Progress	4	1467.69	7197.67	5432.97
	(c) Other Intangible Assets	5	2.44	1.87	0.17
	(d) Financial Assets				
	(i) Investments	6	1811.37	1813.42	1815.42
	(ii) Loans	7	521.38	113.43	121.70
	(iii) Others	8	208.60	133.97	15.64
	(e) Deferred Tax Assets (Net)	9	4048.08	4370.95	3597.45
	(g) Other Non-Current Assets	10	417.19	581.15	537.58
	<b>Total Non-Current Assets (A)</b>		<b>23665.72</b>	<b>21365.47</b>	<b>19660.10</b>
<b>B.</b>	<b>Current Assets</b>				
	(a) Inventories	11	1330.20	1175.91	1027.44
	(b) Financial Assets				
	(i) Investments				
	(ii) Trade Receivables	12	3807.23	4195.87	2149.35
	(iii) Cash and Cash Equivalents	13	726.73	679.40	478.37
	(iv) Bank Balance Other than (iii) above	14	1500.01	895.01	2055.01
	(v) Loans	7	180.86	142.28	79.52
	(vi) Others	8	398.69	384.43	329.22
	(c) Current Tax Asset (Net)	15	45.46	19.45	0.00
	(d) Other Current Assets	16	407.38	346.69	241.10
	<b>Total Current Assets (B)</b>		<b>8396.56</b>	<b>7839.04</b>	<b>6360.01</b>
	<b>Total Assets (A+B)</b>		<b>32062.28</b>	<b>29204.51</b>	<b>26020.11</b>

(contd..)



**Balance Sheet as at 31<sup>st</sup> March, 2017 (contd..)**

(Rs. in crore)

	Particulars	Note No	As at 31.03.2017	As at 31.03.2016 (Restated)	As at 01.04.2015 (Restated)
	<b><u>EQUITY AND LIABILITIES</u></b>				
A.	<b>EQUITY</b>				
	(a) Equity Share Capital	17	1733.20	1733.20	1733.20
	(b) Other Equity	18	3404.31	3165.39	2705.30
	<b>Total Equity (A)</b>		<b>5137.51</b>	<b>4898.59</b>	<b>4438.50</b>
B.	<b>LIABILITIES</b>				
B.1	<b>Non-Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	19	4273.72	3956.43	3545.59
	(b) Provisions	22	15873.76	13932.26	14063.07
	(c) Other Non-Current Liabilities	23	27.40	31.75	12.93
	<b>Total Non-Current Liabilities (B.1)</b>		<b>20174.88</b>	<b>17920.44</b>	<b>17621.59</b>
B.2	<b>Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	19	13.67	665.81	12.47
	(ii) Trade Payables	20	730.93	626.49	519.20
	(iii) Other Financial Liabilities	21	3566.20	2022.51	1679.34
	(b) Other Current Liabilities	24	1417.09	1927.24	863.44
	(c) Provisions	22	1022.00	1143.42	847.83
	(d) Current Tax Liabilities (Net)	25	0.00	0.00	37.74
	<b>Total Current Liabilities (B.2)</b>		<b>6749.89</b>	<b>6385.47</b>	<b>3960.02</b>
	<b>Total Liabilities (B=(B.1+B.2))</b>		<b>26924.77</b>	<b>24305.91</b>	<b>21581.61</b>
	<b>TOTAL EQUITY AND LIABILITIES (A+B)</b>		<b>32062.28</b>	<b>29204.51</b>	<b>26020.11</b>

The accompanying Notes form an integral part of Financial Statements

As per our report of even date  
for M/s. Ramamoorthy (N) & Co.,  
Chartered Accountants  
(Firm Regn.No. 02899S)

for and on behalf of the Board

Sd/-  
(Surendranath Bharathi)  
Partner (M.No.23837)

Sd/-  
(G.Srinivas )  
Chief(C.A) &  
Company Secretary

Sd/-  
(M.Narasimha Reddy)  
General Manager (F&A)

Sd/-  
(J.Pavitrana Kumar)  
Director(Finance)  
& CFO

Sd/-  
(N.Sridhar)  
Chairman &  
Managing Director

Date: 19.8.2017  
Place: Hyderabad



**Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2017**

(Rs. in crore)

	Particulars	Note No.	For the year ended	
			31.03.2017	31.03.2016 (Restated)
	<b>Revenue from Operations</b>			
(I)	Revenue from Operations	26	14,154.40	13,580.85
(II)	Other Income	27	545.06	502.91
<b>(III)</b>	<b>Total Income (I+II)</b>		<b>14,699.46</b>	<b>14,083.76</b>
<b>(IV)</b>	<b>EXPENSES</b>			
	Cost of Materials Consumed	28	2,732.57	2,501.64
	Changes in Inventories of Finished goods	29	(267.60)	(187.45)
	Excise Duty		854.49	864.18
	Employee Benefits Expense	30	6,330.75	5,365.41
	Finance Costs	31	899.26	715.20
	Depreciation and Amortization expenses		1,138.56	1,024.28
	Power & Fuel	32	469.52	441.55
	Repairs & Maintenance	33	192.54	158.87
	Contractual Expenses	34	1,845.07	1,541.95
	Provisions	35	2.84	475.80
	Write offs	36	7.14	10.22
	Stripping Activity Adjustment		(916.62)	128.07
	Other Expenses	37	477.94	224.19
	<b>Total Expenses (IV)</b>		<b>13,766.46</b>	<b>13,263.91</b>
<b>(V)</b>	<b>Profit/(Loss)before Exceptional Items and Tax (III-IV)</b>		<b>933.00</b>	<b>819.85</b>
(VI)	Exceptional Items	38	(8.82)	-
<b>(VII)</b>	<b>Profit / (Loss) Before Tax (V) - (VI)</b>		<b>941.82</b>	<b>819.85</b>
<b>(VIII)</b>	<b>Tax Expense</b>			
	(1) Current Tax		-	861.31
	(2) Tax relating to Earlier periods		(7.93)	(53.21)
	(3) Deferred Tax		402.99	(715.11)
<b>(IX)</b>	<b>Profit (Loss) for the period from Continuing Operations (VII - VIII)</b>		<b>546.76</b>	<b>726.86</b>
(X)	Profit/(Loss) from discontinued operations		-	-
(XI)	Tax expenses of discontinued operations		-	-

(Contd..)



**Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2017 (contd..)**

(Rs. in crore)

	Particulars	Note No.	For the year ended	
			31.03.2017	31.03.2016 (Restated)
(XII)	Profit/(loss) from discontinued operations (After Tax) (X- XI)		-	-
(XIII)	<b>Profit/(loss) for the Period (IX+XII)</b>		<b>546.76</b>	<b>726.86</b>
(XIV)	<b>Other Comprehensive Income</b>			
	A. Items that will not be reclassified to profit or loss		(231.49)	(168.70)
	<b>Less:</b> Income tax relating to items that will not be reclassified to Profit or Loss		80.11	58.38
	B. Items that will be reclassified to profit or loss		-	-
	<b>Less:</b> Income tax relating to items that will be reclassified to Profit or Loss		-	-
(XV)	<b>Total Comprehensive Income for the Period (XIII+XIV)</b>		<b>395.38</b>	<b>616.54</b>
(XVI)	<b>Earnings per Equity Share</b>			
	(1) Basic		3.15	4.19
	(2) Diluted		3.15	4.19

The accompanying Notes form an integral part of Financial Statements

As per our report of even date  
for M/s. Ramamoorthy (N) & Co.,  
Chartered Accountants  
(Firm Regn.No. 02899S)

for and on behalf of the Board

Sd/-  
(Surendranath Bharathi)  
Partner (M.No.23837)

Sd/-  
(G.Srinivas )  
Chief(C.A) &  
Company Secretary

Sd/-  
(M.Narasimha Reddy)  
General Manager (F&A)

Sd/-  
(J.Pavitrn Kumar)  
Director(Finance)  
& CFO

Sd/-  
(N.Sridhar)  
Chairman &  
Managing Director

Date: 19.8.2017  
Place: Hyderabad



**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2017**

**A. EQUITY SHARE CAPITAL**

(Rs. in crore)

Particulars	Balance as at 01.04.2015	Changes in Equity Share Capital during the year	Balance as at 31.03.2016	Balance as at 01.04.2016	Changes in Equity Share Capital during the year	Balance as at 31.03.2017
Equity Shares	1,733.20	-	1,733.20	1,733.20	-	1,733.20

**B. OTHER EQUITY**

(Rs. in crore)

Particulars	General Reserve	Retained Earnings	Total
<b>Balance at the Beginning of the reporting period as at 01.04.2015 as per Indian GAAP</b>	1160.40	979.67	2140.07
Ind AS Adjustments		790.91	790.91
<b>Balance at the Beginning of the reporting period as at 01.04.2015</b>	1160.40	1770.58	2930.98
Changes in accounting policy or prior period errors		(225.68)	(225.68)
<b>Restated balance as at 01.04.2015</b>	<b>1,160.40</b>	<b>1,544.90</b>	<b>2,705.30</b>
Profit for the year		726.86	726.86
Other Comprehensive income (net of tax)		(110.32)	(110.32)
Dividends (including dividend distribution tax)		(156.45)	(156.45)
Transfer to/(from) retained earnings	100.00	(100.00)	
Any other change			
<b>Balance as on 31.03.2016</b>	<b>1,260.40</b>	<b>1904.99</b>	<b>3,165.39</b>
Profit for the year		546.75	546.75
Other Comprehensive Income (net of tax)		(151.38)	(151.38)
Dividends (including dividend distribution tax)		(156.45)	(156.45)
Transfer to/(from) retained earnings	100.00	(100.00)	--
Any other change			
<b>Balance as on 31.03.2017</b>	<b>1,360.40</b>	<b>2,043.91</b>	<b>3,404.31</b>



### Cash flow statement for the year 2016-17

(Rs. in crore)

S. No	Particulars	For the year ended	
		31.03.2017	31.03.2016
<b>A</b>	<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
	Profit/(loss) before Tax	932.99	819.85
	<b>Adjustments for</b>		
	Depreciation and Amortization Expense	1,138.56	1,024.28
	Assets Written off	7.14	10.04
	Provisions Written Back	(176.27)	(1.24)
	Interest Income on Investments	(177.45)	(177.62)
	Interest Income on Term Deposits	(54.96)	(222.88)
	Interest Expense	899.26	715.20
	Non - Current Provisions	230.90	208.37
	Unrealised foreign Exchange Loss	(3.37)	9.75
	Exceptional Items (Net)	4.59	
	Actuarial gains/(losses) routed through other comprehensive income	(231.49)	(168.70)
	Deferred Government Grant	(9.58)	(5.49)
		<b>1,627.35</b>	<b>1,391.71</b>
	<b>Operating Profit Before Working Capital Changes</b>	<b>2,560.34</b>	<b>2,211.56</b>
	<b>Adjustments towards changes in</b>		
	Inventories	(154.28)	(150.49)
	Trade Receivables	388.64	(2,046.52)
	Current/Non - current/Loans, Other financial assets and other assets	(1,037.15)	782.82
	Current/Non - Current Borrowings, Financial liabilities and provisions	976.25	1,702.24
	Tax paid Including TDS	(18.08)	(865.30)
		<b>155.38</b>	<b>(577.25)</b>
	<b>Net Cash flow from Operating Activities (A)</b>	<b>2,715.72</b>	<b>1,634.31</b>
<b>B</b>	<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
	Increase in Property, plant & equipment (including Capital Work-in-progress)	(2,399.55)	(2,797.59)
	Proceeds of Dissolution of J.V Firm.	0.05	
	Redemption of Investments	2.00	2.00
	Interest Income on Investments	177.45	177.62
	Interest Income on Term Deposits	54.96	222.88
	<b>Cash Flow from Investing Activities(B)</b>	<b>(2,165.09)</b>	<b>(2,395.09)</b>

(Contd..)



**Cash flow statement for the year 2016-17 (contd..)**

(Rs. in crore)

S.No	Particulars	For the year ended	
		31.03.2017	31.03.2016
<b>C</b>	<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
	Non- current Borrowings	630.26	561.35
	Repayment of Government of India Loan	(66.33)	(66.33)
	Demand Loans from Banks	(610.00)	610.00
	Changes in Cash Credit	(42.14)	43.34
	Interest Expense	(231.94)	(40.81)
	Dividend paid	(129.99)	(129.99)
	Dividend Tax paid	(26.46)	(26.46)
	<b>Cash flow from Financing activities (C)</b>	<b>(476.60)</b>	<b>951.10</b>
<b>D</b>	<b>Net increase in Cash and Cash equivalents (A+B+C)</b>	<b>74.03</b>	<b>190.32</b>
<b>E</b>	<b>Cash &amp; Cash equivalents at the beginning of the year</b>	<b>647.32</b>	<b>457.00</b>
<b>F</b>	<b>Cash &amp; Cash equivalents at the end of the year (D+E)</b>	<b>721.34</b>	<b>647.32</b>

**Cash and Cash Equivalents for the purpose of the Cash-Flow Statement**

Particulars	2016 - 17	2015 - 16
<b>Cash &amp; Bank Balances at the Beginning of the year</b>	<b>679.40</b>	<b>478.37</b>
Special OD Account		0.35
Overdraft in Current Account	32.08	21.02
<b>Cash &amp; Bank Balances at the Beginning of the year</b>	<b>647.32</b>	<b>457.00</b>
<b>Cash &amp; Bank Balances at the End of the year</b>	<b>726.73</b>	<b>679.40</b>
Special OD Account	-	
Overdraft in Current Account	5.40	32.08
<b>Cash &amp; Bank Balances at the End of the year</b>	<b>721.34</b>	<b>647.32</b>

The accompanying Notes form an integral part of Financial Statements

As per our report of even date  
for M/s. Ramamoorthy (N) & Co.,  
Chartered Accountants  
(Firm Regn.No. 02899S)

for and on behalf of the Board

Sd/-  
(Surendranath Bharathi)  
Partner (M.No.23837)

Sd/-  
(G.Srinivas )  
Chief(C.A) &  
Company Secretary

Sd/-  
(M.Narasimha Reddy)  
General Manager (F&A)

Sd/-  
(J.Pavitrana Kumar)  
Director(Finance)  
& CFO

Sd/-  
(N.Sridhar)  
Chairman &  
Managing Director

Date: 19.8.2017  
Place: Hyderabad



**Equity reconciliation as at 31 March 2016 and 1 April 2015**

(Rs. in crore)

Sl. No.	Particulars	As at 31.03.2016		As at 1.04.2015	
1	<b>Shareholders Equity under Indian GAAP</b>		<b>4782.95</b>		<b>3873.27</b>
2	<b>Impact on Retained Earnings</b>				
	<b>Proposed Dividend</b>		156.45		156.45
	<b>Re-measurement of Mine Closure Provision</b>				
	Reversal of Provision	373.13		250.71	
	Finance Cost	(167.20)		(105.19)	
	Depreciation/Amortization	(175.41)	30.52	(118.28)	27.24
	<b>Re-measurement of Back Filling Provision</b>				
	Reversal of Provision	5418.99		5194.99	
	Finance Cost	(3475.39)		(2857.31)	
	Depreciation/Amortization	(1711.10)	232.51	(1466.65)	871.03
	<b>Errors Under Previous GAAP</b>				
	Adjustment relating to Settlement Allowance	(54.63)		(55.32)	
	Adjustment relating to LTC/LLTC	(61.29)		(66.82)	
	Adjustment relating to Closing Stock value due to change in valuation methodology	(137.00)	(252.92)	(103.54)	(225.68)
	<b>Others</b>				
	Transfer of Deferred Government grant to Statement of Profit and Loss	5.49			
	Providing Additional Depreciation on Government Grant (Grossing up of asset)	(5.49)			
	Reversal of Opening Deferred Tax	263.81			-
	<b>Deferred tax on Ind AS adjustments</b>	(314.72)	(50.91)	(263.81)	(263.81)
	<b>Impact on Retained Earnings</b>		<b>115.64</b>		<b>565.23</b>
3	<b>Shareholders Equity under Ind AS (1+2)</b>		<b>4,898.59</b>		<b>4,438.50</b>



**Profit reconciliation for the period ended 31<sup>st</sup> March 2016**

(Rs in crore)

Sl. No.	Particulars	For the year ended 31.03.2016	
1	<b>Profit After Tax under Indian GAAP from 01.04.2015 to 31.03.2016</b>		<b>1,066.13</b>
2	<b>Ind AS Adjustments in 2015-16 routed through Statement of Profit and Loss</b>		
	-Actuarial loss on re-measurement of employee defined benefit plan recognized in 'Other Comprehensive Income'		168.70
	<b>Re-measurement of Mine Closure Provision</b>		
	Reversal of Provision	122.42	
	Finance Cost	(62.01)	
	Depreciation/Amortization	(57.13)	<b>3.28</b>
	<b>Re-measurement of Back Filling Provision</b>		
	Reversal of Provision	224.00	
	Finance Cost	(618.08)	
	Depreciation/Amortization	(244.44)	<b>(638.52)</b>
	<b>Errors Under Previous GAAP</b>		
	Adjustment relating to Settlement Allowance	0.69	
	Adjustment relating to LTC/LLTC	5.53	
	Adjustment relating to Closing Stock value due to change in valuation methodology	(33.46)	<b>(27.24)</b>
	<b>Others</b>		
	Transfer of Deferred Government grant to Statement of Profit and Loss	5.49	
	Providing Additional Depreciation on Government Grant (Grossing up of asset)	(5.49)	
	Deferred Tax on Ind AS Adjustments		<b>154.51</b>
	<b>Impact on profit for the period (2)</b>		<b>(339.27)</b>
3	<b>Total profit as per Ind AS (1+2)</b>		<b>726.86</b>
4	<b>Adjustments through Other Comprehensive Income</b>		
	Actuarial loss on re-measurement of employee Defined Benefit plan recognized in 'Other Comprehensive Income'		(168.70)
	Deferred Tax on above		58.38
	<b>Total impact on Other Comprehensive Income (4)</b>		<b>(110.32)</b>
5	<b>Impact on Profit (2+4)</b>		<b>(449.59)</b>
6	<b>Total Comprehensive Income after Ind AS Adjustments (1+5)</b>		<b>616.54</b>



## Notes to the Standalone financial statements for the year ended 31st March, 2017

### **Note 1. Corporate Overview**

The Singareni Collieries Company Limited ('SCCL' or 'the Company') is a Government coal mining company jointly owned by the Government of Telangana and Government of India on a 51:49 equity basis.

The Company is mainly engaged in mining of coal. As a part of diversification, the company has entered in to power generation and presently operating 2\*600 MW Singareni Thermal power plant (STPP). The major coal consumers of the company are power and cement sectors. Power purchase Agreement is entered with TS DISCOMs to sell the power generated from the Power Plant.

The Singareni coal reserves stretch across 350 Km of the Pranahita – Godavari Valley of Telangana with a proven geological reserves aggregating to approx. 8800 million tonnes. SCCL is currently operating 16 opencast and 30 underground mines in 6 districts of Telangana. SCCL is at present has not listed its stocks anywhere.

### **Note 2. Significant Accounting Policies:**

#### **2.1 Transition to Ind AS**

The Financial statements for the year ended March 31, 2017 are the first financial statements prepared in accordance with Ind AS.

The adoption of Ind AS was carried out in accordance with Ind AS 101, using April 1, 2015 as the transition date. Ind AS 101 requires that all Ind AS standards and interpretations that are effective for the first Ind AS Financial Statements for the year ended March 31, 2017, be applied consistently and retrospectively for all fiscal years presented.

All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the financial statements under both Ind AS and Indian GAAP as of the transition date have been recognized directly in equity at the transition date.

#### **2.2 Basis of preparation of financial statements**

##### **(a) Statement of Compliance**

The financial statements of the Company have been prepared on going concern basis using accrual basis of accounting in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, the relevant provisions of The companies Act 2013 and Electricity Act 2003.

For all the periods, up to and including the year ended 31st March 2016, the Company prepared its financial statements in accordance with Accounting Standards (AS) notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and in accordance with companies (Accounting Standards), Rules 2006.

##### **(b) Basis of Measurement :**

The financial statements have been prepared on historical cost basis of measurement, except for;

- ◆ financial assets and liabilities measured at fair value (Accounting policy on financial instruments in [para no. 2.3.16](#));
- ◆ Defined benefit plans- plan assets measured at fair value;
- ◆ Inventories at Cost or NRV whichever is lower (Accounting policy in [para no. 2.3.5](#)).
- ◆ Other claims and revenues ( Accounting policy 2.3.1.D)
- ◆ Certain Provisions are measured at fair value ( Accounting policy 2.3.7)



## Notes to the Standalone financial statements for the year ended 31st March, 2017 (contd..)

### (c) Functional or presentation currency.

The financial statements are presented in Indian rupees, which is the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest crore up to two decimal points.

### (d) Use of Estimates and Judgement.

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

### (e) Formulation of Accounting Policies

Accounting policies are formulated in a manner that result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial.

In the absence of an Ind AS that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a) relevant to the economic decision-making needs of users; and
- b) reliable in that financial statements:
  - (i) represent faithfully the financial position, financial performance and cash flows of the 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 geo-mining 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



## Notes to the Standalone financial statements for the year ended 31st March, 2017 (contd..)

shall be accounted for prospectively as per the procedure laid down above more particularly in Ind AS 8.

### (f) Materiality

Management uses judgement of materiality for determining the compliance requirement of the Ind AS. Management also uses judgment in deciding whether individual items or groups of item are material in the financial statements. Materiality is judged by reference to the size and nature of the item. The deciding factor is whether omission or misstatement could individually or collectively influence the economic decisions that users make on the basis of the financial statements. A Transaction is considered material only if it exceeds Rs.50.00 lakh in each case for the purpose of adjustments for Pre-paid and Prior period items.

## 2.3 Summary of Accounting Policies:

### 2.3.1 Revenue recognition:

#### A. Revenue from sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the customer with a reasonable certainty of collection.

Revenue is measured at the fair value of the consideration received or receivable (net of accepted deductions made by customers on account of quality of coal) taking into account contractually defined terms of payment and excluding taxes, levies or duties collected on behalf of the government/ other statutory bodies.

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

The company has assumed that revenue includes excise duty because recovery of excise duty flows to the company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. However, other taxes, levies or duties are not considered to be received by the company on its own account and are excluded from net revenue.

#### B. Revenue Recognition- Power Plant

Revenue from generation of electricity is accounted for as per the Tariff approved by Hon. TS Electricity Regulatory Commission (TSERC).

#### C. Interest

Interest income is recognised using the Effective Interest Method.

#### D. System of accounting of certain specific claims/revenues:

- a. Penalty for short lifting of coal, on termination of contracts, interest on belated payment of coal and power dues on realisation.
- b. Escalation in prices and duties for explosives, equipment and spares supplied on payment.
- c. Credit towards Powder factor is accounted as and when recovered from the suppliers of Explosives.
- d. Additional claims from contractors on Capital Works when claims are settled, other than subsidiary.
- e. Scrap sales on realisation and
- f. Insurance Claims on receipt



## Notes to the Standalone financial statements for the year ended 31st March, 2017 (contd..)

### 2.3.2 Grants from Government

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

Government Grants related to assets are presented in the balance sheet by setting up the grant as deferred income and are recognised in Statement of Profit and Loss on systematic basis over the useful life of asset.

Grants related to income (i.e. grant related to other than assets) are presented as part of statement of profit or loss.

### 2.3.3 Property, Plant and Equipment:

#### A. Recognition and measurement:

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. The Company has elected to apply the optional exemption to use this previous GAAP value as deemed cost as at 1 April 2015, the date of transition.

The recognition of the Property, plant and equipment is subject to the following principles:

#### 1. Land:

- a. Lands are capitalized from the date of taking possession / Award whichever is earlier. Payments made for Renewal of Leasehold lands are capitalized from the date of payment.
- b. Freehold Lands include cost of acquisition, compensation, rehabilitation expenses and interest up to the date of taking possession.
- c. Leasehold Lands include cost of compensatory land, NPV, afforestation and deforestation expenditure with regard to acquisition of forest land.

#### 2. Railway sidings:

Complete track renewals and sleeper renewals on Railway Sidings are capitalised on completion of the work.

#### 3. Plant & Equipment:

- a. Following items are classified as Capital;
  - i) PVC Armoured Cables of all sizes; and
  - ii) G.I. Pipes of 2" Dia and above.
- b. Expenditure on Rehabilitation of HEMM and other Major Plant and Machinery is treated as Capital expenditure if such expenditure increases the future benefit from the Asset beyond its previously assessed standard of performance.
- c. Equipment received for Projects under construction/ Mines under development but not installed and commissioned by the end of the year is shown as Capital Works-in-Progress.

#### 1. Depreciation:

- i) Depreciation on other Fixed Assets is provided on written down value method on the assets capitalised before 01.04.1985.
- ii) 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 as per the Schedule II of the Companies Act, 2013. However, in case of power plant depreciation rates as stipulated by CERC are adopted. The estimated useful life of the assets is reviewed at the end of each financial year.



## Notes to the Standalone financial statements for the year ended 31st March, 2017 (contd..)

- iii) The estimated useful life of the assets is reviewed at the end of each financial year. In some cases based on technical evaluation, the management believes that the useful lives given below best represents the period over which the management expects to use the asset. Hence the useful lives of the below mentioned assets are lower than the useful lives prescribed under Part C of schedule II of companies act, 2013:
- |  |   |           |
|--|---|-----------|
| ◆ LHDs   | - | 7 Years   |
| ◆ Jumbo Drills at CDF Panel                          | - | 7.5 Years |
| ◆ SDLs   | - | 4 Years   |
| ◆ Self Contained Self Rescuers                       | - | 10 Years  |
| ◆ 35T Dumpers  | - | 6 Years   |
| ◆ Hydraulic Shovels upto 5 CU.M                      | - | 7 Years   |
| ◆ Blast Hole Drills <160mm                           | - | 7 Years   |
| ◆ Coal Tubs  | - | 1 Year    |
| ◆ Winding Ropes                                      | - | 1 Year    |
| ◆ Safety Lamps                                       | - | 1 Year    |
| ◆ Stowing Pipes                                      | - | 1 Year    |
| ◆ Assets whose actual cost does not exceed Rs.5000/- | - | 1 Year    |
- iv) Value of leasehold lands is amortised over a period of 10 years or over the lease period whichever is lower:
- from the date possession in case of fresh leases
  - from the date of payment in case of renewal of leases.
2. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

### 2.3.4 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Cost of ERP software recognized as intangible asset is amortised over a period of 5 years.

### 2.3.5 Inventory:

#### A: Stock of Coal:

- i) Wherever variation between volumetrically measured coal stocks (including washery products) and the book stocks is more than 5%, the volumetrically measured stock balances are adopted with a reduction of 5% towards anticipated storage losses.



## Notes to the Standalone financial statements for the year ended 31st March, 2017 (contd..)

- ii) Closing stock of coal including stock at washeries, coal-in-wagons, washed coal, is valued at lower of cost and net realisable value.  
  
Closing stock of washery by products viz., rejects, slurry and fines are valued at net realisable value (shale and stone at nil value)  
  
Coal stock at STPP is valued at weighted Average Acquisition Cost.
- iii) The Average cost of production of Under Ground (UG) and Open Cast (OC) mines is considered as cost of coal for the stocks of UG and OC mines respectively. The cost of stock at CHP and other stocking points is arrived by considering the ratio of admittance of coal from UG and OC mines during the year. Such cost of production is arrived at excluding borrowing costs, selling and distribution costs and administrative overheads etc., to the extent not related to production of coal.
- iv) Cost of washed coal is calculated at average cost of production of coal as at (iii) above plus washery charges adjusted to standard yield, and by deducting NRV of by products from the cost thus arrived.
- v) The net realisable value of grade-wise coal (including washed coal, rejects, slurry and fines) is arrived at on the basis of selling price to power utilities and mark up/ cost plus price wherever applicable less re-handling charges.

### B: Stores & Spares

- i) Stores & Spares (including loose tools) are valued at Weighted Average cost.
- ii) Suitable Provision for slow, non-moving and obsolescence is provided on review of stores and spares on annual basis.

### C: Other Inventories

Stock of medicines, provisions, stationery and sand are not valued and are charged directly to consumption on receipt.

### 2.3.6 Borrowing costs

Borrowings costs directly attributable to acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which it occurs.

### 2.3.7 Mine Closure, Site Restoration and Decommissioning Obligations:

#### A. Mine closure Plan:

- i) 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.
- ii) 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.
- iii) The estimates of expenses are escalated for inflation, and then discounted at a discount rate that reflects the 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



## Notes to the Standalone financial statements for the year ended 31st March, 2017 (contd..)

in which the liability is incurred. The asset representing the total site restoration cost as per mine closure plan is recognised as a separate item in PPE and amortised over the balance project/mine life.

- iv) The value of the provision is progressively increased over time as the effect of discounting unwinds; creating an expense recognised as financial expenses.
- v) Further, a specific escrow fund account is maintained for this purpose as per the approved mine closure plan.

### B. Backfilling of Overburden :

- i) In order to comply with the Ministry of Environment & Forest's stipulation regarding reducing the depth of the final void of certain opencast mines to 30/35/45 meters from surface, re-handling/dumping over burden (OB) is to be carried out to reduce the final void as per the MOEF stipulation. The reduction of the final void can be done either (i) by re-handling the Overburden of the external/ internal dumps or (ii) by dumping the OB produced from the adjacent/relay projects.
- ii) Re-handling of Overburden of the external/internal dumps incurs additional cost which is provided for. The cost of dumping from the adjacent / relay project is considered as the cost of Overburden removal of the adjacent/relay project.
- iii) The estimation of quantity of Overburden (OB) required to backfill the final void is made by in-house technical estimation by professionals in Mining, Project Planning Environment fields. Total cost of Backfilling required is estimated, based on the total quantity to be backfilled in cubic metres at the end of mine life, at the SCCL weighted average rate of OB Removal of outsourced operations.
- iv) The Estimation of Liability and corresponding recognition of Asset, discounting of liability and depreciation of asset and unwinding of liability etc, shall be as per the procedure mentioned at accounting policy no 2.3.7.A.(iii) and (iv).

### 2.3.8 Exploration and Evaluation assets

Exploration expenditure relates to the initial search for deposits with economic potential. Expenditure on exploration activity is treated as revenue expenditure.

Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. Capitalisation of evaluation expenditure commences when there is a high degree of confidence that the Company will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Company.

### 2.3.9 Development Expenditure

- a) When proved reserves are determined and development of mines/project is sanctioned, 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. Drilling done for projects under construction which is capitalised with the project cost under development at average normal cost per metre.
- b) The Projects/Mines under development are brought to Revenue, earlier of
  - i) Either from the month following;
    - a) The achievement of 25% of the rated production, or
    - b) Completion of two years after touching the coal

or



## Notes to the Standalone financial statements for the year ended 31st March, 2017 (contd..)

- ii) from the beginning of the year, wherein the value of production is more than the total related expenses of such developed project/ mine .
- c) Expenditure incurred on Projects under Construction/Mines under Development is capitalised till such Projects/Mines are brought to revenue. In case of Long wall / Blasting Gallery (BG) technology Projects, the expenditure is capitalised up to the date of commissioning of the equipment.
- d) Overheads specifically incurred for the projects under construction were capitalised.
- e) Sale value of coal produced by Projects/Mines under construction is credited to Development Account at the Average Monthly Selling Price for the Area.
- f) Residual Development Expenditure on Mines taken-up for reconstruction is treated as Development Expenditure of New Reconstruction Projects.
- g) 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 over the Projects Life as estimated in the FR/latest life, not exceeding 10 years.

### 2.3.10 Over Burden Removal (OBR) - Stripping Cost

- i. Expenditure on Overburden Removal (Stripping Cost) is charged at Stripping Ratio of the Open Cast projects irrespective of the Ratio of Actual Removal during the year. Expenditure on OB Removal is booked in the natural heads. The variance between actual OB Removal expenditure and OB Removal charge as per Stripping Ratio is shown as OB Removal adjustment account. Interest, Depreciation and Overheads on OB Removal are treated as period cost and not considered for arriving at OB Removal charge.
- ii. The company reviews the Stripping Ratios of the Open Cast Projects once in five years except the new mines till they complete five years of revenue workings . In case significant deviation occurs in mining & geological structure, reorganisation and closure of mines, such review is taken up on occurrence.
- iii. Provision for future Overburden Removal is restated at current year cost and difference is taken to profit and loss account. Advance Action for Overburden removal is valued at weighted average cost.

### 2.3.11 Investment in Subsidiaries and Joint Ventures:

Investments in subsidiaries and joint ventures are measured at cost.

### 2.3.12. Foreign Currency Transactions:

- a) Monetary items related to Foreign currency transactions remaining unsettled at the end of the year are reported at the exchange rate at the Balance Sheet date.
- b) Profit or Loss on account of exchange differences either on settlement or on restatement is recognised in the Profit and Loss Account.
- c) Foreign currency gains and losses are reported on a net basis.

### 2.3.13 Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

#### A. Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period.



## Notes to the Standalone financial statements for the year ended 31st March, 2017 (contd..)

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

### B. Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements.

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

### 2.3.14 Employee Benefits

#### A. Short-term Benefits

All short term employee benefits are recognized in the period in which they are incurred.

#### B. Post-employment benefits and other long term employee benefits

##### I. Defined contribution plans:

Employer's contribution under Coal Mines Provident Fund Act and Executives Superannuation, Pension Benefits are defined Contribution Plans and the expenditure/ provision on the above is charged to statement of Profit & Loss.

##### II. Defined benefits plans:

- a) **Gratuity:** Gratuity is a defined benefit scheme. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. The retirement benefit obligations recognised in the Balance Sheet represents the present value of the defined benefit obligations as reduced by the fair value of scheme assets.
- b) Leave encashment, Monthly Monetary Compensation to dependants of deceased in mine accidents/medical unfit/Low Productive Employees, Post Superannuation Medical Benefit to executives is provided based on actuarial valuation carried out at each balance sheet date.
- c) 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 in case of post-employment defined benefit plans. Net interest expense and other expenses related to defined benefit plans are recognised in profit and loss.
- d) 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.



## Notes to the Standalone financial statements for the year ended 31st March, 2017 (contd..)

e) Other employee benefits :

Certain employee benefits namely and Settling Allowance, LTC / LLTC are also recognised on the same basis as described above for defined benefit plans.

f) Voluntary retirement compensation is expensed in the year of incurrence.

### 2.3.15 Provisions, Contingent Liabilities.

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. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and risk specific to the liability.

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.

### 2.3.16 Financial Instruments:

#### a) Classification:

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition

#### b) Initial Measurement:

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset/liability (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets/liabilities. While, loans and borrowings and payable are recognized net of directly attributable transactions costs.

#### c) Subsequent Measurement:

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortized cost; non derivative financial liabilities at amortized cost.

#### a) Non-derivative financial assets:

##### Financial assets at amortized cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses.



## Notes to the Standalone financial statements for the year ended 31st March, 2017 (contd..)

Financial Assets at amortized cost are represented by security deposits, cash and cash equivalents, Trade receivables & similar nature and eligible current and non-current assets.

Non Current assets comprises investments in debentures or bonds quoted, fully paidup, which are carried at amortized cost.

### b) Non-derivative financial liabilities at amortized cost

Financial liabilities at amortized cost represented by trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

### 2.3.17: Impairment.

#### Impairment of Assets (Non-financial assets)

The company assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. Company considers individual mines as separate cash generating units for the purpose of test of impairment

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the Statement of Profit and Loss.

#### Impairment of financial assets (other than fair value)

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

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.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- i) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.



## Notes to the Standalone financial statements for the year ended 31st March, 2017 (contd..)

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

### 2.3.18: Leases:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

#### • Company as a Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

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

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available.

#### • Company as Lessor

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

### 2.3.19. Earnings per share

Basic and diluted earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.



**Notes to the Standalone financial statements for the year ended 31st March, 2017 (contd..)**

(Rs in Crore)													
<b>Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2017 (contd..)</b>													
<b>NOTE-3 : Property, Plant and Equipment</b>													
Particulars	Freehold Land	Leasehold Land	Buildings Factory	Buildings other	Roads	Railway sidings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Land Reclamation/ site restoration costs	Other mining infra-structure	Total
<b>Gross carrying amount:</b>													
As at 1 April 2015	555.79	436.98	143.02	713.09	175.03	39.55	5113.63	14.20	41.15	1.20	5533.56	1464.20	14231.40
Additions	366.19	15.02	14.62	45.02	25.58	5.80	530.99	0.94	9.13	0.02	15.78	54.55	1083.64
Deductions/ Disposals	-	-	-0.74	-0.07	-5.12	-	-231.87	-0.67	-1.56	-0.19	-1029.36	-89.98	-1359.56
<b>As at 31 March 2016</b>	<b>921.98</b>	<b>452.00</b>	<b>156.90</b>	<b>758.04</b>	<b>195.49</b>	<b>45.35</b>	<b>5412.75</b>	<b>14.47</b>	<b>48.72</b>	<b>1.03</b>	<b>4519.98</b>	<b>1428.77</b>	<b>13955.48</b>
Additions	158.73	179.61	502.02	131.32	28.05	0.10	7056.60	2.01	2.50	0.19	1043.28	91.64	9196.05
Deductions/ Disposals	-	-	-	-0.06	-	-	-308.57	-1.04	-0.32	-0.05	-	-	-310.04
<b>As at 31 March 2017</b>	<b>1080.71</b>	<b>631.61</b>	<b>658.92</b>	<b>889.30</b>	<b>223.54</b>	<b>45.45</b>	<b>12160.79</b>	<b>15.44</b>	<b>50.90</b>	<b>1.17</b>	<b>5563.26</b>	<b>1520.41</b>	<b>22841.50</b>
<b>Accumulated depreciation</b>													
As at 1 April 2015	3.27	286.70	45.37	168.04	122.02	28.27	3004.53	10.39	27.43	0.75	1584.93	810.18	6091.88
Charge for the year	-	38.67	5.15	19.86	28.02	2.25	527.61	0.87	3.77	0.14	301.57	105.92	1033.83
Deductions/ Disposals	-	-	-0.48	-0.06	-5.11	-	-227.31	-0.67	-1.53	-0.19	-	-88.22	-323.57
<b>As at 31 March 2016</b>	<b>3.27</b>	<b>325.37</b>	<b>50.04</b>	<b>187.84</b>	<b>144.93</b>	<b>30.52</b>	<b>3304.83</b>	<b>10.59</b>	<b>29.67</b>	<b>0.70</b>	<b>1886.50</b>	<b>827.88</b>	<b>6802.14</b>
Charge for the year	-	46.92	14.02	28.04	11.31	1.82	687.85	0.96	4.64	0.11	243.58	113.74	1152.99
Deductions/ Disposals	-	-	-	-0.06	-	-	-301.50	-1.04	-0.31	-0.05	-	-	-302.96
<b>As at 31 March 2017</b>	<b>3.27</b>	<b>372.29</b>	<b>64.06</b>	<b>215.82</b>	<b>156.24</b>	<b>32.34</b>	<b>3691.18</b>	<b>10.51</b>	<b>34.00</b>	<b>0.76</b>	<b>2130.08</b>	<b>941.62</b>	<b>7652.17</b>
<b>Provision for diminution in value of assets</b>													
1 April 2015	-	-	-	-	-	-	0.34	-	-	-	-	-	0.34
31 March 2016	-	-	-	-	-	-	0.34	-	-	-	-	-	0.34
31 March 2017	-	-	-	-	-	-	0.34	-	-	-	-	-	0.34
<b>Net carrying amount</b>													
<b>As at 31 March 2017</b>	<b>1077.44</b>	<b>259.32</b>	<b>594.86</b>	<b>673.48</b>	<b>67.30</b>	<b>13.11</b>	<b>8469.27</b>	<b>4.92</b>	<b>16.90</b>	<b>0.40</b>	<b>3433.18</b>	<b>578.79</b>	<b>15188.97</b>
As at 31 March 2016	918.71	126.63	106.86	570.20	50.57	14.83	2107.58	3.88	19.05	0.33	2633.48	600.89	7153.00
As at 1 April 2015	552.52	150.28	97.65	545.05	53.01	11.28	2108.76	3.81	13.72	0.45	3948.62	654.02	8139.17

**Notes to the Standalone financial statements for the year ended 31st March, 2017 (contd..)****NOTE-3 : Property, Plant and Equipment (contd..)**

- 3.1 Land measuring Acres: 717, Guntas: 12 ½ (Previous year Acres:717, Guntas:12 ½) shown under Fixed Assets has not been registered in the name of the Company.
- 3.2 Land measuring Acres 5.00 shown under Fixed Assets, for the land handed over to Ramagundam Municipality since the matter pending with the District Collector for fixing the market value.
- 3.3 Freehold lands include assigned lands.
- 3.4 Depreciation for the year Rs.1152.99 Crore includes - Capitalized Depreciation of Rs. 19.07 Crore (Previous Year Rs. 9.62 Crore) and Prior depreciation (-) Rs.4.23 Crore (PY : Nil) - Revenue Charge: Rs.1138.15 Crore (Previous Year Rs.1024.21 Crore).
- 3.5 STPP assets include interest Capitalised on borrowings of Rs.1100.39 Crore

**NOTE-4 : Capital work in progress:**

(Rs in Crore)

Particulars	Lands	Building	Plant & Equipments	Development	Total
<b>Gross carrying amount</b>					
<b>As at 1 April 2015</b>	<b>149.44</b>	<b>60.95</b>	<b>5079.87</b>	<b>142.71</b>	<b>5432.97</b>
Additions	26.02	148.15	1841.53	9.67	2025.37
Capitalization/ deletions	130.85	14.07	88.26	27.49	260.67
<b>As at 31 March 2016</b>	<b>44.61</b>	<b>195.03</b>	<b>6833.14</b>	<b>124.89</b>	<b>7197.67</b>
Additions	162.30	105.29	20.60	111.72	399.91
Capitalization/ deletions	63.71	147.43	5893.41	25.34	6129.89
<b>As at 31 March 2017</b>	<b>143.20</b>	<b>152.89</b>	<b>960.33</b>	<b>211.27</b>	<b>1467.69</b>

- 4.1. CWIP include interest on borrowings from Power Finance Corporation for construction of STPP of Rs.181.09 Crore (Up to Previous Year: Rs 974.48 Cr.)



**Notes to the Standalone financial statements for the year ended 31st March, 2017 (contd..)**

**NOTE - 5: OTHER INTANGIBLE ASSETS**

(Rs. in Crore)

Particulars	ERP – Software	TOTAL
<b><u>Gross Block</u></b>		
As At 1 <sup>st</sup> April 2015	17.59	17.59
Additions	1.77	1.77
Deductions/Disposals		
<b>31<sup>st</sup> March 2016</b>	<b>19.36</b>	<b>19.36</b>
Additions	0.98	0.98
Deductions/Disposals	0.00	0.00
<b>31<sup>st</sup> March 2017</b>	<b>20.34</b>	<b>20.34</b>
<b><u>Depreciation/ Amortisation</u></b>		
Up to 1 <sup>st</sup> April 2015	17.42	17.42
For the Year	0.07	0.07
Deductions/Disposals		
<b>Up to 31<sup>st</sup> March 2016</b>	<b>17.49</b>	<b>17.49</b>
For the Year	0.41	0.41
Deductions/Disposals		
<b>Up to 31<sup>st</sup> March 2017</b>	<b>17.90</b>	<b>17.90</b>
<b><u>Provision for Diminution in value of Assets</u></b>		
1 <sup>st</sup> April 2015		
31 <sup>st</sup> March 2016		
31 <sup>st</sup> March 2017		
<b><u>Net Block</u></b>		
<b>31<sup>st</sup> March 2017</b>	<b>2.44</b>	<b>2.44</b>
31 <sup>st</sup> March 2016	1.87	1.87
1 <sup>st</sup> April 2015	0.17	0.17



**Notes to the Standalone financial statements for the year ended 31st March, 2017 (contd..)**

**NOTE - 6: INVESTMENTS**

(Rs. in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
<b>Non - Current</b>						
<b>(A) Investment in Equity instruments</b>						
<b>Unquoted, fully paid-up Shares</b>						
-14,750 Laxmi Porcelains Ltd of Rs.10/- each	0.01		0.01		0.01	
<b>Less:</b> Provision for Diminution in the value of Investments	0.01	0.00	0.01	0.00	0.01	0.00
<b>Investments in Co-operative Societies</b>						
1,86,214 Singareni Collieries Co-operative Central Stores Ltd of Rs.10/- each		0.19		0.19		0.19
<b>Investment in Joint Venture</b>						
(i) 50,000 shares of NTPC-SCCL Global Ventures Pvt. Ltd of Rs.10/- each		0.00		0.05		0.05
(ii) 4,900 shares of APMDCL-SCLL Suliyari Coal Co. Ltd. of Rs.10/- each (Rs.49000)		0.00		0.00		0.00
<b>Investment in Subsidiary</b>						
(i) 91,80,000 Andhra Pradesh Heavy Machinery & Engineering Limited of Rs.10/- each		9.18		9.18		9.18
<b>(B) Investments in debentures or bonds</b>						
<b>Quoted, fully paid-up</b>						
(i) 10,000 - 9.75% APPFC Power Bonds (Series 2/2012) of Rs.10 Lakh each.		1,000.00		1,000.00		1,000.00
(ii) 40 - 8.50% APSFC-Non SLR Bonds (Series II/2008) of Rs.10 lakh each.		2.00		4.00		6.00
(iii) 8,000 - 9.95% APCPDCL Power Bonds (Series-1/2014) of Rs.10 Lakh each.		800.00		800.00		800.00
<b>TOTAL</b>		<b>1,811.37</b>		<b>1,813.42</b>		<b>1,815.42</b>

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Aggregate of Quoted investments	1802.00	1804.00	1806.00
Aggregate of Unquoted investments	9.37	9.42	9.42
Aggregate of Diminution provided	0.01	0.01	0.01



**Notes to the Standalone financial statements for the year ended 31st March, 2017 (contd..)**

**NOTE - 7: LOANS**

(Rs. in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Non Current</b>			
<b>-Unsecured, considered good</b>			
-Deposit with LIC	350.00		
-Security Deposits	171.38	113.43	121.70
<b>TOTAL</b>	<b>521.38</b>	<b>113.43</b>	<b>121.70</b>
<b>Current</b>			
-Security Deposits	127.57	88.11	29.10
-Advances to Staff	53.29	54.17	50.42
<b>TOTAL</b>	<b>180.86</b>	<b>142.28</b>	<b>79.52</b>

**NOTE - 8: OTHER FINANCIAL ASSETS**

(Rs. in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b><u>Non – Current</u></b>			
Deposit under Mine Closure Plan Scheme (Maturity > 12 Months)	208.60	133.97	15.64
<b>TOTAL</b>	<b>208.60</b>	<b>133.97</b>	<b>15.64</b>
<b><u>Current</u></b>			
Interest Accrued On Investments - Securities	60.21	77.62	60.21
Interest Accrued on Deposits with Banks	3.96	78.78	108.82
Interest Accrued on Loans & Advances	5.01	5.25	5.60
Other Receivables Considered good - Stowing subsidy, Rent, Water, Electricity etc.	329.51	222.78	154.59
Other receivables considered doubtful	11.10	10.85	10.08
Less: Provision for bad and doubtful	11.10	10.85	10.08
<b>TOTAL</b>	<b>398.69</b>	<b>384.43</b>	<b>329.22</b>



**Notes to the Standalone financial statements for the year ended 31st March, 2017 (contd..)**

**NOTE - 9: DEFERRED TAX ASSET (NET)**

(Rs. in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>(A) Deferred tax asset:</b>			
-Back filling & Mine Closure plan	2228.76	1913.51	1545.68
-Gratuity	796.58	414.04	329.76
-Other Employee Benefits	874.33	846.83	625.56
-VRS Amortisation	-	-	0.01
-Overburden Removal	1009.71	1326.93	1260.61
Total (A)	4909.38	4501.31	3761.62
<b>(B) Deferred Tax Liability:</b>			
-Fixed Assets- Excess of Net Book value over Written down value as per provisions of Income Tax Act	861.30	130.36	164.17
Total (B)	861.30	130.36	164.17
<b>Net Deferred Tax Asset (A-B)</b>	<b>4048.08</b>	<b>4370.95</b>	<b>3597.45</b>

9.1 The amount of Net Deferred Tax Asset of Rs.4048.08 Crore (Previous year Rs. 4370.95 Crore) includes amount of Rs.2228.76 Crore (previous year Rs. 1913.51 Crore) on account of provision for backfilling and mine closure plan. As per the current estimates the amount of deferred tax asset (non-current) for backfilling and mine closure plan is realisable at the earliest after 7 to 8 years and so on, on commencement of Backfilling and Mine Closure activities at JK-5 OC, MOCP, GKOC etc. Similarly Provision for Backfilling & Mine Closure net of PPE is Rs. 6453.78 Crore (previous year Rs. 5529.10 Crore) will also crystallize simultaneously in the same time frame.

**NOTE - 10: OTHER NON CURRENT ASSETS**

(Rs. in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b><u>Unsecured, considered good</u></b>			
-Capital Advances	319.21	489.08	472.63
-Deposits under Protest (VAT, CST, Service Tax, WCT, APGST, Entry Tax)	97.98	92.07	64.95
<b>TOTAL</b>	<b>417.19</b>	<b>581.15</b>	<b>537.58</b>



**Notes to the Standalone financial statements for the year ended 31st March, 2017 (contd..)**

**NOTE - 11: INVENTORIES**

(Rs. in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
(i) Stores and Spares	427.59		389.22		416.96	
(ii) Loose Tools	1.87		1.82		1.75	
<b>Less:</b> Provision for obsolete, Non-moving Stores & Shortages and Damages	26.81		25.14		18.80	
		402.65		365.90		399.91
(iii) Finished Goods		894.22		771.10		591.65
(iv) Work-in-Progress		0.32		0.91		0.53
(v) Stores in Transit		33.01		38.00		35.35
<b>TOTAL</b>		<b>1330.20</b>		<b>1175.91</b>		<b>1027.44</b>

**NOTE - 12: TRADE RECEIVABLES**

(Rs. in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
<b><u>Unsecured, considered good</u></b>						
i) Exceeding six months						
-Coal	1,610.25		671.94		51.24	
		<b>1,610.25</b>		<b>671.94</b>		<b>51.24</b>
ii) Not exceeding six months						
(a) Coal	1,174.95		3,522.65		2,095.05	
(b) Services	0.89		1.28		3.06	
(c) Power	1,021.14					
		<b>2,196.98</b>		<b>3,523.93</b>		<b>2,098.11</b>
<b>Unsecured, considered doubtful</b>	340.86		343.42		343.42	
<b>Less:</b> Provision for doubtful debts	340.86		343.42		343.42	
<b>TOTAL</b>		<b>3,807.23</b>		<b>4,195.87</b>		<b>2,149.35</b>



**Notes to the Standalone financial statements for the year ended 31st March, 2017 (contd..)**

**NOTE - 13: CASH AND CASH EQUIVALENTS**

(Rs. in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Cash on hand		0.16		0.15	
<b>Balances with banks</b>						
In Deposit Account (Maturity < 3 Months)	446.43		672.05		460.59	
In Current Account	280.14		7.20		17.64	
		726.57		679.25		478.23
<b>TOTAL</b>		<b>726.73</b>		<b>679.40</b>		<b>478.37</b>

**NOTE - 14: OTHER BANK BALANCES**

(Rs. in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	- Unpaid dividend accounts		0.01		0.01	
- In Deposit Account (Maturity > 3 Months)		1500		895.00		2,055.00
<b>TOTAL</b>		<b>1,500.01</b>		<b>895.01</b>		<b>2,055.01</b>

**NOTE – 14.1 : Balance with Banks includes unclaimed dividend of Rs.1,14, 650.50 (PY Rs.99,053.00).**

(Rs. in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	14.2 Securities by way of deposits in the form of fixed deposit receipts etc., received from the Contractors / Suppliers etc., are kept in the Company's custody and not accounted for.		32.80		28.35	

**NOTE - 15: CURRENT TAX ASSET (Net)**

(Rs. in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Income Tax		45.46		19.45	
<b>TOTAL</b>		<b>45.46</b>		<b>19.45</b>		<b>-</b>



**Notes to the Standalone financial statements for the year ended 31st March, 2017 (contd..)**

**NOTE - 16: OTHER CURRENT ASSETS**

(Rs. in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
<b>Loans &amp; Advances:</b>						
<b>Unsecured, Considered good</b>						
- Advances Against Purchases, Services & others		250.60		246.56		131.57
- Considered Doubtful Adv. against purchases & services	0.47		0.60		0.69	
<b>Less: Provision for Bad &amp; Doubtful Advances</b>	0.47		0.60		0.69	
-Prepaid Expenses		3.99		0.00		1.20
-Cenvat & VAT Credit available		148.63		95.97		104.17
-Advance Fringe Benefit Tax		4.16		4.16		4.16
<b>TOTAL</b>		<b>407.38</b>		<b>346.69</b>		<b>241.10</b>

**NOTE - 17: EQUITY SHARE CAPITAL**

(Rs. in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
<b>AUTHORIZED</b>						
180,00,00,000 Equity Shares of Rs.10/ each		1,800.00		1,800.00		1,800.00
<b>ISSUED,SUBSCRIBED AND PAID-UP</b>						
173,31,98,119 Equity Shares of Rs.10/- each fully paid (includes 6,32,145 Equity Shares of Rs.10/- each allotted as bonus shares by capitalisation of general and capital reserves)		1,733.20		1,733.20		1,733.20
<b>TOTAL</b>		<b>1,733.20</b>		<b>1,733.20</b>		<b>1,733.20</b>

□ The company has only one class of shares referred to as equity shares having par value Rs.10/-.

**The Details of Shareholders holding More than 5%:**

Name of the Shareholder	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	No. of Shares	% Held	No. of Shares	% Held	No. of Shares	% Held
Government of Telangana	88,55,99,147	51.0962	88,55,99,147	51.0962	88,55,99,147	51.0962
Government of India	84,75,60,000	48.9015	84,75,60,000	48.9015	84,75,60,000	48.9015

**RECONCILIATION OF EQUITY SHARES**

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	No. of Shares	Amount (Rs. in Crore)	No. of Shares	Amount (Rs. in Crore)	No. of Shares	Amount (Rs. in Crore)
Shares outstanding at the beginning of the year	1,73,31,98,119	1,733.20	1,73,31,98,119	1,733.20	1,73,31,98,119	1,733.20
Shares issued during the year	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	1,73,31,98,119	1,733.20	1,73,31,98,119	1,733.20	1,73,31,98,119	1,733.20



**Notes to the Standalone financial statements for the year ended 31st March, 2017 (contd..)**

**NOTE - 18: OTHER EQUITY**

(Rs. in Crore)

Particulars	General reserve	Retained Earnings	Total
<b>Balance at the beginning of the Reporting Period as at 01<sup>st</sup> April 2015</b>	1,160.40	1,770.58	2,930.98
Changes in Accounting Policy or Prior Period Errors		(225.68)	(225.68)
<b>Restated Balance at the Beginning of the reporting period 01<sup>st</sup> April 2015</b>	<b>1,160.40</b>	<b>1,544.90</b>	<b>2,705.30</b>
Profit for the Year		726.86	726.86
Other Comprehensive Income (net of tax)		(110.32)	(110.32)
Dividends (including Dividend Distribution Tax)		(156.45)	(156.45)
Transfer from Retained Earnings	100.00	(100.00)	--
Any Other Change			
<b>Balance as on 31<sup>st</sup> March 2016</b>	<b>1,260.40</b>	<b>1904.99</b>	<b>3,165.39</b>
Profit for the Year		546.75	546.75
Other Comprehensive Income (net of tax)		(151.38)	(151.38)
Dividends (including Dividend Distribution Tax)		(156.45)	(156.45)
Transfer from Retained Earnings	100.00	(100.00)	-
Any Other Change			-
<b>Balance as on 31<sup>st</sup> March 2017</b>	<b>1,360.40</b>	<b>2,043.91</b>	<b>3,404.31</b>

**NOTE - 19: BORROWINGS**

(Rs. in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Non – Current</b>			
<b>Term Loans</b>			
Secured			
- From Government of India (Rs.66.33 Cr. Less current maturities of Rs.66.33 Cr)	0.00	0.00	66.33
- From Power Finance Corporation (PFC) (Rs.3980 Cr. Less current maturities of Rs.331.67 Cr and principle paid Rs.82.92 Cr)	3565.41	3897.08	3479.26
- From Power Finance Corporation (PFC) & Rural Electrification Corporation Ltd. (REC) (Rs.773.79 Cr. Less current maturities of Rs.65.48 Cr)	708.31	59.35	0.00
<b>TOTAL</b>	<b>4273.72</b>	<b>3956.43</b>	<b>3545.59</b>
<b>Current</b>			
Secured			
Loans payable on demand - from Banks	0.00	610.00	0.00
Cash Credit	13.67	55.81	12.12
Special Overdraft Account	0.00	0.00	0.35
<b>TOTAL</b>	<b>13.67</b>	<b>665.81</b>	<b>12.47</b>

19.1 Release of charge created on equitable mortgage on the entire immovable assets of the Company, except 300 acres of freehold land required for employee welfare is under process, as payment of final installment of loan from Government of India was made on 27.03.2017.



**Notes to the Standalone financial statements for the year ended 31st March, 2017 (contd..)**

19.2 (i) Loan of Rs.3980 Crore from Power Finance Corporation (PFC) (Phase-I) for funding 2x600 MW STPP is secured by an exclusive first charge by way of hypothecation of all movable assets (excluding current assets namely stocks of Raw materials, semi-finished and finished goods, Stores and Spares not relating to Plant and Machinery (consumables Stores and Spares), Bills receivable and Books debts), present and future with the prescribed coverage ratio (presently 1.1 times). An exclusive second charge by way of mortgage on all immovable assets, except Govt. acquired private lands and Govt. assigned lands present and future. An exclusive second charge by way of deed of charge on all immovable assets present and future. Further the PFC shall have an exclusive first charge on the project (2x600 MW STPP) assets, movable (by way of hypothecation) and immovable (by way of mortgage) on complete repayment of Govt. of India loan as explained in Note 19.1.

(ii) This Loan of Rs.3897.08 Crore is repayable in forty-seven equal quarterly installments of Rs.82.92 Crore each. Interest payable on this loan is as below:

Rate of Interest p.a	9.5%
Loan amount (Rs. Cr)	3897.08

19.3 (i) Further Loan of Rs 1320 Crore (Phase II) is being taken from PFC & Rural Electrification Corporation Ltd. (REC) for funding cost overrun of 2x600 MW STPP which is secured by an exclusive first charge by way of hypothecation of all movable assets present and future (excluding current assets namely stocks of Raw materials, semi-finished and finished goods, Stores and Spares not relating to Plant and Machinery (consumables Stores and Spares), Bills receivable and Books debts). A second charge by way of mortgage on all immovable assets present and future, except Govt. acquired private lands and Govt. assigned lands. A second charge by way of deed of charge on all immovable assets present and future with the prescribed coverage ratio (presently 1.1 times).

This security shall be shared pari-passu between the Phase-I&II lenders without any preference or priority over each other.

(ii) This Loan of Rs.773.79 Crore is repayable in forty-Seven equal quarterly installments of Rs.16.37 Crore each. Rate of Interest payable on this loan is as below.

Rate of Interest p.a	Loan Amount (Rs. Cr)
8.25	28.78
8.28	5.97
8.39	67.78
8.64	1.85
8.71	135.90
8.72	12.77
8.87	7.03
8.88	5.72
8.90	9.54
8.93	23.72
8.95	9.54
9.02	69.55
9.23	1.97
9.26	119.02
9.36	115.18
9.40	2.92
9.42	20.76
9.44	26.03
9.63	109.76



**Notes to the Standalone financial statements for the year ended 31st March, 2017 (contd..)**

19.4 Cash Credit and Special Overdraft Account - Secured by first charge in favour of participating banks ranking pari-passu on the stocks & receivables and other Current Assets.

**NOTE - 20: TRADE PAYABLES**

(Rs. in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(a) Dues to Micro, Small & Medium Enterprises	4.75	3.78	4.37
(b) Dues to Subsidiary - Andhra Pradesh Heavy Machinery Engineering Limited (APHMEL)	12.07	15.47	7.96
(c) Dues to Others (including Stores-in-Transit net of Advances)	713.73	605.09	506.62
(d) Others	0.38	2.15	0.25
<b>TOTAL</b>	<b>730.93</b>	<b>626.49</b>	<b>519.20</b>

**NOTE - 21: OTHER FINANCIAL LIABILITIES**

(Rs. in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(a) Current maturities of long- term debt	397.15	150.52	66.33
(b) Interest accrued but not due on borrowings	88.59	97.91	79.57
(c) Unclaimed dividends	0.01	0.01	0.01
(d) Commitment deposit from coal customers	-		
(e) Deposits from Others	1.03	0.35	0.20
(f) Deposits from Suppliers & Contractors	42.98	39.80	37.76
(g) Other Payables			
(i) Salaries & Wages	604.37	456.02	241.84
(ii) Others			
Deposits from Vendors	114.91	100.20	73.41
Deposits from Coal Customers	190.67	199.53	416.92
Overdraft in Current Account	5.40	32.08	21.02
Creditors for Capital Expenditure	667.07	726.25	576.53
Other Liabilities	1,454.02	219.84	165.75
	2,432.07	1,277.90	1,253.63
<b>TOTAL</b>	<b>3,566.20</b>	<b>2,022.51</b>	<b>1,679.34</b>



**Notes to the Standalone financial statements for the year ended 31st March, 2017 (contd..)**

**NOTE - 22: PROVISIONS**

(Rs. in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Non -Current</b>			
<b>(a) Provision for Employee Benefits</b>			
- Gratuity (to the extent unfunded)	2301.70	1196.36	1170.17
- Leave Encashment (unfunded)	558.54	486.40	448.18
- Monthly Monetary Compensation & Low Productive Employee Compensation (unfunded)	115.76	162.73	150.46
- Settling-in- Allowance	49.56	50.82	50.82
- LTC	46.32	41.82	41.82
	3071.88	1938.13	1861.45
<b>(b) Others</b>			
Overburden Removal Adjustment Net of Advance Action Rs. 389.74 Cr. (P.Y. Rs. 303.08 Crore)	2914.92	3831.56	3705.57
Back Filling	8930.10	7314.73	7726.00
Mine Closure	956.86	847.85	770.05
	12801.88	11994.13	12201.62
<b>TOTAL</b>	<b>15873.76</b>	<b>13932.26</b>	<b>14063.07</b>
<b>Current</b>			
<b>(a) Provision for employee benefits</b>			
Gratuity (unfunded)	1.31	1.33	1.34
Leave Encashment (unfunded)	92.54	82.36	82.04
Monthly Monetary Compensation (unfunded)	32.00	32.00	32.00
Superannuation Benefit (unfunded)	190.04	169.97	145.19
Post Superannuation Medical Benefit (unfunded)	127.81	114.21	106.77
Settling-in- Allowance	3.81	3.81	4.50
LTC	19.47	19.47	25.00
Performance Related Pay (Net of PLR & Spl. Incentive)	124.29	119.29	79.29
Performance Linked Reward	294.82	333.30	229.65
Corporate Special Incentive	90.00	223.85	98.00
	976.09	1099.59	803.78
<b>(b) Others</b>			
Proposed Dividend	0.00	0.00	0.00
Tax on Dividend	0.00	0.00	0.00
Excise Duty on Closing Stock of coal	45.51	43.65	33.49
Shale & Stone	0.40	0.18	0.18
CSR Expenditure	0.00	--	10.38
	45.91	43.83	44.05
<b>TOTAL</b>	<b>1022.00</b>	<b>1143.42</b>	<b>847.83</b>



## Notes to the Standalone financial statements for the year ended 31st March, 2017 (contd..)

- 22.1 In respect of all open cast (OC) mines, overburden removal (OBR) adjustment is made as per accounting policy 2.3.10.
- Adaption of Stripping Ratio revision of KOC-II was deferred in Financial Year 2014-15 for further review. Since, total coal reserves in pit-II & III of KOC-II were totally exhausted during the year 2016-17 and RCE of KOC-II (Pit-I) has been approved by the Board considering the reserves of Pit-I alone, the back log provision of Rs. 1246.26 crs against 1315.95 L.cum as on 31.03.2016 has been withdrawn during the year.
- 22.2 As per the stipulations in Environment Clearances (EC) the depth of final void in 9 opencast (OC) mines should be reduced to 30/35/40 metres from the surface as the case may be. Other OC projects are either on relay concept or no such stipulation in the EC.
- The estimation of quantity of over burden (OB) required to backfill the final void, in order to comply with aforesaid stipulation requires technical estimation by professionals in mining and project planning fields. Services of in-house professionals having considerable experience in the field of mining, project planning, environment etc. were used to arrive at backfilling quantity and formation of final void.
- Backfilling provision is considered as Site restoration and decommissioning obligation as per Ind AS 16 (Property, Plant and Equipment) read with Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets). The future value of the cost of backfilling is estimated as on transition date by considering the CAGR inflation @ 2.5% on outsourced OB Removal cost and then discounted to the present value by applying discounting rate of 8%. The present value is recognized as back filling obligation under long term provisions.
- The corresponding value of obligation is recognized as an asset under Property, Plant & Equipment as Site restoration Cost. The annual amortized cost of the asset and the cost of Unwinding of the obligation would constitute the elements of backfilling cost charged to P&L Account.
- 22.3 Provision for mine closure (MCP) made on the basis of guidelines of Ministry of Coal (MoC) dated 7th January 2013 is considered as site restoration and decommissioning obligation as per Ind AS 16 (Property, Plant and Equipment) read with Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets). The future value of MCP is estimated as on transition date by considering the amount of Rs. 6/1 lakhs per hectare for OC and UG mine respectively as per MOC guidelines with 5% escalation and then discounted to the Present Value by applying discount rate of 8%. The present value is recognized as provision for Mine Closure under long term provisions.
- The corresponding value of obligation is recognized as an asset under Property, Plant & Equipment as Site restoration Cost. The annual amortized cost of the asset and the cost of Unwinding of the obligation net of Interest earned on escrow deposits would constitute the elements of Mine Closure cost charged to P&L Account.
- Mine closure plan has been submitted for 17 OC and 27 UG mines for approval of MoC against 17 OC and 31 UG Mines. Approvals are received in respect 16 OC and 22 UG mines. The provision was made on the basis of guidelines is subject to approval of mine closure plan in respect of balance mines. During the year Rs.74.63 Crores (including Rs.13.39 Crore of interest accrued) was deposited (Cumulative Deposit Rs.208.60 Cr. including accrued interest of Rs.19.52 Cr) in designated account in respect of 37 mines.
- 22.4 Performance Related Pay for the period 2007-08 to 2016-17 payable to Executives of the Company as part of Revised Pay Package, which was adopted and provided by Company on par with other Central Public Sector Units, is pending approval from designated authority.
- 22.5 Royalty on Closing Stock of Coal not transacted in the Books Rs.106.16 Crore (Previous year Rs.159.79 Crore).



**Notes to the Standalone financial statements for the year ended 31st March, 2017 (contd..)**

**NOTE - 23: OTHER NON - CURRENT LIABILITIES**

(Rs. in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Deferred Government Grant	27.40	31.75	12.93
<b>TOTAL</b>	<b>27.40</b>	<b>31.75</b>	<b>12.93</b>

**NOTE - 24: OTHER CURRENT LIABILITIES**

(Rs. in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
-Statutory Dues	700.62	1495.45	367.75
-Advances from Coal & Other Customers	707.13	422.43	492.56
-Deferred Government Grant	9.34	9.36	3.13
<b>TOTAL</b>	<b>1,417.09</b>	<b>1,927.24</b>	<b>863.44</b>

**NOTE - 25: CURRENT TAX LIABILITY**

(Rs. in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
-Income Tax	0.00	0.00	37.74
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>37.74</b>

**NOTE - 26: REVENUE FROM OPERATIONS**

(Rs. in Crore)

Particulars	2016 - 17		2015 - 16	
(a) Sale of Coal				
Turnover (Gross)		16,634.71		16,325.28
Less : Statutory Levies				
Stowing Excise Duty	58.17		58.36	
Royalty	1,440.55		1,560.94	
Clean energy cess	2,330.22		1,267.52	
		3,828.94		2,886.82
		12,805.77		13,438.46
Less: Transfer to Development		12.29		3.91
Turnover (Net)		<b>12,793.48</b>		<b>13,434.55</b>
(b) Sale of Power		1,188.02		
(c) Income from Services				
Consultancy Services		3.79		2.22
(d) Other operating revenue				
Penalty for Short lifting of Coal	3.20		2.22	
Subsidy received from CCDAC for Stowing, Protective works, etc.	116.44		107.71	
Bonus for Supply of Coal	49.47		34.15	
		169.11		144.08
<b>TOTAL</b>		<b>14,154.40</b>		<b>13,580.85</b>



**Notes to the Standalone financial statements for the year ended 31st March, 2017 (contd..)**

**NOTE - 27: OTHER INCOME**

(Rs. in Crore)

Particulars	2016 - 17	2015 - 16
<b>(a) Interest Income</b>		
- Interest on Investment (Non-trade) Gross	177.45	177.62
- Interest on Term Deposits	54.96	222.88
- Interest on Sundry Debtors for Coal, Loans, Advances to others	51.85	16.87
	284.26	417.37
<b>(b) Other non-operating income</b>		
- Rents	5.80	5.15
- Electricity & Fuel	24.96	23.79
- Water charges	0.82	1.03
- Provisions and Liabilities no longer required	176.27	1.24
- Miscellaneous Receipts	52.95	54.33
	260.80	85.54
<b>TOTAL</b>	<b>545.06</b>	<b>502.91</b>

**NOTE - 28: COST OF MATERIALS CONSUMED**

(Rs. in Crore)

Particulars	2016 - 17	2015 - 16
Stores & Spares	619.32	687.50
Explosives	351.14	342.12
Petrol, Oil and Lubricants (POL)	1,747.14	1,444.91
Internal Consumption of Coal	3.61	5.31
Others	11.36	21.80
<b>TOTAL</b>	<b>2,732.57</b>	<b>2,501.64</b>

**NOTE - 29: CHANGES IN INVENTORIES**

(Rs. in Crore)

Particulars	2016 - 17	2015 - 16
Opening Stock	771.10	591.65
<b>Less:</b> Internal Consumption of Coal	3.61	8.00
<b>Less:</b> Consumption of raw coal at STPP	140.87	
<b>Less:</b> Closing Stock	894.22	771.10
<b>TOTAL</b>	<b>-267.60</b>	<b>-187.45</b>

**NOTE - 30: EMPLOYEE BENEFITS EXPENSE**

(Rs. in Crore)

Particulars	2016 - 17	2015 - 16
Salaries, Wages and Allowances	4,244.66	4,073.50
CMPF including Administrative charges	419.30	403.22
Attendance Bonus	177.01	180.60
Performance Linked Reward	292.86	380.33
Gratuity	967.04	107.41
Superannuation Benefit	33.62	31.35
Workmen's Compensation, Group Insurance & Group Personal Accident Insurance	5.46	4.24
Directors' Remuneration	1.61	1.32
Life cover premia under Gratuity Scheme with LIC	7.99	6.17
<b>Social Amenities:</b>		
Employee Welfare Expenses	106.46	94.19
Lumpsum/ Monthly Monetary Compensation for dependants	38.24	48.37
Grants to Singareni Collieries Educational Society	36.50	34.71
<b>TOTAL</b>	<b>6,330.75</b>	<b>5,365.41</b>



**Notes to the Standalone financial statements for the year ended 31st March, 2017 (contd..)**

**NOTE - 31: FINANCE COSTS**

(Rs. in Crore)

Particulars	2016 - 17	2015 - 16
<b>Interest Expense</b>		
- Interest on Cash Credit	0.08	0.14
- Interest on Loans	35.71	8.40
- Interest on Others	196.15	32.27
- Back filling provision	611.16	618.08
- Mine closure provision	56.16	56.31
<b>TOTAL</b>	<b>899.26</b>	<b>715.20</b>

**NOTE - 32: POWER & FUEL**

(Rs. in Crore)

Particulars	2016 - 17	2015 - 16
-Electricity	469.40	440.81
-Others	0.12	0.74
<b>TOTAL</b>	<b>469.52</b>	<b>441.55</b>

**NOTE - 33: REPAIRS & MAINTENANCE**

(Rs. in Crore)

Particulars	2016 - 17	2015 - 16
Railway sidings	3.98	6.16
Buildings	70.72	52.45
Plant & Machinery	117.84	100.26
<b>TOTAL</b>	<b>192.54</b>	<b>158.87</b>

**NOTE - 34: CONTRACTUAL EXPENSES**

(Rs. in Crore)

Particulars	2016 - 17	2015 - 16
- Coal Offloading	91.81	101.58
- OBR Offloading	1,109.20	1,017.50
- Transportation Charges	361.20	256.34
- Hiring of Heavy Earth Moving Machinery (HEMM), Weighbridge and others	109.46	87.36
- STPP - O&M	32.52	-
- Others	140.88	79.17
<b>TOTAL</b>	<b>1,845.07</b>	<b>1,541.95</b>

**NOTE - 35: PROVISIONS**

(Rs. in Crore)

Particulars	2016 - 17	2015 - 16
- Obsolete Stores	2.04	6.34
- Shortage of Coal	0.15	0.32
- Doubtful Debts / Advances	0.43	0.87
- Contribution to District Mineral Foundation Trust	-	467.87
- Others	0.22	0.40
<b>TOTAL</b>	<b>2.84</b>	<b>475.80</b>



**Notes to the Standalone financial statements for the year ended 31st March, 2017 (contd..)**

**NOTE - 36: WRITE-OFFS**

(Rs. in Crore)

Particulars	2016 - 17	2015 - 16
Bad & Doubtful Debts	0.00	0.09
Advances	-	0.09
Assets	7.14	10.04
<b>TOTAL</b>	<b>7.14</b>	<b>10.22</b>

**NOTE - 37: OTHER EXPENSES**

(Rs. in Crore)

Particulars	2016 - 17		2015 - 16	
(a) Selling & Distribution		113.63		93.11
(b) Gain/Loss on Exchange Rate Variance		(3.37)		9.75
(c) Corporate Social Responsibility (CSR)		13.57		11.48
(d) <b>Others:</b>				
Rents	2.27		2.14	
Insurance	0.81		0.80	
Rates & Taxes	10.86		6.56	
Travelling Expenses	9.65		8.02	
Postage, Telegrams and Telephone	3.02		2.73	
Legal Expenses	2.51		6.33	
Bank Charges and Commission	2.76		2.44	
CISF Salaries and Wages	35.79		35.98	
Directors' Travelling Expenses	0.82		0.85	
Auditors' Remuneration				
-Audit Fee	0.13		0.13	
-Out of Pocket Expenses	0.02		0.04	
-Other Expenses-Certification	0.01			
-Tax Audit	0.03		0.03	
Advertisements	4.37		4.80	
Research and Development Expense	3.51		3.00	
Journals and Periodical	0.17		0.13	
Printing and Stationary	0.55		0.38	
Plantation Expenditure	10.41		7.63	
Royalty - STPP	91.56			
Excise Duty - STPP	38.05			
Clean energy Cess - STPP	112.43			
Forest permit Fee	2.80			
Other Expenses	21.58	354.11	27.86	109.85
<b>TOTAL</b>		<b>477.94</b>		<b>224.19</b>

**NOTE - 38: EXCEPTIONAL ITEMS**

(Rs. in Crore)

Particulars	2016-17		2015 - 16	
<b>Prior period Income:</b>				
- Depreciation Provided in Earlier Years Written Back	(4.23)		--	--
- Credits & Adjustments pertaining to Earlier Years	(5.52)			
		(9.75)	--	--
<b>Prior period Expenditure:</b>				
- Interest	0.93		--	--
		0.93		
<b>TOTAL</b>		<b>(8.82)</b>	--	--



## NOTE – 39

### ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017.

#### 1. Fair Value measurement:

##### (a) Financial Instruments by Category :

( Rs. in Crore)

	As on 31 <sup>st</sup> March 2017			As on 31 <sup>st</sup> March 2016			As on 1 <sup>st</sup> April 2015		
	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
Financial Assets									
Loans			702.24			255.71			201.22
Others			607.29			518.40			344.86
Trade receivables			3807.23			4195.87			2149.35
Cash & cash equivalents			726.73			679.40			478.37
Other Bank Balances			1500.01			895.01			2055.01
Investments*			1802.19			1804.19			1806.19
<b>Financial Liabilities</b>									
Borrowings			4287.39			4622.24			3558.06
Trade payables			730.93			626.49			519.20
Other Liabilities			3566.20			2022.51			1679.34

\* Investments in Equity shares in subsidiary/ Joint Ventures are measured at cost which stands at Rs.9.18 Crore as on 31.03.2017 (Rs.9.23 Crore as on 31.03.2016, Rs.9.23 Crore as on 01.04.2015) and are not included above.

# FVTPL – Fair Value through Profit & Loss A/c

# FVTOCI- Fair Value through Other Comprehensive Income

##### (b) Fair value hierarchy

Table below shows Judgments and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

##### (a) Recognized and measured at fair value – NIL



**Additional Notes to the Financial Statements (Contd.)**

**(b) Measured at amortized cost and for which fair values are disclosed in the financial statements:**

(Rs. in Crore)

Financial assets and liabilities measured at amortized cost for which fair values are disclosed at 31 <sup>st</sup> March, 2017	As on 31 <sup>st</sup> March 2017			As on 31 <sup>st</sup> March 2016			As on 1 April 2015		
	Level I	Level II	Level III	Level I	Level II	Level III	Level I	Level II	Level III
<b>Financial Assets at FVTPL</b>	-	-	-	-	-	-	-	-	-
Loans			702.24			255.71			201.22
Others			607.29			518.40			344.86
Trade receivables			3807.23			4195.87			2149.35
Cash & cash equivalents			726.73			679.40			478.37
Other Bank Balances			1500.01			895.01			2055.01
Investments	-	1802.19	-	-	1804.19	-	-	1806.19	
<b>Financial Liabilities</b>									
Borrowings			4287.39			4622.24			3558.06
Trade payables			730.93			626.49			519.20
Other Liabilities			3566.20			2022.51			1679.34

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

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, bonds, borrowings, security deposits and other liabilities taken included in level 3.

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

i) Valuation techniques used to value financial instruments include:

- ◆ The use of quoted market prices of instruments
- ◆ The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

ii) Fair value measurements using significant unobservable inputs

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



## Additional Notes to the Financial Statements (Contd.)

### (d) Fair values of financial assets and liabilities measured at amortized 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.
- ◆ Other Financial assets accounted at amortized cost are not carried at fair value only if same is not material.
- ◆ The Company considers that the security deposit does not include a significant financing component. The milestone payments (security deposits) coincide with the company's performance and the contract requires amounts to be retained for reasons other than the provision of finance. The withholding of a specified percentage of each milestone payment is intended to protect the interest of the company, from the contractor failing to adequately complete its obligations under the contract. Accordingly transaction cost of Security deposit is considered as fair value at initial recognition and subsequently measured at amortised cost.

### Significant estimates:

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Uses its judgment to select a method and makes suitable assumptions at the end of each reporting period.

## 2. RISK ANALYSIS AND MANAGEMENT

### Financial Risk Management Objectives and Policies

The Company's principal Financial Liabilities comprise Loans and Borrowings, Trade and Other Payables directly related to its operations. The main purpose of these Financial Liabilities is to finance the Company's 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 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 in Financial Statements.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and Cash equivalents, trade receivables financial asset measured at amortized cost	Ageing analysis	Regular monitoring and review by senior management and audit committee
Liquidity Risk	Borrowings and other liabilities	Periodic cash flows	Availability of committed credit lines and borrowing facilities
Market Risk-foreign exchange	Future commercial transactions, recognized financial assets and liabilities not denominated in INR	Cash flow forecast sensitivity analysis	Regular monitoring and review by senior management and audit committee.
Market Risk-interest rate	Cash and Cash equivalents, Bank deposits.	Cash flow forecast sensitivity analysis	Regular monitoring and review by senior management and audit committee



## Additional Notes to the Financial Statements (Contd.)

### A. Credit Risk:

Credit risk arises from Cash and Cash Equivalents, Investments carried at amortized cost and Deposits with Banks and Financial Institutions, as well as including outstanding receivables.

#### Credit risk management:

Macro - economic information (such as regulatory changes) is incorporated as part of the Fuel Supply Agreements (FSAs), Power Purchase Agreements (PPAs) and e-auction terms

#### Fuel Supply Agreements:

As contemplated in and in accordance with the terms of the New Coal distribution Policy(NCDP), we enter into legally enforceable FSAs with our customers or with State Nominated Agencies that in turn enters into appropriate distribution arrangements with end customers. Our FSAs can be broadly categorized into:

- FSAs with customers in the power utilities sector, including State power utilities, Private Power Utilities (“PPUs”) and Independent Power Producers (“IPPs”);
- FSAs with customers in Non-Power Industries (including captive power plants (“CPPs”)); and
- FSAs with State Nominated Agencies

#### Power Purchase Agreement

2X600 MW Singareni Thermal Power Project (STPP) has started generation of power. COD of 1st unit (1X600 MW) achieved on 25.09.2016 and 2nd unit (1X600MW) on 02.12.2016. To secure guarantee of purchase of power and certainty of revenue stream, legally enforceable power purchase agreement has been entered with Southern Power Distribution Company of Telangana Ltd (TSSPDCL) and Northern Power Distribution Company of Telangana Ltd (TSNPDCL) on 18.01.2016 for 25 years from the date of COD of the project i.e., 02.12.2016.

#### E-Auction Scheme:

The E-Auction scheme of coal has been introduced to provide access to coal for customers who were not able to source their coal requirement through the available institutional mechanisms under the NCDP for various reasons, for example, due to a less than full allocation of their normative requirement under NCDP, seasonality of their coal requirement and limited requirement of coal that does not warrant a long-term linkage. The quantity of coal to be offered under E-Auction is reviewed from time to time by the MOC.

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

Expected Credit losses for trade receivables under simplified approach:

(Rs. in Crore) (As on 31.03.2017)

Ageing	Due for below 6 months	Due for above 6 months	Due for more than 3 years	Total
Gross carrying amount	2196.98	1610.25	340.86	4148.09
Expected loss rate	-	-	100%	8.22%
Expected credit losses (Loss allowance provision)	-	-	340.86	340.86



## Additional Notes to the Financial Statements (Contd.)

(Rs. in Crore) (As on 31.03.2016)

Ageing	Due for below 6 months	Due for above 6 months	Due for more than 3 years	Total
Gross carrying amount	3523.93	671.93	343.42	4539.29
Expected loss rate	-	-	100%	7.57%
Expected credit losses (Loss allowance provision)	-	-	343.42	343.42

(Rs. in Crore) (As on 01.04.2015)

Ageing	Due for below 6 months	Due for above 6 months	Due for more than 3 years	Total
Gross carrying amount	2098.11	51.24	343.42	2492.77
Expected loss rate	-	-	100%	13.78 %
Expected credit losses (Loss allowance provision)	-	-	343.42	343.42

Reconciliation of loss allowance provision – Trade receivables

Particulars	Amount (Rs. in Crore)
Loss allowance on 01.04.2015	343.42
Change in loss allowance	-
Loss allowance on 31.03.2016	343.42
Changes in loss allowance	-
Loss allowance on 31.03.2017	340.86

### Significant estimates and judgments:

#### 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 cash equivalents and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

#### Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period.

(Rs. in Crore)

Exposure to risk	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
Interest bearing borrowings			
On demand	-	-	-
Less than 365 days	-	(PFC-REC Loan2) 1259.40	-
More than 365 days	(PFC-REC Loan2) 532.95	-	(PFC Loan1)500.75
Total	532.95	1259.40	500.75

Note: Cash Credits & Special Over drafts not considered.



## Additional Notes to the Financial Statements (Contd.)

### C. Market risk:

- a) Foreign currency risk :
- b) Cash flow and fair value interest rate risk: Ind AS 107(33)(a) :

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's 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:

( Rs. in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Equity Share capital	1733.20	1733.20	1733.20
Long term debt	4273.72	3956.43	3545.59

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

- i) The Company operates some Defined Contribution Plans which include the following

(Rs. in Crore)

Sl.No.	Particulars	For the FY 2016-17	For the FY 2015-16
1	Coal Mines Provident Fund Scheme is a Defined Contribution Plan and charged off to Statement of Profit & Loss.	419.30	403.22
2	Superannuation & Pension Benefit to the Executive Cadre employees was provided and charged off to Statement of Profit & Loss.	20.06	24.17

- ii) The Company operates some Defined Benefit Plans as follows which are valued on Actuarial basis:

- Gratuity (Funded)
- Leave Encashment
- Settling Allowance
- Leave Travel Concession
- Monthly Monetary Compensation(MMC)

- a) Total liability as on 31.03.2017 based on valuation made by the Actuary, details of which are mentioned below is Rs.3334.97 Crore.

(Rs. in Crore)

Head	Opening Actuarial Liability as on 01.04.2016	Incremental Liability during the Year	Closing Actuarial Liability as on 31.03.2017
Gratuity	1196.36	1105.34	2301.70
Leave Encashment	558.40	80.14	638.54
CPRMSE	114.21	13.60	127.81
Monthly Monetary Compensation	194.73	-46.97	147.76
Settling Allowance	54.63	-1.26	53.37
Leave Travel concession	61.29	4.50	65.79
Total	2179.62	1155.34	3334.97



**Additional Notes to the Financial Statements (Contd.)**

b) Contributory Post Retirement Medicare Scheme:

The actuarial liability (as certified by the Actuary) for Contributory Post Retirement Medicare Scheme for executives and their spouses amount to Rs. 127.81 Crore as at 31.3.2017, as against provision of Rs.114.21 Crore up to 31.3.2016. An amount of Rs. 17.93 Crore is charged to Revenue and Rs.4.33 Crore was paid under the Scheme.

c) Monthly Monetary Compensation to dependants of deceased in mines accidents/ medical unfit, etc., & Low Productive Employees are valued on actuarial basis and actuarial liability as at 31.3.2017 is Rs. 147.76 Crore (Previous Year Rs.194.73 Crore).

d) Settling Allowance is valued on actuarial basis and actuarial liability as at 31.03.2017 is Rs.53.37 Crore as against Previous Year of Rs.54.63 Crore.

e) Leave Travel concession is valued on actuarial basis and actuarial liability as at 31.03.2017 is Rs.65.80 Crore (Previous Year Rs.61.30 Crore). An amount of Rs.20.13 Crore charged to Revenue and Rs. 21.39 Crore was paid under this Scheme.

iii) Disclosure as per Actuary's Certificate

The disclosures as per Actuary's Certificate for employee benefits for Gratuity (funded) and Leave Encashment (funded) are given below: -

**ACTUARIAL VALUATION OF GRATUITY LIABILITY AS AT 31.03.2017 CERTIFICATES AS PER INDAS 19**

(Rs. in Crore)

Changes in Present Value of defined benefit obligations	As at 31.03.2017	As at 31.03.2016
Present Value of obligation at beginning of the period	3301.81	3160.72
Current Service Cost	51.52	47.10
Past Service Cost	826.62	(33.23)
Interest Cost	264.14	252.86
Actuarial (Gain) / Loss on obligations due to change in financial assumption	234.93	191.87
Actuarial (Gain) / Loss on obligations due to unexpected experience	-	-
Benefits Paid	(306.49)	(317.51)
Present Value of obligation at end of the period	4372.53	3301.81

(Rs. in Crore)

Changes in Fair Value of Plan Assets	As at 31.03.2017	As at 31.03.2016
Fair Value of Plan Asset at beginning of the period	2105.45	1990.55
Interest Income	168.44	159.24
Employer Contributions	100	250.00
Benefits Paid	(306.49)	(317.51)
Return on Plan Assets excluding Interest income	3.43	23.17
Fair Value of Plan Asset as at end of the period	2070.83	2105.45

(Rs. in Crore)

Statement showing reconciliation to Balance Sheet	As at 31.03.2017	As at 31.03.2016
Fund Liability	4372.53	3301.81
Fund Asset	2070.83	2105.45
Un Funded Status	2301.70	1196.36



**Additional Notes to the Financial Statements (Contd.)**

(Rs. in Crore)

Expense Recognized in Statement of Profit / Loss	As at 31.03.2017	As at 31.03.2016
Current Service Cost	51.52	47.10
Past Service Cost	826.62	(33.23)
Net Interest Cost	95.71	93.62
Benefit Cost (Expense recognized in Statement of Profit/Loss)	973.85	107.49

(Rs. in Crore)

Other Comprehensive Income	As at 31.03.2017	As at 31.03.2016
Actuarial (Gain) / Loss on obligations due to change in financial assumption	234.93	191.87
Actuarial (Gain) / Loss on obligations due to unexpected experience		
Total Actuarial (Gain) / Loss		
Return on Plan Asset, excluding Interest Income	(3.43)	(23.17)
Balance at the end of the period		
Net (Income) / Expense for the period recognized in Other Comprehensive Income	231.49	168.70

Statement showing Plan Assumptions	As at 31.03.2017	As at 31.03.2016
Discount Rate	8%	8%
Expected Return on Plan Asset	8%	8%
Rate of Compensation Increase (Salary Inflation)	6.50%	6.50%
Average Expected Future Service (Remaining Working Life)	11.11 Years	9.75 years
Average Duration of Liabilities	23.66Years	25 Years
Mortality Table	LIC (2006-08)Ultimate	
Superannuation at Age	60 Years	60 Years
Early Retirement and Disablement		
Gratuity limit	Rs.20 lakh	Rs.10 lakh

Mortality Table	
Age	Mortality (Per Annum)
Uniform for all ages	4.30

Statement Showing Benefit Information Estimated Future payments (Past Service)	
Year	(Rs. in Crore)
1	267.61
2	451.33
3	457.75
4	599.52
5	679.83
6 to 10	2017.73
More than 10 years	2449.79
Total Undiscounted Payments Past and Future Service	6270.63
Total Undiscounted Payments related to Past Service	4611.22
Less Discount For Interest	409.89
Projected Benefit Obligation	4201.33



**Additional Notes to the Financial Statements (Contd.)**

Statement Showing Cash Flow Information	(Rs. in Crore)
Current service Cost (Employer portion Only) Next period	250.00
Interest Cost next period	8.00
Expected Return on Plan Asset	165.00
Benefit Cost	438.81

(Rs. in Crore)

Statement Showing expected return on Plan Asset at end Measurement	As at 31.03.2017	As at 31.03.2016
Current liability		
Non-Current Liability		
Net Liability	4372.53	3301.81

Provision for Gratuity for the current year was made considering the enhanced limit of Rs.20 lakh/ employee based on the recommendations of 3rd Pay Revision Committee for CPSUs which is to be effective from 01.01.2017 and for NCWA employees negotiations that are being held at JBCCI. Owing to this, an additional provision of Rs.826.62 Crore representing the improvement in plan benefits is transacted in the Books of Accounts as Gratuity expense recognising it as past service cost as per Accounting Policy 2.3.14 B II (d).

**ACTUARIAL VALUATION OF LEAVE ENCASHMENT BENEFIT (EL/HPL) AS AT 31.03.2017 CERTIFICATES AS PER INDAS 19**

(Rs. in Crore)

Changes in Present Value of defined benefit obligations	As at 31.03.2017	As at 31.03.2016
Present Value of obligation at beginning of the period	558.40	520.18
Current Service Cost	90.57	87.18
Interest Cost	44.67	41.61
Actuarial (Gain) / Loss on obligations due to change in financial assumption	(55.11)	(90.57)
Actuarial (Gain) / Loss on obligations due to unexpected experience		
Benefits Paid		-
Present Value of obligation at end of the period	638.54	558.40

(Rs. in Crore)

Changes in Fair Value of Plan Assets	As at 31.03.2017	As at 31.03.2016
Fair Value of Plan Asset at beginning of the period	Unfunded	Unfunded
Interest Income	Unfunded	Unfunded
Employer Contributions	Unfunded	Unfunded
Benefits Paid	Unfunded	Unfunded
Return on Plan Assets excluding Interest income	Unfunded	Unfunded
Fair Value of Plan Asset as at end of the period	Unfunded	Unfunded

(Rs. in Crore)

Statement showing reconciliation to Balance Sheet	As at 31.03.2017	As at 31.03.2016
Fund Liability	638.54	558.40
Fund Asset	-	-
Funded Status	Unfunded	Unfunded



**Additional Notes to the Financial Statements (Contd.)**

(Rs. in Crore)

Statement showing Plan Assumptions:	As at 31.03.2017	As at 31.03.2016
Discount Rate	8%	8%
Expected Return on Plan Asset	-	-
Rate of Compensation Increase (Salary Inflation)	6.5%	6.25%
Average Expected Future Service (Remaining Working Life)	11.11 Years	9.75 years
Average Duration of Liabilities	23.66Years	25 Years
Mortality Table	LIC (2006-08)Ultimate	
Superannuation at Age	60 Years	60 Years
Early Retirement and Disablement		
Voluntary Retirement		

(Rs. in Crore)

Expense Recognized in Statement of Profit / Loss	As at 31.03.2017	As at 31.03.2016
Current Service Cost	90.57	87.18
Net Interest Cost	44.67	41.61
Net Actuarial Gain / Loss	(55.11)	(90.57)
Benefit Cost (Expense recognized in Statement of Profit/Loss)	80.13	38.22

Mortality Table	
Age	Mortality (Per Annum)
Uniform for all ages	4.30

Statement Showing Benefit Information Estimated Future payments	
Year	Rs. in Crore
1	57.14
2	52.56
3	56.37
4	66.94
5	62.34
6 to 10	224.58
More than 10 years	371.91
Total Undiscounted Payments Past and Future Service	1016.69
Total Undiscounted Payments related to Past Service	891.84
Less Discount For Interest	253.30
Projected Benefit Obligation	638.54

(Rs. in Crore)

Statement Showing expected return on Plan Asset at end Measurement	As at 31.03.2017	As at 31.03.2016
Current liability	80.00	72.00
Non-Current Liability	558.54	486.40
Net Liability	638.54	558.40



**Additional Notes to the Financial Statements (Contd.)**

**4. Unrecognized items:**

**a) Contingent Liabilities**

(Rs. in Crore)

Sl.No.	Particulars	As on 31.3.2017	As on 31.3.2016
a)	Claims against the Company not acknowledged as debts:		
(i)	Demand from Divisional Forest Officer towards NPV for renewal of different mining leases – contested by the company	7.91	7.91
(ii)	Workmen Compensation (cases contested – court)	1.05	1.00
(iii)	Motor Accident claims (cases contested – court)	0.79	0.80
(iv)	Police Guard (excess man power billed disputed)	3.60	4.75
(v)	S C Railways (damages, demurrages etc. disputed)	1.62	1.65
(vi)	Water Royalty (billed at Industrial rate disputed)	--	--
(vii)	Vacant Land Tax (Levy contested)	16.06	16.06
(viii)	Contractors & Suppliers	310.28	1362.37
(ix)	Other disputed claims & Legal cases etc.	8.51	8.45
(x)	<p>Service Tax demands were raised on OBR contractors by Service Tax Department treating value of free issue explosives and HSD oil as additional consideration to them. The demands of Service Tax Department have been contested by the Service Providers. Pending adjudication of disputed demands, SCCL issued letter of comfort to the contractors with commitment to reimburse Service Tax, interest and penalty thereon in case the verdict goes against them.</p> <p>However, Larger Bench of CESTAT, New Delhi in the case of M/s. Bhayana Builders (P) Ltd., and others held that value of the goods and materials supplied free of cost of being neither monetary nor non-monetary consideration and would be outside the taxable value or the gross amount charged to Service Tax.</p> <p>In the appeal filed by M/s. SV Engg. Constructions, to whom comfort letter was given by SCCL, the Hyderabad Circuit Bench of CESTAT has given judgment in favour of M/s. SV Engg. Constructions.</p> <p>Further, in appeals filed by M/s. PLR Projects Pvt. Ltd., M/s Gulf Oil Corporation Ltd., M/s GRN Construction Pvt. Ltd., M/s. BGR Mining &amp; Infra Pvt. Ltd. and SV Engg. Constructions, CESTAT, Bangalore has passed a judgement in favour of the Contractors. However, Department has filed a Civil Appeal in the Hon'ble Supreme Court against the order passed by the CESTAT in the case of M/s. Gulf Oil Corporation Ltd. However, pending adjudication the service tax on the value of HSD &amp; Explosives is considered as contingent liability.</p>	337.64	337.64



**Additional Notes to the Financial Statements (Contd.)**

(Rs. in Crore)

Sl.No.	Particulars	As on 31.3.2017	As on 31.3.2016
(xi)	(a) Customs, Central Excise & Service Tax Department, issued Notice No. O.C.No.650/2010, dated 22.09.2010, demanding Interest payment of Rs.13,82,17,534/- on alleged availment of Input Service Tax Credit on ineligible services of Rs.52,62,75,583/- (from 2006-07 to 2008-09), though the same was not utilized by SCCL. Appeal is filed before CESTAT Bangalore and the same is pending adjudication.	13.82	13.82
	(b) Excise Duty demands on quantity disputes.	5.60	5.75
	(c) Education Cess and Secondary Higher Education Cess demands raised by Excise Department from March, 2011 to March, 2015 contested by SCCL	0.78	37.19
	(d) Demand for Clean Energy Cess	0.24	0.44
(xii)	Tax Demands from Commercial Taxes Department (including entry tax) which are disputed by SCCL and pending before various appellate authorities for adjudication.	15.34	15.34
(xiii)	Tax Demands from Income Tax Department which are disputed by SCCL and pending before various appellate authorities for adjudication.	66.73	60.47
(xiv)	Service Tax demand on TDS Component on Import Services for the period 2008-09 to Sept, 2015 raised by the Service Tax Department is disputed and pending before CESTAT for adjudication.	0.15	0.13
(xv)	Profession Tax: Dy. C.T.O., KGM has been issued a Demand Notice basing on G.O. No. 14897/CT-IV/2004, Dt. 23.02.2013 for arrears of professional tax recovery from employees and remittance to the Dept. for the years 1990-91 to 2012-13. Previously it has been kept in abeyance for NCWA employees of SCCL by the Govt.. As per above mentioned G.O. Govt. has rescinded that. Representative Union has requested CM of Telangana for abolish of Professional Tax for Coal miners and the same is kept abeyance.	176.44	176.44
(xvi)	Claims in respect of suits filed by the Pattadars for additional compensation for Acres: 3071, Guntas: 04¼ (Previous year: Acres 1668, Guntas:17¼) contested by the Company and pending in Courts.	Not quantifiable	Not quantifiable
(xvii)	An amount of Rs.10.66 Crore has been charged to M/s. B.G.R. Mining &Infra Pvt. Ltd., towards lead variation charges and recognised as income during the year 2012-13. As against recovered amount of Rs.10.66 Crore, an amount of Rs.5.81 Crore was released during the year 2013-14 keeping the Bank Guarantees for an amount of Rs.7.65 Crore as collateral security. A case has been filed by the contractor before the Hon'ble Principal Dist. Judge, Khammam challenging the above recovery.		
(xviii)	Coal pilferage was reported in Financial year 2013-14 involving 12099 Tonnes, valued at Rs.4.04 Crore. The party made a conditional deposit of Rs.4.37 Crore and the amount is kept under deposits. Pending enquiry issue is not dealt in the books.		
	<i>The contingent liability indicated above is excluding interest wherever applicable.</i>		



## Additional Notes to the Financial Statements (Contd.)

### b) Capital Commitments :

(Rs. in Crore)

Sl.No.	Particulars	As on 31.3.2017	As on 31.3.2016
1.	a) Estimated value of capital commitment for 2x600 MW Singareni Thermal Power Project, Jaipur, Telangana State.	690.67	1038.27
	b) Estimated value of capital commitments of other contracts to be executed	875.76	815.86
2.	The balance value of Surrounding Habitats Assistance Programme (SHAPE) works to be executed.	9.40	11.58
3.	Outstanding Letters of Credit	187.26	124.24
4.	Guarantees given by the Bank on behalf of the company for which counter guarantees of even amount are given by the company to the bank.	283.67	200.00

## 5. Other Information

### 5.1 Government Grants

Subsidy for Sand Stowing & Protective Works of Rs.116.44 Crore includes Rs.106.86 Crore received/receivable (revenue nature) from Ministry of Coal, Government of India in terms of Coal Mines (Conservation & Development) Act, 1974 towards reimbursement of expenditure incurred for the Sand Stowing & Protective Works and Rs.9.58 Crore of Capital grants amortised as Deferred Income for the current year.

### 5.2 Provisions

The position and movement of various provisions as on 31.03.2017 are given below:

(Rs. in Crore)

Provisions	Opening Balance as on 1.04.2016	Addition during the year	Write back/Adj. during the year	Unwinding of discounts	Closing Balance as on 31.03.2017
<b>Long term provisions:</b>					
Gratuity	1196.36	1105.34	-	-	2301.70
Leave encashment	486.40	72.13	-	-	558.54
Monthly Monetary Compensation & Low productive employee compensation (MMC & LPE)	162.73	-	46.97	-	115.75
Settling Allowance	50.82	-	01.26	-	49.56
Leave Travel Concession	41.82	4.50	-	-	46.32
OBR	3831.56	-	916.64	-	2914.92
Backfilling	7314.73	1004.21	0	611.16	8930.10
Mine Closure Plan	847.85	52.85	0	56.16	956.86
<b>Short term provisions :</b>					
Gratuity	01.33	-	0.02	-	01.31
Leave Encashment	82.36	10.18	-	-	92.54
MMC & LPE	32.00	-	-	-	32.00
Superannuation Benefit	169.97	20.07	-	-	190.04



## Additional Notes to the Financial Statements (Contd.)

Provisions ... contd

(Rs.in Crore)

Provisions	Opening Balance as on 1.04.2016	Addition during the year	Write back/Adj. during the year	Unwinding of discounts	Closing Balance as on 31.03.2017
Post Superannuation Medical Benefit- Executives	114.21	13.59	-	-	127.80
Performance related pay - Exe	119.29	05.00	-	-	124.29
Performance Linked Reward Scheme(PLR) (Exgratia)	333.30	264.48	302.96	-	294.82
Settling Allowance	3.81	-	-	-	3.81
LTC / LLTC	19.47	-	-	-	19.47
Corporate Special Incentive	223.85	110.62	244.47	-	90.00
Income Tax	-	-	-	-	-
Shale & Stone	0.18	0.22	-	-	0.40
Excise Duty on Closing Stock of coal	43.65	1.86	-	-	45.51

### 5.3 Earnings per share :

For Profit after Tax (excluding Other Comprehensive Income):

Sl. No.	Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
i)	Net profit after tax attributable to Equity Share Holders (in Rs Crore)	546.76	726.86
ii)	No. of Equity Shares Outstanding(In Number)	1733198119	1733198119
iii)	Basic Earnings per Share in Rupees (Face value Rs.10/- per share)	3.15	4.19

### 5.4 Segment Reporting :

The Company has presented segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of Paragraph 4 of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in this standalone financial statements.

### 5.5 Related Party Disclosures:

(I) Key Managerial Personnel

Sl. No.	Name	Position	Period
1	N. Sridhar	Chairman & Managing Director	Full period
2	Sri B. Ramesh Kumar	Director (Operations)	Full period
3.	A. Manohar Rao	Director (P&P)	Full period
4.	Sri P. Ramesh Babu	Director (E&M)	Up to 31.01.2017
5.	Sri S. Shankar	Director (E & M)	From 01.02.2017
6.	Sri J. Pavitran Kumar	Director (PA&W) & Director (Finance)	Full period
7.	Sri J. Rama Krishna	Company Secretary	Up to 31.05.2016
8.	Sri G. Srinivas	Company Secretary	From 01.06.2016



### Additional Notes to the Financial Statements (Contd.)

- (II) Subsidiary Company: Andhra Pradesh Heavy Machinery & Engineering Limited, Vijayawada: On the Recommendation of Audit Committee Board is ratifying/ approving certain transactions.
- (III) NTPC-SCCL Global Ventures Private Limited, a Joint Venture by SCCL and NTPC: Consequent to the cancellation of allotment of 214 Coal Blocks including Thalaipalli Coal Block by the Hon'ble Supreme Court vide its judgement dated 24.09.2014, the SCCL Board in the meeting held on 26.12.2014 decided for Voluntary winding up of NTPC-SCCL GVPL. The winding up of NTPC-SCCL GVPL is completed and affected in books of Account.
- (IV) APMDC-SCCL Suliyari Coal Company Ltd., a Joint Venture by SCCL and APMDC:

During the year there are no operations. The Joint Venture was formed for exploration of coal in Suliyari Coal Block. Hon'ble Supreme Court vide its judgement dated 25.08.2014 has cancelled this Coal Blocks allocation. In the SCCL's Board meeting held on 04.03.2017, it was accorded approval for voluntary winding up of the JV company and seeking repayment of RS.9.80 Crs from JV company which was contributed by the company.

#### Details of Interest of the Company in Joint Venture as per IND AS-111:

(i)	Name of the Joint Venture entity : APMDC – SCCL Suliyari Coal Company Ltd.
(ii)	Country of Incorporation : India
(iii)	Principal Activities : Coal & Lignite mining; generating power through Wind, Tidal and Solar sources and Setting up integrated power plants
(iv)	Ownership interest: 49%
(v)	Original cost of Investment: Rs.49,000 & Rs.9,79,51,000/- paid towards Share application.
(vi)	Aggregate amounts related to interest in Joint Venture entity: The Company's interest in the aforementioned entity's assets, liabilities, income and expenditure are not disclosed as the entities financials are not finalised yet.

#### 5.6 Related Party Transactions:

##### a. Remuneration of Key Managerial Personnel

(Rs. in Crore)

Sl. No.	Payment to CMD, Whole Time Directors and Company Secretary	For the year ended 31.03.2017	For the year ended 31.03.2016
i)	Short Term Employee Benefits Gross Salary	1.42	1.39
	Perquisites & Medical Benefits	0.12	0.11
ii)	Post-Employment Benefits Contribution to P.F. & other fund	0.17	0.13
iii)	Termination Benefits (Paid at the time of separation) Leave Encashment	0.83	-
	Gratuity	0.50	-
	<b>TOTAL</b>	<b>3.04</b>	<b>1.63</b>

##### b) Sitting Fees:

(Rs. in Crore)

Sl. No.	Payment to Independent Directors	For the year ended 31.03.2017	For the year ended 31.03.2016
1	Sitting Fees	-	-



## Additional Notes to the Financial Statements (Contd.)

### c) Balances Outstanding as on 31.03.2017

(Rs. in Crore)

Sl. No.	Particulars	As on 31.03.2017	As on 31.03.2016
i)	Amount Payable	NIL	NIL
ii)	Amount Receivable	NIL	NIL

### d) Subsidiary & Joint Ventures :

- i) Subsidiary Company: Andhra Pradesh Heavy Machinery & Engineering Limited, Vijayawada: On the recommendation of Audit Committee Board is ratifying/ approving certain transactions.
- ii) NTPC-SCCL Global Ventures Private Limited, a Joint Venture by SCCL and NTPC. The winding up of NTPC-SCCL GVPL is under final stage. Proceeds of Rs.3.82 received on winding up were accounted and the remaining investment of Rs.1.18 Lakhs was written off from books during 2016-17.
- iii) APMDC-SCCL Suliyari Coal Company Ltd., a Joint Venture by SCCL and APMDC: During the year there are no operations.

### 5.7 Taxation:

- i) Accounting for Taxes on Income under Ind AS-12- Calculation of Deferred Tax :

(Rs. in Crore)

DEFERRED TAX ASSETS/LIABILITY		As on 31.03.2017	As on 31.03.2016
A	Deferred Tax Liabilities		
	Depreciation	861.30	130.36
	TOTAL	861.30	130.36
B	Deferred Tax Assets		
	Back filling & Mine Closure Provision	2228.76	1913.51
	Gratuity	796.58	414.04
	Other Employment Benefits	874.33	846.83
	VRS Amortisation	-	-
	Overburden Removal	1009.71	1326.93
	TOTAL	4909.38	4501.31
	Deferred Tax Assets (net) (B-A)	4048.08	4370.95

- ii) Explanation of changes in applicable tax rates compared to previous accounting period – NIL
- iii) Relationship between Tax Expense and Accounting Profit :

#### Numerical Reconciliation of difference

(Rs.in Crore)

Sl. No.	Nature of Adjustments	Year ended 31.03.2017
1	Net Profit/(Loss) as per Statement of Profit and Loss (before tax and including OCI)	710.33
2	Add / Less : Differences as per Income Tax Act,1961	(968.05)
3	Net Profit/(Loss) as per Income Tax Act.	(257.72)
4	Applicable Tax rate	34.608%
5	Tax on Net Profit/(Loss) as Per Income Tax Act,1961 (3*4)	0.00
6	Taxes as per P&L A/c.	
	a) Current year Tax	0.00
	b) Deferred Tax in P&L	402.99
	c) Deferred Tax in OCI	(80.11)
	d) Tax related to earlier years	(7.93)
	Net Tax liability as per P&L A/c.	314.95
7	Profit after Tax (Total comprehensive Income for the period)(1-6)	395.38

**Additional Notes to the Financial Statements (Contd.)****5.8 Insurance and escalation claims :**

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

**5.9 Provisions made in the Accounts**

Provisions is made in the accounts against slow moving/non-moving/obsolete stores, claims receivable, advances, doubtful debts etc. are considered adequate to cover possible losses.

**5.10 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.

**5.11 Current Liabilities**

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

**5.12 Others :**

- (A) As required by Section 22 of the Micro Small and Medium Enterprises Development Act, 2006 (MSMED) the following information is disclosed on the basis of information available with the company.

(Rs. in Crore)

Particulars	As on 31.3.2017	As on 31.3.2016
The principal amount remaining unpaid (But not due)	4.75	3.78
Interest due thereon (interest due and / or payable)	Nil	Nil

- (B) Consequent to handing over of 9 schools, 2 colleges and 1 Polytechnic to Singareni Collieries Educational Society, all running expenses of these institutions, after deduction of receivables from these institutions viz., Grant-in-Aid, Fee collections from students, recoveries from the employees towards amenities provided etc., are being met by the Company by way of Educational Grant. Further, infrastructure used by the Society is continued to be under the ownership of the Company for which no recovery is made from the Society.
- (C) Contractors performing Over Burden Removal are eligible for Bonus in respect of the quantity of explosives and HSD oil saved by them during the course of the contract, which is to be set off against future excess consumption as per contractual terms. Further, these contractors can claim and en-cash such accrued Bonus at the end of every financial year at their option. The value of explosives and HSD oil saved and not en-cashed by contractors for set off against future excess consumption amounts to Rs.36.71 Crore (Previous year Rs. 17.68 Crore) as on 31.3.2017, not provided in Books of Account.
- (D) Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016.

(Rs. in Lakh)

Particulars	SBNs	Other denomination	Total
Closing cash in hand as on 08.11.2016	23.57	6.31	29.88
(+) Permitted Receipt	05.73	204.46	210.19
(-) Permitted Payments	00.00	176.85	176.85
(-) Amount deposited in Banks	29.30	8.03	37.33
Closing Cash in Hand as on 30.12.2016	-	25.89	25.89

**(E) Balance Confirmations;**

- Balance confirmation/reconciliation is carried out for cash & bank balances, certain loans & advances, long term liabilities and current liabilities. Provision is taken against all doubtful unconfirmed balances.
- Joint reconciliation with major sundry debtors is done periodically.



### Additional Notes to the Financial Statements (Contd.)

(F) Value of imports on CIF basis (Rs. in Crore)

Particulars	For the Year ended 31.3.2017	For the Year ended 31.3.2016
Components, Stores & Spare Parts	46.67	77.94
Capital Goods	138.93	46.56

(G) Expenditure incurred in Foreign Currency: (Rs. in Crore)

Particulars	For the Year ended 31.3.2017	For the Year ended 31.3.2016
Travelling Expenses	0.40	0.10
Consultancy Payments	1.57	2.14
Others	4.48	0.01

(H) Consumption of Stores & Spares (Rs. in Crore)

Particulars	31.3.2017		31.3.2016	
	Amount	% of total consumption	Amount	% of total consumption
Imported	38.30	1.40	57.71	2.31
Indigenous	2694.27	98.60	2443.93	97.69
Total	2732.57	100.00	2501.64	100.00

#### (I) Physical verification of Fixed Assets

Physical verification of all Fixed Assets with original value of Rs.10 lakh and above will be covered in block of 3 years. The block of 2015-18 commenced from 2015-16.

- Fixed Assets with original value > Rs.50 Lakh annually.
- Fixed Assets with original value > Rs.10 Lakh and < Rs.50 Lakh once in three years (2nd year of Block).
- Fixed Assets with original value > Rs.3 Lakh and < Rs.10 Lakh once in three years (3rd year of Block).

The Assets mentioned at (i) & (ii) above were physically verified during 2016-17 and deviations are accounted and in respect of other assets the same are confirmed as available based on certification by the unit head.

#### (J) Statement of Opening Stock, Production, Turnover and Closing Stock of Coal:

Particulars	For the year ended 31.3.2017		For the year ended 31.3.2016	
	Quantity In '000 T	Value (Rs. in Crore)	Quantity In '000 T y	Value (Rs. in Crore)
Opening Balance	7271.34	771.10	5,366.26	591.65
Production	61,305.80	0.00	60,305.56	0.00
Despatches	58,168.17	12,793.48	58,364.97	13,434.55
Internal Consumption (incl. STPP)	2,459.04	730.93	35.51	7.68
Closing Balance	7,949.93	894.22	7,271.34	771.10

#### (K) Significant Accounting Policies:

Significant accounting policies (Note-2) has been suitably modified / re-drafted over previous period, as found necessary to elucidate the accounting policies adopted by the Company in accordance with Indian Accounting Standards (Ind AS) notified by Ministry of Corporate Affairs (MCA) under the Companies (Indian Accounting Standards) Rules, 2015.

For the purpose of valuation of closing stock of coal, the method of calculation of cost of coal was modified to average cost of productions for UG & OC Mines separately. Due to the above, there is reduction in the value of closing stock by Rs.27.85 Crore as on 31.3.2017.

**Additional Notes to the Financial Statements (Contd.)**

The impact of change in accounting policy and other changes to comply with Ind AS in Net Profit is stated below:

**Reconciliation of Profit between IND AS and previous Indian GAAP**

		(Rs. in Crore)
Sl. No.	Nature of Adjustments	Year ended 31.03.2016
1	Profit after tax under Indian GAAP from 1 April 2015 to 31 March 2016	1066.13
2	Ind AS adjustments in 15-16 routed through Statement of Profit and Loss:	
	Actuarial loss on remeasurement of employee defined benefit plan recognised in 'Other Comprehensive Income'	168.70
	Remeasurement of Mine Closure Provision	3.28
	Remeasurement of Back Filling Provision	-638.52
	Errors under Previous GAAP	-27.24
	Deferred tax on Ind AS adjustments	154.51
	Impact on profit for the period (2)	-339.27
3	Total Profit as per IND AS ( 3=1+2)	726.86
4	Adjustments through other comprehensive income	
	Actuarial loss on remeasurement of employee defined benefit plan recognised in 'Other Comprehensive Income'	-168.70
	Deferred tax on above	58.38
	Total impact on other comprehensive income (4)	-110.32
5	Impact on profit (5=2+4)	-449.59
6	Total comprehensive income after Ind AS adjustments (6=1+5)	616.54

**6. First time adoption of Ind AS:**

These standalone financial statements for the year ended 31 March 2017 have been prepared by the Company in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). For the purpose of transition to INDAS, the company has followed the guidance prescribed in INDAS -101 – First time adoption of IND AS, with April 1, 2015 as the transition date and IGAAP as the previous GAAP. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements.

The company has taken mandatory exemptions under INDAS-101.

**Exemptions availed on first time adoption of INDAS – 101**

IND AS–101 allows first time adoptors certain exemptions from the retrospective application of certain requirements under INDAS. The company has accordingly applied the following exemptions.

**(i) Fair value measurement of financial assets or financial liabilities**

First-time adoptors may apply Ind AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS. Therefore, unless a first-time adopter elects to apply Ind AS 109 retrospectively to day one gain or loss transactions, transactions that occurred prior to the date of transition to Ind AS do not need to be retrospectively restated. As a first time adopter of Ind AS, the Company has opted to apply Ind AS 109 prospectively.



## Additional Notes to the Financial Statements (Contd.)

### (ii) Mine Closure & Backfilling as Site Restoration and Decommissioning Obligation in Property, Plant and Equipment:

Appendix 'A' to Ind AS 16 Changes in Existing Decommissioning, Restoration and Similar Liabilities requires specified changes in a decommissioning, restoration or similar liability to be added to or deducted from the cost of the asset to which it relates; the adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life. A first-time adopter need not comply with these requirements for changes in such liabilities that occurred before the date of transition to Ind AS. In other words, a first-time adopter will not need to estimate what provision would have been calculated at earlier reporting dates. Instead, the decommissioning liability is calculated at the date of transition and it is assumed that the same liability (adjusted only for the time value of money) existed when the asset was first acquired/constructed.

As a first time adopter of Ind AS, the Company has calculated the Mine Closure & Backfilling (Site Restoration and Decommissioning Obligation) at the date of transition assuming that the same liability (present value) existed when the asset was first acquired/constructed.

### (iii) Deemed Cost:

IND AS 101 permits a first – time adopter to elect to continue with the carrying value for all of its Property, Plant and Equipment as recognised in the financial statements as at the date of transition to IND AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption was also be used for intangible assets covered by INDAS – 38 Intangible Assets

Reconciliation of equity as at 1st April, 2015 (Date of transition to Ind AS)

(Rs. in Crore)

ASSETS	Foot Note	Indian GAAP	Adjustment	Ind AS
<b>(A) Non-Current Assets</b>				
(a) Property, Plant & Equipments	3	3517.12	4622.05	8139.17
(b) Capital Work in Progress	4	5290.26	142.71	5432.97
(c) Exploration and Evaluation Assets				
(d) Other Intangible Assets	5	654.19	-654.02	0.17
(e) Intangible assets under development		142.71	-142.71	0.00
(f) Financial Assets				
(i) Investments	6	1818.77	-3.35	1815.42
(ii) Loans	7	121.70	0	121.70
(iii) Others	8	0.00	15.64	15.64
(g) Deferred Tax Assets (net)	9	3861.26	-263.81	3597.45
(h) Other non-current assets	10	537.58	0.00	537.58
Total Non-Current Assets (A)		15943.59	3716.52	19660.10
<b>(B) Current Assets</b>				
(a) Inventories	11	1137.19	-109.75	1027.44
(b) Financial Assets				
(i) Investments				
(ii) Trade Receivables	12	2149.35	0.00	2149.35
(iii) Cash & Cash equivalents	13	478.37	0.00	478.37
(iv) Other Bank Balances	14	2070.65	-15.64	2055.01
(v) Loan	7	79.52	0.00	79.52
(vi) Other Financial Assets	8	329.22	0.00	329.22
(c) Current Tax Assets (Net)	15			
(d) Other Current Assets	16	241.10	0.00	241.10
<b>Total Current Assets (B)</b>		6485.40	-125.39	6360.01
<b>Total Assets (A+B)</b>		<b>22428.99</b>	<b>3591.13</b>	<b>26020.11</b>



**Additional Notes to the Financial Statements (Contd.)**

(Rs. in Crore)

EQUITY AND LIABILITIES	Foot Note	Indian GAAP	Adjustment	Ind AS
<b>(A) Equity</b>				
(a) Equity Share Capital	17	1733.20	0.00	1733.20
(b) Other Equity	18	2,140.07	565.23	2705.30
<b>Total Equity (A)</b>		<b>3,873.27</b>	<b>565.23</b>	<b>4438.50</b>
<b>Non-Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	19	3,545.59	0.00	3545.59
(ii) Trade payable	20	0.25	-0.25	0.00
(iii) Other financial liabilities		37.96	-37.96	0.00
(b) Provisions	22	10,920.08	3143.00	14063.08
(c) Other Non-Current Liabilities	23	0.00	12.93	12.93
<b>Total Non-Current Liabilities (B)</b>		<b>14,503.88</b>	<b>3117.72</b>	<b>17621.59</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	19	12.47	0.00	12.47
(ii) Trade payable	20	518.95	0.25	519.20
(iii) Other financial liabilities	21	1,641.38	37.96	1679.34
(b) Current Liabilities	24	860.31	3.13	863.44
(c) Provisions	22	980.99	-133.16	847.83
(d) Current tax liabilities	25	37.74	0.00	37.74
<b>Total Current Liabilities (C)</b>		<b>4,051.84</b>	<b>-91.82</b>	<b>3960.02</b>
<b>Total liabilities (B+C)</b>		<b>18555.72</b>	<b>3025.90</b>	<b>21581.62</b>
<b>Total Equity and Liabilities (A+B+C)</b>		<b>22,428.99</b>	<b>3591.13</b>	<b>26020.11</b>

Reconciliation of equity as at 31<sup>st</sup> March, 2016

(Rs. in Crore)

ASSETS	Foot Note	Indian GAAP	Adjustment	Ind AS
<b>Non-Current Assets</b>				
(a) Property, Plant & Equipments	3	3,874.17	3278.84	7153.01
(b) Capital Work in Progress	4	7,072.78	124.89	7197.67
(c) Other Intangible Assets	5	602.76	-600.89	1.87
(d) Intangible Assets under development		124.89	-124.89	0.00
(e) Financial Assets				
(i) Investments	6	1816.78	-3.36	1813.42
(ii) Loans	7	113.43	0.00	113.43
(iii) Others	8	0.00	133.97	133.97
(f) Deferred Tax Assets (net)	9	4421.86	-50.91	4370.95
(g) Other non-current assets	10	581.15	0.00	581.15
<b>Total Non-Current Assets (A)</b>		<b>18,607.82</b>	<b>2757.65</b>	<b>21365.47</b>
<b>Current Assets</b>				
(a) Inventories	11	1,321.14	-145.23	1175.91
(b) Financial Assets				
(i) Trade Receivables	12	4,195.87	0.00	4195.87
(ii) Cash & Cash equivalents	13	679.40	0.00	679.40
(iii) Other Bank Balances	14	1,028.98	-133.97	895.01
(iv) Loans	7	142.28	0.00	142.28
(v) Other Financial Assets	8	384.43	0.00	384.43
(c) Current Tax Assets (Net)	15	19.45	0.00	19.45
(d) Other Current Assets	16	346.69	0.00	346.69
<b>Total Current Assets (B)</b>		<b>8118.24</b>	<b>-279.20</b>	<b>7839.04</b>
<b>Total Assets (A+B)</b>		<b>26,726.06</b>	<b>2478.45</b>	<b>29204.51</b>



**Additional Notes to the Financial Statements (Contd.)**

(Rs. in Crore)

<b>EQUITY AND LIABILITIES</b>	<b>Foot Note</b>	<b>Indian GAAP</b>	<b>Adjustment</b>	<b>Ind AS</b>
Equity				
(a) Equity Share Capital	17	1,733.20	0.00	1733.20
(b) Other Equity	18	3,049.75	115.64	3165.39
<b>Total Equity (A)</b>		<b>4,782.95</b>	<b>115.64</b>	<b>4898.59</b>
Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	19	3,956.43	0.00	3956.43
(ii) Trade payable	20	2.15	-2.15	0.00
(iii) Other Financial Liabilities		40.15	-40.15	0.00
(b) Provisions	22	11,469.17	2463.09	13932.26
(c) Other Non-Current Liabilities	23	0	31.75	31.75
<b>Total Non-Current Liabilities (B)</b>		<b>15,467.90</b>	<b>2452.54</b>	<b>17920.44</b>

<b>ASSETS</b>	<b>Foot Note</b>	<b>Indian GAAP</b>	<b>Adjustment</b>	<b>Ind AS</b>
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	19	665.81	0.00	665.81
(ii) Trade payables	20	624.34	2.15	626.49
(iii) Other Financial Liabilities	21	1,982.36	40.15	2022.51
(b) Other Current Liabilities	24	1,917.88	9.36	1927.24
(c) Provisions	22	1,284.82	-141.40	1143.42
<b>Total Current Liabilities (C)</b>		<b>6,475.21</b>	<b>-89.74</b>	<b>6385.47</b>
<b>Total Liabilities (B+C)</b>		<b>21943.11</b>	<b>2362.80</b>	<b>24305.91</b>
<b>Total Equity and Liabilities (A+B+C)</b>		<b>26,726.06</b>	<b>2478.45</b>	<b>29204.51</b>



**Additional Notes to the Financial Statements (Contd.)**

Reconciliation of profit or Loss for the year ended 31.03.2016

(Rs. in Crore)

	Foot Note	Indian GAAP	Adjustments	Ind AS
<b>Revenue from Operations</b>				
Sales (including excise duty)	26	12,711.18	869.67	13580.85
Other Operating Revenue (including excise duty)		-	-	-
Revenue from Operations (A+B)		<b>12,711.18</b>	<b>869.67</b>	<b>13580.85</b>
<b>Other Income</b>		502.91	-	<b>502.91</b>
Total Income (I+II)	27	13214.09	<b>869.67</b>	<b>14083.76</b>
<b>EXPENSES</b>				
Cost of Materials Consumed	28	2,503.66	-2.02	2501.64
Changes in inventories of finished goods/work in progress and Stock in trade	29	-222.93	35.48	-187.45
Excise Duty		-	864.18	864.18
Employee Benefits Expense	30	5,540.33	-174.92	5365.41
Finance costs	31	40.81	674.39	715.20
Power & Fuel	32	441.55	-	441.55
Repairs and maintenance	33	158.87	-	158.87
Contractual Expense	34	1,541.95	-	1541.95
Depreciation/Amortization/ Impairment expense		717.22	307.06	1024.28
Provisions	35	816.52	-340.72	475.80
Write Offs	36	10.22	-	10.22
Overburden Adjustment		128.07	-	128.07
Other Expenses	37	224.19	-	224.19
Total Expenses (IV)		<b>11,900.46</b>	<b>1363.45</b>	<b>13263.91</b>
Profit before Tax (V-VI)	38	<b>1,313.63</b>	<b>-493.78</b>	<b>819.85</b>
<b>Tax expense</b>		247.5	-154.51	92.99
Profit for the Period (IX+XII+XIII)		<b>1,066.13</b>	<b>-339.27</b>	<b>726.86</b>
Other Comprehensive Income				
<b>A (i) Items that will not be reclassified to profit or loss</b>		-	-168.70	-168.70
<b>(ii) Income tax relating to items that will not be reclassified to profit or loss</b>			58.38	58.38
Total Other Comprehensive Income			<b>-110.32</b>	<b>-110.32</b>
Total Comprehensive Income for the period (XIV+XV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		<b>1066.13</b>	<b>-449.59</b>	<b>616.54</b>

**Miscellaneous**

- a) Previous period's figures have been restated as per Ind AS and regrouped and rearranged wherever considered necessary.
- b)
  - i) Note-1 gives corporate information;
  - ii) Note-2 represents Significant Accounting Policies
  - iii) Note-3 to Note-25 form part of the Balance Sheet as at 31st March, 2017;
  - iv) Note-26 to Note-38 form part of Statement of Profit & Loss for the year ended on that date;
  - v) Note-39 represents Additional Notes to the Financial Statements.

As per our report of even date  
for M/s. Ramamoorthy (N) & Co.,  
Chartered Accountants  
(Firm Regn.No. 02899S)

for and on behalf of the Board

Sd/-  
(Surendranath Bharathi)  
Partner (M.No.23837)

Sd/-  
(G.Srinivas)  
Chief(C.A) &  
Company Secretary

Sd/-  
(M.Narasimha Reddy)  
General Manager (F&A)

Sd/-  
(J.Pavitran Kumar)  
Director(Finance)  
& CFO

Sd/-  
(N.Sridhar)  
Chairman &  
Managing Director

Date: 19.8.2017  
Place: Hyderabad



## FORM AOC-1

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

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts Rs. in Crore)

1.	Name of the subsidiary	Andhra Pradesh Heavy Machinery & Engineering Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
4.	Share capital	17.27
5.	Reserves & surplus	46.39
6.	Total assets	80.15
7.	Total Liabilities	80.15
8.	Investments	--
9.	Turnover	87.53
10.	Profit before taxation	5.49
11.	Provision for taxation	2.50
12.	Profit after taxation	2.99
13.	Proposed Dividend	--
14.	% of shareholding	81.54%

for and on behalf of the Board

Sd/-  
(G.Srinivas )  
Chief(C.A) &  
Company Secretary

Sd/-  
(M.Narasimha Reddy)  
General Manager (F&A)

Sd/-  
(J.Pavitran Kumar)  
Director(Finance)  
& CFO

Sd/-  
(N.Sridhar)  
Chairman &  
Managing Director

Date: 19.8.2017  
Place: Hyderabad



**Part “B”: Associated and Joint Ventures**

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

Name of Associates/ Joint Ventures		APMDC - SCCL Suliari Coal Company Limited
1.	Latest audited Balance Sheet Date	--
2.	Shares of Associate/ Joint Ventures held by the company on the year end.	
	No.	4900
	Amount of Investment in Associates/ Joint Ventures (Rs. in Crore)	0.0049
	Extent of Holding %	49%
3.	Description of how there is significant influence	By virtue of shareholding
4.	Reason why the associate/ joint venture is not consolidated	Financial statements are not made available
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet (Rs. in Crore)	0.0049
6.	Profit/ Loss for the year	
	i) Considered in Consolidation (Rs. in Crore)	--
	ii) Not considered in Consolidation	--

for and on behalf of the Board

Sd/-  
(G.Srinivas )  
Chief(C.A) &  
Company Secretary

Sd/-  
(M.Narasimha Reddy)  
General Manager (F&A)

Sd/-  
(J.Pavitrn Kumar)  
Director(Finance)  
& CFO

Sd/-  
(N.Sridhar)  
Chairman &  
Managing Director

Date: 19.8.2017  
Place: Hyderabad



**Consolidated Balance Sheet as at 31<sup>st</sup> March 2017**

(Rs. in crore)

	Particulars	Note No	As at 31.03.2017	As at 31.03.2016 (Restated)	As at 01.04.2015 (Restated)
	<b>ASSETS</b>				
<b>A.</b>	<b>Non-current Assets</b>				
	(a) Property, Plant and Equipment	3	15,181.21	7,143.74	8,129.79
	(b) Capital Work-In-Progress	4	1,467.55	7,197.36	5,430.55
	(c) Goodwill		14.95	14.95	14.95
	(d) Other Intangible Assets	5	2.44	1.87	0.17
	(e) Financial Assets				
	(i) Investments	6	1,802.19	1,804.19	1,806.19
	(ii) Loans	7	521.61	113.65	121.85
	(iii) Others	8	208.60	133.97	15.64
	(f) Deferred Tax Assets (Net)	9	4,050.45	4,374.08	3,600.60
	(g) Other Non-Current Assets	10	418.87	582.50	538.92
	<b>Total Non-Current Assets (A)</b>		<b>23,667.87</b>	<b>21,366.31</b>	<b>19,658.66</b>
<b>B.</b>	<b>Current Assets</b>				
	(a) Inventories	11	1,340.12	1,196.42	1,041.58
	(b) Financial Assets				
	(i) Investments				
	(ii) Trade Receivables	12	3,828.50	4,222.56	2,191.86
	(iii) Cash and Cash Equivalentents	13	736.76	691.06	483.71
	(iv) Bank Balance Other than (iii) above	14	1,517.11	895.89	2,055.26
	(v) Loans	7	180.98	142.37	79.57
	(vi) Others	8	398.81	384.54	329.23
	(c) Current Tax Asset (Net)	15	45.61	19.74	0.00
	(d) Other Current Assets	16	409.28	349.64	242.52
	<b>Total Current Assets (B)</b>		<b>8,457.17</b>	<b>7,902.22</b>	<b>6,423.73</b>
	<b>Total Assets (A+B)</b>		<b>32,125.04</b>	<b>29,268.53</b>	<b>26,082.39</b>

(contd..)



**Consolidated Balance Sheet as at 31st March 2017 (Contd.)**

(Rs. in crore)

	Particulars	Note No	As at 31.03.2017	As at 31.03.2016 (Restated)	As at 01.04.2015 (Restated)
	<b><u>EQUITY AND LIABILITIES</u></b>				
A.	<b>EQUITY</b>				
	(a) Equity Share Capital	17	1,733.20	1,733.20	1,733.20
	(b) Other Equity	18	3,453.59	3,210.67	2,746.47
	(c) Non Controlling Interest		9.58	8.88	8.02
	<b>Total Equity (A)</b>		<b>5,196.37</b>	<b>4,952.75</b>	<b>4,487.69</b>
B.	<b>LIABILITIES</b>				
B.1	<b>Non-Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	19	4,273.72	3,956.43	3,545.59
	(b) Provisions	22	15,877.94	13,939.15	14,070.44
	(c) Other Non-Current Liabilities	23	27.40	31.75	12.93
	<b>Total Non-Current Liabilities (B.1)</b>		<b>20,179.06</b>	<b>17,927.33</b>	<b>17,628.96</b>
B.2	<b>Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	19	13.67	665.81	13.85
	(ii) Trade Payables	20	721.65	619.72	516.40
	(iii) Other Financial Liabilities	21	3,572.15	2,028.65	1,683.89
	(b) Other Current Liabilities	24	1,417.84	1,928.61	864.18
	(c) Provisions	22	1,024.30	1,145.66	850.07
	(d) Current Tax Liabilities (Net)	25	0.00	0.00	37.35
	<b>Total Current Liabilities (B.2)</b>		<b>6,749.61</b>	<b>6,388.45</b>	<b>3,965.74</b>
	<b>Total Liabilities (B=B.1+B.2)</b>		<b>26,928.67</b>	<b>24,315.78</b>	<b>21,594.70</b>
	<b>TOTAL EQUITY AND LIABILITIES (A+B)</b>		<b>32,125.04</b>	<b>29,268.53</b>	<b>26,082.39</b>

The accompanying Notes form an integral part of Financial Statements

As per our report of even date  
for M/s. Ramamoorthy (N) & Co.,  
Chartered Accountants  
(Firm Regn.No. 02899S)

for and on behalf of the Board

Sd/-  
(Surendranath Bharathi)  
Partner (M.No.23837)

Sd/-  
(G.Srinivas )  
Chief(C.A) &  
Company Secretary

Sd/-  
(M.Narasimha Reddy)  
General Manager (F&A)

Sd/-  
(J.Pavitrana Kumar)  
Director(Finance)  
& CFO

Sd/-  
(N.Sridhar)  
Chairman &  
Managing Director

Date: 19.8.2017  
Place: Hyderabad



**Statement of Consolidated Profit & Loss for the year ended 31<sup>st</sup> March 2017**

(Rs. in crore)

	Particulars	Note No.	For the year ended	
			31.03.2017	31.03.2016 (Restated)
	<b>Revenue from Operations</b>			
(I)	Revenue from Operations	26	14,229.87	13,622.12
(II)	Other Income	27	547.42	505.22
<b>(III)</b>	<b>Total Income (I+II)</b>		<b>14,777.29</b>	<b>14,127.34</b>
<b>(IV)</b>	<b>EXPENSES</b>			
	Cost of Materials Consumed	28	2,750.55	2,496.47
	Changes in Inventories of Finished goods	29	(264.12)	(189.19)
	Excise Duty		864.53	873.48
	Employee Benefits Expense	30	6,353.07	5,388.01
	Finance Costs	31	899.30	715.30
	Depreciation and Amortization expenses		1,138.84	1,024.61
	Power & Fuel	32	470.46	442.59
	Repairs & Maintenance	33	192.96	159.25
	Contractual Expenses	34	1,851.80	1,545.90
	Provisions	35	3.28	475.87
	Write offs	36	7.15	10.22
	Stripping Activity Adjustment		(916.62)	128.07
	Other Expenses	37	485.06	230.78
	<b>Total Expenses (IV)</b>		<b>13,836.26</b>	<b>13,301.36</b>
<b>(V)</b>	<b>Profit/(Loss) before Exceptional Items and Tax (III-IV)</b>		<b>941.03</b>	<b>825.98</b>
(VI)	Exceptional Items	38	8.82	-
<b>(VII)</b>	<b>Profit / (Loss) Before Tax (V) - (VI)</b>		<b>949.85</b>	<b>825.98</b>
<b>(VIII)</b>	<b>Tax Expense</b>			
	(1) Current Tax		1.21	862.07
	(2) Tax relating to Earlier periods		(7.82)	(53.21)
	(3) Deferred Tax		404.17	(714.97)
<b>(IX)</b>	<b>Profit (Loss) for the period from Continuing Operations (VII - VIII)</b>		<b>552.29</b>	<b>732.09</b>
(X)	Profit/(Loss) from discontinued operations		-	-
(XI)	Tax expenses of discontinued operations		-	-

(Contd..)



**Statement of Consolidated Profit & Loss for the year ended 31st March 2017 (Contd.)**

(Rs. in crore)

	Particulars	Note No.	For the year ended	
			31.03.2017	31.03.2016 (Restated)
(XII)	Profit/(loss) from discontinued operations (After Tax) (X- XI)		-	-
<b>(XIII)</b>	<b>Profit/(loss) for the Period (IX+XII) Attributable to:</b>		<b>552.29</b>	<b>732.09</b>
	Equity shareholders of Parent		551.43	731.18
	Non-controlling Interest		0.86	0.91
<b>(XIV)</b>	<b>Other Comprehensive Income</b>			
	A. Items that will not be reclassified to profit or loss		(232.75)	(169.10)
	<b>Less:</b> Income tax relating to items that will not be reclassified to Profit or Loss		80.53	58.52
	B. Items that will be reclassified to profit or loss		-	-
	<b>Less:</b> Income tax relating to items that will be reclassified to Profit or Loss		-	-
<b>(XV)</b>	<b>Total Comprehensive Income for the Period (XIII+XIV) Attributable to:</b>		<b>400.07</b>	<b>621.50</b>
	Equity shareholders of Parent		399.37	620.64
	Non-controlling Interest		0.70	0.86
<b>(XVI)</b>	<b>Earnings per Equity Share</b>			
	(1) Basic		3.19	4.22
	(2) Diluted		3.19	4.22

The accompanying Notes form an integral part of Financial Statements

As per our report of even date  
for M/s. Ramamoorthy (N) & Co.,  
Chartered Accountants  
(Firm Regn.No. 02899S)

for and on behalf of the Board

Sd/-  
(Surendranath Bharathi)  
Partner (M.No.23837)

Sd/-  
(G.Srinivas )  
Chief(C.A) &  
Company Secretary

Sd/-  
(M.Narasimha Reddy)  
General Manager (F&A)

Sd/-  
(J.Pavitrn Kumar)  
Director(Finance)  
& CFO

Sd/-  
(N.Sridhar)  
Chairman &  
Managing Director

Date: 19.8.2017  
Place: Hyderabad



**STATEMENT OF CONSOLIDATED CHANGES IN EQUITY FOR THE PERIOD ENDED  
31 MARCH 2017**

**A. EQUITY SHARE CAPITAL**

(Rs. in crore)

Particulars	Balance as at 01.04.2015	Changes in Equity Share Capital during the year	Balance as at 31.03.2016	Balance as at 01.04.2016	Changes in Equity Share Capital during the year	Balance as at 31.03.2017
Equity Shares	1,733.20	-	1,733.20	1,733.20	-	1,733.20

**B. OTHER EQUITY**

(Rs. in crore)

Particulars	General Reserve	Retained Earnings	Non controlling Interests	Total
<b>Balance at the Beginning of the reporting period as at 01.04.2015 as per Indian GAAP</b>	1,160.40	1,020.84	8.02	2,189.26
Ind AS Adjustments		790.91		790.91
<b>Balance at the Beginning of the reporting period as at 01.04.2015</b>	1,160.40	1,811.75	8.02	2,980.17
Changes in accounting policy or prior period errors		(225.68)		(225.68)
<b>Restated balance as at 01.04.2015</b>	<b>1,160.40</b>	<b>1,586.07</b>	<b>8.02</b>	<b>2,754.49</b>
Profit for the year		731.18	0.91	732.09
Other Comprehensive income (net of tax)		(110.53)	(0.05)	(110.58)
Dividends (including dividend distribution tax)		(156.45)		(156.45)
Transfer (from) /to retained earnings	100.00	(100.00)		
Any other change				
<b>Balance as on 31.03.2016</b>	<b>1,260.40</b>	<b>1,950.27</b>	<b>8.88</b>	<b>3,219.55</b>
Profit for the year		551.43	0.86	552.29
Other Comprehensive Income (net of tax)		(152.06)	(0.16)	(152.22)
Dividends (including dividend distribution tax)		(156.45)		(156.45)
Transfer (from) /to retained earnings	100.00	(100.00)		--
Any other change				
<b>Balance as on 31.03.2017</b>	<b>1,360.40</b>	<b>2,093.19</b>	<b>9.58</b>	<b>3,463.17</b>



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2016-17**

(Rs. in crore)

Sl. No	Particulars	For the year ended	
		31.03.2017	31.03.2016
<b>A</b>	<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
	Profit before Tax	<b>941.03</b>	<b>825.98</b>
	<b>Adjustments for:</b>		
	Depreciation and Amortization Expense	1,138.84	1,024.62
	Assets Written off	7.15	10.04
	Provisions Written Back	(176.27)	(1.45)
	Interest Income on Investments	(177.45)	(177.62)
	Interest Income on Term Deposits	(55.88)	(223.52)
	Interest Expense	899.30	715.31
	Non - Current Provisions	228.20	207.90
	Unrealised foreign Exchange Loss	(3.37)	9.75
	Actuarial gains/(losses) routed through other comprehensive income	(232.75)	(169.10)
	Deferred Government Grant	(9.58)	(5.49)
	Exceptional Items (Net)	4.59	
		<b>1,622.79</b>	<b>1,390.44</b>
	<b>Operating Profit Before Working Capital Changes</b>	<b>2,942.15</b>	<b>2,216.42</b>
	<b>Adjustments towards changes in</b>		
	Inventories	(143.69)	(156.86)
	Trade Receivables	398.03	(2,030.69)
	Current/Non - current/Loans, Other financial assets and other assets	(1,052.58)	780.45
	Current/Non - Current Borrowings, Financial liabilities and provisions	969.01	1,700.69
	Tax paid Including TDS	(19.40)	(865.95)
		<b>151.37</b>	<b>(572.36)</b>
	<b>Net Cash flow from Operating Activities (A)</b>	<b>3,093.52</b>	<b>1,644.06</b>
<b>B</b>	<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
	Increase in Property, plant & equipment (including Capital Work-in-progress)	(2,401.45)	(2,800.19)
	Investment in Equity of Joint Venture	-	-
	Investment in Bonds	-	-
	Redemption of Bonds	2.00	2.00
	Interest Income on Investments	177.45	177.62
	Interest Income on Term Deposits	55.88	223.52
	<b>Cash Flow from Investing Activities(B)</b>	<b>(2,166.15)</b>	<b>(2,397.05)</b>

(Contd..)



**Cash flow statement for the year 2016-17 (Contd.)**

(Rs. in crore)

S.No	Particulars	For the year ended	
		31.03.2017	31.03.2016
<b>C</b>	<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
	Non- current Borrowings	630.26	561.35
	Repayment of Government of India Loan	(66.33)	(66.33)
	Demand Loans from Banks	(610.00)	610.00
	Changes in Cash Credit	(42.14)	41.96
	Interest Expense	(231.98)	(40.91)
	Dividend paid	(129.99)	(129.99)
	Dividend Tax paid	(26.46)	(26.46)
	<b>Cash flow from Financing activities (C)</b>	<b>(476.64)</b>	<b>949.62</b>
<b>D</b>	<b>Net increase in Cash and Cash equivalents (A+B+C)</b>	<b>72.38</b>	<b>196.63</b>
<b>E</b>	<b>Cash &amp; Cash equivalents at the beginning of the year</b>	<b>658.98</b>	<b>462.35</b>
<b>F</b>	<b>Cash &amp; Cash equivalents at the end of the year (D+E)</b>	<b>731.36</b>	<b>658.98</b>

**Cash and Cash Equivalents for the purpose of the Cash-Flow Statement**

(Rs. in crore)

Particulars	2016 - 17	2015 - 16
<b>Cash &amp; Bank Balances at the Beginning of the year</b>	<b>691.06</b>	<b>483.71</b>
Special OD Account	-	0.35
Overdraft in Current Account	32.08	21.02
<b>Cash &amp; Bank Balances at the Beginning of the year</b>	<b>658.98</b>	<b>462.34</b>
<b>Cash &amp; Bank Balances at the End of the year</b>	<b>736.76</b>	<b>691.06</b>
Special OD Account	-	-
Overdraft in Current Account	5.40	32.08
<b>Cash &amp; Bank Balances at the End of the year</b>	<b>731.36</b>	<b>658.98</b>

The accompanying Notes form an integral part of Financial Statements

As per our report of even date  
for M/s. Ramamoorthy (N) & Co.,  
Chartered Accountants  
(Firm Regn.No. 02899S)

for and on behalf of the Board

Sd/-  
(Surendranath Bharathi)  
Partner (M.No.23837)

Sd/-  
(G.Srinivas )  
Chief(C.A) &  
Company Secretary

Sd/-  
(M.Narasimha Reddy)  
General Manager (F&A)

Sd/-  
(J.Pavitrana Kumar)  
Director(Finance)  
& CFO

Sd/-  
(N.Sridhar)  
Chairman &  
Managing Director

Date: 19.8.2017  
Place: Hyderabad



**Consolidated Equity Reconciliation as at 31.03.2016 and 01.04.2015**

(Rs. in crore)

Sl. No.	Particulars	As at 31.03.2016		As at 1.04.2015	
<b>1</b>	<b>Shareholders Equity under Indian GAAP attributable to</b>				
	Equity Shareholders of Parent		4,828.17		3,914.44
	Non - Controlling Interests		8.93		8.02
	<b>Total</b>		<b>4,837.10</b>		<b>3,922.46</b>
<b>2</b>	<b>Impact on Retained Earnings</b>				
	<b>Proposed Dividend</b>		<b>156.45</b>		<b>156.45</b>
	<b>Re-measurement of Mine Closure Provision</b>				
	Reversal of Provision	373.13		250.71	
	Finance Cost	(167.20)		(105.19)	
	Depreciation/Amortization	(175.41)	<b>30.52</b>	(118.28)	<b>27.24</b>
	<b>Re-measurement of Back Filling Provision</b>				
	Reversal of Provision	5,418.99		5,194.99	
	Finance Cost	(3,475.39)		(2,857.31)	
	Depreciation/Amortization	(1,711.09)	<b>232.51</b>	(1,466.65)	<b>871.03</b>
	<b>Errors Under Previous GAAP</b>				
	Adjustment relating to Settlement Allowance	(54.63)		(55.32)	
	Adjustment relating to LTC/LLTC	(61.29)		(66.82)	
	Adjustment relating to Closing Stock value due to change in valuation methodology	(137.00)	<b>(252.92)</b>	(103.54)	<b>(225.68)</b>
	<b>Others</b>				
	Transfer of Deferred Government grant to Statement of Profit and Loss	5.49			
	Providing Additional Depreciation on Government Grant (Grossing up of asset)	(5.49)			
	Reversal of Opening Deferred Tax	263.81			
	<b>Deferred tax on Ind AS adjustments</b>	(314.72)	<b>50.91</b>	(263.81)	<b>(263.81)</b>
	<b>Impact on Retained Earnings</b>		<b>115.64</b>		<b>565.23</b>
<b>3</b>	<b>Shareholders Equity under Ind AS (1+2)</b>		<b>4,952.75</b>		<b>4,487.69</b>
	Equity shareholders of parent		<b>4,943.87</b>		<b>4,479.67</b>
	Non - controlling interests		<b>8.88</b>		<b>8.02</b>



**Consolidated Profit Reconciliation for the period ended 31<sup>st</sup> March 2016**

(Rs in crore)

Sl. No.	Particulars	For the year ended 31.03.2016	
1	<b>Profit After Tax under Indian GAAP from 01.04.2015 to 31.03.2016</b>		<b>1,071.09</b>
	<b>Attributable to</b>		
	Equity Shareholders of Parent		1,070.18
	Non - Controlling Interests		0.91
2	<b>Ind AS Adjustments in 2015-16 routed through Statement of Profit and Loss</b>		
	-Actuarial loss on re-measurement of employee defined benefit plan recognized in 'Other Comprehensive Income'		169.10
	<b>Re-measurement of Mine Closure Provision</b>		
	Reversal of Provision	122.42	
	Finance Cost	(62.01)	
	Depreciation/Amortization	(57.13)	<b>3.28</b>
	<b>Re-measurement of Back Filling Provision</b>		
	Reversal of Provision	224.00	
	Finance Cost	(618.08)	
	Depreciation/Amortization	(244.44)	<b>(638.52)</b>
	<b>Errors Under Previous GAAP</b>		
	Adjustment relating to Settlement Allowance	0.69	
	Adjustment relating to LTC/LLTC	5.53	
	Adjustment relating to Closing Stock value due to change in valuation methodology	(33.46)	<b>(27.24)</b>
	<b>Others</b>		
	Transfer of Deferred Government grant to Statement of Profit and Loss	5.49	
	Providing Additional Depreciation on Government Grant (Grossing up of asset)	(5.49)	
	Deferred Tax on Ind AS Adjustments		154.38
	<b>Impact on profit for the period (2)</b>		<b>(339.00)</b>
3	<b>Total profit as per Ind AS (1+2)</b>		<b>732.09</b>
4	<b>Adjustments through Other Comprehensive Income</b>		
	Actuarial loss on re-measurement of employee Defined Benefit plan recognized in 'Other Comprehensive Income'		(169.10)
	Deferred Tax on above		58.52
	<b>Total impact on Other Comprehensive Income (4)</b>		<b>(110.58)</b>
5	<b>Impact on Profit (5=2+4)</b>		<b>(449.59)</b>
6	<b>Total Comprehensive Income after Ind AS Adjustments (6=1+5)</b>		<b>621.50</b>
	<b>Attributable to</b>		
	Equity Shareholders of Parent		620.64
	Non - Controlling Interests		0.86



## Notes to the Consolidated financial statements for the year ended 31st March, 2017

### Note 1. Corporate Overview

The Singareni Collieries Company Limited ('SCCL' or 'the Company') is a Government coal mining company jointly owned by the Government of Telangana and Government of India on a 51:49 equity basis.

The Company is mainly engaged in mining of coal. As a part of diversification, the company has entered in to power generation and presently operating 2\*600 MW Singareni Thermal power plant (STPP). The major coal consumers of the company are power and cement sectors. Power purchase Agreement is entered with TS DISCOMs to sell the power generated from the Power Plant.

The Singareni coal reserves stretch across 350 Km of the Pranahita – Godavari Valley of Telangana with a proven geological reserves aggregating to approx. 8800 million tonnes. SCCL is currently operating 16 opencast and 30 underground mines in 6 districts of Telangana. SCCL is at present has not listed its stocks anywhere.

The subsidiary company is engaged the business of Designing, Manufacturing/ fabricating Heavy Machinery / Equipment used in Mining Industry viz, Man riding car, Manriding Chair Lift System, Road Headers , Belt Conveyer Drive Heads etc. And also undertakes services like Erecting and Commissioning, Repair and Overhauling, Machining and supply of Spare Parts. The head office of the subsidiary is located at Kondapally, Andhra Pradesh.

### .Note 2. Significant Accounting Policies:

#### 2.1 Transition to Ind AS

The Financial statements for the year ended March 31, 2017 are the first financial statements prepared in accordance with Ind AS.

The adoption of Ind AS was carried out in accordance with Ind AS 101, using April 1, 2015 as the transition date. Ind AS 101 requires that all Ind AS standards and interpretations that are effective for the first Ind AS Financial Statements for the year ended March 31, 2017, be applied consistently and retrospectively for all fiscal years presented.

All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the financial statements under both Ind AS and Indian GAAP as of the transition date have been recognized directly in equity at the transition date.

#### 2.2 Basis of preparation of financial statements

##### (a) Statement of Compliance

The financial statements of the Company have been prepared on going concern basis using accrual basis of accounting in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, the relevant provisions of The companies Act 2013 and Electricity Act 2003.

For all the periods, up to and including the year ended 31st March 2016, the Company prepared its financial statements in accordance with Accounting Standards (AS) notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and in accordance with companies (Accounting Standards), Rules 2006.

##### (b) Basis of Measurement :

The financial statements have been prepared on historical cost basis of measurement, except for

- financial assets and liabilities measured at fair value (Accounting policy on financial instruments in para 2.3.16);
- Defined benefit plans- plan assets measured at fair value;
- Inventories at Cost or NRV whichever is lower (Accounting policy in para No. 2.3.5).



## Notes to the Consolidated financial statements for the year ended 31st March, 2017 (Contd.,)

- Other claims and revenues ( Accounting policy 2.3.1.D)
- Certain Provisions are measured at fair value ( Accounting policy 2.3.7)

### (c) Functional or presentation currency.

The financial statements are presented in Indian rupees, which is the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest crore up to two decimal points.

### (d) Use of Estimates and Judgement.

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

### (e) Formulation of Accounting Policies

Accounting policies are formulated in a manner that result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial.

In the absence of an Ind AS that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a) relevant to the economic decision-making needs of users; and
- b) reliable in that financial statements:
  - (i) represent faithfully the financial position, financial performance and cash flows of the 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 geo-mining 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



## Notes to the Consolidated financial statements for the year ended 31st March, 2017 (Contd.,)

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.

### (f) Materiality

Management uses judgement of materiality for determining the compliance requirement of the Ind AS. Management also uses judgment in deciding whether individual items or groups of item are material in the financial statements. Materiality is judged by reference to the size and nature of the item. The deciding factor is whether omission or misstatement could individually or collectively influence the economic decisions that users make on the basis of the financial statements. A Transactions is considered material only if it exceeds Rs.50.00 lakh in each case for the purpose of adjustments for Pre-paid and Prior period items, except for the transactions of the Subsidiary.

## 2.3 Summary of Accounting Policies:

### 2.3.1 Revenue recognition:

#### A. Revenue from sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the customer with a reasonable certainty of collection.

Revenue is measured at the fair value of the consideration received or receivable (net of accepted deductions made by customers on account of quality of coal) taking into account contractually defined terms of payment and excluding taxes, levies or duties collected on behalf of the government/ other statutory bodies.

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

The company has assumed that revenue includes excise duty because recovery of excise duty flows to the company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. However, other taxes, levies or duties are not considered to be received by the company on its own account and are excluded from net revenue.

#### B. Revenue Recognition- Power Plant

Revenue from generation of electricity is accounted for as per the Tariff approved by Hon. TS Electricity Regulatory Commission (TSERC).

#### C. Interest

Interest income is recognised using the Effective Interest Method.

#### D. System of accounting of certain specific claims/revenues:

- a. Penalty for short lifting of coal, on termination of contracts, interest on belated payment of coal and power dues on realisation.
- b. Escalation in prices and duties for explosives, equipment and spares supplied on payment.
- c. Credit towards Powder factor is accounted as and when recovered from the suppliers of Explosives.
- d. Additional claims from contractors on Capital Works when claims are settled, other than subsidiary.
- e. Scrap sales on realisation and
- f. Insurance Claims on receipt



## Notes to the Consolidated financial statements for the year ended 31st March, 2017 (Contd.,)

### 2.3.2 Grants from Government

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

Government Grants related to assets are presented in the balance sheet by setting up the grant as deferred income and are recognised in Statement of Profit and Loss on systematic basis over the useful life of asset.

Grants related to income (i.e. grant related to other than assets) are presented as part of statement of profit or loss.

### 2.3.3 Property, Plant and Equipment:

#### A. Recognition and measurement:

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. The Company has elected to apply the optional exemption to use this previous GAAP value as deemed cost as at 1 April 2015, the date of transition.

The recognition of the Property, plant and equipment is subject to the following principles:

#### 1. Land:

- a. Lands are capitalized from the date of taking possession / Award whichever is earlier. Payments made for Renewal of Leasehold lands are capitalized from the date of payment.
- b. Freehold Lands include cost of acquisition, compensation, rehabilitation expenses and interest up to the date of taking possession.
- c. Leasehold Lands include cost of compensatory land, NPV, afforestation and deforestation expenditure with regard to acquisition of forest land.

#### 2. Railway sidings:

Complete track renewals and sleeper renewals on Railway Sidings are capitalised on completion of the work.

#### 3. Plant & Equipment:

- a. Following items are classified as Capital;
  - i) PVC Armoured Cables of all sizes; and
  - ii) G.I. Pipes of 2" Dia and above.
- b. Expenditure on Rehabilitation of HEMM and other Major Plant and Machinery is treated as Capital expenditure if such expenditure increases the future benefit from the Asset beyond its previously assessed standard of performance.
- c. Equipment received for Projects under construction/ Mines under development but not installed and commissioned by the end of the year is shown as Capital Works-in-Progress.

#### 1. Depreciation:

- i) Depreciation on other Fixed Assets is provided on written down value method on the assets capitalised before 01.04.1985.
- ii) 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 as per the Schedule II of



## Notes to the Consolidated financial statements for the year ended 31st March, 2017 (Contd.,)

the Companies Act, 2013. However, in case of power plant depreciation rates as stipulated by CERC are adopted. The estimated useful life of the assets is reviewed at the end of each financial year.

iii) The estimated useful life of the assets is reviewed at the end of each financial year. In some cases based on technical evaluation, the management believes that the useful lives given below best represents the period over which the management expects to use the asset. Hence the useful lives of the below mentioned assets are lower than the useful lives prescribed under Part C of schedule II of companies act, 2013:

◆	LHDs	-	7 Years
◆	Jumbo Drills at CDF Panel	-	7.5 Years
◆	SDLs	-	4 Years
◆	Self Contained Self Rescuers	-	10 Years
◆	35T Dumpers	-	6 Years
◆	Hydraulic Shovels upto 5 CU.M	-	7 Years
◆	Blast Hole Drills <160mm	-	7 Years
◆	Coal Tubs	-	1 Year
◆	Winding Ropes	-	1 Year
◆	Safety Lamps	-	1 Year
◆	Stowing Pipes	-	1 Year
◆	Assets whose actual cost does not exceed Rs.5000/-	-	1 Year

iv) Value of leasehold lands is amortised over a period of 10 years or over the lease period whichever is lower:

- from the date possession in case of fresh leases
- from the date of payment in case of renewal of leases.

2) When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

### 2.3.4 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.



## Notes to the Consolidated financial statements for the year ended 31st March, 2017 (Contd.,)

Cost of ERP software recognized as intangible asset is amortised over a period of 5 years.

### 2.3.5 Inventory:

#### A: Stock of Coal:

- i) Wherever variation between volumetrically measured coal stocks (including washery products) and the book stocks is more than 5%, the volumetrically measured stock balances are adopted with a reduction of 5% towards anticipated storage losses.
- ii) Closing stock of coal including stock at washeries, coal-in-wagons, washed coal, is valued at lower of cost and net realisable value.  
  
Closing stock of washery by products viz., rejects, slurry and fines are valued at net realisable value (shale and stone at nil value)  
  
Coal stock at STPP is valued at weighted Average Acquisition Cost.
- iii) The Average cost of production of Under Ground (UG) and Open Cast(OC) mines is considered as cost of coal for the stocks of UG and OC mines respectively. The cost of stock at CHP and other stocking points is arrived by considering the ratio of admittance of coal from UG and OC mines during the year. Such cost of production is arrived at excluding borrowing costs, selling and distribution costs and administrative overheads etc., to the extent not related to production of coal.
- iv) Cost of washed coal is calculated at average cost of production of coal as at (iii) above plus washery charges adjusted to standard yield, and by deducting NRV of by products from the cost thus arrived.
- v) The net realisable value of grade-wise coal (including washed coal, rejects, slurry and fines) is arrived at on the basis of selling price to power utilities and mark up/ cost plus price wherever applicable less re-handling charges.

#### B: Stores & Spares

- i) Stores & Spares (including loose tools) are valued at Weighted Average cost.
- ii) Suitable Provision for slow, non-moving and obsolescence is provided on review of stores and spares on annual basis.

#### C: Other Inventories

Stock of medicines, provisions, stationery and sand are not valued and are charged directly to consumption on receipt.

### 2.3.6 Borrowing costs

Borrowings costs directly attributable to acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which it occurs.

### 2.3.7 Mine Closure, Site Restoration and Decommissioning Obligations:

#### A. Mine closure Plan:

- i) 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.



## Notes to the Consolidated financial statements for the year ended 31st March, 2017 (Contd.,)

- ii) 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.
- iii) The estimates of expenses are escalated for inflation, and then discounted at a discount rate that reflects the 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 per mine closure plan is recognised as a separate item in PPE and amortised over the balance project/mine life.
- iv) The value of the provision is progressively increased over time as the effect of discounting unwinds; creating an expense recognised as financial expenses.
- v) Further, a specific escrow fund account is maintained for this purpose as per the approved mine closure plan.

### B. Backfilling of Overburden :

- i) In order to comply with the Ministry of Environment & Forest's stipulation regarding reducing the depth of the final void of certain opencast mines to 30/35/45 meters from surface, re-handling/dumping over burden (OB) is to be carried out to reduce the final void as per the MOEF stipulation. The reduction of the final void can be done either (i) by re-handling the Overburden of the external/ internal dumps or (ii) by dumping the OB produced from the adjacent/relay projects.
- ii) Re-handling of Overburden of the external/internal dumps incurs additional cost which is provided for .The cost of dumping from the adjacent / relay project is considered as the cost of Overburden removal of the adjacent/relay project.
- iii) The estimation of quantity of Overburden (OB) required to backfill the final void is made by in-house technical estimation by professionals in Mining, Project Planning Environment fields. Total cost of Backfilling required is estimated, based on the total quantity to be backfilled in cubic metres at the end of mine life, at the SCCL weighted average rate of OB Removal of outsourced operations.
- iv) The Estimation of Liability and corresponding recognition of Asset, discounting of liability and depreciation of asset and unwinding of liability etc, shall be as per the procedure mentioned at accounting policy no 2.3.7.A.(iii) and (iv).

### 2.3.8 Exploration and Evaluation assets

Exploration expenditure relates to the initial search for deposits with economic potential. Expenditure on exploration activity is treated as revenue expenditure.

Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. Capitalisation of evaluation expenditure commences when there is a high degree of confidence that the Company will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Company.

### 2.3.9 Development Expenditure

- a) When proved reserves are determined and development of mines/project is sanctioned, 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. Drilling done for projects under construction which is capitalised with the project cost under development at average normal cost per metre.



## Notes to the Consolidated financial statements for the year ended 31st March, 2017 (Contd.,)

- b) The Projects/Mines under development are brought to Revenue, earlier of
  - i) Either from the month following;
    - a) The achievement of 25% of the rated production, or
    - b) Completion of two years after touching the coal
  - OR
  - ii) from the beginning of the year, wherein the value of production is more than the total related expenses of such developed project/ mine .
- c) Expenditure incurred on Projects under Construction/Mines under Development is capitalised till such Projects/Mines are brought to revenue. In case of Long wall / Blasting Gallery(BG) technology Projects, the expenditure is capitalised up to the date of commissioning of the equipment.
- d) Overheads specifically incurred for the projects under construction were capitalised.
- e) Sale value of coal produced by Projects/Mines under construction is credited to Development Account at the Average Monthly Selling Price for the Area.
- f) Residual Development Expenditure on Mines taken-up for reconstruction is treated as Development Expenditure of New Reconstruction Projects.
- g) 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 over the Projects Life as estimated in the FR/latest life, not exceeding 10 years.

### 2.3.10 Over Burden Removal (OBR) - Stripping Cost

- i. Expenditure on Overburden Removal (Stripping Cost) is charged at Stripping Ratio of the Open Cast projects irrespective of the Ratio of Actual Removal during the year. Expenditure on OB Removal is booked in the natural heads. The variance between actual OB Removal expenditure and OB Removal charge as per Stripping Ratio is shown as OB Removal adjustment account. Interest, Depreciation and Overheads on OB Removal are treated as period cost and not considered for arriving at OB Removal charge.
- ii. The company reviews the Stripping Ratios of the Open Cast Projects once in five years except the new mines till they complete five years of revenue workings. In case significant deviation occurs in mining & geological structure, reorganisation and closure of mines, such review is taken up on occurrence.
- iii. Provision for future Overburden Removal is restated at current year cost and difference is taken to profit and loss account. Advance Action for Overburden removal is valued at weighted average cost.

### 2.3.11 Investment in Subsidiaries and Joint Ventures:

Investments in subsidiaries and joint ventures are measured at cost.

### 2.3.12. Foreign Currency Transactions:

- a) Monetary items related to Foreign currency transactions remaining unsettled at the end of the year are reported at the exchange rate at the Balance Sheet date.
- b) Profit or Loss on account of exchange differences either on settlement or on restatement is recognised in the Profit and Loss Account.
- c) Foreign currency gains and losses are reported on a net basis.



## Notes to the Consolidated financial statements for the year ended 31st March, 2017 (Contd.,)

### 2.3.13 Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

#### A. Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

#### Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements.

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

### 2.3.14 Employee Benefits

#### A. Short-term Benefits

All short term employee benefits are recognized in the period in which they are incurred.

#### B. Post-employment benefits and other long term employee benefits

##### I. Defined contribution plans:

Employer's contribution under Coal Mines Provident Fund Act and Executives Superannuation, Pension Benefits are defined Contribution Plans and the expenditure/ provision on the above is charged to statement of Profit & Loss.

##### II. Defined benefits plans:

- a) **Gratuity:** Gratuity is a defined benefit scheme. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. The retirement benefit obligations recognised in the Balance Sheet represents the present value of the defined benefit obligations as reduced by the fair value of scheme assets.
- b) Leave encashment, Monthly Monetary Compensation to dependants of deceased in mine accidents/medical unfit/Low Productive Employees, Post Superannuation Medical Benefit to executives is provided based on actuarial valuation carried out at each balance sheet date.



## Notes to the Consolidated financial statements for the year ended 31st March, 2017 (Contd.,)

- c) 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 in case of post-employment defined benefit plans. Net interest expense and other expenses related to defined benefit plans are recognised in profit and loss.
- d) 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.
- e) Other employee benefits :  
Certain employee benefits namely and Settling Allowance, LTC / LLTC are also recognised on the same basis as described above for defined benefit plans.
- f) Voluntary retirement compensation is expensed in the year of incurrence.

### 2.3.15 Provisions, Contingent Liabilities.

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. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and risk specific to the liability.

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.

### 2.3.16 Financial Instruments:

#### a) Classification:

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

#### b) Initial Measurement:

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset/liability (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets/liabilities. While, loans and borrowings and payable are recognized net of directly attributable transactions costs.

#### c) Subsequent Measurement:

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortized cost; non derivative financial liabilities at amortized cost.

##### a) Non-derivative financial assets:

###### Financial assets at amortized cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:



## Notes to the Consolidated financial statements for the year ended 31st March, 2017 (Contd.,)

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses.

Financial Assets at amortized cost are represented by security deposits, cash and cash equivalents, Trade receivables & similar nature and eligible current and non-current assets.

Non Current assets comprises investments in debentures or bonds quoted, fully paid-up, which are carried at amortized cost.

### b) **Non-derivative financial liabilities at amortized cost**

Financial liabilities at amortized cost represented by trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

### 2.3.17: Impairment.

#### **Impairment of Assets (Non-financial assets)**

The company assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. Company considers individual mines as separate cash generating units for the purpose of test of impairment

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the Statement of Profit and Loss.

#### **Impairment of financial assets (other than fair value)**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

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.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract



## Notes to the Consolidated financial statements for the year ended 31st March, 2017 (Contd.,)

and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- i) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

### 2.3.18: Leases:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

#### • Company as a Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

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

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available.

#### • Company as Lessor

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the company's

## Notes to the Consolidated financial statements for the year ended 31st March, 2017 (Contd.,)

net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

### 2.3.19. Earnings per share

Basic and diluted earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

### 2.3.20. Provision for Warranties

The subsidiary company provides warranty cost at 1% of the revenue progressively as and when it recognizes the revenue and maintain the same through the warranty period.



Imparting self employment training in different trades to the women in the surrounding coal belt areas



Solar powered drinking water facility provided at Ontimamidi R&R centre, Belampalli



**Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2017 (contd..)**

**NOTE-3 : Property, Plant and Equipment**

(Rs in Crore)

Particulars	Freehold Land	Leasehold Land	Building Factory	Building other	Roads	Railway sidings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Land Reclamation/ site restoration costs	Other mining infra-structure	Total
<b>Gross carrying amount:</b>													
As at 1 April 2015	556.22	436.98	146.64	713.09	175.03	39.55	5112.83	14.46	41.30	2.19	5533.56	1464.20	14236.05
Additions	366.19	15.02	14.85	45.01	25.58	5.80	531.21	0.94	9.13	0.07	15.78	54.55	1084.13
Deductions/ Disposals	-	-	-0.74	-0.07	-5.12	-	-231.95	-0.67	-1.57	-0.23	-1029.36	-89.98	-1359.69
<b>As at 31 March 2016</b>	<b>922.41</b>	<b>452.00</b>	<b>160.75</b>	<b>758.03</b>	<b>195.49</b>	<b>45.35</b>	<b>5412.09</b>	<b>14.73</b>	<b>48.86</b>	<b>2.03</b>	<b>4519.98</b>	<b>1428.77</b>	<b>13960.49</b>
Additions	158.73	179.61	502.02	131.33	28.05	0.10	7058.25	2.01	2.61	0.21	1043.28	91.64	9197.84
Deductions/ Disposals	-	-	-	-0.06	-	-	-308.57	-1.04	-0.42	-0.07	-	-	-310.16
<b>As at 31 March 2017</b>	<b>1081.14</b>	<b>631.61</b>	<b>662.77</b>	<b>889.30</b>	<b>223.54</b>	<b>45.45</b>	<b>12161.78</b>	<b>15.70</b>	<b>51.05</b>	<b>2.17</b>	<b>5563.26</b>	<b>1520.41</b>	<b>22848.17</b>
<b>Accumulated depreciation</b>													
As at 1 April 2015	3.27	286.70	48.46	168.04	122.02	28.27	3014.35	10.61	27.52	1.57	1584.93	810.18	6105.92
Charge for the year	-	38.67	5.20	19.86	28.02	2.25	527.77	0.88	3.78	0.25	301.57	105.92	1034.17
Deductions/ Disposals	-	-	-0.48	-0.06	-5.11	-	-227.38	-0.67	-1.54	-0.22	-	-88.22	-323.68
<b>As at 31 March 2016</b>	<b>3.27</b>	<b>325.37</b>	<b>53.18</b>	<b>187.84</b>	<b>144.93</b>	<b>30.52</b>	<b>3314.74</b>	<b>10.82</b>	<b>29.76</b>	<b>1.60</b>	<b>1886.50</b>	<b>827.88</b>	<b>6816.41</b>
Charge for the year	-	46.92	14.08	28.04	11.31	1.82	688.00	0.97	4.64	0.16	243.58	113.74	1153.26
Deductions/ Disposals	-	-	-	-0.06	-	-	-301.50	-1.04	-0.37	-0.07	-	-	-303.04
<b>As at 31 March 2017</b>	<b>3.27</b>	<b>372.79</b>	<b>67.26</b>	<b>215.82</b>	<b>156.24</b>	<b>32.34</b>	<b>3701.24</b>	<b>10.75</b>	<b>34.03</b>	<b>1.69</b>	<b>2130.08</b>	<b>941.62</b>	<b>7666.63</b>
<b>Provision for diminution in value of assets</b>													
1 April 2015	-	-	-	-	-	-	0.34	-	-	-	-	-	0.34
31 March 2016	-	-	-	-	-	-	0.34	-	-	-	-	-	0.34
31 March 2017	-	-	-	-	-	-	0.34	-	-	-	-	-	0.34
<b>Net carrying amount</b>													
<b>As at 31 March 2017</b>	<b>1077.57</b>	<b>259.32</b>	<b>595.49</b>	<b>673.80</b>	<b>67.30</b>	<b>13.11</b>	<b>8460.20</b>	<b>4.95</b>	<b>17.02</b>	<b>0.48</b>	<b>3433.18</b>	<b>578.79</b>	<b>15181.21</b>
As at 31 March 2016	918.84	126.63	107.55	570.51	50.56	14.83	2097.01	3.91	19.10	0.43	2633.48	600.89	7143.74
As at 1 April 2015	552.95	150.28	98.18	545.05	53.01	11.28	2098.14	3.85	13.78	0.62	3948.62	654.02	8129.79

**Notes to the Consolidated financial statements for the year ended 31st March, 2017 (Contd.,)****NOTE-3 : Property, Plant and Equipment (contd..)**

- 3.1 Land measuring Acres: 717, Guntas: 12 ½ (Previous year Acres:717, Guntas:12 ½) shown under Fixed Assets has not been registered in the name of the Company.
- 3.2 Land measuring Acres 5.00 shown under Fixed Assets, for the land handed over to Ramagundam Municipality since the matter pending with the District Collector for fixing the market value.
- 3.3 Freehold lands include assigned lands.
- 3.4 Depreciation for the year Rs.1153.26 Crore includes - Capitalized Depreciation of Rs. 19.07 Crore (Previous Year Rs. 9.62 Crore) and Prior depreciation (-) Rs.4.23 Crore (PY : Nil) - Revenue Charge: Rs.1138.42 Crore (Previous Year Rs.1024.54 Crore).
- 3.5 STPP assets include interest Capitalised on borrowings of Rs.1100.39 Crore

**NOTE-4 : Capital work in progress:**

(Rs in Crore)

Particulars	Lands	Building	Plant & Equipments	Development	Total
<b>Gross carrying amount</b>					
<b>As at 1 April 2015</b>	<b>149.44</b>	<b>60.95</b>	<b>5077.45</b>	<b>142.71</b>	<b>5430.55</b>
Additions	26.02	148.15	1843.64	9.67	2027.48
Capitalization/ deletions	130.85	14.07	88.26	27.49	260.67
<b>As at 31 March 2016</b>	<b>44.61</b>	<b>195.03</b>	<b>6832.83</b>	<b>124.89</b>	<b>7197.36</b>
Additions	162.30	105.29	20.60	111.72	399.91
Capitalization/ deletions	63.71	147.43	5893.24	25.34	6129.72
<b>As at 31 March 2017</b>	<b>143.20</b>	<b>152.89</b>	<b>960.19</b>	<b>211.27</b>	<b>1467.55</b>

- 4.1. CWIP include interest on borrowings from Power Finance Corporation for construction of STPP of Rs.181.09 Crore (Upto Previous Year: Rs974.48 Cr.)



Notes to the Consolidated financial statements for the year ended 31st March, 2017 (Contd.,)

**NOTE - 5: OTHER INTANGIBLE ASSETS**

(Rs. in Crore)

Particulars	ERP – Software	TOTAL
<b><u>Gross Block</u></b>		
As At 1 <sup>st</sup> April 2015	17.59	17.59
Additions	1.77	1.77
Deductions/Disposals		
<b>31<sup>st</sup> March 2016</b>	<b>19.36</b>	<b>19.36</b>
Additions	0.98	0.98
Deductions/Disposals	0	0
<b>31<sup>st</sup> March 2017</b>	<b>20.34</b>	<b>20.34</b>
<b><u>Depreciation/ Amortisation</u></b>		
Up to 1 <sup>st</sup> April 2015	17.42	17.42
For the Year	0.07	0.07
Deductions/Disposals		
<b>Up to 31<sup>st</sup> March 2016</b>	<b>17.49</b>	<b>17.49</b>
For the Year	0.41	0.41
Deductions/Disposals		
<b>Up to 31<sup>st</sup> March 2017</b>	<b>17.9</b>	<b>17.9</b>
<b><u>Provision for Diminution in value of Assets</u></b>		
1 <sup>st</sup> April 2015		
31 <sup>st</sup> March 2016		
31 <sup>st</sup> March 2017		
<b><u>Net Block</u></b>		
<b>31<sup>st</sup> March 2017</b>	<b>2.44</b>	<b>2.44</b>
31 <sup>st</sup> March 2016	1.87	1.87
1 <sup>st</sup> April 2015	0.17	0.17



Notes to the Consolidated financial statements for the year ended 31st March, 2017 (Contd.,)

NOTE - 6: INVESTMENTS

(Rs. in Crore)

Particulars		As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
<b>Non - Current</b>							
(A)	<b>Investment in Equity instruments</b>						
	<b>Unquoted, fully paid-up Shares</b>						
	-14,750 Laxmi Porcelains Ltd of Rs.10/- each	0.01		0.01		0.01	
	<b>Less: Provision for Diminution in the value of Investments</b>	0.01	0.00	0.01	0.00	0.01	0.00
	<b>Investments in Co-operative Societies</b>						
	1,86,214 Singareni Collieries Co- operative Central Stores Ltd of Rs.10/- each		0.19		0.19		0.19
(B)	<b>Investments in debentures or bonds</b>						
	<b>Quoted, fully paid-up</b>						
	(i) 10,000 - 9.75% APPFC Power Bonds (Series 2/2012) of Rs.10 Lakh each.		1,000.00		1,000.00		1,000.00
	(ii) 40 - 8.50% APSFC-Non SLR Bonds (Series II/2008) of Rs.10 lakh each.		2.00		4.00		6.00
	(iii) 8,000 - 9.95% APCPDCL Power Bonds (Series-1/2014) of Rs.10 Lakh each.		800.00		800.00		800.00
	<b>TOTAL</b>		<b>1,802.19</b>		<b>1,804.19</b>		<b>1,806.19</b>

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Aggregate of Quoted investments	1,802.00	1,804.00	1,806.00
Aggregate of Unquoted investments	0.19	0.19	0.19
Aggregate of Diminution provided	0.01	0.01	0.01



Notes to the Consolidated financial statements for the year ended 31st March, 2017 (Contd.,)

**NOTE - 7: LOANS**

(Rs. in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Non Current</b>			
<b>-Unsecured, considered good</b>			
-Deposit with LIC	350.00		
-Security Deposits	171.61	113.65	121.85
<b>TOTAL</b>	<b>521.61</b>	<b>113.65</b>	<b>121.85</b>
<b>Current</b>			
-Security Deposits	127.65	88.17	29.10
-Advances to Staff	53.33	54.20	50.47
<b>TOTAL</b>	<b>180.98</b>	<b>142.37</b>	<b>79.57</b>

**NOTE - 8: OTHER FINANCIAL ASSETS**

(Rs. in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b><u>Non – Current</u></b>			
Deposit under Mine Closure Plan Scheme (Maturity > 12 Months)	208.60	133.97	15.64
<b>TOTAL</b>	<b>208.60</b>	<b>133.97</b>	<b>15.64</b>
<b><u>Current</u></b>			
Interest Accrued On Investments - Securities	60.21	77.62	60.21
Interest Accrued on Deposits with Banks	3.96	78.78	108.82
Interest Accrued on Loans & Advances	5.13	5.36	5.61
Other Receivables Considered good - Stowing subsidy, Rent, Water, Electricity etc.	329.51	222.78	154.59
Other receivables considered doubtful	11.10	10.85	10.08
Less: Provision for bad and doubtful	11.10	10.85	10.08
<b>TOTAL</b>	<b>398.81</b>	<b>384.54</b>	<b>329.23</b>



Notes to the Consolidated financial statements for the year ended 31st March, 2017 (Contd.,)

**NOTE - 9: DEFERRED TAX ASSET (NET)**

(Rs. in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>(A) <u>Deferred tax asset:</u></b>			
-Back filling & Mine Closure plan	2,228.76	1,913.51	1,545.68
-Gratuity	797.36	416.57	333.14
-Other Employee Benefits	876.07	847.62	625.56
-VRS Amortisation	-	-	0.01
-Overburden Removal	1,009.71	1,326.93	1,260.61
Total (A)	4,911.90	4,504.63	3,765.00
<b>(B) <u>Deferred Tax Liability:</u></b>			
-Fixed Assets- Excess of Net Book value over Written down value as per provisions of Income Tax Act	861.45	130.55	164.40
Total (B)	861.45	130.55	164.40
<b>Net Deferred Tax Asset (A-B)</b>	<b>4,050.45</b>	<b>4,374.08</b>	<b>3,600.60</b>

9.1 The amount of Net Deferred Tax Asset of Rs.4050.44 Crore (Previous year Rs.4374.08 Crore) includes amount of Rs.2228.76 Crore (previous year Rs.1913.51 Crore) on account of provision for backfilling and mine closure plan. As per the current estimates the amount of deferred tax asset (non-current) for backfilling and mine closure plan is realisable at the earliest after 7 to 8 years and so on, on commencement of Backfilling and Mine Closure activities at JK-5 OC, MOCP, GKOC etc. Similarly Provision for Backfilling & Mine Closure net of PPE is Rs.6453.78 Crore (previous year Rs.5529.10 Crore) will also crystallize simultaneously in the same time frame.

**NOTE - 10: OTHER NON CURRENT ASSETS**

(Rs. in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b><u>Unsecured, considered good</u></b>			
-Capital Advances	319.21	489.08	472.63
-Deposits under Protest (VAT, CST, Service Tax, WCT, APGST, Entry Tax)	99.66	93.42	66.29
<b>TOTAL</b>	<b>418.87</b>	<b>582.50</b>	<b>538.92</b>



Notes to the Consolidated financial statements for the year ended 31st March, 2017 (Contd.,)

NOTE - 11: INVENTORIES

(Rs. in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
(i) Stores and Spares	436.89		405.41		428.26	
(ii) Loose Tools	1.87		1.82		1.75	
<b>Less:</b> Provision for obsolete, Non-moving Stores & Shortages and Damages	28.28		26.56		20.17	
		410.48		380.67		409.84
(iii) Finished Goods		896.31		776.68		595.55
(iv) Work-in-Progress		0.32		0.91		0.53
(v) Stores in Transit		33.01		38.16		35.66
<b>TOTAL</b>		<b>1,340.12</b>		<b>1,196.42</b>		<b>1,041.58</b>

NOTE - 12: TRADE RECEIVABLES

(Rs. in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
<b>Unsecured, considered good</b>						
i) Exceeding six months						
-Coal	1,625.23		687.47		65.84	
		<b>1,625.23</b>		<b>687.47</b>		<b>65.84</b>
ii) Not exceeding six months						
(a) Coal	1,181.24		3,533.81		2,122.96	
(b) Services	0.89		1.28		3.06	
(c) Power	1,021.14					
		<b>2,203.27</b>		<b>3,535.09</b>		<b>2,126.02</b>
<b>Unsecured, considered doubtful</b>	340.86		343.42		343.42	
<b>Less:</b> Provision for doubtful debts	340.86		343.42		343.42	
<b>TOTAL</b>		<b>3,828.50</b>		<b>4,222.56</b>		<b>2,191.86</b>



Notes to the Consolidated financial statements for the year ended 31st March, 2017 (Contd.,)

**NOTE - 13: CASH AND CASH EQUIVALENTS**

(Rs. in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Cash on hand		0.17		0.16	
<b>Balances with banks</b>						
In Deposit Account (Maturity < 3 Months)	454.43		682.18		465.84	
In Current Account	282.16		8.72		17.71	
		736.59		690.90		483.55
<b>TOTAL</b>		<b>736.76</b>		<b>691.06</b>		<b>483.71</b>

**NOTE - 14: OTHER BANK BALANCES**

(Rs. in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	- Unpaid dividend accounts		0.01		0.01	
- In Deposit Account (Maturity > 3 Months)		1515.74		895.00		2,055.00
- Margin money		1.36		0.88		0.25
<b>TOTAL</b>		<b>1,517.11</b>		<b>895.89</b>		<b>2,055.26</b>

**NOTE – 14.1 :** Balance with Banks includes unclaimed dividend of Rs.1,14, 650.50 (PY Rs.99,053.00).

(Rs. in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	14.2 Securities by way of deposits in the form of fixed deposit receipts etc., received from the Contractors / Suppliers etc., are kept in the Company's custody and not accounted for.		32.80		28.35	

**NOTE - 15: CURRENT TAX ASSET (Net)**

(Rs. in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Income Tax		45.61		19.74	
<b>TOTAL</b>		<b>45.61</b>		<b>19.74</b>		<b>-</b>



Notes to the Consolidated financial statements for the year ended 31st March, 2017 (Contd.,)

**NOTE - 16: OTHER CURRENT ASSETS**

(Rs. in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
<b>Loans &amp; Advances:</b>						
<b>Unsecured, Considered good</b>						
- Advances Against Purchases, Services & others		250.88		247.34		132.21
- Considered Doubtful Adv. against purchases & services	0.47		0.60		0.76	
<b>Less: Provision for Bad &amp; Doubtful Advances</b>	0.47		0.60		0.76	
-Prepaid Expenses		4.32		0.22		1.38
-Cenvat & VAT Credit available		149.92		97.92		104.77
-Advance Fringe Benefit Tax		4.16		4.16		4.16
<b>TOTAL</b>		<b>409.28</b>		<b>349.64</b>		<b>242.52</b>

**NOTE - 17: EQUITY SHARE CAPITAL**

(Rs. in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
<b>AUTHORIZED</b>						
180,00,00,000 Equity Shares of Rs.10/ each		1,800.00		1,800.00		1,800.00
<b>ISSUED,SUBSCRIBED AND PAID-UP</b>						
173,31,98,119 Equity Shares of Rs.10/- each fully paid (includes 6,32,145 Equity Shares of Rs.10/- each allotted as bonus shares by capitalisation of general and capital reserves)		1,733.20		1,733.20		1,733.20
<b>TOTAL</b>		<b>1,733.20</b>		<b>1,733.20</b>		<b>1,733.20</b>

□ The company has only one class of shares referred to as equity shares having par value Rs.10/-.

**The Details of Shareholders holding More than 5%:**

Name of the Shareholder	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	No. of Shares	% Held	No. of Shares	% Held	No. of Shares	% Held
Government of Telangana	88,55,99,147	51.10	88,55,99,147	51.10	88,55,99,147	51.10
Government of India	84,75,60,000	48.90	84,75,60,000	48.90	84,75,60,000	48.90

**RECONCILIATION OF EQUITY SHARES**

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	No. of Shares	Amount (Rs. in Crore)	No. of Shares	Amount (Rs. in Crore)	No. of Shares	Amount (Rs. in Crore)
Shares outstanding at the beginning of the year	1,73,31,98,119	1,733.20	1,73,31,98,119	1,733.20	1,73,31,98,119	1,733.20
Shares issued during the year	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	1,73,31,98,119	1,733.20	1,73,31,98,119	1,733.20	1,73,31,98,119	1,733.20



Notes to the Consolidated financial statements for the year ended 31st March, 2017 (Contd.,)

**NOTE - 18: OTHER EQUITY**

(Rs. in Crore)

Particulars	Share Application money Pending Allotment	General reserve	Retained Earnings	Non Controlling Interest	Total
<b>Balance at the beginning of the reporting period as at 01 April 2015</b>	0.0005	1,160.40	1,811.75	8.02	2980.17
Changes in accounting policy or prior period errors			(225.68)		(225.68)
<b>Restated balance at the beginning of the reporting period 01 April 2015</b>	<b>0.0005</b>	<b>1,160.40</b>	<b>1586.07</b>	<b>8.02</b>	<b>2,754.49</b>
Profit for the year			731.18	0.91	732.09
Other comprehensive income (net of tax)			(110.53)	(0.05)	(110.58)
Dividends (including dividend distribution tax)			(156.45)		(156.45)
Transfer to/from Retained Earnings		100	(100)		
Any other change					
<b>Balance as on 31 March 2016</b>	<b>0.0005</b>	<b>1,260.40</b>	<b>1950.27</b>	<b>8.88</b>	<b>3,219.55</b>
Profit for the year			551.43	0.86	552.29
Other comprehensive income (net of tax)			(152.06)	(0.16)	(152.22)
Dividends (including dividend distribution tax)			(156.45)		(156.45)
Transfer to retained earnings		100.00	(100.00)	-	-
Any other change				-	-
<b>Balance as on 31 March 2017</b>	<b>0.0005</b>	<b>1,360.40</b>	<b>2,093.19</b>	<b>9.58</b>	<b>3,463.17</b>

**NOTE - 19: BORROWINGS**

(Rs. in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Non – Current</b>			
<b>Term Loans</b>			
Secured			
- From Government of India (Rs.66.33 Cr. Less current maturities of Rs.66.33 Cr)	0.00	--	66.33
- From Power Finance Corporation (PFC) (Rs.3980 Cr. Less current maturities of Rs.331.67 Cr and principle paid Rs.82.92 Cr)	3,565.41	3,897.08	3,479.26
- From Power Finance Corporation (PFC) & Rural Electrification Corporation Ltd. (REC) (Rs.773.79 Cr. Less current maturities of Rs.65.48 Cr)	708.31	59.35	--
<b>TOTAL</b>	<b>4,273.72</b>	<b>3,956.43</b>	<b>3,545.59</b>
<b>Current</b>			
Secured			
Loans payable on demand - from Banks	--	610.00	--
Cash Credit	13.67	55.81	13.50
Special Overdraft Account	0.00		0.35
<b>TOTAL</b>	<b>13.67</b>	<b>665.81</b>	<b>13.85</b>

19.1 Release of charge created on equitable mortgage on the entire immovable assets of the Company, except 300 acres of freehold land required for employee welfare is under process, as payment of final installment of loan from Government of India was made on 27.03.2017.



**Notes to the Consolidated financial statements for the year ended 31st March, 2017 (Contd.,)**

19.2 (i) Loan of Rs.3980 Crore from Power Finance Corporation (PFC) (Phase-I) for funding 2x600 MW STPP is secured by an exclusive first charge by way of hypothecation of all movable assets (excluding current assets namely stocks of Raw materials, semi-finished and finished goods, Stores and Spares not relating to Plant and Machinery (consumables Stores and Spares), Bills receivable and Books debts), present and future with the prescribed coverage ratio (presently 1.1 times). An exclusive second charge by way of mortgage on all immovable assets, except Govt. acquired private lands and Govt. assigned lands present and future. An exclusive second charge by way of deed of charge on all immovable assets present and future. Further the PFC shall have an exclusive first charge on the project (2x600 MW STPP) assets, movable (by way of hypothecation) and immovable (by way of mortgage) on complete repayment of Govt. of India loan as explained in Note 19.1.

(ii) This Loan of Rs.3897.08 Crore is repayable in forty-seven equal quarterly installments of Rs.82.92 Crore each. Interest payable on this loan is as below:

Rate of Interest p.a	9.5%
Loan amount (Rs. Cr)	3897.08

19.3 (i) Further Loan of Rs 1320 Crore (Phase II) is being taken from PFC & Rural Electrification Corporation Ltd. (REC) for funding cost overrun of 2x600 MW STPP which is secured by an exclusive first charge by way of hypothecation of all movable assets present and future (excluding current assets namely stocks of Raw materials, semi-finished and finished goods, Stores and Spares not relating to Plant and Machinery (consumables Stores and Spares), Bills receivable and Books debts). A second charge by way of mortgage on all immovable assets present and future, except Govt. acquired private lands and Govt. assigned lands. A second charge by way of deed of charge on all immovable assets present and future with the prescribed coverage ratio (presently 1.1 times).

This security shall be shared pari-passu between the Phase-I&II lenders without any preference or priority over each other.

(ii) This Loan of Rs.773.79 Crore is repayable in forty-Seven equal quarterly installments of Rs.16.37 Crore each. Rate of Interest payable on this loan is as below.

Rate of Interest p.a	Loan Amount (Rs. Cr)
8.25	28.78
8.28	5.97
8.39	67.78
8.64	1.85
8.71	135.90
8.72	12.77
8.87	7.03
8.88	5.72
8.90	9.54
8.93	23.72
8.95	9.54
9.02	69.55
9.23	1.97
9.26	119.02
9.36	115.18
9.40	2.92
9.42	20.76
9.44	26.03
9.63	109.76



**Notes to the Consolidated financial statements for the year ended 31st March, 2017 (Contd.,)**

19.4 Cash Credit and Special Overdraft Account - Secured by first charge in favour of participating banks ranking pari-passu on the stocks & receivables and other Current Assets.

**NOTE - 20: TRADE PAYABLES**

(Rs. in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(a) Dues to Micro, Small & Medium Enterprises	5.28	4.94	5.03
(b) Dues to Others (including Stores-in-Transit net of Advances)	715.99	612.63	511.12
(c) Others	0.38	2.15	0.25
<b>TOTAL</b>	<b>721.65</b>	<b>619.72</b>	<b>516.40</b>

**NOTE - 21: OTHER FINANCIAL LIABILITIES**

(Rs. in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(a) Current maturities of long-term debt	397.15	150.52	66.33
(b) Interest accrued but not due on borrowings	88.59	97.91	79.57
(c) Unclaimed dividends	0.01	0.01	0.01
(d) Commitment deposit from coal customers	-		
(e) Deposits from Others	1.03	0.35	0.20
(f) Deposits from Suppliers & Contractors	42.98	40.19	37.87
(g) Deposits from coal customers	-		
(h) Other Payables			
(i) Salaries & Wages	606.43	457.69	243.85
(ii) Others			
Deposits from Vendors	116.36	100.27	72.47
Deposits from Coal Customers	190.67	199.53	416.92
Overdraft in Current Account	5.40	32.92	21.02
Creditors for Capital Expenditure	667.08	726.26	576.63
Other Liabilities	1,456.45	223.00	169.02
	2,435.96	1,281.98	1,256.06
<b>TOTAL</b>	<b>3,572.15</b>	<b>2,028.65</b>	<b>1,683.89</b>



Notes to the Consolidated financial statements for the year ended 31st March, 2017 (Contd.,)

**NOTE - 22: PROVISIONS**

(Rs. in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Non -Current</b>			
<b>(a) Provision for Employee Benefits</b>			
- Gratuity (to the extent unfunded)	2,304.38	1,201.69	1,176.04
- Leave Encashment (unfunded)	560.04	487.96	449.67
- Monthly Monetary Compensation & Low Productive Employee Compensation (unfunded)	115.76	162.73	150.46
- Settling-in- Allowance	49.56	50.82	50.82
- LTC / LLTC	46.32	41.82	41.82
	3,076.06	1,945.02	1,868.81
<b>(b) Others</b>			
Overburden Removal Adjustment Net of Advance Action Rs. 300.48 Cr. (P.Y. Rs. 365.71 Crore)	2,914.92	3,831.56	3,705.57
Back Filling	8,930.10	7,314.73	7,726.00
Mine Closure	956.86	847.84	770.06
	12,801.88	11,994.13	12,201.63
<b>TOTAL</b>	<b>15,877.94</b>	<b>13,939.15</b>	<b>14,070.44</b>
<b>Current</b>			
<b>(a) Provision for employee benefits</b>			
Gratuity (unfunded)	1.31	1.33	1.34
Leave Encashment (unfunded)	93.56	83.37	83.13
Monthly Monetary Compensation (unfunded)	32.00	32.00	32.00
Superannuation Benefit (unfunded)	190.04	169.97	145.19
Post Superannuation Medical Benefit (unfunded)	127.80	114.21	106.77
Settling-in- Allowance	3.81	3.81	4.50
LTC	19.47	19.47	25.00
Performance Related Pay (Net of PLR & Spl. Incentive)	124.29	119.29	79.29
Performance Linked Reward	294.82	333.30	229.65
Corporate Special Incentive	90.00	223.85	98.00
	977.10	1,100.60	804.87
<b>(b) Others</b>			
Proposed Dividend	0.00	0.00	0.00
Tax on Dividend	0.00	0.00	0.00
Excise Duty on Closing Stock of coal	45.51	43.65	33.49
Shale & Stone	0.40	0.18	0.18
CSR Expenditure	0.09	0.33	10.66
Provision for warranty on sales	1.20	0.90	0.87
	47.20	45.06	45.20
<b>TOTAL</b>	<b>1,024.30</b>	<b>1,145.36</b>	<b>850.07</b>



**Notes to the Consolidated financial statements for the year ended 31st March, 2017 (Contd.,)**

- 22.1 In respect of all open cast (OC) mines, overburden removal (OBR) adjustment is made as per accounting policy 2.3.10.
- Adaption of Stripping Ratio revision of KOC-II was deferred in Financial Year 2014-15 for further review. Since, total coal reserves in pit-II & III of KOC-II were totally exhausted during the year 2016-17 and RCE of KOC-II (Pit-I) has been approved by the Board considering the reserves of Pit-I alone, the back log provision of Rs. 1246.26 Crs against 1315.95 L.cum as on 31.03.2016 has been withdrawn during the year.
- 22.2 As per the stipulations in Environment Clearances (EC) the depth of final void in 9 opencast (OC) mines should be reduced to 30/35/40 metres from the surface as the case may be. Other OC projects are either on relay concept or no such stipulation in the EC.
- The estimation of quantity of over burden (OB) required to backfill the final void, in order to comply with aforesaid stipulation requires technical estimation by professionals in mining and project planning fields. Services of in-house professionals having considerable experience in the field of mining, project planning, environment etc. were used to arrive at backfilling quantity and formation of final void.
- Backfilling provision is considered as Site restoration and decommissioning obligation as per Ind AS 16 (Property, Plant and Equipment) read with Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets). The future value of the cost of backfilling is estimated as on transition date by considering the CAGR inflation @ 2.5% on outsourced OB Removal cost and then discounted to the present value by applying discounting rate of 8%. The present value is recognized as back filling obligation under long term provisions.
- The corresponding value of obligation is recognized as an asset under Property, Plant & Equipment as Site restoration Cost. The annual amortized cost of the asset and the cost of Unwinding of the obligation would constitute the elements of backfilling cost charged to P&L Account.
- 22.3 Provision for mine closure (MCP) made on the basis of guidelines of Ministry of Coal (MoC) dated 7th January 2013 is considered as site restoration and decommissioning obligation as per Ind AS 16 (Property, Plant and Equipment) read with Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets). The future value of MCP is estimated as on transition date by considering the amount of Rs. 6/1 lakhs per hectare for OC and UG mine respectively as per MOC guidelines with 5% escalation and then discounted to the Present Value by applying discount rate of 8%. The present value is recognized as provision for Mine Closure under long term provisions.
- The corresponding value of obligation is recognized as an asset under Property, Plant & Equipment as Site restoration Cost. The annual amortized cost of the asset and the cost of Unwinding of the obligation net of Interest earned on escrow deposits would constitute the elements of Mine Closure cost charged to P&L Account.
- Mine closure plan has been submitted for 17 OC and 27 UG mines for approval of MoC against 17 OC and 31 UG Mines. Approvals are received in respect 16 OC and 22 UG mines. The provision was made on the basis of guidelines is subject to approval of mine closure plan in respect of balance mines. During the year Rs.74.63 Crores (including Rs.13.39 Crore of interest accrued) was deposited (Cumulative Deposit Rs.208.60 Cr. including accrued interest of Rs.19.52 Cr) in designated account in respect of 37 mines.
- 22.4 Performance Related Pay for the period 2007-08 to 2016-17 payable to Executives of the Company as part of Revised Pay Package, which was adopted and provided by Company on par with other Central Public Sector Units, is pending approval from designated authority.
- 22.5 Royalty on Closing Stock of Coal not transacted in the Books Rs.106.16 Crore (Previous year Rs.159.79 Crore).



Notes to the Consolidated financial statements for the year ended 31st March, 2017 (Contd.,)

**NOTE - 23: OTHER NON - CURRENT LIABILITIES**

(Rs. in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Deferred Government Grant	27.40	31.75	12.93
<b>TOTAL</b>	<b>27.40</b>	<b>31.75</b>	<b>12.93</b>

**NOTE - 24: OTHER CURRENT LIABILITIES**

(Rs. in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
- Statutory Dues	701.20	1,496.11	368.49
- Advances from Coal & Other Customers	707.30	423.14	492.56
- Deferred Government Grant	9.34	9.36	3.13
<b>TOTAL</b>	<b>1,417.84</b>	<b>1,928.61</b>	<b>864.18</b>

**NOTE - 25: CURRENT TAX LIABILITY**

(Rs. in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
-Income Tax	0.00	0.00	37.35
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>37.35</b>

**NOTE - 26: REVENUE FROM OPERATIONS**

(Rs. in Crore)

Particulars	2016 - 17		2015 - 16	
(a) Sale of Coal				
Turnover (Gross)		16,711.47		16,367.69
Less : Statutory Levies				
Stowing Excise Duty	58.17		58.36	
Royalty	1,440.55		1,560.94	
Clean energy cess	2,330.22		1,267.51	
		3,828.94		2,886.81
		12,882.53		13,480.88
Less: Transfer to Development		12.29		3.91
Turnover (Net)		<b>12,870.24</b>		<b>13,476.97</b>
(b) Sale of Power		1,188.02		
(c) Income from Services				
Consultancy Services		2.50		1.07
(d) Other operating revenue				
Penalty for Short lifting of Coal	3.20		2.22	
Subsidy received from CCDAC for Stowing, Protective works, etc.	116.44		107.71	
Bonus for Supply of Coal	49.47		34.15	
		169.11		144.08
<b>TOTAL</b>		<b>14,229.87</b>		<b>13,622.12</b>



Notes to the Consolidated financial statements for the year ended 31st March, 2017 (Contd.,)

**NOTE - 27: OTHER INCOME**

(Rs. in Crore)

Particulars	2016 - 17	2015 - 16
<b>(a) Interest Income</b>		
- Interest on Investment (Non-trade) Gross	177.45	177.62
- Interest on Term Deposits	55.87	223.52
- Interest on Sundry Debtors for Coal, Loans, Advances to others	51.86	16.88
	285.18	418.02
<b>(b) Other non-operating income</b>		
- Rents	6.10	5.41
- Electricity & Fuel	24.96	23.79
- Water charges	0.82	1.03
- Provisions and Liabilities no longer required	176.44	1.45
- Miscellaneous Receipts	53.92	55.52
	262.24	87.20
<b>TOTAL</b>	<b>547.42</b>	<b>505.22</b>

**NOTE - 28: COST OF MATERIALS CONSUMED**

(Rs. in Crore)

Particulars	2016 - 17	2015 - 16
Stores & Spares	637.28	682.33
Explosives	351.15	342.12
Petrol, Oil and Lubricants (POL)	1,747.15	1,444.91
Internal Consumption of Coal	3.62	5.31
Others	11.35	21.80
<b>TOTAL</b>	<b>2,750.55</b>	<b>2,496.47</b>

**NOTE - 29: CHANGES IN INVENTORIES**

(Rs. in Crore)

Particulars	2016 - 17	2015 - 16
Opening Stock	776.74	595.55
<b>Less:</b> Internal Consumption of Coal	144.48	8.00
<b>Less:</b> Consumption of raw coal at STPP		
<b>Less:</b> Closing Stock	896.36	776.74
<b>TOTAL</b>	<b>(264.12)</b>	<b>(189.19)</b>

**NOTE - 30: EMPLOYEE BENEFITS EXPENSE**

(Rs. in Crore)

Particulars	2016 - 17	2015 - 16
Salaries, Wages and Allowances	4262.69	4,091.79
CMPF including Administrative charges	421.00	405.00
Attendance Bonus	177.23	180.88
Performance Linked Reward	292.86	380.33
Gratuity	968.13	108.47
Superannuation Benefit	33.62	31.35
Workmen's Compensation, Group Insurance & Group Personal Accident Insurance	5.46	4.24
Directors' Remuneration (Refer Note 34.5)	1.98	1.67
Life cover premia under Gratuity Scheme with LIC	7.99	6.17
<b>Social Amenities:</b>		
Employee Welfare Expenses	107.37	95.03
Lumpsum/ Monthly Monetary Compensation for dependants	38.24	48.37
Grants to Singareni Collieries Educational Society	36.50	34.71
<b>TOTAL</b>	<b>6,353.07</b>	<b>5,388.01</b>



**Notes to the Consolidated financial statements for the year ended 31st March, 2017 (Contd.,)**

**NOTE - 31: FINANCE COSTS**

(Rs. in Crore)

Particulars	2016 - 17	2015 - 16
<b>Interest Expense</b>		
- Interest on Cash Credit	0.11	0.24
- Interest on Loans	196.15	8.40
- Interest on Others	35.72	32.27
- Back filling provision	611.16	618.08
- Mine closure provision	56.16	56.31
<b>TOTAL</b>	<b>899.30</b>	<b>715.30</b>

**NOTE - 32: POWER & FUEL**

(Rs. in Crore)

Particulars	2016 - 17	2015 - 16
-Electricity	470.34	441.85
-Others	0.12	0.74
<b>TOTAL</b>	<b>470.46</b>	<b>442.59</b>

**NOTE - 33: REPAIRS & MAINTENANCE**

(Rs. in Crore)

Particulars	2016 - 17	2015 - 16
Railway sidings	3.98	6.16
Buildings	70.72	52.45
Plant & Machinery	118.26	100.64
<b>TOTAL</b>	<b>192.96</b>	<b>159.25</b>

**NOTE - 34: CONTRACTUAL EXPENSES**

(Rs. in Crore)

Particulars	2016 - 17	2015 - 16
- Coal Offloading	91.81	101.58
- OBR Offloading	1,109.20	1,017.50
- Transportation Charges	361.20	256.34
- Hiring of Heavy Earth Moving Machinery (HEMM), Weighbridge and others	109.59	87.46
- Others	180.00	83.02
<b>TOTAL</b>	<b>1,851.80</b>	<b>1,545.90</b>

**NOTE - 35: PROVISIONS**

(Rs. in Crore)

Particulars	2016 - 17	2015 - 16
- Obsolete Stores	2.18	6.39
- Shortage of Coal	0.15	0.32
- Doubtful Debts / Advances	0.43	0.87
- Diminution in Value of Assets	-	-
- Contribution to District Mineral Foundation Trust	-	467.87
- Others	0.52	0.42
<b>TOTAL</b>	<b>3.28</b>	<b>475.87</b>



Notes to the Consolidated financial statements for the year ended 31st March, 2017 (Contd.,)

**NOTE - 36: WRITE-OFFS**

(Rs. in Crore)

Particulars	2016 - 17	2015 - 16
Bad & Doubtful Debts	0.00	0.09
Stores & Spares	-	-
Advances	-	0.09
Assets	7.15	10.04
Obsolete Stores	-	-
<b>TOTAL</b>	<b>7.15</b>	<b>10.22</b>

**NOTE - 37: OTHER EXPENSES**

(Rs. in Crore)

Particulars	2016 - 17	2015 - 16
(a) Selling & Distribution	113.93	93.14
(b) Gain/Loss on Exchange Rate Variance	-3.37	9.75
(c) Corporate Social Responsibility (CSR)	13.57	11.72
(d) Others:		
Rents	2.27	2.14
Insurance	0.85	0.84
Rates & Taxes	10.98	6.65
Travelling Expenses	9.84	8.22
Postage, Telegrams and Telephone	3.15	2.84
Legal Expenses	2.51	6.33
Bank Charges and Commission	3.03	2.72
CISF Salaries and Wages	35.78	35.98
Directors' Travelling Expenses	0.87	0.91
Auditors' Remuneration		
Audit Fee	0.14	0.14
Out of Pocket Expenses	0.03	0.04
Advertisements	4.37	4.80
Tax Audit	0.03	0.03
Research and Development Expense	3.51	3.00
Journals and Periodical	0.17	0.13
Printing and Stationary	0.65	0.50
Plantation Expenditure	10.41	7.63
Other Expenses	27.50	33.27
Royalty, Excise duty, Clean energy & Forest permit	244.84	
	360.93	116.17
<b>TOTAL</b>	<b>485.06</b>	<b>230.78</b>

**NOTE - 38: EXCEPTIONAL ITEMS**

(Rs. in Crore)

Particulars	2016-17	2015 - 16
<b>Prior period Income:</b>		
- Depreciation Provided in Earlier Years Written Back	4.23	--
- Credits & Adjustments pertaining to Earlier Years	5.52	
- Other Income	0.00	--
	9.75	--
<b>Prior period Expenditure:</b>		
- Interest	0.93	
- Other Expenses	0.00	
	0.93	
<b>TOTAL</b>	<b>8.82</b>	<b>--</b>



## NOTE – 39

### ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017 (Consolidated)

1. **Fair Value measurement:**

(a) **Financial Instruments by Category :**

( Rs. in Crore)

	As on 31 <sup>st</sup> March 2017			As on 31 <sup>st</sup> March 2016			As on 1 <sup>st</sup> April 2015		
	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
Financial Assets									
Loans			702.59			256.02			201.42
Others			607.41			518.51			344.87
Trade receivables			3828.50			4222.56			2191.86
Cash & cash equivalents			736.76			691.06			483.71
Other Bank Balances			1517.11			895.89			2055.26
Investments*			1802.19			1804.19			1806.19
<b>Financial Liabilities</b>									
Borrowings			4287.39			4622.24			3559.44
Trade payables			721.65			619.72			516.40
Other Liabilities			3572.15			2028.65			1683.89

\* Investments in Equity shares in Joint Ventures are measured at cost which stands at Rs. NIL as on 31.03.2017 (0.05 Crore as on 31.03.2016, 0.05 Crore as on 01.04.2015) and are not included above.

# FVTPL – Fair Value through Profit & Loss A/c

# FVTOCI- Fair Value through Other Comprehensive Income

(b) **Fair value hierarchy**

Table below shows Judgments and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(a) **Recognized and measured at fair value – NIL**



**Additional Notes to the Financial Statements (Consolidated) (Contd.,)**

**(b) Measured at amortized cost and for which fair values are disclosed in the financial statements:**

(Rs. in Crore)

Financial assets and liabilities measured at amortized cost for which fair values are disclosed at 31 <sup>st</sup> March, 2017	As on 31 <sup>st</sup> March 2017			As on 31 <sup>st</sup> March 2016			As on 1 April 2015		
	Level I	Level II	Level III	Level I	Level II	Level III	Level I	Level II	Level III
<b>Financial Assets at FVTPL</b>	-	-	-	-	-	-	-	-	-
Loans			702.59			256.02			201.42
Others			607.41			518.51			344.87
Trade receivables			3828.50			4222.56			2191.86
Cash & cash equivalents			736.76			691.06			483.71
Other Bank Balances			1517.11			895.89			2055.26
Investments	-	1802.19	-	-	1804.19	-	-	1806.19	
<b>Financial Liabilities</b>									
Borrowings			4287.39			4622.24			3559.44
Trade payables			721.65			619.72			516.40
Other Liabilities			3572.15			2028.65			1683.89

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

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, bonds, borrowings, security deposits and other liabilities taken included in level 3.

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

i) Valuation techniques used to value financial instruments include:

- ◆ The use of quoted market prices of instruments
- ◆ The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

ii) Fair value measurements using significant unobservable inputs

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



**Additional Notes to the Financial Statements (Consolidated) (Contd.,)**

**(d) Fair values of financial assets and liabilities measured at amortized 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.
- ◆ Other Financial assets accounted at amortized cost are not carried at fair value only if same is not material.
- ◆ The Company considers that the security deposit does not include a significant financing component. The milestone payments (security deposits) coincide with the company's performance and the contract requires amounts to be retained for reasons other than the provision of finance. The withholding of a specified percentage of each milestone payment is intended to protect the interest of the company, from the contractor failing to adequately complete its obligations under the contract. Accordingly transaction cost of Security deposit is considered as fair value at initial recognition and subsequently measured at amortised cost.

**Significant estimates:**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Uses its judgment to select a method and makes suitable assumptions at the end of each reporting period.

**2. RISK ANALYSIS AND MANAGEMENT**

**Financial Risk Management Objectives and Policies**

The Company's principal Financial Liabilities comprise Loans and Borrowings, Trade and Other Payables directly related to its operations. The main purpose of these Financial Liabilities is to finance the Company's 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 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 in Financial Statements.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and Cash equivalents, trade receivables financial asset measured at amortized cost	Ageing analysis	Regular monitoring and review by senior management and audit committee
Liquidity Risk	Borrowings and other liabilities	Periodic cash flows	Availability of committed credit lines and borrowing facilities
Market Risk-foreign exchange	Future commercial transactions, recognized financial assets and liabilities not denominated in INR	Cash flow forecast sensitivity analysis	Regular monitoring and review by senior management and audit committee.
Market Risk-interest rate	Cash and Cash equivalents, Bank deposits.	Cash flow forecast sensitivity analysis	Regular monitoring and review by senior management and audit committee



## Additional Notes to the Financial Statements (Consolidated) (Contd.,)

### A. Credit Risk:

Credit risk arises from Cash and Cash Equivalents, Investments carried at amortized cost and Deposits with Banks and Financial Institutions, as well as including outstanding receivables.

#### Credit risk management:

Macro - economic information (such as regulatory changes) is incorporated as part of the Fuel Supply Agreements (FSAs), Power Purchase Agreements (PPAs) and e-auction terms

#### Fuel Supply Agreements:

As contemplated in and in accordance with the terms of the New Coal distribution Policy(NCDP), we enter into legally enforceable FSAs with our customers or with State Nominated Agencies that in turn enters into appropriate distribution arrangements with end customers. Our FSAs can be broadly categorized into:

FSAs with customers in the power utilities sector, including State power utilities, Private Power Utilities (“PPUs”) and Independent Power Producers (“IPPs”);

FSAs with customers in Non-Power Industries (including captive power plants (“CPPs”)); and

FSAs with State Nominated Agencies

#### Power Purchase Agreement

2X600 MW Singareni Thermal Power Project(STPP) has started generation of power. COD of 1st unit (1X600 MW) achieved on 25.09.2016 and 2nd unit (1X600MW) on 02.12.2016. To secure guarantee of purchase of power and certainty of revenue stream, legally enforceable power purchase agreement has been entered with Southern Power Distribution Company of Telangana Ltd(TSSPDCL) and Northern Power Distribution Company of Telangana Ltd(TSNPDCL) on 18.01.2016 for 25 years from the date of COD of the project ie., 02.12.2016.

#### E-Auction Scheme:

The E-Auction scheme of coal has been introduced to provide access to coal for customers who were not able to source their coal requirement through the available institutional mechanisms under the NCDP for various reasons, for example, due to a less than full allocation of their normative requirement under NCDP, seasonality of their coal requirement and limited requirement of coal that does not warrant a long-term linkage. The quantity of coal to be offered under E-Auction is reviewed from time to time by the MOC.

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

Expected Credit losses for trade receivables under simplified approach:

(Rs. in Crore) (As on 31.03.2017)

Ageing	Due for below 6 months	Due for above 6 months	Due for more than 3 years	Total
Gross carrying amount	2203.27	1624.81	341.28	4169.36
Expected loss rate	-	-	99.88%	8.17%
Expected credit losses (Loss allowance provision)	-	-	340.86	340.86



**Additional Notes to the Financial Statements (Consolidated) (Contd.,)**

(Rs. in Crore) (As on 31.03.2016)

Ageing	Due for below 6 months	Due for above 6 months	Due for more than 3 years	Total
Gross carrying amount	3535.09	687.07	343.82	4565.98
Expected loss rate	-	-	99.88%	7.52%
Expected credit losses (Loss allowance provision)	-	-	343.42	343.42

(Rs. in Crore) (As on 01.04.2015)

Ageing	Due for below 6 months	Due for above 6 months	Due for more than 3 years	Total
Gross carrying amount	2126.02	65.39	343.87	2535.28
Expected loss rate	-	-	99.87%	13.55 %
Expected credit losses (Loss allowance provision)	-	-	343.42	343.42

Reconciliation of loss allowance provision – Trade receivables

Particulars	Amount (Rs. in Crore)
Loss allowance on 01.04.2015	343.42
Change in loss allowance	-
Loss allowance on 31.03.2016	343.42
Changes in loss allowance	-
Loss allowance on 31.03.2017	340.86

**Significant estimates and judgments:**

**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 cash equivalents and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

**Financing arrangements**

The company had access to the following undrawn borrowing facilities at the end of the reporting period.

(Rs. in Crore)

Exposure to risk	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
Interest bearing borrowings			
On demand	-	-	-
Less than 365 days	-	(PFC-REC Loan2) 1259.40	-
More than 365 days	(PFC-REC Loan2) 532.95	-	(PFC Loan1) 500.75
Total	532.95	1259.40	500.75

Note: Cash Credits & Special Over drafts not considered.



## Additional Notes to the Financial Statements (Consolidated) (Contd.,)

### C. Market risk:

- a) Foreign currency risk :
- b) Cash flow and fair value interest rate risk: Ind AS 107(33)(a) :

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's 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:

(Rs. in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Equity Share capital	1733.20	1733.20	1733.20
Long term debt	4273.72	3956.43	3545.59

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

- i) The Company operates some Defined Contribution Plans which include the following

(Rs. in Crore)

Sl.No.	Particulars	For the FY 2016-17	For the FY 2015-16
1	Coal Mines Provident Fund Scheme is a Defined Contribution Plan and charged off to Statement of Profit & Loss.	421.00	405.00
2	Superannuation & Pension Benefit to the Executive Cadre employees was provided and charged off to Statement of Profit & Loss.	20.06	24.17

- ii) The Company operates some Defined Benefit Plans as follows which are valued on Actuarial basis:

- Gratuity (Funded)
- Leave Encashment
- Settling Allowance
- Leave Travel Concession
- Monthly Monetary Compensation(MMC)

- a) Total liability as on 31.03.2017 based on valuation made by the Actuary, details of which are mentioned below is Rs.3340.16 Crore.

(Rs. in Crore)

Head	Opening Actuarial Liability as on 01.04.2016	Incremental Liability during the Year	Closing Actuarial Liability as on 31.03.2017
Gratuity	1201.69	1102.69	2304.38
Leave Encashment	560.96	80.10	641.06
CPRMSE	114.21	13.60	127.80
Monthly Monetary Compensation	194.73	-46.97	147.76
Settling Allowance	54.63	-1.26	53.37
Leave Travel concession	61.29	4.50	65.79
Total	2187.51	1152.67	3340.16



**Additional Notes to the Financial Statements (Consolidated) (Contd.,)**

b) Contributory Post Retirement Medicare Scheme:

The actuarial liability (as certified by the Actuary) for Contributory Post Retirement Medicare Scheme for executives and their spouses amount to Rs.127.81 Crore as at 31.3.2017, as against provision of Rs.114.21 Crore up to 31.3.2016. An amount of Rs. 17.93 Crore is charged to Revenue and Rs.4.33 Crore was paid under the Scheme.

c) Monthly Monetary Compensation to dependants of deceased in mines accidents/ medical unfit, etc., & Low Productive Employees are valued on actuarial basis and actuarial liability as at 31.3.2017 is Rs. 147.76 Crore (Previous Year Rs.194.73 Crore).

d) Settling Allowance is valued on actuarial basis and actuarial liability as at 31.03.2017 is Rs.53.37 Crore as against Previous Year of Rs.54.63 Crore.

e) Leave Travel concession is valued on actuarial basis and actuarial liability as at 31.03.2017 is Rs.65.80 Crore (Previous Year Rs.61.30 Crore). An amount of Rs.20.13 Crore charged to Revenue and Rs. 21.39 Crore was paid under this Scheme.

iii) Disclosure as per Actuary's Certificate

The disclosures as per Actuary's Certificate for employee benefits for Gratuity (funded) and Leave Encashment (funded) are given below: -

**ACTUARIAL VALUATION OF GRATUITY LIABILITY AS AT 31.03.2017 CERTIFICATES AS PER INDAS 19**

(Rs. in Crore)

Changes in Present Value of defined benefit obligations	As at 31.03.2017	As at 31.03.2016
Present Value of obligation at beginning of the period	3316.83	3177.24
Current Service Cost	52.03	47.72
Past Service Cost	826.62	(33.23)
Interest Cost	265.23	254.18
Actuarial (Gain) / Loss on obligations due to change in financial assumption	236.19	191.83
Actuarial (Gain) / Loss on obligations due to unexpected experience	-	-
Benefits Paid	(310.20)	(320.91)
Present Value of obligation at end of the period	4386.70	3316.83

(Rs. in Crore)

Changes in Fair Value of Plan Assets	As at 31.03.2017	As at 31.03.2016
Fair Value of Plan Asset at beginning of the period	2115.95	2002.01
Interest Income	169.33	160.12
Employer Contributions	105	252.00
Benefits Paid	(310.20)	(320.91)
Return on Plan Assets excluding Interest income	3.43	22.73
Fair Value of Plan Asset as at end of the period	2083.51	2115.95

(Rs. in Crore)

Statement showing reconciliation to Balance Sheet	As at 31.03.2017	As at 31.03.2016
Fund Liability	4386.70	3316.83
Fund Asset	2083.51	2115.95
Un Funded Status	2303.20	1200.88

\* unsettled gratuity claims of Rs.1.18 Crore (P.Y Rs.0.81 Crore) not included above.



**Additional Notes to the Financial Statements (Consolidated) (Contd.,)**

(Rs. in Crore)

Expense Recognized in Statement of Profit / Loss	As at 31.03.2017	As at 31.03.2016
Current Service Cost	52.03	47.72
Past Service Cost	826.62	(33.23)
Net Interest Cost	95.91	94.06
Benefit Cost (Expense recognized in Statement of Profit/Loss)	974.56	108.55

(Rs. in Crore)

Other Comprehensive Income	As at 31.03.2017	As at 31.03.2016
Actuarial (Gain) / Loss on obligations due to change in financial assumption	236.20	191.83
Actuarial (Gain) / Loss on obligations due to unexpected experience		
Total Actuarial (Gain) / Loss		
Return on Plan Asset, excluding Interest Income	(3.43)	(22.73)
Balance at the end of the period		
Net (Income) / Expense for the period recognized in Other Comprehensive Income	232.76	169.10

**Assumptions of Holding Company**

Statement showing Plan Assumptions	As at 31.03.2017	As at 31.03.2016
Discount Rate	8%	8%
Expected Return on Plan Asset	8%	8%
Rate of Compensation Increase (Salary Inflation)	6.50%	6.50%
Average Expected Future Service (Remaining Working Life)	11.11 Years	9.75 years
Average Duration of Liabilities	23.66Years	25 Years
Mortality Table	LIC (2006-08)Ultimate	
Superannuation at Age	60 Years	60 Years
Early Retirement and Disablement		
Gratuity limit	Rs.20 lakh	Rs.10 lakh

Age	Mortality (Per Annum)
Uniform for all ages	4.30

Statement Showing Benefit Information Estimated Future payments (Past Service)	
Year	(Rs. in Crore)
1	267.61
2	451.33
3	457.75
4	599.52
5	679.83
6 to 10	2017.73
More than 10 years	2449.79
Total Undiscounted Payments Past and Future Service	6270.63
Total Undiscounted Payments related to Past Service	4611.22
Less Discount For Interest	409.89
Projected Benefit Obligation	4201.33



**Additional Notes to the Financial Statements (Consolidated) (Contd.,)**

Statement Showing Cash Flow Information	(Rs. in Crore)
Current service Cost (Employer portion Only) Next period	250.00
Interest Cost next period	8.00
Expected Return on Plan Asset	165.00
Benefit Cost	438.81

(Rs. in Crore)

Statement Showing expected return on Plan Asset at end Measurement	As at 31.03.2017	As at 31.03.2016
Current liability		
Non-Current Liability		
Net Liability	4386.70	3316.83

Provision for Gratuity for the current year was made considering the enhanced limit of Rs.20 lakh/ employee based on the recommendations of 3rd Pay Revision Committee for CPSUs which is to be effective from 01.01.2017 and for NCWA employees negotiations that are being held at JBCCI. Owing to this, an additional provision of Rs.826.62 Crore representing the improvement in plan benefits is transacted in the Books of Accounts as Gratuity expense recognising it as past service cost as per Accounting Policy 2.3.14 B II (d).

**ACTUARIAL VALUATION OF LEAVE ENCASHMENT BENEFIT (EL/HPL) AS AT 31.03.2017 CERTIFICATES AS PER INDAS 19**

(Rs. in Crore)

Changes in Present Value of defined benefit obligations	As at 31.03.2017	As at 31.03.2016
Present Value of obligation at beginning of the period	560.96	522.75
Current Service Cost	90.58	87.18
Interest Cost	44.88	41.82
Actuarial (Gain) / Loss on obligations due to change in financial assumption	(54.25)	(89.89)
Actuarial (Gain) / Loss on obligations due to unexpected experience		
Benefits Paid	(1.12)	(0.90)
Present Value of obligation at end of the period	641.06	560.96

(Rs. in Crore)

Changes in Fair Value of Plan Assets	As at 31.03.2017	As at 31.03.2016
Fair Value of Plan Asset at beginning of the period	Unfunded	Unfunded
Interest Income	Unfunded	Unfunded
Employer Contributions	Unfunded	Unfunded
Benefits Paid	Unfunded	Unfunded
Return on Plan Assets excluding Interest income	Unfunded	Unfunded
Fair Value of Plan Asset as at end of the period	Unfunded	Unfunded

(Rs. in Crore)

Statement showing reconciliation to Balance Sheet	As at 31.03.2017	As at 31.03.2016
Fund Liability	641.06	560.96
Fund Asset	-	-
Funded Status	Unfunded	Unfunded



**Additional Notes to the Financial Statements (Consolidated) (Contd.,)**

**Assumptions of Holding Company**

(Rs. in Crore)

Statement showing Plan Assumptions:	As at 31.03.2017	As at 31.03.2016
Discount Rate	8%	8%
Expected Return on Plan Asset	-	-
Rate of Compensation Increase (Salary Inflation)	6.5%	6.25%
Average Expected Future Service (Remaining Working Life)	11.11 Years	9.75 years
Average Duration of Liabilities	23.66Years	25 Years
Mortality Table	LIC (2006-08)Ultimate	
Superannuation at Age	60 Years	60 Years
Early Retirement and Disablement		
Voluntary Retirement		

(Rs. in Crore)

Expense Recognized in Statement of Profit / Loss	As at 31.03.2017	As at 31.03.2016
Current Service Cost	90.58	87.18
Net Interest Cost	44.88	41.82
Net Actuarial Gain / Loss	(54.26)	(89.89)
Benefit Cost (Expense recognized in Statement of Profit/Loss)	81.20	39.11

Mortality Table	
Age	Mortality (Per Annum)
Uniform for all ages	4.30

Statement Showing Benefit Information Estimated Future payments	
Year	Rs. in Crore
1	57.14
2	52.56
3	56.37
4	66.94
5	62.34
6 to 10	224.58
More than 10 years	371.91
Total Undiscounted Payments Past and Future Service	1016.69
Total Undiscounted Payments related to Past Service	891.84
Less Discount For Interest	253.30
Projected Benefit Obligation	638.54

(Rs. in Crore)

Statement Showing expected return on Plan Asset at end Measurement	As at 31.03.2017	As at 31.03.2016
Current liability	81.02	73.00
Non-Current Liability	560.04	487.96
Net Liability	641.06	560.96



**Additional Notes to the Financial Statements (Consolidated) (Contd.,)**

**4. Unrecognized items:**

**a) Contingent Liabilities**

(Rs. in Crore)

Sl.No.	Particulars	As on 31.3.2017	As on 31.3.2016
a)	Claims against the Company not acknowledged as debts:		
(i)	Demand from Divisional Forest Officer towards NPV for renewal of different mining leases – contested by the company	7.91	7.91
(ii)	Workmen Compensation (cases contested – court)	1.05	1.00
(iii)	Motor Accident claims (cases contested – court)	0.81	0.82
(iv)	Police Guard (excess man power billed disputed)	3.60	4.75
(v)	S C Railways (damages, demurrages etc. disputed)	1.62	1.65
(vi)	Water Royalty (billed at Industrial rate disputed)	--	--
(vii)	Vacant Land Tax (Levy contested)	16.06	16.06
(viii)	Contractors & Suppliers	310.28	1362.37
(ix)	Other disputed claims & Legal cases etc.	10.92	10.86
(x)	<p>Service Tax demands were raised on OBR contractors by Service Tax Department treating value of free issue explosives and HSD oil as additional consideration to them. The demands of Service Tax Department have been contested by the Service Providers. Pending adjudication of disputed demands, SCCL issued letter of comfort to the contractors with commitment to reimburse Service Tax, interest and penalty thereon in case the verdict goes against them.</p> <p>However, Larger Bench of CESTAT, New Delhi in the case of M/s. Bhayana Builders (P) Ltd., and others held that value of the goods and materials supplied free of cost of being neither monetary nor non-monetary consideration and would be outside the taxable value or the gross amount charged to Service Tax.</p> <p>In the appeal filed by M/s. SV Engg. Constructions, to whom comfort letter was given by SCCL, the Hyderabad Circuit Bench of CESTAT has given judgment in favour of M/s. SV Engg. Constructions.</p> <p>Further, in appeals filed by M/s. PLR Projects Pvt. Ltd., M/s Gulf Oil Corporation Ltd., M/s GRN Construction Pvt. Ltd., M/s. BGR Mining &amp; Infra Pvt. Ltd. and SV Engg. Constructions, CESTAT, Bangalore has passed a judgement in favour of the Contractors. However, Department has filed a Civil Appeal in the Hon'ble Supreme Court against the order passed by the CESTAT in the case of M/s. Gulf Oil Corporation Ltd. However, pending adjudication the service tax on the value of HSD &amp; Explosives is considered as contingent liability.</p>	337.64	337.64



**Additional Notes to the Financial Statements (Consolidated) (Contd.,)**

(Rs. in Crore)

Sl.No.	Particulars	As on 31.3.2017	As on 31.3.2016
(xi)	(a) Customs, Central Excise & Service Tax Department, issued Notice No. O.C.No.650/2010, dated 22.09.2010, demanding Interest payment of Rs.13,82,17,534/- on alleged availment of Input Service Tax Credit on ineligible services of Rs.52,62,75,583/- (from 2006-07 to 2008-09), though the same was not utilized by SCCL. Appeal is filed before CESTAT Bangalore and the same is pending adjudication.	13.82	13.82
	(b) Excise Duty demands on quantity disputes.	6.82	6.97
	(c) Education Cess and Secondary Higher Education Cess demands raised by Excise Department from March, 2011 to March, 2015 contested by SCCL	0.78	37.19
	(d) Demand for Clean Energy Cess	0.24	0.44
(xii)	Tax Demands from Commercial Taxes Department (including entry tax) which are disputed by SCCL and pending before various appellate authorities for adjudication.	22.87	21.15
(xiii)	Tax Demands from Income Tax Department which are disputed by SCCL and pending before various appellate authorities for adjudication.	66.73	60.47
(xiv)	Service Tax demand on TDS Component on Import Services for the period 2008-09 to Sept, 2015 raised by the Service Tax Department is disputed and pending before CESTAT for adjudication.	0.50	0.48
(xv)	Profession Tax: Dy. C.T.O., KGM has been issued a Demand Notice basing on G.O. No. 14897/CT-IV/2004, Dt. 23.02.2013 for arrears of professional tax recovery from employees and remittance to the Dept. for the years 1990-91 to 2012-13. Previously it has been kept in abeyance for NCWA employees of SCCL by the Govt.. As per above mentioned G.O. Govt. has rescinded that. Representative Union has requested CM of Telangana for abolish of Professional Tax for Coal miners and the same is kept abeyance.	176.44	176.44
(xvi)	Claims in respect of suits filed by the Pattadars for additional compensation for Acres: 3071, Guntas: 04¼ (Previous year: Acres 1668, Guntas:17¼) contested by the Company and pending in Courts.	Not quantifiable	Not quantifiable
(xvii)	An amount of Rs.10.66 Crore has been charged to M/s. B.G.R. Mining &Infra Pvt. Ltd., towards lead variation charges and recognised as income during the year 2012-13. As against recovered amount of Rs.10.66 Crore, an amount of Rs.5.81 Crore was released during the year 2013-14 keeping the Bank Guarantees for an amount of Rs.7.65 Crore as collateral security. A case has been filed by the contractor before the Hon'ble Principal Dist. Judge, Khammam challenging the above recovery.		
(xviii)	Coal pilferage was reported in Financial year 2013-14 involving 12099 Tonnes, valued at Rs.4.04 Crore. The party made a conditional deposit of Rs.4.37 Crore and the amount is kept under deposits. Pending enquiry issue is not dealt in the books.		
	<i>The contingent liability indicated above is excluding interest wherever applicable.</i>		



**Additional Notes to the Financial Statements (Consolidated) (Contd.,)**

**b) Capital Commitments :**

(Rs. in Crore)

Sl.No.	Particulars	As on 31.3.2017	As on 31.3.2016
1.	a) Estimated value of capital commitment for 2x600 MW Singareni Thermal Power Project, Jaipur, Telangana State.	690.67	1038.27
	b) Estimated value of capital commitments of other contracts to be executed	875.76	815.86
2.	The balance value of Surrounding Habitats Assistance Programme (SHAPE) works to be executed.	9.40	11.58
3.	Outstanding Letters of Credit	187.26	124.24
4.	Guarantees given by the Bank on behalf of the company for which counter guarantees of even amount are given by the company to the bank.	294.41	208.39

**5. Other Information**

**5.1 Government Grants**

Subsidy for Sand Stowing & Protective Works of Rs.116.44 Crore includes Rs.106.86 Crore received/receivable (revenue nature) from Ministry of Coal, Government of India in terms of Coal Mines (Conservation & Development) Act, 1974 towards reimbursement of expenditure incurred for the Sand Stowing & Protective Works and Rs.9.58 Crore of Capital grants amortised as Deferred Income for the current year.

**5.2 Provisions**

The position and movement of various provisions as on 31.03.2017 are given below:

(Rs. in Crore)

Provisions	Opening Balance as on 1.04.2016	Addition during the year	Write back/Adj. during the year	Unwinding of discounts	Closing Balance as on 31.03.2017
<b>Long term provisions:</b>					
Gratuity	1201.69	1107.69	5.00	-	2304.38
Leave encashment	487.95	72.13	0.04	-	560.04
Monthly Monetary Compensation & Low productive employee compensation (MMC & LPE)	162.73	-	46.97	-	115.76
Settling Allowance	50.82	-	01.26	-	49.56
Leave Travel Concession	41.82	4.50	-	-	46.32
OBR	3831.56	-	916.64	-	2914.92
Backfilling	7314.73	1004.21	0	611.16	8930.10
Mine Closure Plan	847.85	52.85	0	56.16	956.86
<b>Short term provisions :</b>					
Gratuity	01.33	-	0.02	-	01.31
Leave Encashment	83.37	10.19	-	-	93.56
MMC & LPE	32.00	-	-	-	32.00
Superannuation Benefit	169.97	20.07	-	-	190.04



**Additional Notes to the Financial Statements (Consolidated) (Contd.,)**

Provisions ... contd

( Rs.in Crore)

Provisions	Opening Balance as on 1.04.2016	Addition during the year	Write back/Adj. during the year	Unwinding of discounts	Closing Balance as on 31.03.2017
Post Superannuation Medical Benefit- Executives	114.21	13.59			127.80
Performance related pay - Exe	119.29	05.00	-	-	124.29
Performance Linked Reward Scheme(PLR) (Exgratia)	333.30	264.48	302.96	-	294.82
Settling Allowance	3.81	-	-	-	3.81
LTC / LLTC	19.47	-	-	-	19.47
Corporate Special Incentive	223.85	110.62	244.47	-	90.00
Income Tax	-	-	-	-	-
Shale & Stone	0.18	0.22	-	-	0.40
Excise Duty on Closing Stock of coal	43.65	1.86	-	-	45.51

**5.3 Earnings per share :**

**For Profit after Tax (excluding Other Comprehensive Income):**

Sl. No.	Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
i)	Net profit after tax attributable to Equity Share Holders (in Rs Crore)	551.43	731.18
ii)	No. of Equity Shares Outstanding(In Number)	1733198119	1733198119
iii)	Basic Earnings per Share in Rupees (Face value Rs.10/- per share)	3.19	4.22

**5.4 Related Party Disclosures:**

(I) Key Managerial Personnel

Sl. No.	Name	Position	Period
1	N. Sridhar	Chairman & Managing Director	Full period
2	Sri B. Ramesh Kumar	Director (Operations)	Full period
3.	A. Manohar Rao	Director (P&P)	Full period
4.	Sri P. Ramesh Babu	Director (E&M)	Up to 31.01.2017
5.	Sri S. Shankar	Director (E & M)	From 01.02.2017
6.	Sri J. Pavitrnan Kumar	Director (PA&W) & Director (Finance)	Full period
7.	Sri J. Rama Krishna	Company Secretary	Up to 31.05.2016
8.	Sri G. Srinivas	Company Secretary	From 01.06.2016

(II) Subsidiary Company: Andhra Pradesh Heavy Machinery & Engineering Limited, Vijayawada: On the Recommendation of Audit Committee Board is ratifying/ approving certain transactions.

Key Managerial Personnel of subsidiary company.

1.	Sri A.Govinda Rao	Managing Director	Up to 13.5.2016
2.	Sri S.Rama Krishna Rao	Managing Director	From 13.5.2016
3.	Sri. M.Anand Kumar	Chief Financial Officer	Full period
4.	Sri. V.Venkateswara Rao	Company Secretary	Full period



**Additional Notes to the Financial Statements (Consolidated) (Contd.,)**

- (III) NTPC-SCCL Global Ventures Private Limited, a Joint Venture by SCCL and NTPC: Consequent to the cancellation of allotment of 214 Coal Blocks including Thalaipalli Coal Block by the Hon'ble Supreme Court vide its judgement dated 24.09.2014, the SCCL Board in the meeting held on 26.12.2014 decided for Voluntary winding up of NTPC-SCCL GVPL. The winding up of NTPC-SCCL GVPL is completed and affected in books of Account.
- (IV) APMDC-SCCL Suliari Coal Company Ltd., a Joint Venture by SCCL and APMDC:

During the year there are no operations. The Joint Venture was formed for exploration of coal in Suliari Coal Block. Hon'ble Supreme Court vide its judgement dated 25.08.2014 has cancelled this Coal Blocks allocation. In the SCCL's Board meeting held on 04.03.2017, it was accorded approval for voluntary winding up of the JV company and seeking repayment of Rs.9.80 Crs from JV company which was contributed by the company.

**Details of Interest of the Company in Joint Venture as per INDAS-111:**

- (i) Name of the Joint Venture entity : APMDC – SCCL Suliari Coal Company Ltd.
- (ii) Country of Incorporation : India
- (iii) Principal Activities : Coal & Lignite mining; generating power through Wind, Tidal and Solar sources and Setting up integrated power plants
- (iv) Ownership interest: 49%
- (v) Original cost of Investment: Rs.49,000 & Rs.9,79,51,000/- paid towards Share application.
- (vi) Aggregate amounts related to interest in Joint Venture entity:

The Company's interest in the aforementioned entity's assets, liabilities, income and expenditure are not disclosed as the entities financials are not finalised yet.

**5.5 Related Party Transactions:**

**a. Remuneration of Key Managerial Personnel**

(Rs. in Crore)

Sl. No.	Payment to CMD, Whole Time Directors and Company Secretary	For the year ended 31.03.2017	For the year ended 31.03.2016
i)	Short Term Employee Benefits	2.04	1.92
	Gross Salary		
	Perquisites & Medical Benefits	0.18	0.17
ii)	Post-Employment Benefits	0.17	0.13
	Contribution to P.F. & other fund		
iii)	Termination Benefits (Paid at the time of separation)	0.83	-
	Leave Encashment		
	Gratuity	0.50	-
	<b>TOTAL</b>	<b>3.72</b>	<b>2.22</b>

**b) Sitting Fees:**

(Rs. in Crore)

Sl. No.	Payment to Independent Directors	For the year ended 31.03.2017	For the year ended 31.03.2016
1	Sitting Fees	0.004	0.003



**Additional Notes to the Financial Statements (Consolidated) (Contd.,)**

**c) Balances Outstanding as on 31.03.2017**

(Rs. in Crore)

Sl. No.	Particulars	As on 31.03.2017	As on 31.03.2016
i)	Amount Payable	NIL	NIL
ii)	Amount Receivable	NIL	NIL

**d) Subsidiary & Joint Ventures :**

- i) Subsidiary Company: Andhra Pradesh Heavy Machinery & Engineering Limited, Vijayawada: On the recommendation of Audit Committee Board is ratifying/ approving certain transactions.
- ii) NTPC-SCCL Global Ventures Private Limited, a Joint Venture by SCCL and NTPC. The winding up of NTPC-SCCL GVPL is under final stage. Proceeds of Rs.0.04 Crore received on winding up were accounted and the remaining investment of Rs. 0.01 Crore was written off from books during 2016-17.
- iii) APMDC-SCCL Suliyari Coal Company Ltd., a Joint Venture by SCCL and APMDC: During the year there are no operations.

**5.6 Segment Reporting:**

In terms of Paragraph 4 of Ind AS 108 'Operating Segments', disclosures related to segments are presented in this consolidated financial statements.

**SEGMENT INFORMATION**

- a) The operating Segments are established on the basis of those components of the company that are evaluated regularly by the Executive Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'). The Company has two principal Operating and Reporting segments; Viz. Coal and Power. In addition, the subsidiary which is engaged in the manufacture & supply of Industrial Machinery & Spares is also disclosed as a segment.
- b) The accounting policies adopted for segment are in line with the accounting policy of the company with following additional policies for segment reporting. Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment Revenue. Expenses which relate to enterprise as a whole and are not allocable to segment have been disclosed as "un allocable".
- c) Segment Assets and Segments Liabilities represent Assets and Liabilities in respective segments

**(I) PRIMARY INFORMATION**

(Rs in Crore)

Sl. No	Particulars	Coal		Power		APHMEL		Eliminations		Unallocated		Total	
		2016-17	2015-16 (Restated)	2016-17	2015-16 (Restated)	2016-17	2015-16 (Restated)	2016-17	2015-16 (Restated)	2016-17	2015-16 (Restated)	2016-17	2015-16 (Restated)
<b>REVENUE</b>													
<b>1</b>	<b>Segment Revenue</b>												
a	External Turnover	12,147.01	13,580.85	1,188.02	-	75.47	41.30	(22.10)	(1.15)			13,388.40	13,620.97
b	Inter Segment Turnover	819.37		-	-	22.10	1.15					841.47	1.15
	<b>Gross Turnover* (a+b)</b>	<b>12,966.38</b>	<b>13,580.85</b>	<b>1,188.02</b>	<b>-</b>	<b>97.57</b>	<b>41.27</b>	<b>(22.10)</b>	<b>(1.15)</b>			<b>14,229.87</b>	<b>13,622.12</b>
c	Less: Excise Duty/ Service Tax	854.49	864.18			10.04	9.31					864.53	873.49
	<b>Net Turnover</b>	<b>12,111.89</b>	<b>12,716.67</b>	<b>1,188.02</b>	<b>-</b>	<b>65.43</b>	<b>31.96</b>					<b>13,365.34</b>	<b>12,748.63</b>



**Additional Notes to the Financial Statements (Consolidated) (Contd.,)**

PRIMARY INFORMATION (contd...)

(Rs in Crore)

Sl. No	Result	Coal		Power		APHMEL		Eliminations		Unallocated		Total	
		2016-17	2015-16 (Restated)	2016-17	2015-16 (Restated)	2016-17	2015-16 (Restated)	2016-17	2015-16 (Restated)	2016-17	2015-16 (Restated)	2016-17	2015-16 (Restated)
2	Segment Result before interest and Taxes	324.96	274.60	332.63		6.31	5.16					663.90	274.76
d	Interest Revenue	284.26	417.37	-	-	0.92	0.65					285.18	418.02
e	Interest Expense	(50.79)	(40.81)	(181.15)	-	(0.04)	(0.10)					(231.98)	(40.91)
	Profit Before Tax	558.43	651.16	151.48	-	7.19	5.71					717.10	656.87
3	Taxes & other adjustments												
a	Income Tax									1.21	862.07	1.21	862.07
b	Deferred Taxes									323.64	(773.49)	404.18	(773.49)
c	Earlier year taxes									(7.82)	(53.21)	(7.82)	(53.21)
4	Profit after Tax (before adj. of interest in Associates)									400.07	621.50	400.07	621.50
	Profit Related to Non Controlling Interest									0.70	0.86	0.70	0.86
	Profit after Tax ( after adj Non Controlling Interest)									399.37	620.64	399.37	620.64

**(II) OTHER INFORMATION**

(Rs. in Crore)

Particulars	Coal		Power		APHMEL		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Segment Assets	22,651.10	29,204.51	9,411.18	-	62.76	64.02	32,125.04	29,268.53
Segment Liabilities	26,527.08	29,204.51	5,535.20	-	62.76	64.02	32,125.04	29,268.53
Capital Expenditure	8,495.61	1,308.58	1,100.35	1,800.43	1.79	2.60	9,597.75	3,111.61
Depreciation/ Amortization Expenses	969.42	1,024.28	169.14	-	0.28	0.33	1,138.84	1,024.61

Note: 1. Since the company is not having any business operations outside India, Secondary disclosure does not arise.  
2. The Intersegment transfers are priced on Arms length basis.



## Additional Notes to the Financial Statements (Consolidated) (Contd.,)

### 5.7 Taxation:

i) Accounting for Taxes on Income under Ind AS-12- Calculation of Deferred Tax : (Rs. in Crore)

DEFERRED TAX ASSETS/LIABILITY		As on 31.03.2017	As on 31.03.2016
A	Deferred Tax Liabilities		
	Depreciation	861.46	130.55
	TOTAL	861.46	130.55
B	Deferred Tax Assets		
	Back filling & Mine Closure Provision	2228.76	1913.51
	Gratuity	797.36	415.77
	Other Employment Benefits	876.07	848.42
	VRS Amortisation	-	-
	Overburden Removal	1009.71	1326.93
	TOTAL	4911.90	4504.63
	Deferred Tax Assets (net) (B-A)	4050.45	4374.08

ii) Explanation of changes in applicable tax rates compared to previous accounting period – NIL

iii) Relationship between Tax Expense and Accounting Profit :

Numerical Reconciliation of difference

(Rs.in Crore)

Sl. No.	Nature of Adjustments	Year ended 31.03.2017
1	Net Profit/(Loss) as per Statement of Profit and Loss (before tax and including OCI)	717.10
2	Add / Less : Differences as per Income Tax Act,1961	(968.05)
3	Net Profit/(Loss) as per Income Tax Act.	(250.95)
4	Applicable Tax rate	34.608%
5	Tax on Net Profit/(Loss) as Per Income Tax Act,1961 (3*4)	0.00
6	Taxes as per P&L A/c.	
	a) Current year Tax	1.21
	b) Deferred Tax in P&L	404.17
	c) Deferred Tax in OCI	(80.53)
	d) Tax related to earlier years	(7.82)
	Net Tax liability as per P&L A/c.	317.03
7	Profit after Tax (Total comprehensive Income for the period)(1-6)	400.07

### 5.8 Insurance and escalation claims :

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

### 5.9 Provisions made in the Accounts

Provisions is made in the accounts against slow moving/non-moving/obsolete stores, claims receivable, advances, doubtful debts etc. are considered adequate to cover possible losses.

### 5.10 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.

### 5.11 Current Liabilities

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



**Additional Notes to the Financial Statements (Consolidated) (Contd.,)**

**5.12 Others :**

- (A) As required by Section 22 of the Micro Small and Medium Enterprises Development Act, 2006 (MSMED) the following information is disclosed on the basis of information available with the company.

(Rs. in Crore)

Particulars	As on 31.3.2017	As on 31.3.2016
The principal amount remaining unpaid (But not due)	5.28	4.94
Interest due thereon (interest due and / or payable)	Nil	Nil

- (B) Consequent to handing over of 9 schools, 2 colleges and 1 Polytechnic to Singareni Collieries Educational Society, all running expenses of these institutions, after deduction of receivables from these institutions viz., Grant-in-Aid, Fee collections from students, recoveries from the employees towards amenities provided etc., are being met by the Company by way of Educational Grant. Further, infrastructure used by the Society is continued to be under the ownership of the Company for which no recovery is made from the Society.
- (C) Contractors performing Over Burden Removal are eligible for Bonus in respect of the quantity of explosives and HSD oil saved by them during the course of the contract, which is to be set off against future excess consumption as per contractual terms. Further, these contractors can claim and en-cash such accrued Bonus at the end of every financial year at their option. The value of explosives and HSD oil saved and not en-cashed by contractors for set off against future excess consumption amounts to Rs.36.71 Crore (Previous year Rs. 17.68 Crore) as on 31.3.2017, not provided in Books of Account.
- (D) Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016.

(Rs. in Lakh)

Particulars	SBNs	Other denomination	Total
Closing cash in hand as on 08.11.2016	24.26	7.08	31.34
(+) Permitted Receipt	05.74	209.38	215.12
(-) Permitted Payments	00.00	182.39	182.39
(-) Amount deposited in Banks	30.00	8.03	38.03
Closing Cash in Hand as on 30.12.2016	-	26.04	26.04

- (E) Balance Confirmations;
- Balance confirmation/reconciliation is carried out for cash & bank balances, certain loans & advances, long term liabilities and current liabilities. Provision is taken against all doubtful unconfirmed balances.
  - Joint reconciliation with major sundry debtors is done periodically.

- (F) Value of imports on CIF basis (Rs. in Crore)

Particulars	For the Year ended 31.3.2017	For the Year ended 31.3.2016
Components, Stores & Spare Parts	46.67	77.94
Capital Goods	138.93	46.56

- (G) Expenditure incurred in Foreign Currency: (Rs. in Crore)

Particulars	For the Year ended 31.3.2017	For the Year ended 31.3.2016
Travelling Expenses	0.40	0.10
Consultancy Payments	1.57	2.14
Others	4.48	0.01

- (H) Consumption of Stores & Spares (Rs. in Crore)

Particulars	31.3.2017		31.3.2016	
	Amount	% of total consumption	Amount	% of total consumption
Imported	38.30	1.38	57.71	2.26
Indigenous	2734.69	98.62	2491.01	97.74
Total	2772.99	100.00	2548.72	100.00



**Additional Notes to the Financial Statements (Consolidated) (Contd.,)**

(I) Physical verification of Fixed Assets

Physical verification of all Fixed Assets with original value of Rs.10 lakh and above will be covered in block of 3 years. The block of 2015-18 commenced from 2015-16.

- i) Fixed Assets with original value > Rs.50 Lakh annually.
- ii) Fixed Assets with original value > Rs.10 Lakh and < Rs.50 Lakh once in three years (2nd year of Block).
- iii) Fixed Assets with original value > Rs.3 Lakh and < Rs.10 Lakh once in three years (3rd year of Block).

The Assets mentioned at (i) & (ii) above were physically verified during 2016-17 and deviations are accounted and in respect of other assets the same are confirmed as available based on certification by the unit head.

(J) Statement of Opening Stock, Production, Purchases, Turnover and Closing Stock of Coal:

Particulars	For the year ended 31.3.2017		For the year ended 31.3.2016	
	Quantity In '000 T	Value (Rs. in Crore)	Quantity In '000 T	Value (Rs. in Crore)
Opening Balance	7271.35	771.10	5366.26	591.65
Production	61305.80	0.00	60305.56	0.00
Despatches	58168.17	12793.48	58364.97	13434.55
Internal Consumption (incl. STPP)	2459.05	730.93	35.51	7.68
Closing Balance	7949.93	894.22	7271.34	771.10

(K) Significant Accounting Policies:

Significant accounting policies (Note-2) has been suitably modified / re-drafted over previous period, as found necessary to elucidate the accounting policies adopted by the Company in accordance with Indian Accounting Standards (Ind AS) notified by Ministry of Corporate Affairs (MCA) under the Companies (Indian Accounting Standards) Rules, 2015.

For the purpose of valuation of closing stock of coal, the method of calculation of cost of coal was modified to average cost of productions for UG & OC Mines separately. Due to the above, there is reduction in the value of closing stock by Rs.27.85 Crore as on 31.3.2017.

The impact of change in accounting policy and other changes to comply with Ind AS in Net Profit is stated below:

**Reconciliation of Profit between IND AS and previous Indian GAAP**

(Rs. in Crore)

Sl. No.	Nature of Adjustments	Year ended 31.03.2016
1	Profit after tax under Indian GAAP from 1 April 2015 to 31 March 2016	1071.09
2	Ind AS adjustments in 15-16 routed through Statement of Profit and Loss	
	Actuarial loss on remeasurement of employee defined benefit plan recognised in 'Other Comprehensive Income'	169.10
	Remeasurement of Mine Closure Provision	3.28
	Remeasurement of Back Filling Provision	-638.52
	Errors under Previous GAAP	-27.24
	Deferred tax on Ind AS adjustments	154.38
	Impact on profit for the period (2)	-339.00
3	Total Profit as per IND AS ( 3=1+2)	732.09
4	Adjustments through other comprehensive income	
	Actuarial loss on remeasurement of employee defined benefit plan recognised in 'Other Comprehensive Income'	-169.10
	Deferred tax on above	58.52
	Total impact on other comprehensive income (4)	-110.58
5	Impact on profit (5=2+4)	-449.59
6	Total comprehensive income after Ind AS adjustments (6=1+5)	621.50



## Additional Notes to the Financial Statements (Consolidated) (Contd.,)

### 6. First time adoption of Ind AS:

These standalone financial statements for the year ended 31 March 2017 have been prepared by the Company in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). For the purpose of transition to IND AS, the company has followed the guidance prescribed in IND AS -101 – First time adoption of IND AS, with April 1, 2015 as the transition date and IGAAP as the previous GAAP. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements.

The company has taken mandatory exemptions under INDAS-101.

Exemptions availed on first time adoption of INDAS-101

IND AS – 101 allows first time adoptors certain exemptions from the retrospective application of certain requirements under INDAS. The company has accordingly applied the following exemptions.

#### (i) Fair value measurement of financial assets or financial liabilities

First-time adopters may apply Ind AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS. Therefore, unless a first-time adopter elects to apply Ind AS 109 retrospectively to day one gain or loss transactions, transactions that occurred prior to the date of transition to Ind AS do not need to be retrospectively restated. As a first time adopter of Ind AS, the Company has opted to apply Ind AS 109 prospectively.

#### (ii) Mine Closure & Backfilling as Site Restoration and Decommissioning Obligation in Property, Plant and Equipment:

Appendix 'A' to Ind AS 16 Changes in Existing Decommissioning, Restoration and Similar Liabilities requires specified changes in a decommissioning, restoration or similar liability to be added to or deducted from the cost of the asset to which it relates; the adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life. A first-time adopter need not comply with these requirements for changes in such liabilities that occurred before the date of transition to Ind AS. In other words, a first-time adopter will not need to estimate what provision would have been calculated at earlier reporting dates. Instead, the decommissioning liability is calculated at the date of transition and it is assumed that the same liability (adjusted only for the time value of money) existed when the asset was first acquired/ constructed.

As a first time adopter of Ind AS, the Company has calculated the Mine Closure & Backfilling (Site Restoration and Decommissioning Obligation) at the date of transition assuming that the same liability (present value) existed when the asset was first acquired/constructed.

#### (iii) Deemed Cost:

IND AS 101 permits a first – time adoptor to elect to continue with the carrying value for all of its Property, Plant and Equipment as recognised in the financial statements as at the date of transition to IND AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption was also be used for intangible assets covered by INDAS – 38 Intangible Assets.



**Additional Notes to the Financial Statements (Consolidated) (Contd.,)**

Reconciliation of equity as at 1st April, 2015 (Date of transition to Ind AS)

(Rs. in Crore)

ASSETS	Foot Note	Indian GAAP	Adjustment	Ind AS
(A) Non-Current Assets				
(a) Property, Plant & Equipments	3	3507.73	4622.06	8129.79
(b) Capital Work in Progress	4	5287.84	142.72	5430.56
(c) Exploration and Evaluation Assets		14.95	-	14.95
(d) Other Intangible Assets	5	654.19	-654.02	0.17
(e) Intangible assets under development		142.71	-142.71	0.00
(f) Financial Assets				
(i) Investments	6	1809.54	-3.35	1806.19
(ii) Loans	7	121.85	0	121.85
(iii) Others	8	0.00	15.64	15.64
(g) Deferred Tax Assets (net)	9	3864.41	-263.81	3600.60
(h) Other non-current assets	10	538.92	0.00	538.92
<b>Total Non-Current Assets (A)</b>		<b>15942.14</b>	<b>3716.52</b>	<b>19658.66</b>
(B) Current Assets				
(a) Inventories	11	1151.33	-109.75	1041.58
(b) Financial Assets				
(i) Investments				
(ii) Trade Receivables	12	2191.86	0.00	2191.86
(iii) Cash & Cash equivalents	13	483.71	0.00	483.71
(iv) Other Bank Balances	14	2070.90	-15.64	2055.26
(v) Loan	7	79.57	0.00	79.57
(vi) Other Financial Assets	8	329.23	0.00	329.23
(c) Current Tax Assets (Net)	15			
(d) Other Current Assets	16	242.52	0.00	242.52
<b>Total Current Assets (B)</b>		<b>6549.12</b>	<b>-125.39</b>	<b>6423.73</b>
<b>Total Assets (A+B)</b>		<b>22491.26</b>	<b>3591.13</b>	<b>26082.39</b>



**Additional Notes to the Financial Statements (Consolidated) (Contd.,)**

(Rs. in Crore)

<b>EQUITY AND LIABILITIES</b>	<b>Foot Note</b>	<b>Indian GAAP</b>	<b>Adjustment</b>	<b>Ind AS</b>
(A) Equity				
(a) Equity Share Capital	17	1733.20	0.00	1733.20
(b) Other Equity	18	2,181.24	565.23	2746.47
(c) Non controlling interest		8.02		8.02
Total Equity (A)		<b>3,922.46</b>	<b>565.23</b>	<b>4487.69</b>
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	19	3,545.59	0.00	3545.59
(ii) Trade payable	20	0.25	-0.25	0.00
(iii) Other financial liabilities		38.07	-38.07	0.00
(b) Provisions	22	10,927.44	3143.00	14070.44
(c) Other Non-Current Liabilities	23	0.00	12.93	12.93
Total Non-Current Liabilities (B)		<b>14,511.35</b>	<b>3117.61</b>	<b>17628.96</b>
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	19	13.85	0.00	13.85
(ii) Trade payable	20	516.15	0.25	516.40
(iii) Other financial liabilities	21	1,645.82	38.07	1683.89
(b) Other current Liabilities	24	861.05	3.13	864.18
(c) Provisions	22	983.23	-133.16	850.07
(d) Current tax liabilities	25	37.35	0.00	37.35
Total Current Liabilities (C)		<b>4,057.45</b>	<b>-91.71</b>	<b>3965.74</b>
Total liabilities (B+C)		<b>18568.80</b>	<b>3025.90</b>	<b>21594.70</b>
Total Equity and Liabilities (A+B+C)		<b>22,491.26</b>	<b>3591.13</b>	<b>26082.39</b>

**Reconciliation of equity as at 31<sup>st</sup> March, 2016**

(Rs. in Crore)

<b>ASSETS</b>	<b>Foot Note</b>	<b>Indian GAAP</b>	<b>Adjustment</b>	<b>Ind AS</b>
Non-Current Assets				
(a) Property, Plant & Equipments	3	3,864.93	3278.81	7143.74
(b) Capital Work in Progress	4	7,072.47	124.89	7197.36
(c) Goodwill		14.95	-	14.95
(d) Other Intangible Assets	5	602.76	-600.89	1.87
(e) Intangible Assets under development		124.89	-124.89	0.00
(f) Financial Assets				
(i) Investments	6	1807.55	-3.36	1804.19
(ii) Loans	7	113.65	0.00	113.65
(iii) Others	8	0.00	133.97	133.97
(g) Deferred Tax Assets (net)	9	4424.99	-50.91	4374.08
(h) Other non-current assets	10	582.50	0.00	582.50
Total Non-Current Assets (A)		<b>18,608.69</b>	<b>2757.65</b>	<b>21366.31</b>
Current Assets				
(a) Inventories	11	1,341.65	-145.23	1196.42
(b) Financial Assets				
(i) Trade Receivables	12	4,222.56	0.00	4222.56
(ii) Cash & Cash equivalents	13	691.06	0.00	691.06
(iii) Other Bank Balances	14	1,029.86	-133.97	895.89
(iv) Loans	7	142.37	0.00	142.37
(v) Other Financial Assets	8	384.54	0.00	384.54
(c) Current Tax Assets (Net)	15	19.74	0.00	19.74
(d) Other Current Assets	16	349.64	0.00	349.64
Total Current Assets (B)		<b>8181.39</b>	<b>-279.20</b>	<b>7902.22</b>
Total Assets (A+B)		<b>26,790.08</b>	<b>2478.45</b>	<b>29268.53</b>



**Additional Notes to the Financial Statements (Consolidated) (Contd.,)**

(Rs. in Crore)

EQUITY AND LIABILITIES	Foot Note	Indian GAAP	Adjustment	Ind AS
Equity				
(a) Equity Share Capital	17	1,733.20	0.00	1733.20
(b) Other Equity	18	3,094.97	115.69	3210.66
(c) Non controlling interest		8.93	-0.05	8.88
Total Equity (A)		<b>4,837.10</b>	<b>115.64</b>	<b>4952.75</b>
Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	19	3,956.43	0.00	3956.43
(ii) Trade payable	20	2.15	-2.15	0.00
(iii) Other Financial Liabilities		40.54	-40.54	0.00
(b) Provisions	22	11,476.067	2463.09	13939.15
(c) Other Non-Current Liabilities	23	0	31.75	31.75
Total Non-Current Liabilities (B)		<b>15,475.18</b>	<b>2452.15</b>	<b>17927.33</b>
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	19	665.81	0.00	665.81
(ii) Trade payables	20	617.57	2.15	619.72
(iii) Other Financial Liabilities	21	1,988.11	40.54	2028.66
(b) Other Current Liabilities	24	1,919.25	9.36	1928.61
(c) Provisions	22	1,287.06	-141.40	1145.66
Total Current Liabilities (C)		<b>6,477.80</b>	<b>-89.35</b>	<b>6388.45</b>
Total Liabilities		<b>21952.98</b>	<b>2362.80</b>	<b>24315.78</b>
Total Equity and Liabilities (A+B+C)		<b>26,790.08</b>	<b>2478.45</b>	<b>29268.53</b>



## Additional Notes to the Financial Statements (Consolidated) (Contd.,)

Reconciliation of profit or Loss for the year ended 31.03.2016

(Rs. in Crore)

	Foot Note	Indian GAAP	Adjustments	Ind AS
<b>Revenue from Operations</b>				
Sales (including excise duty)	26	12,743.14	878.97	13622.11
Other Operating Revenue (including excise duty)		-	-	-
Revenue from Operations (A+B)		<b>12,743.14</b>	<b>878.97</b>	<b>13580.85</b>
<b>Other Income</b>		<b>505.23</b>	<b>-</b>	<b>505.23</b>
Total Income (I+II)	27	13248.37	<b>878.97</b>	<b>14127.34</b>
<b>EXPENSES</b>				
Cost of Materials Consumed	28	2,498.49	-2.02	2496.47
Changes in inventories of finished goods/work in progress and Stock in trade	29	-224.67	35.48	-189.19
Excise Duty		-	873.49	873.49
Employee Benefits Expense	30	5,563.33	-175.32	5388.01
Finance costs	31	40.91	674.39	715.30
Power & Fuel	32	442.59	-	442.59
Repairs and maintenance	33	159.25	-	159.25
Contractual Expense	34	1,545.90	-	1545.90
Depreciation/Amortization/ Impairment expense		717.56	307.06	1024.61
Provisions	35	816.59	-340.72	475.87
Write Offs	36	10.22	-	10.22
Overburden Adjustment		128.07	-	128.07
Other Expenses	37	230.77	-	230.77
Total Expenses (IV)		<b>11,929.01</b>	<b>1363.45</b>	<b>13301.36</b>
Profit before Tax (V-VI)	38	<b>1,319.36</b>	<b>-493.38</b>	<b>825.98</b>
<b>Tax expense</b>		248.27	-154.38	93.89
Profit for the Period (IX+XII+XIII)		<b>1,071.09</b>	<b>-339.00</b>	<b>732.09</b>
Other Comprehensive Income				
<b>A (i) Items that will not be reclassified to profit or loss</b>		-	-169.10	-169.10
<b>(ii) Income tax relating to items that will not be reclassified to profit or loss</b>			58.52	58.52
Total Other Comprehensive Income			<b>-110.58</b>	<b>-110.58</b>
<b>Total Comprehensive Income for the period (XIV+XV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>1071.09</b>	<b>-449.59</b>	<b>621.50</b>

### 7. Basis of Preparation of Consolidation of Financial Statements:

- As far as possible, the consolidated Financial Statements are prepared using uniform Accounting Policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate Financial Statements.
- Significant Accounting Policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide for better understanding the consolidated position of the companies. Recognizing this purpose the Company has disclosed only such Policies and Notes from Individual financial statements, which fairly present the needed disclosure.



**Additional Notes to the Financial Statements (Consolidated) (Contd.,)**

- c) The consolidated financial statements relate to The Singareni Collieries Company Limited and its Subsidiary company namely, Andhra Pradesh Heavy Machinery & Engineering Limited (APHMEL).
- d) The financial statements of the company and its subsidiary company are combined on a line-by-line basis adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with IND AS-110- "Consolidated Financial Statements" as notified by the Companies Act, 2013.
- e) Shares in the Subsidiary i.e., APHMEL held by the Holding Company as at 31.03.2017 is 1,40,82,700 Equity Shares out of 1,72,71,293 Shares of Rs.10/- each and extent of holding is 81.54%. The excess of the purchase consideration paid over the parents portion of equity has been attributed as goodwill, details are given below:

Sl.No.	Date of investment	No. of Shares	Book value of investment (Rs. in Crore)	Cost of Investment (Rs. in Crore)	Capital profit (Rs. in Crore)	Goodwill (Rs. in Crore) (d-e+f)
(a)	(b)	(c)	(d)	(e)	(f)	(g)
1.	Up to 1997-98	601300	0.60	0.60	--	
2.	20.06.1998	4902700	4.90	0.00	(14.16)	9.26
3.	22.12.2000	8578700	8.58	8.58	(5.69)	5.69
		14082700	14.08	9.18	(19.85)	14.95

- f) Interest in Joint Ventures have been accounted by using the proportionate consolidation method as per IND AS-31- "Financial Reporting of Interest in Joint Venture". Whereby the company's share of each asset, liability of a jointly controlled entity has been considered. Such accounting has been carried out considering the latest available audited / un-audited financial statements as on 31.3.2017
- g) Joint Venture with, APMDC-SCCL Suliyari Coal Company Limited was not consolidated as the Financial Statements are not made available.

**Miscellaneous**

- a) Previous period's figures have been restated as per Ind AS and regrouped and rearranged wherever considered necessary.
- b)
  - i) Note-1 gives corporate information;
  - ii) Note-2 represents Significant Accounting Policies
  - iii) Note-3 to Note-25 form part of the Balance Sheet as at 31st March, 2017;
  - iv) Note-26 to Note-38 form part of Statement of Profit & Loss for the year ended on that date;
  - v) Note-39 represents Additional Notes to the Financial Statements.

Signature to Notes

As per our report of even date  
for M/s. Ramamoorthy (N) & Co.,  
Chartered Accountants  
(Firm Regn.No. 02899S)

for and on behalf of the Board

Sd/- (Surendranath Bharathi) Partner (M.No.23837)	Sd/- (G.Srinivas ) Chief(C.A) & Company Secretary	Sd/- (M.Narasimha Reddy) General Manager (F&A)	Sd/- (J.Pavitrana Kumar) Director(Finance) & CFO	Sd/- (N.Sridhar) Chairman & Managing Director
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Date: 19.8.2017  
Place: Hyderabad



Sri N. Sridhar, C&MD receiving National Award for Excellence in Cost Management 2016 from Sri Piyush Goyal, Hon'ble Minister of State for Power & Coal, Govt. of India.



Sri N. Sridhar, C&MD exchanging MoU for supply of coal to KPCL with Sri Kumar Nail, MD, KPCL in the presence of Sri Siddaramaiah, Hon'ble Chief Minister & Sri D.K. Shiva Kumar, Hon'ble Energy Minister, Karnataka.



# THE SINGARENI COLLIERIES COMPANY LIMITED

(A GOVERNMENT COMPANY)

**Registered Office :** Kothagudem Collieries (PO) - 507 101, Bhadradi Kothagudem District, Telangana, India.  
[www.scclmines.com](http://www.scclmines.com) | **CIN :** U10102TG1920SGC000571.