

98th Annual Report & Accounts

2018-2019



THE SINGARENI COLLIERIES COMPANY LIMITED
(A GOVERNMENT COMPANY)



- 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 return 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)

98th ANNUAL REPORT & ACCOUNTS FOR THE YEAR 2018-19

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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:

K .V. Chalama Reddy
Company Secretary,
Plot No.: 8-2-603/23/3 & 8-2-603/23,15
2nd Floor,HSR Summit,
Banjara Hills, Road No.10,
Hyderabad-500034.

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)

Functional Directors (Whole time)

2. **Director (Electrical & Mechanical)**
Sri S. Shankar (From 1.2.2017)
3. **Director (Operations)**
Sri S. Chandrasekhar (From 2.5.2017 AN)
4. **Director (Planning & Projects)**
Sri B. Bhaskara Rao (From 2.5.2017 AN)
5. **Director (Finance) & CFO**
Sri N. Balram (From 5.12.2018)
Sri S. Shankar (FAC) (From 4.6.2018 to 4.12.2018)
Sri J. Pavitrana Kumar (From 4.6.2015 to 3.6.2018)
6. **Director (Personnel, Administration & Welfare)**
Sri S. Chandrasekhar (FAC) (From 20.5.2018)
Sri J. Pavitrana Kumar (FAC) (From 6.7.2015 to 19.5.2018)

Government of India nominee Directors (Part time)

7. Sri R.R. Mishra (From 7.12.2015)
Chairman-cum- Managing Director, Western Coalfields Ltd., Nagpur
8. Sri Mukesh Choudhary (From 11.01.2019)
Director, Ministry of Coal, Govt. of India, New Delhi
Sri Syed Ashraf (From 14.10.2015 to 30.11.2018)
Director, Ministry of Coal, Govt. of India, New Delhi
9. Sri P.S.L.Swami (From 26.6.2019)
Dy. Secretary, Ministry of Coal, Govt. of India, New Delhi
Sri J.S.Bindra (From 9.6.2017 to 5.3.2019)
Director, Ministry of Coal, Govt. of India, New Delhi

Government of Telangana nominee Directors (Part time)

10. Sri Ajay Misra (From 20.12.2016)
Special Chief 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 (F&A), Corporate



BOARD OF DIRECTORS

as on 30.09.2019



Sri N.Sridhar
Chairman & Managing Director



Sri S.Shankar
Director (E&M)



Sri S.Chandrasekhar
Director (Operations) & PA&W (FAC)



Sri B.Bhaskara Rao
Director (Planning & Projects)



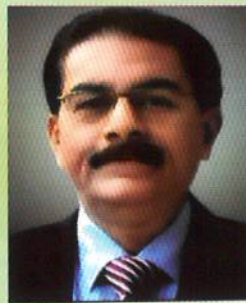
Sri N.Balram
Director (Finance)



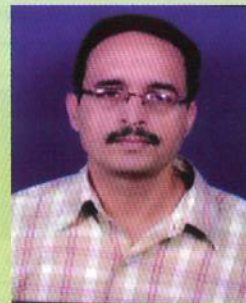
Sri Ajay Misra
Director



Sri K. Rama Krishna Rao
Director



Sri R.R.Mishra
Director



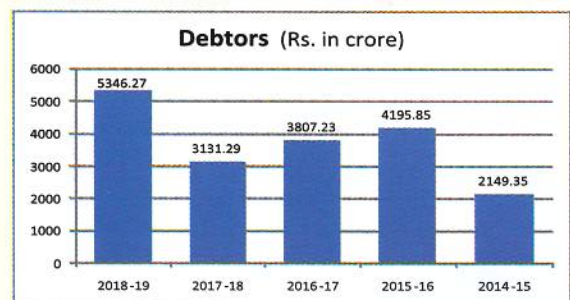
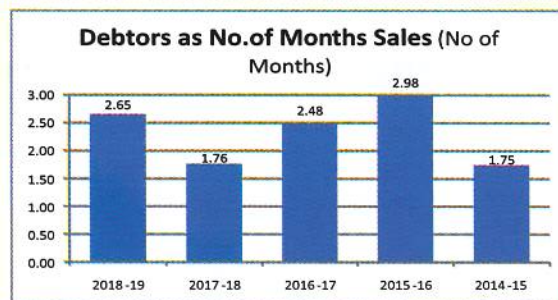
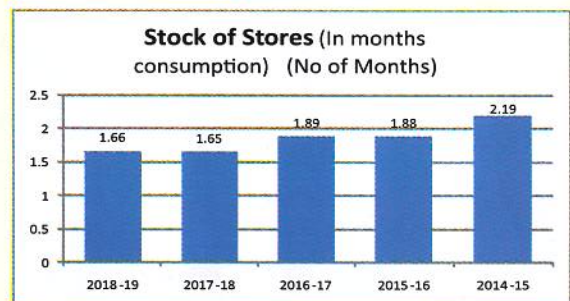
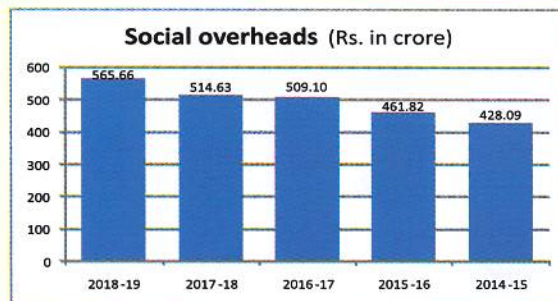
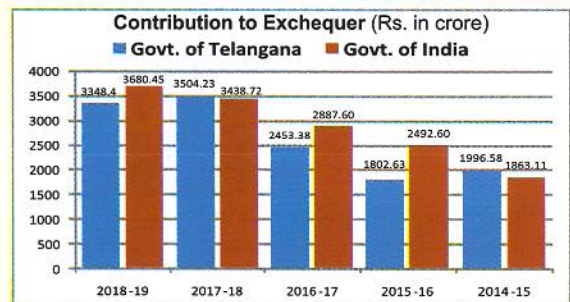
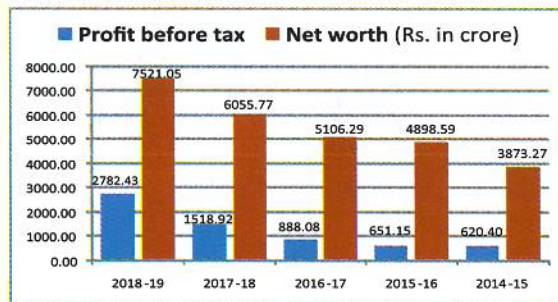
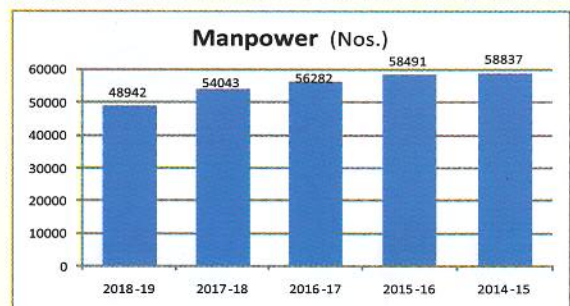
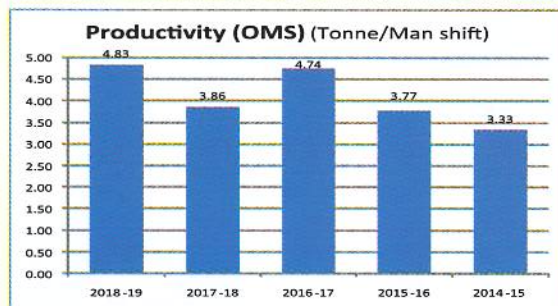
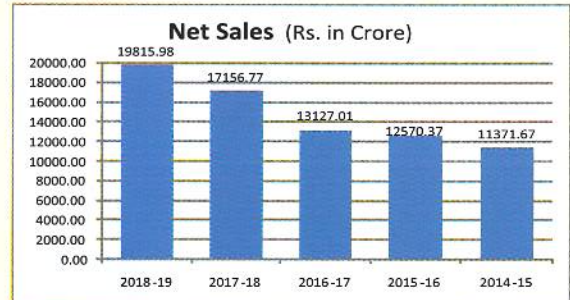
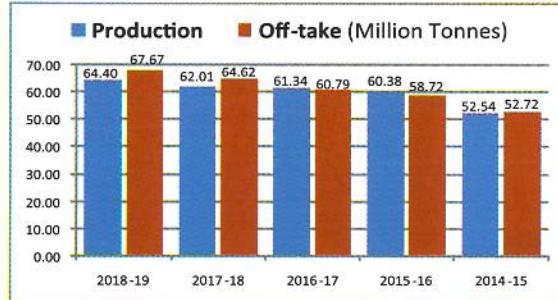
Sri Mukesh Choudhary
Director



Sri PSL Swami
Director



Graphs Indicating Important Statistics





PERFORMANCE INDICATORS AT A GLANCE

SI No.	INDICATORS	UNIT	2018-19	2017-18 (restated)	2016-17 (restated)	2015-16 (restated)	2014-15
1	Production						
	a) Opencast	(Lakh Tonnes)	552.24	537.00	518.21	497.28	423.33
	b) Underground	(Lakh Tonnes)	91.77	83.10	95.15	106.52	102.03
	c) Total	(Lakh Tonnes)	644.01	620.10	613.36	603.80	525.36
2	Off-take	(Lakh Tonnes)	676.69	646.23	607.91	587.22	527.18
3	Stock of Coal	(Lakh Tonnes)	18.64	52.84	79.50	72.71	53.66
4	Output per Man Shift	(Tonnes)	4.83	3.86	4.74	3.77	3.33
5	Power Generation From 2x600 MW STPP						
	a) Gross Generation *	(Mus)	8698.48	9556.50	3523.76	-	-
	b) Auxiliary consumption	(Mus)	490.27	552.80	235.26	-	-
	c) Net export	(Mus)	8208.21	9003.70	3288.49	-	-
	d) Generation prior to CoD	(Mus)	-	-	658.32	-	-
	e) Generation post CoD	(Mus)	8208.21	9003.70	2671.68		
6	Manpower	(Nos.)	48942	54043	56282	58491	58837
7	Net Sales	(Rs Crore)	19815.98	17156.77	13127.01	12570.37	11371.67
8	Profit Before Tax	(Rs Crore)	2782.43	1518.92	888.08	651.15	620.40
9	Profit After Tax	(Rs Crore)	1766.66	1177.77	490.56	616.54	490.44
10	Accumulated Profit	(Rs Crore)	4227.45	2862.17	2012.69	1904.99	979.67
11	General Reserve	(Rs Crore)	1560.40	1460.40	1360.40	1260.40	1160.40
12	Equity Share Capital	(Rs Crore)	1733.20	1733.20	1733.20	1733.20	1733.20
13	Long-Term Debt	(Rs Crore)	3843.08	4088.77	4273.72	3956.43	3545.59
14	Net Worth	(Rs Crore)	7521.05	6055.77	5106.29	4898.59	3873.27
15	Contribution to Exchequer	(Rs Crore)					
	- State Government	(Rs Crore)	3348.40	3504.23	2453.38	1802.63	1996.58
	- Central Government	(Rs Crore)	3680.45	3438.72	2887.60	2492.60	1863.11
16	Earning per Share	(Rs)	10.29	7.82	3.70	4.19	2.83
17	Debt - Equity Ratio	(ratio)	2.22:1	2.35:1	2.47:1	2.28:1	2.05:1
18	Cost of Sales to Sales	(percentage)	85.96	91.15	93.23	94.82	94.54
19	Debtors as No. of months' Sales	(months)	2.65	1.75	2.48	2.98	1.75

* Unit-I of STPP achieved CoD on 25.9.2016 & Unit - II on 2.12.2016





The Singareni Collieries Company Limited

(A Government Company)

Regd. office: Kothagudem Collieries (PO) – 507 101
Bhadradi Kothagudem Dist., Telangana State

CIN: U10102TG1920SGC000571

Website: www.scclmines.com email: cosecy@scclmines.com

NOTICE

Notice is hereby given to all the shareholders of The Singareni Collieries Company Limited that the 98th Annual General Meeting of the Company will be held on Monday, the 30th day of September, 2019 at 11.00am at the Registered office, Head office building, Kothagudem Collieries (P.O) – 507 101, Bhadradi 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 2018-19.
2. To declare dividend @10% on the paid-up equity share capital for the financial year 2018-19.
3. To appoint Directors in place of Sri Mukesh Choudhary and Sri PSL Swami who retire under Article 98 of the Articles of Association of the Company and are eligible for re-election.
4. To fix the remuneration payable to Statutory Auditors appointed by the C&AG of India for the financial year 2019-20.

"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 2019-20."

SPECIAL BUSINESS:

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

5. 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 Cost Auditors appointed by the Board of Directors for the audit of cost accounting records of the Company for the financial year 2019-20 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.

6. 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 further period of 18 months from 1.2.2019 to 31.7.2020 i.e., till the date of his retirement on superannuation on the existing terms & conditions laid before the meeting duly initialled by the Chairman for the purpose of identification.



7. Resolved that the sanction be and is hereby accorded for payment of remuneration to Sri S.Chandrasekhar as Director (Operations) for a period of 2 years from 2.5.2019 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 B.Bhaskara Rao as Director (Planning & Projects) for a period of 1 year 3 months from 2.5.2019 till the date of his retirement on 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 N.Balram as Director (Finance) for a period of 2 years from 5.12.2018 on the 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 the Tripartite Agreement to be entered with the Govt., of India, Govt., of Telangana & the SCCL effective from 1.4.2017 laid before the meeting duly initialled by the Chairman for the purpose of identification. Further resolved that the C&MD is hereby authorized to carryout modifications in the agreement if any suggested by the Government(s) and execute the same along with Director (Finance) on behalf of the Company by affixing Common seal of the Company.

By order of the Board

Sd/-
(G. Srinivas)
Chief (Corporate Affairs) &
Company Secretary

Date: 4.9.2019.
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 statement pursuant to section 102 of the Companies Act, 2013 in respect of the special business is annexed.
3. The Board of Directors in the 550th meeting held on 26.7.2019 recommended dividend @10% on the paid up equity share capital for the financial year 2018-19. If approved the dividend will be paid to the shareholders as at the opening hours of 1st October 2019.
4. The Register of members and Share transfer books of the Company will remain closed from 24.9.2019 to 30.9.2019 (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.5:

On the recommendation of the Audit Committee, the Board of Directors in the 550th meeting held on 26.7.2019 appointed M/s R.M. Bansal & Co., Cost Accountants as Cost Auditors for the audit of cost accounting records of the Company for the financial year 2019-20 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) Taxes 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 R.M. Bansal & Co., as Cost Auditors for the financial year 2019-20 as decided by the Board of Directors.

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

Resolution No.6:

The Board in the 548th meeting held on 13.3.2019 co-opted Sri S.Shankar as Director (Electrical & Mechanical) of the Company for a further period of 18 months from 1.2.2019 to 31.7.2020 i.e., till the date of his retirement on superannuation on the existing terms & conditions.

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 1.2.2019 to 31.7.2020.

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

Resolution No.7:

The Board in the 549th meeting held on 6.5.2019 co-opted Sri S.Chandrasekhar as Director (Operations) of the Company for a further period of 2 years from 2.5.2019(AN) on the existing terms & conditions.

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 2.5.2019(AN).

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

**Resolution No.8:**

The Board in the 549th meeting held on 6.5.2019 co-opted Sri B. Bhaskara Rao as Director (Planning & Projects) of the Company for a further period of 1 year 3 months from 2.5.2019(AN) to 31.7.2020 i.e., till the date of his superannuation on the existing terms & conditions.

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 2.5.2019(AN).

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

Resolution No.9:

The Board in the 548th meeting held on 13.3.2019 co-opted Sri N. Balram as Director (Finance) of the Company for a period of 2 years from 5.12.2018 on the terms & conditions contained in office order No. CMD/PS/H/117 dt.13.8.2019 as approved by the Board subsequently in the 550th meeting held on 26.7.2019.

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 N. Balram from 5.12.2018.

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

Resolution No. 10:

The earlier Tripartite Agreement between the Govt. of India, Govt. of Telangana and the SCCL entered on 25.11.2015 covering XII Plan period was valid up to 31.3.2017. Now, the concept of V year plan ceased to exist. Therefore fresh Tripartite Agreement is to be entered for a continuous period effective from 1.4.2017. The Board of Directors in the 548th meeting held on 13.3.2019 approved the fresh Tripartite Agreement to be entered between the Govt. of India, Govt. of Telangana and the SCCL for continuous period from 1.4.2017 and authorised C&MD to carryout modifications in the draft agreement if any suggested by the Government(s) and to execute the same along with Director (Finance) on behalf of the Company by affixing the Common Seal of the Company. In the proposed Tripartite Agreement, modifications are proposed for enhancement of Board powers for approving coal mining & related Projects/Schemes and Power Projects/Schemes involving capital expenditure from Rs.500 crore to Rs.1000 crore and for deleting the clauses pertaining to outstanding funded interest of Rs.663.34 crore and mortgage on immovable assets of the Company consequent to the total repayment made and satisfaction of charge (mortgage) filed with the Ministry of Corporate Affairs on 9.6.2017 after obtaining NoC from Ministry of Coal vide Lr.No.38036/17/99-CAII/VoL.III dt.9.6.2017. In view of the amendments to the MM (D&R) Act, 1957, it is also proposed to incorporate a new Clause for facilitating expansion of



mines and new projects beyond the existing leasehold areas of Godavari Valley Coal Fields and approve mining plans including mine closure plans, prior approval for grant of mining leases by the Govt. of India under the relevant provisions of MM (D&R) Act.

A copy of the agreement is available for inspection at the Registered Office of the Company on any working day during office hours.

Approval of the shareholders is sought for the agreement.

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



Night View of The Singareni Thermal Power Project (2x600 MW), Jaipur, Mancherial Dist.



Coal loading into a wagon in Engine on Loading Process at KCHP - Manuguru



Board's Report

Dear Members,

Your Board of Directors have pleasure in presenting the 98th Annual Report and audited financial statements of the Company for the financial year ended on 31st March 2019.

PERFORMANCE:

The performance achieved by the Company during the year is as under:

Performance parameters	2018-19	2017-18	% variance over 2017-18
Coal			
Production (in million tonnes)	64.40	62.01	3.85
Despatches (in million tonnes) (excluding Colliery consumption)	67.67	64.62	4.72
Productivity (output per man shift in tonnes)	4.83	3.86	25.13
Power (2X600 MW STPP)			
Gross generation (Million Units)	8698.48*	9556.50	-8.98
Auxiliary consumption (Million Units)	490.27	552.80	-11.31
Net export (Million Units)	8208.21	9003.70	-8.84
Gross sales of coal and power (Rs. in crore)	24239.44	21323.44	13.68

* Units were under overhaul during 2018-19.

OPERATIONAL RESULTS:

The financial performance of the Company for the year 2018-19 as compared to the previous year is as under:

Particulars	(Rs. in crore)	
	2018-19	2017-18 (Restated)
Gross revenue	25071.42	22772.13
Profit before interest, depreciation, provisions, tax & prior period adjustments	6059.51	4671.95
Less: Finance Costs	1269.64	1222.65
Depreciation and Amortisation	1663.06	1533.52
Provisions including write-offs	318.69	125.22
Tax expenses	1024.75	435.16
Other comprehensive income (Net)	16.71	177.63
Total comprehensive income – Profit After Tax	1766.66	1177.77
Appropriations :		
Dividend	173.32*	173.32
Tax on Dividend	35.63	35.63
Transfer to General Reserve	100.00	100.00

*Dividend @10% on the paid up equity capital for the financial year 2018-19 is recommended by your Board of Directors in the 550th meeting held on 26.7.2019.

Share capital:

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



Capital Expenditure:

The amount spent on capital additions during the year under report is Rs.1229.69 crore as against Rs.1477.39 crore incurred in the previous year.

Foreign exchange earnings and outgo:

The foreign exchange outgo during the year under report was Rs.54.76 crore as against Rs.215.82 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 64.401 million tonnes of production during the year under report as against the target of 65.00 million tonnes. Out of the total production, opencast projects have produced 55.22 million tonnes and underground mines have produced 9.18 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:

Sl. No.	Technology	2018-19		2017-18 Actual	% variance over 2017-18
		Target	Actual		
	Underground				
	a) Hand section	-	0.024	0.148	-83.78
	b) Machine mining:				
	i. Road header	0.06	0.054	0.020	170.00
	ii. Longwall	2.00	1.621	0.285	468.77
	iii. High wall	0.30	0.098	0.127	-22.83
	iv. BM	0.27	0.055	0.040	37.50
	v. Side Dump Loaders	5.92	5.048	5.218	-3.26
	vi. Load Haul Dumpers	2.00	1.257	1.678	-25.09
	vii. Blasting Gallery	0.30	0.218	0.050	336.00
	viii. Continuous miner	1.11	0.802	0.744	7.80
	Total machine mining	11.96	9.153	8.162	12.14
	Total underground	11.96	9.177	8.310	10.43
2.	Opencast	53.04	55.224	53.700	2.84
	Total (1 + 2)	65.00	64.401	62.010	3.86

Reasons for shortfall in production in UG mines against the target:

- Shortage of stowing material and adverse geo mining condition in some underground mines.
- Shortfall in the production from Long wall due to negotiation of geological disturbances and machinery breakdown.

Though the Coal production from UG mines is less than the target, it is more by 8.78% when compared with the previous year.

Overburden removal performance:

During the year under report the Company has achieved overburden removal of 377.15 million cubic metres in opencast projects as against 392.11 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	2018-19		2017-18	Variance over 2017-18	
	Target	Actual	Actual	Absolute	Percentage
Company equipment	73.00	66.67*	62.58	4.09	6.53
Outsourcing	337.00	310.48	329.53	-19.05	-5.78
Total	410.00	377.15	392.11	-14.96	-3.82

Reasons for shortfall in OB removal:

- Delay in procurement and commencement of 15 CuM bucket capacity shovel planned during 2018-19.
- Poor performance by few OB removal contractors.
- Heavy rains during July and August 2018.

Utilization of Capacity:

Particulars	2018-19			2017-18		
	Target	Actual	% Achieved against Target	Target	Actual	% Achieved against Target
Capacity Utilization	97%	97%	100	95%	95%	100

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	2018-19		2017-18 Actual	Variance over 2017-18	
	Target	Actual		Absolute	Percentage
Underground Mines					
- Hand section	-	0.59	0.48	0.11	22.9
- Machine mining	1.48	1.40	1.10	0.30	27.3
Total UG mines	1.48	1.39	1.08	0.31	28.7
Opencast projects	15.70	16.95	13.73	3.22	23.5
Overall					
- Mines	5.75	6.22	4.89	1.33	27.2
- Mines & Departments	4.47	4.83	3.86	0.97	25.1

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	
	2018-19	2017-18	% availability	% utilisation on SSH	2018-19	2017-18	2018-19	2017-18
Draglines	2	2	85	73	76	74	61(84)	62(85)
Shovels	70	65	80	60	87	85	58(97)	58(97)
Dumpers	508	521	67	50	81	80	38(76)	37(74)
Dozers	102	112	70	45	73	74	26(58)	25(56)
Drills	65	64	78	40	75	79	26(65)	26(65)
Others	174	169	--	--	75	74	23	26
Total	921	933	--	--	79	79	34	35

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:

UGMM Equipment	Numbers on roll		SCCL Norms		% Availability		% Utilisation on Scheduled shift hours *	
	2018-19	2017-18	% Availability	% Utilization w.r.t. SSH	2018-19	2017-18	2018-19	2017-18
Longwall	1	1	75	67	54	88	34(51)	6(8)
Continuous Miner	3	3	75	42	75	66	25(59)	19(46)
Road Header	6	7	83	42	87	88	11(25)	5(12)
Blasting Gallery	1	1	91	57	85	79	34(59)	41(72)
Load Hauler Dumper	36	36	91	57	77	79	25(43)	30(53)
Side Discharge Loader	174	176	91	58	91	92	32(55)	33(57)
Total	221	224			88	89	30	31

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

MARKETING:

Target and off-take of coal:

Your Company has achieved 67.67 million tonnes off-take of coal during the year under report, against the target of 67.00 million tonnes. During the year the Company has got 160 new customers under power, non-power and e-auction categories. The Company has entered into MoUs with 8 Public Sector power utilities. The details of sector-wise AAP target & off-take during the year under report as compared to the previous year are as under.

Sector	2018-19			2017-18		
	Target	Off-take	% Achieved	Target	Off-take	% Achieved
Power	53.00	55.39	104.50	50.86	53.47	105
Cement	3.28	2.94	89.60	2.84	2.53	89
Captive power	4.19	3.70	88.30	3.28	2.88	88
Heavy Water Plant	0.60	0.34	56.60	0.60	0.43	72
Sponge Iron	0.28	0.20	71.40	0.18	0.20	111
Other Industries	5.65	5.10	90.00	4.24	5.11	120
Total	67.00	67.67	101.00	62.00	64.62	104

Mode of dispatches:

The details of dispatches through different modes during the year under report as against previous year are as indicated below;

Year	(in million tonnes)				
	Rail	Road	Merry-go-round	Rope-way	Total
2018-19	45.47	13.50	8.36	0.34	67.67
2017-18	39.05	17.02	8.13	0.42	64.62
Absolute increase/ decrease	6.42	-3.52	0.23	-0.08	3.05



Rake Loading performance:

Year	Target	(No of Rakes*)
		Actual
2018-19	11,168	12,372
2017-18	9,610	10,422

* Rake consists of 57 to 59 wagons`

Measures for improving quality:

Measures taken for improving quality of coal are as under;

- Quality assurance week was conducted from 8.11.2018 to 14.11.2018.
- Third party sampling is being implemented to all the power customers and non-regulated (AoL) customers.
- All coal analysis Laboratories (5 Labs) obtained NABL accreditation.
- Presently 2 Washeries at Manuguru & RG II Areas are functioning. Setting up of washery at JVR OCP, Sattupally, Kothagudem Area with 4.0 Mtpa capacity under BOO concept is in progress. It is proposed to establish Washeries at RG-II & Mandamarri Areas.

EXPLORATION ACTIVITIES:

178.79 million tonnes of reserves were proved during the year under report against 124.87 million tonnes proved in the previous year. With this the total proved reserves in Godavari Valley Coalfield have gone up to 11149.83 million tonnes as on 31.3.2019. The coal extracted by the Company in the Godavari Valley Coalfield up to the year 2018-19 was about 1531.67 million tonnes. Discussions are in progress with CMPDI to take up 2D/3D seismic surveys in Godavari Valley Coalfield to unravel the geology and shallow coal deposits.

INDUSTRIAL RELATIONS:

There has been complete industrial peace during the year under report and there were no strikes. The details of strikes, mandays and production lost in the previous year are as under:

Particulars	Unit	2018-19	2017-18
Strikes	No.	Nil	1
Mandays lost	No.	Nil	2,06,200
Production lost	Tonne	Nil	2,15,570



The grownup Harithaharam plantation at Srirampur Area



Volleyball Tournament conducted to near by R&R centers on 05.02.2019 at Bellampalli Area



Employees participating in International Yoga Day - 2019



SCCL employees donating Blood in a camp conducted by Red Cross Society at Rg-1 Area



Women empowerment measures - Free Tailoring & Fashion designing courses for women



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.

- Monthly monetary compensation to female dependents in case of death/total permanent disablement due to cause other than mine accident and medical unfitness & death due to mine accident of employee has been revised with the approval of the Board in the 548th meeting dated 13.3.2019 from Rs.25,000.00 to Rs.26,292.97 i.e., equivalent of minimum basic of category-I as per 10th wage agreement of NCWA employees. This revision is made effective from 1.7.2016 as per the decision of the JBCCI.
- The overall housing satisfaction as on 31.3.2019 was 100% as against 93.49% at the end of previous year.
- Measures are being taken for continuous improvement of Company's hospitals.
- There are 18 swimming pools throughout the Company for the benefit of employees.
- 158 RO plants were provided at all mines, hospitals, offices and various departments in phased manner.
- Yoga & Meditation camps were conducted extensively throughout the areas.
- In order to bring awareness among the employees and their family members on cleanliness as part of Swatch Bharat campaign, Swatcha Pakhwada programme have been conducted in all Areas of the Company.
- Canteen facilities have been improved.
- An awareness programme called as "Mee Kosam – Mee Arogyam Kosam – International Yoga Day" was conducted on 21st June, 2018 in which 1,29,305 employees and their dependants were participated all over the Company areas.
- The Singareni Collieries Educational Society sponsored by the Company has been running 9 Schools at various areas, Women's PG & Degree and Girls 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.
- 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 NCWA & Executive cadre employee.



- The Company has extended insurance coverage to all the employees under Pradhan Manthri Suraksha Bima Yojana (PMSBY) and paying premium.
- Maximum ceiling limit on payment of gratuity has been enhanced from Rs.10 lakhs to 20 lakhs to NCWA cadre employees with effect from 29.3.2018.

Social Overheads

During the year under report an expenditure of Rs.565.66 crore was incurred on various social overheads as against Rs.514.63 crore incurred in the previous year.

Corporate Social Responsibility and activities through Singareni Seva Samithi:

The Company has taken up several CSR activities as per the CSR Policy. The CSR activities taken up through 'Singareni Seva Samithi', a non-profit organisation established by the SCCL in 1998 are as under;

- Establishment of Skill development Centre in Kothagudem at a cost of Rs.50 lakhs.
- About 3,695 dependants of employees / Ex-employees and locals have been imparted training in Skill Development Programmes through Khadi Gramodyog Maha Vidyalay, Rajendranagar (KGMV) in different vocational trades like DTP, Maggam work, Tailoring, Beautician, Fashion Designing etc. Out of them, 2,409 candidates have successfully completed training and got certificates from KGMV.
- 926 candidates have been imparted training in Pre-Primary Teacher course, Mehandi designing, computer hardware, spoken English, multimedia, palm leaves basket making, LMV / HVM motor driving etc.
- With the assistance of Seva Samithi, 242 self employment units were established at various areas during the year taking the total self units established so far to 3,493.
- Financial support is being continued to Master EK Society, Kothagudem area for Homeo medical care is continuing.
- Medical camp at Singareni Colony, Saidabad, Hyderabad was organised which benefitted of 153 retired employees of SCCL.
- 100 students of Koyagudem Opencast project affected villages of Yellandu area were given polytechnic entrance coaching. Vidya volunteers at Bellampalli (9) and Manuguru (1) areas were engaged for tuition of R&R centres and PAPs children.
- ST Homes of Kothagudem (Vanavasi Kalyana Paraishad) & Mandamarri (Ramji Gond Vidyarthi Nilayam) were adopted for free education, uniforms, school bags, books etc.
- Special children were supported by the Company, who are associated with Satya Sai Deaf & Dumb School, Manuguru.



- About 133 candidates were trained at all Areas and attended Army recruitment rally held at Warangal during May, 2018. 56 candidates were selected in physical endurance and 54 cleared medical test.
- 833 candidates were trained at all areas for Telangana State level SI & Police Constable recruitment. Out of them, 739 candidates passed the Preliminary written test.
- As a part of 'Telanganaku Haritha Haram' programme of the Govt. of Telangana, the Company has planted saplings throughout the Areas.

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 2018-19 as required under Rule 8 of Companies (CSR Policy) Rules, 2014 will be given as Annexure-I.

INFORMATION TECHNOLOGY & NETWORKING:

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

- OFC connectivity extended to weigh bridges and check posts.
- LAN connectivity extended for new check posts and weigh bridges.
- Finger print bio-metric system for capturing attendance of employees has been introduced at Corporate office w.e.f. 4.9.2018 and extended to all areas GM offices.
- Web based application was developed to view ERP admittance data versus GPS enabled trucks for coal truck moment monitoring.

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. 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
2018-19	7	7	186	186	0.11	2.89
2017-18	11	12	210	215	0.19	3.47



Mines rescue services:

Mines Rescue Services of SCCL have attended 21 emergencies in surrounding villages as part of corporate social responsibility.

SCCL Rescue team participated in 49th All India Mines Rescue Competitions held at Sitharampur from 10th to 13th December, 2018 and bagged overall 2nd prize and other prizes.

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 centers 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.	Technical Training Centre (TTC), Ramagundam (for opencast technology)	1
3.	Underground Mechanisation Training Institute (UMTI), RG-II (for underground technology)	1
4.	Nargundkar Institute of Management (NIM), RG-II (for executive training)	1
5.	Corporate Training Centre(CTC), Kothagudem	1

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

Sl. No.	Particulars of training programmes	2018-19		2017-18	
		Executives	Non-Executives	Executives	Non-Executives
1.	In-house	723	96	784	112
2.	Within the country	594	90	449	82
3.	Outside the country	6	-	15	--

Manpower:

The manpower of the company has come down from 54,043 as at the end of the previous year to 48,942 by the end of the year under report.

MEASURES FOR CONSERVATION OF ENERGY:

The specific energy consumption in KWH / tonne of coal production has slightly



increased during the year under report by 8.62% over the previous year as mentioned below:

Description	2018-19		2017-18		% increase over 2017-18
	Target	Actual	Target	Actual	
Specific energy consumption in KWH/tonne	14.50	11.71	14.50	10.78	8.63

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

Bolter Miner used for driving the road ways in Underground Mines at faster rate by cutting the face as well as supporting. It has commenced at Adriyala Long Wall Project during 2017-18. The technology is absorbed during 2018-19 and another Bolter Miner is planned in Shanti Khani Long Wall Project which is expected to start production during 2019-20.

PROJECTS AND SCHEMES:

Projects/schemes under implementation:

As at the end of March 2019, there are 19 coal mining projects, (13 Opencast and 6 Underground) under various stages of implementation with a sanctioned capital cost of Rs.6720.24 crore. The implementation of 9 projects is as per schedule, 10 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 project / scheme during the year 2018-19 within its delegated powers:

Sl. No.	Name of the Project	Sanctioned Capital (Rs. crore)	Capacity per annum (MTPA)	Approved on
1.	RCE of JVR OC -II	473.22	10.00	13.3.2019

The Board of Directors of the Company have approved the following Pre-mining activities during the year 2018-19:

Sl. No.	Name of the Project	Sanctioned Capital (Rs. crore)	Capacity per annum (MTPA)	Approved on
1.	Pre-Mining activities of VK OCP	49.78	4.50	13.3.2019

The Board of Directors of the Company have approved the following Completion Report during the year 2018-19:

Sl. No.	Name of the Project	Completion cost (Rs. crore)	Approved on
1.	Completion Report of Manuguru OC-II Extension (Phase-II) Project	170.60	28.11.2018



Upgradation 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 has been completed.

Bhadrachalam Road to Sathupalli Railway siding:

Bhadrachalam Road to Sathupalli Railway siding is being taken up at a total cost of Rs.704.31 crore out of which the SCCL share is Rs.618.55 crore (CC&DAC granted financial assistance of Rs.252 crore). Railway share is Rs.85.76 crore (towards land cost). Total length of the Railway line is 53.20 KM (Straight length). Land acquisition has been completed up to 89%. There are total 78 bridges that have to be constructed and work is in progress in respect of 38 bridges. Earthen formation work is in progress where land is in handed over.

PERFORMANCE OF 2x600 MW POWER PROJECT:

Power generation from 2x600 MW STPP has started from 1.6.2016. At present both the Units are in Operation. During the year 2018-19, 8698 MU of power was generated from both the units and 8211 MU of power was exported to TSDISCOMs. STPP has achieved 100% PLF (Total station as well as both units) twice in the year 2018-19, i.e., in September 2018 and in February 2019. STPP Unit-1 has achieved 100% PLF during September 2018, November 2018 and February 2019, while Unit-2 has achieved 100% PLF during July 2018, September 2018, October 2018, January 2019 and February 2019. Highest monthly Station PLF of 100.05% was achieved in February 2019.

Flue Gas Desulphurisation System (FGD):

The Board Directors in the 548th meeting dated 13.3.2019 accorded approval to the DPR of Flue Gas Desulphurisation System (FGD) at a capital outlay of Rs.645.33 crore for installation at 2x600 MW STPP as required under MoEF&CC guidelines issued vide Gazette Notification dt.7.12.2015 to keep actual Sox emission value within the statutory limits.

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 and approved DPR at a cost of Rs.5,879.62 crore on 23.9.2017. NOC for Chimney height obtained from Airports Authority of India. MoEF&CC has issued ToR on 26.9.2017. Environmental public hearing was conducted on 7.3.2017. Obtaining Environmental Clearance from MoEF&CC is under process. TSDISCOMs expressed their willingness to enter into long term PPA with Singareni TPP for purchase of entire 800 MW capacity proposed under Stage-II. Pre - award Consultancy work awarded to NTPC.



SOLAR POWER

The Board in the 544th meeting dated 11.5.2018 accorded approval to the Detailed Project Reports (DPRs) for setting up of 9 solar power plants of different capacities in Captive mode in available vacant lands of the SCCL aggregating to 300 MW at a total capital outlay of Rs.1361.50 crore as given below;

Sl. No.	Area	Capacity (MW)	Total Project cost (Crores)
1	Manuguru	30	136.2
2	Kothagudem	25	113.5
3	Yellandu	60	272.4
4	Bhupalapalli	10	45.4
5	Mandamarri	60	272.4
6	Bellampalli	30	136.2
7	Ramagundam	25	113.5
8	Ramagundam	50	226.4
9	STPP	10	45.5
	TOTAL	300	1361.5

Grid connectivity approvals for establishing 229 MW capacity solar plants at various areas of SCCL were received from TSTRANSCO/TSNPDCL. Order was placed on SECI Ltd, New Delhi for Project Management Consultancy (PMC) services for setting up of 4 No.s of grid connected solar power plants of various capacities aggregating to 129 MW capacity at the following areas of SCCL. (1st Phase)

S.No	Area	Solar plant capacity
1	Manuguru	30 MW
2	Yellandu	39 MW
3	Ramagundam	50 MW
4	STPP	10 MW
	TOTAL	129 MW

EPC contract order was placed on BHEL for installation of 129 MW solar plants at the above 4 Areas of SCCL. These solar plants are expected to be completed in 2019. Order was placed on SECI Ltd, New Delhi for Project Management Consultancy (PMC) services for setting up of 5 No.s of grid connected solar power plants of various capacities aggregating to 100 MW capacity at the following areas of SCCL under 2nd Phase.

S.No	Area	Solar plant capacity
1	Mandamarri	28 MW
2	Mandamarri	15 MW
3	Yellandu	10 MW
4	Bhupalapalli	10 MW
5	Kothagudem	37 MW
	TOTAL	100 MW



PROTECTION OF ENVIRONMENT, ECOLOGY & BIO DIVERSITY:

During the year under report, plantation was done on OB dumps in 332 Ha. with 20,83,219 seedlings, Block plantation in 240 Ha., with 3,72,773 seedlings and avenue plantation in 16 KMs with 7020 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 43 parks and 75 gardens throughout coal belt areas. There is a total stock of 61.95 lakh seedlings in 12 nurseries maintained by the Company throughout coal belt areas.

Under the State government's prestigious programme, 'Telangana ku Haritaharam' the Company has planted (including distribution) 4,63,28,218 Nos., of saplings for 3rd consecutive year.

The plantations raised in the Company Areas are highly successful with survival rate of more than 80%. The Company is raising such saplings which is depleting in faster rate in Reserve forest like *Mitragyna parvifolia*, *Adyna cardifolia*, *Dalbergia latifolia*, *Pterocarpus santalinus*, *Hardwickia binata*, etc.

28 Effluent Treatment Plants and 7 Sewage Treatment Plants are functioning at different areas to treat workshop effluents and domestic effluents respectively. 3 STPs are under construction and 3 more are proposed for construction. 2 packaged STPs are functioning and 1 more packaged STP is under construction.

Fly ash bricks are being used in all construction works.

RESEARCH & DEVELOPMENT

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

- Solar lighting system for illumination in OB dump yards trail studies were conducted at GK OC and cost benefit analysis done with respect to Diesel Generators. Proposed to replace diesel generators with solar lighting system as per the requirement in phased manner in all OCPs for maintaining the standard illumination in OB working places in OCPs.
- Strata monitoring, blasting, ventilation related studies to assist mines for safety and production.
- Coordinated in the formulation and execution of consultancy projects to be carried out by scientific agencies as required for mines. Coordinating scientific institutions in formulation and implementation of S&T projects.
- Ventilation studies were carried out in underground mines by in-house R&D team by Ventisim modeling and ventilation planning by conducting pressure & quantity survey.
- A workshop on "optimum design of OB Dump slopes and high wall pit slopes" was jointly organized by SCCL and CSIRO, Australia on 11.12.2018 and the recommendations were drawn and circulated for implementation to all concerned.



The expenditure incurred on R&D during the year under report is Rs 4.21 crore as against Rs.2.41 crore incurred in the previous year. The expenditure on R&D is 0.021% of turnover.

Future plan of action:

The plan of action on the following R&D activities are formulated in addition to consultancy scientific studies, in-house scientific studies on different mining technologies, strata designs, opencast slope stability etc., and S&T studies.

- Conducting of SPT's in OC Projects for external OB dump sites by developing in-house expertise.
- Establishing underground mines communication and for tracking of men & machinery as per 37(5) c of CMR-2017 at pilot mine (PVK) and implementing to other 10 UG mines in phased manner.
- Preparation of SCAMP reports for all semi mechanized u/g mines and associating in getting the depillaring and specific permissions with DGMS along with mine management.
- Associating in the introduction of Air cooling system and procuring high capacity Main Mechanical Ventilator at SK mine. Further, associating in increasing the Air cooling capacity at ALP for efficiently getting uninterrupted coal production from LW face.
- Introduction of New blasting techniques like Auto stem for working very close to the habitations

INTERNAL AUDIT:

The Internal Audit Dept. conducts activities approved by Audit Committee of the Board, which *inter-alia* include;

- 1) Scrutiny of financial transactions under pre-audit and post-audit modes
- 2) Payroll audit including scrutiny of balance leave wages; basic pay fixations and anomalies/Depts.
- 3) Surprise checks on attendance of workmen at Mines/Dept.
- 4) Physical verification of inventory under perpetual inventory verification system, verification of cash balances at cash offices, canteens, pit stores, etc.
- 5) Verification of cost records
- 6) Verification of FDRs held by the Company
- 7) Comprehensive studies on systems and procedures etc.

During the year under report, the Internal Audit dept., verified 15,336 suppliers bills, civil bills, etc. valuing Rs.3495.23 crore under pre-audit and disallowed an amount of Rs.600.12 lakhs. Further, Internal Audit verified 6,993 bills valuing Rs.641.15 crore under post-audit and advised for recovery of an amount of Rs.10.59 lakhs.

During wages audit internal audit dis-allowed an amount of Rs.71.11 lakhs under pre-audit and Rs.63.20 lakhs under post-audit. Further, Internal Audit conducted system audit on revised basic pay fixations of NCWA employees under JBCCI-X and also taken up post-audit of revised basic pay fixations of all the NCWA employees post implementation of JBCCI X.



The status of compliance of Internal Audit memos issued against post-audit checks as on 31.3.2019 when compared to the end of previous year (31.3.2018) 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)		
31.3.2019	1589	397.09	1524	383.14	65	13.95	96	97
31.3.2018	1470	347	1430	333.70	40	13.13	97	96

VIGILANCE:

During the year under report, while 38 cases were pending at the beginning, 114 cases were received during the year 2018-19. The Vigilance dept. has submitted reports in 115 cases and 37 cases were pending as on 31.3.2019. Based on the reports submitted by the Vigilance department action was taken on 45 employees. The Vigilance Dept. has conducted surprise checks and surveillance at CHPs, weigh bridges, check posts, OCPs, mines and certain strategic junction points in and around coal belt areas etc., system studies on sand transportation at STPP, Coal transport routes, GPS/GPRS based VTS system in different areas, forest tendering process, guest houses, dependent employment cases etc. 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, 2019 as at the end of previous year. During the year 2018-19 the Company has incurred a loss of Rs.836.95 lakhs as against Rs. 117.53 lakhs in the previous year.

The APHMEL has been in schedule-IX Companies under the A.P. Reorganisation Act, 2014. As approved by the share holders of APHMEL in the extraordinary general meeting held on 1.4.2017 and reconfirmed by the Board in the meeting held on 4.9.2017, MD, APHMEL vide Lr.No.APHMEL/MD/SR/2018 dt.31.1.2018 submitted demerger proposal to the Expert Committee seeking for "apportionment of 0.86% of equity of APHMEL amounting to Rs.14,90,100/- held by erstwhile Govt. of AP between the successor States of AP and Telangana in the ratio of 58.32 : 41.68 as mentioned in the Act i.e., allocation of 86,903 equity shares to the present Govt., of AP and 62,107 equity shares to the Govt.



of Telangana being the only issue to be resolved under the AP Reorganisation Act, 2014 with respect to APHMEL.” Contrary to the demerger proposal submitted by MD, APHMEL, the Expert Committee vide DO Lr.No.5614/Expert Committee/2014 dt.15.3.2018 of Chairman of the Committee, has given its recommendation to the effect that APHMEL shall pass to the residual state of Andhra Pradesh in its entirety in terms of Section 53(1) of the A.P. Reorganisation Act, 2014 since its all the assets & liabilities are located in that State. The SCCL has furnished its objections to the Expert Committee recommendation on APHMEL vide Lr.No.CRP/CS/437/374 dt.28.3.2018 to the Spl.Chief Secretary, Energy Dept., GoT. Vide DO Lr.No.1583/Budget A 2/2017 dt.21.5.2018, Chief Secretary to the GoT has requested Secretary, Ministry of Home Affairs, Gol to set aside the recommendation of the Expert Committee on APHMEL and issue directions under Section 71(a) of the Act regarding the division of the interests in the shares of the then Andhra Pradesh in APHMEL and protect the interests of Telangana and Central Govt. as the SCCL is a joint Company of Telangana and Central Govt. Communication is yet to be received from the Ministry of Home Affairs, Gol on the subject till now.

Related party transactions:

During the year under report, your Company had related party transactions with the APHMEL (Subsidiary) as under.

On arms length basis:	Rs. 62,68,37,680.71
Not on arms length basis:	Rs. 6,92,88,057.00
Total	Rs. 69,61,25,738.71

Details are given 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 on 13.8.2015. The Block is having Geological reserves of 455.18 Million Tonnes, out of which 340.78 Million Tonnes are extractable. The project is being planned for a targeted production of 10 Million Tonnes per annum. The life of the project would be 38 years including construction period of initial 2 years from 2018-19. The Geological report of the project was prepared by CMPDI in November 2011. The report was purchased by the SCCL after allotment of block. Presently further exploration is being carried out by the SCCL. Mining plan including Mine closure plan was approved by the MoC, Gol on 8.4.2019. Application for forest land clearance was submitted on 1.1.2018 and for Environmental clearance was submitted to MoEF & CC on 19.4.2019. It is proposed to remove entire OB along with all Coal Seams by outsourcing. The Mine will be Opencast with Surface Miner and/or Shovel-Dumper combination for OB removal and Shovel-Dumper combination for extraction of Coal Seams.



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. Application for permission of MoEF and CC for drilling is in process.

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. The experiment has been successful and it is proposed to take up processed OB to sand for civil works on full scale. SCCL is identifying the locations for the above purpose.

Consultancy and other job works of other Organisations:

During the year under report the consultancy services and other job works of other organisations performed mainly are as under:

- ✓ Preparation of NIT & bids evaluation to select Drilling Agency for Sarapal Nuaparha coal block of APGENCO.
- ✓ Check survey at Mangampet Barytes Mine of APMDC.
- ✓ Pre-level survey & joint measurement with MDO quarterly at Thadicharla-I coal mine of TSGENCO.
- ✓ Imparting initial training in rescue & recovery to the employees of Rajpura Dariba, Kayad & Zawar mines of HZL.

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. The JV Company has been requested to take measures for winding up.

**STATUTORY AUDITORS:**

For the financial year 2018-19, the Comptroller & Auditor General of India has re-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 2018-19, 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 546th meeting held on 25.9.2018 appointed M/s. BVR & Associates, as Cost Auditors of the Company for the financial year 2018-19.

Internal Auditor:

The Board of Directors has appointed Sri M.Subba Rao, Chief of Internal Audit as Internal Auditor of the Company under Section 138 of The Companies Act, 2013.

Chief Financial Officer

Sri J.Pavitrn Kumar, IRS, Director (Finance) has been Chief Financial Officer of the Company under Section 203 of The Companies Act, 2013 from 4.6.2015 to 3.6.2018. Sri S.Shankar, Director (E&M)&(Finance)(FAC) has been Chief Financial Officer from 11.7.2018 to 12.3.2019. Sri N.Balram, IRS, Director (Finance) has been appointed as Chief Financial Officer of the Company w.e.f 13.3.2019.

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 Mukesh Choudhary, Director, Ministry of Coal, Govt. of India and Sri PSL Swami, Deputy Secretary, Ministry of Coal, Govt. of India as Members. The Board has concurred with the recommendations of the Committee given in its three meetings held during the year under report.



UNPAID DIVIDEND AND TRANSFER OF SHARES TO IEPF:

Out of the 157 private shareholders, the dividend amount of the year 2009-10 remained unpaid/unclaimed for a period of 7 years from the date of transfer to unpaid/unclaimed dividend account in respect of 93 shareholders holding 12,613 shares amounting to Rs.1,26,130/- paid up share capital. These shareholders have also not claimed subsequent 6 years dividend. It is therefore proposed to transfer these shares to Investor Education and Protection Fund as per the procedure prescribed under the Companies Act and Rules made thereunder.

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
544	11.5.2018	10	8
545	11.7.2018	9	6
546	25.9.2018	9	7
547	28.11.2018	9	7
548	13.3.2019	9	7

Audit Committee:

Meeting No.	Date of Meeting	Total Strength of the Board	No. of Directors Present
43	11.7.2018	5	4
44	25.9.2018	5	4
45	28.11.2018	5	3

Technical Committee:

Meeting No.	Date of Meeting	Total Strength of the Board	No. of Directors Present
2/2018	11.5.2018	4	4
3/2018	25.9.2018	4	3
4/2018	28.11.2018	4	4
1/2019	13.3.2019	4	3

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

Meeting No.	Date of Meeting	Total Strength of the Board	No. of Directors Present
12	26.10.2018	3	3



Corporate Social Responsibility (CSR) Committee:

Meeting No.	Date of Meeting	Total Strength of the Board	No. of Directors Present
10	10.5.2018	3	3
11	10.7.2018	3	3
12	24.9.2018	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. Pavitran Kumar, IRS has been Director (Finance) and CFO of the Company from 4.6.2015 to 3.6.2018. He also held full additional charge of the post of Director (P.A&W) from 6.7.2015 to 19.5.2018. Later Sri N. Balram, IRS has been appointed as Director (Finance) from 5.12.2018. He is appointed as Chief Financial Officer of the Company w.e.f., 13.3.2019.

Sri S. Shankar is continuing as Director (Electrical & Mechanical) of the Company from 1.2.2017. He held full additional charge of the post of Director (Finance) from 4.6.2018 to 4.12.2018. He was appointed as Chief Financial Officer of the Company from 11.7.2018 to 12.3.2019.

Sri S. Chandrasekhar is continuing as Director (Operations) from 2.5.2017. He is holding full additional charge of the post of Director (P.A&W) w.e.f., 20.5.2018.

Sri B. Bhaskara Rao is continuing as Director (Planning & Projects) from 2.5.2017.

Sri Ajay Misra, IAS Spl. Chief Secretary to Govt., Energy department, Govt. of Telangana is continuing as Director from 20.12.2016.

Sri K. Rama Krishna Rao, IAS 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 has been Director on the Board of the Company from 14.10.2015 to 30.11.2018. Later Sri Mukesh Choudhary, Director, Ministry of Coal, Govt. of India has been appointed as Director from 11.1.2019.

Sri J.S. Bindra, Director, Ministry of Coal has been as Director from 9.6.2017 to 5.3.2019. Later Sri PSL Swami, Deputy Secretary, Ministry of Coal, Govt. of India has been appointed as Director from 26.6.2019.

Your Directors wish to place on record their appreciation of the valuable services rendered by Sri Syed Ashraf, Sri J.S. Bindra & Sri J. Pavitran Kumar 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:

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

ACKNOWLEDGEMENTS:

Your Directors placed on record their appreciation for the guidance, support and co-operation received from 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

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

Date : 5.8.2019.
Place: Hyderabad

**REPORT ON CSR ACTIVITIES FOR THE YEAR 2018-19****Annexure-I****1. A BRIEF OUTLINE OF CSR POLICY AND PROJECTS OR PROGRAMMES:**

The CSR policy has been approved by the Board of Directors on 31.1.2015.

The Board in the 544th meeting held on 11-5-2018 has accorded approval for earmarking CSR Budget for an amount of Rs.40 crore for the financial year 2018-19 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.

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 thereunder.

1. 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 the following Directors:

- | | | |
|------------------------|----|--|
| 1) Sri N.Sridhar | -- | C & M.D as Chairman of the Committee |
| 2) Sri N.Balram | -- | Director (Finance) as Member of the Committee |
| 3) Sri S.Chandrasekhar | -- | Director (Operations)&(P.A&W) as Member of the Committee |

2. 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)
2015-16	651.15
2016-17	888.08
2017-18	1518.92
Total	3058.15
Average Net Profit	1019.38

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. 20.39 crore

5. Details of CSR spent during the financial year

- a) Total amount to be spent for the financial year 2018-19 as per CSR Budget approved by the Board (equivalent of 3.92 % of average profits of preceding 3 years i.e., more than the prescribed expenditure) -- Rs. 40.00 crore
- b) Amount unspent if any -- Rs. 19.67 crore
- c) Manner in which the amount spent during the financial year is detailed below:



A team of officers of MoEF&CC visiting Srirampur mines



Statement showing details of CSR activities undertaken during the financial year 2018-19

(In Rupees)

Sl. No	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 were undertaken	Amount outlay (Budget) Project or Program wise	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	a) Procurement of 40 Lakh of Eucalyptus clones and distribution in all over the State under CSR through Telanganaku Haritha Haram programme during 2018 planting season. b) Providing infrastructure to Central Nursery at Patha Bellampalli. c) Development of lawn in front of O/o.Chief Conservator of Forest, Bhadradi Kothagudem .	iv	Local and Other Areas, Mandamarri, Kothagudem & All Districts of Telangana State	1,60,00,000	70,33,856	70,33,856	a)Directly b)Through Dist Collector, Mancherial c) Directly
2	Establishment of Skill Development Centre in Kothagudem	ii	Local Area, Kothagudem, Bhadradi Kothagudem District, Telangana State	50,00,000	50,00,000	50,00,000	Through Municipal Commissioner, Kothagudem
3	Conducting Medical Camp at the nearby villages of Bellampalli OC-II extension Project, Bellampalli at Asalmada Village of Tandur Mandal.	i	Local Area, Asalmada village, Tandur Mandal Bellampalli, Mancherial District, Telangana State	1,00,000	1,21,298	1,21,298	Directly
4	ARMY Recruitment Rally – 2018 in Warangal from 22nd May-2018 to 31st May-2018 – Funds required for necessary arrangements	ii	Other Area, Warangal, Warangal District, Telangana State	10,00,000	10,00,000	10,00,000	Through Collector, Warangal
5	Sanction of dress material and shoes for Adivasis & Lambadas for Police training Coaching camps	ii	Local Area, Asifabad and Jainoor, Kumarambheem Asifabad Dist, Telangana State	10,00,000	10,00,000	10,00,000	Through SP, Komuram Bheem Asifabad District
6	Swachtha Pakhwada programme - 2018	i	Local Area, Coal belt areas/districts, Telangana State	6,80,000	1,35,659	1,35,659	Directly
7	Release of hostel fees of ST Home children of Manuguru admitted in Womens Junior & Degree college, Kothagudem under CSR	i	Local Area, Manuguru, Bhadradi Kothagudem District, Telangana State	10,35,624	10,35,624	10,35,624	Directly
8	Swachtha Pakhwada - 2018 - Implementation of suggestion of MoC - Setting up of market place	i	Local Area, Coal belt areas/districts, Telangana State	8,00,000	1,50,710	1,50,710	Directly
9	Training camp for the poor and unemployed youth organized by Police Dept., Bhadradi Kothagudem District	ii	Local Area, Kothagudem, Bhadradi Kothagudem District, Telangana State	3,00,000	3,00,000	3,00,000	Through SP, Bhadradi Kothagudem



(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
10	Development works such as community halls, additional class rooms, solar system & compound walls to Govt.schools and internal roads and drains in the Khammam Parliamentary Constituency	x	Local Area, Villages in Khammam, Khammam District, Telangana State	3,00,00,000	78,60,000	78,60,000	Through District Collector, Khammam
11	Initiatives on Women Safety such as Bharosa in Telangana State	iii	Other Area, Hyderabad, Telangana State	15,00,000	15,00,000	15,00,000	Through O/o.DGP Telangana State
12	Procurement of 3 Lakh no.of fruit bearing plants to distribute in the coal belt areas/districts under CSR during Telangana ku Haritha Haram programme-2018	iv	Local Area, Coal belt Districts, Telangana State	1,93,94,100	82,41,145	82,41,145	Directly
13	Providing Dual Desks in some High Schools of Jagtial District under CSR	ii	Other Area, Jagtial District, Telangana State	1,00,00,000	30,00,000	30,00,000	Through District Collector, Jagtial
14	Swachtha Hi Seva programme-2018	i	Local Area, Coal belt areas/districts, Telangana State	4,55,000	2,79,011	2,79,011	Directly
15	Cultural Event - Qadir Ali Baig Theatre Festival in Hyderabad	v	Other Area Hyderabad, Telangana State	3,00,000	3,00,000	30,00,000	Through Qadir Ali Baig Foundation, Hyderabad
16	Supply of LED Street lights in Rejerla, Kothuru and Kistaram Gramapanchayats	x	Local Area, Rejerla, Kothuru and Kistaram Grama Panchayats at Sathupalli, Khammam Dist, Telangana State	3,00,000	29,6,218	29,6,218	Directly
17	Providing bore wells with hand pumps and deep bore wells in the surrounding villages of JVR OC, Sathupalli	i	Local Area, Kistaram, Rejerla villages and Sathupalli Nagarapanchayat, Khammam Dist, Telangana State	22,71,000	8,84,145	8,84,145	Directly
18	Flow of rain water into Gandhi Nagar village, Manuguru Area - Affected to villagers - Immediate relief	x	Local Area, Gandhi nagar village, Manuguru, Bhadradi Kothagudem Dist, Telangana State	2,00,000	98,018	98,018	Directly
19	Sponsorship for procurement of Chairs for the Seminar Hall in the Department of general Medicine, Gandhi Hospital, Secunderabad under CSR	i	Other Area, Secunderabad, Telangana State	4,15,832	4,15,832	4,15,832	Through Medical Supdt., Gandhi Hospital, Secunderabad
20	Financial support under CSR for Renovation works such as cottages, Treatment block, Machinery, Yoga and wellness center, Park and Kitchen/Canteen at Nature Cure Hospital	i	Other Area, Balkampet, Hyderabad, Telangana State	25,00,000	25,00,000	25,00,000	Through Director of Nature Cure Hospital Hyderabad
21	Seminar on doubling the income of farmers by 2022 initiative (under Pradhan Mantri Yojana) at Ujjain District, MP State - Recommended by Prof.Chintamani Malviya, Hon'ble MP Ujjain (Madhya	ii & iv	Other area, Ujjain District, Madhya Pradesh State	2,00,000	2,00,000	2,00,000	Through Project Manager, Anupam Samajik Sanstha, Ujjain, MP



(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Pradesh) and Chairman of Standing Committee on Coal & Steel						
22	Financial support under CSR for organizing Angul Zilla Mahotsav	v	Local Area, Naini Area, Angul District, Odisha State	2,00,000	2,00,000	2,00,000	Through Collector Angul District, Odisha State
23	Arrangements such as supply of water packets and buttermilk packets for Sriramanavami and Pattabishekam festivals for the year 2019 at Bhadrachalam on 14.04.2019 and 15.04.2019	v	Local Area, Bhadrachalam, Bhadradi Kothagudem District, Telangana State	2,00,000	2,00,000	2,00,000	Through Sub-Collector, Bhadrachalam
24	Development Works in surrounding habitations of Singareni areas of Bellampalli and Mandamarri Areas -28 Bore wells -shape-2011-12	x	Local Area, Bellampalli and Mandamarri surrounding Habitations, Adilabad District, Telangana State	15,00,000	6,70,778	13,74,000	Through District Collector, Adilabad
25	Road & drain works in Sathupalli Nagarapanchayat.	x	Local Area, Sathupalli Nagarapanchayat, Sathupalli, Khammam District, Telangana State	2,00,00,000	69,80,718	1,76,12,535	Through District Collector Khammam District
26	Development works (Roads, drains etc.) in Mancheria Assembly Constituency-	i & x	1) Local Area 2) Mancheria, Mancheria district, Telangana state	50,00,000	24,95,275	47,45,275	Through District Collector, Mancheria
27	Infrastructure development works such as CC roads and CC drains in Rasoolpalli village near STPP	i & x	1) Local area 2) Rasoolpalli, Mancheria district (Erstwhile Adilabad Dist), Telangana state	54,90,000	41,10,973	41,10,973	Through District Collector, Mancheria
28	Infrastructure development works in the nearby villages of Ramagundam area	x	1) Local area 2) Ramagundam, Peddapalli district, Telangana state	1,00,00,000	29,11,819	59,12,000	Through District Collector, Peddapalli
29	Provide water from SCCL summer storage tank Penchikalpet village to irrigation purpose to the lands of Penchikalpet village works under CSR	x	1) Local area 2) Peddapalli district, Telangana state	51,00,000	14,87,918	14,87,918	Directly
30	Infrastructure development works (Roads, drains etc.) pertaining to Mancheria Assembly Constituency	i & x	1)Local area 2)Mancheria, Mancheria district, Telangana state	25,00,000	10,54,756	20,84,756	Through District Collector, Mancheria
31	Development works such as Laying of CC Roads, Construction of UGD and RO plants and etc.,	i & x	1) Local area 2) Mancheria & Peddapalli districts, Telangana state	75,00,000	16,62,275	35,34,978	Through District Collector, Peddapalli and Mancheria
32	Providing development works at Mandamarri and its surrounding villages under CSR.	x	1) Local area 2) Mandamarri, Mancheria District, Telangana state	75,00,000	14,99,846	50,14,822	Through District Collector, Mancheria
33	Providing compound wall, toilets to Govt. English school at Kothagudem	i	1) Local area 2) Kothagudem, Bhadradi Kothagudem district, Telangana state	64,75,000	19,43,000	19,43,000	Through District Collector, Bhadradi Kothagudem District
34	Five Tribal villages development works at Singareni Mandal near Yellandu area	x	1) Local area 2) Singareni Mandal, Khammam district, Telangana state	60,00,000	54,91,816	54,91,816	Directly



(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
35	Laying of CC roads at Rejerla & Kistaram in Sathupalli Rural Mandal and Sathupalli Nagara Panchayat under CSR.	x	1) Local area 2) Rejerla & Kistaram, Sathupalli Rural and Sathupalli Nagara Panchayat, Khammam District, Telangana state	50,00,000	33,87,374	48,87,374	Through District Collector, Khammam
36	Laying of CC/BT roads, drains etc., in Sathupalli Nagara Panchayat under CSR.	x	1) Local area 2) Sathupalli Nagara Panchayat, Khammam dist, Telangana state	85,00,000	20,40,617	45,90,617	Through District Collector, Khammam
37	Laying of CC roads, drains etc., in Rajeev Nagar, Siddaram GP, Sathupalli under CSR.	x	1) Local area 2) Siddaram Grama Panchayat, Sathupalli, Khammam dist, Telangana state	30,00,000	10,28,153	19,28,153	Through District Collector, Khammam
38	Laying of CC roads in Kistaram(v), Sathupalli Mandal under CSR.	x	1) Local area 2) Kistaram village in Sathupalli Mandal, Khammam Dist, Telangana state	85,00,000	6,98,748	32,48,748	Through District Collector, Khammam
39	Infrastructure development works at Tiryani Mandal, Phase-II	x	1) Local area 2) Tiryani Mandal, Bellampalli area, Komuram Bheem Dist(Asifabad Dist), Telangana state	2,00,00,000	1,04,38,006	1,64,38,006	Through District Collector, Komuram Bheem Asifabad
40	Defunct of old pipe lines - replacement in various regions of Naspur Mandal	i	Local Area, Naspur Mandal, Mancherla District, Telangana State	68,00,000	40,58,225	60,98,225	Through District Collector, Mancherla
41	Development works at five (05) villages of Mancherla assembly constituency	x	Local Area, Mancherla, Mancherla District, Telangana State	1,00,00,000	29,30,389	59,30,389	Through District Collector, Mancherla
42	Laying cc roads at Gandhinagar, Manuguru	x	Local Area, Manuguru, Bhadradi - Kothagudem District, Telangana State	64,34,000	38,06,342	38,06,342	Directly
43	Providing Second Toilet complex at Shanthinagar colony, new RK-4 Gadda, RKP, Mandamarri	i	Local Area, Mandamarri, Mancherla District, Telangana State	15,00,000	9,31,585	9,31,585	Directly
44	Certain works laying of roads and construction of drains to be carried out at Mandamarri under CSR	x	Local Area, Mandamarri, Mancherla District, Telangana State	1,00,00,000	26,19,417	56,19,417	Through District Collector, Mancherla
45	Road works pertaining to Tekulapally & Yellandu of Bhadradi Kothagudem District under CSR.	x	Local Area, Tekulapally & Yellandu, Bhadradi Kothagudem District, Telangana State	1,00,00,000	9,89,779	9,89,779	Directly
46	Roads and drains works pertaining to Sathupalli, Kistaram and Rejerla of Khammam District under CSR.	x	Local Area, Sathupalli, Kistaram and Rejerla, Khammam District, Telangana State	2,00,00,000	60,00,000	60,00,000	Through District Collector, Khammam
47	LED Street lights in three (03) Mandals i.e. Sujathanagar, Chunchupalli and Laxmidevipalli of Kothagudem Assembly Constituency under CSR	x	Local Area, Sujathanagar, Chunchupalli and Laxmidevipalli of Kothagudem Assembly Constituency, Bhadradi Kothagudem District, Telangana State	2,00,00,000	60,00,000	1,20,00,000	Through District Collector, Kothagudem District



(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
48	Development works such as roads, drains and sheds etc. in Bhupalpally Assembly Constituency under CSR	x & xi	Bhupalpalli Assembly Constituency, Jayashankar Bhupalpalli District, Telangana State	5,00,00,000	1,50,00,000	1,50,00,000	Through District Collector, Jayashankar Bhupalpalli
49	Construction of Bus shelter near Naspur gate, Naspur village in Srirampur area	x	Local Area, Naspur village, Srirampur, Mancherial District, Telangana State	1,50,000	79,691	79,691	Directly
50	Bore wells with hand pumps to surrounding villages of proposed Kalyanikhani 6-incline project	x	Local Area, Mandamarri, Mancherial District, Telangana State	7,00,000	4,43,690	4,43,690	Directly
51	Development works such as laying CC roads and drains at Kasipet GP in Mancherial District under CSR	x	Local Area, Kasipet Grampanchayat, Mancherial District, Telangana State	1,07,90,000	56,39,112	56,41,000	Through District Collector, Mancherial
52	Laying roads, drains and bore wells at the new Padmagudem colony near Railway station, Manuguru	x	Local Area, New padmagudem, Manuguru, Bhadradi Kothagudem District, Telangana State	43,50,000	4,61,619	4,61,619	Directly
53	Development works such as roads and drains in villages of Sathupalli Constituency under CSR	x	Local Area, Sathupalli Constituency, Khammam District, Telangana State	50,00,000	15,00,000	15,00,000	Through District Collector, Khammam
54	Infrastructure development works in Bhupalapalli Nagarapanchayat	i & x	1) Local area 2) Bhupalpalli, Warangal district, Telangana state	4,00,00,000	26,59,792	3,31,44,110	Through District Collector, Warangal & Directly
55	Providing water tankers, JCB's and Cranes etc. at Sri Sammakka Saralamma Jathara, Medaram	v	Local Area, Medaram, Jayashankar Bhupalpalli District, Telangana State	26,70,000	10,50,402	15,80,262	Directly
56	Providing drinking water by Thirteen (13) No.s of hired tractor tankers to the Bhupalpalli Town & nearest villages of Bhupalpalli area under CSR	i	1) Local area 2) Bhupalpally, Jayashankar dist, Telangana state	25,00,000	7,05,000	7,05,000	Directly
57	Construction of Ward Empowerment Centers in Kothagudem Municipal Area.	ii & iii	1) Local area 2) Kothagudem 3) Bhadradi Kothagudem Dist. 4) Telangana State.	95,00,000	45,99,362	45,99,362	Through District Collector, Bhadradi Kothagudem
58	Laying of CC roads at Goleti and Pulikunta villages in Rebbana Mandal	x	1) Local area 2) Goleti and Pulikunta villages, Rebbana Mandal, Komuram Bheem (Asifabad) district, Telangana state	50,00,000	30,00,139	45,00,139	Through District Collector, Komuram Bheem Asifabad
59	Infrastructure development and Cottage Donation Scheme at Yadadri Temple City, Yadagirigutta under CSR	v & x	Other Area, Yadadri Temple, Yadagirigutta, Yadadri Bhuvanagiri District, Telangana State	3,50,00,000	3,50,00,000	3,50,00,000	Yadadri Temple Development Authorities, Yadadri Bhuvanagiri District
60	Singareni Seva Samithi Activities – empowering women through vocational training such as tailoring, embroidery, fashion designing, beautician courses etc., for unemployed youth police/army training coaching camps, driving etc.,	ii	Local Area, Coal belt areas/districts, Telangana State	3,00,00,000	1,62,00,000	1,62,00,000	Directly
	TOTAL			49,63,10,556	20,33,28,132	28,63,87,097	

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 2018-19 which is equivalent of 3.92 % 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.21.04 crore, the actual amount spent during FY 2018-19 was Rs.20.33 crore. The prescribed amount of CSR expenditure i.e., 2% average net profits of preceding 3 years amounts to Rs.20.39 crore. The CSR activities programmes sanctioned are at various stages of implementation. The amount spent during 2018-19 is slightly less than the prescribed amount. However, the amount sanctioned for various proposals during 2018-19 is more than 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 except that some CSR activities were taken-up in Odisha State where SCCL is having Naini Coal Block and in Madhya Pradesh where the SCCL is seeking coal blocks.

for and on behalf of the Board of Directors

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

Date : 5.8.2019.
Place: Hyderabad



Sri B.Bhaskara Rao Director (P&P) receiving Asia's most trusted Company Award - 2018 on 26.08.2018 at Bangkok(Thailand)



Form No: AOC-2

Annexure-II

[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 1.4.2018 to 31.3.2019 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 2018-19	Each order / contract has separate period	57,65,90,497.51	Orders against open tenders on L1 basis
2.	Orders / contracts placed for purchase of various equipment, spares, services at different dates during 2018-19	Each order / contract has separate period	1,06,69,188.12	Orders against Limited tenders on L1 basis
3.	Orders / contracts placed for purchase of various equipment, spares, services at different dates during 2018-19	Each order / contract has separate period	3,95,77,995.08	Orders on proprietary basis
Total			62,68,37,680.71	

3. Details of contracts, value, duration of the contract from 1.4.2018 to 31.3.2019 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 2018-19	Each order / contract has separate period	6,92,88,057.00	Orders on nomination basis

4. **Date of approval of Board for transactions not on arm's length basis:**
11.7.2018 & 25.9.2019
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: 5.8.2019
Place: Hyderabad.

Sd/-
Chairman & Managing Director



SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31-3-2019
FORM NO. MR.3

Annexure-III

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

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

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, 2019 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, 2019 (“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, power generation and sale. 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.
- vii. I have also examined compliance with Secretarial Standards issued by the Institute of Company Secretaries of India in respect of Board and General Meeting(s) of the Company of India.
- viii. 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.*
In this regard the management informed that 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. *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. *SCCL has been complying with the provisions of EIA Notification, 2006, its subsequent amendments and obtaining Environmental Clearance from MoEF&CC, New Delhi for New / Expansion / Modernization of Coal Mining Projects. Some of the Mines violated Environment Clearances.*

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, a 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 544th meeting held on 11.5.2018 viz., decision for exemption of recovery of electricity charges from NCWA employees @1% of Basic pay from March-2018 as per the directions of the Hon'ble CM, 2 Directors nominated by the Ministry of Coal, Govt. of India have expressed their dissent.
 - ii) In the two proposals placed before the Board of Directors in the 546th meeting held on 25.9.2018 as per the directives of Government of Telangana viz., (1) Payment of Special Incentive @ 27% of net profit for the financial year 2017-18 to the employees; (2) Extending House Building Loan Interest Reimbursement Scheme-2018 to Executive Cadre employees, 2 Directors nominated by the Ministry of Coal, Govt. of India have expressed their dissent.
 - iii) In the proposal placed before the Board of Directors in the 547th meeting held on 28.11.2018 viz., Extension of Reimbursement of Interest on House Building Loans availed from Private Sector Banks and Private Sector Institutions, one Director nominated by the Ministry of Coal, Govt. of India has expressed his 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.
5. I, further report that during the audit period, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, standards etc., referred above.

Sd/-

(K.V.Chalama Reddy)

Practising Company Secretary

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

Place: Hyderabad,

Date : 26.7.2019

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.



The block plantation developed by company on the banks of RKOC - Mandamarri Area



Management replies to the observations of Secretarial Auditor in his report for the year 2018-19

Secretarial Auditor's Report <i>(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)</i>	Management reply on the audit observations <i>(Under Section 134(3)(f)(ii) of the Companies Act, 2013)</i>
To The Members, The Singareni Collieries Company Limited, Kothagudem Collieries.	
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 31 st March, 2019 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 31 st March, 2019 ("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 - <i>Not applicable during the audit period.</i>	--



<p>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 - <i>Not Applicable during the audit period.</i></p>	--
<p>iv. The Securities Contracts (Regulation) Act, 1956 and rules made thereunder: <i>Not applicable being the unlisted Company.</i></p>	--
<p>v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): <i>Not applicable being the unlisted Company.</i></p>	--
<p>vi. The Company is into the business of mining and sale of coal, power generation and sale. Accordingly, the following major industry specific Acts and Rules are applicable to the Company, in view of the Management:</p> <ul style="list-style-type: none"> 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. 	--



<p>n. The Coal Bearing Areas Act, 1957.</p> <p>o. National Minerals Policy, 1993.</p> <p>p. Coal Mines Conservation and Development Act, 1974 and Rules & regulations made thereunder.</p> <p>q. The Explosives Act, 1884 and Rules and notifications made thereunder.</p> <p>r. The Electricity Act, 2003 and Rules & regulations made thereunder.</p>	
<p>vii. I have also examined compliance with Secretarial Standards issued by the Institute of Company Secretaries of India in respect of Board and General Meeting(s) of the Company of India.</p>	--
<p>viii. 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) <i>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.</i></p>	<p>i) The 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&MD, SCCL to Secretary, Energy dept., Govt. of Telangana on 13.5.2015 requesting to take suitable action for appointment of Independent & 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 & Woman directors. Accordingly a letter dated 29.10.2015 was sent to Secretary, Energy Dept., from C&MD, SCCL.</p> <p>iv) Again vide letter No.CMD/PS/H/67, dt.4.6.2016 from C&MD, SCCL addressed to Prl. Secretary, Energy Dept., Govt. of Telangana, it was once again requested to expedite appointment of Independent & 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</p>



	<p>was forwarded to SCCL vide letter 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 & 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&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. The Company has Audit Committee without Independent directors as prescribed under the provisions of Section 177 of the Companies Act, 2013.</p>	<p>Same as replied to 2 (viii) (a) above. However, Independent Directors will be nominated to the Audit Committee after their appointment by the State Govt.</p>
<p>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.</p>	<p>Same as replied to point No.2 (viii) (a) above. However, Independent Directors will be nominated to the CSR Committee after their appointment by the State Govt.</p>
<p>d. The Company has not appointed a Woman Director as prescribed under the provisions of Section 149 of the Companies Act, 2013.</p>	<p>Same as replied to point No.2 (viii) (a) above.</p>
<p>e. The Company has not constituted Nomination and Remuneration Committee as prescribed under the provisions of Section 178 of the Companies Act, 2013.</p>	<p>The Nomination and Remuneration Committee will be constituted after appointment of Independent Directors by the State Govt.</p>
<p>f. SCCL has been complying with the provisions of EIA Notification, 2006, its subsequent amendments and obtaining Environmental Clearance from MoEF&CC, New Delhi for New / Expansion / Modernization of Coal Mining Projects. Some of the Mines violated Environment Clearances.</p>	<p>SCCL submitted applications for obtaining Environment Clearances for violation mines under the provisions of SO 804 (E) dated 14th March, 2017 and OM dated 16th March 2018. EAC meetings were held on 21st & 22nd March, 2018, 13th June, 2018, 20th September, 2018, 29th November, 2018 and it was recommended for issue of ToRs for these mines subject to submission of an undertaking in the form of an affidavit to comply with all the statutory requirements and Hon'ble Supreme Court judgement dated 2nd August 2017 in W.P. No. 114/2014 in the matter of 'Common Cause vs Union of India & Others'.</p> <p>As some of the existing mines are getting closed due to exhaustion of coal reserves, it is inevitable to ground new projects during 2019-20 in order to bridge</p>



	<p>the gap between demand and supply. Accordingly, SCCL is planning to expand some of the ongoing mines and open new mines, the ECs of which are interlinked with the existing violation projects.</p> <p>Hence, SCCL submitted affidavits on 06.03.2019 in line with the Ministry's OM dated 30.05.2018. MoEF&CC issued ToRs for IK-1A, RK-8, GDK-7 LEP, VK-7 and cluster of GDK-1&3,2&2A and 5 UG mines and ToRs of other mines will also be issued in due course. After obtaining ToRs of violation mines from MoEF&CC, the EIA/EMP preparation and other activities connected with EC process are being taken up. SCCL is presently coordinating with EPTRI in preparation of remediation plan and natural & community resource augmentation plan for violation mines for incorporation in EIA/EMP reports in connection with seeking Environment Clearances.</p>
<p>3. I, further report that:</p> <p>a. <i>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.</i></p>	<p>As replied in point Nos.2(viii)(a)&(d)</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 & 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 544th meeting held on 11.5.2018 viz., decision for exemption of recovery of electricity charges from NCWA employees @1% of Basic pay from March-2018 as per the directions of the Hon'ble CM, 2 Directors nominated by the Ministry</p>	<p>The SCCL is a State Govt. Company. As per the directives of the State Govt., the proposal for "recovery of electricity charges from NCWA employees @1% of Basic pay from March-2018" was submitted to the Board.</p>



of Coal, Govt. of India have expressed their dissent.	
<p>II. In the two proposals placed before the Board of Directors in the 546th meeting held on 25.9.2018 as per the directives of Government of Telangana viz., (1) Payment of Special Incentive @ 27% of net profit for the financial year 2017-18 to the employees; (2) Extending House Building Loan Interest Reimbursement Scheme-2018 to Executive Cadre employees, 2 Directors nominated by the Ministry of Coal, Govt. of India have expressed their dissent.</p>	The SCCL is a State Govt. Company. As per the directives of the State Govt., these proposals were submitted to the Board.
<p>III. In the proposal placed before the Board of Directors in the 547th meeting held on 28.11.2018 viz., Extension of Reimbursement of Interest on House Building Loans availed from Private Sector Banks and Private Sector Institutions, one Director nominated by the Ministry of Coal, Govt. of India has expressed his dissent.</p>	The SCCL is a State Govt. Company. The scheme was introduced as per the directives of the State Govt.
<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>5. I, further report that during the audit period, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, standards etc., referred above.</p>	
<p style="text-align: center;">Sd/- K.V. Chalama Reddy Practising Company Secretary M.No: F.C.S.9268, C.P.No.5451</p> <p>Date: 26.07.2019 Place: Hyderabad 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.</p>	<p style="text-align: center;">for and on behalf of the Board</p> <p style="text-align: center;">Sd/- (N. Sridhar) Chairman & Managing Director</p> <p>Date: 5.8.2019 Place: Hyderabad.</p>

**Annexure-A**

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

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.

Place: Hyderabad,
Date : 26.7.2019

Sd/-
(K.V.Chalama Reddy)
Practising Company secretary
M.No: F9268, C.P.No.5451



Fully grownup plantation on over burden dumps of JVROC, SATHUPALLY

**FORM NO. MGT 9****Annexure IV**

EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2019
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1)
of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	U10102TG1920SGC000571
ii	Registration Date	23.12.1920
iii	Name of the Company	The Singareni Collieries Company Limited
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.	Aarhi Consultants Pvt Ltd 1-2-285, Domalguda, Hyderabad, 500029.

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

SL. No.	Name & Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1.	Bituminous Coal	270112.00	82.42
2.	Power	271600.00	17.58

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.	APMDC SCCL Suliyari Coal Co. Ltd.	U10300TG2013SGC088684	Associate	49.00	2(6)



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		
A. Promoters										
(1) Indian										
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										
Sub Total:(A)(1)		1733196399	1733196399	99.9999		1733196399	1733196399	99.9999		
(2) Foreign										
a) NRI-Individuals										
b) Other Individuals		1720	1720	0.0001		1720	1720	0.0001		
c) Bodies Corp.										
d) Banks/FI										
e) Any other...										
Sub Total (A) (2)		1720	1720	0.0001		1720	1720	0.0001		
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)		1733198119	1733198119	100.00		1733198119	1733198119	100.00		
B. Public Shareholding										
(1) Institutions										
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)										
Sub Total (B)(1):										



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	
(2) Non Institutions									
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):									
Total Public Shareholding (B)= (B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)		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	-
	Total	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**

(Rs. in crore)

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4526.12	--	--	4526.12
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	85.43	--	--	85.43
Total (i+ii+iii)	4611.55	--	--	4611.55
Change in Indebtedness during the financial year				
Additions	194.66			194.66
Reduction	-426.12			-426.12
Net Change	-231.46			-231.46
Indebtedness at the end of the financial year				
i) Principal Amount	4294.66			4294.66
ii) Interest due but not paid	--			--
iii) Interest accrued but not due	80.14			80.14
Total (i+ii+iii)	4374.80			4374.80

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 & M.D.	J. Pavitrn Kumar, Director (Finance)(upto 3.6.2018) & Director (P.A&W)(FAC) (upto 19.5.2018) and CFO(upto 3.6.2018)	S.Shankar, Director (E&M) & (Finance) (FAC)(from 4.6.2018 to 4.12.2018) and CFO (from 11.7.2018 to 4.12.2018)	S Chandra-sekhar, Director (Operations) & Director (P.A&W) (FAC) (from 20.5.2018)	B. Bhaskara Rao, Director (P&P)	N.Balram, Director (Finance) (from 5.12.2018) & CFO (from 13.3.2019)	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the IT Act, 1961	2357388	210112	5778575	6249104	6055687	270840	20921706
	(b) Value of perquisites u/s 17(2) IT Act, 1961	--	22813	411996	366396	490896	33250	1325351
	(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, CMPF&CMPS	--	--	634205	713624	771367	--	2119196
	TOTAL (A)	2357388	232925	6824776	7329324	7317950	304090	24366253
	Ceiling as per the Act (Rs. in Crore)	139.12 (5% of PBT)	27.82 (1% of PBT)	27.82 (1% of PBT)	27.82 (1% of PBT)	27.82 (1% of PBT)	27.82 (1% of PBT)	306.07 (11% of PBT)

**B. Remuneration to other directors:**

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				
	Total (1)				
2	Other Non Executive Directors				
	(a) Fee for attending board committee meetings				
	(b) Commission				
	(c) Others, please specify.				
	Total (2)				
	Total (B)=(1+2)				
	Total Managerial Remuneration				
	Overall ceiling as per the Act.				

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
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.		3251412		3251412
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		266793		266793
	(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 - CMPF & CMPS		414983		414983
	Total		3933188		3933188

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

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

Date: 5.8.2019

Place: Hyderabad.

Sd/-

Chairman & Managing Director



**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 31st MARCH 2019**

The preparation of financial statements of The Singareni Collieries Company Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 26-07-2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of The Singareni Collieries Company Limited for the year ended 31 March 2019 under section 143(6) a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143 (6)(b) of the Act.

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

Date: 11.09.2019
Place: Hyderabad.

Sd/-
Principal Accountant General (Audit)



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE SINGARENI COLLIERIES COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2019.

The preparation of consolidated financial statements of The Singareni Collieries Company Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 26-07-2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of The Singareni Collieries Company Limited for the year ended 31 March 2019 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Andhra Pradesh Heavy Machinery and Engineering Limited for the year 2018-19, (Subsidiary), but did not conduct supplementary audit of the financial statements of Joint Venture (APMDC-SCCL Suliyari 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.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143 (6)(b) of the Act.

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

Date: 11.09.2019
Place: Hyderabad.

Sd/-
Principal Accountant General (Audit)



<p style="text-align: center;">INDEPENDENT AUDITOR'S REPORT on the Audit of Standalone Ind AS Financial Statements</p>	<p style="text-align: center;">Management reply on the audit observations (under section 134(3) of the Companies Act, 2013)</p>
<p>To the Members of Singareni Collieries Company Limited</p>	
<p>Report on the Audit of Standalone Ind AS Financial Statements:</p> <p>Opinion We have audited the accompanying standalone Ind AS financial statements of SINGARENI COLLIERIES COMPANY LIMITED ("the Company") which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information</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 give a true and fair view in conformity with the Ind AS and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.</p>	--
<p>Basis for Opinion We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.</p>	--
<p>Emphasis of Matter Paragraph Without qualifying our opinion, we draw attention to</p> <p>a) <i>In accordance with Ind AS 115 – Revenue from contracts with customers, the Company has estimated and provided for Rs.142.08 Cr towards grade slippage as on transition date i.e. 01.04.2018 by way of adjustment of retained earnings as on 01.04.2018. The provision as on the reporting date stands at Rs.129.13Cr after withdrawal of Rs.12.95 Cr. Refer Additional note 5.13,J(b)</i></p> <p>b) <i>In accordance with the opinion of Expert Advisory Committee of the ICAI, the company has recognised liability for non-vesting (non-encashable) leave salary for employees with retrospective effect. Accordingly, an amount of Rs.119.83 Cr for FY 2018-19 has been provided and Rs.48.11 Cr for FY 2017-18 and Rs.98.45 Cr for the earliest period i.e., upto FY 2016-17 has been restated. Refer Additional Notes 5.13.J(a) and 5.3.</i></p>	<p>The Auditors have drawn specific attention of the members on these matters, though these provisions have been appropriately recognised, presented and disclosed in the Financial statements as per the Provisions of Ind AS.</p>



INDEPENDENT AUDITOR'S REPORT on the Audit of Standalone Ind AS Financial Statements	Management reply on the audit observations (under section 134(3) of the Companies Act, 2013)
<p>Other Information</p> <p>The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report related to Standalone financial statements, but does not include the standalone financial statements and our auditor's report thereon.</p> <p>Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.</p> <p>In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.</p>	<p>--</p>
<p>Management's Responsibility for the Standalone Financial Statements</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 financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.</p>	<p>--</p>
<p>In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.</p> <p>The Board of Directors are also responsible for overseeing the company's financial reporting process.</p>	<p>--</p>



INDEPENDENT AUDITOR'S REPORT on the Audit of Standalone Ind AS Financial Statements	Management reply on the audit observations (under section 134(3) of the Companies Act, 2013)
<p>Auditor's Responsibilities for the Audit of Standalone Ind AS Financial Statement</p> <p>Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.</p>	<p>--</p>
<p>As part of our Audit evidence with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:</p> <ul style="list-style-type: none"> Identify and assess the risks of material misstatement of standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. 	<p>--</p>
<ul style="list-style-type: none"> Obtain an understanding of internal control relevant to the audit in order to design the audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the standalone financial statements in place and the operating effectiveness of such controls. 	<p>--</p>
<ul style="list-style-type: none"> Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and relate party disclosures made by the management. 	<p>--</p>
<ul style="list-style-type: none"> Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern. 	<p>--</p>
<ul style="list-style-type: none"> Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation. 	<p>--</p>



INDEPENDENT AUDITOR'S REPORT on the Audit of Standalone Ind AS Financial Statements	Management reply on the audit observations (under section 134(3) of the Companies Act, 2013)
<p>We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.</p>	<p>--</p>
<p>We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.</p>	<p>--</p>
<p>From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosures about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.</p>	<p>--</p>
<p>Report on Other Legal and Regulatory Requirements</p>	
<p>1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.</p>	<p>--</p>
<p>A) As required by Section 143(3) of the Act, we report that: a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.</p>	<p>--</p>
<p>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.</p>	<p>--</p>
<p>c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of changes in Equity and the statement of Cash Flow Statement dealt with by this Report are in agreement with the books of account.</p>	<p>--</p>
<p>d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.</p>	<p>--</p>
<p>e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.</p>	<p>--</p>
<p>f) With respect to the adequacy of the Internal Financial Control with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"</p>	<p>--</p>
<p>g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197(16) of the Act.</p>	<p>--</p>



INDEPENDENT AUDITOR'S REPORT on the Audit of Standalone Ind AS Financial Statements			Management reply on the audit observations (under section 134(3) of the Companies Act, 2013)
(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:			--
i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Additional Note 4A to the Standalone Ind AS financial statements;			--
ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.			--
iii) There 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 operation incorporated in India during the year ended 31.03.2019.			--
(C) As required by the section 143(5) of the Act and as per the directions of Comptroller and Auditor General of India, we report that:			
S. No	Directions	Reply	
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the company has ERP system (SAP) to process all the accounting transactions through IT system. Our examination of the records did not reveal any transactions not coming within the purview of IT system stated above.	This being a statement of fact calls for no comment separately.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	NIL, During the year under audit there were no cases of waiver/write off of debts /loans/interest etc.	This being a statement of fact calls for no comment separately.



INDEPENDENT AUDITOR'S REPORT on the Audit of Standalone Ind AS Financial Statements			Management reply on the audit observations (under section 134(3) of the Companies Act, 2013)
S. No	Directions	Reply	
3	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	During the year the company received Rs.27.08 Crores towards capital grants and revenue grants of Rs. 23.37 Crores towards sand stowing and protective works grants from CCDAC against the amounts spent by the company and claims submitted in 2016-17 and 2017-18. Further, claims for sand stowing and protective works receivable for an amount of Rs.114.85 crores recognized as income on accrual basis in FY 2017-18 were written off during the year as the same were not approved by CCDAC consequent to revocation of stowing excise duty under GST regime. Refer note 36.1 and 39.5.2 of the financial statements.	This being a statement of fact calls for no comment separately.
<p>For RAMAMOORTHY (N) & CO Chartered Accountants (FRN: 002899S) Sd/- (CA Surendranath Bharathi) Partner Membership No. 023837 UDIN19023837AAAAAU5922</p> <p>Date: 26.07.2019 Place: Hyderabad</p>			<p>For and on behalf of the Board Sd/- (N. Sridhar) Chairman & Managing Director</p> <p>Date: 05.08.2019 Place: Hyderabad</p>



ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT A statement on the matters specified in the paragraph 3 and 4 of the CARO, 2016 (contd...)	Management reply on the audit observations (Contd...) (under section 134(3) of the Companies Act, 2013)
i) In respect of the Company's fixed assets: (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets except for the Lands mentioned in Annexure-C.	As mentioned CARO report 1.C.(i) above, the records for 58 nos of lands mentioned in the "Annexure-C" will be made available to the Auditors for verification in the ensuing period's Audit..
(b) The Company has a phased program of verification of fixed assets that is reasonable having regard to the size of the Company and the nature of its assets. As per the phased program, 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.	This being a statement of fact calls for no comment separately.
(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	This being a statement of fact calls for no comment separately.
ii) In respect of its Inventory: a. The Company has conducted physical verification of its inventory during the year in a phased manner.	This being a statement of fact calls for no comment separately.
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 on commensurate.	This being a statement of fact calls for no comment separately.
c. Any material discrepancies were noticed, between book stocks and physical stocks have been properly dealt in books of accounts.	This being a statement of fact calls for no comment separately.
iii) According to the information and explanations given to us, the Company has not entered into any contract or arrangement with the entities in which directors are interested within the meaning under section 189 of Companies Act, 2013 and hence reporting under clause (iii) (a), (b) and (c) of paragraph 3 of the order is not applicable.	This being a statement of fact calls for no comment separately.
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 the provisions of Sections 185 and 186 of the Act are applicable.	This being a statement of fact calls for no comment separately.
v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.	This being a statement of fact calls for no comment separately.
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 detailed examination of the records with the view to determine whether they are complete.	This being a statement of fact calls for no comment separately.
vii) a. In respect of undisputed statutory dues, including Coal Mine Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Services Tax, Cess and any other statutory dues to the appropriate authorities,	This being a statement of fact calls for no comment separately.
b. According to the information and explanations given to us, the company has been generally regular in depositing with appropriate authorities during the period. According to the information and explanations given to us and records of the company examined by us, there are no arrears of outstanding statutory dues as at 31 st March, 2019 for the period of more than 6 Months from the date they become payable.	This being a statement of fact calls for no comment separately.

**ANNEXURE 'A'****TO THE INDEPENDENT AUDITOR'S REPORT**

A statement on the matters specified in the paragraph 3 and 4 of the CARO, 2016 (contd...)

Management reply on the audit observations (Contd...) (under section 134(3) of the Companies Act, 2013)

c. According to the information and explanations given to us and the 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, 2019 are furnished hereunder:

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

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 (2018-19)
1	The Central Excise Act 1944	Clean Energy Cess on captive consumption of coal	4.08	Feb 2012 to Nov 2012	Dy. Commissioner of Customs and Central Excise
2	The Central Excise Act 1944	Clean Energy Cess on captive consumption of coal	1.02	Dec 2012 to Jul 2013	Assistant Commissioner of Customs and Central Excise.
3	The Central Excise Act 1944	Clean Energy Cess on captive consumption of coal	24.07	Mar 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	1087.46	FY 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	Quantity Variance	72.39	Feb 2012 to Jun 2013	CESTAT
9	The Central Excise Act 1944	Quantity Variance	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

The Appeals at various stages are being contested by the Company with the help of Professional Firms wherever necessary for an early and favourable settlement.

**ANNEXURE 'A'****TO THE INDEPENDENT AUDITOR'S REPORT**

A statement on the matters specified in the paragraph 3 and 4 of the CARO, 2016 (contd...)

Management reply on the audit observations (Contd...) (under section 134(3) of the Companies Act, 2013)

I. 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 (2018-19)
11	The Central Excise Act 1944	Demand for payment of Credit Notes along with interest & Penalty	5.05	Jan & Feb of 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
13	The Central Excise Act 1944	Quantity Variance	97.25	Jul 2013 to Feb 2014	CESTAT
14	The Central Excise Act 1944	Clean Energy Cess on captive consumption of coal	7.11	Mar 2014 to Dec 2014	Dy. Commissioner of Customs and Central Excise
15	The Central Excise Act 1944	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	The Central Excise Act 1944	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	The Central Excise Act 1944	Quantity Variance	1196.01	Jan 2016 to Dec 2016	Commissioner of Customs and Central Excise
21	The Central Excise Act 1944	Non payment of CEC on Captive Consumption	0.79	Jan 2016 to Dec 2016	Asst. Commissioner of Customs and Central Excise
22	APGST Act, 1957	Sales Tax (on steel, Cement, HSD oil, Explosives etc to Contractors)	37.23	FY 2001 -02	Judicature of Hyderabad
23	AP VAT ACT, 2005	VAT on Steel, Cement, Explosives issued to contractors	2.82	FY 2005-06	AC (CT) WGL
24	APGST Act, 1957	Sales tax - interest on alleged delayed remittance of tax	43.74	FY 2001-02	Judicature of Hyderabad
25	Entry Tax Act 2001	additional tax demand on purchases made from outside AP sales	15.71	FY 2003-04	Judicature of Hyderabad
26	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

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**ANNEXURE 'A'****TO THE INDEPENDENT AUDITOR'S REPORT**

A statement on the matters specified in the paragraph 3 and 4 of the CARO, 2016 (contd...)

Management reply on the audit observations (Contd...)
(under section 134(3) of the Companies Act, 2013)

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 (2018-19)
27	Central Sales Tax Act, 1956	Central Sales Tax	13.03	FY 2012-13	AC (CT) WGL
28	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
29	Entry Tax Act 2001	Entry Tax on Goods	19.14	FY 2011-12	Judicature of Hyderabad
30	Entry Tax Act 2001	Entry Tax on Goods	75.80	FY 2012-13	AC (CT) WGL
31	Entry Tax Act 2001	Entry Tax on Goods	335.65	FY 2013-14	AC (CT) WGL
32	Entry Tax Act 2001	Entry Tax on Goods	326.82	FY 2014-15	AC (CT) WGL
33	Entry Tax Act 2001	Entry Tax on Goods	655.01	FY 2015-16	AC (CT) WGL
34	Entry Tax Act 2001	Entry Tax on Goods	1177.32	FY 2016-17	AC (CT) WGL
35	Finance Act 1994	Service Tax demand on TDS Component on Import Services	6.39	FY 2008-09 to Sep 2012	CESTAT, Bangalore
36	Finance Act 1994	Service Tax demand on TDS Component on Import Services	4.77	Oct 2012 to Mar 2014	CESTAT, Hyderabad
37	Finance Act 1994	Service Tax demand on TDS Component on Import Services	1.96	Apr 2014 to Sep 2015	CESTAT, Hyderabad
38	The Central Excise Act 1944	Clean Energy Cess on Closing Stock as on 30.06.2017 (pre GST)	23529.72		CESTAT
39	The Central Excise Act 1944	Quantity Variance	401.93	Jan 2016 to Dec 2016	Commissioner of Customs and Central Excise
40	Income Tax Act 1961	Fringe benefit Tax	9048.18	FY 2016-17	CIT (Appeals), Hyderabad
41	A.P.Motor Vehicles Act. (Entry Tax)	Non payment of Entry Tax on HEMM in respect of CST Purchases	2469.59	2007-08 to 2011-12	Judicature of Hyderabad
42	A.P.Motor Vehicles Act. (Entry Tax)	Non payment of Entry Tax on HEMM in respect of CST Purchases	1553.48	2012-13	Judicature of Hyderabad
43	A.P.Motor Vehicles Act. (Entry Tax)	Non payment of Entry Tax on HEMM in respect of CST Purchases	466.83	2013-14	Judicature of Hyderabad
44	A.P.Motor Vehicles Act. (Entry Tax)	Non payment of Entry Tax on HEMM in respect of CST Purchases	278.41	2014-15	Judicature of Hyderabad
45	A.P.Motor Vehicles Act. (Entry Tax)	Non payment of Entry Tax on HEMM in respect of CST Purchases	1080.73	2015-16	Judicature of Hyderabad

The Appeals at various stages are being contested by the Company with the help of Professional Firms wherever necessary for an early and favourable settlement.

**ANNEXURE 'A'**

TO THE INDEPENDENT AUDITOR'S REPORT
A statement on the matters specified in the paragraph 3 and 4 of the
CARO, 2016 (contd...)

Management reply on the
audit observations
(Contd...)
(under section 134(3) of
the Companies Act, 2013)

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 (2018-19)
46	A.P.Motor Vehicles Act. (Entry Tax)	Non payment of Entry Tax on HEMM in respect of CST Purchases	1456.23	2016-17	Judicature of Hyderabad
47	A.P.Motor Vehicles Act. (Entry Tax)	Non payment of Entry Tax on HEMM in respect of CST Purchases	398.41	2017-18	Judicature of Hyderabad
48	The Central Excise Act 1944/Finance Act, 1994	Tax Demand on Irregular availment of credit on certain Services which are ineligible (Services connected to Transmission, Lighting, Canteen, Railway Siding, Maintenance and Repairs of Road, BoreWell, RO plants, Air ticketing)	153.85	April 2013 to September 2015	CESTAT, Hyderabad

The Appeals 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 the information and explanations given to us and the records of the company examined by us the Company has not defaulted in repayment of loans or borrowings to any financial institutions, bank, Government or due to the debenture holders.

This being a statement of fact calls for no comment separately

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans raised are used for the purpose for which it was raised during the year.

This being a statement of fact calls for no comment separately

x. To the best of our knowledge and according to the information and explanations given to us, during the year fraud aggregating to Rs. 29.53 Lakh has been reported as detailed hereunder, on the company by its officers or employees or others.

Sl. No	Nature of Fraud	Quantity	Amount involved (Rs. In Lakhs)
1.	Three brothers who are working in the Singareni Collieries Company Limited in different capacities, Two of them have claimed LLTC/LTC against the Rules on their parents name while availing their LLTC/LTC as per their due dates. One of them is working as Executive since 2009 (where the parents are not covered for claiming LTC Home Town and LLTC any where in India for Executives).	36862+ 20983	0.58
2.	One Employee possessing more than one Quarter.	65 employees having double Quarters(65x1500 as per penal rent)	0.98
3	Claiming of false TA bills by Executives (Medical Supdt.) though they have not travelled in own car.	5778+ 960	0.07
4	Irregularities in Wage payment.	--	26.25 (Provisional)
5	One Security Guard, (YLD) was paid excess HRA i.e.,30% was paid though he is not eligible at Yellandu.	--	1.65
	Total		29.53

Vigilance Department carries out investigations on issues referred to it, based on complaints and regularly keeps vigil on deferent managerial aspects and systems for detecting and preventing frauds, irregularities and procedural deviations. The frauds reported are as per the vigilance activities.



ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT A statement on the matters specified in the paragraph 3 and 4 of the CARO, 2016 (contd...)	Management reply on the audit observations (Contd...) (under section 134(3) of the Companies Act, 2013)
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 Act is not applicable in case of government company vide notification GSR 463(E) dated June 05, 2015.	This being a statement of fact calls for no comment separately
xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.	This being a statement of fact calls for no comment separately
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 Section 177 and 188 of the Companies Act, 2013 where applicable, and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.	This being a statement of fact calls for no comment separately
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 paid convertible debentures during the year under review	This being a statement of fact calls for no comment separately
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 its Directors or persons connected to its directors. Accordingly, paragraph 3(xv) of the Order is not applicable.	This being a statement of fact calls for no comment separately
xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.	This being a statement of fact calls for no comment separately
<p style="text-align: center;"> For RAMAMOORTHY (N) & CO Chartered Accountants (FRN: 002899S) Sd/- (CA Surendranath Bharathi) Partner Membership No. 023837 UDIN19023837AAAAAU5922 Date: 26.07.2019 Place: Hyderabad </p>	<p style="text-align: center;"> For and on behalf of the Board Sd/- (N. Sridhar) Chairman & Managing Director Date: 05.08.2019 Place: Hyderabad </p>



<p>ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of The Singareni Collieries Company Limited of even date)</p>	<p>Management reply on the audit observations (under section 134(3) of the Companies Act, 2013)</p>
<p>Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") We have audited the internal financial controls over financial reporting of THE SINGARENI COLLIERIES COMPANY LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.</p>	<p>--</p>
<p>Management's Responsibility for Internal Financial Controls The Management of the Company 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, 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>This being a statement of fact calls for no comment separately</p>
<p>Auditor's Responsibility Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.</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 judgment, 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>This being a statement of fact calls for no comment separately</p>



<p>ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of The Singareni Collieries Company Limited of even date)</p>	<p>Management reply on the audit observations (under section 134(3) of the Companies Act, 2013)</p>
<p>Meaning of Internal Financial Controls over Financial Reporting A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that</p>	<p>This being a statement of fact calls for no comment separately</p>
<p>(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;</p>	<p>This being a statement of fact calls for no comment separately</p>
<p>(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</p>	<p>This being a statement of fact calls for no comment separately</p>
<p>(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.</p>	<p>This being a statement of fact calls for no comment separately</p>
<p>Limitations of Internal Financial Controls Over Financial Reporting Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.</p>	<p>This being a statement of fact calls for no comment separately</p>
<p>Disclaimer of Opinion According to information and explanations given to us, the company is in the process of establishing Internal Financial Control over financial reporting framework 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 Institute of Chartered Accountants of India. However, we are unable to obtain audit evidence in supporting the implementation of the IFC over financial reporting. Because of this reason, we are unable to obtain sufficient and 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 control were operating effectively as at 31st March, 2019.</p>	<p>This being a statement of fact calls for no comment separately</p>
<p>For RAMAMOORTHY (N) & CO Chartered Accountants (FRN: 002899S) Sd/- (CA Surendranath Bharathi) Partner Membership No. 023837 UDIN19023837AAAAAU5922 Date: 26.07.2019 Place: Hyderabad</p>	<p>For and on behalf of the Board Sd/- (N. Sridhar) Chairman & Managing Director Date: 05.08.2019 Place: Hyderabad</p>

**ANNEXURE-'C' TO THE INDEPENDENT AUDITOR'S REPORT**

In respect of the following Lands, title deeds are not furnished to establish the ownership of the Company.

Sl. No	ASSET NO.	DESCRIPTION	QTY	UNIT	CAP DATE	END BOOK VALUE	AREA
1	111100001094	HAUL ROAD AT LINGIGUDA, DEVAIGUDA, BORDAM VILLAGES	1.00	AU	31-03-2010	-	BPA
2	111200000184	GOVT ASSIGNED LAND FOR DORLI1	-	ACR	31-03-2009	-	BPA
3	111200000043	DORLI OCP - MINING LEASE-EXP	-	NOS	01-11-2004	-	BPA
4	111100000793	LAND ACQUISITION FOR QUARTERS	-	NOS	01-04-2000	180,887.00	BPA
5	111200000039	KHAIRAGUDA UNDERGROUND	-	NOS	01-04-1998	-	BPA
6	111100000794	APPROACH ROAD AT GLT	-	NOS	01-04-1996	-	BPA
7	111200000038	OCP (MVK-6)	-	NOS	01-04-1989	-	BPA
8	111300000186	QUARTERS NARASAPUR BLOCK(RES.F	-	NOS	01-04-1983	5,913.56	BPA
9	111100000855	PATTA LAND FOR DORLI OCP I	1.00	ACR	01-04-2008	-	BPA
10	111100000792	OCP-2 RCC PILLARS AT RES. FORE	-	NOS	01-04-2000	-	BPA
11	111100000798	KH OCP LAND ACQUISITION	-	NOS	01-04-2002	-	BPA
12	111200000052	GOVT.LAND APP.RD & TRNSM.LINE	0.22	ACR	01-05-2007	1.00	BPA
13	111100000841	PATTA LAND FOR BOIPALLIMINE	21.73	ACR	01-04-2007	683,619.00	BPA
14	111100000831	LAND COMPENSATION-A8.17 GTS	-	NOS	01-10-2005	278,025.00	BPA
15	111100000826	COMP-LAND ACQ.A10.25-PIPELINE	-	NOS	01-04-2005	270,724.00	BPA
16	111200000031	10.30 GOLETI-1	-	NOS	01-04-1992	-	BPA
17	111100000779	DEPOSIT FOR AFORESTATION 16.10	-	NOS	01-04-1986	25,409.00	BPA
18	111300000185	APP ROAD GLT-1 TO PWD ROAD 7.0	-	NOS	01-04-1983	4,252.00	BPA
19	111300000177	BOIPALLI 32.12 ACRE	-	NOS	01-04-1977	8,346.00	BPA
20	111100000833	CONS HOUSES-143AC P.LAND KHOC	-	NOS	01-08-2006	-	BPA
21	111100000834	CONS HOUSES-143AC P.LAND KHOC	-	NOS	01-07-2006	-	BPA
22	111100000835	CONS HOUSES-143AC P.LAND KHOC	-	NOS	01-01-2006	-	BPA
23	111100000828	LAND PURCHASE-LPS-KH OCP	-	NOS	01-10-2005	-	BPA
24	111100000829	LAND PURCHASE-LPS-KH OCP	-	NOS	01-11-2005	-	BPA
25	111100000830	LAND PURCHASE-LPS-KH OCP	-	NOS	01-01-2006	-	BPA
26	111100000818	ALT.LAND TO KHOCP TRIBAL OUSTEE	-	NOS	01-04-2005	-	BPA
27	111100000813	30 A LAND PURCHASE LPS KH OCP	30.00	NOS	01-08-2004	-	BPA
28	111100000814	39.25A KHG ALTERNATE LAND	39.25	NOS	01-01-2005	-	BPA
29	111100000815	73.03A KHG ALTERNATE LAND	73.03	NOS	01-02-2005	-	BPA
30	111100000820	ALT.LAND A69.12GTS.KH OCP	69.12	NOS	01-05-2005	-	BPA
31	111100000825	ALT LANDS A 30.53 CENTS	0.31	NOS	01-07-2005	-	BPA
32	111100000984	LANDS			01.04.1983	9,433,596.00	YLD
33	111300000214	PRIOR FC ACT	18.98	HA	01.04.1985	378,973.00	YLD
34	111100000030	LANDS GDK NO 8 INCLINE	2.87	ACR	01.04.2006	2,635,022.92	RG II



ANNEXURE-'C' TO THE INDEPENDENT AUDITOR'S REPORT (contd..)

Sl. No	ASSET NO.	DESCRIPTION	QTY	UNIT	CAP DATE	END BOOK VALUE	AREA
35	111100000064	28.11 JALLARAM	28.11	ACR	01.04.1991	1	RG II
36	111100000065	21.3 UPARLAKESORAM	21.3	ACR	01.04.2001	1	RG II
37	111100000066	LAND OF JALLARAM	1	ACR	01.04.1975	27,813.00	RG II
38	111100000070	LANDS GDK 8 INCLINE COLONY	153.27	ACR	01.04.2006	440,850.00	RG II
39	111100000071	LANDS GDK 8 INCLINE COLONY	48.16	ACR	01.04.2006	298,039.00	RG II
40	111100000073	LAND OF JALLARAM	1	ACR	01.04.1990	53,440.00	RG II
41	111100000076	LAND OF JALLARAM	1	ACR	01.04.1988	1,427,097.00	RG II
42	111100000083	JALLARAM OP 358/87	0	ACR	01.04.1990	1,530,501.00	RG II
43	111100000085	LAND OF PENCHIKALPET	1	ACR	01.04.2003	197,584.00	RG II
44	111100000098	LAND OF JALLARAM	1	ACR	01.04.1975	5,905.00	RG II
45	111300000012	37.14 JALLARAM	37.14	ACR	01.04.1973	1	RG II
46	1114000000448	MAREDUPAKA - for OCP3	1	ACR	01.04.1990	136,195.00	RG II
47	1112000000273	GOVT LAND (1304 PROJECT)	30.11	ACR	01.04.2018	1	MNG
48	1113000000198	PWD Road to stores Approach Road (Acs3-22)	3.22	ACR		1,061.00	MMR
49	1113000000199	RKP RLY.SIDING (ACs 41-00)	41	ACR		9,074.00	MMR
50	1113000000206	KK-1 CSP Rly siding (Acs.01-04gts)	1.04	ACR		384	MMR
51	1113000000207	Constructions of Officers Colony	18.03	ACR		1,274.00	MMR
52	1113000000208	SMG-3 Incline (Acs 6-05 gts)	6.05	ACR		263	MMR
53	1113000000209	SK MINE&ROAD	9	ACR		250	MMR
54	1113000000210	SK MINE&ROAD	18.3	ACR		257	MMR
55	1113000000216	KK2 (ACS 22-00+03-04 Gts) Sy.No.129/2,125 123/3	25.25	ACR		1,627.00	MMR
56	1113000000217	KK-2 Banglow area Qtrts	25	ACR		3,721.00	MMR
57	1113000000195	SMG 1 & Quarters	109.17	ACR		464,388.00	MMR
58	1111000000864	SMG3 DIP.OPERATION IN KSPT VILLAGE Acs 41-09	41.09	ACR		557,336.00	MMR

Note: Area Code-Area Name

BPA: Bellampalli MMR: Mandamarri
YLD: Yellandu RG-II: Ramagundam-II

For Ramamoorthy (N) & Co.,
Chartered Accountants
(Firm Registration No. 002899S)

Sd/-
(CA.Surendranath Bharathi)
Partner
(Membership No. 023837)
UDIN19023837AAAAAU5922

Date: 26.07.2019
Place : Hyderabad



INDEPENDENT AUDITOR'S REPORT on the Audit of Consolidated Ind AS Financial Statements	Management reply on the audit observations (under section 134(3) of the Companies Act, 2013)
To the Members of Singareni Collieries Company Limited	
Report on the Audit of Consolidated Ind AS Financial Statements	
<p>Opinion</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 (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated Ind As financial statements").</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 give a true and fair view in conformity with the Ind AS and accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2019, of consolidated profit/loss, consolidated total comprehensive income, consolidated statement of changes in equity and its consolidated cash flows for the year then ended.</p>	--
<p>Basis for Opinion</p> <p>We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.</p>	--



INDEPENDENT AUDITOR'S REPORT on the Audit of Consolidated Ind AS Financial Statements (Contd.)	Management reply on the audit observations (Contd.) (under section 134(3) of the Companies Act, 2013)
<p>Emphasis of Matter Paragraph</p> <p>Without qualifying our opinion, we draw attention to</p> <p>a) <i>In accordance with Ind AS 115 – Revenue from contracts with customers, the Company has estimated and provided for Rs.142.08 Cr towards grade slippage as on transition date i.e. 01.04.2018 by way of adjustment of retained earnings as on 01.04.2018. The provision as on the reporting date stands at Rs.129.13Cr after withdrawal of Rs.12.95 Cr. Refer Additional note 5.13,J(b)</i></p> <p>b) <i>In accordance with the opinion of Expert Advisory Committee of the ICAI, the company has recognised liability for non-vesting (non-encashable) leave salary for employees with retrospective effect. Accordingly, an amount of Rs.119.83 Cr for FY 2018-19 has been provided and Rs.48.11 Cr for FY 2017-18 and Rs.98.45 Cr for the earliest period i.e., upto FY 2016-17 has been restated. Refer Additional Notes 5.13.J(a) and 5.3.</i></p>	<p>The Auditors have drawn specific attention of the members on these matters, though these provisions have been appropriately recognised, presented and disclosed in the Financial statements as per the Provisions of Ind AS.</p>
<p>Other Information</p> <p>The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report related to the Consolidated financial Statements, but does not include the Consolidated financial statements and our auditor's report thereon.</p> <p>Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.</p>	<p>--</p>
<p>In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.</p>	<p>--</p>



<p style="text-align: center;">INDEPENDENT AUDITOR'S REPORT on the Audit of Consolidated Ind AS Financial Statements (Contd.)</p>	<p style="text-align: center;">Management reply on the audit observations (Contd.) (under section 134(3) of the Companies Act, 2013)</p>
<p><i>Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements</i></p> <p>The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.</p>	--
<p>In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.</p>	--
<p>The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.</p>	--



<p style="text-align: center;">INDEPENDENT AUDITOR'S REPORT on the Audit of Consolidated Ind AS Financial Statements (Contd.)</p>	<p style="text-align: center;">Management reply on the audit observations (Contd.) (under section 134(3) of the Companies Act, 2013)</p>
<p><i>Auditor's Responsibilities for the Audit of the consolidated Ind AS financial statements</i></p> <p>Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.</p>	--
<p>As part of our Audit evidence with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:</p> <p>Identify and assess the risks of material misstatement of Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.</p>	--
<p>Obtain an understanding of internal control relevant to the audit in order to design the audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the Consolidated financial statements in place and the operating effectiveness of such controls.</p>	--
<p>Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and relate party disclosures made by the management.</p>	--
<p>Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.</p>	--



INDEPENDENT AUDITOR'S REPORT on the Audit of Consolidated Ind AS Financial Statements (Contd.)	Management reply on the audit observations (Contd.) (under section 134(3) of the Companies Act, 2013)
<ul style="list-style-type: none"> Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation. 	--
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.	--
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.	--
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosures about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.	--
Other Matters <ol style="list-style-type: none"> We did not audit the financial statements / financial information of the subsidiary APHMEL, whose financial statements / financial information reflect total assets of Rs.74.77 Cr as at 31st March, 2019, total revenues of Rs.61.95 Cr and net cash flows amounting to Rs.(7.22 Cr) for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit/loss of Rs.8.37 Cr for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of Subsidiary APHMEL, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS 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) 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. 	--



INDEPENDENT AUDITOR'S REPORT on the Audit of Consolidated Ind AS Financial Statements (Contd.)	Management reply on the audit observations (Contd.) (under section 134(3) of the Companies Act, 2013)
<p>Our opinion on the consolidated Ind AS 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>--</p>
<p>Report on Other Legal and Regulatory Requirements</p>	
<p>1. Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143(11) of the Act, is not applicable to the auditor's report on the Consolidated financial statements as per para 2 of the said Order.</p>	<p>--</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 aforesaid consolidated Ind AS financial statements.</p>	<p>--</p>
<p>b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.</p>	<p>--</p>
<p>c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.</p>	<p>--</p>
<p>d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.</p>	<p>--</p>
<p>e. The Group company and its jointly controlled entity being Government companies, section 164(2) of the act is not applicable as per the GST 463(E) dated 5th June, 2015.</p>	<p>--</p>
<p>f. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.</p>	<p>--</p>
<p>g. With respect to the adequacy of Internal Financial Control with reference to Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A</p>	<p>--</p>



INDEPENDENT AUDITOR'S REPORT		Management reply on the audit observations (Contd.) (under section 134(3) of the Companies Act, 2013)
on the Audit of Consolidated Ind AS Financial Statements (Contd.)		
h. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197(16) of the Act.		--
i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:		--
i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities— Refer Note 4A to the consolidated Ind AS financial statements.		--
ii) The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts for the year ended 31 st March, 2019		--
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 operation incorporated in India during the year ended 31.03.2019		--
2. As required by the section 143(5) of the Act and as per the directions of Comptroller and Auditor General of India, we report that:		--
S.No	Directions	Reply
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the company has ERP system (SAP) to process all the accounting transactions through IT system. Our examination of the records did not reveal any transactions not coming within the purview of IT system stated above.
This being a statement of fact calls for no comment separately.		
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	NIL, During the year under audit there were no cases of waiver/write off of debts /loans/interest etc.
This being a statement of fact calls for no comment separately.		



INDEPENDENT AUDITOR'S REPORT on the Audit of Consolidated Ind AS Financial Statements (Contd.)		Management reply on the audit observations (Contd.) (under section 134(3) of the Companies Act, 2013)
S. No	Directions	Reply
3	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	During the year the company received Rs.27.08 Crores towards capital grants and revenue grants of Rs. 23.37 Crores towards sand stowing and protective works grants from CCDAC against the amounts spent by the company and claims submitted in 2016-17 and 2017-18. Further, claims for sand stowing and protective works receivable for an amount of Rs.114.85 crores recognized as income on accrual basis in FY 2017-18 were written off during the year as the same were not approved by CCDAC consequent to revocation of stowing excise duty under GST regime. Refer note 36.1 and 39.5.2 of the financial statements.
<p>For RAMAMOORTHY (N) & CO Chartered Accountants (FRN: 002899S)</p> <p>Sd/- (CA Surendranath Bharathi) Partner Membership No. 023837 UDIN: 19023837AAAAAV4010</p> <p>Date: 26.07.2019 Place: Hyderabad</p>		<p>This being a statement of fact calls for no comment separately.</p> <p>For and on behalf of the Board</p> <p>Sd/- (N. Sridhar) Chairman & Managing Director</p> <p>Date: 05.08.2019 Place: Hyderabad</p>



<p>ANNEXURE 'A'</p> <p>TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of The Singareni Collieries Company Limited of even date) (contd...)</p>	<p>Management reply on the audit observations (Contd...) (under section 134(3) of the Companies Act, 2013)</p>
<p>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")</p>	
<p>We have audited the internal financial controls over financial reporting of THE SINGARENI COLLIERIES COMPANY LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the Consolidated Ind AS financial statements of the Company for the year ended on that date.</p>	
<p>Management's Responsibility for Internal Financial Controls</p> <p>The Management of the Company 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, 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>This being a statement of fact calls for no comment separately.</p>
<p>Auditor's Responsibility</p> <p>Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.</p>	<p>This being a statement of fact calls for no comment separately.</p>



ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of The Singareni Collieries Company Limited of even date) (contd...)	Management reply on the audit observations (Contd...) (under section 134(3) of the Companies Act, 2013)
<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>This being a statement of fact calls for no comment separately.</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>This being a statement of fact calls for no comment separately.</p>
<p>Meaning of Internal Financial Controls over Financial Reporting</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> <p>(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;</p>	<p>This being a statement of fact calls for no comment separately.</p>
<p>(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</p>	<p>This being a statement of fact calls for no comment separately.</p>
<p>(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.</p>	<p>This being a statement of fact calls for no comment separately.</p>



<p>ANNEXURE 'A'</p> <p>TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of The Singareni Collieries Company Limited of even date) (contd...)</p>	<p>Management reply on the audit observations (Contd...) (under section 134(3) of the Companies Act, 2013)</p>
<p>Limitations of Internal Financial Controls Over Financial Reporting</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>This being a statement of fact calls for no comment separately.</p>
<p>Disclaimer of Opinion</p> <p>According to information and explanations given to us, the company is in the process of establishing Internal Financial Control over financial reporting framework 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 Institute of Chartered Accountants of India. However, we are unable to obtain audit evidence in supporting the implementation of the IFC over financial reporting. Because of this reason, we are unable to obtain sufficient and 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 control were operating effectively as at 31st March, 2019.</p>	<p>This being a statement of fact calls for no comment separately.</p>
<p>For RAMAMOORTHY (N) & CO Chartered Accountants (FRN: 002899S)</p> <p>Sd/- (CA Surendranath Bharathi) Partner Membership No. 023837 UDIN: 19023837AAAAAV4010</p> <p>Date: 26.07.2019 Place: Hyderabad</p>	<p>For and on behalf of the Board</p> <p>Sd/- (N. Sridhar) Chairman & Managing Director</p> <p>Date: 05.08.2019 Place: Hyderabad</p>



Balance Sheet (Standalone) as at 31st March 2019

(Rs. in Crore)

S. No.	Particulars	Note No	As at 31.03.2019	As at 31.03.2018
	ASSETS			
A.	Non-current Assets			
	(a) Property, Plant and Equipment	3	15573.26	15198.79
	(b) Capital Work-In-Progress	4	760.36	1423.98
	(c) Other Intangible Assets	5	2.32	1.83
	(d) Financial Assets			
	(i) Investments	6	1809.37	1809.37
	(ii) Loans	7	2070.89	2129.84
	(iii) Others	8	804.57	581.18
	(e) Deferred Tax Assets (Net)	9	3727.03	4072.52
	(f) Other Non-Current Assets	10	617.19	500.38
	Total Non-Current Assets (A)		25364.99	25717.89
B.	Current Assets			
	(a) Inventories	11	695.31	1119.48
	(b) Financial Assets			
	(i) Trade Receivables	12	5346.27	3131.29
	(ii) Cash and Cash Equivalents	13	730.63	371.58
	(iii) Bank Balance Other than (ii) above	14	1869.89	2587.24
	(iv) Investments	6	401.98	-
	(v) Loans	7	213.70	127.79
	(vi) Others	8	1033.09	424.44
	(c) Current Tax Asset (Net)	15	54.67	-
	(d) Other Current Assets	16	697.60	494.13
	Total Current Assets (B)		11043.14	8255.95
	Total Assets (A+B)		36408.13	33973.84



Balance Sheet (Standalone) as at 31st March 2019 (Contd.)

(Rs. in Crore)

S. No.	Particulars	Note No	As at 31.03.2019	As at 31.03.2018
	<u>EQUITY AND LIABILITIES</u>			
A.	EQUITY			
	(a) Equity Share Capital	17	1733.20	1733.20
	(b) Other Equity	18	5787.85	4322.57
	Total Equity (A)		7521.05	6055.77
B.	LIABILITIES			
B.1	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	19	3843.08	4088.77
	(b) Provisions	22	18470.66	17073.39
	(c) Other Non-Current Liabilities	23	-	178.68
	Total Non-Current Liabilities (B.1)		22313.74	21340.84
B.2	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	19	12.37	18.11
	(ii) Trade Payables	20	1376.50	710.16
	(iii) Other Financial Liabilities	21	1535.05	2787.93
	(b) Other Current Liabilities	24	1813.18	1590.96
	(c) Provisions	22	1836.24	1405.28
	(d) Current Tax Liabilities (Net)	25	-	64.79
	Total Current Liabilities (B.2)		6573.34	6577.23
	Total Liabilities (B=(B.1+B.2))		28887.08	27918.07
	TOTAL EQUITY AND LIABILITIES (A+B)		36408.13	33973.84

The accompanying Notes form an integral part of Financial Statements

As per our report of even date

M/s. Ramamoorthy (N) & Co.

Chartered Accountants

Firm Regn. No.02899S

For and on behalf of the Board

Sd/- (CA.Surendranath Bharathi) Partner Membership No.23837	Sd/- (G.Srinivas) Chief (C.A) & Company Secretary	Sd/- (M.Narasimha Reddy) General Manager (F&A) Corporate	Sd/- (N.Balram) Director (Finance) & C.F.O	Sd/- (N.Sridhar) Chairman & Managing Director
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Date: 26 .07.2019

Place: Hyderabad



Statement of Profit & Loss (Standalone) for the year ended 31st March 2019

(Rs in Crore)

S. No.	Particulars	Note No.	For the Year ended	
			31.03.2019	31.03.2018
	Revenue from Operations			
(I)	Revenue from Operations	26	19819.57	17379.33
(II)	Other Income	27	873.32	961.34
(III)	Total Income (I+II)		20692.89	18340.67
(IV)	EXPENSES			
	Cost of Materials Consumed	28	3701.65	3327.49
	Changes in Inventories of Finished goods	29	469.73	268.21
	Excise Duty		-	218.31
	Employee Benefits Expense	30	6804.08	6860.88
	Finance Costs	31	1269.64	1222.65
	Depreciation and Amortization expenses		1663.06	1533.52
	Power & Fuel	32	481.06	464.73
	Repairs & Maintenance	33	178.93	157.54
	Contractual Expenses	34	2335.47	2200.65
	Provisions	35	190.37	113.44
	Write offs	36	128.32	11.77
	Stripping Activity (OBR) Adjustment		(65.04)	(68.48)
	Other Expenses	37	727.50	692.42
	Total Expenses (IV)		17884.77	17003.13
(V)	Profit/(Loss) before Exceptional Items and Tax (III-IV)		2808.12	1337.54
(VI)	Exceptional Items	38	-	(453.03)
(VII)	Profit/(Loss) Before Tax (V) - (VI)		2808.12	1790.57
(VIII)	Tax Expense			
	(1) Current Tax		620.64	446.76
	(2) Tax relating to Earlier periods		-	-
	(3) Deferred Tax		404.11	(11.59)
(IX)	Profit (Loss) for the period from Continuing Operations (VII - VIII)		1783.37	1355.40
(X)	Profit/(Loss) from discontinued operations		-	-
(XI)	Tax expenses of discontinued operations		-	-



Statement of Profit & Loss (Standalone) for the year ended 31st March 2019 (Contd.)

(Rs. in Crore)

S. No.	Particulars	Note No.	For the year ended	
			31.03.2019	31.03.2018
(XII)	Profit/(loss) from discontinued operations (After Tax) (X- XI)			-
(XIII)	Profit/(loss) for the Period (IX+XII)		1783.37	1355.40
(XIV)	Other Comprehensive Income			
	A. Items that will not be reclassified to profit or loss		(25.69)	(271.65)
	Less: Income tax relating to items that will not be reclassified to Profit or Loss		8.98	94.02
	B. Items that will be reclassified to profit or loss			
	Less: Income tax relating to items that will be reclassified to Profit or Loss			
	Total Other Comprehensive Income(XIV)		(16.71)	(177.63)
(XV)	Total Comprehensive Income for the Period (XIII+XIV)		1766.66	1177.77
(XVI)	Earnings per Equity Share			
	(1) Basic		10.29	7.82
	(2) Diluted		10.29	7.82

The accompanying Notes form an integral part of Financial Statements

As per our report of even date

M/s. Ramamoorthy (N) & Co.

Chartered Accountants

Firm Regn. No.02899S

For and on behalf of the Board

Sd/- (CA.Surendranath Bharathi) Partner Membership No.23837	Sd/- (G.Srinivas) Chief (C.A) & Company Secretary	Sd/- (M.Narasimha Reddy) General Manager (F&A) Corporate	Sd/- (N.Balram) Director (Finance) & C.F.O	Sd/- (N.Sridhar) Chairman & Managing Director
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Date: 26 .07.2019

Place: Hyderabad


STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2019 (Standalone)
A. EQUITY SHARE CAPITAL:

(Rs. in Crore)

Particulars	Balance as at 31.03.2017	Changes in Equity Share Capital during the year	Balance as at 31.03.2018	Changes in Equity Share Capital during the year	Balance as at 31.03.2019
Equity Shares	1733.20	-	1733.20	-	1733.20

B. OTHER EQUITY:

(Rs. in Crore)

Particulars	General Reserve	Retained Earnings	Total
Balance at the Beginning of the Reporting Period as at 01.04.2017	1360.40	2012.69	3373.09
Adjustments for Changes in accounting policy		(64.38)	(64.38)
Adjustments for Prior Period Errors		(7.47)	(7.47)
Restated Balance as at 01.04.2017	1360.40	1940.84	3301.24
Profit for the year 2017-18 (Restated)		1355.41	1355.41
Other Comprehensive Income (net of tax)		(177.63)	(177.63)
Dividends-2016-17(including dividend distribution tax)		(156.45)	(156.45)
Transfer to/(from) retained earnings	100.00	(100.00)	-
Restated Balance as on 31.03.2018	1460.40	2862.17	4322.57
Ind AS Adjustments for initial adoption under Modified Retrospective approach as on 01.04.2018			
-Provision for Grade Variance on Disputed Samples		(142.08)	(142.08)
-Deferred Tax Asset on above		49.65	49.65
Restated Balance as on 01.04.2018	1460.40	2769.74	4230.14
Profit for the Year 2018-19		1783.37	1783.37
Other Comprehensive Income (net of tax)		(16.71)	(16.71)
Dividends-2017-18 (including dividend distribution tax)		(208.95)	(208.95)
Transfer to/(from) retained earnings	100.00	(100.00)	-
Balance as on 31.03.2019	1560.40	4227.45	5787.85



CASH FLOW STATEMENT (STANDALONE) FOR THE YEAR 2018-19

(Rs in Crore)

S.No	Particulars	For the Year ended			
		31.03.2019		31.03.2018	
A	<u>CASH FLOW FROM OPERATING ACTIVITIES</u>				
	Profit/(loss) before Tax		2808.12		1337.54
	Adjustments for:				
	Depreciation, Amortization and Impairment Expense	1686.25		1600.43	
	Assets Written off	13.41		11.68	
	Provisions Written Back	(92.71)		(12.43)	
	Interest Income on Investments	(177.10)		(177.26)	
	Interest Income on Term Deposits	(219.50)		(149.41)	
	Income from Mutual Funds	(6.14)			
	Interest Expense	1269.64		1222.65	
	Non - Current Provisions	(110.66)		500.92	
	Unrealised foreign Exchange Loss/(Gain)	(1.23)		13.83	
	Actuarial gains/(losses) routed through other comprehensive income	(25.69)		(271.65)	
	Deferred Government Grant	-		(11.16)	
	Exceptional Items	-	2336.26	453.03	3180.63
	Operating Profit Before Working Capital Changes		5144.39		4518.17
	Adjustments towards changes in				
	Inventories	424.17		269.85	
	Trade Receivables	(2357.05)		675.54	
	Current/Non - current/Loans, Other financial assets and other assets	(461.93)		(3260.70)	
	Trade Payables	666.33		23.66	
	Current/Non - Current Borrowings, Financial liabilities and provisions	(523.40)		(244.25)	
	Tax paid Including TDS	(740.09)	(2991.97)	(332.35)	(2868.25)
	Net Cash flow from Operating Activities (A)		2152.41		1649.92
B	<u>CASH FLOW FROM INVESTING ACTIVITIES</u>				
	Increase in Property, plant & equipment (including Capital Work-in-progress)	(953.01)		(1620.90)	
	Redemption of Investments	-		2.00	
	Interest Income on Investments	177.10		177.26	
	Interest Income on Term Deposits	219.50		149.41	
	Income from Mutual Funds	6.14		-	
	Investments in mutual funds	(401.98)			
	Cash Flow from Investing Activities(B)		(952.25)		(1292.23)



CASH FLOW STATEMENT (STANDALONE) FOR THE YEAR 2018-19 (contd.)

(Rs in Crore)

S.No.	Particulars	For the year ended	
		31.03.2019	31.03.2018
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Non- current Borrowings	(225.71)	(162.86)
	Changes in Cash Credit	(5.75)	4.45
	Interest Expense	(398.37)	(398.68)
	Dividend paid	(173.32)	(129.99)
	Dividend Tax paid	(35.63)	(26.46)
	Cash flow from Financing activities (C)	(838.78)	(713.54)
D	Net increase in Cash and Cash equivalents (A+B+C)	361.38	(355.84)
E	Cash & Cash equivalents at the beginning of the year	365.49	721.33
F	Cash & Cash equivalents at the end of the year (D+E)	726.87	365.49

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

(Rs in Crore)

Particulars	2018-19	2017-18
Cash & Bank Balances at the Beginning of the year	371.58	726.73
Special OD Account	-	-
Overdraft in Current Account	(6.09)	(5.40)
Cash & Bank Balances at the Beginning of the year	365.49	721.33
Cash & Bank Balances at the End of the year	730.63	371.58
Special OD Account	-	-
Overdraft in Current Account	(3.76)	(6.09)
Cash & Bank Balances at the End of the year	726.87	365.49

The accompanying Notes form an integral part of Financial Statements

As per our report of even date

M/s. Ramamoorthy (N) & Co.

Chartered Accountants

Firm Regn. No.02899S

For and on behalf of the Board

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(CA.Surendranath Bharathi)	(G.Srinivas)	(M.Narasimha Reddy)	(N.Balram)	(N.Sridhar)
Partner	Chief (C.A) &	General Manager (F&A)	Director (Finance) &	Chairman &
Membership No.23837	Company Secretary	Corporate	C.F.O	Managing Director

Date: 26 .07.2019

Place: Hyderabad



Notes to the Standalone financial statements for the year ended 31st March, 2019

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 into 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 20 opencast and 27 underground mines in 6 districts of Telangana. SCCL is at present has not listed its stocks anywhere.

Note 2. Significant Accounting Policies:

2.1 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.

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.2.2.16);
- Defined benefit plans- plan assets measured at fair value;
- Inventories at Cost or NRV whichever is lower (Accounting Policy in para No. 2.2.5).
- Other claims and revenues (Accounting policy No.2.2.1.E)
- Certain Provisions are measured at fair value (Accounting Policy No.2.2.7)



Notes to the Standalone financial statements for the year ended 31st March, 2019 (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:

- c) the requirements in Ind ASs dealing with similar and related issues; and
- d) the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Framework.



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

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 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.



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

2.2 Summary of Accounting Policies:

2.2.1 Revenue recognition

Revenue from Operations is recognised duly adopting the five-step model specified in Ind AS 115 to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer.

The Company exercises judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. Further, the Company has adopted Ind AS 115 using the modified retrospective transition method of adoption.

A. Sale of Goods – Coal :

Sales are recognised when control of the products has been transferred to the customer, being when the products are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Emphasis is also given towards ascertaining the probability of recovery for recognition of the revenue at the inception of the contract. Revenue from these sales is recognised based on the notified prices, net of the estimated discounts, rebates, returns and Goods and Service tax.

Revenue is measured at the standalone fair value of the consideration received or receivable (net of accepted deductions allowed to customers on account of quality of coal) taking into account contractually defined terms of payment.

The company's obligation to provide a refund for defects in the products is recognised as a provision. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Sale of Electricity

Revenue from generation of electricity is accounted for as per the tariff approved by the Hon. Telangana State Electricity Regulatory Commission (TSERC). Revenue from sale of Electricity is recognized over time.



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

C. Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised with reference to the stage of completion of the transaction at the end of the reporting period.

D. Recognition of Interest income:

Interest income is recognized using the effective interest rate method.

E 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 dues on realisation.
- b. The interest/ Late Payment Surcharge on late payment/ overdue sundry debtors for sale of power is recognised when no significant uncertainty as to measurability or collectability exists.
- c. Escalation in prices and duties for explosives, equipment and spares supplied on payment.
- d. Credit towards Powder factor is accounted as and when recovered from the suppliers of Explosives.
- e. Additional claims from contractors on Capital Works when claims are settled, other than subsidiary.
- f. Scrap sales are accounted for as and when lifted; and
- g. Insurance Claims on receipt.
- h. Bonus accrued in respect of OBR contracts on receipt of claims from the contractors as per order terms for encashment.

2.2.2 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 as a deduction from the carrying amount of the respective asset.

Grants related to Income (i.e. grant related to other than assets) are presented as part of Statement of Profit or Loss.

Government Grants in the form of transfer of Government (assigned) Lands for use are presented at Nominal Value.



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

2.2.3 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 (Patta lands, lands acquired under Land Acquisition Act, 1894, Right to Fair Compensation and Transparency in Land Acquisition Rehabilitation and Resettlement Act, 2013 and Govt. Assigned lands) include cost of acquisition, Compensation, rehabilitation expenses, resettlement cost and interest upto the date of taking possession.
- c. Leasehold Lands (Forest 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.



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

- 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.

B. 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.
- iii) 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.
- v) Freehold Lands used for UG/OC mining Operations are amortized over the Life of the respective Mine/Project.



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

- C) When parts of an item of property, plant and equipment, with a cost that is significant in relation to the total cost of the item, 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.

2.2.4 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.

2.2.5 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 as reduced by the unearned profit elements viz. Land Adjustment, Fuel Surcharge Adjustment, Preweigh bin charges and Surface Transport Charges.



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

- iii) The cost of production of respective Under Ground (UG) and Open Cast (OC) mines is considered as cost of coal for the stocks of respective UG and OC mines. 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.

2.2.6 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.



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

2.2.7 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 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.



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

- 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 2.2.7.A.(iii) and (iv).

2.2.8 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.

2.2.9 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, 2019 (Contd...)

- ii) from the beginning of the year, wherein the value of production at the average monthly selling price of the Area 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.

2.2.10 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.



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

- 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.

2.2.11 Investment in Subsidiaries and Joint Ventures:

Investments in subsidiaries and joint ventures are measured at cost.

2.2.12. 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.

2.2.13 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.

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.



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

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.

2.2.14 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 (Vesting), Monthly Monetary Compensation to dependants of deceased in mine accidents/ medical unfit/ Low Productive Employees, Post Superannuation Medical Benefit to executives and non-executives are provided based on actuarial valuation carried out at each balance sheet date.



Notes to the Standalone financial statements for the year ended 31st March, 2019 (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 and non-vesting Leave entitlements 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.

2.2.15 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.



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

2.2.16. 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 and equity instruments at fair value through Profit and Loss account (FVTPL). Equity instruments at Fair Value represent Investments in Mutual Funds classified as Current Investments.

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:

- i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) 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, 2019 (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 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.

2.2.17: 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.



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

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.

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.



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

2.2.18: 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.

Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

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.

2.2.19. Earnings per share.

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

2.2.20: Material Prior Period Errors, Effect of change in the Accounting Policies:

Material prior period errors are corrected retrospectively by restating the comparative amounts of the prior period(s) presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

The changes to the accounting policies are done retrospectively and the application of such change is limited to the earliest period practicable by adjusting the opening balance of each affected component of equity and other comparative amounts disclosed for each prior period presented as if the new accounting policy had always been applied.



Sri N. Balram, IRS, Director (Finance) receiving The Highest Income Tax Payee Award for the year 2018-19 on 24.07.2019 at Hyderabad



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd....)

NOTE3: PROPERTY, PLANT AND EQUIPMENT

(Rs in Crore)

Particulars	Freehold Lands Mining	Freehold Lands Others	Leasehold Land	Buildings Factory	Buildings Others	Roads	Railway Sidings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Land Reclamation / site Restoration Costs	Other Mining Infrastructure	Total
Gross Carrying Amount:														
As at 1 April 2017	863.69	217.02	631.61	658.92	889.30	223.54	45.45	12160.79	15.44	50.90	1.17	5563.26	1520.41	22841.50
Adjustments	0.00	0.00	0.00	0.00	1.33	0.00	17.41	6.87	0.00	0.00	0.00	0.00	0.00	25.61
As at 1 April 2017 (Restated)	863.69	217.02	631.61	658.92	890.63	223.54	62.86	12167.66	15.44	50.90	1.17	5563.26	1520.41	22867.11
Additions	138.89	56.67	159.73	35.32	113.46	45.59	6.92	1032.66	1.69	0.77	0.00	457.24	45.00	2093.94
Deductions/Disposals	0.00	0.00	0.00	-1.08	-0.36	-2.02	0.00	-307.78	-0.02	-2.90	-0.02	-248.58	-20.19	-582.95
As at 31 March 2018 (Restated)	1002.59	273.69	791.33	693.17	1003.73	267.11	69.78	12892.55	17.10	48.76	1.14	5771.92	1545.22	24378.10
Additions	442.63	0.00	0.00	9.91	96.26	0.00	30.05	798.86	7.71	16.34	0.22	0.00	8.75	1410.74
Deductions/Disposals	0.00	-181.47	-19.11	-0.24	-27.97	7.88	-24.13	0.00	-0.45	-3.10	-0.09	457.99	-22.01	187.29
As at 31 March 2019	1445.21	92.23	772.22	702.85	1072.02	275.00	75.70	13691.41	24.36	62.00	1.27	6229.91	1531.96	25976.13
Accumulated Depreciation:														
As at 1 April 2017	248.97	3.27	372.29	64.06	215.82	156.24	32.34	3691.18	10.51	34.00	0.76	2130.08	941.62	7901.14
Adjustments	0.00	0.00	0.00	0.00	1.33	0.00	0.00	2.99	0.00	0.00	0.00	0.00	0.00	4.32
As at 1 April 2017 (Restated)	248.97	3.27	372.29	64.06	217.15	156.24	32.34	3694.17	10.51	34.00	0.76	2130.08	941.62	7905.46
Charge for the year	55.58	0.21	56.06	22.57	31.44	18.12	1.79	905.82	1.05	4.36	0.07	333.98	110.10	1541.15
Deductions/Disposals	0.00	0.00	0.00	-0.46	-0.07	-1.80	0.10	-305.85	-0.02	-2.90	0.00	-3.67	-19.55	-334.22
As at 31 March 2018 (Restated)	304.55	3.48	428.34	86.17	248.52	172.56	34.23	4294.10	11.55	35.44	0.83	2460.39	1032.23	9112.39
Charge for the year	143.44	0.00	56.94	17.37	64.41	0.73	4.08	915.88	1.66	5.08	0.03	394.08	88.15	1691.84
Deductions/Disposals	0.00	-2.41	0.00	15.84	-36.77	0.00	-6.82	-406.64	-0.45	-3.03	-0.04	-23.25	-21.47	-485.05
As at 31 March 2019	447.99	1.06	485.28	119.38	276.17	173.29	31.49	4803.33	12.76	37.49	0.83	2831.22	1098.91	10319.19
Provision for Impairment														
31 March 2018	0.00	0.00	0.00	0.17	0.00	0.00	0.00	2.85	0.00	0.00	0.00	34.11	29.78	66.91
31 March 2019	0.00	0.00	0.00	10.94	1.09	3.62	0.00	2.64	0.00	0.00	0.00	34.11	31.29	83.69
Net Carrying Amount														
As at 31 March 2019	997.23	91.17	286.94	572.53	794.75	98.10	44.21	8885.43	11.60	24.51	0.44	3364.58	401.77	15573.26
As at 31 March 2018	698.04	270.21	362.99	606.83	755.21	94.55	35.55	8595.60	5.56	13.32	0.31	3277.42	483.21	15198.79



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

NOTE 3: PROPERTY, PLANT AND EQUIPMENT (Contd.)

- 3.1** Land measuring Acres: 726, Guntas: 21 1/2 (Previous year Acres 717: Guntas 12 1/2) 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** Free hold lands includes Government Assigned lands. The Government assistance in the form of Assigned Lands is recognized in books as Govt Assigned Lands at nominal value.
- 3.4** Depreciation for the year Rs.1,692.46 Crore includes - Capitalized Depreciation of Rs 29.40 Crore (Previous Year Rs 9.20 Crore). Depreciation charged to Revenue (including on Intangible assets (Note 5) -Rs.1,663.06 Crore (Previous Year Rs 1533.52 Crore).
- 3.5** STPP assets include interest Capitalized on borrowings of Rs.1,312.78 Crore (Previous Year Rs.1,217.44 Crore). The capitalization rate of borrowing cost in the current year was 9.10% (Previous year 9.01%)

NOTE 4: CAPITAL WORK IN PROGRESS

(Rs. in crore)

Particulars	Lands	Building	Plant and Equipments	Development	Total
Gross Carrying Amount:					
As at 1 April 2017	143.20	152.89	960.33	211.27	1,467.69
Additions	305.49	125.56	632.18	162.07	1,225.30
Capitalised / Deletions	-354.41	-193.59	-678.14	-42.87	1,269.01
As at 31 March 2018	94.28	84.86	914.37	330.47	1,423.98
Additions	175.45	98.72	423.63	52.60	750.40
Capitalised / Deletions	-241.98	-106.31	-1,051.60	-8.57	1,408.45
As at 31 March 2019	27.75	77.27	286.40	374.51	765.93
Provision for Impairment	0.00	0.00	0.00	-5.57	-5.57
As at 31 March 2019	27.75	77.27	286.40	368.94	760.36

- 4.1** CWIP includes interest on borrowings from Power Finance Corporation for construction of STPP of Rs. 0.00 Crore (Up to Previous Year: Rs. 85.59 Cr.)



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

NOTE - 5: OTHER INTANGIBLE ASSETS

(Rs. in Crore)

Particulars	ERP – Software	TOTAL
Gross Carrying Amount:		
As on 01.04.2017	20.34	20.34
Additions during the year 2017-18	-	-
Deductions/Disposals	-	-
Gross Block As on 31.03.2018	20.34	20.34
Additions during the year 2018-19	1.11	1.11
Deductions/Disposals	-	-
Gross Block As on 31.03.2019	21.45	21.45
Depreciation/ Amortisation		
Up to 01.04.2017	17.90	17.90
For the Year 2017-18	0.61	0.61
Deductions/Disposals		
Up to 31st March 2018	18.51	18.51
For the Year 2018-19	0.62	0.62
Deductions/Disposals	-	-
Up to 31st March 2019	19.13	19.13
Net Block		
As at 31st March 2018	1.83	1.83
As at 31st March 2019	2.32	2.32



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

NOTE - 6: INVESTMENTS

(Rs. in Crore)

Particulars	As at 31.03.2019	As at 31.03.2018
1. Non - Current		
(A) Investment in Equity instruments		
Unquoted, fully paid-up Shares		
-14,750 Laxmi Porcelains Ltd of Rs.10/- each	0.01	0.01
Less: Provision for Diminution in the value of Investments	0.01	0.01
Investments in Co-operative Societies		
1,86,214 Singareni Collieries Co-operative Central Stores Ltd of Rs.10/- each	0.19	0.19
Investment in Joint Venture		
4,900 shares of APMDC-SCCL Suliari Coal Co. Ltd. of Rs.10/- each (Rs.49000)		
Less: Provision for Diminution in the value of Investments in JV (Rs.49,000)		-
Investment in Subsidiary		
(i) 91,80,000 Andhra Pradesh Heavy Machinery & Engineering Limited of Rs.10/- each	9.18	9.18
(B) Investments in debentures or bonds		
Quoted, fully paid-up		
(i) 10,000 - 9.75% APPFC Power Bonds (Series 2/2012) of Rs.10 Lakh each.	1000.00	1000.00
(ii) 8,000 - 9.95% APCPDCL Power Bonds (Series-1/2014) of Rs.10 Lakh each.	800.00	800.00
TOTAL	1809.37	1809.37
2. Current		
Investment in Mutual Funds		
Investment in IDBI Liquid Fund (2006125.747 units @ Rs.2002.9905 NAV/unit)	401.82	
Investment in SBI Liquid Fund (533.593 units @ Rs.2928.5700 NAV/unit)	0.16	
TOTAL	401.98	-

(Rs. in Crore)

Particulars	As at 31.03.2019	As at 31.03.2018
Aggregate of Quoted investments	2201.98	1800.00
Aggregate of Unquoted investments	9.37	9.37
Aggregate of Diminution provided	0.02	0.02

6.1. 2650 Nos. of APPFC Power Bonds (Series 2/2012) @Rs.10 lakh each (i.e Rs.265 Crore) were pledged with State Bank Of India as security for obtaining Bank Guarantee of Rs.176.32 Cr for submission to GOI as Performance Guarantee against allotment of Naini Coal Block . The Bank Guarantee is valid up to 12/10/2019.



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

NOTE - 7: LOANS

(Rs. in Crore)

Particulars	As at 31.03.2019	As at 31.03.2018
Non Current		
-Unsecured, considered good		
-Deposit with LIC	2030.76	2025.31
-Security Deposits	40.13	104.53
TOTAL	2070.89	2129.84
Current		
-Security Deposits	153.42	73.46
-Advances to Staff	60.28	54.33
TOTAL	213.70	127.79

NOTE - 8: OTHER FINANCIAL ASSETS

(Rs. in Crore)

Particulars	As at 31.03.2019	As at 31.03.2018
Non – Current		
Deposit under Mine Closure Plan Scheme (Maturity > 12 Months)	804.57	581.18
TOTAL	804.57	581.18
Current		
Interest Accrued On Investments – Securities	207.45	143.77
Interest Accrued on Loans & Advances	5.81	5.98
Other Receivables Considered good - Rent, Water, Electricity etc.	819.83	274.69
Other receivables considered doubtful	14.01	13.81
Less: Provision for bad and doubtful	14.01	-
TOTAL	1033.09	424.44



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

NOTE 9: DEFERRED TAX ASSET (NET)

Particulars	(Rs. in Crore)	
	As at 31.03.2019	As at 31.03.2018
(A) Deferred Tax Asset:		
- Backfilling & Mine Closure plan	1501.83	1722.97
- Gratuity	960.37	908.25
- Other Employee Benefits	745.15	648.50
- Overburden Removal	879.27	902.00
- Carry Forward Tax Loss	-	312.13
- MAT Credit	479.82	287.81
- Other Provisions	491.62	493.37
Total (A)	5058.06	5275.03
(B) Deferred Tax Liability:		
-Fixed Assets- Excess of Net Book value over Written down value as per provisions of Income Tax Act	1331.03	1202.51
Total (B)	1331.03	1202.51
Net Deferred Tax Asset (A-B)	3727.03	4072.52

9.1 The amount of Net Deferred Tax Asset of Rs.3,727.03 Crore (Previous year Rs. 4,072.52 Crore) includes amount of Rs.1,501.83 Crore (Previous year Rs.1,722.97 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 2 to 3 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.8,889.59 Crore (Previous year Rs 7,644.77 Crore) will also crystallize simultaneously in the same time frame.

NOTE - 10: OTHER NON CURRENT ASSETS

Particulars	(Rs. in Crore)	
	As at 31.03.2019	As at 31.03.2018
Unsecured, considered good		
-Capital Advances	420.98	343.23
-Deposits under Protest (VAT, CST, Service Tax, WCT, APGST, Entry Tax)	196.21	157.15
TOTAL	617.19	500.38



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

NOTE – 11: INVENTORIES

(Rs. in Crore)

Particulars	As at 31.03.2019		As at 31.03.2018	
	(i) Stores and Spares	508.38		453.62
(ii) Loose Tools	3.92	2.56		
Less: Provision for obsolete, Non-moving Stores & Shortages and Damages	512.30	448.83	456.18	397.20
	63.47		58.98	
(iii) Finished Goods		217.10		685.13
(iv) Work-in-Progress		1.24		0.38
(v) Stores in Transit		28.14		36.77
TOTAL		695.31		1119.48

NOTE – 12: TRADE RECEIVABLES

(Rs. in Crore)

Particulars	As at 31.03.2019		As at 31.03.2018	
	Unsecured, considered good			
i) Exceeding six months				
(a) Coal	211.84	1255.70	161.03	161.03
(b) Power	1043.86		-	
ii) Not exceeding six months		4090.57		2970.26
(a) Coal	1704.90		1057.77	
(b) Power	2384.38		1910.76	
(c) Services	1.29		1.73	
iii) Unsecured, considered doubtful				
(a) Coal	340.86		340.86	
(b) Power	161.50		-	
Less: Provision for Expected Credit Loss	502.36		340.86	
	502.36		340.86	
TOTAL		5346.27		3131.29

12.1 The Dues from customers (Coal) not exceeding six months shown above as on 31.03.2019 has been reduced by Rs.252.65 Crore towards provision against Variable Consideration payable to customers (i.e. Grade Variance in respect of disputed samples, sampling results awaited etc.,) (Previous Year Rs.26.67 Crore).



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

NOTE - 13: CASH AND CASH EQUIVALENTS

Particulars	As at 31.03.2019		As at 31.03.2018	
Cash on hand		0.17		0.20
Balances with banks				
In Deposit Account (Maturity < 3 Months)	509.92		161.95	
In Current Account	220.54		209.43	
		730.46		371.38
TOTAL		730.63		371.58

13.1. Out of the above Fixed Deposits with Bank, a Fixed Deposit of Rs. 40.00 Crore was pledged with SBI, Commercial Branch - Hyderabad as margin money for obtaining Bank Guarantee for submission to MoC, Govt. of India as performance Bank Guarantee against allotment of Penagadapa Coal Block. The Bank Guarantee is valid upto 16.05.2020.

NOTE - 14: OTHER BANK BALANCES

Particulars	(Rs. in Crore)	
	As at 31.03.2019	As at 31.03.2018
-Unpaid dividend accounts	0.01	0.01
-In Deposit Account (Maturity > 3 Months)	1869.88	2587.23
TOTAL	1869.89	2587.24

14.1 Balance with Banks includes unclaimed dividend of Rs.1,30,925.00 (Previous Year Rs.1,20,152.26).

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 amounted to Rs.34.88 Crore as on 31.03.2019 (Previous Year Rs.35.99 Crore)

NOTE - 15: CURRENT TAX ASSET (Net)

Particulars	(Rs. in Crore)	
	As at 31.03.2019	As at 31.03.2018
Income Tax	54.67	-
TOTAL	54.67	-



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

NOTE - 16: OTHER CURRENT ASSETS

(Rs. in Crore)

Particulars	As at 31.03.2019		As at 31.03.2018	
Loans & Advances:				
Unsecured, Considered good				
(i) Advances Against Purchases, Services & others		202.60		181.39
(ii) Considered Doubtful Adv. against purchases & services	10.89		10.55	
Less: Provision for Bad & Doubtful Advances	10.89	-	10.55	-
(iii) Prepaid Expenses		9.72		8.61
(iv) CENVAT Credit receivable		12.21		83.89
(v) GST (ITC) receivable		473.07		220.24
TOTAL		697.60		494.13

NOTE - 17: EQUITY SHARE CAPITAL

(Rs. in Crore)

Particulars	As at 31.03.2019		As at 31.03.2018	
AUTHORIZED				
180,00,00,000 Equity Shares of Rs.10/ each		1800.00		1800.00
ISSUED, SUBSCRIBED AND PAID-UP				
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)		1733.20		1733.20
TOTAL		1733.20		1733.20

❖ 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 31.03.2019		As at 31.03.2018	
	No. of Shares	% Held	No. of Shares	% Held
Government of Telangana	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



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd....)

RECONCILIATION OF EQUITY SHARES

(Rs. in Crore)

Particulars	As at 31.03.2019		As at 31.03.2018	
	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
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

NOTE - 18: OTHER EQUITY

(Rs. in Crore)

Particulars	General Reserve	Retained Earnings	Total
Balance at the Beginning of the Reporting Period as at 01.04.2017	1,360.40	2,012.69	3,373.09
Adjustments for Changes in accounting policy		(64.38)	(64.38)
Adjustments for Prior Period Errors		(7.47)	(7.47)
Restated Balance as at 01.04.2017	1,360.40	1,940.84	3,301.24
Profit for the year 2017-18 (Restated)		1,355.41	1,355.41
Other Comprehensive Income (net of tax)		(177.63)	(177.63)
Dividends-2016-17 (including dividend distribution tax)		(156.45)	(156.45)
Transfer to/(from) retained earnings	100.00	(100.00)	--
Restated Balance as on 31.03.2018	1,460.40	2,862.17	4,322.57
Ind AS Adjustments for initial adoption under Modified Retrospective approach as on 01.04.2018			
-Provision for Grade Variance on Disputed Samples		(142.08)	(142.08)
-Deferred Tax Asset on above		49.65	49.65
Restated Balance as on 01.04.2018	1,460.40	2,769.74	4,230.14
Profit for the Year 2018-19		1783.37	1783.37
Other Comprehensive Income (net of tax)		(16.71)	(16.71)
Dividends-2017-18 (including dividend distribution tax)		(208.95)	(208.95)
Transfer to/(from) retained earnings	100.00	(100.00)	-
Balance as on 31.03.2019	1560.40	4227.45	5787.85



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

NOTE - 19: BORROWINGS

(Rs. in Crore)

Particulars	As at 31.03.2019	As at 31.03.2018
Non – Current		
Term Loans		
Secured		
- From Power Finance Corporation (PFC) (Rs.3980 Cr. Less current maturities of Rs.331.67 Cr and principle paid Rs.746.25 Cr)	2902.09	3233.75
- From Power Finance Corporation (PFC) & Rural Electrification Corporation Ltd. (REC) (Rs.1218.64 Cr. Less current maturities of Rs.107.54 Cr and principle paid Rs. 170.11 Cr.)	940.99	855.02
TOTAL	3843.08	4088.77
Current		
Secured:		
-Loans payable on demand - from Banks	-	-
-Cash Credit	12.37	18.11
-Special Overdraft Account	-	-
TOTAL	12.37	18.11

19.1 (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 on the project (2x600 MW STPP) assets, movable (by way of hypothecation) and immovable (by way of mortgage).

(ii) The balance loan amount of Rs 3233.75 Crore is repayable in Thirty-nine equal quarterly installments of Rs.82.92 Crore each. Interest payable on this loan is as below:

Rate of Interest p.a	9.50%
Loan amount (Rs. Cr)	3233.75

19.2 (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 on all the project assets including movable and immovable on pari-passu basis with M/s PFC Ltd.,(the phase-I Lender) Out of this loan, and amount of Rs.1218.64 Crore has been utilized.

(ii) Against this Loan, an amount of Rs.1048.53 Crore is outstanding as on 31.03.2019 which is repayable in thirty-nine equal quarterly installments of Rs.26.88 Crore each. Rate of Interest payable on this loan is as below.



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

Rate of Interest p.a	Loan Amount (Rs. Cr)	Rate of Interest p.a	Loan Amount (Rs. Cr)
8.25%	23.98	9.40%	2.43
8.28%	4.98	9.42%	17.30
8.39%	67.78	9.44%	19.20
8.50%	16.90	9.46%	4.32
8.55%	39.71	9.50%	134.44
8.64%	1.54	9.63%	49.48
8.71%	133.89	9.68%	125.67
8.72%	10.64	9.75%	17.41
8.73%	9.55	9.89%	2.90
8.87%	7.03	10.06%	2.18
8.88%	5.73	10.10%	6.51
8.90%	7.95	10.11%	1.30
8.93%	19.77	10.12%	3.59
8.95%	9.54	10.14%	6.60
9.02%	69.55	10.18%	5.59
9.08%	7.94	10.25%	2.91
9.23%	1.64	10.43%	8.49
9.26%	123.30	10.47%	5.76
9.36%	71.03		

19.3 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)

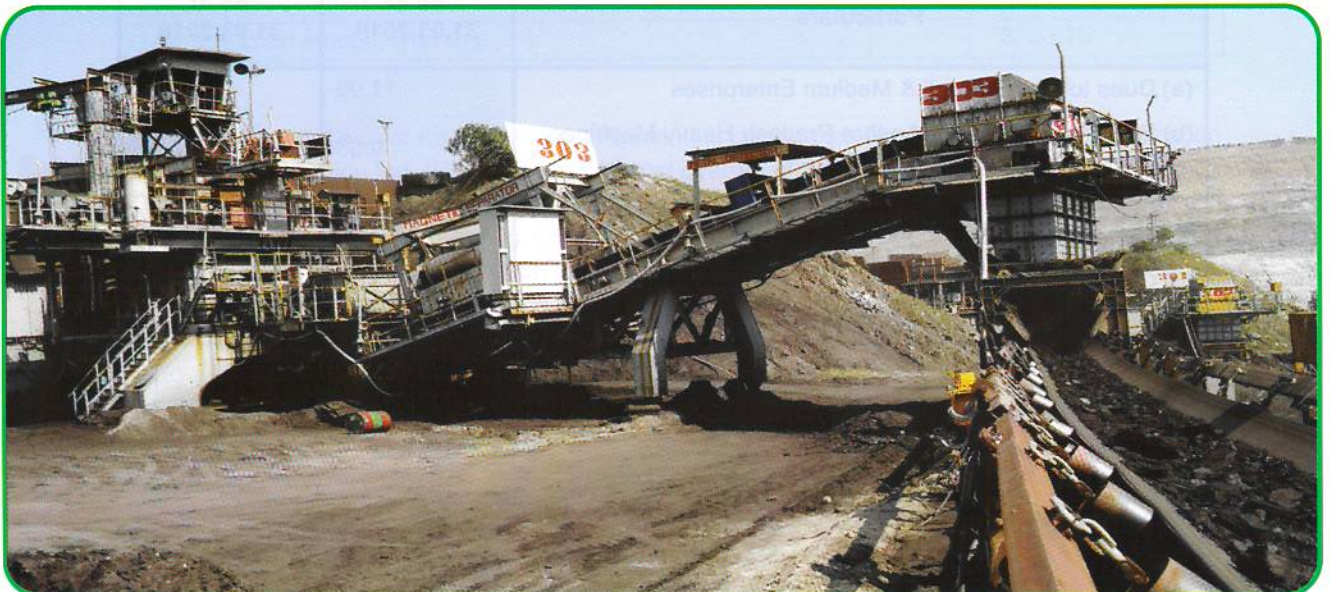
Particulars	As at 31.03.2019	As at 31.03.2018
(a) Dues to Micro, Small & Medium Enterprises	11.99	19.23
(b) Dues to Subsidiary - Andhra Pradesh Heavy Machinery Engineering Limited (APHMEL)	9.68	10.45
(c) Dues to Others (including Stores-in-Transit net of Advances)	1354.83	680.48
(d) Others	-	-
TOTAL	1376.50	710.16

Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

NOTE - 21: OTHER FINANCIAL LIABILITIES

Particulars	(Rs. in Crore)			
	As at 31.03.2019		As at 31.03.2018	
(1) Current maturities of long- term debt		439.21		419.24
(2) Interest accrued but not due on borrowings		80.14		85.43
(3) Unclaimed dividends		0.01		0.01
(4) Deposits from Others		2.31		2.01
(5) Deposits from Suppliers & Contractors		98.28		51.72
(6) Other Payables:				
(i) Salaries & Wages		299.12		1156.59
(ii) Others :				
a) Deposits from Vendors	117.91		149.57	
b) Overdraft in Current Account	3.76		6.09	
c) Creditors for Capital Expenditure	431.97		571.26	
d) Other Liabilities	62.34	615.98	346.01	1072.93
TOTAL		1535.05		2787.93

21.1. Current maturities of Long term Debt represent the instalments payable in the year 2019-20 in respect of term loans from PFC & PFC-REC of Rs.331.67 Crore and Rs.107.54 Crore respectively, as mentioned in Note No.19.



Coal production by inpit Crusher & Conveyor method



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

NOTE - 22: PROVISIONS

(Rs. in Crore)

Particulars	As at 31.03.2019		As at 31.03.2018	
Non –Current:				
(a) Provision for Employee Benefits :				
-Gratuity (to the extent unfunded)	2748.32		2599.17	
-Leave Encashment (Vesting)	502.27		583.75	
-Leave Entitlement – Non vesting	266.39		146.55	
-Monthly Monetary Compensation & Low Productive Employee Compensation (Unfunded)	106.88		146.41	
-Settling-in- Allowance	46.25		53.85	
-LTC	32.19		42.34	
		3702.30		3572.07
(b) Others:				
-Overburden Removal Adjustment Net of Advance Action Rs. 964.73 (P.Y. Rs.586.55 Crore)	2514.20		2579.15	
-Back Filling	11146.83		9859.88	
-Mine Closure	1107.33		1062.29	
		14768.36		13501.32
TOTAL-Non Current		18470.66		17073.39
Current:				
Provision for employee benefits:				
-Gratuity (unfunded)		1.32		1.31
- Leave Encashment (Vesting)		110.01		97.05
- Monthly Monetary Compensation (unfunded)		44.50		39.50
-Superannuation Benefit (unfunded)		310.87		293.07
-Post Superannuation Medical Benefit(Executives & Non Executives) (unfunded)		327.55		181.15
- Settling-in- Allowance		9.21		10.72
- LTC		28.11		36.97
- Performance Related Pay (EXE)		235.13		154.90
- Performance Linked Reward (PLR)		292.54		286.06
- Corporate Special Incentive		477.00		304.55
TOTAL-Current		1836.24		1405.28



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

- 22.1(i) In respect of all open cast (OC) mines, overburden removal (OBR) accounting is made as per accounting policy 2.3.10.
- (ii) During the year there is no revision of stripping ratios of the OC mines. However, consequent to closure of the operations in KTK OC1, the residual overburden reserve quantity of 52,775 Cum. valuing Rs.0.51 Crore was withdrawn and adjusted against the overburden charge for the current year. Further, as the major operational activities at Dorli OC1 have been closed in 2018-19 and only residual quantities of coal and OB were excavated up to 04.05.2019, the surplus Overburden Quantity of 59.34 LCum. valuing Rs.40.55 Crore carried in the advance action over and above the corresponding quantity chargeable in 2019-20 was charged off as overburden removal expenditure in the current year.
- 22.2(i) As per the stipulations in Environment Clearances (EC) the depth of final void in 11 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. In order to comply with above obligation provision for backfilling is being made as per accounting policy no 2.2.7.B.
- (ii) During the year 2018-19, Back filling provision was reviewed by adopting the lives of mines as estimated by Technical experts i.e. Project Planning Department based on Mining Plan, Mine Closure Plan, Final Mine Closure Plan, RCE/ MP&MCP approval by SCCL Board, estimate based on the rated production and Coal Reserves of the mine or any other relevant information available. Due to the adoption of revised lives there is an increase in the provision for backfilling by Rs.2 Crore which was adjusted against the carrying amount of the related site restoration cost Asset. Due to the upward updation of provision and corresponding site restoration cost asset, there is an increase the current year charge towards unwinding costs and depreciation of corresponding site restoration assets totalling to Rs.93 Crore. Further, there would be increase in the unwinding of discount by 8% and depreciation of the site restoration cost assets till the end of life of the respective mine.
- (iii)Quantity of OB required to backfill the final void as mentioned in the approved Mining plan and Environmental Clearance are considered for the estimation of Backfilling provision. However for the mines for which RCE/ Revised Mining Plan is approved but approval of Environmental clearance is pending for the same, the parameters as per original Mining Plan / EC approved are adopted.
- 22.3 (i) Provision for mine closure (MCP) is being made as per the accounting policy no 2.2.7.A based on the of guidelines of Ministry of Coal (MoC) dated 7th January 2013.
- (ii)During the year 2018-19, provision for mine closure was reviewed by adopting the lives of mines as estimated by Technical experts i.e. Project Planning Department based on Mining Plan, Mine Closure Plan, Final Mine Closure Plan, RCE/ MP&MCP approval by SCCL Board, estimate based on the rated production and Coal Reserves of the mine or any other relevant information available. Due to the adoption of revised lives there is an increase in the provision for mine closure Rs.93.14 Crore approximately out of which an amount of Rs.91.85 Crore would be adjusted with carrying amount of asset and an amount of Rs.1.29 Crore (excess of carrying amount) are recognized in current year's Profit & Loss account. In addition, Mine closure asset of Dorli OC-I is amounting to Rs.6.82 Crore was written off during the year. Due to the upward updation of provision and corresponding site restoration cost asset, there is an increase the current year charge towards unwinding costs and depreciation of corresponding site restoration assets totalling to Rs. 9.22 Crore. Further, there would be increase in the unwinding of discount by 8% and depreciation of the site restoration cost assets till the end of life of the respective mine.
- (iii)Provision for Mine closure plan is being made for 19 OC and 28 UG mines against 21 OC and 29 UG Mines. Approvals from MoC are received in respect of 20 OC and 22 UG mines. The



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

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.185.11 Crore was deposited and Cumulative Deposit Rs.716.47 Crore is made up to the end of 2018-19 in designated accounts in respect of 49 mines. The total amount held in mine closure escrow accounts as on 31.03.2019 (including interest accrued thereon of Rs.88.11 Crore) amounted to Rs.804.57 Crore.

- 22.4 Provision towards Performance Related Pay represents the amounts payable to Executives of the Company as part of Revised Pay Package was adopted by Company on par with other Central Public Sector Units as per 2nd and 3rd PRC in respect of the period from 01.01.2007 upto 31.03.2014, FY2017-18 and FY2018-19. During the Year, PRP for the year 2016-17 was paid with the approval from designated authority. Pending receipt of approval from designated authority an amount of Rs.111.47 Crore was provided for the year 2018-19 at 5% of the profit before tax after excluding interest earned on idle cash, deposits /investments. Further, the provision made in the previous year 2017-18 was reviewed on these lines and an amount of Rs.22.76 Crore was withdrawn and accounted for as a change in the estimate.
- 22.5 Royalty on Closing Stock of Coal at mines/CSPs amounting to Rs.18.05.Crore was not transacted in the Books (Previous year Rs.82.11 Crore).
- 22.6 CPRMS (NE): As per the terms of NCWA X wage agreement concluded in the year 2017-18, the company has to contribute an amount of Rs.18,000/- per employee on roll as on 01.07.2016 to the Contributory Post Retirement Superannuation Medical Scheme (Non-Executives).The incremental actuarial liability against this obligation amounting to Rs.44.92 Crore has been provided for in the books of account for the current year and the total provision made up to 31.03.2019 amounted to Rs.99.05 Crore.
- 22.7 Owing to non-formulation of the Modalities of the scheme, the Superannuation Benefit contributions (Executives) have remained payable in the Books of SCCL. Recently Coal India has formulated a Superannuation Benefit Scheme under the nomenclature – “CIL Executives Defined Contribution Pension Scheme 2007”, and a similar scheme was adopted by SCCL as per the approval of the Board in the meeting held on 06.05.2019. The total contributions payable to the Trust for the period from 01.01.2007 to 30.09.2017 @ 9.84% and from 01.10.2017 to 31.03.2019 @ 2.84% amounted to Rs.225.89 Crore. An amount of Rs.8.19 Crore provided over and above 2.84% for the period from 01.10.2017 to 31.03.2018 in the previous year was progressively adjusted as a change in the estimate in the current year. These contributions are to be deposited to Trust along with interest as there exists a constructive obligation. Accretion (interest) on the Superannuation Benefit Contributions for an amount of Rs.16.62 Crore was provided for in the current year and the total accretion (interest) provided in the books up to 31.03.2019 amounted to Rs.84.98 Crore.

NOTE - 23: OTHER NON - CURRENT LIABILITIES

(Rs. in Crore)

Particulars	As at 31.03.2019	As at 31.03.2018
Deferred Government Grant	-	178.68
TOTAL	-	178.68

- 23.1 The company has adopted the option to recognise the Grants related to Assets as a deduction from the cost of Asset as permitted by the amendment made to Ind AS 20 - “Accounting for Government Grants and Disclosure of Government Assistance” effective from FY 2018-19. Consequently, the grants recognised in earlier years by setting up Deferred Grant Income have been reversed in FY 2018-19.



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

NOTE 24: OTHER CURRENT LIABILITIES

(Rs. in Crore)

Particulars	As at 31.03.2019	As at 31.03.2018
-Statutory Dues	692.22	602.45
- Contract Liabilities	1099.26	957.64
-Advances from Others	21.70	22.41
-Deferred Government Grant	-	8.46
TOTAL	1813.18	1590.96

NOTE - 25: CURRENT TAX LIABILITY

(Rs. in Crore)

Particulars	As at 31.03.2019	As at 31.03.2018
-Income Tax	-	64.79
TOTAL	-	64.79



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

NOTE - 26: REVENUE FROM OPERATIONS

(Rs. in Crore)

Particulars	2018 - 19		2017 - 18	
(A) Coal:				
1. Turnover (Gross)		20756.37		17887.47
2. Adjustments for Variable Consideration:				
i) Penalty for Short lifting of Coal	(0.02)		8.51	
ii) Bonus for Supply of Coal	39.21		47.84	
iii) Provision for Shale/ Stone & Grade Variance	(84.13)		(26.28)	
		(44.94)		30.07
Less : Statutory Levies				
Stowing Excise Duty	-		14.33	
Royalty	1841.00		1605.17	
Clean energy cess	-		570.47	
GST Compensation Cess	2502.72		1774.34	
		4343.72		3964.31
		16367.71		13953.23
Less: Transfer to Development		34.80		14.12
Net Sales – Coal (A)		16332.91		13939.11
(B) Sale of Power		3483.07		3435.97
(C) Income from Services				
Consultancy Services		3.59		4.25
TOTAL(A+B+C)		19819.57		17379.33

- 26.1 Revenue from sale of Coal for the year 2017-18 includes excise duty of Rs.218.31 Crore for the period 01.04.2017 to 30.06.2017. Turn over for the period 01.07.2017 to 31.03.2018 (FY 2017-18) and FY 2018-19 are presented net of Goods & Service Tax(GST)
- 26.2 Clean energy Cess has been repealed w.e.f 01.07.2017, and GST compensation cess has been introduced w.e.f. 01.07.2017.



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

Disaggregated Revenue Information as per Ind AS 115 – “Revenue from Contracts with Customers”:

(Rs. In Crore)

Particulars	2018-19	2017-18
Types of goods or service		
- Coal	16332.91	13939.11
- Power	3483.07	3435.97
- Others	3.59	4.25
Total Revenue from Contracts with Customers	19819.57	17379.33
Types of Customers for coal		
- Power sector	13005.08	11226.18
- Non Power Sector	3327.83	2712.93
Types of Customers for Power		
- Electricity distribution company	3483.07	3435.97
Types of Customers for Services		
- Consultancy	3.59	4.25
Total Revenue from Contracts with Customers	19819.57	17379.33
Types of Contracts of Coal		
- Fuel Supply Agreements	13553.26	10068.07
- E Auction/E Linkage	709.37	676.61
- Others	2070.28	3194.43
Types of Contract for Power		
- Power Purchase Agreement	3483.07	3435.97
Types of Customers for Services		
- Others	3.59	4.25
Total Revenue from Contracts with Customers	19819.57	17379.33
Timing of Goods of Service		
- Goods transferred at a point in time (Coal)	16332.91	13939.11
- Goods transferred over time (Power)	3483.07	3435.97
- Services transferred at a point in time	-	-
- Services transferred over time (services)	3.59	4.25
Total Revenue from Contracts with Customers	19819.57	17379.33



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

NOTE - 27: OTHER INCOME

(Rs. in Crore)

Particulars	2018 - 19		2017 - 18	
(a) Interest Income				
-Interest on Investment (Non-trade) Gross	177.10		177.26	
-Interest on Term Deposits	219.50		149.41	
-Interest on Sundry Debtors for Coal, Loans, Advances to others	100.87		117.77	
- Interest on deposit with LIC(ETB)	155.45		124.31	
- Interest / LPS on Sundry debtors for Power	-		167.21	
		652.92		735.96
(b) Income from Mutual Funds		6.14		-
(c) Other non-operating income				
-Rents	8.27		6.49	
-Electricity & Fuel	27.36		29.18	
-Water charges	0.73		0.80	
-Provisions and Liabilities no longer required written back	92.71		12.43	
-Miscellaneous Receipts	84.17		47.81	
- Subsidy received from CCDAC for Stowing, Protective works etc.	1.02		117.51	
- Deferred Grant Amortization (CCDAC)	-	214.26	11.16	225.38
TOTAL		873.32		961.34

- 27.1 Late Payment Surcharge (LPS) on power dues is not recognised in FY 2018-19 as there is significant uncertainty in collection as TS Transco has been making repeated requests for waiver of the same.
- 27.2 Income from Mutual Funds includes an amount of Rs.1.33 Crore Fair Value adjustment as on 31.03.2019 recognised through Profit & Loss Account (FVTPL).
- 27.3 Provisions written back include withdrawal of LTC and LLTC provision Rs.19.01 Crore, Settling-in-allowance provision Rs.9.21 Crore and Monthly Monetary Compensation provision Rs.34.53 Crore as per the Actuarial Valuation due to reduction of Liability. Further, an amount of Rs.28.14 Crore representing left over provision towards Mine closure obligation in respect of KTK OC1 project which was closed in the current year was withdrawn.



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

- 27.4 Miscellaneous Receipts for the current year include sale proceeds of scrap/waste Rs. 24.09 Crore (previous year Rs.12.43 Crore), Penalties recovered from contractors & suppliers Rs.32.13 Crore (previous year Rs.10.85 Crore), E-auction service charges Rs.10.78 Crore (previous year Rs.9.23 Crore), unclaimed Credits taken to Company's account Rs.9.08 Crore (previous year Rs.4.10 Crore) and Forfeiture of Deposits Rs.3.78 Crore (previous year Rs.2.86 Crore).
- 27.5. Subsidy for Sand Stowing & Protective works for FY 2018-19 are not recognised as the CCDAC, Ministry of Coal has not approved the claims submitted in 2017-18 consequent to revocation of Stowing Excise duty in GST regime.
- 27.6. The company has chosen the option to recognise the Grants related to Assets as a deduction from the cost of Asset as permitted by the amendments made to Ind AS 20 - "Government Grants" effective from FY 2018-19. Consequently, the grants recognised in earlier years by setting up Deferred Grant Income have been reversed in FY 2018-19 and hence there is no deferred grant amortisation to be credited to P&L Account in FY 2018-19.

NOTE – 28: COST OF MATERIALS CONSUMED

Particulars	(Rs. in Crore)	
	2018 – 19	2017 - 18
Stores & Spares	601.43	609.85
Explosives	517.06	445.54
Petrol, Oil and Lubricants (POL)	2570.86	2304.58
Internal Consumption of Coal	0.03	0.01
Others	12.27	(32.49)
TOTAL	3701.65	3327.49

NOTE – 29: CHANGES IN INVENTORIES

Particulars	(Rs. in Crore)	
	2018 - 19	2017 - 18
Opening Stock	685.13	953.35
Add: Coal Purchased from FCI	1.73	-
Less: Internal Consumption of Coal	0.03	0.01
Less: Closing Stock	217.10	685.13
TOTAL	469.73	268.21



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

NOTE – 30: EMPLOYEE BENEFITS EXPENSE

(Rs. in Crore)

Particulars	2018 - 19	2017 - 18
Salaries, Wages and Allowances	4674.94	5103.56
CMPF, CMPS and Administrative charges	695.41	531.89
Attendance Bonus	410.16	217.31
Performance Linked Reward	302.35	299.66
Gratuity	364.46	322.10
Superannuation Benefit	76.84	156.48
Workmen's Compensation, Group Insurance & Group Personal Accident Insurance	0.65	4.73
Directors' Remuneration	2.01	1.54
Life cover premia under Gratuity Scheme with LIC	15.53	6.67
Social Amenities:		
Employee Welfare Expenses	124.92	100.05
Lumpsum/ Monthly Monetary Compensation for dependants	99.47	78.75
Grants to Singareni Collieries Educational Society	37.34	38.15
TOTAL	6804.08	6860.88

NOTE – 31: FINANCE COSTS

(Rs. in Crore)

Particulars	2018 - 19	2017 - 18
Interest Expense:		
-Interest on Cash Credit	0.02	-
-Interest on Loans	385.74	390.85
-Interest on Others	12.62	7.82
-Unwinding Cost-Back filling provision	788.95	745.59
-Unwinding Cost -Mine closure provision	82.31	78.39
TOTAL	1269.64	1222.65



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

NOTE – 32: POWER & FUEL

(Rs. in Crore)

Particulars	2018 - 19	2017 - 18
-Electricity	479.54	464.51
-Others	1.52	0.22
TOTAL	481.06	464.73

NOTE – 33: REPAIRS & MAINTENANCE

(Rs. in Crore)

Particulars	2018 - 19	2017 - 18
Railway sidings	4.28	4.30
Buildings	45.05	43.31
Plant & Machinery	129.60	109.93
TOTAL	178.93	157.54

NOTE – 34: CONTRACTUAL EXPENSES

(Rs. in Crore)

Particulars	2018 - 19	2017 - 18
-Coal Offloading	112.70	103.82
-OBR Offloading	1238.44	1329.50
-Top Soil Rehandling	1.46	
-Transportation Charges	437.11	353.21
-Hiring of Heavy Earth Moving Machinery (HEMM), Weighbridge and others	165.65	138.91
-STPP - O&M	86.43	83.88
-Others	293.68	191.33
TOTAL	2335.47	2200.65



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

NOTE – 35: PROVISIONS

(Rs. in Crore)

Particulars	2018 - 19	2017 - 18
-Obsolete Stores	4.50	33.52
-Doubtful Debts / Advances	162.67	13.01
-Impairment of Site Restoration cost Assets(MCP UG)	-	34.11
- Impairment of OMI(Development - UG)	2.05	29.78
-Impairment P&M, Buildings & Others	15.61	3.02
-Impairment of CWIP (Development Expenditure)	5.54	-
TOTAL	190.37	113.44

35.1. Provision for Doubtful Debts/ Advances includes an amount of Rs.161.50 Crore provided towards Expected credit Loss on the Late Payment Surcharge (LPS) on power dues recognised in FY 2017-18 on accrual basis as there is significant uncertainty in collection since TS Transco has been making repeated requests for waiver of the same.

NOTE – 36: WRITE-OFFS

(Rs. in Crore)

Particulars	2018 - 19	2017 - 18
Bad & Doubtful Debts Written Off	114.85	0.10
Advances Written Off	0.06	-
Assets Written Off	13.41	11.67
TOTAL	128.32	11.77

36.1. Bad and doubt debts written off represent the claims for Sand stowing subsidy and protective works for the year 2017-18 recognized on accrual basis but not approved by CCDAC, Ministry of Coal due to revocation of Stowing excise duty in GST regime.



Notes to the Standalone financial statements for the year ended 31st March, 2019 (Contd...)

NOTE – 37: OTHER EXPENSES

Particulars	(Rs. in Crore)	
	2018 - 19	2017 - 18
(a) Selling & Distribution	202.57	132.85
(b) Gain/Loss on Exchange Rate Variance	(1.23)	13.83
(c) Corporate Social Responsibility (CSR)	19.36	19.41
(d) Others:		
Rents	2.42	2.47
Insurance	10.41	9.45
Rates & Taxes	8.73	10.55
Travelling Expenses	9.99	8.51
Postage, Telegrams and Telephone	3.49	3.26
Legal Expenses	3.72	2.89
Bank Charges and Commission	1.67	1.92
CISF Salaries and Wages	43.46	38.31
Directors' Travelling Expenses	0.70	0.42
Auditors' Remuneration		
-Statutory Audit Fee	0.17	0.22
-Out of Pocket Expenses	0.11	0.05
-Other Expenses-Certification	0.03	0.03
-Tax Audit	0.01	0.03
-Cost Audit Fee	0.03	0.03
Advertisements	1.98	2.33
Research and Development Expense	4.20	2.41
Journals and Periodical	0.18	0.16
Printing and Stationary	1.06	0.74
Plantation Expenditure	10.03	11.59
Royalty - STPP	245.96	248.65
Excise Duty - STPP	-	20.38
Clean energy Cess - STPP	-	49.79
GST ITC Reversal -STPP	89.92	77.22
Forest permit Fee –STPP	5.10	5.93
Shunting Charges – STPP	6.80	-
Other Expenses	56.63	28.99
TOTAL	727.50	692.42

NOTE – 38: EXCEPTIONAL ITEMS

Particulars	(Rs. in Crore)	
	2018 - 19	2017 - 18
Exceptional Items:		
Withdrawal of DMFT Provision	-	(453.03)
TOTAL	-	(453.03)



NOTE – 39

ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS (STANDALONE) FOR THE YEAR ENDED 31st MARCH, 2019.

1. Fair Value measurement:

A. Financial Instruments by Category :

(Rs. in Crore)

Financial assets and liabilities	As on 31 st March 2019			As on 31 st March 2018		
	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
Financial Assets						
Mutual Funds@	401.98	-	-	-	-	-
Loans	-	-	2,284.59	-	-	2,257.63
Others	-	-	1,837.66	-	-	1,005.62
Trade receivables	-	-	5,346.27	-	-	3,131.29
Cash & cash equivalents	-	-	730.63	-	-	371.58
Other Bank Balances	-	-	1,869.89	-	-	2,587.24
Investments*	-	-	1,800.19	-	-	1,800.19
Financial Liabilities						
Borrowings	-	-	3,855.45	-	-	4,106.88
Trade payables	-	-	1,376.50	-	-	710.16
Other Financial Liabilities	-	-	1,535.05	-	-	2,787.93

FVTPL – Fair Value through Profit & Loss A/c

FVTOCI- Fair Value through Other Comprehensive Income

@ Investments in Mutual Funds are classified as Equity Instruments and measured at Fair Value through Profit & Loss A/c.

*Investments in Equity shares in subsidiary/ Joint Ventures are measured at cost which stands at Rs.9.18 Crore as on 31.03.2019 (Rs.9.18 Crore as on 31.03.2018) and are not included above.

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:

Financial assets and liabilities measured at fair value	As on 31 st March 2019			As on 31 st March 2018		
	Level I	Level II	Level III	Level I	Level II	Level III
Financial Assets at FVTPL						
Investments:	-	-	-	-	-	-
Mutual Funds	401.98	-	-	-	-	-
Financial Liabilities						
If any item	-	-	-	-	-	-



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 st March, 2019	As on 31 st March 2019			As on 31 st March 2018		
	Level-I	Level-II	Level-III	Level-I	Level-II	Level-III
Financial Assets at FVTPL						
Loans	-	-	2284.59	-	-	2257.63
Others	-	-	1837.66	-	-	1059.09
Trade receivables	-	-	5,346.27	-	-	3,131.29
Cash & cash equivalents	-	-	730.63	-	-	371.58
Other Bank Balances	-	-	1,869.89	-	-	2587.24
Investments	-	1800.19	-	-	1800.19	-
Financial Liabilities						
Borrowings	-	-	3,855.45	-	-	4,106.88
Trade payables	-	-	1,376.50	-	-	710.16
Other Financial Liabilities	-	-	1,535.05	-	-	1,787.93

Level-I: Level-I hierarchy includes Financial Instruments measured using quoted prices

Level-II: 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-II. Investments other than investments in Joint Ventures/Subsidiary included in Level-II.

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

(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. The Company 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, Mutual Funds, Investments in Bonds	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:

SCCL is operating 2X600 MW Thermal Power Project (STPP) .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 31.03.2019)

Ageing	Due for below 6 months	Due for above 6 months	Due for more than 3 years and Credit Impaired dues	Total
Gross carrying amount	4090.57	1255.69	502.36	5848.62
Expected loss rate	-	-	100%	8.59%
Expected credit losses (Loss allowance provision)	-	-	502.36	502.36



Additional Notes to the Financial Statements (Contd.)

(Rs. in Crore) (As on 31.03.2018)

Ageing	Due for below 6 months	Due for above 6 months	Due for more than 3 years	Total
Gross carrying amount	2,970.26	161.03	340.86	3472.15
Expected loss rate	-	-	100%	9.82%
Expected credit losses (Loss allowance provision)	-	-	340.86	340.86

Reconciliation of Credit Loss allowance provision – Trade receivables

Particulars	Amount (Rs. in Crore)
Loss allowance on 31.03.2018	340.86
Changes in loss allowance in 2018-19	161.50
Loss allowance on 31.03.2019	502.36

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 and uncertainty in collection 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 2019	As on 31 March 2018
Interest bearing borrowings :		
On demand :	-	-
Less than 365 days	-	-
More than 365 days	(PFC-REC Loan2) 101.34	(PFC-REC Loan2) 296.01
Total	101.34	296.01

Note: Cash Credits & Special Over drafts not considered.



Additional Notes to the Financial Statements (Contd.)

C. Market Risk :

a) Foreign currency risk :

The Company is not substantially exposed to the Foreign currency risk. The Foreign currency outflows represent the purchase of equipments and spares. To minimize the Foreign currency risk the Company's policy is to make payment of the major portion of the contract price in advance/ LCs.

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.

c) Equity instruments in Mutual Funds are subjected to market risk. The Company's policy is to invest in Mutual Funds in the debt based instruments for short periods only to minimize the exposure to the market risk.

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 31.03.2019	As at 31.03.2018
Equity Share capital	1733.20	1733.20
Long term debt	3843.07	4088.77

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 2018-19	For the FY 2017-18
1.	Coal Mines Provident Fund Scheme is a Defined Contribution Plan and charged off to Statement of Profit & Loss.	695.41	531.89
2.	Superannuation & Pension Benefit to the Executive Cadre employees was provided and charged off to Statement of Profit & Loss.	17.36	102.35



Additional Notes to the Financial Statements (Contd.)

- ii) The Company operates some Defined Benefit Plans as follows which are valued on Actuarial basis:
- Gratuity (Funded)
 - Leave Encashment (Vesting)
 - Leave Entitlements (Non-Vesting)
 - Settling Allowance
 - Leave Travel Concession
 - Monthly Monetary Compensation(MMC)
 - CPRMS(E) / CPRMS(NE)
- iii) Total liability as on 31.03.2019 based on valuation made by the Actuary, details of which are mentioned below is Rs. 4106.06 Crore (Previous Year Rs. 3920.41Crore).

(Rs. in Crore)

Particulars	Opening Actuarial Liability as on 01.04.2018	Incremental Liability during the Year	Closing Actuarial Liability as on 31.03.2019
Gratuity	2,599.17	149.15	2748.32
Leave Encashment (Vesting)	663.75	(81.48)	582.27
Leave Entitlements (Non-Vesting)	146.55	119.84	266.39
CPRMS(E) / (NE)	181.15	60.79	241.94
Monthly Monetary Compensation	185.91	(34.53)	151.38
Settling Allowance	64.57	(9.11)	55.46
Leave Travel concession	79.30	(19.00)	60.30
Total	3920.41	185.66	4106.06

a) Gratuity:

Gratuity payable to eligible employees is administered by a separate Trust. The Liability towards Gratuity as on each reporting date is made on the basis of Actuarial Valuation. The actuarial liability (as certified by the Actuary) towards Gratuity net of Funds maintained in the Trust (Unfunded Liability) amounted to Rs.2748.32 Crore as at 31.3.2019 (Previous Year Rs.2599.17 Crore)

b) Leave Encashment (Vesting):

Leave Encashment benefits which are encashable in service or on retirement (i.e., vesting) payable to employees, at the end of the year, are recognized based on the Actuarial Valuation. The actuarial liability (as certified by the Actuary) towards leave entitlement vesting amounted to Rs.582.27 Crore as at 31.3.2019 (Previous Year Rs.663.75 Crore).



Additional Notes to the Financial Statements (Contd.)

c) Leave Entitlements (Non-Vesting):

Leave entitlements which are non-encashable in service or on retirement or on resignation (i.e. Non-Vesting) are recognized on Actuarial Valuation from 2018-19 onwards with retrospective application as specified in Ind AS 8 and actuarial liability as at 31.3.2019 stood at Rs.266.39 Crore (Previous Year Rs.146.55 Crore).

d) Contributory Post Retirement Medicare Scheme: CPRMS (E) & (NE)

The actuarial liability (as certified by the Actuary) for Contributory Post Retirement Medicare Scheme for executives & their spouses and company contribution to the Contributory Post Retirement Medicare Scheme for Non-Executives amount to Rs.241.94 Crore as at 31.3.2019, as against provision of Rs.181.15 Crore up to 31.3.2018. An amount of Rs.64.83 Crore is charged to Revenue and Rs.4.04 Crore was paid under the Scheme.

e) Monthly Monetary Compensation (MMC)

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 31.3.2019 is Rs.151.38 Crore (Previous Year Rs.185.91 Crore).

- f) Settling Allowance is valued on actuarial basis and actuarial liability as at 31.03.2019 is Rs.55.46 Crore as against Previous Year of Rs.64.57 Crore.
- g) Leave Travel concession is valued on actuarial basis and actuarial liability as at 31.03.2019 is Rs.60.30 Crore (Previous Year Rs.79.30 Crore). An amount of Rs.21.87 Crore was paid under this Scheme and charged to revenue.

iv) 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 31.03.2019 CERTIFICATES AS PER IND AS-19

(Rs. in Crore)

Changes in Present Value of defined benefit obligations	As at 31.03.2019	As at 31.03.2018
Present Value of obligation at beginning of the period	4818.17	4372.53
Current Service Cost	195.66	140.67
Past Service Cost	-	-
Interest Cost	345.15	349.80
Actuarial (Gain) / Loss on obligations due to change in financial assumption	25.69	271.45
Actuarial (Gain) / Loss on obligations due to unexpected experience	-	-
Benefits Paid	(576.26)	(316.28)
Present Value of obligation at end of the period	4808.41	4818.17



Additional Notes to the Financial Statements (Contd.)

(Rs. in Crore)

Changes in Fair Value of Plan Assets	As at 31.03.2019	As at 31.03.2018
Fair Value of Plan Asset at beginning of the period	2219.00	2070.83
Interest Income	167.35	164.63
Employer Contributions	250.00	300.00
Benefits Paid	(576.26)	(316.28)
Return on Plan Assets excluding Interest income	-	(0.18)
Fair Value of Plan Asset as at end of the period	2060.09	2219.00

(Rs. in Crore)

Statement showing reconciliation to Balance Sheet	As at 31.03.2019	As at 31.03.2018
Fund Liability	4808.41	4818.17
Fund Asset	2060.09	2219.00
Un Funded Status	2748.32	2599.17

(Rs. in Crore)

Expense Recognized in Statement of Profit / Loss	As at 31.03.2019	As at 31.03.2018
Current Service Cost	195.66	140.67
Past Service Cost	-	-
Net Interest Cost	177.81	185.17
Benefit Cost (Expense recognized in Statement of Profit/Loss)	373.47	325.84

(Rs. in Crore)

Other Comprehensive Income	As at 31.03.2019	As at 31.03.2018
Actuarial (Gain) / Loss on obligations due to change in financial assumption	25.69	271.45
Actuarial (Gain) / Loss on obligations due to unexpected experience	-	-
Total Actuarial (Gain) / Loss	-	-
Return on Plan Asset, excluding Interest Income	-	0.20
Balance at the end of the period	-	-
Net (Income) / Expense for the period recognized in Other Comprehensive Income	25.69	271.65

Statement showing Plan Assumptions:	As at 31.03.2019	As at 31.03.2018
Discount Rate	7.50%	7.50%
Expected Return on Plan Asset	8.25%	7.95%
Rate of Compensation Increase (Salary Inflation)	7.00%	6.50%
Average Expected Future Service (Remaining Working Life)	12.84 Years	11.34 Years
Average Duration of Liabilities	21.89 Years	23.31 Years
Mortality Table	LIC (2006-08)Ultimate	
Superannuation at Age	60 Years	60 Years
Early Retirement and Disablement		
Gratuity limit	Rs.20 lakh	Rs.20 lakh



Additional Notes to the Financial Statements (Contd.)

Mortality Table		
Age	As at 31.03.2019	As at 31.03.2018
	Mortality (Per Annum)	Mortality (Per Annum)
Uniform for all ages	4.56	4.14

(Rs. in Crore)

Statement Showing Benefit Information Estimated Future payments (Past Service)		
Year	31.03.2019	31.03.2018
1	566.30	531.77
2	755.35	549.81
3	725.59	733.35
4	582.79	704.46
5	786.14	565.82
6 to 10	1711.05	1637.76
More than 10 years	2506.06	2510.70
Total Undiscounted Payments Past and Future Service	7633.29	7233.67
Total Undiscounted Payments related to Past Service	4870.45	4880.32
Less Discount For Interest	62.04	62.15
Projected Benefit Obligation	4808.41	4818.17

(Rs. in Crore)

Statement Showing Cash Flow Information		
	31.03.2019	31.03.2018
Current service Cost (Employer portion Only) Next period	155.26	175.00
Interest Cost next period	7.50	7.50
Expected Return on Plan Asset	167.00	176.00
Benefit Cost	555.00	550.00

(Rs. in Crore)

Statement Showing expected return on Plan Asset at end Measurement		
	As at 31.03.2019	As at 31.03.2018
Current liability	-	-
Non-Current Liability	-	-
Net Liability	4808.41	4818.17



Additional Notes to the Financial Statements (Contd.)

**ACTUARIAL VALUATION OF LEAVE ENCASHMENT BENEFIT (VESTING)
(EL/HPL) AS AT 31.03.2019 CERTIFICATES AS PER IND AS-19**

(Rs. in Crore)

Changes in Present Value of defined benefit obligations	As at 31.03.2019	As at 31.03.2018
Present Value of obligation at beginning of the period	663.75	638.54
Current Service Cost	81.10	111.28
Interest Cost	49.78	47.89
Actuarial (Gain)/ Loss on obligations due to change in financial assumption	-	(133.96)
Curtailment of Benefits	(51.36)	-
Benefits Paid	(161.00)	-
Present Value of obligation at end of the period	582.27	663.75

(Rs. in Crore)

Changes in Fair Value of Plan Assets	As at 31.03.2019	As at 31.03.2018
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 31.03.2019	As at 31.03.2018
Fund Liability	582.27	663.75
Fund Asset	-	-
Funded Status	Unfunded	Unfunded

(Rs. in Crore)

Statement showing Plan Assumptions:	As at 31.03.2019	As at 31.03.2018
Discount Rate	7.50%	7.50%
Rate of Compensation Increase (Salary Inflation)	7.00%	6.50%
Average Expected Future Service (Remaining Working Life)	12.84 Years	11.34 Years
Average Duration of Liabilities	21.89 Years	23.31 Years
Mortality Table	LIC (2006-08)Ultimate	
Superannuation at Age	60 Years	60 Years



Additional Notes to the Financial Statements (Contd.)

Expense Recognized in Statement of Profit / Loss	As at 31.03.2019	As at 31.03.2018
Current Service Cost	81.10	111.28
Net Interest Cost	49.78	47.89
Benefits paid/curtailment in benefits in current year	(212.36)	-
Actuarial (Gain)/ Loss on obligations due to change in financial assumption	-	(133.96)
Benefit Cost (Expense recognized in Statement of Profit/Loss)	(81.48)	25.21

Mortality Table	As at 31.03.2019	As at 31.03.2018
Age	Mortality (Per Annum)	Mortality (Per Annum)
Uniform for all ages	4.56	4.14

(Rs. in Crore)

Statement Showing Benefit Information Estimated Future payments		
Year	31.03.2019	31.03.2018
1	51.84	59.10
2	52.65	60.02
3	62.56	71.31
4	59.09	67.36
5	52.68	60.04
6 to 10	177.18	201.98
More than 10 years	174.08	198.39
Total Undiscounted Payments Past and Future Service	696.12	793.53
Total Undiscounted Payments related to Past Service	630.08	718.25
Less Discount For Interest	47.81	54.50
Projected Benefit Obligation	582.27	663.75

(Rs. in Crore)

Statement Showing expected return on Plan Asset at end Measurement	As at 31.03.2019	As at 31.03.2018
Current liability	80.00	80.00
Non-Current Liability	502.27	583.75
Net Liability	582.27	663.75



Additional Notes to the Financial Statements (Contd.)

4. Unrecognized items:**4.A. Contingent Liabilities**

(Rs. in Crore)

Sl. No.	Particulars	As on 31.3.2019	As on 31.3.2018
	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)	0.91	1.09
(iii)	Motor Accident claims (cases contested – court)	0.67	0.78
(iv)	Police Guard (excess man power billed disputed)	2.98	2.98
(v)	S C Railways (damages, demurrages etc. disputed)	1.62	1.62
(vi)	Water Royalty (billed at Industrial rate disputed)	1.10	1.10
(vii)	Vacant Land Tax (Levy contested)	16.06	16.06
(viii)	Contractors & Suppliers	265.09	298.03
(ix)	Other disputed claims & Legal cases etc.	26.43	19.50
(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 & 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 & 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 31.3.2019	As on 31.3.2018
(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 filed by SCCL before CESTAT, Bangalore was decided in favour of the company.	-	13.82
	(b) Excise Duty demands on quantity disputes.	5.75	5.60
	(c) Education Cess and Secondary Higher Education Cess demands raised by Excise Department from March, 2011 to March, 2015 contested by SCCL	0.78	0.78
	(d) Demand for Clean Energy Cess	0.24	0.24
	(e) Excise Duty on APGENCO performance Incentive	10.87	8.55
	(f) CEC on Closing Stock as on 30.06.2017 (Pre-GST)	235.30	-
(xii)	Tax Demands from Commercial Taxes Department (including entry tax) which are disputed by SCCL and pending before various appellate authorities for adjudication.	5.67	15.34
(xiii)	Tax Demands from Income Tax Department which are disputed by SCCL and pending before various appellate authorities for adjudication.	212.58	62.98
(xiv)	(a) 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	0.15
	(b) Service Tax demand on Liquidated damages, Penalties etc collected by SCCL for the period from July, 2012 to March, 2017 raised by The Service Tax dept is disputed and pending before CESTAT, Hyd for adjudication. However, an amount of Rs.10.95 Crs demanded by the Department has been deposited to the Government's Account under protest.	10.95	10.95
(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)	Service Tax demand on Liquidated damages, penalties etc., collected by SCCL for the period from April 2017 to June 2017 raised by the Service Tax Department.	0.95	-
(xvii)	Tax Demand on Irregular availment of credit on certain services which are ineligible (services connected to Transmission, Lighting, Canteen, Railway Siding, Maintenance and Repairs of Building, Laying and Repairs of Road, Bore well, RO plants, Air ticketing)	1.66	-
(xviii)	(a) Claims for additional compensation decided by the Lower Courts in favour of pattadars which were contested by the company in Higher Courts for Acres: 114, Guntas 12.	12.48	-
	(b) Claims in respect of suits filed by the Pattadars for additional compensation for Acres: 2369, Guntas 30¼ (Previous year: 5075, Guntas 27¼) contested by the Company and pending in Courts.	Not quantifiable	Not quantifiable



Additional Notes to the Financial Statements (Contd.)

(xix)	An amount of Rs.13.56 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.13.56 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 XXVI Addl Chief Judge, CCC, Hyderabad challenging the above recovery.
(xx)	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>

4.B. Capital Commitments :

(Rs. In Crore)

Sl.No.	Particulars	As on 31.3.2019	As on 31.3.2018
1.	a) Estimated value of capital commitment for 2x600 MW Singareni Thermal Power Project, Jaipur, Telangana State.	197.42	412.33
	b) Estimated value of capital commitments of other contracts to be executed	1210.74	530.76
2.	The balance value of Surrounding Habitats Assistance Programme (SHAPE) works to be executed.	7.35	8.29
3.	Outstanding Letters of Credit	28.42	29.60
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.	288.44	283.76

4.B.4.1 : This includes Bank Guarantee of Rs.176.32 Crore and Rs.40 Crore submitted to MoC, Government of India as Performance Guarantees against allotment of Naini Coal Block, Odisha and Penagadapa Coal Block, Telangana, respectively. The pre-mining operations are under progress at these blocks.

5. Other Information

5.1: Ind AS 115 -Revenue from Contracts with Customers :

Significant judgments & other disclosures

1. Identification of contract :

(A) Coal :

- Customers: Most of coal produced by the Company is supplied to thermal power plants. Coal is also supplied to various industries that include, cement, sponge iron & others and also for captive consumption.
- Distribution and Marketing Policy: Government of India has issued New Coal Distribution Policy (NCDP) on October 18, 2007 with an objective to meet the demand of coal from consumers of different sectors of the economy, both on short term and long term basis, in an assured, sustained, transparent and efficient manner with built - in commercial discipline. The Company abides by it.



Additional Notes to the Financial Statements (Contd.)

The major types of arrangements / agreements as per NCDP are:

- i) **Fuel Supply Agreements (FSAs):** As contemplated in and in accordance with the terms of the New Coal Distribution Policy (NCDP), the Company enters into legally enforceable FSAs with customers. 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))
 - FSAs through linkage route.
 - Memorandum of Understanding(MOU)
- ii) **E-Auction Scheme:** The E-Auction scheme of coal has been introduced to provide access to coal for customers who were not able to source their coal requirement through the available institutional mechanisms under the NCDP for various reasons, for example, due to a less than full allocation of their normative requirement under NCDP, seasonality of their coal requirement and limited requirement of coal that does not warrant a long-term linkage. The quantity of coal to be offered under E-Auction is reviewed from time to time by the Ministry of Coal, Government of India.
- iii) **Shakti: A coal linkage policy named SHAKTI or the 'Scheme to Harness and Allocate Koyla (Coal) Transparently in India'** was introduced with an objective to auction long-term coal linkages to power companies.

This policy award fuel supply agreements to coal plants already holding letters of assurance (LoAs). It is issued to new consumers on being approved by the appropriate authority, based on recommendation of a committee constituted. Specific terms & conditions of the LOA are to be complied with within a stipulated time period for being eligible to enter into FSA for commencing coal supply. Thermal plants holding LoAs will be eligible to sign fuel supply pacts under the new policy after ensuring that all the conditions are met.

Coal linkages would be awarded to state-owned power distribution companies (discoms). These, in turn, would assign linkages to:

- State or Central power generation companies via allocation, and
- Private units through auction.

Transfer of Title of Goods: Once delivery of Coal have been effected at the Delivery Point by SCCL, the property / title and risk of coal so delivered stand transferred to the purchaser in terms of this Agreement. Thereafter SCCL in no way be responsible or liable for the security or safeguard of the Coal so transferred. SCCL have no liability, including towards increased freight or transportation costs, as regards missing/diversion of wagons / rakes or road transport en-route, for whatever causes, by Railways, or road transporter or any other agency.



Additional Notes to the Financial Statements (Contd.)

(B) Power:

Power generated at Thermal Power Plant of the Company (STPP) is supplied to the TSDISCOMS, Telangana state power distribution companies. A separate power purchase agreement (PPA) is entered by the company with Electricity Distribution Company for 25 years valid up to 01.12.2041. The terms and conditions of PPA are as per prevailing Telangana State Electricity Regulatory Commission (TSERC) regulations.

2. Performance Obligation (Transportation, Infrastructure and Logistics):

(A) Coal:

- a. Following the extraction of coal from a mine/working face, coal is transported to dispatch points through tipping trucks and conveyor belts. Coal is delivered to the customers from the dispatch points through rail, road, rope-way or dedicated rail MGR system.
- b. All consignments dispatched are weighed either at company owned weighbridges available at SCCL dispatch points or to the nearest weighbridges owned by the Railways. Sales are either "free on rail" or "free on road" from the designated dispatch points. Customers may choose the mode of transport between rail and road. If the dispatch point from the mines is within 20 kilometres, the customers bear such transportation cost at specified rates as notified by the company from time to time. In circumstances where the distance from the dispatch point is more than 20 kilometres from the mines, the customer bears the actual cost of transportation.
- c. The quality of coal delivered / to be delivered conforms to the specifications. The company makes adequate arrangements to assess the quality and monitor the same to ensure that un-graded Coal (GCV of less than 2200 Kcal/Kg for non-coking coal) is not loaded into the purchaser's containers.
- d. The company delivers sized coal with size conforming to specifications. SCCL makes reasonable efforts to remove stones from coal.
- e. The Company uses magnetic separators and metal detectors, at its coal handling / loading system at the delivery point, where the same are already installed.

(B) Power:

- a. As per PPA, SCCL (STPP) is required to operate the plant as a base load station as per manufacturers guidelines, applicable grid operating conditions, directions of the TSERC and relevant statutory provisions as applicable from time to time.
- b. SCCL is required to sell the capacity to the TSDISCOMs as per PPA shall, in each settlement period, be as 85% of the declared capacity(DC) of the plant as determined by TSERC Tariff Regulations issued from time to time.
- c. SCCL is required to follow the SLDC's directives, to back down, increase or resume generation, decrease generation at time on a day, provided that such directives are consistent with the technical limits of facility, Prudent utility practices.



Additional Notes to the Financial Statements (Contd.)

3. Transaction Price:

(A) Pricing of coal:

- a. The pricing of Non-Coking Coal is presently based on its Gross Calorific Value w.e.f. 01.01.2012 and that of Coking Coal & Washery Grade Coal is set on the basis of ash level content. Pricing of coal for Semi Coking Coal is set on the basis of ash & moisture content level. The coal price is revised considering the escalation in input cost, inflation and landed cost of imported coal. The final customer price includes basic price and other charges (Cess, Royalties, GST and others). Around 90% of Coal is sold under the long-term fuel supply agreements (FSAs) executed between company and the linked customers. In addition, coal is also sold under E-auction scheme.
- b. The Purchaser pays the Base Price of Coal in accordance with the provisions of the Agreement. The Base Price of Coal is declared by Company from time to time.
- c. The “**As Delivered Price of Coal**” for the Coal supplies pursuant to the Agreement is the sum of Base Price, Other Charges and Statutory Charges, as applicable at the time of delivery of Coal.
- d. **Base price/Standalone price means**, in relation to a Declared Grade of Coal produced by SCCL, the Pithead price notified from time to time by the company, as the case may be.
- e. **Variable Consideration:**
 - i. **Annual Contracted Quantity (ACQ):** At the inception of the every year the Annual Contracted Quantity of Coal is agreed which is to be supplied by SCCL and undertaken to be purchased by the Purchaser from SCCL's mines and/ or from international sources. For part of Year, the ACQ is prorated accordingly. If for a Year, the Level of Delivery by SCCL, or the Level of Lifting by the Purchaser falls below ACQ with respect to that Year, the defaulting Party is liable to pay compensation to the other Party for such shortfall in Level of Delivery or Level of Lifting, as the case may be (Failed Quantity). MOUs are signed for one year and above ACQ quantity.
 - ii. **Performance Incentive:** If SCCL delivers Coal to the purchaser in excess of the determined percent of the ACQ in a particular Year, the purchaser pays SCCL an incentive (Performance Incentive/ PI).
 - iii. **Adjustment for Grade Variance (Coal Quality Variance):** SCCL gives regular credit/debit notes on account of Grade variance to the extent of difference in the Base Price of Declared Grade and analyzed Grade of Coal.
- iv. **Other Charges**

Surface Transportation charges: Where Coal is transported by SCCL beyond the distance of three (3) KMs from pithead to the delivery point, the purchaser pays surface transportation charges, as notified by SCCL from time to time.



Additional Notes to the Financial Statements (Contd.)

Sizing/Crushing charges: Where Coal is crushed by mechanical means for limiting the top-size to 100mm, or any other lower size, the Purchaser pays sizing/crushing charges, as applicable and notified by SCCL from time to time.

Rapid Loading Charges: Where Coal is loaded through rapid loading system, the Purchaser pays rapid loading charges notified by SCCL from time to time.

Evacuation charges: Recovery of evacuation charges is also done at the specified rate. In all cases, the entire freight charges, irrespective of the mode of transportation of the Coal supplied, is borne by the Purchaser.

Additional charges: The Company collects additional charges like additional transport/ rehandling cost, additional charges for coal loaded at specified sidings, Land adjustment, Engine Shunting charges, Fuel Supply Surcharge, Forest Permit Fee and other elements at the rates notified from time to time.

In all cases, the entire freight charges, irrespective of the mode of transportation of the Coal supplied, is borne by the Purchaser.

- f. **Statutory Charges:** The statutory charges comprises royalties, cesses, GST, levies etc. if any, payable under relevant statute but not included in the Base Price and/or other charges, is payable by the purchaser. These levies/charges become effective from the date as notified by the Government/ statutory authority.

(B) Pricing of Power:

- a. The tariff for electricity supplied would be as determined under the tariff regulations of TSERC and tariff order thereof from time to time. Tariff for sale of electricity would be based on prevailing TSERC regulations from time to time.
- b. Capacity charges are to be approved by the TSERC for each tariff year, to be claimed by SCCL.
- c. Variable charges like Coal, Secondary fuel oil are calculated as per agreed formula under PPA and are shown separately in monthly thermal energy bills. Incentives shall be calculated as per target plant load factor as specified in Tariff order for 2x600MW Power Plant as a whole.

4. PAYMENT:

A. Coal :

i. Fuel Supply Agreement - Credit Sales

- a) N T P C - Payment is to be received from the Purchaser within three days from the date of submission of bills. Bills will be raised on daily basis.
- b) TSGENCO / APGENCO - Bills will be raised in the first lot from 1st to 7th of the month, second lot from 8th to 20th and third lot from 21st to the 20th/31st of the month. The Purchaser has to release the payment within five days from the date of submission of bills (excluding day of submission).



Additional Notes to the Financial Statements (Contd.)

- c) KPCL / MSEB- Bills will be raised in first lot from 1st to 10th, second lot 11th to 20th and third lot from 21st to 30th /31st of the month. payment has to be received within three days from the date of submission of bills (excluding day of submission).
- d) In addition to the above, SCCL will go for MOUs for the above FSA customers, bridge linkage and non-bridge linkage power customers for supply of coal on best efforts basis.
- ii. **E-Linkage - Auction of Linkage (AOL).**
- The customers without FSA and MOC Linkage are to be participated in the bidding in the open auction. All the Power and Non-Power customers excluding the above and whose requirement of coal is more than 10,000 Tons per annum are mandatorily get allotment of coal through auction of linkage (E-Linkage). MOC has given an option to the customers to participate in AOL bidding or not, if their annual requirement is 4200 to 10,000 Tons Per Annum. AOL contractors are in the nature of Long Term Contracts of five years are considered AS FSA customers. Payment is 100% advance against each sale order. The bidding quantity in the first year which is called as Annual Contracted Quantity (ACQ) will be considered for the next five years.
- iii. E-Auction - These are short term contracts for a period of three months. MOC has fixed maximum E-Auction quantity is 10% of the total despatch quantity. All the customers' viz., Power, Non-Power and FSA, Non-FSA and Open Order customers can participate in the bidding. Payment is 100% advance.
- iv. Rail Customers - Long term purchasers and good credit track record are extended credit of one rake for three bank working days subject to submission of one rake advance amount in the form of Cash Guarantee or Bank Guarantee. If the customer fails to repay the amount within three days, interest will be charged equivalent to SBI CC Rate applicable to SCCL.
- The Purchaser makes advance payment for a month in three (3) instalments for availing Coal supplies from SCCL – first (1st) instalment on the first (1st) day of the month, second (2nd) instalment on the eleventh (11th) day of the month and the third (3rd) instalment on the twenty first (21st) day of the month. Each of these payment instalments cover the As Delivered Price of Coal for the Coal quantities that is one-ninth ($\frac{1}{9}$ th) of the QQ concerned. Further, each of these instalments takes into account the average of Base Prices of Grades. However, the third (3rd) instalment also include the adjustment amount with regard to the actual quantity of Coal delivered and the quality of Coal vis-à-vis the advance payment made for the previous month. For the avoidance of any doubt, such adjustment amount also includes the adjustment of quantity and quality.
- v) Advances received from the customers are reported as customer's deposits (contract liabilities) unless the conditions for revenue recognition are met.



Additional Notes to the Financial Statements (Contd.)

vi) Advance payment made by the Purchaser is non-interest bearing, and it changes in accordance with change in the As Delivered Price of Coal. No significant finance component is included therein.

vii) **Bills of Miscellaneous Claims:**

- Compensation for short supply/lifting, is payable by the defaulting Party to the other Party within a period of ninety (90) days from the date of receipt of claim failing which it will attract interest.
- After expiry of the Year, SCCL submits an invoice to the Purchaser with respect to the Performance Incentive and the Purchaser pays the amount so due within thirty (30) days of the receipt of the invoice failing which it attract interest.

viii) **Annual Reconciliation / Adjustments:** SCCL and the Purchaser jointly reconcile all payments made for the monthly Coal supplies during the Year by end of April of the following Year. The Parties, forthwith, give credit/debit for the amount falling due, if any, as assessed during such joint reconciliation. The annual reconciliation statement is to be jointly signed by the authorized representative of SCCL and the Purchaser which is final and binding on both, SCCL and the purchaser.

B. Power:

- a. The monthly bill raised under PPA include charges for supply of electricity, taxes, duties and cess. Monthly bills are based on meter reading taken that has been mutually agreed by the both of the parties.
- b. Due date for payment for monthly bills presented is 60 days from the date of raising of Bill.
- c. Rebate can be granted by SCCL which can be maximum to 2 percentage. If payments are made within a week, maximum rebate granted to 1.25 percentage.
- d. Additional bills on account of TSERC orders/ appellate tribunal of electricity/ other court/ other competent authority to be billed through supplementary invoice unless included in monthly invoice.
- e. Payment is to be by TSDISCOMS by irrevocable letter of credit. Appropriation of payment made is to be governed in mutually agreed manner as per PPA.
- f. In case of any dispute, 95% of the disputed amount along with objection is to be filed within 30 days.

5.2 Government Grants

5.2.1 The company has chosen the option to deduct the capital grants received from the carrying amount of respective asset as permitted by Ind AS 20-“Accounting for Government Grants and Disclosure of Government Assistance”. Accordingly, existing balances of Deferred Grant Liability as 01.04.2018 amounting to Rs.185.83 Crore (Non Current Rs.178.68 Crore & Current Rs.7.15 Crore) has been withdrawn and adjusted against the carrying amount of respective assets.



Additional Notes to the Financial Statements (Contd.)

- 5.2.2 An amount of Rs.4.41 Crore of capital grants of Man Riding Systems approved in the 82nd meeting (Apr-Sep17) of CCDAC have been recognised during the year 2018-19 as a deduction from the carrying amount of respective assets.
- 5.2.3 Further, CCDAC has not considered the claims submitted by the company for sand stowing subsidy from 01.04.2017 onwards as Stowing Excise Duty has been subsumed by GST. Owing to this, the sand stowing subsidy and protective work claims recognised on accrual basis in 2017-18 for an amount of Rs.114.85 Crore have been written off in FY2018-19 as Bad debts. In addition, no grants related to Revenue (i.e. Sand Stowing and Protective works) have been recognised in 2018-19.

5.3 Provisions :

The position and movement of various provisions as on 31.03.2019 are given below:

(Rs. In Crore)

Provisions	Opening Balance as on 01.04.2018	Addition during the year	Write back/Adj. During the year	Unwinding of discounts	Closing Balance as on 31.03.2019
Long term provisions:					
Gratuity	2599.17		(28.65)	177.80	2748.32
Leave encashment - Vesting	583.75		(81.48)		502.27
Leave Entitlement – Non vesting	146.55	119.84			266.39
Monthly Monetary Compensation & Low productive employee compensation (MMC & LPE)	146.41		(39.53)		106.88
Settling Allowance	53.85		(7.61)		46.25
Leave Travel Concession	42.33		(10.14)		32.19
OBR(Net of Advance Action)	2579.15	(64.95)			2514.20
Backfilling	9859.88	495.96	2.05	788.95	11146.84
Mine Closure Plan	1062.29		(35.00)	80.03	1107.33
Short term provisions :					
Gratuity	1.31	0.01	-	-	1.32
Leave Encashment (Vesting)	97.05	12.96	-	-	110.01
MMC & LPE	39.50	5.00	-	-	44.50
Superannuation Benefit	293.07	17.80	-	-	310.87
Post Superannuation Medical Benefit- Executives & Non Executives	181.15	146.41	-	-	327.56
Performance related pay – Exe	154.90	111.21	(30.98)	-	235.13
Performance Linked Reward Scheme(PLR) (Exgratia)	286.06	6.48	-	-	292.54
Settling Allowance	10.72	-	(1.51)	-	9.21
LTC / LLTC	36.97	-	(8.86)	-	28.11
Corporate Special Incentive	304.55	172.45	-	-	477.00



Additional Notes to the Financial Statements (Contd.)

5.4 Earnings per share**For Profit after Tax(excluding Other Comprehensive Income):**

Sl. No.	Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
i)	Net profit after tax attributable to Equity Share Holders (in Rs Crore)	1783.37	1,355.40
ii)	No. Of Equity Shares Outstanding(In Number)	1733198119	1733198119
iii)	Basic Earnings per Share in Rupees (Face value Rs.10/- per share)	10.29	7.82

5.5 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 statement.

5.6 Related Party Disclosures:**1. Key Managerial Personnel :**

Sl.No	Name	Position	Period
1	Sri N. Sridhar	Chairman & Managing Director	Full period
2.	Sri J. Pavitrnan Kumar	Director (PA&W) (FAC) & Director (Finance)	Up to 19.05.2018 Up to 03.06.2018
3.	Sri S. Shankar	Director (Electrical & Mechanical) & Director Finance (FAC)	Full period From 04.06.2018 to 04.12.2018
4.	Sri S. Chandrasekhar	Director (Operations) & Director (PA&W) (FAC)	Full period From 20.05.2018
5.	Sri B. Bhaskara Rao	Director (Planning & Projects)	Full period
6.	Sri. N. Balram	Director (Finance)	From 05.12.2018
7.	Sri G. Srinivas	Company Secretary	Full period

2. Subsidiary Company:

Company is having a subsidiary -Andhra Pradesh Heavy Machinery & Engineering Limited, Vijayawada:

On the Recommendation of Audit Committee Board is ratifying/ approving certain transactions.

3. APMDC-SCCL Suliary 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 Suliary 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 Crore from JV Company which was contributed by the company.



Additional Notes to the Financial Statements (Contd.)

The winding up proceedings of the JV Company are yet to commence. The Company has made provision towards diminution in the value of investments for Rs.49,000/- (Share Capital) and doubtful advances for Rs.9.80 Crore (Share application money kept in Advances account).

4. 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.

5.7. 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 31.03.2019	For the year ended 31.03.2018
i)	Short Term Employee Benefits		
	Gross Salary	2.40	2.17
	Perquisites & Medical Benefits	0.16	0.08
ii)	Post-Employment Benefits		
	Contribution to P.F. & other fund	0.25	0.19
iii)	Termination Benefits (Paid at the time of separation) Leave Encashment	-	-
	Gratuity paid	-	0.10
	Gratuity Outstanding	-	0.10
	TOTAL	2.81	2.63

b) Sitting Fees:

(Rs. In Crore)

Sl. No.	Payment to Independent Directors	For the year ended 31.03.2019	For the year ended 31.03.2018
1	Sitting Fees	-	-

c) Balances Outstanding as on 31.03.2019

(Rs. In Crore)

Sl. No.	Particulars	As on 31.03.2019	As on 31.03.2018
i)	Amount Payable- Gratuity	0.30	0.30
ii)	Amount Receivable	NIL	NIL



Additional Notes to the Financial Statements (Contd.)

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) **APMDC-SCCL Suliyari Coal Company Ltd., a Joint Venture by SCCL and APMDC:** During the year there are no operations. It is proposed to wind-up this Company.

5.8 Taxation:

- (i) Accounting for Taxes on Income under Ind AS-12- Calculation of Deferred Tax :
(Rs. In Crore)

DEFERRED TAX ASSETS/ LIABILITY		As on 31.03.2019	As on 31.03.2018
A	Deferred Tax Liabilities		
	Depreciation	1331.03	1202.51
	TOTAL	1331.03	1202.51
B	Deferred Tax Assets		
	Back filling & Mine Closure Provision	1501.83	1722.97
	Gratuity	960.37	908.25
	Other Employment Benefits	745.15	648.50
	Overburden Removal	879.27	902.00
	MAT Credit	479.82	287.81
	Carry forward Tax Loss	-	312.13
	Other Provisions	491.62	493.37
	TOTAL	5058.06	5275.03
	Deferred Tax Assets (net) (B-A)	3727.03	4072.52

- ii) **Relationship between Tax Expense and Accounting Profit :
Numerical Reconciliation of difference** (Rs. In Crore)

Sl.No.	Nature of Adjustments	Year ended 31.03.2019
1	Net profit as per Statement of Profit and Loss (before tax)	2808.12
2	Add/Less: Differences as per Income Tax Act. (MAT)	(72.02)
3	Book profit for the purpose of MAT(1-2)	2880.14
4	Applicable tax rate (MAT -21.5488%)	21.5488%
5	MAT on Book profit as per income Tax Act, 1961 (3*4)	620.64
6	Taxes as per P&L A/c	
	a) Current year tax	620.64
	b) Deferred Tax in P&L	404.11
	c) Deferred Tax in OCI	(8.98)
7	Net tax liability as per P&L A/c	1015.77
8	Other Comprehensive Income (Excluding Deferred Tax on OCI)	(25.69)
9	Profit after Tax (Total comprehensive income for the period) (1-7+8)	1766.66



Additional Notes to the Financial Statements (Contd.)

iii) Explanation of changes in applicable tax rates compared to previous accounting period :

From the current year FY 2018-19 (AY 2019-20) Education cess @ 2% and secondary higher education cess @ 1 % has been withdrawn and new cess under the nomenclature "Health and Education cess" has been introduced at a rate of 4%. Accordingly, the Normal Tax rate applicable for FY 2018-19 (AY 2019-20) is 34.944% and MAT rate applicable is 21.5488%. There are no changes proposed to the tax rates applicable for FY 2019-20 (AY 2020-21). Hence, the tax rates applicable for FY 2018-19 (AY 2019-20) are considered for recognition of Deferred Tax.

iv) Dividend Distribution Tax:

For the Financial year 2017-18 Company has declared and paid Dividend @10% on the paid-up equity share capital in the FY 2018-19 amounting to Rs.173.32 Crore Dividend distribution Tax at the effective rate of 20.557 % amounting to Rs.35.63 Crore was paid on the same during the year.

5.9 Insurance and escalation claims :

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

5.10 Provisions made in the Accounts:

Provisions made in the Books of Accounts, against slow moving/non-moving/obsolete stores, Expected Credit Loss on Advances and Doubtful Debts, impairment of Site Restoration Costs, Impairment of Other Mining Infrastructure (Development Expenditure), Buildings (Factory), Buildings (Others), Roads, CWIP of OMI (Development Expenditure) of UG Mines incurring losses etc., are considered adequate to cover possible losses.

5.11 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.

5.12 Current Liabilities:

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

5.13 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.

Particulars	(Rs. In Crore)	
	As on 31.3.2019	As on 31.3.2018
The principal amount remaining unpaid (But not due)	11.99	19.23
Interest due thereon (interest due and / or payable)	Nil	Nil



Additional Notes to the Financial Statements (Contd.)

- 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)** The company engage contractors for removal of Overburden. In some of the contracts the contractors 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. Considering the uncertainty, the value of explosives and HSD oil saved and not en-cashed by such contractors for set off against future excess consumption amounting to Rs.77.18 Crore is not provided for in books as on 31.03.2019 (Previous year Rs. 56.53 Crore).

D) Balance Confirmations:

- i) 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.
- ii) Joint reconciliation with major sundry debtors is done periodically.

E Value of imports on CIF basis:

(Rs. In Crore)

Particulars	For the Year ended 31.3.2019	For the Year ended 31.3.2018
Components, Stores & Spare Parts	21.42	30.94
Capital Goods	29.60	179.81

F) Expenditure incurred in Foreign Currency:

(Rs. In Crore)

Particulars	For the Year ended 31.3.2019	For the Year ended 31.3.2018
Travelling Expenses	0.16	0.12
Consultancy Payments	0.34	1.14
Others	3.24	3.81

G) Consumption of Stores & Spares :

(Rs. In Crore)

Particulars	31.3.2019		31.3.2018	
	Amount	% of total consumption	Amount	% of total consumption
Imported	10.62	0.29	44.87	1.35
Indigenous	3691.03	99.71	3282.62	98.65
Total	3701.65	100.00	3327.49	100.00



Additional Notes to the Financial Statements (Contd.)

H) Physical verification of Fixed Assets :

Physical verification of all Fixed Assets with original value of Rs.3 Lakh and above will be covered in block of 3 years. The block of 2019-22 commenced from 2018-19.

- 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) above were physically verified during 2018-19 and deviations are accounted and in respect of other assets the same are confirmed as available based on certification by the unit head.

I) Statement of Opening Stock, Production, Turnover and Closing Stock of Coal:

Particulars	For the year ended 31.3.2019		For the year ended 31.3.2018	
	Quantity In '000 T	Value (Rs. in Crore)	Quantity In '000 T	Value (Rs. in Crore)
Opening Balance	5283.66	685.13	7,949.93	953.35
Production	64,401.23	-	62,010.05	-
Purchase from FCI	10.78	1.73	-	-
Despatches	62,569.65	16,332.91	58,692.04	13,909.05
Internal Consumption (incl. STPP)	5,220.01	1,793.47	5,906.50	1,821.64
Adjustments for adopted Stock	0.29	-	(1.56)	-
Shale/Stone Write off	41.91	-	79.35	-
Closing Balance*** (#)	1,864.39	217.10	5,283.66	685.13

*** The above closing stock includes 11,146.75 Tonnes of shale values at NIL rate (Previous Year 38,471.91 Tonnes)

Closing stock includes 3,698.96 Tonnes of Coal in transit at STPP as on 31.03.2019 valuing Rs.1.43 Crore.

J) Significant changes/ modifications in the Accounting Policies:

Significant accounting policies (Note-2) have 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 from time to time. The following are the major changes/ modifications to the accounting policies of the Company in the current year:

a) Non Vesting Leave Balances:

The Company recognised Liability in respect of Non-encashable Leave entitlements (Non Vesting) of both executives and non-executives as per the opinion of Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India on the applicability of the provisions of Ind AS 19-Employee Benefits to such leave balances.



Additional Notes to the Financial Statements (Contd.)

Accordingly, provision was made in the Books of Account retrospectively as per the requirements of the Ind AS 8 and as per the Company's Accounting policy No.2.2.20 with regard to the changes in the Accounting policies, by restating the comparative amounts disclosed for the year 2017-18 and restating the opening balance of Retained Earnings and carrying amounts of Liability and Assets of the comparative period 2017-18 in respect of affect pertaining to the earliest period.

Due to the above provisions towards Non-Vesting leave entitlements, the profit for the current year FY 2018-19 is lower by Rs.77.96 Crore (net of Deferred Tax Asset), the profit for the comparative period 2017-18 is lower by Rs.31.30 Crore (net of Deferred Tax) and the opening balance of Retained Earnings as on 01.04.2017 has been lowered by Rs.64.38 Crore (net of Deferred Tax Asset).

b) Provision for grade variance on disputed samples :

In compliance of Ind AS 115 – "Revenue from Contracts with Customers" effective from FY 2018-19, the company has recognised provision towards estimated value of variable consideration payable to the coal customers on account of the disputed samples of grade variance considering the past experience. The transition to Ind AS 115 is given affect by selecting the modified retrospective transition method of adoption available under the transition provisions of Ind AS 115.

Accordingly, the cumulative affect up to 31.03.2018 for an amount of Rs.142.08 Crore and the Deferred Tax Asset of Rs.49.65 Crore is adjusted against the opening balance of Retained Earnings as on 01.04.2018. The net impact on transition date was Rs.92.43 Crore. Further, as on 31.03.2019 the above provision was reviewed which worked out to Rs.129.13 Crore. Accordingly, an amount of Rs.12.95 Crore was withdrawn. Further, the provision towards the Grade Variance is shown as a deduction from Trade receivables in Balance Sheet and the movement in the liability in the current year is netted off against sales in Statement of Profit & Loss.

K) Future Changes in the Accounting Policies:

As per requirement mentioned at para No. 30 of Ind AS 8 (Accounting Policies, Changes in Accounting estimates and Errors) , the amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs ('MCA') has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2019 amending the some of the standards relevant to the company as under:

1) New standard notified: Ind AS 116- Leases:

Ind AS 116 – Leases was notified by Ministry of Corporate Affairs on 30th March 2019 and it is applicable for annual reporting periods beginning on or after 1st April 2019.

There are no significant long term leases in the Company. The standard may not have significant impact on the Company in view of the optional exemption available in the standard for short term and low value leases. However, the company evaluates the impact in the next financial year and will take necessary action for compliance.



Additional Notes to the Financial Statements (Contd.)

2) Amendments to other Ind ASs-

a) Amendments to Ind AS 12, Income Taxes:

- i) The first amendment requires an entity to create a corresponding liability for Dividend Distribution Tax (DDT) when it recognises a liability to pay a dividend. The liability for DDT shall be recorded in statement of profit & loss, other comprehensive income or equity, as the case may be. This amendment will not have any impact on the company as no liability towards Dividend is provided in the books as on reporting date.
- ii) The second amendment relates to tax consequence of an item whose tax treatment is uncertain. Tax treatment of an item is considered as uncertain when there is uncertainty whether the relevant taxation authority will accept the tax treatment of that item or not. If there is uncertainty over tax treatment of an item an entity should predict the resolution of the uncertainty. If it is probable that the taxation authority will accept the tax treatment, there will be no impact on the amount of taxable profits/losses, tax bases, unused tax losses/credits and tax rates. In vice-versa case, the entity shall show the effect of the uncertainty for each uncertain tax treatment on amount of related items by using either the most likely outcome or the expected outcome of the uncertainty. The company is in the process of evaluating the impact of Ind AS 12 amendments.

b) Amendment to Ind AS 19, Employee Benefits:

The amendments to Ind AS 19, Employee Benefits relate to effects of plan amendment, curtailment and settlement. When an entity determines the past service cost at the time of plan amendment or curtailment, it shall re-measure the amount of net defined benefit liability/ asset using the current value of plan assets and current actuarial assumptions which should reflect the benefits offered under the plan and plan assets before and after the plan amendment, curtailment and settlement. The company is in the process of evaluating the impact of Ind AS 19 amendments.

c) Amendments to Ind AS 28, Investments in Associates and Joint Ventures:

Ind AS 109 excludes interest in associates and joint ventures that are accounted for in accordance with Ind AS 28, Investments in Associates and Joint Ventures from its scope. According to the amendments, Ind AS 109 should be applied to the financial instruments, including long-term interests in associates and joint venture that, in substance, form part of an entity's net investment in associate or joint venture, to which the equity method is not applied. These amendments are not expected to have any significant impact on the Company as there are investments falling under this category.



Additional Notes to the Financial Statements (Contd.)

d) Amendments to Ind AS 23, Borrowing Costs:

When determining the funds that an entity borrows generally, paragraph 14 of Ind AS 23 required an entity to exclude borrowings made specifically for the purpose of obtaining a qualifying asset. The amendments clarify that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings. These amendments are not expected to have any impact on the company as the company is already following the above principles while accounting the interest on the long term debts.

L) Material Prior Period Errors:

Few expenses pertaining to prior periods have been recognised in the current year. These items amounting to Rs.11.14 Crore have been corrected retrospectively by restating the opening balance of retained earnings as on 01.04.2017 (earliest period) by Rs.7.47 Crore and the comparative amounts for the prior period 2017-18 by Rs.3.67 Crore, as per the provisions of Ind AS 8 with regard to treatment of material prior period errors and as per the Company's Accounting Policy 2.2.20.

6. Dividend Information :

For the year 2017-18 dividend was declared by the shareholders in the AGM held on 27.09.2018 @ 10% of paid up Share Capital. The Dividend of Rs.173.32 Crore and Dividend Distribution Tax of Rs.35.63 Crore there on paid during the current year totalling to Rs.208.95 Crore have been adjusted against the Retained Earnings. For the year 2018-19, the Board of Directors have recommended dividend @ 10% of the Paid up Share Capital which works out to Rs.173.32 Crore. Pending declaration of Dividend for the year 2018-19 by the shareholders in the ensuing AGM, no treatments was given in the books as it is in the nature of an event after the reporting date as per Ind AS 10.

7. Miscellaneous :

1. Previous period's figures have been restated as per Ind AS & regrouped, rearranged and renumbered wherever considered necessary.
2. (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, 2019
(iv) Note-26 to Note-38 form part of Statement of Profit & Loss for the year ended on that date; and
(v) Note-39 represents Additional Notes to the Financial Statements.

The accompanying Notes form an integral part of Financial Statements

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

For and on behalf of the Board

Sd/- (CA.Surendranath Bharathi) Partner Membership No.23837	Sd/- (G.Srinivas) Chief (C.A) & Company Secretary	Sd/- (M.Narasimha Reddy) General Manager (F&A) Corporate	Sd/- (N.Balram) Director (Finance) & C.F.O	Sd/- (N.Sridhar) Chairman & Managing Director
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Date: 26 .07.2019
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	36.84
6.	Total assets	74.77
7.	Total Liabilities	74.77
8.	Investments	--
9.	Turnover	58.48
10.	Profit/ (Loss) before taxation	(7.39)
11.	Provision for taxation	(0.98)
12.	Profit / (Loss) after taxation	(8.37)
13.	Proposed Dividend	--
14.	% of shareholding	81.54%

For and on behalf of the Board

Sd/- (CA.Surendranath Bharathi) Partner Membership No.23837	Sd/- (G.Srinivas) Chief (C.A) & Company Secretary	Sd/- (M.Narasimha Reddy) General Manager (F&A) Corporate	Sd/- (N.Balram) Director (Finance) & C.F.O	Sd/- (N.Sridhar) Chairman & Managing Director
--	--	---	---	--

Date: 26 .07.2019
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 (FY 2018-19)

Name of Associates/ Joint Ventures		APMDC - SCCL Suliyari 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)
Corporate

Sd/-
(N.Balram)
Director (Finance)
& C.F.O

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

Date : 26.07.2019
Place: Hyderabad.



Consolidated Balance Sheet as at 31st March 2019

(Rs. in Crore)

S. No.	Particulars	Note No	As at 31.03.2019	As at 31.03.2018
	ASSETS			
A.	Non-current Assets			
	(a) Property, Plant and Equipment	3	15569.75	15191.78
	(b) Capital Work-In-Progress	4	760.99	1423.85
	(c) Goodwill		14.95	14.95
	(d) Other Intangible Assets	5	2.32	1.83
	(e) Financial Assets			
	(i) Investments	6	1800.19	1800.19
	(ii) Loans	7	2071.09	2130.04
	(iii) Others	8	804.57	581.18
	(f) Deferred Tax Assets (Net)	9	3728.70	4075.17
	(g) Other Non-Current Assets	10	619.24	502.23
	Total Non-Current Assets (A)		25,371.80	25,721.22
B.	Current Assets			
	(a) Inventories	11	716.44	1137.18
	(b) Financial Assets			
	(i) Trade Receivables	12	5362.92	3147.79
	(ii) Cash and Cash Equivalents	13	740.36	388.53
	(iii) Bank Balance Other than (iii) above	14	1877.25	2596.67
	(iv) Investments	6	401.98	-
	(v) Loans	7	214.72	128.27
	(vi) Others	8	1033.34	425.09
	(c) Current Tax Asset (Net)	15	55.56	0.60
	(d) Other Current Assets	16	699.54	495.81
	Total Current Assets (B)		11,102.11	8,319.94
	Total Assets (A+B)		36473.91	34041.16



Consolidated Balance Sheet as at 31st March 2019 (Contd.)

(Rs. in Crore)

S. No.	Particulars	Note No	As at 31.03.2019	As at 31.03.2018
<u>EQUITY AND LIABILITIES</u>				
A.	Equity			
	(a) Equity Share Capital	17	1733.20	1733.20
	(b) Other Equity	18	5834.08	4371.52
	(c) Non Controlling Interest		9.16	9.78
	Total Equity (A)		7576.44	6114.50
B.	LIABILITIES			
B.1	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	19	3843.08	4088.77
	(b) Provisions	22	18474.46	17078.66
	(c) Other Non-Current Liabilities	23	-	178.68
	Total Non-Current Liabilities (B.1)		22317.54	21346.11
B.2	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	19	12.37	18.11
	(ii) Trade Payables	20	1373.23	702.55
	(iii) Other Financial Liabilities	21	1541.13	2794.22
	(b) Other Current Liabilities	24	1815.2 ⁸	1593.62
	(c) Provisions	22	1837.92	1407.27
	(d) Current Tax Liabilities (Net)	25	-	64.78
	Total Current Liabilities (B.2)		6579.93	6580.55
	Total Liabilities (B=(B.1+B.2))		28897.47	27926.66
	TOTAL EQUITY AND LIABILITIES (A+B)		36473.91	34041.16

The accompanying Notes form an integral part of Financial Statements

As per our report of even date

M/s. Ramamoorthy (N) & Co.

Chartered Accountants

Firm Regn. No.02899S

For and on behalf of the Board

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(CA.Surendranath Bharathi)	(G.Srinivas)	(M.Narasimha Reddy)	(N.Balram)	(N.Sridhar)
Partner	Chief (C.A) &	General Manager (F&A)	Director (Finance) &	Chairman &
Membership No.23837	Company Secretary	Corporate	C.F.O	Managing Director

Date: 26 .07.2019

Place: Hyderabad



Statement of Consolidated Profit & Loss for the year ended 31st March 2019

(Rs in Crore)

S. No.	Particulars	Note No.	For the year ended	
			31.03.2019	31.03.2018
	Revenue from Operations			
(I)	Revenue from Operations	26	19839.34	17410.65
(II)	Other Income	27	876.79	966.69
(III)	Total Income (I+II)		20716.13	18377.34
(IV)	EXPENSES			
	Cost of Materials Consumed	28	3694.69	3332.15
	Changes in Inventories of Finished goods	29	471.05	263.74
	Excise Duty		-	218.71
	Employee Benefits Expense	30	6822.81	6882.62
	Finance Costs	31	1269.73	1222.70
	Depreciation and Amortization expenses		1663.28	1533.77
	Power & Fuel	32	481.88	465.55
	Repairs & Maintenance	33	179.18	157.85
	Contractual Expenses	34	2341.57	2209.21
	Provisions	35	190.38	113.44
	Write offs	36	128.38	11.78
	Stripping Activity Adjustment		(65.04)	(68.48)
	Other Expenses	37	731.53	696.02
	Total Expenses (IV)		17909.44	17039.06
(V)	Profit/(Loss) before Exceptional Items and Tax (III-IV)		2806.69	1338.28
(VI)	Exceptional Items	38	-	(453.03)
(VII)	Profit / (Loss) Before Tax (V) - (VI)		2806.69	1791.31
(VIII)	Tax Expense			
	(1) Current Tax		620.64	446.75
	(2) Tax relating to Earlier periods		-	-
	(3) Deferred Tax		405.40	(11.50)
(IX)	Profit (Loss) for the period from Continuing Operations (VII - VIII)		1780.65	1356.06
(X)	Profit/(Loss) from discontinued operations		-	-
(XI)	Tax expenses of discontinued operations		-	-



Statement of Consolidated Profit & Loss for the year ended 31st March 2019 (Contd.)

(Rs in Crore)

S.No.	Particulars	Note No.	For the year ended	
			31.03.2019	31.03.2018
(XII)	Profit/ (loss) from discontinued operations (After Tax) (X- XI)		-	-
(XIII)	Profit/(loss) for the Period (IX+XII)		1780.65	1356.06
	Attributable to:			
	Equity shareholders of Parent		1781.14	1355.72
	Non-controlling Interest		(0.49)	0.34
(XIV)	Other Comprehensive Income			
	A. Items that will not be reclassified to profit or loss		(26.61)	(272.79)
	Less: Income tax relating to items that will not be reclassified to Profit or Loss		9.28	94.39
	B. Items that will be reclassified to profit or loss			
	Less: Income tax relating to items that will be reclassified to Profit or Loss			
	Total Other Comprehensive Income(XIV)		(17.33)	(178.40)
(XV)	Total Comprehensive Income for the Period (XIII+XIV)		1763.32	1177.66
	Attributable to:			
	Equity shareholders of Parent		1763.94	1177.46
	Non-controlling Interest		(0.62)	0.20
(XVI)	Earnings per Equity Share			
	(1) Basic		10.28	7.82
	(2) Diluted		10.28	7.82

The accompanying Notes form an integral part of Financial Statements

As per our report of even date

M/s. Ramamoorthy (N) & Co.

Chartered Accountants

Firm Regn. No.02899S

For and on behalf of the Board

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(CA.Surendranath Bharathi)	(G.Srinivas)	(M.Narasimha Reddy)	(N.Balram)	(N.Sridhar)
Partner	Chief (C.A) &	General Manager (F&A)	Director (Finance) &	Chairman &
Membership No.23837	Company Secretary	Corporate	C.F.O	Managing Director

Date: 26 .07.2019

Place: Hyderabad



STATEMENT OF CONSOLIDATED CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2019

A. EQUITY SHARE CAPITAL

(Rs. in Crore)

Particulars	Balance as at 01.04.2017	Changes in Equity Share Capital during the year	Balance as at 01.04.2018	Changes in Equity Share Capital during the year	Balance as at 31.03.2019
Equity Shares	1733.20	-	1733.20	-	1733.20

B. OTHER EQUITY

(Rs. in Crore)

Particulars	General Reserve	Retained Earnings	Total	Non controlling Interests
Balance at the Beginning of the Reporting Period as at 01.04.2017	1360.40	2061.96	3422.35	9.58
Adjustments for Changes in accounting policy		(64.38)	(64.38)	
Adjustments for Prior Period Errors		(7.47)	(7.47)	
Restated Balance as on 01.04.2017	1360.40	1990.11	3350.51	9.58
Profit for the year 2017-18 (Restated)		1355.72	1355.72	0.34
Other Comprehensive Income (Net Of Tax)		(178.26)	(178.26)	(0.14)
Dividends for FY 2016-17 (including Dividend Distribution tax)		(156.45)	(156.45)	
Transfer (from)/to retained earnings	100.00	(100.00)	--	
Restated Balance as on 31.03.2018	1460.40	2911.12	4371.52	9.78
Ind AS Adjustments for initial adoption under Modified Retrospective approach as on 01.04.2018				
-Provision for Grade Variance on Disputed Samples		(142.08)	(142.08)	
-Deferred Tax Asset on above		49.65	49.65	
Restated Balance as on 01.04.2018	1460.40	2818.69	4279.09	9.78
Profit for the Year 2018-19		1781.14	1781.14	(0.49)
Other Comprehensive Income (net of tax)		(17.20)	(17.20)	(0.13)
Dividends 2017-18 (including dividend distribution tax)		(208.95)	(208.95)	
Transfer (from)/to retained earnings	100.00	(100.00)	-	
Balance as on 31.03.2019	1560.40	4273.68	5834.08	9.16



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2018-19

(Rs in Crore)

S. No	Particulars	For the year ended			
		31.03.2019	31.03.2018		
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Profit/(loss) before Tax		2806.69		1338.28
	Adjustments for:				
	Depreciation, Amortization and Impairment Expense	1686.48		1600.69	
	Assets Written off	13.42		11.69	
	Provisions Written Back	(92.71)		(12.43)	
	Interest Income on Investments	(177.10)		(177.26)	
	Interest Income on Term Deposits	(220.69)		(151.05)	
	Interest Income on Mutual Funds	(6.14)		-	
	Interest Expense	1269.73		1222.70	
	Non - Current Provisions	(112.16)		502.01	
	Unrealised foreign Exchange Loss	(1.23)		13.83	
	Government Deferred Income	-		(11.16)	
	Exceptional Items (Net)	-		453.03	
	Actuarial gains/(losses) routed through other comprehensive income	(26.61)	2332.99	(272.79)	3179.26
Operating Profit Before Working Capital Changes		5139.68		4517.54	
Adjustments towards changes in					
Inventories	420.74		262.09		
Trade Receivables	(2357.23)		680.32		
Current/Non - current/Loans, Other financial assets and other assets	(460.76)		(3254.28)		
Trade Payables	670.71		25.83		
Current/Non - Current Borrowings, Financial liabilities and provisions	(524.39)		(242.92)		
Tax paid Including TDS	(740.09)	(2991.03)	(332.35)	(2861.31)	
Net Cash flow from Operating Activities (A)		2148.65		1656.23	
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Increase in Property, plant & equipment (including Capital Work-in-progress)	(957.50)		(1621.93)	
	Redemption of Investments	-		2.00	
	Interest Income on Investments	177.10		177.26	
	Interest Income on Term Deposits	220.69		151.05	
	Interest Income on Mutual Funds	6.14		-	
Investments in Mutual Funds	(401.98)		-		
Cash Flow from Investing Activities(B)		(955.55)		(1291.62)	



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2018-19 (contd.)

(Rs in Crore)

S. No.	Particulars	For the year ended	
		31.03.2019	31.03.2018
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Non- current borrowings	(225.72)	(162.86)
	Changes in Cash Credit	(5.75)	4.45
	Interest Expense	(398.46)	(398.73)
	Dividend paid	(173.32)	(129.99)
	Dividend Tax paid	(35.63)	(26.46)
	Cash flow from Financing activities (C)	(838.88)	(713.59)
D	Net increase in Cash and Cash Equivalents(A+B+C)	354.22	(348.98)
E	Cash & Cash Equivalents at the beginning of the year	382.38	731.36
F	Cash & Cash Equivalents at the end of the year (D+E)	736.60	382.38

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

(Rs. in Crore)

Particulars	2018-19	2017-18
Cash & Bank Balances at the beginning of the year	388.53	736.76
Special OD account	-	-
Overdraft in current account	(6.16)	(5.40)
Cash & Bank Balances at the beginning of the year	382.38	731.36
Cash & Bank Balances at the end of the year	740.36	388.53
Special OD account	-	-
Overdraft in current account	(3.76)	(6.16)
Cash & Bank Balances at the end of the year	736.60	382.38

The accompanying Notes form an integral part of Financial Statements
 As per our report of even date
 M/s. Ramamoorthy (N) & Co.
 Chartered Accountants
 Firm Regn. No.02899S

For and on behalf of the Board

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(CA.Surendranath Bharathi) Partner Membership No.23837	(G.Srinivas) Chief (C.A) & Company Secretary	(M.Narasimha Reddy) General Manager (F&A) Corporate	(N.Balram) Director (Finance) & C.F.O	(N.Sridhar) Chairman & Managing Director

Date: 26 .07.2019
 Place: Hyderabad



Notes to the Consolidated financial statements for the year ended 31st March, 2019

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 20 opencast and 27 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, Man riding 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 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, 2018 and Companies (Indian Accounting Standards) Amendment Rules, the relevant provisions of The companies Act 2013 and Electricity Act 2003 notified from time to time.

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.2.2.16);
- Defined benefit plans- plan assets measured at fair value;
- Inventories at Cost or NRV whichever is lower (Accounting policy in para No. 2.2.5).
- Other claims and revenues (Accounting policy No.2.2.1.E)
- Certain Provisions are measured at fair value (Accounting policy No.2.2.7)



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (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



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

In making the judgement management refers to, and considers the applicability of, the following sources in descending order:

- c) the requirements in Ind ASs dealing with similar and related issues; and
- d) 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 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.



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

2.2 Summary of Accounting Policies:

2.2.1 Revenue recognition

Revenue from Operations is recognised duly adopting the five-step model specified in Ind AS 115 to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer.

The Company exercises judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. Further, the Company has adopted Ind AS 115 using the modified retrospective transition method of adoption.

A. Sale of Goods – Coal and Other Goods:

Sales are recognised when control of the products has been transferred to the customer, being when the products are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Emphasis is also given towards ascertaining the probability of recovery for recognition of the revenue at the inception of the contract. Revenue from these sales is recognised based on the notified prices, net of the estimated discounts, rebates, returns and Goods and Service tax.

Revenue is measured at the standalone fair value of the consideration received or receivable (net of accepted deductions allowed to customers on account of quality of coal) taking into account contractually defined terms of payment.

The company's obligation to provide a refund for defects in the products is recognised as a provision. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Sale of Electricity

Revenue from generation of electricity is accounted for as per the tariff approved by the Hon. Telangana State Electricity Regulatory Commission (TSERC). Revenue from sale of Electricity is recognized over time.



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

C. Rendering of services:

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised with reference to the stage of completion of the transaction at the end of the reporting period.

D. Recognition of Interest income:

Interest income is recognized using the effective interest rate method.

E. 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 dues on realisation.
- b. The interest/ Late Payment Surcharge on late payment/ overdue sundry debtors for sale of power is recognised when no significant uncertainty as to measurability or collectability exists.
- c. Escalation in prices and duties for explosives, equipment and spares supplied on payment.
- d. Credit towards Powder factor is accounted as and when recovered from the suppliers of Explosives.
- e. Additional claims from contractors on Capital Works when claims are settled, other than subsidiary.
- f. Scrap sales are accounted for as and when lifted; and
- g. Insurance Claims on receipt.
- h. Bonus accrued in respect of OBR contracts on receipt of claims from the contractors as per order terms for encashment.

2.2.2 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 as a deduction from the carrying amount of the respective asset.

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

Government Grants in the form of transfer of Government (assigned) Lands for use are presented at Nominal Value.



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

2.2.3 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 (Patta lands, lands acquired under Land Acquisition Act, 1894, Right to Fair Compensation and Transparency in Land Acquisition Rehabilitation and Resettlement Act, 2013 and Govt. Assigned lands) include cost of acquisition, Compensation, rehabilitation expenses, resettlement cost and interest up to the date of taking possession.
- c. Leasehold Lands (Forest 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.



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

- 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.

B. 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.
- iii) 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.
- v) Freehold Lands used for UG/OC mining Operations are amortized over the Life of the respective Mine/Project.



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

- C) When parts of an item of property, plant and equipment, with a cost that is significant in relation to the total cost of the item, 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.

2.2.4 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.

2.2.5 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 as reduced by the unearned profit elements viz. Land Adjustment, Fuel Surcharge Adjustment, Preweigh bin charges and Surface Transport Charges.



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

- iii) The cost of production of respective Under Ground (UG) and Open Cast (OC) mines is considered as cost of coal for the stocks of respective UG and OC mines. 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.

2.2.6 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.



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

2.2.7 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 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.



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

- 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 2.2.7.A.(iii) and (iv).

2.2.8 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.

2.2.9 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 Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

- ii) from the beginning of the year, wherein the value of production at the average monthly selling price of the Area 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.

2.2.10 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.



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

2.2.11 Investment in Subsidiaries and Joint Ventures:

Investments in subsidiaries and joint ventures are measured at cost.

2.2.12. 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.

2.2.13 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.

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.



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

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.

2.2.14 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 (Vesting), Monthly Monetary Compensation to dependants of deceased in mine accidents/ medical unfit/ Low Productive Employees, Post Superannuation Medical Benefit to executives and non-executives are 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.



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

- 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 and non-vesting Leave entitlements 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.

2.2.15 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.

2.2.16. 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.



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

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 and equity instruments at fair value through Profit and Loss account (FVTPL). Equity instruments at Fair Value represent Investments in Mutual Funds classified as Current Investments.

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:

- i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) 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.



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

2.2.17: 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.



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

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.

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.

2.2.18: 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.



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

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

2.2.19. Earnings per share:

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

2.2.20: Material Prior Period Errors, Effect of change in the Accounting Policies:

Material prior period errors are corrected retrospectively by restating the comparative amounts of the prior period(s) presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

The changes to the accounting policies are done retrospectively and the application of such change is limited to the earliest period practicable by adjusting the opening balance of each affected component of equity and other comparative amounts disclosed for each prior period presented as if the new accounting policy had always been applied.

2.2.21 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.

Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)**NOTE 3: PROPERTY, PLANT AND EQUIPMENT:**

Particulars	(Rs. in Crore)											Total					
	Freehold Lands Mining	Freehold Lands Others	Leasehold Land	Buildings Factory	Buildings Others	Roads	Railway Sidings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment		Land Reclamation / site Restoration Costs	Other Mining Infrastructure			
Gross Carrying Amount:																	
As at 1 April 2017	863.69	217.45	631.61	662.77	889.30	223.54	45.45	12161.77	15.70	51.05	2.17	5563.26	1520.41			22848.17	
Adjustments	0.00	0.00		1.33			17.41	6.87								25.61	
As at 1 April 2017 (Restated)	863.69	217.45	631.61	662.77	890.63	223.54	62.86	12168.64	15.70	51.05	2.17	5563.26	1520.41			22873.78	
Additions	138.89	56.67	159.72	35.32	113.46	45.59	6.92	1033.67	1.69	0.77		457.24	45.01			2094.95	
Deductions/Disposals	0.00	0.00	0.00	-1.08	-0.36	-2.02	0.00	-307.80	-0.03	-2.91	-0.03	-248.58	-20.19			-583.00	
As at 31 March 2018 (Restated)	1002.58	274.12	791.33	697.01	1003.73	267.11	69.78	12894.51	17.36	48.91	2.14	5771.92	1545.23			24385.73	
Additions	442.63	0.00	0.00	9.91	96.26	0.00	30.05	802.60	7.71	16.34	0.22	0.00	8.75			1414.47	
Deductions/Disposals	0.00	-181.47	-19.11	-0.23	-27.97	7.89	-24.13	-0.10	-0.45	-3.11	-0.13	457.99	-22.01			187.17	
As at 31 March 2019	1445.21	92.65	772.22	706.69	1072.02	275.00	75.70	13697.01	24.62	62.14	2.23	6229.91	1531.97			25987.38	
Accumulated Depreciation:																	
As at 1 April 2017	248.97	3.27	372.29	67.26	215.82	156.24	32.34	3701.24	10.75	34.03	1.69	2130.08	941.62			7915.60	
Adjustments	0.00	0.00		1.33				2.99								4.32	
As at 1 April 2017 (Restated)	248.97	3.27	372.29	67.26	217.15	156.24	32.34	3704.23	10.75	34.03	1.69	2130.08	941.62			7919.92	
Charge for the year	55.58	0.21	56.06	22.63	31.44	18.12	1.89	906.83	1.06	4.37	0.11	333.98	110.10			1542.38	
Deductions/Disposals	0.00	0.00	0.00	-0.46	-0.07	-1.80	0.00	-306.74	-0.03	-2.90	-0.01	-3.67	-19.55			-335.23	
As at 31 March 2018 (Restated)	304.55	3.48	428.35	89.43	248.52	172.56	34.23	4304.32	11.78	35.50	1.79	2460.39	1032.17			9127.07	
Charge for the year	143.44	0.00	56.93	17.42	64.41	0.73	4.08	916.01	1.67	5.09	0.05	394.08	88.15			1692.06	
Deductions/Disposals	0.00	-2.41	0.00	15.82	-36.77	0.00	-6.82	-406.78	-0.44	-3.04	-0.07	-23.25	-21.40			-485.17	
As at 31 March 2019	447.99	1.07	485.28	122.67	276.16	173.29	31.49	4813.55	13.01	37.55	1.77	2831.22	1098.91			10333.96	
Provision for Impairment																	
31 March 2018	0.00	0.00	0.00	0.17	0.00	0.00	0.00	2.85	0.00	0.00	0.00	34.11	29.78			66.91	
31 March 2019	0.00	0.00	0.00	10.94	1.09	3.62	0.00	2.64	0.00	0.00	0.00	34.11	31.29			83.69	
Net Carrying Amount																	
As at 31 March 2019	997.22	91.58	286.94	573.08	794.77	98.09	44.20	8880.82	11.61	24.59	0.46	3364.58	401.76			15569.75	
As at 31 March 2018	698.03	270.64	362.98	607.41	755.21	94.55	35.55	8587.34	5.58	13.41	0.35	3277.42	483.28			15191.78	



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

NOTE 3: PROPERTY, PLANT AND EQUIPMENT (Contd.)

- 3.1 Land measuring Acres : 726, Guntas: 21 1/2 (Previous year Acres : 717: Guntas 12 1/2) 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 Free hold lands includes Government Assigned lands . The Government assistance in the form of Assigned Lands are recognized in books at nominal value.
- 3.4 Depreciation for the year Rs.1,692. 68 Crore includes - Capitalized Depreciation of Rs 29.40 Crore (Previous Year Rs 9.20 Crore). Depreciation charged to Revenue (including on Intangible assets (Note 5) -Rs.1,663.28 Crore (Previous Year Rs 1533.77 Crore).
- 3.5 STPP assets include interest Capitalized on borrowings of Rs.1,312.78 Crore (Previous Year Rs.1,217.44 Crore). The capitalization rate of borrowing cost in the current year was 9.10% (Previous Year 9.01%)

NOTE 4: CAPITAL WORK IN PROGRESS

(Rs. in crore)

Particulars	Lands	Building	Plant and Equipments	Development	Total
Gross Carrying Amount :					
As at 31 March 2017	143.20	152.89	960.19	211.27	1467.55
Additions	305.49	125.56	632.19	162.07	1225.31
Capitalised / Deletions	-354.41	-193.59	-678.13	-42.87	-1269.01
As at 31 March 2018	94.28	84.86	914.25	330.47	1423.85
Additions	175.45	98.72	424.39	52.60	751.16
Capitalised / Deletions	-241.98	-106.31	-1051.60	-8.57	-1408.45
Impairment	0.00	0.00	0.00	-5.57	-5.57
As at 31 March 2019	27.75	77.27	287.04	368.94	760.99

- 4.1. CWIP include interest on borrowings from Power Finance Corporation for construction of STPP as at 31.03.2019 is NIL (Previous Year Rs.85.59 Cr.)



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

NOTE - 5: OTHER INTANGIBLE ASSETS

(Rs. in Crore)

Particulars	ERP – Software	TOTAL
Gross Carrying Amount:		
As on 01.04.2017	20.34	20.34
Additions during the year 2017-18	-	-
Deductions/Disposals	-	-
Gross Block As on 31.03.2018	20.34	20.34
Additions during the year 2018-19	1.11	1.11
Deductions/Disposals	-	-
Gross Block As on 31.03.2019	21.45	21.45
Depreciation/ Amortisation		
Up to 01.04.2017	17.90	17.90
For the Year 2017-18	0.61	0.61
Deductions/Disposals	-	-
Up to 31st March 2018	18.51	18.51
For the Year 2018-19	0.62	0.62
Deductions/Disposals	-	-
Up to 31st March 2019	19.13	19.13
Net Block		
As at 31st March 2018	1.83	1.83
As at 31st March 2019	2.32	2.32



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

NOTE - 6: INVESTMENTS

(Rs. in Crore)

Particulars	As at 31.03.2019	As at 31.03.2018
1.Non - Current		
(A) Investment in Equity instruments		
Unquoted, fully paid-up Shares		
-14,750 Laxmi Porcelains Ltd of Rs.10/- each	0.01	0.01
Less: Provision for Diminution in the value of Investments	0.01	0.01
	-	-
Investments in Co-operative Societies		
1,86,214 Singareni Collieries Co-operative Central Stores Ltd of Rs.10/- each	0.19	0.19
Investment in Joint Venture		
4,900 shares of APMDC-SCCL Suliyari Coal Co. Ltd. of Rs.10/- each (Rs.49000)		
Less: Provision for Diminution in the value of Investments in JV (Rs.49,000)		
(B) Investments in debentures or bonds		
Quoted, fully paid-up		
(i) 10,000 - 9.75% APPFC Power Bonds (Series 2/2012) of Rs.10 Lakh each.	1000.00	1000.00
(ii) 8,000 - 9.95% APCPDCL Power Bonds (Series-1/2014) of Rs.10 Lakh each.	800.00	800.00
TOTAL	1800.19	1800.19
2. Current		
Investment in Mutual Funds		
Investment in IDBI Liquid Fund (2006125.747 units @ Rs.2002.9905 NAV/unit)	401.82	-
Investment in SBI Liquid Fund (533.593 units @ Rs.2928.5700 NAV/unit)	0.16	-
TOTAL	401.98	-

Particulars	As at 31.03.2019	As at 31.03.2018
Aggregate of Quoted investments	2201.98	1800.00
Aggregate of Unquoted investments	0.21	0.21
Aggregate of Diminution provided	0.02	0.02

6.1. 2650 Nos. of APPFC Power Bonds (Series 2/2012) @Rs.10 Lakh each (i.e., Rs.265 Crore) were pledged with State Bank Of India as security for obtaining Bank Guarantee of Rs.176.32 Crore for submission to GOI as Performance Guarantee against allotment of Naini Coal Block . The Bank Guarantee is valid up to 12.10.2019.



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

NOTE - 7: LOANS

(Rs. in Crore)

Particulars	As at 31.03.2019	As at 31.03.2018
Non Current		
-Unsecured, considered good		
-Deposit with LIC	2030.76	2025.31
-Security Deposits	40.33	104.73
TOTAL	2071.09	2,130.04
Current		
-Security Deposits	154.42	73.91
-Advances to Staff	60.30	54.36
TOTAL	214.72	128.27

NOTE - 8: OTHER FINANCIAL ASSETS

(Rs. in Crore)

Particulars	As at 31.03.2019	As at 31.03.2018
Non – Current		
Deposit under Mine Closure Plan Scheme (Maturity > 12 Months)	804.57	581.18
TOTAL	804.57	581.18
Current		
Interest Accrued On Investments - Securities	207.45	143.77
Interest Accrued on Deposits with Banks	0.26	0.66
Interest Accrued on Loans & Advances	5.81	5.98
Other Receivables Considered good - Rent, Water, Electricity etc.	819.82	274.68
Other receivables considered doubtful	14.01	13.81
Less: Provision for bad and doubtful	(14.01)	(13.81)
TOTAL	1033.34	425.09



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

NOTE 9 : DEFERRED TAX ASSET (NET)

Particulars	(Rs. in Crore)	
	As at 31.03.2019	As at 31.03.2018
(A) Deferred Tax Asset:		
-Backfilling & Mine Closure plan	1501.83	1722.97
-Gratuity	961.52	910.25
-Other Employee Benefits	745.15	648.50
-Overburden Removal	879.27	902.00
-Carry Forward Tax Loss	-	312.13
-MAT Credit	479.82	287.81
-Other Provisions	492.22	494.16
Total (A)	5059.81	5277.82
(B) Deferred Tax Liability:		
Fixed Assets - Excess of Net Book value over Written down value as per provisions of Income Tax Act	1331.11	1202.64
Total (B)	1331.11	1202.64
Net Deferred Tax Asset (A-B)	3728.70	4075.18

9.1 The amount of Net Deferred Tax Asset of Rs.3,728.70 Crore (Previous year Rs. 4,075.18 Crore) includes amount of Rs.1,501.83 Crore (Previous year Rs.1,722.97 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 2 to 3 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.8,889.59 Crore (Previous year Rs.7,644.77 Crore) will also crystallize simultaneously in the same time frame.

NOTE - 10: OTHER NON CURRENT ASSETS

Particulars	(Rs. in Crore)	
	As at 31.03.2019	As at 31.03.2018
Unsecured, considered good		
-Capital Advances	420.98	343.23
-Deposits under Protest (VAT, CST, Service Tax, WCT, APGST, Entry Tax)	198.26	159.00
TOTAL	619.24	502.23



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

NOTE - 11: INVENTORIES

(Rs. in Crore)

Particulars	As at 31.03.2019		As at 31.03.2018	
	(i) Stores and spares	525.60		466.48
(ii) Loose tools	3.92		2.56	
Less: Provision for obsolete, Non- moving stores & shortages and damages	529.52 (64.92)		469.04 (60.42)	
		464.60		408.62
(iii) Finished goods	217.10			685.13
(iv) Work-in-progress	6.59			6.66
(v) Stores in transit	28.15			36.77
TOTAL		716.44		1137.18

NOTE - 12: TRADE RECEIVABLES

(Rs. in Crore)

Particulars	As at 31.03.2019		As at 31.03.2018	
	Unsecured, considered good			
i) Exceeding six months				
-Coal	211.84		161.03	
-Power	1043.86	1255.69	-	161.03
ii) Not exceeding six months				
(a) Coal	1704.90		1057.77	
(b) Power	2384.38		1910.76	
(c) Services	17.95	4107.23	18.23	2986.76
Unsecured, considered doubtful	502.36		340.86	
Less: Provision for doubtful debts	502.36	-	340.86	-
TOTAL		5362.92		3147.79

12.1. The Dues from customers (Coal) not exceeding six months shown above as on 31.03.2019 has been reduced by Rs.252.65 Crore towards provision against Variable Consideration payable to customers (i.e. Grade Variance in respect of disputed samples, sampling results awaited etc.,) (Previous Year Rs.26.67 Crore).



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

NOTE - 13: CASH AND CASH EQUIVALENTS

(Rs. in Crore)

Particulars	As at 31.03.2019		As at 31.03.2018	
Cash on hand		0.18		0.20
Balances with banks				
In Deposit Account (Maturity < 3 Months)	514.61		178.75	
In Current Account	225.57	740.18	209.58	388.33
TOTAL		740.36		388.53

13.1. Out of the above Fixed Deposits with Bank, a Fixed Deposit of Rs. 40.00 Crore was pledged with SBI, Commercial Branch - Hyderabad as margin money for obtaining Bank Guarantee for submission to MoC, Govt. of India as performance Bank Guarantee against allotment of Penagadapa Coal Block. The Bank Guarantee is valid upto 16.05.2020.

NOTE - 14: OTHER BANK BALANCES

(Rs. in Crore)

Particulars	As at 31.03.2019		As at 31.03.2018	
-Unpaid dividend accounts		0.01		0.01
-In Deposit Account (Maturity > 3 Months)		1877.24		2596.66
TOTAL		1877.25		2596.67

14.1 Balance with Banks includes unclaimed dividend of Rs.1,30,925.00 (PY Rs.1,20,152.26)

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 amounted to Rs. 34.88 Crore as on 31.03.2019 (Previous Year Rs.35.99 Crore)

NOTE - 15: CURRENT TAX ASSET (Net)

(Rs. in Crore)

Particulars	As at 31.03.2019		As at 31.03.2018	
Income Tax		55.56		0.60
TOTAL		55.56		0.60



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

NOTE - 16: OTHER CURRENT ASSETS

(Rs. in Crore)

Particulars	As at 31.03.2019		As at 31.03.2018	
Loans & Advances:				
Unsecured, Considered good				
-Advances Against Purchases, Services & others		202.84		181.53
-Considered Doubtful Adv. against purchases & services	10.91		10.57	
Less: Provision for Bad & Doubtful Advances	10.91	-	10.57	-
-Prepaid Expenses		9.89		8.82
-Cenvat & VAT Credit available		12.21		84.19
-GST(ITC) Receivable		474.60		221.27
TOTAL		699.54		495.81

NOTE - 17: EQUITY SHARE CAPITAL

Particulars	As at 31.03.2019		As at 31.03.2018	
AUTHORIZED				
180,00,00,000 Equity Shares of Rs.10/ each		1800.00		1800.00
ISSUED, SUBSCRIBED AND PAID-UP				
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)		1733.20		1733.20
TOTAL		1733.20		1733.20

❖ 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 31.03.2019		As at 31.03.2018	
	No. of Shares	% Held	No. of Shares	% Held
Government of Telangana	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



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

RECONCILIATION OF EQUITY SHARES

Particulars	As at 31.03.2019		As at 31.03.2018	
	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	1733.20	1,73,31,98,119	1733.20
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,73,31,98,119	1733.20	1,73,31,98,119	1733.20

NOTE - 18: OTHER EQUITY

(Rs. in Crore)

Particulars	General Reserve	Retained Earnings	Total	Non controlling Interests
Balance at the Beginning of the Reporting Period as at 01.04.2017	1360.40	2061.96	3422.35	9.58
Adjustments for Changes in accounting policy		(64.38)	(64.38)	
Adjustments for Prior Period Errors		(7.47)	(7.47)	
Restated Balance as on 01.04.2017	1360.40	1990.11	3350.51	9.58
Profit for the year 2017-18 (Restated)		1355.72	1355.72	0.34
Other Comprehensive Income (Net Of Tax)		(178.26)	(178.26)	(0.14)
Dividends for FY 2016-17 (including Dividend Distribution tax)		(156.45)	(156.45)	
Transfer (from)/to retained earnings	100.00	(100.00)	--	
Restated Balance as on 31.03.2018	1460.40	2911.12	4371.52	9.78
Ind AS Adjustments for initial adoption under Modified Retrospective approach as on 01.04.2018				
-Provision for Grade Variance on Disputed Samples		(142.08)	(142.08)	
-Deferred Tax Asset on above		49.65	49.65	
Restated Balance as on 01.04.2018	1460.40	2818.69	4279.09	9.78
Profit for the Year 2018-19		1781.14	1781.14	(0.49)
Other Comprehensive Income (net of tax)		(17.20)	(17.20)	(0.13)
Dividends 2017-18 (including dividend distribution tax)		(208.95)	(208.95)	-
Transfer (from)/to retained earnings	100.00	(100.00)	-	-
Balance as on 31.03.2019	1560.40	4273.68	5834.08	9.16



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

NOTE - 19: BORROWINGS

(Rs. in Crore)

Particulars	As at 3103.2019	As at 31.03.2018
Non – Current		
Term Loans		
Secured		
- From Power Finance Corporation (PFC) (Rs.3980 Cr. Less current maturities of Rs.331.67 Cr and principle paid Rs.746.25 Cr)	2902.09	3233.75
-From Power Finance Corporation (PFC) & Rural Electrification Corporation Ltd. (REC) (Rs.1218.64 Cr. Less current maturities of Rs.107.54 Cr and principle paid Rs. 170.11 Cr.)	940.99	855.02
TOTAL	3843.08	4088.77
Current		
Secured:		
-Loans payable on demand - from Banks	-	-
-Cash Credit	12.37	18.11
-Special Overdraft Account	-	-
TOTAL	12.37	18.11

19.1 (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 on the project (2x600 MW STPP) assets, movable (by way of hypothecation) and immovable (by way of mortgage).

(ii) This Loan of Rs 3233.75 Crore is repayable in Thirty -nine equal quarterly installments of Rs.82.92 Crore each. Interest payable on this loan is as below:

Rate of Interest p.a	9.50%
Loan amount (Rs. Cr)	3233.75

19.2 (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 on all the project assets including movable and immovable on pari-passu basis with M/s PFC Ltd.,(the phase-I Lender) Out of this loan, an amount of Rs. 1218.64 Crore has been utilized.

(ii) Against this Loan, an amount of Rs.1048.53 Crore outstanding as on 31.03.2019 which is repayable in thirty-nine equal quarterly installments of Rs. 26.88 Crore each. Rate of Interest payable on this loan is as below.

Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

Rate of Interest p.a	Loan Amount (Rs. Cr)	Rate of Interest p.a	Loan Amount (Rs. Cr)
8.25%	23.98	9.40%	2.43
8.28%	4.98	9.42%	17.30
8.39%	67.78	9.44%	19.20
8.50%	16.90	9.46%	4.32
8.55%	39.71	9.50%	134.44
8.64%	1.54	9.63%	49.48
8.71%	133.89	9.68%	125.67
8.72%	10.64	9.75%	17.41
8.73%	9.55	9.89%	2.90
8.87%	7.03	10.06%	2.18
8.88%	5.73	10.10%	6.51
8.90%	7.95	10.11%	1.30
8.93%	19.77	10.12%	3.59
8.95%	9.54	10.14%	6.60
9.02%	69.55	10.18%	5.59
9.08%	7.94	10.25%	2.91
9.23%	1.64	10.43%	8.49
9.26%	123.30		
9.36%	71.03	10.47%	5.76

19.3 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 31.03.2019	As at 31.03.2018
a) Dues to Micro, Small & Medium Enterprises	13.05	19.35
b) Dues to Others (including Stores-in-Transit net of Advances)	1360.18	683.21
c) Others	-	-
TOTAL	1373.23	702.55



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

NOTE - 21: OTHER FINANCIAL LIABILITIES

(Rs. in Crore)

Particulars	As at 31.03.2019		As at 31.03.2018	
(1) Current maturities of long-term debt		439.21		419.24
(2) Interest accrued but not due on borrowings		80.14		85.43
(3) Unclaimed dividends		0.01		0.01
(4) Deposits from Others		2.31		2.01
(5) Deposits from Suppliers & Contractors		98.32		51.83
(6) Other Payables				
i) Salaries & Wages		300.42		1158.05
ii) Others:				
a) Deposits from Vendors	120.27		152.34	
b) Overdraft in Current Account	3.76		6.16	
c) Creditors for Capital Expenditure	431.97		571.26	
d) Other Liabilities	64.72		347.90	
		620.72		1077.65
TOTAL		1541.13		2794.22

21.1. Current maturities of Long term Debt represent the instalments payable in the year 2019-20 in respect of term loans from PFC & PFC-REC of Rs.331.67 Crore and Rs.107.54 Crore respectively, as mentioned in Note No.19.

Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)**NOTE - 22: PROVISIONS**

(Rs. in Crore)

Particulars	As at 31.03.2019	As at 31.03.2018
Non -Current		
(a) Provision for Employee Benefits		
Gratuity (to the extent unfunded)	2750.76	2602.67
Leave Encashment (Vesting)	503.63	585.52
Leave Entitlement (Non-vesting)	266.39	146.56
Monthly Monetary Compensation & Low Productive Employee Compensation (unfunded)	106.87	146.41
Settling-in- Allowance	46.25	53.86
LTC/ LLTC	32.19	42.33
	3706.09	3577.35
(b) Others		
Overburden Removal Adjustment Net of Advance Action Rs. 964.73 (P.Y. Rs.586.55 Crore)	2514.20	2579.14
Back Filling	11146.84	9859.88
Mine Closure	1107.33	1062.29
	14768.37	13501.31
TOTAL – Non Current	18474.46	17078.66
Current		
Provision for employee benefits		
Gratuity (unfunded)	1.32	1.31
Leave Encashment (Vesting)	110.84	98.12
Monthly Monetary Compensation (unfunded)	44.50	39.50
Superannuation Benefit (unfunded)	310.87	293.07
Post Superannuation Medical Benefit (Executives & Non Executives) (unfunded)	327.55	181.15
Settling-in- Allowance	9.21	10.72
LTC	28.11	36.97
Performance Related Pay (Net of PLR & Special Incentive)	235.13	154.90
Performance Linked Reward	292.54	286.06
Corporate Special Incentive	477.00	304.55
Provision for Warranty on Sales	0.86	0.92
TOTAL – Current	1837.92	1407.27



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

- 22.1 (i) In respect of all open cast (OC) mines, overburden removal (OBR) accounting is made as per accounting policy 2.3.10.
- (ii) During the year there is no revision of stripping ratios of the OC mines. However, consequent to closure of the operations in KTK OC1, the residual overburden reserve quantity of 52,775 Cum. valuing Rs. 0.51 Crore was withdrawn and adjusted against the overburden charge for the current year. Further, as the major operational activities at Dorli OC1 have been closed in 2018-19 and only residual quantities of coal and OB were excavated up to 04.05.2019, the surplus Overburden Quantity of 59.34 LCum. valuing Rs.40.55 Crore carried in the advance action over and above the corresponding quantity chargeable in 2019-20 was charged off as overburden removal expenditure in the current year.
- 22.2 (i) As per the stipulations in Environment Clearances (EC) the depth of final void in 11 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. In order to comply with above obligation provision for backfilling is being made as per accounting policy No 2.2.7.B.
- (ii) During the year 2018-19, Back filling provision was reviewed by adopting the lives of mines as estimated by Technical experts i.e. Project Planning Department based on Mining Plan, Mine Closure Plan, Final Mine Closure Plan, RCE/ MP&MCP approval by SCCL Board, estimate based on the rated production and Coal Reserves of the mine or any other relevant information available. Due to the adoption of revised lives there is an increase in the provision for backfilling by Rs. 2 Crore which was adjusted against the carrying amount of the related site restoration cost Asset. Due to the upward updation of provision and corresponding site restoration cost asset, there is an increase the current year charge towards unwinding costs and depreciation of corresponding site restoration assets totalling to Rs. 93 Crore. Further, there would be increase in the unwinding of discount by 8% and depreciation of the site restoration cost assets till the end of life of the respective mine.
- (iii) Quantity of OB required to backfill the final void as mentioned in the approved Mining plan and Environmental Clearance are considered for the estimation of Backfilling provision. However for the mines for which RCE / Revised Mining Plan is approved but approval of Environmental clearance is pending for the same, the parameters as per original Mining Plan / EC approved are adopted.
- 22.3 (i) Provision for mine closure (MCP) is being made as per the accounting policy no 2.2.7.A based on the guidelines of Ministry of Coal (MoC) dated 7th January 2013 .
- (ii) During the year 2018-19, provision for mine closure was reviewed by adopting the lives of mines as estimated by Technical experts i.e. Project Planning Department based on Mining Plan, Mine Closure Plan, Final Mine Closure Plan, RCE/ MP&MCP approval by SCCL Board, estimate based on the rated production and Coal Reserves of the mine or any other relevant information available. Due to the adoption of revised lives there is an increase in the provision for mine closure Rs.93.14 Crore approximately out of which an amount of Rs.91.85 Crore would be adjusted with carrying amount of asset and an amount of Rs.1.29 Crore (excess of carrying amount) are recognized in current year's Profit & Loss account. In addition, Mine closure asset of Dorli OC-I is amounting to Rs.6.82 Crore was written off during the year. Due to the upward updation of provision and corresponding site restoration cost asset, there is an increase the current year charge towards unwinding costs and depreciation of corresponding site restoration assets totalling to Rs.9.22 Crore. Further, there would be increase in the unwinding of discount by 8% and depreciation of the site restoration cost assets till the end of life of the respective mine.



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

- (iii) Provision for Mine closure plan is being made for 19 OC and 28 UG mines against 21 OC and 29 UG Mines. Approvals from MoC are received in respect of 20 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.185.11 Crore was deposited and Cumulative Deposit Rs.716.47 Crore is made up to the end of 2018-19 in designated accounts in respect of 49 mines. The total amount held in mine closure escrow accounts as on 31.03.2019(including interest accrued thereon of Rs. 88.11 Crore) amounted to Rs.804.57 Crore.
- 22.4 Provision towards Performance Related Pay represents the amounts payable to Executives of the Company as part of Revised Pay Package was adopted by Company on par with other Central Public Sector Units as per 2nd and 3rd PRC in respect of the period from 01.01.2007 upto 31.03.2014, FY2017-18 and FY2018-19. During the Year, PRP for the year 2016-17 was paid with the approval from designated authority. Pending receipt of approval from designated authority an amount of Rs.111.47 Crore was provided for the year 2018-19 at 5% of the profit before tax after excluding interest earned on deposits /investments. Further, the provision made in the previous year 2017-18 was reviewed on these lines and an amount of Rs.22.76 Crore was withdrawn and accounted for as a change in the estimate.
- 22.5 Royalty on Closing Stock of Coal at mines/CSPs amounting to Rs18.05.Crore was not transacted in the Books (Previous year Rs.82.11 Crore).
- 22.6 CPRMS (NE): As per the terms of NCWA X wage agreement concluded in the year 2017-18, the company has to contribute an amount of RS.18,000/- per employee on roll as on 01.07.2016 to the Contributory Post retirement Superannuation Medical Scheme (Non-Executives).The incremental actuarial liability against this obligation amounting to Rs.44.92 Crore has been provided for in the books of account for the current year and the total provision made up to 31.03.2019 amounted to Rs.99.05 Crore.
- 22.7 Owing to non-formulation of the Modalities of the scheme, the Superannuation Benefit contributions (Executives) have remained payable in the Books of SCCL. Recently Coal India has formulated a Superannuation Benefit Scheme under the nomenclature – "CIL Executives Defined Contribution Pension Scheme 2007", and a similar scheme was adopted by SCCL as per the approval of the Board in the meeting held on 06.05.2019. The total contributions payable to the Trust for the period from 01.01.2007 to 30.09.2017 @ 9.84% and from 01.10.2017 to 31.03.2019 @ 2.84% amounted to Rs.225.89 Crore. An amount of Rs.8.19 Crore provided over and above 2.84% for the period from 01.10.2017 to 31.03.2018 in the previous year was progressively adjusted as a change in the estimate in the current year. These contributions are to be deposited to Trust along with interest as there exists a constructive obligation. Accretion (interest) on the Superannuation Benefit Contributions for an amount of Rs.16.62 Crore was provided for in the current year and the total accretion (interest) provided in the books up to 31.03.2019 amounted to Rs.84.98 Crore.



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

NOTE - 23: OTHER NON - CURRENT LIABILITIES

(Rs. in Crore)

Particulars	As at 31.03.2019	As at 31.03.2018
Deferred Government Grant	0.00	178.68
TOTAL	0.00	178.68

23.1 The company has adopted the option to recognise the Grants related to Assets as a deduction from the cost of Asset as permitted by the amendment made to Ind AS 20 - "Accounting for Government Grants and Disclosure of Government Assistance" effective from FY 2018-19. Consequently, the grants recognised in earlier years by setting up Deferred Grant Income have been reversed in FY 2018-19.

NOTE - 24: OTHER CURRENT LIABILITIES

(Rs. in Crore)

Particulars	As at 31.03.2019	As at 31.03.2018
Statutory Dues	692.86	603.81
Contract Liabilities	1099.26	957.64
Advances from Others	22.16	22.71
Deferred Government Grant	1.00	9.46
TOTAL	1815.28	1593.62

NOTE - 25: CURRENT TAX LIABILITY

(Rs in Crore)

Particulars	As at 31.03.2019	As at 31.03.2018
Income Tax	-	64.78
TOTAL	-	64.78



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

NOTE - 26: REVENUE FROM OPERATIONS

Particulars	(Rs. in Crore)	
	2018 - 19	2017 - 18
(A) Coal:		
1. Turnover (Gross)	20756.37	17887.47
2. Adjustments for Variable Consideration:		
i) Penalty for Short lifting of Coal	(0.02)	8.51
ii) Bonus for Supply of Coal	39.21	47.84
iii) Provision for Shale/ Stone & Grade Variance	(84.13)	(26.28)
	(44.94)	30.07
Less : Statutory Levies		
Stowing Excise Duty	-	14.33
Royalty	1841.00	1605.17
Clean energy cess	-	570.47
GST Compensation Cess	2502.72	1774.34
	4343.72	3964.31
	16367.71	13953.23
Less: Transfer to Development	34.80	14.12
Net Sales – Coal (A)	16332.91	13939.11
(B) Sale of Power	3483.07	3435.97
(C) Income from Services		
Consultancy Services	1.96	2.91
(D) Other Goods	21.40	32.66
TOTAL(A+B+C)	19839.34	17410.65

26.1 Revenue from sale of Coal for the year 2017-18 includes excise duty of Rs.218.71 Crore for the period 01.04.2017 to 30.06.2017. Turnover for the period 01.07.2017 to 31.03.2018 (FY 2017-18) and (FY 2018-19) are presented net of Goods & Service Tax (GST).

26.2 Clean energy Cess has been repealed w.e.f 01.07.2017, and GST compensation cess has been introduced w.e.f. 01.07.2017.



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

Disaggregated Revenue Information as per Ind AS 115 – “Revenue from Contracts with Customers”:

(Rs. in Crore)

Particulars	2018-19	2017-18
Types of goods or service		
- Coal	16332.91	13939.11
- Power	3483.07	3435.97
- Others	1.96	2.91
- Other goods	21.40	32.66
Total Revenue from Contracts with Customers	19839.34	17410.65
Types of Customers for coal		
- Power sector	13005.08	11226.18
- Non Power Sector	3327.83	2712.93
Types of Customers for Power		
- Electricity distribution company	3483.07	3435.97
Types of Customers for Services		
- Consultancy	1.96	2.91
Types of Customers for other goods		
- Other goods	21.40	32.66
Total Revenue from Contracts with Customers	19839.34	17410.65
Types of Contracts of Coal		
- Fuel Supply Agreements	13553.26	10068.07
- E Auction/E Linkage	709.37	676.61
- Others	2070.28	3194.43
Types of Contract for Power		
- Power Purchase Agreement	3483.07	3435.97
Types of Customers for Services		
- Others	1.96	2.91
Types of Customers for other goods		
- Other goods	21.40	32.66
Total Revenue from Contracts with Customers	19839.34	17410.65
Timing of Goods or Service		
- Goods transferred at a point in time (Coal)	16332.91	13939.11
- Goods transferred over time (Power)	3483.07	3435.97
- Goods transferred at a point in time (Other goods)	21.40	32.66
- Services transferred at a point in time	-	-
- Services transferred over time (services)	1.96	2.91
Total Revenue from Contracts with Customers	19839.34	17410.65



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

NOTE - 27: OTHER INCOME

Particulars	(Rs. in Crore)	
	2018 - 19	2017 - 18
(a) Interest Income		
Interest on Investment (Non-trade) Gross	177.11	177.26
Interest on Term Deposits	220.68	151.05
Interest on Sundry Debtors for Coal, Loans, Advances to others	100.87	117.77
Interest on deposits with LIC	155.45	124.31
Interest /LPS on Sundry Debtors for Power	-	167.21
	654.11	737.59
(b) Interest from Mutual Funds	6.14	-
(c) Other non-operating income		
-Rents	8.99	6.95
-Electricity & Fuel	27.37	29.19
-Water charges	0.73	0.80
-Provisions and Liabilities no longer required	92.95	13.93
-Miscellaneous Receipts	85.48	49.56
-Subsidy received from CCDAC for Stowing, Protective Works etc.,	1.02	117.51
-Deferred Grant Amortization (CCDAC)	-	11.16
	216.54	229.10
TOTAL	876.79	966.69

- 27.1 Late Payment Surcharge (LPS) on power dues is not recognised in FY 2018-19 as there is significant uncertainty in collection as TS Transco has been making repeated requests for waiver of the same.
- 27.2 Income from mutual funds includes an amount of Rs.1.33 Crore Fair Value adjustment as on 31.03.2019 recognised through Profit & Loss Account (FVTPL).
- 27.3 Provisions written back include withdrawal of LTC and LLTC provision Rs.19.01 Crore, Settling-in-allowance provision Rs.9.21 Crore and Monthly Monetary Compensation provision Rs.34.53 Crore as per the Actuarial Valuation due to reduction of Liability. Further, an amount of Rs.28.14 Crore representing left over provision towards Mine closure obligation in respect of KTK OC1 project which was closed in the current year was withdrawn.
- 27.4 Miscellaneous Receipts for the current year include sale proceeds of scrap/waste Rs.24.09 Crore (Previous year Rs.12.43 Crore), Penalties recovered from contractors & suppliers Rs.32.13 Crore (Previous year Rs.10.85 Crore), E-auction service charges Rs.10.78 Crore (Previous year Rs.9.23 Crore), unclaimed Credits taken to Company's account Rs.9.08 Crore (Previous year Rs.4.10 Crore) and Forfeiture of Deposits Rs.3.78 Crore (Previous year Rs.2.86 Crore).
- 27.5 Subsidy for Sand Stowing & Protective works for FY 2018-19 are not recognised as the CCDAC, Ministry Of Coal has not approved the claims submitted in 2017-18 consequent to revocation of Stowing Excise duty in GST regime.

Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

27.6. The company has chosen the option to recognise the Grants related to Assets as a deduction from the cost of Asset as permitted by the amendments made to Ind AS 20 - "Government Grants" effective from FY 2018-19. Consequently, the grants recognised in earlier years by setting up Deferred Grant Income have been reversed in FY 2018-19 and hence there is no deferred grant amortisation to be credited to P&L Account in FY 2018-19.

NOTE – 28: COST OF MATERIALS CONSUMED

(Rs. in Crore)

Particulars	2018 - 19	2017 - 18
Stores & Spares	594.46	614.51
Explosives	517.07	445.54
Petrol, Oil and Lubricants (POL)	2570.86	2304.58
Internal Consumption of Coal	0.03	0.01
Others	12.27	(32.49)
TOTAL	3694.69	3332.15

NOTE – 29: CHANGES IN INVENTORIES

(Rs. in Crore)

Particulars	2018 - 19	2017 - 18
Opening Stock	692.04	955.79
Add: Coal Purchased from FCI	1.73	-
Less: Internal Consumption of Coal	0.03	0.01
Less: Closing Stock	222.69	692.04
TOTAL	471.05	263.74

NOTE – 30: EMPLOYEE BENEFITS EXPENSE

(Rs. in Crore)

Particulars	2018 - 19	2017 - 18
Salaries, Wages and Allowances	4690.22	5121.49
CMPF ,CMPS and Administrative charges	696.79	533.41
Attendance Bonus	410.16	217.32
Performance Linked Reward	302.50	299.84
Gratuity	365.10	322.87
Superannuation Benefit	76.84	156.47
Workmen's Compensation, Group Insurance & Group Personal Accident Insurance	0.68	4.76
Directors' Remuneration (Refer Note 34.5)	2.56	1.93
Life cover premia under Gratuity Scheme with LIC	15.53	6.67
Social Amenities:		
Employee Welfare Expenses	125.62	100.96
Lumpsum/ Monthly Monetary Compensation for dependants	99.47	78.75
Grants to Singareni Collieries Educational Society	37.34	38.15
TOTAL	6822.81	6882.62



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

NOTE – 31: FINANCE COSTS

Particulars	(Rs. in Crore)	
	2018 – 19	2017 - 18
Interest expense		
- Interest on Cash Credit	0.07	0.02
- Interest on Loans	385.74	390.86
- Interest on Others	12.66	7.84
Unwinding cost -Back filling	788.95	745.59
Unwinding cost -Mine closure	82.31	78.39
TOTAL	1269.73	1222.70

NOTE – 32: POWER & FUEL

Particulars	(Rs. in Crore)	
	2018 – 19	2017 - 18
Electricity	480.35	465.34
Others	1.53	0.21
TOTAL	481.88	465.55

NOTE – 33: REPAIRS & MAINTENANCE

Particulars	(Rs. in Crore)	
	2018 - 19	2017 - 18
Railway sidings	4.28	4.30
Buildings	45.06	43.34
Plant & Machinery	129.84	110.21
TOTAL	179.18	157.85

NOTE – 34: CONTRACTUAL EXPENSES

Particulars	(Rs. in Crore)	
	2018 - 19	2017 - 18
- Coal Offloading	112.70	103.82
- OBR Offloading	1238.43	1329.50
- Top soil rehandling	1.46	-
- Transportation Charges	437.11	353.21
- Hiring of Heavy Earth Moving Machinery (HEMM), Weighbridge and others	165.64	138.91
- STPP O&M	86.43	83.88
- Others	299.80	199.89
TOTAL	2341.57	2209.21



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

NOTE – 35: PROVISIONS

(Rs. In Crore)

Particulars	2018 - 19	2017 - 18
Obsolete Stores	4.50	33.52
Shortage of Coal	-	-
Doubtful Debts / Advances	162.68	13.01
Impairment of Site Restoration Cost Assets(MCP UG)	-	34.11
Impairment of OMI (Development UG)	2.05	29.78
Impairment of P&M, Buildings etc	15.61	3.02
Impairment of CWIP	5.54	-
TOTAL	190.38	113.44

35.1 Provision for Doubtful Debts/advances includes an amount of Rs.161.50 Crore provided towards Expected credit Loss on the Late Payment Surcharge (LPS) on power dues recognised in FY 2017-18 on accrual basis as there is significant uncertainty in collection since TS Transco has been making repeated requests for waiver of the same.

NOTE – 36: WRITE-OFFS

(Rs. in Crore)

Particulars	2018 - 19	2017 - 18
Bad & Doubtful Debts	114.85	0.10
Advances	0.11	-
Assets	13.42	11.68
TOTAL	128.38	11.78

36.1 Bad and doubt debts written off represent the claims for Sand stowing subsidy and protective works for the year 2017-18 recognized on accrual basis but not approved by CCDAC ,Ministry of Coal due to revocation of Stowing excise duty in GST regime.



Notes to the Consolidated financial statements for the year ended 31st March, 2019 (Contd..)

NOTE – 37: OTHER EXPENSES

(Rs. in Crore)

Particulars	2018 - 19		2017 - 18	
(a) Selling & Distribution		202.57		132.85
(b) Gain/Loss on Exchange Rate Variance		(1.23)		13.83
(c) Corporate Social Responsibility (CSR)		19.36		19.69
(d) Others:				
Rents	2.43		2.48	
Insurance	10.43		9.47	
Rates & Taxes	8.83		10.65	
Travelling Expenses	10.32		8.84	
Postage, Telegrams and Telephone	3.59		3.35	
Legal Expenses	3.93		3.16	
Bank Charges and Commission	1.86		2.22	
CISF Salaries and Wages	43.46		38.31	
Directors' Travelling Expenses	0.73		0.45	
Auditors' Remuneration				
Statutory Audit Fee	0.18		0.22	
Out of Pocket Expense	0.11		0.05	
Other Expenses- Certification	0.03		0.03	
Tax Audit	0.01		0.03	
Cost Audit fee	0.03		0.03	
Advertisements	1.99		2.36	
Research and Development Expense	4.21		2.41	
Journals and Periodical	0.18		0.16	
Printing and Stationary	1.15		0.83	
Plantation Expenditure	10.03		11.59	
Royalty-STPP	245.96		248.65	
Excise Duty-STPP	-		20.38	
Clean Energy Cess-STPP	-		49.79	
GST ITC Reversal	89.92		77.22	
Forest permit fee-STPP	5.10		5.93	
Shunting Charges-STPP	6.80		-	
Other Expenses	59.55	510.83	31.04	529.65
TOTAL		731.53		696.02

NOTE – 38: EXCEPTIONAL ITEMS

(Rs. in Crore)

Particulars	2018 - 19	2017 - 18
Exceptional Items:		
Withdrawal of DMFT Provision	-	(453.03)
TOTAL	-	(453.03)

**NOTE – 39**

**ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)
FOR THE YEAR ENDED 31st MARCH, 2019.**

1. Fair Value measurement:**A. Financial Instruments by Category :**

(Rs. in Crore)

Financial assets and liabilities	As on 31 st March 2019			As on 31 st March 2018		
	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
Financial Assets						
Mutual Funds@	401.98	-	-	-	-	-
Loans	-	-	2285.81	-	-	2,258.31
Others	-	-	1,837.92	-	-	1,006.27
Trade receivables	-	-	5,362.92	-	-	3,147.79
Cash & cash equivalents	-	-	740.36	-	-	388.53
Other Bank Balances	-	-	1,877.25	-	-	2,596.67
Investments*	-	-	1,800.19	-	-	1,800.19
Financial Liabilities						
Borrowings	-	-	3,855.45	-	-	4,106.89
Trade payables	-	-	1373.23	-	-	702.55
Other Financial Liabilities	-	-	1541.13	-	-	2794.22

FVTPL – Fair Value through Profit & Loss A/c

FVTOCI- Fair Value through Other Comprehensive Income

@ Investments in Mutual Funds are classified as Equity Instruments and measured at Fair Value through Profit & Loss A/c.

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:

Financial assets and liabilities measured at fair value	As on 31 st March 2019			As on 31 st March 2018		
	Level I	Level II	Level III	Level I	Level II	Level III
Financial Assets at FVTPL						
Investments:	-	-	-	-	-	-
Mutual Funds	401.98	-	-	-	-	-
Financial Liabilities						
If any item	-	-	-	-	-	-

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 st March, 2019	As on 31 st March 2019			As on 31 st March 2018		
	Level-I	Level-II	Level-III	Level-I	Level-II	Level-III
Financial Assets at FVTPL						
Loans	-	-	2285.81	-	-	2,258.31
Others	-	-	1,837.92	-	-	1,006.27
Trade receivables	-	-	5,362.92	-	-	3,147.79
Cash & cash equivalents	-	-	740.36	-	-	388.53
Other Bank Balances	-	-	1,877.25	-	-	2,596.67
Investments	-	1800.19	-	-	1800.19	-
Financial Liabilities						
Borrowings	-	-	3,855.45	-	-	4,106.89
Trade payables	-	-	1383.50	-	-	702.55
Other Financial Liabilities	-	-	1541.13	-	-	2,794.22

Level-I : Level-I hierarchy includes Financial Instruments measured using quoted prices

Level-II : 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-II. Investments other than investments in Joint Ventures/Subsidiary included in Level-II.

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

(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. The Company 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, Mutual Funds, Investments in Bonds	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:

SCCL is operating 2X600 MW Thermal Power Project (STPP) .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 31.03.2019)

Ageing	Due for below 6 months	Due for above 6 months	Due for more than 3 years and Credit Impaired dues	Total
Gross carrying amount	4107.23	1255.69	502.36	5865.28
Expected loss rate	-	-	100%	8.56%
Expected credit losses (Loss allowance provision)	-	-	502.36	502.36



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

Ageing	(Rs. in Crore)			(As on 31.03.2018)
	Due for below 6 months	Due for above 6 months	Due for more than 3 years	Total
Gross carrying amount	2986.76	161.03	340.86	3488.65
Expected loss rate	-	-	100%	9.77%
Expected credit losses (Loss allowance provision)	-	-	340.86	340.86

Reconciliation of Credit Loss allowance provision – Trade receivables

Particulars	Amount (Rs. in Crore)
Loss allowance on 31.03.2018	340.86
Changes in loss allowance in 2018-19	161.50
Loss allowance on 31.03.2019	502.36

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 and uncertainty in collection 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.



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

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 2019	As on 31 March 2018
Interest bearing borrowings :		
On demand :	-	-
Less than 365 days	-	-
More than 365 days	(PFC-REC Loan2) 101.34	(PFC-REC Loan2) 296.01
Total	101.34	296.01

Note: Cash Credits & Special Over drafts not considered.

C. Market Risk :

a) Foreign currency risk :

The Company is not substantially exposed to the Foreign currency risk. The Foreign currency outflows represent the purchase of equipments and spares. To minimize the Foreign currency risk the Company's policy is to make payment of the major portion of the contract price in advance/ LCs.

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.

c) Equity instruments in Mutual Funds are subjected to market risk. The Company's policy is to invest in Mutual Funds in the debt based instruments for short periods only to minimize the exposure to the market risk.

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 31.03.2019	As at 31.03.2018
Equity Share capital	1733.20	1733.20
Long term debt	3843.08	4088.77



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

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 2018-19	For the FY 2017-18
1	Coal Mines Provident Fund Scheme is a Defined Contribution Plan and charged off to Statement of Profit & Loss.	696.46	533.39
2	Superannuation & Pension Benefit to the Executive Cadre employees was provided and charged off to Statement of Profit & Loss.	17.36	102.35

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

- Gratuity (Funded)
- Leave Encashment (Vesting)
- Leave Entitlements (Non-Vesting)
- Settling Allowance
- Leave Travel Concession
- Monthly Monetary Compensation(MMC)
- CPRMS(E) / CPRMS(NE)

iii) Total liability as on 31.03.2019 based on valuation made by the Actuary, details of which are mentioned below is Rs.4109.86 Crore (Previous Year Rs.3926.76 Crore).

(Rs. in Crore)

Particulars	Opening Actuarial Liability as on 01.04.2018	Incremental Liability during the Year	Closing Actuarial Liability as on 31.03.2019
Gratuity	2602.67	148.09	2750.76
Leave Encashment (Vesting)	666.60	(82.97)	583.63
Leave Entitlements (Non-Vesting)	146.56	119.83	266.39
CPRMS(E) / (NE)	181.15	60.79	241.94
Monthly Monetary Compensation	185.91	(34.53)	151.38
Settling in Allowance	64.57	(9.11)	55.46
Leave Travel Concession	79.30	(19.00)	60.30
Total	3926.76	183.10	4109.86

a) Gratuity:

Gratuity payable to eligible employees is administered by a separate Trust. The Liability towards Gratuity as on each reporting date is made on the basis of Actuarial Valuation. The actuarial liability (as certified by the Actuary) towards Gratuity net of Funds maintained in the Trust (Unfunded Liability) amounted to Rs.2750.76 Crore as at 31.3.2019 (Previous Year Rs.2602.67 Crore).

**Additional Notes to the Financial Statements(Consolidated) (Contd.)****b) Leave Encashment (Vesting):**

Leave Encashment benefits which are encashable in service or on retirement (i.e., vesting) payable to employees, at the end of the year, are recognized based on the Actuarial Valuation. The actuarial liability (as certified by the Actuary) towards leave entitlement vesting amounted to Rs.583.63 Crore as at 31.3.2019 (Previous Year Rs.666.60 Crore).

c) Leave Entitlements (Non-Vesting):

Leave entitlements which are non-encashable in service or on retirement or on resignation (i.e. Non-Vesting) are recognized on Actuarial Valuation from 2018-19 onwards with retrospective application as specified in Ind AS 8 and actuarial liability as at 31.3.2019 stood at Rs.266.39 Crore (Previous Year Rs.146.56 Crore).

d) Contributory Post Retirement Medicare Scheme: CPRMS (E) & (NE)

The actuarial liability (as certified by the Actuary) for Contributory Post Retirement Medicare Scheme for executives & their spouses and company contribution to the Contributory Post Retirement Medicare Scheme for Non-Executives amount to Rs. 241.94 Crore as at 31.3.2019, as against provision of Rs.181.15 Crore up to 31.3.2018. An amount of Rs.64.83 Crore is charged to Revenue and Rs.4.04 Crore was paid under the Scheme.

e) Monthly Monetary Compensation (MMC)

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 31.3.2019 is Rs.151.38 Crore (Previous Year Rs.185.91 Crore).

f) Settling Allowance is valued on actuarial basis and actuarial liability as at 31.03.2019 is Rs.55.46 Crore as against Previous Year of Rs.64.57 Crore.

g) Leave Travel concession is valued on actuarial basis and actuarial liability as at 31.03.2019 is Rs. 60.30 Crore (Previous Year Rs.79.30 Crore). An amount of Rs.21.87 Crore was paid under this Scheme and charged to revenue.

iv) 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: -



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

**ACTUARIAL VALUATION OF GRATUITY LIABILITY AS AT 31.03.2019
CERTIFICATES AS PER IND AS-19**

(Rs. in Crore)

Changes in Present Value of defined benefit obligations	As at 31.03.2019	As at 31.03.2018
Present Value of obligation at beginning of the period	4830.20	4386.70
Current Service Cost	196.12	141.16
Past Service Cost	-	-
Interest Cost	345.87	350.72
Actuarial (Gain) / Loss on obligations due to change in financial assumption	25.63	270.67
Actuarial (Gain) / Loss on obligations due to unexpected experience	1.01	1.93
Benefits Paid	(580.58)	(320.97)
Present Value of obligation at end of the period	4818.25	4830.21

(Rs. in Crore)

Changes in Fair Value of Plan Assets	As at 31.03.2019	As at 31.03.2018
Fair Value of Plan Asset at beginning of the period	2227.76	2083.51
Interest Income	167.85	165.40
Employer Contributions	252.50	300.00
Benefits Paid	(580.58)	(320.97)
Return on Plan Assets excluding Interest income	(0.03)	(0.18)
Fair Value of Plan Asset as at end of the period	2067.50	2227.76

(Rs. in Crore)

Statement showing reconciliation to Balance Sheet	As at 31.03.2019	As at 31.03.2018
Fund Liability	4818.25	4818.17
Fund Asset	2067.50	2219.00
Un Funded Status	2750.75	2599.17

(Rs. in Crore)

Expense Recognized in Statement of Profit / Loss	As at 31.03.2019	As at 31.03.2018
Current Service Cost	196.12	141.16
Past Service Cost	-	-
Net Interest Cost	178.02	185.32
Benefit Cost (Expense recognized in Statement of Profit/Loss)	374.14	326.48



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

(Rs. in Crore)

Other Comprehensive Income	As at 31.03.2019	As at 31.03.2018
Actuarial (Gain) / Loss on obligations due to change in financial assumption	25.63	270.67
Actuarial (Gain) / Loss on obligations due to unexpected experience	1.01	1.93
Total Actuarial (Gain) / Loss	26.64	272.60
Return on Plan Asset, excluding Interest Income	(0.03)	0.19
Balance at the end of the period	-	-
Net (Income) / Expense for the period recognized in Other Comprehensive Income	26.61	272.79

Statement showing Plan Assumptions:	As at 31.03.2019	As at 31.03.2018
Discount Rate	7.50%	7.50%
Expected Return on Plan Asset	8.25%	7.95%
Rate of Compensation Increase (Salary Inflation)	7.00%	6.50%
Average Expected Future Service (Remaining Working Life)	12.84 Years	11.34 Years
Average Duration of Liabilities	21.89 Years	23.31 Years
Mortality Table	LIC (2006-08)Ultimate	
Superannuation at Age	60 Years	60 Years
Early Retirement and Disablement		
Gratuity limit	Rs.20 lakh	Rs.20 lakh

Mortality Table		
Age	As at 31.03.2019	As at 31.03.2018
	Mortality (Per annum)	Mortality (Per Annum)
Uniform for all ages	4.56	4.14

Statement Showing Benefit Information Estimated Future payments (Past Service) (Rs. in Crore)		
Year	31.03.2019	31.03.2018
1	566.30	531.77
2	755.35	549.81
3	725.59	733.35
4	582.79	704.46
5	786.14	565.82
6 to 10	1720.89	1649.80
More than 10 years	2506.06	2510.70
Total Undiscounted Payments Past and Future Service	7643.12	7245.71
Total Undiscounted Payments related to Past Service	4756.21	4892.36
Less Discount For Interest	62.04	62.15
Projected Benefit Obligation	4818.25	4830.24



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

(Rs. in Crore)

Statement Showing Cash Flow Information	31.03.2019	31.03.2018
Current service Cost (Employer portion Only) Next period	155.26	175.00
Interest Cost next period	7.50	7.50
Expected Return on Plan Asset	167.00	176.00
Benefit Cost	555.00	550.00

(Rs. in Crore)

Statement Showing expected return on Plan Asset at end Measurement	As at 31.03.2019	As at 31.03.2018
Current liability	-	-
Non-Current Liability	-	-
Net Liability	4818.25	4830.21

ACTUARIAL VALUATION OF LEAVE ENCASHMENT BENEFIT (VESTING) (EL/HPL) AS AT 31.03.2019 CERTIFICATES AS PER IND AS-19

(Rs. in Crore)

Changes in Present Value of defined benefit obligations	As at 31.03.2019	As at 31.03.2018
Present Value of obligation at beginning of the period	666.60	641.05
Current Service Cost	81.33	111.38
Interest Cost	49.95	48.04
Actuarial (Gain)/ Loss on obligations due to change in financial assumption	-	(134.12)
Curtailement of Benefits/ Unexpected experience	(51.36)	1.24
Benefits Paid	(162.05)	(1.01)
Present Value of obligation at end of the period	584.47	666.60

(Rs. in Crore)

Changes in Fair Value of Plan Assets	As at 31.03.2019	As at 31.03.2018
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 31.03.2019	As at 31.03.2018
Fund Liability	584.47	666.60
Fund Asset	-	-
Funded Status	Unfunded	Unfunded



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

(Rs. in Crore)

Statement showing Plan Assumptions:	As at 31.03.2019	As at 31.03.2018
Discount Rate	7.50%	7.50%
Rate of Compensation Increase (Salary Inflation)	7.00%	6.50%
Average Expected Future Service (Remaining Working Life)	12.84 Years	11.34 Years
Average Duration of Liabilities	21.89 Years	23.31 Years
Mortality Table	LIC (2006-08)Ultimate	
Superannuation at Age	60 Years	60 Years

Expense Recognized in Statement of Profit / Loss	As at 31.03.2019	As at 31.03.2018
Current Service Cost	81.33	111.38
Net Interest Cost	49.95	48.04
Benefits paid/curtailment in benefits in current year	(212.36)	-
Actuarial (Gain)/ Loss on obligations due to change in financial assumption	(0.01)	(132.87)
Benefit Cost (Expense recognized in Statement of Profit/Loss)	(81.08)	26.54

Mortality Table	As at 31.03.2019	As at 31.03.2018
Age	Mortality (Per Annum)	Mortality (Per Annum)
Uniform for all ages	4.56	4.14

(Rs. in Crore)

Statement Showing Benefit Information Estimated Future payments		
Year	31.03.2019	31.03.2018
1	51.84	59.10
2	52.65	60.02
3	62.56	71.31
4	59.09	67.36
5	52.68	60.04
6 to 10	179.38	204.83
More than 10 years	174.08	198.39
Total Undiscounted Payments Past and Future Service	698.32	796.38
Total Undiscounted Payments related to Past Service	632.28	721.10
Less Discount For Interest	47.81	54.50
Projected Benefit Obligation	584.47	666.60

(Rs. In Crore)

Statement Showing expected return on Plan Asset at end Measurement	As at 31.03.2019	As at 31.03.2018
Current liability	80.00	81.06
Non-Current Liability	504.47	585.54
Net Liability	584.47	666.60



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

4. Unrecognized items:

4.A. Contingent Liabilities

(Rs. In Crore)			
Sl.No.	Particulars	As on 31.3.2019	As on 31.3.2018
	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)	0.91	1.09
(iii)	Motor Accident claims (cases contested – court)	0.69	0.80
(iv)	Police Guard (excess man power billed disputed)	2.98	2.98
(v)	S C Railways (damages, demurrages etc. disputed)	1.62	1.62
(vi)	Water Royalty (billed at Industrial rate disputed)	1.10	1.10
(vii)	Vacant Land Tax (Levy contested)	16.06	16.06
(viii)	Contractors & Suppliers	265.61	298.55
(ix)	Other disputed claims & Legal cases etc.	28.06	21.37
(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 & 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 & Explosives is considered as contingent liability.</p>	337.64	337.64
(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 filed by SCCL before CESTAT, Bangalore was decided in favour of the company.	-	13.82



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

(Rs. In Crore)

Sl. No.	Particulars	As on 31.3.2019	As on 31.3.2018
	(b) Excise Duty demands on quantity disputes.	8.24	6.82
	(c) Education Cess and Secondary Higher Education Cess demands raised by Excise Department from March, 2011 to March, 2015 contested by SCCL	0.78	0.78
	(d) Demand for Clean Energy Cess	0.24	0.24
	(e) Excise Duty on APGENCO performance Incentive	10.87	8.55
	(f) CEC on Closing Stock as on 30.06.2017 (Pre-GST)	235.30	-
(xii)	Tax Demands from Commercial Taxes Department (including entry tax) which are disputed by SCCL and pending before various appellate authorities for adjudication.	7.93	15.34
(xiii)	Tax Demands from Income Tax Department which are disputed by SCCL and pending before various appellate authorities for adjudication.	212.58	62.98
(xiv)	(a) 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	0.15
	(b) Service Tax demand on Liquidated damages, Penalties etc collected by SCCL for the period from July, 2012 to March, 2017 raised by The Service Tax dept is disputed and pending before CESTAT, Hyd for adjudication. However, an amount of Rs.10.95 Crs demanded by the Department has been deposited to the Governments Account under protest.	10.95	10.95
(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)	Service Tax demand on Liquidated damages, penalties etc., collected by SCCL for the period from April 2017 to June 2017 raised by the Service Tax Department.	1.63	-
(xvii)	Tax Demand on Irregular availment of credit on certain services which are ineligible (services connected to Transmission, Lighting, Canteen, Railway Siding, Maintenance and Repairs of Building, Laying and Repairs of Road, Bore well, RO plants, Air ticketing)	1.66	-
(xviii)	(a) Claims for additional compensation decided by the Lower Courts in favour of pattadars which were contested by the company in Higher Courts for Acres: 114, Guntas 12.	12.48	-
	(b) Claims in respect of suits filed by the Pattadars for additional compensation for Acres: 2369, Guntas 30¼ (Previous year: 5075, Guntas 27¼) contested by the Company and pending in Courts.	Not quantifiable	Not quantifiable
(xix)	An amount of Rs.13.56 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.13.56 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 XXVI Addl. Chief Judge, CCC, Hyderabad challenging the above recovery.		
(xx)	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.)

4.B. Capital Commitments:

(Rs. in Crore)

Sl.No.	Particulars	As on 31.3.2019	As on 31.3.2018
1.	a) Estimated value of capital commitment for 2x600 MW Singareni Thermal Power Project, Jaipur, Telangana State.	197.42	412.33
	b) Estimated value of capital commitments of other contracts to be executed	1210.74	530.76
2.	The balance value of Surrounding Habitats Assistance Programme (SHAPE) works to be executed.	7.35	8.29
3.	Outstanding Letters of Credit	28.42	29.60
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.	295.83	294.43

4.B.4.1: This includes Bank Guarantee of Rs.176.32 Crore and Rs.40 Crore submitted to MoC, Government of India as Performance Guarantees against allotment of Naini Coal Block, Odisha and Penagadapa Coal Block, Telangana, respectively. The pre-mining operations are under progress at these blocks.

5. Other Information**5.1: Ind AS 115 -Revenue from Contracts with Customers :****Significant judgments & other disclosures****1. Identification of contract :****(A) Coal :**

- a) Customers: Most of coal produced by the Company is supplied to thermal power plants. Coal is also supplied to various industries that include, cement, sponge iron & others and also for captive consumption.
- b) Distribution and Marketing Policy: Government of India has issued New Coal Distribution Policy (NCDP) on October 18, 2007 with an objective to meet the demand of coal from consumers of different sectors of the economy, both on short term and long term basis, in an assured, sustained, transparent and efficient manner with built - in commercial discipline. The Company abides by it.

The major types of arrangements / agreements as per NCDP are:

- i) **Fuel Supply Agreements (FSAs):** As contemplated in and in accordance with the terms of the New Coal Distribution Policy (NCDP), the Company enters into legally enforceable FSAs with customers. 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))
 - FSAs through linkage route.
 - Memorandum of Understanding(MOU)



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

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

iii) **Shakti: A coal linkage policy named SHAKTI or the 'Scheme to Harness and Allocate Koyla (Coal) Transparently in India'** was introduced with an objective to auction long-term coal linkages to power companies.

This policy award fuel supply agreements to coal plants already holding letters of assurance (LoAs). It is issued to new consumers on being approved by the appropriate authority, based on recommendation of a committee constituted. Specific terms & conditions of the LOA are to be complied with within a stipulated time period for being eligible to enter into FSA for commencing coal supply.

Thermal plants holding LoAs will be eligible to sign fuel supply pacts under the new policy after ensuring that all the conditions are met.

Coal linkages would be awarded to state-owned power distribution companies (discoms). These, in turn, would assign linkages to:

- State or Central power generation companies via allocation, and
- Private units through auction.

Transfer of Title of Goods: Once delivery of Coal have been effected at the Delivery Point by SCCL, the property / title and risk of coal so delivered stand transferred to the purchaser in terms of this Agreement. Thereafter SCCL in no way be responsible or liable for the security or safeguard of the Coal so transferred. SCCL have no liability, including towards increased freight or transportation costs, as regards missing/diversion of wagons / rakes or road transport en-route, for whatever causes, by Railways, or road transporter or any other agency.

(B) Power:

Power generated at Thermal Power Plant of the Company (STPP) is supplied to the TSDISCOMS, Telangana state power distribution companies. A separate power purchase agreement (PPA) is entered by the company with Electricity Distribution

Company for 25 years valid up to 01.12.2041. The terms and conditions of PPA are as per prevailing Telangana State Electricity Regulatory Commission (TSERC) regulations.



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

2. Performance Obligation (Transportation, Infrastructure and Logistics):**(A) Coal:**

- a. Following the extraction of coal from a mine/working face, coal is transported to dispatch points through tipping trucks and conveyor belts. Coal is delivered to the customers from the dispatch points through rail, road, rope-way or dedicated rail MGR system.
- b. All consignments dispatched are weighed either at company owned weighbridges available at SCCL dispatch points or to the nearest weighbridges owned by the Railways. Sales are either "free on rail" or "free on road" from the designated dispatch points. Customers may choose the mode of transport between rail and road. If the dispatch point from the mines is within 20 kilometres, the customers bear such transportation cost at specified rates as notified by the company from time to time. In circumstances where the distance from the dispatch point is more than 20 kilometres from the mines, the customer bears the actual cost of transportation.
- c. The quality of coal delivered / to be delivered conforms to the specifications. The company makes adequate arrangements to assess the quality and monitor the same to ensure that un-graded Coal (GCV of less than 2200 Kcal/Kg for non-coking coal) is not loaded into the purchaser's containers.
- d. The company delivers sized coal with size conforming to specifications. SCCL makes reasonable efforts to remove stones from coal.
- e. The Company uses magnetic separators and metal detectors, at its coal handling / loading system at the delivery point, where the same are already installed.

(B) Power:

- a. As per PPA, SCCL (STPP) is required to operate the plant as a base load station as per manufacturers guidelines, applicable grid operating conditions, directions of the TSERC and relevant statutory provisions as applicable from time to time.
- b. SCCL is required to sell the capacity to the TSDISCOMs as per PPA shall, in each settlement period, be as 85% of the declared capacity(DC) of the plant as determined by TSERC Tariff Regulations issued from time to time.
- c. SCCL is required to follow the SLDC's directives, to back down, increase or resume generation, decrease generation at time on a day, provided that such directives are consistent with the technical limits of facility, Prudent utility practices.



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

3. Transaction Price:

(A) Pricing of coal:

- a. The pricing of Non-Coking Coal is presently based on its Gross Calorific Value w.e.f. 01.01.2012 and that of Coking Coal & Washery Grade Coal is set on the basis of ash level content. Pricing of coal for Semi Coking Coal is set on the basis of ash & moisture content level. The coal price is revised considering the escalation in input cost, inflation and landed cost of imported coal. The final customer price includes basic price and other charges (Cess, Royalties, GST and others). Around 90% of Coal is sold under the long-term fuel supply agreements (FSAs) executed between company and the linked customers. In addition, coal is also sold under E-auction scheme.
- b. The Purchaser pays the Base Price of Coal in accordance with the provisions of the Agreement. The Base Price of Coal is declared by Company from time to time.
- c. The “**As Delivered Price of Coal**” for the Coal supplies pursuant to the Agreement is the sum of Base Price, Other Charges and Statutory Charges, as applicable at the time of delivery of Coal.
- d. **Base price/Standalone price means**, in relation to a Declared Grade of Coal produced by SCCL, the Pithead price notified from time to time by the company, as the case may be.
- e. **Variable Consideration:**
 - i. **Annual Contracted Quantity (ACQ):** At the inception of the every year the Annual Contracted Quantity of Coal is agreed which is to be supplied by SCCL and undertaken to be purchased by the Purchaser from SCCL’s mines and/ or from international sources. For part of Year, the ACQ is prorated accordingly. If for a Year, the Level of Delivery by SCCL, or the Level of Lifting by the Purchaser falls below ACQ with respect to that Year, the defaulting Party is liable to pay compensation to the other Party for such shortfall in Level of Delivery or Level of Lifting, as the case may be (Failed Quantity). MOUs are signed for one year and above ACQ quantity.
 - ii. **Performance Incentive:** If SCCL delivers Coal to the purchaser in excess of the determined percent of the ACQ in a particular Year, the purchaser pays SCCL an incentive (Performance Incentive/ PI).
 - iii. **Adjustment for Grade Variance (Coal Quality Variance):** SCCL gives regular credit/debit notes on account of Grade variance to the extent of difference in the Base Price of Declared Grade and analyzed Grade of Coal.
 - iv. **Other Charges**

Surface Transportation charges: Where Coal is transported by SCCL beyond the distance of three (3) KMs from pithead to the delivery point, the purchaser pays surface transportation charges, as notified by SCCL from time to time.

Sizing/Crushing charges: Where Coal is crushed by mechanical means for limiting the top-size to 100mm, or any other lower size, the Purchaser pays sizing/crushing charges, as applicable and notified by SCCL from time to time.



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

Rapid Loading Charges: Where Coal is loaded through rapid loading system, the Purchaser pays rapid loading charges notified by SCCL from time to time.

Evacuation charges: Recovery of evacuation charges is also done at the specified rate. In all cases, the entire freight charges, irrespective of the mode of transportation of the Coal supplied, is borne by the Purchaser.

Additional charges: The Company collects additional charges like additional transport/ rehandling cost, additional charges for coal loaded at specified sidings, Land adjustment, Engine Shunting charges, Fuel Supply Surcharge, Forest Permit Fee and other elements at the rates notified from time to time.

In all cases, the entire freight charges, irrespective of the mode of transportation of the Coal supplied, is borne by the Purchaser.

- f. **Statutory Charges:** The statutory charges comprises royalties, cesses, GST, levies etc. if any, payable under relevant statute but not included in the Base Price and/or other charges, is payable by the purchaser. These levies/charges become effective from the date as notified by the Government/ statutory authority.

(B) Pricing of Power:

- a. The tariff for electricity supplied would be as determined under the tariff regulations of TSERC and tariff order thereof from time to time. Tariff for sale of electricity would be based on prevailing TSERC regulations from time to time.
- b. Capacity charges are to be approved by the TSERC for each tariff year, to be claimed by SCCL.
- c. Variable charges like Coal, Secondary fuel oil are calculated as per agreed formula under PPA and are shown separately in monthly thermal energy bills. Incentives shall be calculated as per target plant load factor as specified in Tariff order for 2x600MW Power Plant as a whole.

4. PAYMENT:

A. Coal :

i. Fuel Supply Agreement - Credit Sales

- a) N T P C - Payment is to be received from the Purchaser within three days from the date of submission of bills. Bills will be raised on daily basis.
- b) TSGENCO / APGENCO - Bills will be raised in the first lot from 1st to 7th of the month, second lot from 8th to 20th and third lot from 21st to the 30th / 31st of the month. The Purchaser has to release the payment within five days from the date of submission of bills (excluding day of submission).
- c) KPCL / MSEB - Bills will be raised in first lot from 1st to 10th second lot 11th to 20th and third lot from 21st to 30th / 31st of the month. Payment has to be received within three days from the date of submission of bills (excluding day of submission).
- d) In addition to the above, SCCL will go for MOUs for the above FSA customers, bridge linkage and non-bridge linkage power customers for supply of coal on best efforts basis.



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

ii. E-Linkage - Auction of Linkage (AOL).

The customers without FSA and MOC Linkage are to be participated in the bidding in the open auction. All the Power and Non-Power customers excluding the above and whose requirement of coal is more than 10,000 Tons per annum are mandatorily get allotment of coal through auction of linkage (E-Linkage). MOC has given an option to the customers to participate in AOL bidding or not, if their annual requirement is 4200 to 10,000 Tons Per Annum. AOL contractors are in the nature of Long Term Contracts of five years are considered AS FSA customers. Payment is 100% advance against each sale order. The bidding quantity in the first year which is called as Annual Contracted Quantity (ACQ) will be considered for the next five years.

iii. E-Auction - These are short term contracts for a period of three months. MOC has fixed maximum E-Auction quantity is 10% of the total despatch quantity. All the customers' viz., Power, Non-Power and FSA, Non-FSA and Open Order customers can participate in the bidding. Payment is 100% advance.

iv. Rail Customers - Long term purchasers and good credit track record are extended credit of one rake for three bank working days subject to submission of one rake advance amount in the form of Cash Guarantee or Bank Guarantee. If the customer fails to repay the amount within three days, interest will be charged equivalent to SBI CC Rate applicable to SCCL.

The Purchaser makes advance payment for a month in three (3) instalments for availing Coal supplies from SCCL – first (1st) instalment on the first (1st) day of the month, second (2nd) instalment on the eleventh (11th) day of the month and the third (3rd) instalment on the twenty first (21st) day of the month. Each of these payment instalments cover the As Delivered Price of Coal for the Coal quantities that is one-ninth (1/9th) of the QQ concerned. Further, each of these instalments takes into account the average of Base Prices of Grades. However, the third (3rd) instalment also include the adjustment amount with regard to the actual quantity of Coal delivered and the quality of Coal vis-à-vis the advance payment made for the previous month. For the avoidance of any doubt, such adjustment amount also includes the adjustment of quantity and quality.

v) Advances received from the customers are reported as customer's deposits (contract liabilities) unless the conditions for revenue recognition are met.

vi) Advance payment made by the Purchaser is non-interest bearing, and it changes in accordance with change in the As Delivered Price of Coal. No significant finance component is included therein.

vii) Bills of Miscellaneous Claims:

- Compensation for short supply/lifting, is payable by the defaulting Party to the other Party within a period of ninety (90) days from the date of receipt of claim failing which it will attract interest.



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

- After expiry of the Year, SCCL submits an invoice to the Purchaser with respect to the Performance Incentive and the Purchaser pays the amount so due within thirty (30) days of the receipt of the invoice failing which it attracts interest.

viii) **Annual Reconciliation / Adjustments:** SCCL and the Purchaser jointly reconcile all payments made for the monthly Coal supplies during the Year by end of April of the following Year. The Parties, forthwith, give credit/debit for the amount falling due, if any, as assessed during such joint reconciliation. The annual reconciliation statement is jointly signed by the authorized representative of SCCL and the Purchaser which is final and binding on both, SCCL and the purchaser.

B. Power:

- a. The monthly bill raised under PPA includes charges for supply of electricity, taxes, duties and cess. Monthly bills are based on meter reading taken that has been mutually agreed by both of the parties.
- b. Due date for payment for monthly bills presented is 60 days from the date of raising of Bill.
- c. Rebate can be granted by SCCL which can be maximum to 2 percentage. If payments are made within a week, maximum rebate granted to 1.25 percentage.
- d. Additional bills on account of TSERC orders/ appellate tribunal of electricity/ other court/ other competent authority to be billed through supplementary invoice unless included in monthly invoice.
- e. Payment is to be by TSDISCOMS by irrevocable letter of credit. Appropriation of payment made is to be governed in mutually agreed manner as per PPA.
- f. In case of any dispute, 95% of the disputed amount along with objection is to be filed within 30 days.

5.2 Government Grants

- 5.2.1 The company has chosen the option to deduct the capital grants received from the carrying amount of respective asset as permitted by Ind AS 20-“Accounting for Government Grants and Disclosure of Government Assistance”. Accordingly, existing balances of Deferred Grant Liability as 01.04.2018 amounting to Rs.185.83 Crore (Non Current Rs.178.68 Crore & Current Rs. 7.15 Crore) has been withdrawn and adjusted against the carrying amount of respective assets.
- 5.2.2 An amount of Rs.4.41 Crore of capital grants of Man Riding Systems approved in the 82nd meeting (Apr-Sep17) of CCDAC have been recognised during the year 2018-19 as a deduction from the carrying amount of respective assets.



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

5.2.3 Further, CCDAC has not considered the claims submitted by the company for sand stowing subsidy from 01.04.2017 onwards as Stowing Excise Duty has been subsumed by GST. Owing to this, the sand stowing subsidy and protective work claims recognised on accrual basis in 2017-18 for an amount of Rs.114.85 Crore have been written off in FY2018-19 as Bad debts. In addition, no grants related to Revenue (i.e. Sand Stowing and Protective works) have been recognised in 2018-19.

5.3 Provisions :

The position and movement of various provisions as on 31.03.2019 are given below:

(Rs. In Crore)

Provisions	Opening Balance as on 01.04.2018	Addition during the year	Write back/Adj. During the year	Unwinding of discounts	Closing Balance as on 31.03.2019
Long term provisions:					
Gratuity	2602.07		(29.33)	178.02	2750.76
Leave encashment - Vesting	585.52		(81.89)		503.63
Leave Entitlement – Non vesting	146.56	119.83			266.39
Monthly Monetary Compensation & Low productive employee compensation (MMC & LPE)	146.41		(39.53)		106.88
Settling Allowance	53.86		(7.61)		46.25
Leave Travel Concession	42.33		(10.14)		32.19
OBR(Net of Advance Action)	2579.15	(64.95)			2514.20
Backfilling	9859.88	495.96	2.05	788.95	11146.84
Mine Closure Plan	1062.29		(35.00)	80.03	1107.33
Short term provisions :					
Gratuity	1.31	0.01	-	-	1.32
Leave Encashment (Vesting)	98.12	12.72	-	-	110.84
MMC & LPE	39.50	5.00	-	-	44.50
Superannuation Benefit	293.07	17.80	-	-	310.87
Post Superannuation Medical Benefit- Executives & Non Executives	181.15	146.41	-	-	327.56
Performance related pay – Exe	154.90	111.21	(30.98)	-	235.13
Performance Linked Reward Scheme(PLR) (Exgratia)	286.06	6.48	-	-	292.54
Settling Allowance	10.72	-	(1.51)	-	9.21
LTC / LLTC	36.97	-	(8.86)	-	28.11
Corporate Special Incentive	304.55	172.45	-	-	477.00



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

5.4 Earnings per share :

For Profit after Tax (excluding Other Comprehensive Income):

Sl. No.	Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
i)	Net profit after tax attributable to Equity Share Holders (in Rs Crore)	1781.14	1,355.72
ii)	No. Of Equity Shares Outstanding(In Number)	1733198119	1733198119
iii)	Basic Earnings per Share in Rupees (Face value Rs.10/- per share)	10.28	7.82

5.5 Related Party Disclosures:**1. Key Managerial Personnel :**

Sl.No	Name	Position	Period
1	Sri N. Sridhar	Chairman & Managing Director	Full period
2.	Sri J. Pavitrnan Kumar	Director (PA&W) (FAC) & Director (Finance)	Up to 19.05.2018 Up to 03.06.2018
3.	Sri S. Shankar	Director (Electrical & Mechanical) & Director Finance (FAC)	Full period From 04.06.2018 to 04.12.2018
4.	Sri S. Chandrasekhar	Director (Operations) & Director (PA&W) (FAC)	Full period From 20.05.2018
5.	Sri B. Bhaskara Rao	Director (Planning & Projects)	Full period
6.	Sri. N. Balram	Director (Finance)	From 05.12.2018
7.	Sri G. Srinivas	Company Secretary	Full period

2. Subsidiary Company:

Company is having a subsidiary -Andhra Pradesh Heavy Machinery & Engineering Limited, Vijayawada:

Key Managerial Personnel of subsidiary company.

1.	Sri. P.Arjun	Managing Director	Full period
2.	Sri. M.Anand Kumar	Chief Financial Officer	01.04.2018 to 21.07.2018
3.	Sri. Y.Srinivas Rao	Chief Financial Officer	22.09.2018 to 31.03.2019
4.	Sri. V.Venkateswara Rao	Company Secretary	Full period

On the Recommendation of Audit Committee Board is ratifying/ approving certain transactions.



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

3. 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 Crore from JV company which was contributed by the company.

The winding up proceedings of the JV Company are yet to commence. The Company has made provision towards diminution in the value of investments for Rs.49,000/- (Share Capital) and doubtful advances for Rs.9.80 Crore (Share application money kept in Advances account).

4. 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 31.03.2019	For the year ended 31.03.2018
i)	Short Term Employee Benefits		
	Gross Salary	3.37	2.96
ii)	Perquisites & Medical Benefits	0.24	0.11
	Post-Employment Benefits		
iii)	Contribution to P.F. & other fund	0.30	0.19
	Termination Benefits (Paid at the time of separation)	-	-
	Leave Encashment	-	-
	Gratuity paid	-	0.10
	Gratuity Outstanding	-	0.10
	TOTAL	3.91	3.46



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

b) Sitting Fees:

Sl. No.	Payment to Independent Directors	(Rs. In Crore)	
		For the year ended 31.03.2019	For the year ended 31.03.2018
1	Sitting Fees	0.32	0.35

c) Balances Outstanding as on 31.03.2019

Sl. No.	Particulars	(Rs. In Crore)	
		As on 31.03.2019	As on 31.03.2018
i)	Amount Payable- Gratuity	0.30	0.30
ii)	Amount Receivable	NIL	NIL

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) **APMDC-SCCL Suliari Coal Company Ltd., a Joint Venture by SCCL and APMDC:** During the year there are no operations. It is proposed to wind-up this Company.

5.7 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.



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

(I) PRIMARY INFORMATION

(Rs. in Crore)

Sl. No	Particulars	Coal		Power		APHMEL		Eliminations		Unallocated		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
	REVENUE												
1	Segment Revenue												
a	External Turnover	16,334.88	13,942.01	3483.07	3,435.97	21.39	32.67	-	-	-	-	19,839.34	17,410.65
b	Inter Segment Turnover												
	-STPP	1768.26	1845.71	-	-	-	-	(1768.26)	(1845.71)	-	-	-	-
	-APHMEL	1.63	1.35	-	-	37.09	19.95	(38.72)	(21.30)	-	-	-	-
	Gross Turnover* (a+b)	18,104.77	15,789.07	3483.07	3,435.97	58.48	52.62	(1806.98)	(1867.01)	-	-	19,839.34	17,410.65
c	Less: Excise Duty/ Service Tax	-	218.31	-	-	-	0.40	-	-	-	-	-	218.71
	Net Turnover	18,104.77	15,570.76	3483.07	3435.97	58.48	52.22	(1806.98)	(1867.01)	-	-	19,839.34	17,191.94
2	Segment Result before interest and Taxes	1633.05	502.49	914.40	950.79	(7.57)	(1.91)	5.03	1.06	-	-	2544.91	1452.43
	Interest Revenue	648.94	720.35	10.13	15.61	1.19	1.64	-	-	-	-	660.25	737.60
	Interest Expense	(13.10)	(7.54)	(385.28)	(391.13)	(0.09)	(0.05)	-	-	-	-	398.47	(398.72)
	Profit Before Tax	2268.89	1215.30	539.24	575.27	(6.47)	(0.32)	5.03	1.06	-	-	2806.69	1791.31



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

PRIMARY INFORMATION (contd...)

(Rs.in Crore)

Sl. No	Result	Coal		Power		APHMEL		Eliminations		Unallocated		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
	Profit Before Tax (C/F)	2268.89	1215.30	539.24	575.27	(6.47)	(0.32)	5.03	1.06	-	-	2806.69	1791.31
3	Taxes & other adjustments	-	-	-	-	-	-	-	-	-	-	-	-
a	Income Tax	-	-	-	-	-	-	-	-	620.64	446.75	620.64	446.75
b	Deferred Taxes	-	-	-	-	1.29	0.09	-	-	404.11	(11.59)	405.40	(11.50)
c	Earlier year taxes	-	-	-	-	-	-	-	-	-	-	-	-
4	Profit after Tax (before OCI)	-	-	-	-	-	-	-	-	-	-	1780.65	1356.06
	Other Comprehensive Income net of Taxes	-	-	-	-	-	-	-	-	-	-	(17.33)	(178.40)
4	Profit after Tax (before adj. of interest in Associates)	-	-	-	-	-	-	-	-	-	-	1763.32	1177.66
	Profit Related to Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	(0.62)	0.20
	Profit after Tax (after adj Non Controlling Interest)	-	-	-	-	-	-	-	-	-	-	1763.94	1177.46

(II) OTHER INFORMATION

(Rs. in Crore)

Particulars	Coal		Power		APHMEL		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Segment Assets	25,122.81	23,646.37	11,286.62	10,323.71	64.48	71.08	36,473.91	34,041.16
Segment Liabilities	31,779.07	28,576.01	4674.18	5,445.32	20.66	19.83	36,473.91	34,041.16
Capital Expenditure	1,100.40	1,621.71	175.18	516.26	0.01	0.03	1,275.59	2,138.00
Depreciation/ Amortization Expenses	1,257.74	1,157.03	405.32	376.48	0.22	0.26	1,663.28	1,533.77

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.)

5.8 Taxation :

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

(Rs. In Crore)

DEFERRED TAX ASSETS/LIABILITY		As on 31.03.2019	As on 31.03.2018
A	Deferred Tax Liabilities		
	Depreciation	1331.11	1202.64
	TOTAL	1331.11	1202.64
B	Deferred Tax Assets		
	Back filling & Mine Closure Provision	1501.83	1722.97
	Gratuity	961.52	910.25
	Other Employment Benefits	745.15	648.50
	Overburden Removal	879.27	902.00
	MAT Credit	479.82	287.81
	Carry forward Tax Loss	0.00	312.13
	Other Provisions	492.22	494.16
	TOTAL	5059.81	5277.82
	Deferred Tax Assets (net) (B-A)	3728.70	4075.18

ii) Relationship between Tax Expense and Accounting Profit :

Numerical Reconciliation of difference

(Rs. In Crore)

Sl.No.	Nature of Adjustments	Year ended 31.03.2019
1	Net profit as per Statement of Profit and Loss (before tax)	2806.69
2	Add/Less: Differences as per Income Tax Act. (MAT)	(73.45)
3	Book profit for the purpose of MAT	2880.14
4	Applicable tax rate (MAT -21.5488%)	21.5488%
5	MAT on Book profit as per income Tax Act, 1961 (3*4)	620.64
6	Taxes as per P&L A/c	
	a) Current year tax	620.64
	b) Deferred Tax in P&L	405.40
	c) Deferred Tax in OCI	(9.28)
7	Net tax liability as per P&L A/c	1016.76
8	Other Comprehensive Income (Excluding Deferred Tax on OCI)	(26.61)
9	Profit after Tax (Total comprehensive income for the period) (1-7+8)	1763.32

iii) Explanation of changes in applicable tax rates compared to previous accounting period :

From the current year FY 2018-19 (AY 2019-20) Education cess @ 2% and secondary higher education cess @1 % has been withdrawn and new cess under the nomenclature "Health and Education cess" has been introduced at a rate of 4%. Accordingly, the Normal Tax rate applicable for FY 2018-19 (AY 2019-20) is 34.944% and MAT rate applicable is 21.5488%. There are no changes proposed to the tax rates applicable for FY 2019-20 (AY 2020-21). Hence, the tax rates applicable for FY 2018-19 (AY 2019-20) are considered for recognition of Deferred Tax.



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

iv) Dividend Distribution Tax:

For the Financial year 2017-18 Company has declared and paid Dividend @10% on the paid-up equity share capital in the FY 2018-19 amounting to Rs.173.32 Crore Dividend distribution Tax at the effective rate of 20.557 % amounting to Rs.35.63 Crore was paid on the same during the year.

5.9 Insurance and escalation claims :

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

5.10 Provisions made in the Accounts:

Provisions made in the Books of Accounts, against slow moving/non-moving/obsolete stores, Expected Credit Loss on Advances and Doubtful Debts, impairment of Site Restoration Costs, Impairment of Other Mining Infrastructure (Development Expenditure), Buildings (Factory), Buildings (Others), Roads, CWIP of OMI (Development Expenditure) of UG Mines incurring losses etc., are considered adequate to cover possible losses.

5.11 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.

5.12 Current Liabilities:

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

5.13 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 31.3.2019	As on 31.3.2018
The principal amount remaining unpaid (But not due)	13.05	19.34
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) The company engage contractors for removal of Overburden. In some of the contracts the contractors 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. Considering the uncertainty, the value of explosives and HSD oil saved and not en-cashed by such contractors for set off against future excess consumption amounting to Rs77.18 Crore is not provided for in books as on 31.03.2019 (Previous year Rs.56.53 Crore).



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

D) Balance Confirmations:

- i. 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.
- ii. Joint reconciliation with major sundry debtors is done periodically.

E) Value of imports on CIF basis :

(Rs. In Crore)

Particulars	For the Year ended 31.3.2019	For the Year ended 31.3.2018
Components, Stores & Spare Parts	21.42	30.94
Capital Goods	29.60	179.81

F) Expenditure incurred in Foreign Currency:

(Rs. In Crore)

Particulars	For the Year ended 31.3.2019	For the Year ended 31.3.2018
Travelling Expenses	0.16	0.12
Consultancy Payments	0.34	1.14
Others	3.24	3.81

G) Consumption of Stores & Spares :

(Rs. In Crore)

Particulars	31.3.2019		31.3.2018	
	Amount	% of total consumption	Amount	% of total consumption
Imported	10.63	0.29	44.94	1.35
Indigenous	3684.06	99.71	3287.21	98.65
Total	3694.69	100.00	3332.15	100.00

H) Physical verification of Fixed Assets :

Physical verification of all Fixed Assets with original value of Rs.3 lakh and above will be covered in block of 3 years. The block of 2019-22 commenced from 2018-19.

- 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) above were physically verified during 2018-19 and deviations are accounted and in respect of other assets the same are confirmed as available based on certification by the unit head.



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

I) Statement of Opening Stock, Production, Turnover and Closing Stock of Coal:

Particulars	For the year ended 31.3.2019		For the year ended 31.3.2018	
	Quantity In '000 T	Value (Rs. In Crore)	Quantity In '000 T	Value (Rs. In Crore)
Opening Balance	5283.66	685.13	7,949.93	953.35
Production	64,401.23	-	62,010.05	-
Purchase from FCI	10.78	1.73	-	-
Despatches	62,569.65	16,332.91	58,692.04	13,909.05
Internal Consumption (incl. STPP)	5,220.01	1,793.47	5,906.50	1,821.64
Adjustments for adopted Stock	0.29	-	(1.56)	-
Shale/Stone Write off	41.91	-	79.35	-
Closing Balance*** (#)	1,864.39	217.10	5,283.66	685.13

***The above closing stock includes 11,146.75 Tonnes of shale values at NIL rate (Previous Year 38,471.91 Tonnes)

Closing stock includes 3,698.96 Tonnes of Coal in transit at STPP as on 31.03.2019 valuing Rs.1.43 Crore.

J) Significant changes/modifications in the Accounting Policies:

Significant accounting policies (Note-2) have 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 from time to time. The following are the major changes/ modifications to the accounting policies of the Company in the current year:

a) Non Vesting Leave Balances:

The Company recognised Liability in respect of Non-encashable Leave entitlements (Non Vesting) of both executives and non-executives as per the opinion of Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India on the applicability of the provisions of Ind AS 19-Employee Benefits to such leave balances.

Accordingly, provision was made in the Books of Account retrospectively as per the requirements of the Ind AS 8 and as per the Company's Accounting policy No.2.2.20 with regard to the changes in the Accounting policies, by restating the comparative amounts disclosed for the year 2017-18 and restating the opening balance of Retained Earnings and carrying amounts of Liability and Assets of the comparative period 2017-18 in respect of affect pertaining to the earliest period.

Due to the above provisions towards Non-Vesting leave entitlements, the profit for the current year FY 2018-19 is lower by Rs.77.96 Crore (net of Deferred Tax Asset), the profit for the comparative period 2017-18 is lower by Rs.31.30 Crore (net of Deferred Tax) and the opening balance of Retained Earnings as on 01.04.2017 has been lowered by Rs.64.38 Crore (net of Deferred Tax Asset).



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

b) Provision for grade variance on disputed samples :

In compliance of Ind AS 115 – “ Revenue from Contracts with Customers” effective from FY 2018-19, the company has recognised provision towards estimated value of variable consideration payable to the coal customers on account of the disputed samples of grade variance considering the past experience. The transition to Ind AS 115 is given affect by selecting the modified retrospective transition method of adoption available under the transition provisions of Ind AS 115.

Accordingly, the cumulative affect up to 31.03.2018 for an amount of Rs. 142.08 Crore and the Deferred Tax Asset of Rs.49.65 Crore is adjusted against the opening balance of Retained Earnings as on 01.04.2018. The net impact on transition date was Rs.92.43 Crore. Further, as on 31.03.2019 the above provision was reviewed which worked out to Rs.129.13 Crore. Accordingly, an amount of Rs.12.95 Crore was withdrawn. Further, the provision towards the Grade Variance is shown as a deduction from Trade receivables in Balance Sheet and the movement in the liability in the current year is netted off against sales in Statement of Profit & Loss.

K) Future Changes in the Accounting Policies:

As per requirement mentioned at para No.30 of Ind AS 8 (Accounting Policies, Changes in Accounting estimates and Errors) , the amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company’s financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (‘MCA’) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2019 amending the some of the standards relevant to the company as under:

1) New standard Notified : Ind AS 116- Leases :

Ind AS 116 – Leases was notified by Ministry of Corporate Affairs on 30th March 2019 and it is applicable for annual reporting periods beginning on or after 1st April 2019.

There are no significant long term leases in the Company. The standard may not have significant impact on the Company in view of the optional exemption available in the standard for short term and low value leases. However, the company evaluates the impact in the next financial year and will take necessary action for compliance.

2) Amendments to other Ind ASs-

a) Amendments to Ind AS 12, Income Taxes:

- i) The first amendment requires an entity to create a corresponding liability for Dividend Distribution Tax (DDT) when it recognises a liability to pay a dividend. The liability for DDT shall be recorded in statement of profit & loss, other comprehensive income or equity, as the case may be. This amendment will not have any impact on the company as no liability towards Dividend is provided in the books as on reporting date.



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

ii) The second amendment relates to tax consequence of an item whose tax treatment is uncertain. Tax treatment of an item is considered as uncertain when there is uncertainty whether the relevant taxation authority will accept the tax treatment of that item or not. If there is uncertainty over tax treatment of an item an entity should predict the resolution of the uncertainty. If it is probable that the taxation authority will accept the tax treatment, there will be no impact on the amount of taxable profits/losses, tax bases, unused tax losses/credits and tax rates. In vice-versa case, the entity shall show the effect of the uncertainty for each uncertain tax treatment on amount of related items by using either the most likely outcome or the expected outcome of the uncertainty. The company is in the process of evaluating the impact of Ind AS 12 amendments.

b) **Amendment to Ind AS 19, Employee Benefits:**

The amendments to Ind AS 19, Employee Benefits relate to effects of plan amendment, curtailment and settlement. When an entity determines the past service cost at the time of plan amendment or curtailment, it shall remeasure the amount of net defined benefit liability/asset using the current value of plan assets and current actuarial assumptions which should reflect the benefits offered under the plan and plan assets before and after the plan amendment, curtailment and settlement. The company is in the process of evaluating the impact of Ind AS 19 amendments.

c) **Amendments to Ind AS 28, Investments in Associates and Joint Ventures:**

Ind AS 109 excludes interest in associates and joint ventures that are accounted for in accordance with Ind AS 28, Investments in Associates and Joint Ventures from its scope. According to the amendments, Ind AS 109 should be applied to the financial instruments, including long-term interests in associates and joint venture, that, in substance, form part of an entity's net investment in associate or joint venture, to which the equity method is not applied. These amendments are not expected to have any significant impact on the Company as there are investments falling under this category.

d) **Amendments to Ind AS 23, Borrowing Costs:**

When determining the funds that an entity borrows generally, paragraph 14 of Ind AS 23 required an entity to exclude borrowings made specifically for the purpose of obtaining a qualifying asset. The amendments clarify that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings. These amendments are not expected to have any impact on the company as the company is already following the above principles while accounting the interest on the long term debts.

L) **Material Prior Period Errors:**

Few expenses pertaining to prior periods have been recognised in the current year. These items amounting to Rs.11.14 Crore have been corrected retrospectively by restating the opening balance of retained earnings as on 01.04.2017(earliest period) by Rs.7.47 Crore and the comparative amounts for the prior period 2017-18 by Rs.3.67Crore, as per the provisions of Ind AS 8 with regard to treatment of material prior period errors and as per the Company's Accounting Policy No.2.2.20.



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

6. Dividend Information :

For the year 2017-18 dividend was declared by the shareholders in the AGM held on 27.09.2018 @ 10% of paid up Share Capital. The Dividend of Rs.173.32 Crore and Dividend Distribution Tax of Rs.35.63 Crore there on paid during the current year totalling to Rs.208.95 Crore have been adjusted against the Retained Earnings. For the year 2018-19, the Board of Directors have recommended dividend @ 10% of the Paid up Share Capital which works out to Rs.173.32 Crore. Pending declaration of Dividend for the year 2018-19 by the shareholders in the ensuing AGM, no treatments was given in the books as it is in the nature of an event after the reporting date as per Ind AS 10.

7. Basis of Preparation of Consolidation of Financial Statements:

- a) 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.
- b) 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.
- 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 31.03.2019 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:

S. 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	-	(14.16)	9.26
3.	22.12.2000	8578700	8.58	8.58	(5.69)	5.69
	Total	14082700	14.08	9.18	(19.85)	14.95



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

- f) Joint Venture with, APMDC-SCCL Suliyari Coal Company Limited was not consolidated as the Financial Statements are not made available. During the year, there are no transactions with the JV Company.

8. Miscellaneous :

1. Previous period's figures have been restated as per Ind AS & regrouped, rearranged and renumbered wherever considered necessary.
2. (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, 2019
(iv) Note-26 to Note-38 form part of Statement of Profit & Loss for the year ended on that date; and
(v) Note-39 represents Additional Notes to the Financial Statements.

The accompanying Notes form an integral part of Financial Statements

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

For and on behalf of the Board

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(CA.Surendranath Bharathi) Partner Membership No.23837	(G.Srinivas) Chief (C.A) & Company Secretary	(M.Narasimha Reddy) General Manager (F&A) Corporate	(N.Balram) Director (Finance) & C.F.O	(N.Sridhar) Chairman & Managing Director

Date: 26 .07.2019
Place: Hyderabad



Sri N.Sridhar, IAS, C&MD, SCCL, receiving The Best Sewa Award-2018 on 10.08.2018 at Hyderabad



Sri N.Sridhar, IAS, C&MD, SCCL, receiving INDIA's BEST COMPANY AWARD-2018 on 08.03.2019 at Mumbai



THE SINGARENI COLLIERIES COMPANY LIMITED

(A GOVERNMENT COMPANY)

Registered Office: Kothagudem Collieries (P. O)-507101

Bhadrachal Kothagudem District, Telangana, India.

www.sccmines.com CIN: U10102TG1920SGC000571