



# 99<sup>th</sup> Annual Report & Accounts

2019-2020



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

# OUR MISSION

- To retain our strategic role of a premier Coal Producing Company in the country and excel in a competitive business environment.
- To strive for self-reliance by optimum utilisation of existing resources and earn adequate 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)  
**99<sup>TH</sup> ANNUAL REPORT & ACCOUNTS FOR THE YEAR 2019-2020**

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**BANKERS:**

State Bank of India  
Indian Bank  
Canara Bank  
Union Bank of India

**STATUTORY AUDITORS:**

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

**SECRETARIAL AUDITOR:**

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

**Location of mining areas:**

**Khammam & Bhadradi  
Kothagudem Districts**

Yellandu  
Rudrampur  
Manuguru

**Peddapalli District**

Ramagundam (Godavarikhani)

**Mancherial & Komarambheem Asifabad Districts**

Srirampur  
Mandamarri  
Bellampalli

**Jayashankar Bhoopalpalli District**

Bhoopalpalli



## BOARD OF DIRECTORS

1. *Chairman & Managing Director*  
Sri N. Sridhar (From 1.1.2015 FN)
2. *Director (Operations)*  
Sri S. Chandrasekhar (From 2.5.2017 AN)
3. *Director (Personnel, Administration & Welfare)*  
Sri S. Chandrasekhar (FAC) (From 4.6.2018)
4. *Director (Finance) & CFO*  
Sri N. Balram (From 05.12.2018)
5. *Director (Planning & Projects)*  
Sri N. Balram (FAC) (From 01.08.2020)  
Sri B. Bhaskara Rao (From 2.5.2017 AN to 31.07.2020)
6. *Director (Electrical & Mechanical)*  
Sri D. Satyanarayana Rao (From 25.09.2020 AN)  
Sri S. Shankar (From 1.2.2017 to 31.07.2020)
7. Sri R.R. Mishra (From 7.12.2015)  
*Chairman-cum- Managing Director, Western Coalfields Ltd., Nagpur*
8. Sri PSL Swami (From 26.06.2019)  
*Dy. Secretary, Ministry of Coal, Govt. of India, New Delhi*  
Sri J.S. Bindra (From 9.6.2017 to 05.03.2019)  
*Director, Ministry of Coal, Govt. of India, New Delhi*
9. Sri Ajitesh Kumar (From 05.06.2020)  
*Dy. Secretary, Ministry of Coal, Govt. of India, New Delhi*  
Sri Mukesh Chudhary (From 11.01.2019 to 04.06.2020)  
*Director, Ministry of Coal, Govt. of India, New Delhi*
10. Sri K. Rama Krishna Rao (From 28.6.2014)  
*Principal Secretary, Finance Dept., Govt. of Telangana.*
11. Sri Sandeep Kumar Sultania (From 28.08.2020)  
*Secretary, Energy Dept., Govt. of Telangana.*  
Sri Ajay Misra (From 20.12.2016 to 31.07.2020)  
*Special Chief Secretary, Energy Dept., Govt. of Telangana.*

**Sri B. Muralidhara Rao**

G M (Corporate Affairs) & Company Secretary

**Sri M. Narasimha Reddy**

General Manager (Finance & Accounts)

## BOARD OF DIRECTORS

as on 30.12.2020



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



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



**Sri N. Balram**  
*Director (Finance) & (Planning & Projects) (FAC)*



**Sri D. Satyanarayana Rao**  
*Director (E&M)*



**Sri K. Rama Krishna Rao**  
*Director*



**Sri Sandeep Kumar Sultania**  
*Director*



**Sri R.R. Mishra**  
*Director*



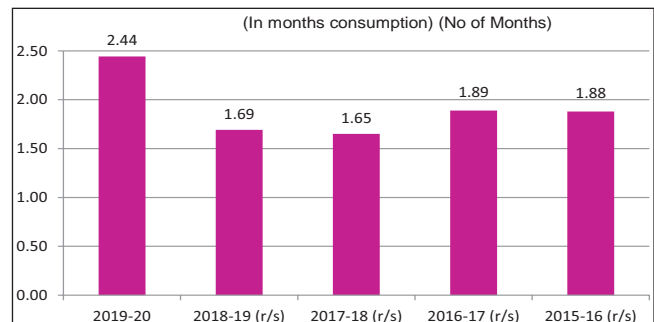
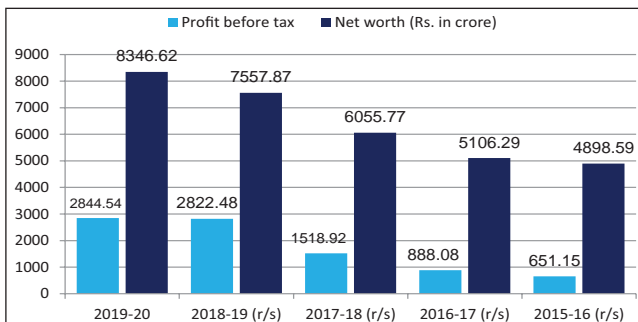
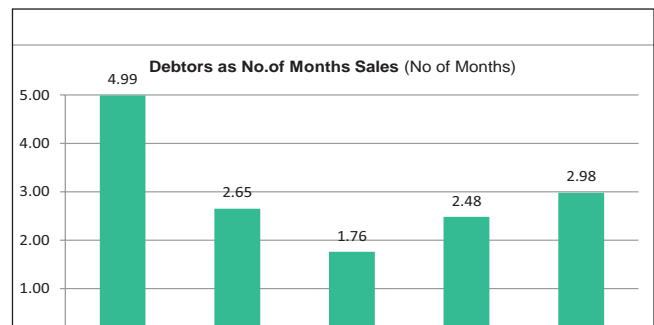
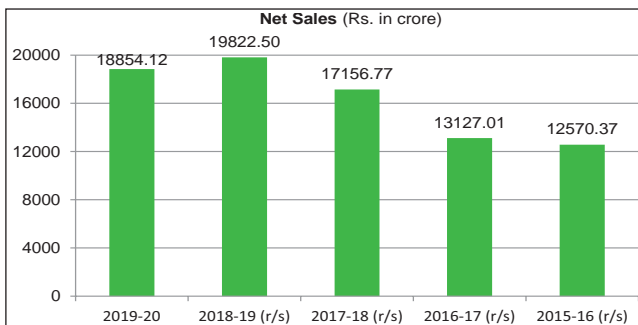
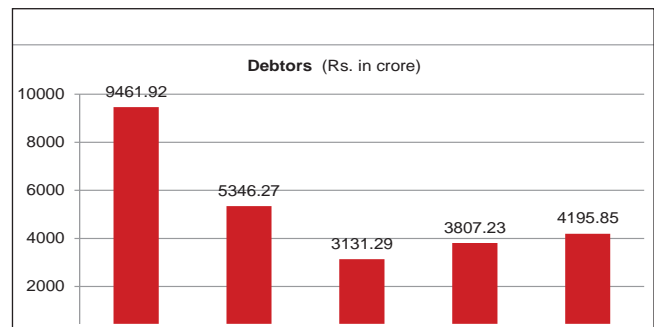
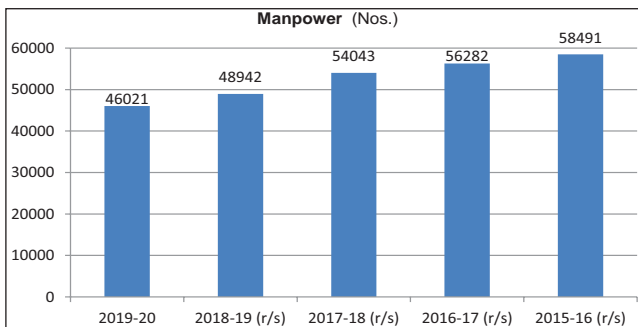
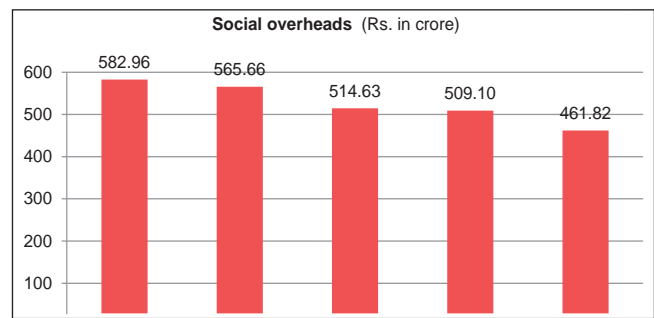
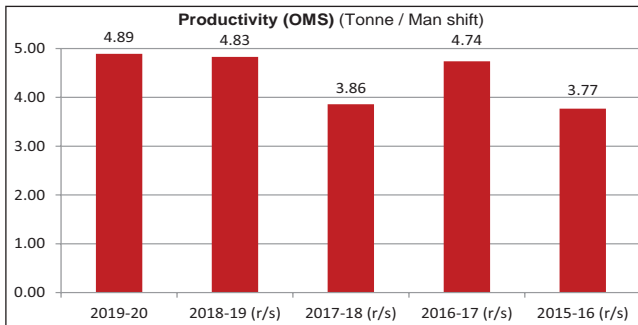
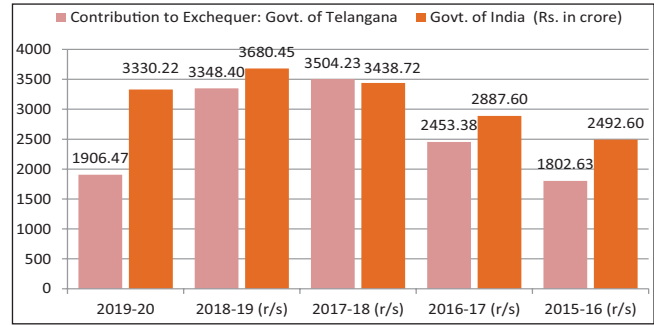
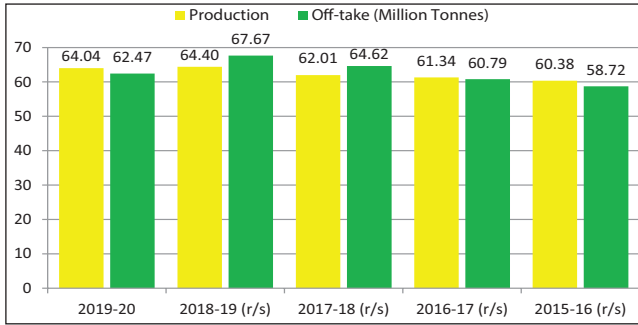
**Sri PSL Swami**  
*Director*



**Sri Ajitesh Kumar**  
*Director*



### Graphs Indicating Important Statistics





## PERFORMANCE INDICATORS AT A GLANCE

SI No.	INDICATORS	UNIT	2019-20	2018-19 (restated)	2017-18 (restated)	2016-17 (restated)	2015-16 (restated)
1	Production						
	a) Opencast	(Lakh Tonnes)	553.78	552.24	537.00	518.21	497.28
	b) Underground	(Lakh Tonnes)	86.66	91.77	83.10	95.15	106.52
	c) Total	(Lakh Tonnes)	640.44	644.01	620.10	613.36	603.8
2	Off-take	(Lakh Tonnes)	624.65	676.69	646.23	607.91	587.22
3	Stock of Coal	(Lakh Tonnes)	34.68	18.64	52.84	79.50	72.71
4	Output per Man Shift	(Tonnes)	4.89	4.83	3.86	4.74	3.77
5	<b>Power Generation From 2x600 MW STPP</b>						
	a) Gross Generation	(Mus)	9226.88	8698.48	9556.50	3523.76	-
	b) Auxiliary consumption	(Mus)	555.65	490.27	552.80	235.26	-
	c) Net export	(Mus)	8671.23	8208.21	9003.70	3288.49	-
	d) Generation prior to CoD	(Mus)	0.00	0.00	-	658.32	-
	e) Generation post CoD	(Mus)	8671.23	8208.21	9003.70	2671.68	-
6	Manpower	(Nos.)	46021	48942	54043	56282	58491
7	Net Sales	(Rs Crore)	18854.12	19822.50	17156.77	13127.01	12570.37
8	Profit Before Tax	(Rs Crore)	2844.54	2822.48	1518.92	888.08	651.15
9	Profit After Tax	(Rs Crore)	993.86	1822.91	1177.77	490.56	616.54
10	Accumulated Profit	(Rs Crore)	4949.18	4264.27	2862.17	2012.69	1904.99
11	General Reserve	(Rs Crore)	1660.40	1560.40	1460.40	1360.40	1260.40
12	Equity Share Capital	(Rs Crore)	1733.20	1733.20	1733.20	1733.20	1733.20
13	Long-Term Debt	(Rs Crore)	3857.20	3843.08	4088.77	4273.72	3956.43
14	Net Worth	(Rs Crore)	8346.62	7557.87	6055.77	5106.29	4898.59
15	Contribution to Exchequer						
	- State Government	(Rs Crore)	1906.47	3348.40	3504.23	2453.38	1802.63
	- Central Government	(Rs Crore)	3330.22	3680.45	3438.72	2887.60	2492.6
16	Earning per Share	(Rs)	5.84	10.61	7.82	3.70	4.19
17	Debt - Equity Ratio	(ratio)	2.23:1	2.22:1	2.35:1	2.47:1	2.28:1
18	Cost of Sales to Sales	(percentage)	84.91	85.76	91.15	93.23	94.82
19	Debtors as No. of months' Sales	(months)	4.99	2.65	1.75	2.48	2.98



## The Singareni Collieries Company Limited

( A Government Company )

Regd. office: Kothagudem Collieries (PO) – 507 101  
Bhadradri 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 99<sup>th</sup> Annual General Meeting of the Company will be held on Wednesday, 30<sup>th</sup> day of December, 2020 at 11.00 am 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 2019-20.
2. To declare dividend @10% on the paid-up equity share capital for the financial year 2019-20.
3. To appoint Directors in place of Sri Rama Krishna Rao and Sri R.R. Mishra who retires by rotation in accordance with Section 152 of the Companies Act, 2013 and under Article 93 of the Articles of Association of the Company and is eligible for re-election.
4. To appoint Directors in place of Sri Ajitesh Kumar and Sri Sandeep Kumar Sultania who retires under Article 98 of the Articles of Association of the Company and is eligible for re-election.
5. To fix the remuneration payable to statutory Auditors appointed by C&AG of India for the financial year 2020-21.

“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 2020-21.”

### SPECIAL BUSINESS:

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

“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 2020-21 as decided by the Board of Directors.”

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

“RESOLVED THAT the sanction be and is hereby accorded for payment of remuneration to Sri N. Sridhar as Chairman & Managing Director of the Company from 1.1.2019 and further continuation beyond five years until his services are withdrawn by the Government on the existing terms & conditions laid before the meeting duly initialled by the Chairman for the purpose of identification”.





8. To consider and if thought fit to pass with or without modification the following resolutions as special resolutions.  
 “RESOLVED THAT the sanction be and is hereby accorded for payment of remuneration to Sri D. Satyanarayana Rao as Director (Electrical & Mechanical) of the Company for a period of 2 years from 25.09.2020 on the terms & conditions laid before the meeting duly initialled by the Chairman for the purpose of identification”.

9. To consider and if thought fit to pass with or without modification the following resolutions as special resolutions.  
 “RESOLVED THAT pursuant to section 180(1)(a) of the Companies Act, 2013 and other applicable provisions if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof, consent of the shareholders of the company be and is hereby accorded, to the Board of Directors of the Company to pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the Company and the whole of the undertaking of the Company to or in favour of State Bank of India & ICICI Bank to secure the amount borrowed by the Company by way of swapping Phase-I & Phase-II loans obtained from PFC and PFC & REC consortium for 2x600 MW STPP.

RESOLVED FURTHER THAT Director (Finance) and Director (Operations) / Director (E&M) be and are hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

By order of the Board

Sd/-

(B. Muralidhara Rao)  
 GM (Corporate Affairs) &  
 Company Secretary

Date : 16 .11. 2020.

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 555<sup>th</sup> meeting held on 03.10.2020 recommended dividend @10% on the paid up equity share capital for the financial year 2019-20. If approved the dividend will be paid to the shareholders as at the opening hours of 31<sup>st</sup> December.2020.
4. The Register of members and Share transfer books of the Company will remain closed from 24.12.2020 to 30.12.2020 (both days inclusive) 7 days accordingly.
5. The shareholders are requested to intimate any change in their address to the Registered office of the Company for sending all correspondence.



## ANNEXURE TO NOTICE

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

### Resolution No.6:

The Board of Directors approved through Circular Resolution No. 2/2020-21 dated 25.09.2020 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 2020-21 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 2020-21 as decided by the Board of Directors.

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

### Resolution No.7:

The Board in the 555<sup>th</sup> meeting held on 03.10.2020 noted that the services of Sri N. Sridhar as C&MD of the Company was extended by the Govt. of Telangana vide G.O.Rt.No.1442 dated 30.09.2020 for a period up to 31.12.2020 on the existing terms and conditions.

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

Approval of the shareholders is sought for payment of remuneration to Sri N. Sridhar from 1.1.2019.

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

### Resolution No.8:

The Board in the 555<sup>th</sup> meeting held on 03.10.2020 co-opted Sri D.Satyanarayana Rao as Director (Electrical & Mechanical) of the Company for a period of 2 years from 25.09.2020 on the terms & conditions contained in the office order No. CRP/PER/C/025/2076.

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 D.Satyanarayana Rao from 25.09.2020.

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

## Resolution No.9:

Earlier loan was taken from PFC & REC consortium for 2x600 MW STPP and Repayment of both the loans has started from January, 2017. The balance outstanding for loan I & II as on 15.08.2020 is Rs.2974 crores and Rs.982 crores respectively. Further informed that for loan I PFC is currently charging interest rate @ 10% and for loan II @ 9.86% and REC charging an average interest rate of 9.76%.

Swapping of loan I of Rs.2974 crores from PFC to State Bank of India at a rate of interest reduced to 7.25% on the terms & conditions and as detailed in sanction letter No. CBH/ADV/RM-I/2020-21/215 dt.9.9.2020 of SBI to make repayment to PFC.

Swapping of loan II of Rs.982 crores from PFC & REC to ICICI Bank at a rate of interest reduced to 6.60% on the terms & conditions to make repayment to PFC & REC.

Approval is sought for swapping of loans I & II of Rs.2974 crores and 982 crores from PFC to State Bank of India & ICICI Bank at a rate of interest reduced to 7.25% and 6.60% respectively on the terms & conditions, creation of security for repayment of loans I & II i.e., hypothecation of project assets by way of first pari-passu charge both present and future assets including Equitable mortgage of Project Land and authorize Director (Finance) and Director (Operations) / Director (E&M) to sign and submit all papers, deeds & documents and to do all such acts, deeds & things as may be necessary for obtaining the loan. The Board recommends the resolution for the approval of the members.

None of the Directors / Key Managerial Personnel / their relatives of the Company is interested in this resolution.



**Sri Anil Kumar Jain, Secretary Coal, conducted a review meeting with Sri N.Sridhar, C&MD, SCCL on February 11, 2020 at Singareni Bhavan, Hyderabad.**



## BOARD'S REPORT

Dear Members,

Your Board of Directors have pleasure in presenting the 99<sup>th</sup> Annual Report and audited financial statements of the Company for the financial year ended on 31<sup>st</sup> March 2020.

### PERFORMANCE:

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

Performance parameters	2019-20	2018-19 (Restated)	% variance over 2018-19
<b>Coal</b>			
Production (in million tonnes)	<b>64.044</b>	64.401	-0.55
Despatches (in million tonnes) (excluding Colliery consumption)	<b>62.47</b>	67.67	-7.68
Productivity (output per man shift in tonnes)	<b>4.89</b>	4.83	1.24
<b>Power (2x600 MW STPP)</b>			
Gross generation (Million Units)	<b>9226.88</b>	8698.48*	6.07
Auxiliary consumption (Million Units)	<b>555.65</b>	490.27	13.34
Net export (Million Units)	<b>8671.35</b>	8208.21	5.64
Gross sales of coal and power (Rs. in crore) (including all taxes)	24207.61	<b>25860.93</b>	-6.39

\* Units were under overhaul during 2018-19.

### OPERATIONAL RESULTS:

The financial performance of the Company for the year 2019-20 as compared to the previous year is as under:

Particulars	(Rs. in crore)	
	2019-20	2018-19 (Restated)
Total revenue	<b>19778.55</b>	20699.36
Profit before interest, depreciation, provisions, tax & prior period adjustments	<b>5705.28</b>	6098.47
Less: Finance Costs	<b>1192.79</b>	1268.55
Depreciation and Amortisation	<b>1601.93</b>	1663.06
Provisions including write-offs	<b>41.50</b>	318.69
Tax expenses (Incl. Tax on OCI)	<b>1850.68</b>	999.57
Other comprehensive income	<b>24.52</b>	25.69
Total comprehensive income – Profit After Tax	<b>993.86</b>	1822.91
<b>Appropriations :</b>		
Dividend	173.32	173.32
Tax on Dividend	-	35.63
Transfer to General Reserve	100.00	100.00

Dividend @10% on the paid up equity capital for the financial year 2019-20 is recommended by your Board of Directors in the 555<sup>th</sup> meeting held on 03.10.2020.

### 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 was Rs.2257.60 crore as against Rs.1229.69 crore incurred in the previous year.

### Foreign exchange earnings and outgo:

The foreign exchange outgo during the year under report was Rs.60.02 crore as against Rs.54.76 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 during the year under report.

## PRODUCTION PERFORMANCE:

### Production from Opencast & Underground mines:

The Company has achieved 64.044 million tonnes of production during the year under report as against the target of 67.000 million tonnes. Out of the total production, Opencast projects have produced 55.378 million tonnes and Underground mines have produced 8.666 million tonnes. The technology-wise details of production achieved during the year under report against the targets as well as achievement in the previous year are as under:

(in million tonnes)

Sl. No.	Technology		2019-20		2018-19 Actual	% variance over 2018-19
			Target	Actual		
<b>1.</b>	<b>Underground</b>					
	a)	Hand section	-	-	0.024	-100
	b)	Machine mining:				
	i.	Road header	0.110	0.044	0.054	-18.52
	ii.	Longwall	1.700	1.909	1.621	17.77
	iii.	High wall	0.150	0.166	0.098	69.39
	iv.	Bolter Miner	0.270	0.099	0.055	80.00
	v.	Side Dump Loaders	5.490	4.713	5.048	-6.64
	vi.	Load Haul Dumpers	1.030	0.740	1.257	-41.13
	vii.	Blasting Gallery	0.300	0.240	0.218	10.09
	viii.	Continuous miner	1.150	0.755	0.802	-5.86
	Total machine mining		10.200	8.666	9.153	-5.32
	Total underground		10.200	8.666	9.178	-5.58
<b>2.</b>	<b>Opencast</b>		56.800	55.378	55.223	0.28
	<b>Total (1 + 2)</b>		<b>67.000</b>	<b>64.044</b>	<b>64.401</b>	<b>-0.55</b>

### Reasons for shortfall in production against the target:

- EC restriction in Opencast mines (MNG OC, RG OC III & KOY OC II) affected the production performance.
- Adverse geo-mining condition in some of the Underground mines.
- Pre Closure of BPA OC II due to safety reason.
- Extended rains up to October, 2019 in all OC mines.



### Overburden removal performance:

During the year under report, the Company has achieved overburden removal of 351.53 million cubic metres in opencast projects as against 377.15 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	2019-20		2018-19	Variance over 2018-19	
	Target	Actual	Actual	Absolute	Percentage
Company equipment	78.00	66.72	66.67	0.05	0.075
Outsourcing	372.00	284.81	310.48	-25.67	-8.268
<b>Total</b>	<b>450.00</b>	<b>351.53</b>	<b>377.15</b>	<b>-25.62</b>	<b>-6.793</b>

### Reasons for shortfall in OB removal:

- Delay in resolving Land issue in SRP OC and RG OC II resulted in less OB removal.
- Poor performance by few OB removal contractors.
- Extended rains up to October, 2019 in all OC mines.

### Utilization of Capacity:

Particulars	2019-20			2018-19		
	Target	Actual	% Achieved against Target	Target	Actual	% Achieved against Target
<b>Capacity Utilization</b>	<b>96%</b>	<b>92%</b>	<b>95.83</b>	<b>97%</b>	<b>97%</b>	<b>100</b>

### 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	2019-20		2018-19 Actual	Variance over 2018-19	
	Target	Actual		Absolute	Percentage
Underground Mines					
- Hand section	-	-	0.59	-0.59	-100.00
- Machine mining	1.46	1.44	1.40	0.04	2.86
Total UG mines	1.46	1.44	1.39	0.05	3.60
Opencast projects	16.50	16.57	16.95	-0.38	-2.24
Overall					
- Mines	6.48	6.37	6.22	0.15	2.41
- Mines & Departments	4.96	4.89	4.83	0.06	1.24



## Performance of HEMM:

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	
	2019-20	2018-19	% availability	% utilisation on SSH	2019-20	2018-19	2019-20	2018-19
Draglines	2	2	85	73	72	76	59 (81)	61 (84)
Shovels	68	70	80	60	87	87	56 (93)	58 (97)
Dumpers	529	508	67	50	87	81	36 (72)	38 (76)
Dozers	112	102	70	45	79	73	26 (58)	26 (58)
Drills	61	65	78	40	81	75	26 (65)	26 (65)
Others	176	174	-	-	76	75	22	23
<b>Total</b>	<b>948</b>	<b>921</b>	<b>-</b>	<b>-</b>	<b>84</b>	<b>79</b>	<b>33</b>	<b>34</b>

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

## Performance of Underground Mining Machinery

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 *	
	2019-20	2018-19	% Availability	% Utilization w.r.t. SSH	2019-20	2018-19	2019-20	2018-19
Longwall	1	1	75	67	62	54	35 (52)	34 (51)
Continuous Miner	4	3	75	42	73	75	22 (53)	25 (59)
Road Header	6	6	83	42	92	87	4 (11)	11 (25)
Blasting Gallery	1	1	91	57	85	85	44 (78)	34 (59)
Load Hauler Dumper	29	36	91	57	80	77	24 (42)	25 (43)
Side Discharge Loader	179	174	91	58	93	91	30 (53)	32 (55)
<b>Total</b>	<b>220</b>	<b>221</b>	<b>-</b>	<b>-</b>	<b>91</b>	<b>88</b>	<b>29</b>	<b>30</b>

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

## MARKETING:

### Target and off-take of coal:

Your Company has achieved 62.46 million tonnes off-take of coal during the year under report, against the target of 68.00 million tonnes. During the year, the Company has got 84 new customers under power, non-power and e-auction categories. The Company has entered into MoUs with 7 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.



(in million tonnes)

Sector	2019-20			2018-19		
	Target	Off-take	% Achieved	Target	Off-take	% Achieved
Power	54.00	52.92	98.00	53.00	55.39	104.50
Cement	3.20	2.19	68.43	3.28	2.94	89.60
Captive power	3.40	3.17	93.23	4.19	3.70	88.30
Heavy Water Plant	0.60	0.38	63.33	0.60	0.34	56.60
Sponge Iron	0.30	0.11	36.66	0.28	0.20	71.40
Other Industries	6.50	3.69	56.76	5.65	5.10	90.00
<b>Total</b>	<b>68.00</b>	<b>62.46</b>	<b>91.85</b>	<b>67.00</b>	<b>67.67</b>	<b>101.00</b>

### Mode of dispatches:

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

(in million tonnes)

Year	Rail	Road	Merry-go-round	Rope-way	Total
<b>2019-20</b>	<b>44.39</b>	<b>9.50</b>	<b>8.19</b>	<b>0.38</b>	<b>62.46</b>
2018-19	45.46	13.50	8.37	0.34	67.67
Absolute increase/ decrease	-1.07	-4.00	-0.18	0.04	-5.21

### Rake Loading performance:

(No of Rakes\*)

Year	Target	Actual
<b>2019-20</b>	<b>11867</b>	<b>11834</b>
2018-19	11168	12372

\* Rake consists of 57 to 59 wagons.

### Measures taken for improving the quality of Coal:

Measures taken for improving the quality of Coal are as under:

- Quality assurance week was conducted from 14.11.2019 to 20.11.2019.
- 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 and Manuguru Areas.

### EXPLORATION ACTIVITIES:

244.93 million tonnes of reserves were proved during the year under report against 178.79 million tonnes proved in the previous year. With this the total proved reserves in Godavari Valley Coalfield have gone up to 11394.76 million tonnes as on 31.3.2020. The coal extracted by the Company in the Godavari Valley Coalfield up to the year



2019-20 was about 1595.71 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 two strikes. The details of strikes, mandays and production lost in the previous year are as under:

Particulars	Unit	2019-20	2018-19
Strikes	No.	02	Nil
Mandays lost	No.	52239	Nil
Production lost	Tonne	98755	Nil

## 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 hospital 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 employees to Rs.26,292.97 i.e., equivalent of minimum basic of category-I as per 10<sup>th</sup> wage agreement of NCWA employees.
- The overall housing satisfaction as on 31.3.2019 was 100% as against 100% at the end of previous year.
- Measures are being taken for continuous improvement of Company's hospitals.
- There are 19 swimming pools throughout the Company for the benefit of employees.
- Yoga & Meditation camps were conducted extensively in all 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 21<sup>st</sup> June, 2019 in which 1,27,437 employees and their dependants were participated all over the Company areas.
- In the spirit of the above, a mega yoga programme was organised for 5 days from 17<sup>th</sup> to 21<sup>st</sup> June, 2019 in all areas of SCCL with 127437 participants on the eve of International Yoga Day.
- 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 has 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.

### **Social Overheads:**

During the year under report an expenditure of Rs 582.96 crore was incurred on various social overheads as against Rs.565.66 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;

- About 4,905 dependants of employees / Ex-employees and locals have undergone training in Skill development programmes through KGMV in different vocational trades like Computer DTP, Maggam work, Tailoring, Beautician, Fashion designing etc. Out of the above, 1185 candidates have successfully completed training and served certificates from KGMV, 3720 have to appear for examination.
- 60 candidates have undergone training in Pre-Primary Teacher Training at Corp. area, 30 in Spoken English, through local service providers.
- 100 candidates have undergone Light Motor Vehicle driving course at different Areas of SCCL.
- A total of 92 candidates were trained in VOLVO Truck driver training at VOLVO Company training center, Bangalore.
- Under PMKVY scheme, a total of 450 women at RG.3 area and at RG-2.Area completed free training in Pickles / Spice processing / Baking / Snacks making course.
- Financial support is being continued to Master EK Society, Kothagudem area for Homeo medical care.
- ST Homes of Kothagudem (Vanavasi Kalyana Paraishad) & Mandamarri (Ramji Gond Vidyarthi Nilayam) were adopted for free education, uniforms, school bags, books etc. Vidya volunteers at BPA (9) and MNG (1) areas were engaged for educare of R&R centers and PAPs children.
- Special children were supported by the Company, who are associated with Satya Sai Deaf & Dumb School, Manuguru.
- About 272 candidates were trained at all Areas and attended Army recruitment rally held at during October, 2019. 162 candidates were selected in physical endurance and 114 cleared medical test.
- As a part of 'Telanganaku Haritha Haram' programme of the Govt. of Telangana, the Company has planted saplings throughout the Areas.



**Employees' residential colony in Bhupalapalli Area**



**Eco-friendly park in Manguru Area**



**C&MD Sri N.Sridhar Visiting Forest Department stall arranged in connection with Singareni Day (Kothagudem)**



**Sri N.Balaram Director (Finance) addressing the youth undergoing Security Guard training in Sainik School Secunderabad**



## 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 2019-20 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.

- Commissioning of Railtel 40 MBPS connection at Ctrl-s DC centre, Hyderabad.
- Enhancement in CPRMS web application.
- Web based application in & out pertaining to men, material, vehicles and ash trucks at STPP.
- Implementation of environment Air PPM (post project monitoring) system.
- Migration of all web servers OS to Windows 2019 servers.
- Web based application was developed to view ERP admittance data versus GPS enabled trucks for coal truck movement monitoring

## SAFETY STATUS:

Your Company is taking all measures for improving the safety status in mines. Corporate and Region level Safety Review Meetings were conducted regularly. Safety Audit was 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
2019-20	7	7	122	123	0.11	1.92
2018-19	7	7	186	186	0.11	2.89

## 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 projectors, 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

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

Sl. No.	Particulars of training programmes	2019-20		2018-19	
		Executives	Non-Executives	Executives	Non-Executives
1.	In-house	366	258	723	96
2.	Within the country	687	153	594	90
	- External training				
	- Service training (Skill development)	-	22	-	-
3.	Outside the country	11	-	6	-

### Manpower:

The manpower of the company has come down from 48,942 as at the end of the previous year to 46,021 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 decreased during the year under report by 3.41% over the previous year as detailed below:

Description	2019-20		2018-19		% decrease over 2018-19
	Target	Actual	Target	Actual	
Specific energy consumption in KWH/tonne	14.50	11.31	14.50	11.71	3.41

### 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 2018-19.

### PROJECTS AND SCHEMES:

#### Projects/schemes under implementation:

As at the end of September 2020, there are 13 coal mining projects, (11 Opencast and 2 Underground) under various stages of implementation with a sanctioned capital cost of Rs.3928.29 crore. The implementation of 4 projects is as per schedule, 9 Projects is 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 2019-20 within its delegated powers:

Sl. No.	Name of the Project	Sanctioned Capital (Rs. crore)	Capacity per annum (MTPA)	Approved on
1.	FR of Godavari Khani coal mine (No.2 & 2A & No.5)	438.98	3.00	26.07.2019
2.	RCE of RKP OCP	104.19	2.20	22.02.2020
3.	FR of Naini Coal Mine	494.30	10.00	11.03.2020

## 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 2019-20, 9226.88 MU of power was generated from both the units and 8672.32 MU of power was exported to TSDISCOMs. STPP has achieved 100% PLF (Total station as well as both units) in February 2020. STPP Unit-1 has achieved 100% PLF during September 2018, November 2018, February 2019 and February 2020, while Unit-2 has achieved 100% PLF during July 2018, September 2018, October 2018, January 2019, February 2019 and February 2020. Highest monthly Station Availability 95.83% was achieved. Station achieved 100% availability during the months of September'19, November'19, and February'20. Lowest ever Specific Oil Consumption (SOC). 41,000 plants were planted in vacant patches of STPP during the year and their survival was 90%.

## Flue Gas Desulphurisation System (FGD):

The Board Directors in the 548<sup>th</sup> 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 3<sup>RD</sup> 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. 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 of Directors in the meeting held on 11.05.2018, approved to set up 300 MW capacity solar plants in SCCL at 9 locations with a capital outlay of Rs.1361.5 crores.
- Accordingly, EPC order for 1<sup>st</sup> phase 129 MW solar plants was awarded to M/s BHEL and the work is under progress.



S.No.	Area	Solar plant capacity (MW)	Probable date of commission	Date of synchronisation
1	Manuguru	30	31.07.2020	Delayed due to Lock down
2	Yellandu	39	10 MW by 31.08.2020	Delayed due to Lock down
3	Ramagundam -3	50	10 MW by 31.08.2020	Delayed due to Lock down
4	STPP	10	Commissioned	10.01.2020 – 5 MW 10.02.2020 - 5 MW

- Similarly EPC order for 2<sup>nd</sup> phase 90 MW solar plants was awarded to M/s Adani Infra (India) Ltd. and the work is in under progress at Kothagudem, Bhupalapalli and Mandamarri Areas.

S.No.	Area	Solar plant capacity (MW)	Probable date of commission
1	Mandamarri stg-1	28	31.12.2020
2	Mandamarri stg-2	15	31.12.2020
3	Bhupalapalli	10	31.12.2020
4	Kothagudem	37	31.12.2020

- The generated solar energy from the existing solar plants is as below.

S.No.	Plant capacity, Location	Type of plant	Solar energy generated (Lakh. kWh) during FY 19–20
1	4 kWp, MMR Guest House	Roof Top	0.06
2	10 kWp, RG3 GM office	Roof Top	0.07
3	60 kWp, Singareni Bhavan, HYD	Roof Top	0.86
4	100 kWp, SC Polytechnic, SRP	Ground mounted	1.00
5	STPP 10 MW	Ground mounted	18.95
	<b>TOTAL</b>		<b>20.94 lakh units</b>

- The third phase 81 MW solar plants: In tender stage at the following locations.

1. 5 MW – Floating Solar plant @ Dorli OC2 void
2. 10 MW - Floating solar plant @ STPP Raw water reservoir,
3. 22 MW – OB Dump based SPV @ RG OC1 Dump,
4. 10 MW – OB Dump based SPV @ Dorli OC1 Dump,
5. 23 MW – Ground mounted SPV @ Garimellapadu, Kothagudem,
6. 11 MW – Ground mounted SPV @ Chennur.

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

During the year under report, plantation was done on OB dumps in 478.50 Ha. with 26,89,569 seedlings, Block plantation in 225 Ha., with 2,89,934 seedlings, avenue plantation in 8 KMs with 3700 seedlings and free distribution of saplings to Institutional & Home stead in 97.50 Ha. with 4,78,679 seedlings (Total area -809 Ha ). 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 20 parks and 118



gardens throughout coal belt areas. There is a total stock of 47.74 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) 81.36 lakhs of saplings for 5<sup>th</sup> 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 are getting depleted @ faster rate in Reserve forest areas. Ex: *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;

R&D designed and developed Standard Penetration Test (SPT) equipment with available waste materials in association with Central Workshop & Exploration Workshop –Three numbers of equipments developed and distributed to all three regional Exploration Departments for taking up soil tests of foundation characteristics for proposed external OB dump sites at all upcoming OCPs.

63 SPT'S were conducted during 2019-20. Thus saving of around Rs157.50 Lakhs.

R&D designed and developed core recovery compact adopter which will be used with pneumatic roof bolter for RMR studies.

10 adopters were developed and handed over to each Agent of underground mines to get the RMR studies for preparation of scientific reports

Blade angle of 150kW MAMC fan of RK 8 Incline has reduced in view of retreat of mine, resulted in savings of energy cost by about Rs.17.66 lakhs per annum.

Procured 6 tones of Long Pull HP explosives to improve output/blast performance so as to provide improved coal availability at face with the existing resources. If, this is proved successfully, coal availability at faces for SDLs deployed will be improved and thus leads to performance improvement.

Procured 10,000 Nos. of electronic detonators for efficient safe blasting near the habitations in OCP. Most of the OCPs in SCCL are near/adjoin the habitations. So, associated danger with blasting can be mitigated by adopting electronic detonators.

Asset transfer of 6 numbers of SAGES and Truck mounted automatic coal quality samplers were developed under S&T grants of MoC to SCCL.

Developed and implemented the following web application for strengthening safety of the mine:

- Strata Monitoring System for underground mines to understand the roof and strata behavior.
- Slope Monitoring System for open cast projects. This will initiate SMS alerts on the TARP of the respective project as compliance of the recent DGMS circular.

- Procured & installed LiDAR slope monitoring equipment at GK OCP for safe working first of its kind in India. This is laser based detection system with a cost of around Rs.1.25 crore as against Rs.6.0 crore of RADAR-slope monitoring equipment. The performance is under evaluation and will be replicated in all required OCPs for promoting safety standards.

The expenditure incurred on R&D during the year under report is Rs 3.73 crore as against Rs.4.21 crore incurred in the previous year. The expenditure on R&D is 0.02% of turnover.

### Future plan of action of R&D:

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.

Further to meet the requirement of UG and OCP mines in preparation and submission of scientific reports for getting specific approvals from DGMS and for compliance of CMR-2017.

- All the scientific reports for LW, BM and CM technologies shall be conducted from in house.
  - All OCP pit slope and dump stability studies shall be conducted from in house.
  - Procurement of Galena Software for preparation of scientific report of OCPs
- Establishing in house explosives for assessment of quality of explosives being supplied by different firms & NDT testing by developing in-house expertise by procuring the following:

- i. VOD mate
- ii. SME bulk explosive analyzer.
- iii. NDT equipment

Establishing manufactured Sand Plants for generation of sand from over burden for civil construction purpose under 'BOO' concept.

- Proposed to establish one small scale manufactured Sand Plant from SCCL available scrap materials. This plant will use POB as in-put and generates civil construction sand.

Introduction of new blasting techniques like Auto stem for working very close to the habitations.

Establishing geo-thermal energy pilot power plant of 20kw capacity at Manuguru area under S&T grants or under CSR activity.

Establishing foam plast as leak proof agent applied against the isolation stopping's in LW.

### 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.
- 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 selected topics to review systems and procedures etc.

During the year under report, the Internal Audit dept., verified 10764 suppliers bills, civil bills, etc. valuing Rs.4466.78 Crore under pre-audit and disallowed an amount of Rs.537.47 lakhs. Further, Internal Audit verified 2486 bills valuing Rs.93.47 crore under post-audit and advised for recovery of an amount of Rs.3.43 lakhs.

During wages audit, internal audit disallowed an amount of Rs.66.14 lakhs under pre-audit and Rs.112.01 lakhs under post-audit.

The status of compliance of Internal Audit memos issued against post-audit checks as on 31.3.2020 when compared to the end of previous year (31.3.2019) 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)		
31.3.2020	1833	513.54	1760	473.35	95	40.19	96	92
31.3.2019	1589	397.09	1524	383.14	65	13.95	96	97

## VIGILANCE:

During the year under report, while 37 cases were pending at the beginning, 100 cases were received during the year 2019-20. The Vigilance dept. has submitted reports in 92 cases and 45 cases were pending as on 31.3.2020. Based on the reports submitted by the Vigilance department action was taken on 62 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 issuing HSD oil to contractors, 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 31<sup>st</sup> March, 2020 as at the end of previous year. During the year 2019-20 the Company has incurred a loss of Rs.350 lakhs as against Rs.837 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, GoI 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, GoI on the subject.

### 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.62,72,80,993.64
Not on arms length basis:	Rs. 8,08,13,142.00
<b>Total</b>	<b>Rs.70,80,94,135.64</b>

Details are given in Form-AOC-2 as Annexure-II

### NEW BUSINESS INITIATIVES:

SCCI has diversified its activities in Thermal Power generation , Solar Power plants, Explosives manufacturing for blasting in OC mines etc. Accordingly, SCCL has planned to install 300 MW Solar Power plants. 10MW Solar power plants has already been commissioned.

Executed Agreement for New Patrapara Coal block in Odisha State on 23.09.2019 and obtained the allotment order from Nominated Authority on 30.10.2019.

### 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 proposal is under process 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:

- ✓ Core sample collection by drilling & analysis of samples to prepare Grade of coal report for Tadicherla-I Coal mine of TSGENCO.
- ✓ Vetting of Mine Plan & Mine Closure Plan of Sarisatolli Coal mine of M/s.CESC, Kolkata.
- ✓ Pre-level survey & joint measurement with MDO quarterly at Tadicherla-I coal mine of TSGENCO.
- ✓ Imparting initial training in rescue & recovery to the employees of Rampura-Agucha mines of M/s.HZL Hutti Gold mines & refresher practice to Active Rescue Trained Persons of M/s.UCIL.
- ✓ Executed agreement for New Patrapara Coal Block in Odisha state on 23.9.2019 and obtained the allotment order from Nominated Authority on 30.10.2019.

## 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 539<sup>th</sup> 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 2019-20, 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 2019-20, 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 47<sup>th</sup> meeting of Audit Committee, the Board of Directors in the 550<sup>th</sup> meeting held on 26.07.2019 appointed M/s.R.M. Bansal & Co, as Cost Auditors of the Company for the financial year 2019-20.

### Internal Auditor:

The Board of Directors has appointed Sri M.Subba Rao, GM(F&A) (Internal Audit) as Internal Auditor of the Company under Section 138 of The Companies Act, 2013.

### Chief Financial Officer:

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 Sandeep Kumar Sultania, 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 PSL Swami, Deputy Secretary, Ministry of Coal, Govt. of India and Sri Ajitesh Kumar, 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 2011-12 remained unpaid/unclaimed for a period of 7 years from the date of transfer to unpaid/unclaimed dividend account in respect of 23 shareholders holding 2,321 shares amounting to Rs.23,210/- paid up share capital. As on today Rs.1,49,340/- from 116 shareholders have been transferred to IEPF authority. These shareholders have not claimed subsequent 6 years dividend. It is therefore transferred 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
549	06.05.2019	9	8
550	26.07.2019	10	9
551	14.11.2019	10	8
552	22.02.2020	10	8



### Audit Committee:

Meeting No.	Date of Meeting	Total Strength of the Board	No. of Directors Present
46	06.05.2019	5	3
47	26.07.2019	5	4
48	14.11.2019	5	3

### Technical Committee:

Meeting No.	Date of Meeting	Total Strength of the Board	No. of Directors Present
2/2019	06.05.2019	4	4
3/2019	26.07.2019	4	3
4/2019	14.11.2019	4	3
1/2020	22.02.2020	4	4
2/2020	11.03.2020	4	4

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

Meeting No.	Date of Meeting	Total Strength of the Board	No. of Directors Present
NIL			

### Corporate Social Responsibility (CSR) Committee:

Meeting No.	Date of Meeting	Total Strength of the Board	No. of Directors Present
13	6.5.2019	3	3
14	25.7.2019	3	3
15	21.2.2020	3	3

### DIRECTORS:

Sri N. Sridhar, IAS is continuing as C&MD of the Company from 1.01.2015 as appointed by the Govt., of Telangana vide GO Rt. No.53 dt.31.12.2014 of Energy (HR.A1) Dept.

Sri N.Balram, IRS is continuing as Director (Finance) from 5.12.2018 and as CFO of the Company from 13.03.2019.

Sri S.Shankar has been Director (Electrical & Mechanical) of the Company from 1.02.2017 to 31.07.2020. Later Sri D. Satyanarayana Rao has been appointed as Director (Electrical & Mechanical) of the Company w.e.f., 25.09.2020 AN.

Sri S. Chandrasekhar is continuing as Director (Operations) from 2.05.2017. He is holding full additional charge of the post of Director (P.A&W) w.e.f., 20.05.2018 and also full additional charge of the post of Director (E&M) from 1.08.2020 to 25.09.2020 FN.



Sri B. Bhaskara Rao has been Director (Planning & Projects) of the Company from 02.05.2017 to 31.07.2020. Sri N.Balram, IRS, Director (Finance) is holding full additional charge of the post of Director (Planning & Projects) from 01.08.2020

Sri K. Rama Krishna Rao, IAS, Principal Secretary, Finance dept., Govt. of Telangana is continuing as Director on the Board of the Company from 28.06.2014 afternoon.

Sri Ajay Misra, IAS, Spl. Chief Secretary to Govt., Energy department, Govt. of Telangana has been Director of the Company from 20.12.2016 to 31.07.2020. Later Sri Sandeep Kumar Sultania, IAS, Secretary to Govt., Energy department, Govt. of Telangana has been appointed as Director on the Board of the Company from 28.08.2020.

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

Sri PSL Swami, Deputy Secretary, Ministry of Coal, Govt. of India has been appointed as Director on the Board of the Company from 26.06.2019.

Sri Mukesh Choudhary, Director, Ministry of Coal, Govt. of India has been Director on the Board of the Company from 11.01.2019 to 04.06.2020. Later Sri Ajitesh Kumar, Dy.Secretary, Ministry of Coal, Govt. of India has been appointed as Director on the Board of the Company from 05.06.2020.

Your Directors wish to place on record their appreciation of the valuable services rendered by Sri Ajay Misra, Sri Mukesh Choudhary, Sri S.Shankar and Sri B. Bhaskara Rao as Directors on the Board of the Company.

During the year under report 4 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 : 3.10.2020  
Place : Hyderabad



**Rescue team members donating blood in a blood donation Camp organized by  
RED CROSS SOCIETY**

**Annexure - I****REPORT ON CSR ACTIVITIES FOR THE YEAR 2019-20****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 549<sup>th</sup> meeting held on 6-5-2019 has accorded approval for earmarking CSR Budget for an amount of Rs.40 crore for the financial year 2019-20 as recommended by CSR Committee as per approved policy of Company.

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

**SALIENT FEATURES OF CSR POLICY****Objective:**

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

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

**Major Thrust Areas:**

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

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

**Geographical area to be covered:**

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

**Implementation:**

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

## 2. Composition of CSR Committee:

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

- 1) Sri N.Sridhar - 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

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

Year	Net profit calculated in accordance with provisions of Section 198 of the Companies Act, 2013(Rs. in crore)
2016-17	888.08
2017-18	1,518.92
2018-19	2,822.49
Total	5,229.49
Average Net Profit	1,743.16

## 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. 34.86 crore

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

- a) Total amount to be spent for the financial year 2019-20 as per CSR Budget approved by the Board (equivalent of 2.29 % of average profits of preceding 3 years i.e., more than the prescribed expenditure) - Rs. 40.00 crore
- b) Amount unspent if any - Rs.29.77 crore

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

**Statement showing details of CSR activities undertaken during the financial year 2019-20**

(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	Providing Chairs and LCD projector system etc. to Orthopedic Department, Osmania General Hospital, Hyderabad.	ii	Other Area, Hyderabad, Hyderabad District, Telangana State	5,00,000	5,00,000	5,00,000	Directly
2	Providing fencing for development of Garden at Kothagudem RTC Bus stand under CSR.	x	Local Area, Kothagudem, Bhadradi Kothagudem District, Telangana State	2,62,000	1,25,000	1,25,000	Directly
3	Providing CCTVs and its peripherals to keep effective surveillance at all crime prone areas in Kothagudem.	x	Local Area, Kothagudem, Bhadradi Kothagudem District, Telangana State	6,00,000	6,00,000	6,00,000	Directly
4	Organizing Medical camp at Mulkalapalli Mandal, Bhadradi Kothagudem District.	i	Local Area, Mulkalapalli Mandal, Bhadradi Kothagudem District, Telangana State	97,000	-	-	
5	Swachtha Hi Seva programme - 2019.	i	Local Area, Coal Belt Districts, Telangana State	4,55,000	3,30,379	3,30,379	Directly
6	Swachtha Pakhwada programme - 2019.	i	Local Area, Coal belt areas/ Districts, Telangana State	6,75,000	4,82,760	4,82,760	Directly
7	Establishment of Library in the existing Government Building in Thirumalagiri village of Balanagar Mandal in Mahabubnagar District.	ii	Other Area, Thirumalagiri village of Balanagar Mandal, Mahabubnagar District, Telangana State	5,00,000	5,00,000	5,00,000	District Collector Mahabubnagar
8	Construction of 400 mtrs running track and open GYM in Odisha Forest Ranger's College, Angul under CSR Activity.	vii	Local Area, Angul, Angul District, Odisha State	21,00,000	18,03,723	18,03,723	M/s. Nilakanta sahu, Angul
9	Providing compound wall, toilets to Govt. English school at Kothagudem	i	Local area, Kothagudem, Bhadradi Kothagudem district, Telangana state	64,75,000	17,09,659	17,09,659	District Collector Bhadradi Kothagudem
10	Procurement of 3 Lakh no. of fruit bearing plants to distribute in the coal belt areas/districts under CSR during Telanganaku Haritha Haram programme-2018	iv	Local Area, Coal belt Districts, Telangana State	1,93,94,100	54,52,155	1,01,93,300	Directly



(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)
11	Procurement of Eucalyptus clones freely distributed to the farmers in Telangana State through the MP's, MLA's and District Collectors etc. under Telanganaku Haritha Haram programme during 2019 planting season	iv	Local and Areas, all Districts of Telangana State	1,60,00,000	47,21,465	47,21,465	Directly
12	Supply of LED street lights under CSR to Kakarlapalli, Lingapalem, Kotha Lankapalli and Thallamada villages of Sathupalli.	x	Local area, Kakarlapalli, Lingapalem, Kotha Lankapalli and Thallamada villages of Sathupalli, Khammam District, Telangana State	9,75,000	8,61,835	8,61,835	Directly
13	Formation of Motorable road to the uphill temple of Lord Sri Lakshmi Narasimha Swamy Temple, Nacharam village, Dammameta Mandal, Telangana State.	v	Local area, Nacharam village, Dammameta Mandal, Near Sathupalli, Bhadradi Kothagudem District, Telangana State	53,00,000	-	-	-
14	Providing of textbooks, shoes, belts etc. for 45 poor students of Mandal Parishad Primary School of Kistaram (v), Sathupalli.	ii	Local Area, Kistaram village of Sathupalli Area, Khammam District, Telangana State	50,000	37,650	37,650	Directly
15	Renovation of conference hall in 1st floor of Nyaya Seva Sadan, Building in the District Court Complex, Khammam.	x	Local Area, Khammam, Khammam District, Telangana State	12,50,000	11,16,099	11,16,099	Directly
16	Certain additional enhanced work for renovation of conference hall in first floor of Nyaya Seva Sadan building in District Court Complex, Khammam.	x	Local Area, Khammam, Khammam District, Telangana State	2,50,000	-	-	-
17	Laying CC roads in villages and Mandals of Sathupalli Assembly constituency.	x	Local Area, villages and Mandals of Sathupalli constituency, Khammam District, Telangana State	2,00,00,000	-	-	-
18	Providing financial aid towards payment of Honorarium for hired Hindi Teacher of Z.P.S. School Rejerla village, Sathupalli Mandal.	ii	Local Area, Rejerla village of Sathupalli Mandal, Khammam District, Telangana State	60,000	20,000	20,000	Directly



(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)
19	Providing CC path ways, renovation of girls toilets, extension of store shed, seating for dining, water supply arrangements etc. to Govt. School at Rejarla village, Sathupalli.	ii	Local Area, Rejarla village of Sathupalli Mandal, Sathupalli Constituency, Khammam District, Telangana State	14,00,000	-	-	
20	Renovation/repair works to community hall such as CC path way, toilet repair, wall over the stage, water supply arrangements etc. at Ambedkar Colony, Penagadapa village.	x	Local Area, Ambedkar colony Grama-panchayat, Penagadapa village, Near GK OCP, Bhadradi Kothagudem District, Telangana State	7,85,000	-	-	-
21	Procurement of 1000 Nos of T-Shirts for Mission Plastic Free Khammam.	i	Local Area, Khammam District, Telangana State	2,00,000	2,00,000	2,00,000	District Collector Khammam
22	Road & drain works in Sathupalli Nagarapanchayat.	x	Local Area, Sathupalli Nagarapanchayat, Sathupalli, Khammam District, Telangana State	2,00,00,000	3,49,954	1,79,62,489	District Collector Khammam
23	Laying of CC/BT roads, drains etc., in Sathupalli Nagara Panchayat under CSR.	x	Local area, Sathupalli Nagara Panchayat, Khammam dist, Telangana state	85,00,000	29,89,419	75,80,036	District Collector Khammam
24	Laying of CC roads in Kistaram (v), Sathupalli Mandal under CSR.	x	Local area, Kistaram village in Sathupalli Mandal, Khammam Dist, Telangana state	85,00,000	10,50,000	42,98,748	District Collector Khammam
25	Laying of CC roads, drains etc., in Rajeev Nagar, Siddaram GP, Sathupalli under CSR.	x	Local area, Siddaram Grama Panchayat, Sathupalli, Khammam dist, Telangana state	30,00,000	3,24,834	22,52,987	District Collector Khammam
26	Roads and drains works pertaining to Sathupalli, Kistaram and Rejerla of Khammam Dist. under CSR.	x	Local Area, Sathupalli, Kistaram and Rejerla, Khammam District, Telangana State	2,00,00,000	51,35,149	1,11,35,169	District Collector Khammam
27	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	34,99,039	49,99,039	District Collector Khammam
28	Providing bore wells with hand pumps and deep bore wells in the surrounding villages of JVR OC, Sathupalli	i	Local Area, Sathupalli Constituency, Khammam District, Telangana State	21,77,000	6,87,000	15,75,000	Directly



(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)
29	Construction of toilets in the premises of Hon'ble Sr. Civil Judge court, Sathupalli	x	Local Area, Sathupalli, Khammam District, Telangana State	2,00,000	1,98,000	1,98,000	Directly
30	Providing 20 bore wells for drinking water in the surrounding villages of Koyagudem Open Cast Project-III and Thadikalapudi Railway siding of Yellandu Area.	i	Local Area, Koyagudem OCP-III and Thadikalapudi surrounding villages of Yellandu Area, Bhadradi Kothagudem District, Telangana State.	16,00,000	-	-	
31	Providing of R.O plant one each at Erya and Thavurya Thandas.	i	Local Area, Erya and Thavurya Thandas, Tekulapally Mandal, Near Yellandu Area, Bhadradi Kothagudem Dist. Telangana State	4,00,000	-	-	
32	Providing certain infrastructure facilities such as roads, bore wells, R.O plants etc. at Thadikalapudi village, near Yellandu.	x	Local Area, Thadikalapudi village, Near Yellandu Area, Bhadradi Kothagudem Dist, Telangana State	53,90,000	1,97,688	1,97,688	Directly
33	Development activities such as renovation works and providing toilets in Govt. Junior and Degree colleges of Yellandu - Providing R.O mineral water plant at Old bus stand, Yellandu and at Bethampudi Darga, Tekulapalli Mandal.	x	Local Area, Tekulapalli Mandal and Yellandu, Yellandu Constituency, Bhadradi Kothagudem District, Telangana State	20,00,000	-	-	
34	Construction of stone masonry dividers and providing central lighting in Tekulapally Mandal headquarters limits on Tekulapally – Gundala road from KM 0/0 – 1/0 in Bhadradi Kothagudem Dist.	x	Local Area, Tekulapalli Mandal, Yellandu Constituency, Bhadradi Kothagudem District, Telangana State	1,04,00,000	-	-	
35	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	57,74,033	67,63,811	District Collector Bhadradi Kothagudem
36	Providing of tree guards for avenue plantation in different parts of Manuguru and surrounding villages.	iv	Local Area, Manuguru, Bhadradi Kothagudem District, Telangana State	15,00,000	5,90,000	5,90,000	Directly
37	Plantation at Govt. ITI campus and Court campus, Manuguru under CSR.	iv	Local Area, Manuguru, Bhadradi Kothagudem Dist. Telangana State	1,00,000	-	-	



(In Rupees)

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
38	Providing Iron fencing with Main gate around the premises of Court of Judicial Magistrate of First Class, Manuguru to safe guard the plants and to fill up the OB in the premises of the Court for plantation.	iv	Local Area, Manuguru, Bhadradi Kothagudem District, Telangana State	5,00,000	-	-	
39	Construction of CC roads and side drains in Gramapanchayats of Manuguru Mandal, Pinapaka Assembly constituency.	x	Local Area, Gramapanchayats of Manuguru Mandal, Bhadradi Kothagudem District, Telangana State	1,91,00,000	-	-	
40	Laying cc roads at Gandhinagar, Manuguru	x	Local Area, Manuguru, Bhadradi -Kothagudem District, Telangana State	64,34,000	3,14,060	51,16,652	Directly
41	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	9,14,814	13,76,433	Directly
42	Drilling of bore holes at public toilets in bazar area, Bandarigudem, Manuguru	i	Local Area, Bandarigudem, Manuguru, Bhadradi Kothagudem district, Telangana State	1,17,000	91,651	91,651	Directly
43	Cultural Event – Qadir Ali Baig Theatre Festival in Hyderabad.	v	Other Area, Hyderabad, Hyderabad District, Telangana State	3,00,000	3,00,000	3,00,000	Directly
44	Financial assistance for Cricket Tournament and village Jathara/fair in Karodabhal village of Naini Coal Block, Angul District.	v, vii	Local Area, Karodabhal village, Naini Coal Block, Angul District, Odisha State	2,00,000	1,70,000	1,70,000	District Collector Angul
45	Raising and first year maintenance of Avenue plantation all along the Rajeev Rahadari road from Mugdumpur to Bandampally by SCCL under Telangana Ku Haritha Haram, Phase-V during 2019 planting season – a length of 24 KM.	iv	Local Area, Rajeev rahadari road of Godavarikhani, Peddapalli District, Telangana State	1,59,20,000	68,33,730	68,33,730	Directly





(In Rupees)

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
46	Development of greenery in Peddapalli Municipality including raising of avenue plantations in all the approach roads/internals roads, beautification of medians, block plantation in vacant patches and landscaping of traffic islands etc. by SCCL under Telangana Ku Haritha Haram during 2019 planting season.	iv	Local Area, Peddapalli Municipality, Peddapalli district, Telangana State	2,62,73,000	64,74,281	64,74,281	Directly
47	Development works such as laying roads, drilling bore wells, Installation of R.O plants, providing tube lights etc. around neighboring villages of Ramagundam-I Area under CSR programme.	x	Local Area, Neighboring villages of Ramagundam-I Area, Peddapalli District, Telangana State	31,50,000	-	-	
48	Providing ground leveling work & parade wall construction etc. for new parade ground and furniture for Police stations in Ramagundam Police Commissionerate.	x	Local Area, Ramagundam, Peddapalli District, Telangana State	20,00,000	20,00,000	20,00,000	O/o. Commissioner of Police, Ramagundam
49	Construction of additional classrooms and additional toilets in Z.P High Schools of Dharmapuri assembly constituency.	ii	Other Area, Dharmapuri constituency, Jagtial district, Telangana State	2,00,00,000	60,00,000	60,00,000	District Collector Jagtial
50	Financial aid for maintenance of Manochaitanya Institution established for differently abled children at Godavarikhani.	ii	Local Area, Godavarikhani, Peddapalli District, Telangana State	5,00,000	5,00,000	5,00,000	Directly
51	Laying of CC roads and construction of underground drainages in various divisions of Ramagundam Municipal Corporation.	x	Local Area, Ramagundam Constituency, Peddapalli District, Telangana State	2,00,00,000	-	-	
52	Providing Dual Desks in some High Schools of Jagtial District under CSR	ii	Other Area, Jagtial District, Telangana State	1,00,00,000	70,00,000	70,00,000	District Collector Jagtial
53	Infrastructure development works in the nearby villages of Ramagundam area.	x	Local area Ramagundam, Peddapalli district, Telangana state	1,00,00,000	20,20,841	29,11,819	District Collector Peddapalli



(In Rupees)

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
54	Installation of LED Lighting at rural Areas of Ramagundam (anthargaon, Palakurthy).	x	Local area, anthargaon, Palakurthy of Ramagundam, Peddapalli District, Telangana state	60,00,000	33,00,000	33,00,000	District Collector Peddapalli
55	Internal roads CC Roads & other works at Eklaapur, Akenpalli, Anthergaon, Brahmanpalli etc. villages	x	Local area, Ramagundam, Peddapalli District, Telangana state	1,00,00,000	19,54,026	19,54,026	District Collector Peddapalli
56	Construction of model Police Station at Godavarikhani-I town.		Local area, Godavarikhani-I town, Peddapalli District, Telangana State	3,00,00,000	1,50,00,000	3,00,00,000	MD, TSPHCL
57	Development of greenery in Manthani Municipality by SCCL through raising of avenue plantation in all the approach roads/internal roads, beautification of medians & landscaping of traffic islands and strip plantation in vacant patches during 2019 planting season – Telangana Ku Haritha Haram programme.	iv	Local Area, Manthani Municipality, Peddapalli district, Telangana State	2,46,00,000	1,17,80,222	1,17,80,222	Directly
58	Providing LED lights for SCCL project affected villages of Ramagiri Mandal.	x	Local Area, Ramagiri Mandal, Ramagundam -III Area, Peddapalli District, Telangana State	5,00,000	-	-	
59	Certain works such as providing furniture, solar system to Anganwadi schools and community halls in four Mandals of Manthani Constituency.	x	Local Area, Manthani constituency, Peddapalli district, Telangana State	1,50,00,000	-	-	
60	Providing street lights in Manthani Assembly Constituency	x	Local Area, Manthani constituency, Peddapalli district, Telangana State	1,00,00,000	40,00,000	70,00,000	District Collector Peddapalli
61	Providing drinking water facility to the villages of Baswarajpalli, Dharmaraopet, Venkateswaripalli, Parshurampalli, Nagarampalli and Gollapalli including their Hamlets of Bhupalpalli during summer period (01.04.2019 to 30.06.2019) by hired tractor tankers under CSR.	i	Local Area, Baswarajpalli, Dharmaraopet, Venkateswaripalli, Parshurampalli, Nagarampalli and Gollapalli including their Hamlets of Bhupalpalli, Jayashankar Bhupalpalli District, Telangana State	36,00,000	7,44,982	7,44,982	Directly



(In Rupees)

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
62	Extending ophthalmology services such as cataract surgeries and providing spectacles to people of surrounding villages of KTK-OC-III project, Bhupalpalli Area.	i	Local Area, Surrounding villages of Kakatiya Khani OC-III project of Bhupalpalli Area, Jayashankar Bhupalpalli District, Telangana State	4,58,000	39,600	39,600	Directly
63	Development works such as construction of bus shelter, LED street lighting and furniture to school building etc. at project affected villages of KTK OC-III Project (Baswarajupalli and Parasurampalli) hamlet of Dharmaraopet village, Ghanpur (M), Jayashankar Bhupalpalli District.	x	Local Area, Kakatiya Khani OCP-III project affected villages (Baswarajupalli and Parashurampalli) hamlet of Dharmaraopet village, Ghanpur (M), Jayashankar Bhupalpalli District, Telangana State	50,00,000	4,94,696	4,94,696	District Collector Bhupalpalli
64	Providing basic amenities and infrastructure such as painting to school, construction of stage, fans, chairs, tables and R.O plants etc. to the ZP High School, Jangedu village near to KTKOC-II project, Bhupalpalli Area.	ii	Local Area, Jangedu village near to KTKOC-II project of Bhupalpalli, Jayashankar Bhupalpalli District, Telangana State	9,65,000	-	-	
65	Providing 10 No.s cranes to clear the traffic Jams for a period of one week during the Sammakka Sarakka Jathara at Medaram village.	v	Other Area, Medaram village of Tadvai Mandal, Mulugu District, Telangana State	6,00,000	2,35,410	2,35,410	Directly
66	Providing water takers, JCBs and cranes etc. during the ensuing Sri Sammakka Saralamma Jathara (2020) at Medaram village, Tadvai Mandal.	v	Other Area, Medaram village of Tadvai Mandal, Mulugu District, Telangana State	26,75,000	18,28,340	18,28,340	Directly
67	Organizing Medical camp for the Project Affected People (PAP) of Jangedu village near KTK OC-II project of Bhupalpalli Area under CSR.	i	Local Area, Jangedu village near to KTKOC-II project of Bhupalpalli, Jayashankar Bhupalpalli District, Telangana State	1,94,000	-	-	
68	Conducting Mega medical camp for Project Affected Peoples of KTK OC III, Bhupalpalli Area.	i	Local Area, Bhupalpalli, Jayashankar Bhupalpalli District, Telangana State	2,00,000	1,66,693	1,66,693	Directly



(In Rupees)

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
69	Development works such as roads, drains and sheds etc. in Bhupalpally Assembly Constituency under CSR	x & xi	Local Area, Bhupalpalli Assembly Constituency, Jayashankar Bhupalpalli District, Telangana State	5,00,00,000	31,48,903	1,81,48,903	District Collector Jayashankar Bhupalpalli
70	Infrastructure development works such as roads, bore wells, toilets and wash rooms in the surrounding villages of Bellampalli area under CSR Programme.	x	Local Area, Surrounding villages of Bellampalli Area, Komarambheem Asifabad District, Telangana State	16,00,000	-	-	
71	Development works such as laying CC roads, side drains, construction of bus shelters, community halls, providing compound walls and kitchen sheds to schools in Asifabad Assembly Constituency.	x	Local Area, Asifabad Assembly Constituency, Komarambheem Asifabad District, Telangana State	2,00,00,000	-	-	
72	Infrastructure development works in Goleti of Asifabad constituency	x	Local area, Goleti of Asifabad constituency, Komarambheem, Asifabad District, Telangana State	50,00,000	5,34,530	47,72,530	District Collector Komarambheem Asifabad
73	Infrastructure development works at Tandur in Bellampalli.	x	Local area, Tandur of Bellampalli Komarambheem Asifabad District, Telangana State	23,00,000	10,43,952	17,33,952	District Collector Komarambheem Asifabad
74	Infrastructure development works at Goleti of Tiryani Mandal, Phase-II.	x	Local area, Goleti of Tiryani Mandal, Asifabad Constituency, Komarambheem Asifabad District, Telangana State	2,00,00,000	13,99,717	1,78,37,717	District Collector Komarambheem Asifabad
75	Roads and other development works in certain villages of Tiryani Mandal.	x	Local Area, Tiryani Mandal, Asifabad Komarambheem District, Telangana State	2,00,00,000	46,59,222	1,06,59,222	District Collector Komarambheem Asifabad
76	Hiring of Ambulance for mobile medical camp.	i	Local Area, Bellampalli, Komarambheem Asifabad District, Telangana State	32,48,000	6,05,870	6,05,870	Directly
77	Raising of Avenue plantations (24.5KM) in Kethanpally Municipality of Mandamarri Area by SCCL under Telangana ku Haritha Haram programme during 2019 season.	iv	Local Area, Kethanpally Municipality, Mandamarri Area, Mancheril District, Telangana State	1,16,00,000	46,30,163	46,30,163	Directly



(In Rupees)

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
78	Construction of integrated market at Chennur Municipality of Chennur Assembly Constituency.	x	Local Area, Chennur Municipality, Chennur Assembly constituency, Mancherial District, Telangana State	1,50,00,000	-	-	
79	Development works such as laying CC/BT roads, construction of open GYM, providing Hy-Mast Solar light and planting trees in Bellampalli Assembly Constituency.	x	Local Area, Bellampalli Assembly, Constituency Mancherial District, Telangana State	2,00,00,000	-	-	
80	Certain works laying of roads and construction of drains to be carried out at Mandamarri under CSR	x	Local Area, Mandamarri, Mancherial District, Telangana State	1,00,00,000	27,40,156	83,59,573	District Collector Mancherial
81	Infrastructure development works in Urban Areas such as Development of KCR Park at Mandamarri Town (Orregadda).	x	Local Area, Orregadda, Mandamarri Mandal, Mancherial District, Telangana State	2,00,00,000	60,00,000	60,00,000	District Collector Mancherial
82	Providing development works at Mandamarri and its surrounding villages under CSR.	x	Local area, Mandamarri, Mancherial District, Telangana state	75,00,000	7,34,751	72,48,700	District Collector Mancherial
83	Laying of CC roads in Mancherial.	x	Local Area, Mancherial, Mancherial District, Telangana State	52,00,000	16,05,982	31,67,000	District Collector Mancherial
84	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	6,66,517	63,08,000	District Collector Mancherial
85	Development of greenery in Mancherial Municipality including raising of avenue plantations in the approach roads/internal roads, beautification of medians, traffic islands, park open places and development of plotted plants by SCCL under Telangana ku Haritha Haram programme during 2019 planting season.	iv	Local Area, Mancherial Municipality, Srirampur Area, Mancherial District, Telangana State	1,59,05,000	-	-	
86	Providing repairs to wash rooms at Upper primary school of Tekumatla (v) of Jaipur (M), Mancherial Dist, TS.	i	Local Area, Tekumatla village of Jaipur Mandal, Srirampur Area, Mancherial District, Telangana State	3,20,000	1,88,483	1,88,483	Directly



(In Rupees)

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
87	Development of greenery in Mancherial Municipality of Mancherial District including Avenue plantation in the approach roads/internal roads, beautification of medians, planting in open space by SCCL under Telangana ku Haritha Haram.	iv	Local Area, Mancherial Town, Mancherial District, Telangana State	1,59,05,000	63,08,999	63,08,999	Directly
88	Laying of CC roads, construction of side drains, bus shelters, toilets and providing water supply arrangements, hystart lighting etc. in villages and Mancherial town of Mancherial assembly constituency.	x	Local Area, villages and Mancherial town of Mancherial constituency, Mancherial District, Telangana State	1,80,00,000	54,00,000	54,00,000	District Collector Mancherial
89	Infrastructure development works (Roads, drains etc.) pertaining to Mancherial Assembly Constituency	i & x	Local area, Mancherial, Mancherial district, Telangana state	25,00,000	2,03,592	22,88,348	District Collector Mancherial
90	Defunct of old pipe lines - replacement in various regions of Naspur Mandal	i	Local Area, Naspur Mandal, Mancherial District, Telangana State	68,00,000	3,32,858	64,31,083	District Collector Mancherial
91	Development works at five (05) villages of Mancherial assembly constituency	x	Local Area, Mancherial, Mancherial District, Telangana State	1,00,00,000	12,80,550	72,10,939	District Collector Mancherial
92	Development works (Roads, drains etc.) in Mancherial Assembly Constituency	i & x	Local Area Mancherial, Mancherial district, Telangana state	50,00,000	2,04,224	49,49,499	District Collector Mancherial
93	Infrastructure development works, roads, drains in surrounding areas of Srirampur.	x	Local area, Srirampur surrounding villages, Mancherial district, Telangana State	1,38,994	1,38,994	1,38,994	District Collector Mancherial
94	Imparting Fireman Training Course to land losers/locals of Singareni Thermal Power Project through Telangana State Fire Service Training Institute, Hyderabad.	ii	Local Area, Surrounding villages of STPP, Jaipur Mandal, Mancherial District, Telangana State	10,53,384	3,76,300	3,76,300	Directly
95	Construction of structures for artificial recharge of ground water in and around Singareni Thermal Power Project - Construction of check dams in Jaipur & Mandamarri Mandals.	iv	Local Area, In and around STPP, Jaipur & Mandamarri Mandals, Mancherial District, Telangana State	1,64,49,000	1,64,49,000	1,64,49,000	Irrigation Dept., Govt of Telangana



(In Rupees)

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
96	Drilling bore wells in the surrounding villages of Singareni Thermal Power Project under CER (CSR) programme.	i	Local Area, Mudigunta, Rasoolpalli and Tekumatla villages, Near STPP, Jaipur (M), Mancherial district, Telangana State	49,54,000	-	-	-
97	Providing of central lighting and central divider on old NH road from Ginning Mill to IB from KM 205/120 to 205/600 and central lighting from IB to Ambedkar Chowrastha from KM 0/0 to 0/100 in Chennur town & Providing of central lighting from IB to Ambedkar Chowrastha from KM 0/100 to 0/600 in Chennur town.	x	Local Area, Chennur Town, Mancherial District, Telangana State	50,00,000	-	-	
98	Providing Brain Stem Evoked Response Audiometry (BERA) apparatus to Audiology Department, Govt. ENT Hospital, Koti, Hyderabad.	i	Other Area, Koti, Hyderabad, Hyderabad District, Telangana State	13,00,000	12,73,125	12,73,125	Directly
99	Development of greenery including raising of avenue plantation in the approach roads/internal roads, beautification of medians, plantation in new Collectorate premises and open spaces by SCCL in Naspur Municipality of Mancherial District under Telangana ku Haritha Haram during 2019 planting season.	iv	Local Area, Naspur Municipality, Srirampur Area, Mancherial District, Telangana State	1,12,83,000	45,08,548	45,08,548	Directly
100	Extending financial aid to Chief Minister's relief fund, Odisha to recover/rebuild Odisha State from the devastating effects of Cyclone Fani - CSR Activities.	i	Local & Other Areas, Odisha State	1,00,00,000	1,00,00,000	1,00,00,000	Directly
101	Supply of drinking water to project displaced families of Mangalpalli & Peddampet villages of Ramagundam-II Area for the period 1.05.2019 to 30.06.2019.	i	Local Area, Mangalpalli & Peddampet villages of Ramagundam-II, Peddapalli District, Telangana State	1,41,080	1,41,080	1,41,080	Directly



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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
102	Supply of drinking water to project displaced families of Mangalpalli & Peddapet villages of Ramagundam-II Area for the period 1.01.2019 to 31.03.2020.	i	Local Area, Mangalpalli & Peddapet villages of Ramagundam - II Area, Peddapalli District, Telangana State	2,08,152	20,815	20,815	Directly
103	Supply of drinking water to project displaced families of Mangalpalli & Peddapet villages of Ramagundam-II Area for the period 1.07.2019 to 31.01.2020.	i	Local Area, Mangalpalli & Peddapet villages of Ramagundam - II Area, Peddapalli District, Telangana State	4,44,058	4,44,058	4,44,058	Directly
104	Providing infrastructure for the public/visitors at Hon'ble MLA camp office, Yellandu Constituency.	x	Local Area, Yellandu Constituency, Bhadradi Kothagudem District, Telangana State	20,00,000	-	-	
105	Providing washrooms for the public/visitors at Hon'ble MLA camp office, Pinapaka Constituency.	i	Local Area, Manuguru, Bhadradi Kothagudem District, Telangana State	5,00,000	-	-	
106	Construction of swimming pool for sports persons behind Bus depot of Bhupalpally town and construction of public review meeting hall over MLA camp office building at Bhupalpally.	vii, x	Local Area, Bhupalpalli, Jayashankar Bhupalpalli District, Telangana State	1,50,00,000	-	-	
107	Construction of CC roads and supply of furniture for public meeting hall in Hon'ble MLA Camp Office in Mancheri.	x	Local Area, Mancheri, Mancheri District, Telangana State	21,33,900	6,40,170	6,40,170	District Collector Mancheri
108	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	3,75,00,000	2,04,56,638	2,04,56,638	Directly
	<b>Total</b>			<b>82,95,04,668</b>	<b>20,75,56,383</b>	<b>33,87,71,080</b>	



6. **In case the company has failed to spend the two percent 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 2019-20 which is equivalent of 2.29% 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.39.20 crore, the actual amount spent during FY 2019-20 was Rs.20.75 crore. The prescribed amount of CSR expenditure i.e., 2% average net profits of preceding 3 years amounts to Rs.34.86 crore. The CSR activities / programmes sanctioned are at various stages of implementation. The amount spent during 2019-20 is less than the prescribed amount. However, the amount sanctioned for various proposals during 2019-20 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 and New Patra Pada coal blocks.

for and on behalf of the Board of Directors

Sd/-

(N. Sridhar)

Chairman & Managing Director

Date : 3.10.2020  
Place : Hyderabad



**Drinking water facility provided by company in Chopidi**



**Director (Operations & P&AW) Inaugurating Mine Control Centre (MCC) RGOC-2, RG-3 Area**



**Free medical camp in a R&R centre near Goleti**



**Red Sanders salplings raised in Singareni Nursery Kothagudem Area**



**Grownup plants on OB dumps Dorli opencost mine in Bellampalli Area**

## Annexure-II

**Form No: AOC-2**

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

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

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

Andhra Pradesh Heavy Machinery & Engineering Limited - Subsidiary Company.

2. Details of contracts, value, duration of the contract from 1.4.2019 to 31.3.2020 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 2019-20	Each order / contract has separate period	55,94,28,629.16	Orders against open tenders on L1 basis
2.	Orders / contracts placed for purchase of various equipment, spares, services at different dates during 2019-20	Each order / contract has separate period	6,78,52,364.48	Orders on proprietary basis
<b>Total</b>			<b>62,72,80,993.64</b>	

3. Details of contracts, value, duration of the contract from 1.4.2019 to 31.3.2020 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 2019-20	Each order / contract has separate period	8,08,13,142.00	Orders on nomination basis

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

06.05.2019 & 19.06.2020

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 : 03.10.2020

Place : Hyderabad.

Sd/-

Chairman & Managing Director



**K. V. CHALAMA REDDY**  
B.Sc., LL.B., F.C.S.,  
Company Secretary  
M.No.: F 9268, C.P.No.5451

Plot No. 8-2-603/23/3 & 8-2-603/23, 15,  
02<sup>nd</sup> Floor, HSR Summit, Banjara Hills,  
Road No. 10, Hyderabad -500034  
Ph: 9848014503  
e-mail: kvcr133@gmail.com

### Annexure-III

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31-3-2020

### FORM NO. MR .3

*(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 31<sup>st</sup> March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
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<sup>st</sup> March, 2020 (“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 ;
  - 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 there under: *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.5<sup>th</sup> June, 2015 of Ministry of Corporate Affairs, Govt. of India, the responsibility for appointment of Independent Directors on the Board of Govt. Companies was shifted from Board of Directors of the Company to Ministry or Department of the Central / State Government, as the case may be.***
  - b. ***The Company has Audit Committee without Independent directors as prescribed under the provisions of Section 177 of the Companies Act, 2013.***



- c. ***The Company has constituted Corporate Social Responsibility (C S R) Committee without Independent director as prescribed under the provisions of Section 135 of the Companies Act, 2013.***
  - d. ***The Company has not appointed a Woman Director as prescribed under the provisions of Section 149 of the Companies Act, 2013.***
  - e. ***The Company has not constituted Nomination and Remuneration Committee as prescribed under the provisions of Section 178 of the Companies Act, 2013.***
  - f. ***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, agenda and detailed notes on agenda were sent at least 7 days in advance. 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 there were no instances of dissenting members in the Board of Directors.*
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.

UDIN number : F009268B001140233

Place : Hyderabad

Date : 02.11.2020

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



## Management replies to the observations of Secretarial Auditor in his report for the year 2019-20

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, <b>The Singareni Collieries Company Limited,</b> 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 <sup>st</sup> March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.	--
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 <sup>st</sup> March, 2020 ("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 ;	--
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 there under: 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.	--
<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"> <li>a. Mines Act, 1952 and Rules &amp; regulations made thereunder.</li> <li>b. Coal Mines Provident Fund &amp; Miscellaneous Provisions Act, 1948.</li> <li>c. The Environment (Protection) Act, 1986.</li> <li>d. The Forest (Conservation) Act, 1980.</li> <li>e. Mines and Minerals (Development &amp; Regulation) Act, 1957 and Rules &amp; Regulations made thereunder.</li> <li>f. Cess and other Taxes on Minerals (Validation) Act, 1992.</li> <li>g. The Coal Mines (Nationalization) Act, 1973.</li> <li>h. Coal Mines Pension Scheme, 1998.</li> <li>i. Land Acquisition Act, 1894.</li> <li>j. The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.</li> <li>k. Essential Services Maintenance Act, 1971</li> <li>l. Mines and Minerals Act 1957 and Rules &amp; regulations made thereunder.</li> <li>m. Explosive Substance Act, 1908 and Rules &amp; regulations made thereunder.</li> <li>n. The Coal Bearing Areas Act, 1957.</li> <li>o. National Minerals Policy, 1993.</li> <li>p. Coal Mines Conservation and Development Act, 1974 and Rules &amp; regulations made thereunder.</li> <li>q. The Explosives Act, 1884 and Rules and notifications made thereunder.</li> <li>r. The Electricity Act, 2003 and Rules &amp; regulations made thereunder.</li> </ul>	--
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>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. <b><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.</i></b></p> <p><b><i>In this regard the management informed that vide Notification No.GSR 163 (E) dt.5<sup>th</sup> June, 2015 of Ministry of Corporate Affairs, Govt. of India, the responsibility for appointment of Independent Directors on the Board of Govt. Companies was shifted from Board of Directors of the Company to Ministry or Department of the Central / State Government, as the case may be.</i></b></p>	<p>In accordance with the provisions of Sub-section (4) of Section 149 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and qualification of Directors) Rules 2014, SCCL shall have at least 2 Directors as Independent Directors. However, Sub-section (2) of Section 177 (2) of the Act says that majority of members of the Audit Committee shall be Independent Directors. Since SCCL Audit Committee comprises 5 members and to have majority of Independent Directors as Members, SCCL needs to appoint 3 Independent Directors before 31.3.2015 as stipulated under the Act.</p> <p>Further, in accordance with the provisions of 2<sup>nd</sup> proviso to Section 149 of the Act, read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules 2014, SCCL shall appoint at least one Woman Director before 31.3.2015.</p> <p><b>Status in SCCL:</b></p> <p>i) <i>The aforesaid provisions were apprised to the Board in the 524<sup>th</sup> 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.</i></p> <p>ii) <i>Later, letter was written by C&amp;MD, SCCL to Secretary, Energy dept., Govt. of Telangana on 13.5.2015 requesting to take suitable action for appointment of Independent &amp; Woman Directors on the Board of the SCCL as the same has been made mandatory w.e.f., 1.4.2015 under the provisions of the Companies Act, 2013.</i></p> <p>iii) <i>The Board in the meeting held on 22.8.2015 while reviewing the compliance of laws directed to send a reminder to Energy Dept., Govt. of Telangana for expediting appointment of Independent &amp; Woman directors. Accordingly a letter dated 29.10.2015 was sent to Secretary, Energy Dept., from C&amp;MD, SCCL.</i></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.
- v) On the issue of appointment of Woman Director, letter dt.27.3.2017 was issued by RoC, Hyderabad to Prl. Secretary to Govt., Energy Dept. and the same was forwarded to SCCL vide letter 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 540<sup>th</sup> 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.
- vi) In the 546<sup>th</sup> Board meeting held on 25.9.2018 Gol nominee Director expressed concern on this issue. Keeping in view of the same, C&MD has written letter dt 10.11.2018 to Special Chief Secretary, Energy, GoT duly enclosing Board minute and it was requested once again to take immediate decision on the issue.



<p>b. <b><i>The Company has Audit Committee without Independent directors as prescribed under the provisions of Section 177 of the Companies Act, 2013.</i></b></p> <p>c. <b><i>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.</i></b></p> <p>d. <b><i>The Company has not appointed a Woman Director as prescribed under the provisions of Section 149 of the Companies Act, 2013.</i></b></p> <p>e. <b><i>The Company has not constituted Nomination and Remuneration Committee as prescribed under the provisions of Section 178 of the Companies Act, 2013.</i></b></p> <p>f. <b><i>SCCL has been complying with the provisions of EIA Notification, 2006, its subsequent amendments and obtaining Environmental Clearance from MoEF&amp;CC, New Delhi for New / Expansion / Modernization of Coal Mining Projects. Some of the Mines violated Environment Clearances.</i></b></p>	<p>vii) As there is inordinate delay in the appointment of Independent &amp; Woman Directors on the Board of the SCCL, there are also observations from Auditors, Parliamentary Committee, one more letter has been written from C&amp;MD to Special Chief Secretary, Energy Dept., GoT with a request to expedite the appointments vide Ir.No: CRP/ CS/ 440A/ 227 dt.11.5.2020.</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>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>Same as replied to point No.2 (viii) (a) above.</p> <p>The Nomination and Remuneration Committee will be constituted after appointment of Independent Directors by the State Govt.</p> <p>SCCL submitted applications for obtaining Environment Clearances for mines falling under the violation category as per the provisions of SO 804 (E) dated 14<sup>th</sup> March, 2017 and OM dated 16<sup>th</sup> March 2018.</p> <p>EAC meetings were held on 21<sup>st</sup> &amp; 22<sup>nd</sup> March, 2018, 13<sup>th</sup> June, 2018, 20<sup>th</sup> September, 2018, 29<sup>th</sup> 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 2<sup>nd</sup> August 2017 in W.P. No. 114/2014 in the matter of 'Common Cause vs Union of India &amp; Others'.</p> <p>Hence, SCCL submitted affidavits on 6.3.2019 in line with the Ministry's OM dated 30.5.2018. MoEF &amp; CC issued ToRs for 18 proposals for preparation of EIA/EMP reports taking up other activities for grant of EC.</p> <p>The EIA/EMP of cluster of GDK-1&amp;3, 2&amp;2A and 5 Incline was prepared, public hearing was held on 28.11.2019. The proposal is being considered in the EAC meeting on 22.4.2020 for grant of EC. Also,</p>
--	--



	<p>EIA/EMP report of JVR OC-I Expansion was prepared, public hearing was completed, public hearing was held on 14.2.2020 and the final EIA/EMP is being submitted to MoEF&amp;CC for grant of EC.</p> <p>Similarly, the preparation of EIA/EMP reports of other violation mines is also under progress for conducting public hearing and subsequent submission of final EIA/EMP reports to MoEF&amp;CC for grant of EC.</p> <p>ToRs for all the 18 proposals involving 20 violation mines were issued by MoEF&amp;CC. Accordingly, public hearing was conducted for Cluster of GDK 1, 2 &amp; 5 and JVR OC – I Exp. projects. Remediation Plan &amp; Natural and Community Resource Augmentation Plans (RP&amp;NCRAP) based on the damage assessment due to violation were incorporated in the final EIA/EMP reports and submitted to MoEF&amp;CC. Accordingly, EAC meetings were conducted and Environment Clearance was recommended for both the mines. Bank guarantee was submitted for an amount as recommended by the EAC towards RP&amp;NCRAP for Cluster of GDK 1, 2 &amp; 5. Similarly, submission of BG is in the process for JVR OC-I Exp.</p> <p>Now, VK-7 and GK OC violation mines are scheduled for conduct of public hearing on 24.11.2020 and 27.11.2020 respectively. Similarly, EC process will be taken up for the remaining violation projects also by conducting public hearings as per priority.</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)&amp;(d)</p>
<p>b. <i>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. 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 there were no instances of dissenting members in the Board of Directors.</i></p>	

<p>4. I, further report that there exists adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.</p>	
<p>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: 02.11.2020 Place: Hyderabad</p> <p>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 Sd/- (N. Sridhar) Chairman &amp; Managing Director</p> <p>Date : 2.11.2020 Place : Hyderabad.</p>

\*\*\*\*\*



**Director (P&P) Sri B.Bhaskar Rao, Director (Finance) Sri N.Balaram visiting Singareni supermarket RG-1**

**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.

Sd/-

**(K.V.Chalama Reddy)**

Practising Company secretary

M.No: F9268, C.P.No.5451

UDIN number : F009268B001140233

Place : Hyderabad,

Date : 02.11.2020



## Annexure-IV

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

as on financial year ended on 31.03.2020

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

**I REGISTRATION & OTHER DETAILS:**

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

Coal Mining

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	78.11
2.	Power	271600.00	21.89

**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)





#### 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		
		De-mat	Physical	Total	% of Total Shares	De-mat	Physical	Total			% of Total Shares
<b>A.</b>	<b>Promoters</b>										
<b>(1)</b>	<b>Indian</b>										
a)	Individual/HUF		37252	37252	0.0021		26359	26359	0.0015		
b)	Central Govt. or State Govt.		1733159147	1733159147	99.9977		1733159147	1733159147	99.9977	-	-
c)	Bodies Corporates										
d)	Bank/FI										
e)	Any other / IEPF Authorities						12613	12613	0.0007		
	<b>Sub Total:(A)(1)</b>		1733196399	1733196399	99.9999		1733198119	1733198119	100.00		
<b>(2)</b>	<b>Foreign</b>										
a)	NRI- Individuals										
b)	Other Individuals		1720	1720	0.0001						
c)	Bodies Corp.										
d)	Banks/FI										
e)	Any other...										
	<b>Sub Total (A) (2)</b>		1720	1720	0.0001						
	<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>		1733198119	1733198119	100.00						
<b>B.</b>	<b>Public Shareholding</b>										
<b>(1)</b>	<b>Institutions</b>										
a)	Mutual Funds										
b)	Banks/FI										
c)	Central govt.										
d)	State Govt.										
e)	Venture Capital Fund										
f)	Insurance Companies										
g)	FII										
h)	Foreign Venture Capital Funds										
i)	Others (specify)										
	<b>Sub Total (B)(1):</b>										



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

## (ii) SHARE HOLDING OF PROMOTERS

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Govt. of Telangana	885599147	51.0962	Nil	885599147	51.0962	Nil	-
2	Govt. of India	847560000	48.9015	Nil	847560000	48.9015	Nil	-
	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	- No change -			
	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)				
	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	29156	0.0016	29156	0.0016
	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)	Transfer of Shares to IEPF Account on 6.9.2019, who were not claimed dividend for the past 7 years			
	At the end of the year (or on the date of separation, if separated during the year)	29156	0.0016	29156	0.0016

**(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
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	4294.66	--	--	4294.66
ii) Interest due but not paid				
iii) Interest accrued but not due	80.14	--	--	80.14
<b>Total (i+ii+iii)</b>	<b>4374.80</b>	<b>--</b>	<b>--</b>	<b>4374.80</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	601.45			601.45
Reduction	521.58			521.58
<b>Net Change</b>	<b>79.87</b>			<b>79.87</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	4454.67	--	--	4454.67
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	<b>4454.67</b>	<b>--</b>	<b>--</b>	<b>4454.67</b>

## 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.	S.Shankar, Director (E&M)	S Chandra-sekhar, Director (Operations) & Director (P.A&W) (FAC)	B. Bhas-kara Rao, Director (P&P)	N.Balram, Director (Finance) & CFO	
1	Gross salary	2259210	5048929	5551486	4991447	1129592	18980664
	(a) Salary as per provisions contained in section 17(1) of the IT Act, 1961						
	(b) Value of perquisites u/s 17(2) IT Act, 1961	--	647778	488659	638413	169597	1944447
	(c) Profits in lieu of salary u/s 17(3) Income Tax Act, 1961						
2	Stock Option	--					
3	Sweat Equity						
4	Commission - as % of profit - others, specify	--					
5	Others, please specify	--	534835	645655	587556	98939	1866985
	<b>TOTAL (A)</b>	<b>2259210</b>	<b>6231542</b>	<b>6685800</b>	<b>6217416</b>	<b>1398128</b>	<b>22792096</b>
	Ceiling as per the Act (Rs. in Crore)	142.23 (5% of PBT)	28.45 (1% of PBT)	28.45 (1% of PBT)	28.45 (1% of PBT)	28.45 (1% of PBT)	312.90 (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		
	<b>Total (1)</b>		
2	Other Non Executive Directors		
	(a) Fee for attending board committee meetings		
	(b) Commission		
	(c) Others, please specify.		
	<b>Total (2)</b>		
	<b>Total (B)=(1+2)</b>		
	<b>Total Managerial Remuneration</b>		
	<b>Overall ceiling as per the Act.</b>		

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (in Rs.)**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO *	Company Secretary	CFO *	Total
1	<b>Gross Salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.		3083907		3083907
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		304465		304465
	(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		389335		389335
	<b>Total</b>		3777707		3777707

\* 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)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

Date : 03.10.2020

Place : Hyderabad

Sd/-

Chairman & Managing Director

**महालेखाकार का कार्यालय (लेखापरीक्षा)****तेलंगाना, हैदराबाद****OFFICE OF THE ACCOUNTANT GENERAL (AUDIT)**

Telangana, Hyderabad

Lr. No. PAG (Audit)/ ES(PSUs)/D3/AA/SCCL/2019-20/242

Date: 22-12-2020

To

The Chairman & Managing Director,  
The Singareni Collieries Company Limited,  
Kothagudem (PO). Bhadradi Kothagudem District  
Telangana -507 101

**Sub: Comments of the Comptroller and Auditor General of India under Section 143 (6)(b) of the Companies Act, 2013 on the Standalone Financial Statements and Consolidated Financial Statements of The Singareni Collieries Company Limited for the year 2019-20.**

Sir

1. I am to forward herewith 'NIL' comments of the Comptroller and Auditor General of India under Section 143 (6) (b) of the Companies Act, 2013 on Standalone Financial Statements and Consolidated Financial Statements of your Company for the year ended 31 March 2020 for necessary action.
2. The date of placing of 'NIL' comments along with financial statements and Auditor's Report before the shareholders of the Company may please be intimated and a copy of the proceedings of the meeting furnished.
3. The date of forwarding the annual report for the year 2019-20 and financial statements of the Company together with the Auditors Report and 'NIL' comments of the Comptroller and Auditor General of India to the State Government for being placed before the Legislature may also be intimated.
4. Ten copies of the annual report for the year 2019-20 may be furnished in due course.
5. The receipt of this letter along with enclosures may please be acknowledged.

Encl: As Above

Yours faithfully,

Sd/-

(Rohit M Gute)

Deputy Accountant General/AMG-II



## Annexure I

### COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF THE SINGARENI COLLIERIES COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2020.

The preparation of financial statements of The Singareni Collieries Company Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 03-10-2020.

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 2020 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

Sd/-

(Sudha Rajan)

महालेखाकार (ले.प.)

Accountant General (Audit)

Place: Hyderabad

Date: 22-12-2020



## Annexure V

### 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 2020.

The preparation of consolidated financial statements of The Singareni Collieries Company Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) 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 03-10-2020.

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 2020 under section 143(6)(a) read with section 129(4) of the Act. We have not conducted a supplementary audit of the financial statements of Andhra Pradesh Heavy Machinery and Engineering Limited, (Subsidiary) and APMDC-SCCL Suliyari Coal Company Limited a Joint Venture for the year 2019-20. 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

Sd/-

(Sudha Rajan)

महालेखाकार (ले.प.)

Accountant General (Audit)

Place: Hyderabad

Date: 22-12-2020





<p style="text-align: center;"><b>INDEPENDENT AUDITOR'S REPORT</b>  <b>on the Audit of Standalone Ind AS Financial Statements</b></p>	<p><b>Management reply on the audit observations</b>            (under section 134(3) of the Companies Act, 2013)</p>
<p><b>To the Members of</b>  <b>Singareni Collieries Company Limited</b></p>	
<p><b>Report on the Audit of Standalone Ind AS Financial Statements:</b>  <b>Opinion</b>            We have audited the accompanying standalone Ind AS financial statements of The Singareni Collieries Company Limited ("<b>the Company</b>") which comprises the Balance Sheet as at March 31, 2020, 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 standalone financial statements, including a summary of significant accounting policies and other explanatory information.            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 Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit and other comprehensive income, the changes in equity and its cash flows for the year ended on that date.</p>	--
<p><b>Basis for Opinion</b>            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 there under, 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><b>Emphasis of Matter Paragraph</b>            Without qualifying our opinion, we draw attention to the following matters in the standalone financial statements:</p> <p>a) <b>Company has during the year, opted for reduced tax rate of 25.168% instead of normal tax rate of 34.944% from the FY 2021-22. This has resulted in withdrawal of Deferred Tax Asset and debit to the profit and loss A/c for the year by Rs. 850.24 crores. Refer Note No. 9.1.</b></p> <p>b) <b>Provision for backfilling was not made for the year 2019-20 consequent on revised mining plan approved by the Ministry for converting the mine voids into water bodies in respect of MNG OC &amp; MNG OC II Ext mines. This resulted in short debit to profit and loss A/c for the year by Rs. 228.91 crores. Refer Note No. 22.2.</b></p> <p>c) <b>The company has provided Rs. 86.71 crores for remediation plans consequent to violations of Environmental norms involving twenty mines of Under Ground &amp; Open Cast. Refer Note No. 22.4.</b></p>	<p>The Auditors have drawn specific attention of the members on these matters, though these issues/ transactions / provisions have been appropriately recognised, presented and disclosed in the Financial statements as per the Provisions of Ind AS.</p>



<p style="text-align: center;"><b>INDEPENDENT AUDITOR'S REPORT</b>  <b>on the Audit of Standalone Ind AS Financial Statements</b></p>	<p><b>Management reply on the audit observations</b>            (under section 134(3) of the Companies Act, 2013)</p>
<p>d) <i>During the year, Company has revised the accounting policy for reviewing of stripping ratios for the open cast mines in operations from five to three years irrespective of the period of revenue working. This has resulted in net credit of Rs. 40.13 crores to the profit and loss A/c for the year. (Credit of 209.16 crores and debit of 169.03 crores in eleven and five mines respectively) Refer Note No. 22.1.</i></p>	<p>The Auditors have drawn specific attention of the members on these matters, though these issues/ transactions / provisions have been appropriately recognised, presented and disclosed in the Financial statements as per the Provisions of Ind AS.</p>
<p>e) <i>The Company has disclosed the impact of Covid-19 which has the effect of reduction in revenue by Rs. 100.11 crores corresponding to lower dispatches of 5.05 lakh tonnes and loss of production of 2.69 lakh tonnes in March 2020. Refer Note No. 39 (5.13) (L)(8).</i></p>	
<p><b>Other Information</b></p> <p>The Company's Board of Directors is responsible for the other information. The other information comprises the draft Directors' Report including annexures to Directors' Report, which we obtained prior to the date of this auditors' report and other reports included in the <i>Annual Report</i> 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 or 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.</p> <p>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. <b>We have nothing to report in this regard.</b></p>	--
<p><b>Management's Responsibility for the Standalone Financial Statements</b></p> <p>The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the 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 accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.</p>	--



<p style="text-align: center;"><b>INDEPENDENT AUDITOR'S REPORT</b> <b>on the Audit of Standalone Ind AS Financial Statements</b></p>	<p style="text-align: center;"><b>Management reply on the audit observations</b> (under section 134(3) of the Companies Act, 2013)</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><b>Auditor's Responsibilities for the Audit of Standalone Ind AS Financial Statement</b></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>As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:</p> <ul style="list-style-type: none"> <li>• 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.</li> </ul>	--
<ul style="list-style-type: none"> <li>• Obtain an understanding of internal financial 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.</li> </ul>	--
<ul style="list-style-type: none"> <li>• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.</li> </ul>	--
<ul style="list-style-type: none"> <li>• 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 significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.</li> </ul>	--
<ul style="list-style-type: none"> <li>• 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.</li> </ul>	--



<p style="text-align: center;"><b>INDEPENDENT AUDITOR'S REPORT</b>  <b>on the Audit of Standalone Ind AS Financial Statements</b></p>	<p style="text-align: center;"><b>Management reply on the audit observations</b>            (under section 134(3) of the Companies Act, 2013)</p>
<p>Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.</p>	--
<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>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>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><b>Report on Other Legal and Regulatory Requirements</b></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 <b>Annexure A</b> a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.</p>	--
<p>2. As required by Section 143(3) of the Act, we report that:</p>	
<p>a) We have sought and obtained all the information and explanations which to best of our knowledge and belief were necessary for the purposes of our audit.</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>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 Flows dealt with by this Report are in agreement with the books of account.</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>e) In pursuance to the Notification No. G.S.R 463 (E) dated 05-06-2015 issued by the Ministry of Corporate Affairs, Section 164 (2) of the Companies Act, 2013 pertaining to disqualification of Directors, is not applicable to the Government Company.</p>	--
<p>f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "<b>Annexure - B</b>"</p>	--



<b>INDEPENDENT AUDITOR'S REPORT</b> <b>on the Audit of Standalone Ind AS Financial Statements</b>		<b>Management reply on the audit observations</b> (under section 134(3) of the Companies Act, 2013)	
g) In pursuance to the Notification No. G.S.R 463 (E) dated 05-06-2015 issued by the Ministry of Corporate Affairs, Section 197 of the Companies Act, 2013 pertaining to remuneration of Directors, is not applicable to the Government Company.		--	
h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:		--	
i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – 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 Company.		As per instant rules, the Unpaid dividend of Rs. 17,300/- was transferred to IEPF A/c as the same was not claimed and outstanding for more than 7 years.	
3. As required by the section 143(5) of the Companies Act 2013, and as per the directions of Comptroller and Auditor General of India, we report that:		This being a statement of fact calls for no comment separately.	
<b>S.No</b>	<b>Directions</b>		<b>Reply</b>
<b>1</b>	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.		According to the information and explanations given to us, 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.
<b>2</b>	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.	According to the information and explanations given to us by the Company, there were no cases of waiver/write off of debts /loans/ interest etc made by the lender during the year ended 31.03.2020.	



<b>INDEPENDENT AUDITOR'S REPORT</b> <b>on the Audit of Standalone Ind AS Financial Statements</b>		<b>Management reply on the audit observations</b> (under section 134(3) of the Companies Act, 2013)	
<b>3</b>	<p>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.</p>	<p>During the year, an amount of Rs.5.02 Crore is recognised as Revenue Grants against the Protective works and the portion of capital grants which are in excess of carrying amount of respective assets of Rs.3.37 Crore upon the receipt of approval in 83<sup>rd</sup> and 84<sup>th</sup> meetings of CCDAC.</p> <p>During the year, Capital Grants for an amount of Rs 74.64 Crore for Road, Rail and Man Riding Systems approved by CCDAC have been recognised during the year 2019-20. An amount of Rs.71.27 Crore is adjusted from the carrying amount of respective assets. An amount of Rs.3.37 Crore out of capital grants approved are recognised as income to P&amp;L account. Refer note 39.5.2A.</p> <p>During the year, the proceeds of Grants received from CCDAC amounted to Rs. 3.87 Crore comprising of Rs. 1.26 Crore towards revenue grants and Rs. 2.61 Crore towards capital Grants.</p>	<p>This being a statement of fact calls for no comment separately</p> <p>This being a statement of fact calls for no comment separately.</p>
<p>For <b>RAMAMOORTHY (N) &amp; CO</b> Chartered Accountants (FRN: 002899S)</p> <p>Sd/- (CA Surendranath Bharathi) Partner Membership No. 023837 UDIN:20023837AAAABL4223</p> <p>Date : 03-10-2020 Place : Hyderabad</p>		<p>For and on behalf of the Board</p> <p>Sd/- (N. Sridhar) Chairman &amp; Managing Director</p> <p>Date : 13.11.2020 Place : Hyderabad</p>	



<b>ANNEXURE 'A'</b> <b>TO THE INDEPENDENT AUDITOR'S REPORT</b> <b>A statement on the matters specified in the paragraph 3 and 4 of the CARO, 2016</b>	<b>Management reply on the audit observations (Contd...) (under section 134(3) of the Companies Act, 2013)</b>
<b>i. In respect of the Company's fixed assets:</b> a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets <b>except for the title deeds of the Lands mentioned in Annexure-C.</b>	The records for 50 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 with, in 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.
<b>ii. In respect of its Inventory:</b>	This being a statement of fact calls for no comment separately.
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 and commensurate to the size of the company	This being a statement of fact calls for no comment separately.
c. Any material discrepancies 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.
<b>iii.</b> 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.
<b>iv.</b> 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.
<b>v.</b> The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 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.
<b>vi.</b> 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.
<b>vii. a.</b> According to the information and explanations given to us and on the basis of our examination of books of accounts, the Company has generally been regular in depositing the 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>ANNEXURE 'A'</b>							<b>Management reply on the audit observations (Contd...) (under section 134(3) of the Companies Act, 2013)</b>
<b>TO THE INDEPENDENT AUDITOR'S REPORT</b>							
<b>A statement on the matters specified in the paragraph 3 and 4 of the CARO, 2016</b>							
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 <sup>st</sup> March, 2020 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.
<b>Name of the Statute</b>	<b>Nature of the Dues</b>	<b>Amount (Rs.)</b>	<b>Period to which the amount relates</b>	<b>Due Date</b>	<b>Date of Payment</b>	<b>Remarks</b>	
Mines and Minerals (Development and Regulation) Act, 1957	DMF	44,65,18,845	May-19	30-06-2019	24-04-2020	-	The delay in remittance of these statutory dues is due to abnormal delay in realization of dues from Power customers in particular TSGENCO and TSTRANSCO.
Mines and Minerals (Development and Regulation) Act, 1957	DMF	55,05,08,555	Jun-19	31-07-2019	24-04-2020	-	
Mines and Minerals (Development and Regulation) Act, 1957	DMF	44,68,44,576	Jul-19	31-08-2019	24-04-2020	-	
Mines and Minerals (Development and Regulation) Act, 1957	DMF	38,69,86,355	Aug-19	30-09-2019	24-04-2020	-	
Mines and Minerals (Development and Regulation) Act, 1957	NME	10,27,892	May-19	30-06-2019	-	Not Paid	This amount is no longer payable and was taken to Company's Account .
Mines and Minerals (Development and Regulation) Act, 1957	NME	3,67,00,571	Jun-19	31-07-2019	-	Not Paid	These Statutory dues are pending for remittance as there is abnormal delay in realization of dues from Power customers in particular TSGENCO and TS TRANSCO. As soon as the amounts are realized from Power customers, the statutory dues like Royalty, DMFT, NMET and Forest Permit Fee shall be remitted to the Government.
Mines and Minerals (Development and Regulation) Act, 1957	NME	2,97,89,640	Jul-19	31-08-2019	-	Not Paid	
Mines and Minerals (Development and Regulation) Act, 1957	NME	2,57,99,093	Aug-19	30-09-2019	-	Not Paid	
Telangana Forest Produce Transit Rules 1970	Forest Permit Fee	16,83,46,846	Apr-19 to June-19	31-07-2019	-	Not Paid	





<b>ANNEXURE 'A'</b>						<b>Management reply on the audit observations (Contd...) (under section 134(3) of the Companies Act, 2013)</b>
<b>TO THE INDEPENDENT AUDITOR'S REPORT</b>						
<b>A statement on the matters specified in the paragraph 3 and 4 of the CARO, 2016</b>						
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 31 <sup>st</sup> March, 2020 are furnished here-under:						
<b>S. No</b>	<b>Name of the Statute</b>	<b>Nature of Dues</b>	<b>Amount not deposited (in Rs. Lakhs)</b>	<b>Period for which the demand pertains to</b>	<b>Forum where dispute is pending (2019-20)</b>	The Appeals at various stages are being contested by the Company with the help of Professional Firms wherever necessary for an early and favorable settlement.
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	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	
4	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	
5	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	
6	The Central Excise Act 1944	Quantity Variance	72.39	Feb 2012 to Jun 2013	CESTAT	
7	The Central Excise Act 1944	Quantity Variance	174.47	Feb 2012 to Nov 2012	CESTAT	
8	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	
9	The Central Excise Act 1944	Quantity Variance	97.25	Jul 2013 to Feb 2014	CESTAT	
10	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	
11	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	



<b>ANNEXURE 'A'</b>						<b>Management reply on the audit observations (Contd...) (under section 134(3) of the Companies Act, 2013)</b>
<b>TO THE INDEPENDENT AUDITOR'S REPORT</b>						
<b>A statement on the matters specified in the paragraph 3 and 4 of the CARO, 2016</b>						
<b>S. No</b>	<b>Name of the Statute</b>	<b>Nature of Dues</b>	<b>Amount not deposited (in Rs. Lakhs)</b>	<b>Period for which the demand pertains to</b>	<b>Forum where dispute is pending (2019-20)</b>	
12	The Central Excise Act 1944	Quantity Variance	92.77	Mar 2014 to Dec 2014	CESTAT	The Appeals at various stages are being contested by the Company with the help of Professional Firms wherever necessary for an early and favorable settlement.
13	The Central Excise Act 1945	Quantity Variance	50.74	Jan 2015 to Jun 2015	CESTAT	
14	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	
15	The Central Excise Act 1944	Quantity Variance	56.60	Jul 2015 to Dec 2015	Joint Commissioner of Customs and Central Excise	
16	The Central Excise Act 1944	Quantity Variance	1196.01	Jan 2016 to Dec 2016	Commissioner of Customs and Central Excise	
17	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	
18	APGST Act, 1957	Sales Tax (on steel, Cement, HSD oil, Explosives etc to Contractors)	66.70	FY 2001 -02	Judicature of Hyderabad	
19	AP VAT ACT, 2005	VAT on Steel, Cement, Explosives issued to contractors	2.82	FY 2005-06	AC (CT) WGL	
20	APGST Act, 1957	Sales tax - interest on alleged delayed remittance of tax	43.74	FY 2001-02	Judicature of Hyderabad	
21	Entry Tax Act 2001	additional tax demand on purchases made from outside A P sales	15.71	FY 2003-04	Judicature of Hyderabad	
22	Life Tax On Motor Vehicles Under A.P.Motor Vehicles Act.	Life Tax on Motor Vehicles treating Dumpers, Dozers considering them as Motor Vehicles	209.47	Various years up to 2010-11 TO 2011-12	Judicature of Hyderabad	
23	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	17644.00	FY 1990-91 to 2012-13	Deputy. C.T.O, Kothagudem	



<b>ANNEXURE 'A'</b>						<b>Management reply on the audit observations (Contd...) (under section 134(3) of the Companies Act, 2013)</b>
<b>TO THE INDEPENDENT AUDITOR'S REPORT</b>						
<b>A statement on the matters specified in the paragraph 3 and 4 of the CARO, 2016</b>						
<b>S. No</b>	<b>Name of the Statute</b>	<b>Nature of Dues</b>	<b>Amount not deposited (in Rs. Lakhs)</b>	<b>Period for which the demand pertains to</b>	<b>Forum where dispute is pending (2019-20)</b>	
24	Entry Tax Act 2001	Entry Tax on Goods	19.14	FY 2011-12	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 favorable settlement.
25	Entry Tax Act 2001	Entry Tax on Goods	75.80	FY 2012-13	AC (CT) WGL	
26	Entry Tax Act 2001	Entry Tax on Goods	335.65	FY 2013-14	AC (CT) WGL	
27	Entry Tax Act 2001	Entry Tax on Goods	326.82	FY 2014-15	AC (CT) WGL	
28	Entry Tax Act 2001	Entry Tax on Goods	655.01	FY 2015-16	AC (CT) WGL	
29	Entry Tax Act 2001	Entry Tax on Goods	1177.32	FY 2016-17	AC (CT) WGL	
30	The Central Excise Act 1944	Clean Energy Cess on Closing Stock as on 30.06.2017 (pre GST)	23529.72		CESTAT	
31	The Central Excise Act 1944	Quantity Variance	401.93	Jan 2016 to Dec 2016	Commissioner of Customs and Central Excise	
32	Income Tax Act 1961	Income Tax	12507.06	FY 2015-16	CIT (Appeals), Hyderabad	
33	A.P.Motor Vehicles Act. (Entry Tax)	Non payment of Entry Tax on HEMM in respect of CST Purchases	2469.58	2007-08 to 2011-12	Judicature of Hyderabad	
34	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	
35	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	
36	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	
37	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	
38	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	



<b>ANNEXURE 'A'</b>						<b>Management reply on the audit observations (Contd...) (under section 134(3) of the Companies Act, 2013)</b>
<b>TO THE INDEPENDENT AUDITOR'S REPORT</b>						
<b>A statement on the matters specified in the paragraph 3 and 4 of the CARO, 2016</b>						
<b>S. No</b>	<b>Name of the Statute</b>	<b>Nature of Dues</b>	<b>Amount not deposited (in Rs. Lakhs)</b>	<b>Period for which the demand pertains to</b>	<b>Forum where dispute is pending (2019-20)</b>	
39	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	The Appeals at various stages are being contested by the Company with the help of Professional Firms wherever necessary for an early and favorable settlement.
40	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	
41	AP VAT ACT, 2005 (PENALTY ON BELATED PAYMENTS OF VAT)	Paymet of Penalty on Belated Payment of VAT	2591.07		AC (CT) KOTHAGUDEM	
42	Entry Tax Act 2001	Entry Tax on Goods	80.70	2017-18	Joint Commissioner (ST) HYD	
43	Income Tax Act 1961	Income Tax	9359.69	FY 2014-15	CIT (Appeals), Hyderabad	
		<b>TOTAL</b>	<b>78820.15</b>			



<b>ANNEXURE 'A'</b>				<b>Management reply on the audit observations (Contd...) (under section 134(3) of the Companies Act, 2013)</b>
<b>TO THE INDEPENDENT AUDITOR'S REPORT</b>				
<b>A statement on the matters specified in the paragraph 3 and 4 of the CARO, 2016</b>				
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 comments separately.
ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loan raised are used for the purpose for which it was raised during the year.				This being a statement of fact calls for no comments 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. 102.41 Lakh has been reported as detailed hereunder, on the company by its officers or employees or others.				
<b>Sl. No</b>	<b>Nature of Fraud</b>	<b>Quantity</b>	<b>Amount involved (Rs. In Lakhs)</b>	Vigilance Department carries out investigations on issues referred to it, based on the 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.
1.	In one of the UG Mine in RG-I Area, Survey Dept. officials have shown records with false measurements regarding supply of solid fly ash bricks with fraudulent intention, and with fake/forged signatures of Security Guards on trip sheet/challans and entered in the register signatures. A total quantity of i.e., 164100 Nos. solid fly ash bricks were shown as received/supplied though the bricks were not supplied.	164100 Nos.	12.68	
2	One Deputy Supdt., one Assistant Supdt., and one Junior Asst. at Area Hospital, MNG are taking playday musters without attending for duties on playdays by uploading attendance in SAP. The pay sheet clerk has uploaded playday musters of Dy. Supdt. and Asst. Supdt. and some other persons working at Area Hospital without sanction and attendance on playdays even though they have not attended the duties on that day and not signed in the attendance register. Further, they attempted to tamper the register.	03 employees were paid excess playday musters Rs. 1.40L Rs. 0.28L Rs. 0.55L	2.23	
3	i. Wife of Ex-General Mazdoor, KHA OC BPA has cheated the company by claiming Dependent Employment to fake Son-in-Law .	05 employees	Rs. 12.5L	
	ii. Wife of Ex-General Mazdoor, AWS, BPA has cheated the company by claiming Dependent Employment to her second Son-in-Law by submitting fake date of birth certificate hiding the actual date of birth.	Rs. 12.5L		
	iii. Ex-General Mazd., GDK 1 Inc., RG-I has cheated the company who worked on impersonation, further claiming Dependant Employment to his Son by impersonation hiding the actual name of his son.	Rs.12.5L		
	iv. Wife of Ex-Tyndal, Goleti 1A Inc., BPA has cheated the company by claiming Dependent Employment to fake Son-in-Law.	Rs.25.0L		
	v. Ex-Mason, GDK 1 Inc., RG-1 has cheated the company by claiming Dep. Emp. To his Son-in-law by submitting fake date of birth certificate hiding the actual date of birth.	Rs.25.0L	87.5	
<b>Total</b>			<b>102.41</b>	
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.				



<b>ANNEXURE 'A'</b> <b>TO THE INDEPENDENT AUDITOR'S REPORT</b> <b>A statement on the matters specified in the paragraph 3 and 4 of the CARO, 2016</b>	<b>Management reply on the audit observations (Contd...) (under section 134(3) of the Companies Act, 2013)</b>
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 comments 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 comments 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.	This being a statement of fact calls for no comments 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 comments 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 comments separately.
<p style="text-align: center;"><b>For RAMAMOORTHY (N) &amp; CO</b>  Chartered Accountants  (FRN: 002899S)</p> <p style="text-align: center;">Sd/-  (CA Surendranath Bharathi)  Partner  Membership No. 023837  UDIN:20023837AAAABL4223</p> <p>Date : 03-10-2020  Place : Hyderabad</p>	<p style="text-align: center;">For and on behalf of the Board</p> <p style="text-align: center;">Sd/-  (N. Sridhar)  Chairman &amp; Managing  Director</p> <p>Date : 13.11.2020  Place : Hyderabad</p>



<p><b>ANNEXURE 'B'</b></p> <p><b>TO THE INDEPENDENT AUDITOR'S REPORT</b></p> <p>(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) <b>(contd...)</b></p>	<p><b>Management reply on the audit observations (Contd...)</b> <b>(under section 134(3) of the Companies Act, 2013)</b></p>
<p><b>Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")</b></p> <p>We have audited the internal financial controls over financial reporting of <b>The Singareni Collieries Company Limited</b> ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.</p>	<p>This being a statement of fact calls for no comment separately</p>
<p><b>Management's Responsibility for Internal Financial Controls</b></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, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.</p>	<p>This being a statement of fact calls for no comment separately</p>
<p><b>Auditor's Responsibility</b></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>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><b>ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT</b></p> <p>(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) <b>(contd...)</b></p>	<p><b>Management reply on the audit observations (Contd...)</b> <b>(under section 134(3) of the Companies Act, 2013)</b></p>
<p><b>Meaning of Internal Financial Controls over Financial Reporting</b></p> <p>A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that</p>	<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 comments 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 comments separately.</p>
<p><b>Inherent limitations of Internal Financial Controls Over Financial Reporting</b></p> <p>Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.</p>	<p>This being a statement of fact calls for no comments separately.</p>
<p><b>Disclaimer of Opinion</b></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 controls were operating effectively as at 31<sup>st</sup> March, 2020.</p>	<p>This being a statement of fact calls for no comments separately.</p>
<p>For <b>RAMAMOORTHY (N) &amp; CO</b> Chartered Accountants (FRN: 002899S) Sd/- (CA Surendranath Bharathi) Partner Membership No. 023837 UDIN:20023837AAAABL4223</p> <p>Date: 03-10-2020 Place: Hyderabad</p>	<p>For and on behalf of the Board</p> <p>Sd/- (N. Sridhar) Chairman &amp; Managing Director</p> <p>Date : 13.11.2020 Place : Hyderabad</p>





## ANNEXURE 'C' TO THE INDEPENDENT AUDITOR'S REPORT

### List of Assets (Lands) for which title deeds were not available as on 31.03.2020

Sl. No	ASSET NO.	DESCRIPTION	QTY	UNIT	CAP DATE	END BOOK VALUE	AREA
1	111400000545	GOVT ASSIGNED LAND FOR DORLI1	62.64	ACR	31-03-2009	1.00	BPA
2	111200000043	DORLI OCP - MINING LEASE- EXP	-	NOS	01-11-2004	-	BPA
3	111300000186	QUARTERS NARASAPUR BLOCK (RES.F	-	NOS	01-04-1983	5,913.56	BPA
4	111400000544	PATTA LAND FOR DORLI OCP I	1.00	ACR	01-04-2008	1.00	BPA
5	111400000549	OCP-2 RCC PILLARS AT RES. FORE	-		01-04-2000	5,602.00	BPA
6	111400000587	KH OCP LAND ACQUISITION	-		01-04-2002	1,55,653.00	BPA
7	111200000052	GOVT.LAND APP.RD & TRNSM.LINE	0.22	ACR	01-05-2007	1.00	BPA
8	111100000841	PATTA LAND FOR BOIPALLIMINE	21.73	ACR	01-04-2007	6,83,619.00	BPA
9	111100000831	LAND COMPENSATION-A8.17 GTS	-	NOS	01-10-2005	2,78,025.00	BPA
10	111100000826	COMP-LAND ACQ.A10.25-PIPELINE	-	NOS	01-04-2005	2,70,724.00	BPA
11	111200000031	10.30 GOLETI-1	-	NOS	01-04-1992	-	BPA
12	111100000779	DEPOSIT FOR AFORESTATION 16.10	-	NOS	01-04-1986	25,409.00	BPA
13	111300000185	APP ROAD GLT-1 TO PWD ROAD 7.0	-	NOS	01-04-1983	4,252.00	BPA
14	111300000177	BOIPALLI 32.12 ACRE	-	NOS	01-04-1977	8,346.00	BPA
15	111400000575	LAND PURCHASE-LPS-KH OCP	-		01-10-2005	79,927.00	BPA
16	111400000576	LAND PURCHASE-LPS-KH OCP	-		01-11-2005	58,177.00	BPA
17	111400000577	LAND PURCHASE-LPS-KH OCP	-		01-01-2006	5,78,002.00	BPA
18	111400000618	ALT.LAND TO KHOCP TRIBALOUSTEE	-		01-04-2005	1,73,737.00	BPA
19	111400000559	30 A LAND PURCHASE LPS KH OCP	30.00	ACR	01-08-2004	3,04,829.00	BPA
20	111400000561	39.25A KHG ALTERNATE LAND	39.25	ACR	01-01-2005	4,71,404.00	BPA
21	111400000563	73.03A KHG ALTERNATE LAND	73.03	ACR	01-02-2005	7,20,773.00	BPA
22	111400000566	ALT.LAND A69.12GTS.KH OCP	69.12	YD	01-05-2005	9,49,726.00	BPA
23	111400000591	ALT LANDS A 30.53 CENTS	0.31	ACR	01-07-2005	1,27,890.00	BPA
24	111100000984	LANDS	-		01-04-1983	94,33,596.00	YLD
25	111300000214	PRIOR FC ACT	18.98	HA	01-04-1985	3,78,973.00	YLD
26	111100000030	LANDS GDK NO 8 INCLINE	2.87	ACR	01-04-2006	26,35,022.92	RG II
27	111100000064	28.11 JALLARAM	28.11	ACR	01-04-1991	1.00	RG II
28	111100000065	21.3 UPARLAKESORAM	21.30	ACR	01-04-2001	1.00	RG II
29	111100000066	LAND OF JALLARAM	1.00	ACR	01-04-1975	27,813.00	RG II
30	111100000070	LANDS GDK 8 INCLINE COLONY	153.27	ACR	01-04-2006	4,40,850.00	RG II
31	111100000071	LANDS GDK 8 INCLINE COLONY	48.16	ACR	01-04-2006	2,98,039.00	RG II
32	111100000073	LAND OF JALLARAM	1.00	ACR	01-04-1990	53,440.00	RG II
33	111100000076	LAND OF JALLARAM	1.00	ACR	01-04-1988	14,27,097.00	RG II
34	111100000083	JALLARAM OP 358/87	-	ACR	01-04-1990	15,30,501.00	RG II
35	111100000085	LAND OF PENCHIKALPET	1.00	ACR	01-04-2003	1,97,584.00	RG II



### ANNEXURE 'C' TO THE INDEPENDENT AUDITOR'S REPORT

Sl. No	ASSET NO.	DESCRIPTION	QTY	UNIT	CAP DATE	END BOOK VALUE	AREA
36	111100000098	LAND OF JALLARAM	1.00	ACR	01-04-1975	5,905.00	RG II
37	111300000012	37.14 JALLARAM	37.14	ACR	01-04-1973	1.00	RG II
38	111400000448	MAREDUPAKA - for OCP3	1.00	ACR	01-04-1990	1,55,469.00	RG II
39	111200000273	GOVT LAND (1304 PROJECT)	30.11	ACR	01-04-2018	1.00	MNG
40	111300000198	PWD Road to stores Approach Road (Acs3-22)	3.22	ACR	01-04-1968	1,061.00	MMR
41	111300000199	RKP RLY.SIDING (ACs 41-00)	41.00	ACR	01-04-1970	9,074.00	MMR
42	111300000206	KK-1 CSP Rly siding ( Acs.01-04gts)	1.04	ACR	01-04-1965	384.00	MMR
43	111300000207	Constructions of Officers Colony	18.03	ACR	01-04-1966	1,274.00	MMR
44	111400000312	SMG-3 Incline (Acs 6-05 gts)	6.05	ACR	01-04-1966	640.87	MMR
45	111400000313	SK MINE&ROAD	9.00	ACR	01-04-1958	615.04	MMR
46	111400000314	SK MINE&ROAD	18.30	ACR	01-04-1958	1,282.57	MMR
47	111400000315	KK2 (ACS 22-00+03-04 Gts) Sy.No.129/2,125 123/3	25.25	ACR	01-04-1960	6,047.25	MMR
48	111300000217	KK-2 Banglow area Qtrts	25.00	ACR	01-04-1959	3,721.00	MMR
49	111400000309	SMG 1 & Quarters	109.17	ACR	01-04-1968	1,16,442.46	MMR
50	111400000268	SMG3 DIP.OPERATION IN KSPT VIL-LAGE Acs 41-09	41.09	ACR	01-04-1995	2,30,905.32	MMR

For RAMAMOORTHY (N) & CO.,  
Chartered Accountants  
FRN: 002899S

Sd/-  
(CA, Surendranath Bharathi)  
Partner  
(Membership No. 023837)  
UDIN: 20023837AAAABL4223

Date: 03-10-2020

Place: Hyderabad



<p style="text-align: center;"><b>INDEPENDENT AUDITOR'S REPORT</b> <b>on the Audit of Consolidated Ind AS Financial Statements</b></p>	<p style="text-align: center;"><b>Management reply on the audit observations</b> (under section 134(3) of the Companies Act, 2013)</p>
<p>To the Members of Singareni Collieries Company Limited</p>	
<p><b>Report on the Audit of Consolidated Ind AS Financial Statements</b></p>	
<p><b>Opinion</b> 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, 2020, 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 prescribed under section 133 of the Act, read with the Companies ( Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, of consolidated profit, consolidated total comprehensive income, consolidated statement of changes in equity and its consolidated cash flows for the year then ended.</p>	--
<p><b>Basis for Opinion</b> 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>	--



<p style="text-align: center;"><b>INDEPENDENT AUDITOR'S REPORT</b>  <b>on the Audit of Consolidated Ind AS Financial Statements</b>  <b>(Contd.)</b></p>	<p style="text-align: center;"><b>Management reply on the audit observations (Contd.)</b> (under section 134(3) of the Companies Act, 2013)</p>
<p><b>Emphasis of Matter Paragraph</b></p> <p>Without qualifying our opinion, we draw attention to the following matters in the standalone financial statements:</p> <p>a) <i>Company has during the year, opted for reduced tax rate of 25.168% instead of normal tax rate of 34.944% from the FY 2021-22. This has resulted in withdrawal of Deferred Tax Asset and debit to the profit and loss A/c for the year by Rs. 850.24 crores. Refer Note No. 9.1.</i></p> <p>b) <i>Provision for backfilling was not made for the year 2019-20 consequent on revised mining plan approved by the Ministry for converting the mine voids into water bodies in respect of MNG OC &amp; MNG OC II Ext mines. This resulted in short debit to profit and loss A/c for the year by Rs. 228.91 crores. Refer Note No. 22.2.</i></p> <p>c) <i>The company has provided Rs. 86.71 crores for remediation plans consequent to violations of Environmental norms involving twenty mines of Under Ground &amp; Open Cast. Refer Note No. 22.4.</i></p> <p>d) <i>During the year, Company has revised the accounting policy for reviewing of stripping ratios for the open cast mines in operations from five to three years irrespective of the period of revenue working. This has resulted in net credit of Rs. 40.13 crores to the profit and loss A/c for the year. (Credit of 209.16 crores and debit of 169.03 crores in eleven and five mines respectively) Refer Note No. 22.1.</i></p> <p>e) <i>The Company has disclosed the impact of Covid-19 which has the effect of reduction in revenue by Rs. 100.11 crores corresponding to lower dispatches of 5.05 lakh tonnes and loss of production of 2.69 lakh tonnes in March 2020. Refer Note No. 39 (5.14) (L)(8).</i></p>	<p>The Auditors have drawn specific attention of the members on these matters, though these issues/ transactions / provisions have been appropriately recognised, presented and disclosed in the Financial statements as per the Provisions of Ind AS.</p>
<p><b>Information Other than the Financial Statements and Auditors' Report Thereon.</b></p> <p>The Holding Company's Board of Directors is responsible for the preparation of 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>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 on the other information that we obtained prior to the date of this auditors' report, 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 style="text-align: center;"><b>INDEPENDENT AUDITOR'S REPORT</b>  <b>on the Audit of Consolidated Ind AS Financial Statements</b>  <b>(Contd.)</b></p>	<p style="text-align: center;"><b>Management reply on the audit observations (Contd.)</b> (under section 134(3) of the Companies Act, 2013)</p>
<p><b>Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements</b></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 entities included in the Group are responsible for overseeing the financial reporting process of each entity.</p>	--
<p><b>Auditor's Responsibilities for the Audit of the consolidated Ind AS financial statements</b></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>	--



<b>INDEPENDENT AUDITOR'S REPORT</b> <b>on the Audit of Consolidated Ind AS Financial Statements</b> <b>(Contd.)</b>	<b>Management reply on the audit observations (Contd.)</b> (under section 134(3) of the Companies Act, 2013)
<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"> <li>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.</li> </ul>	--
<ul style="list-style-type: none"> <li>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 Group has adequate internal financial controls with reference to the Consolidated financial statements in place and the operating effectiveness of such controls.</li> </ul>	--
<ul style="list-style-type: none"> <li>Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.</li> </ul>	--
<ul style="list-style-type: none"> <li>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.</li> </ul>	--
<ul style="list-style-type: none"> <li>Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the Holding Company included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.</li> </ul>	--
<p>Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.</p>	--
<p>We communicate with those charged with governance of the Holding Company included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.</p>	--



<b>INDEPENDENT AUDITOR'S REPORT</b> <b>on the Audit of Consolidated Ind AS Financial Statements</b> <b>(Contd.)</b>	<b>Management reply on the audit observations (Contd.)</b> (under section 134(3) of the Companies Act, 2013)
<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 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.</p>	<p>--</p>
<p><b>Other Matters</b></p> <p>We did not audit the financial statements / financial information of the subsidiary APHMEL, whose financial statements / financial information reflect total assets of Rs.72.04 Cr as at 31st March, 2020, total revenues of Rs.74.73 Cr and net cash flows amounting to Rs. (8.90 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 loss of Rs. 3.50 Cr for the year ended 31st March, 2020, 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.</p>	<p>--</p>
<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><b>Report on Other Legal and Regulatory Requirements</b></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>2. 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>



<b>INDEPENDENT AUDITOR'S REPORT</b> <b>on the Audit of Consolidated Ind AS Financial Statements</b> <b>(Contd.)</b>	<b>Management reply on the audit observations (Contd.)</b> (under section 134(3) of the Companies Act, 2013)
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.	--
c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, including other comprehensive income, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.	--
d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.	--
e) In pursuance to the Notification No. G.S.R 463 (E) dated 05-06-2015 issued by the Ministry of Corporate Affairs, Section 164 (2) of the Companies Act, 2013 pertaining to disqualification of Directors, is not applicable to the Government Company.	--
f) 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 <b>Annexure A</b> .	--
g) In pursuance to the Notification No. G.S.R 463 (E) dated 05-06-2015 issued by the Ministry of Corporate Affairs, Section 197 of the Companies Act, 2013 pertaining to remuneration of Directors, is not applicable to the Government Company.	--
h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors in case subsidiary companies and joint ventures as noted in the "Other Matters" paragraph above:  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 31st March, 2020.	--
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 31.03.2020.	As per instant rules, the Unpaid dividend of Rs. 17,300/- was transferred to IEPF A/c as the same was not claimed and outstanding for more than 7 years.





<b>INDEPENDENT AUDITOR'S REPORT</b> <b>on the Audit of Consolidated Ind AS Financial Statements</b> <b>(Contd.)</b>			<b>Management reply on the audit observations (Contd.)</b> (under section 134(3) of the Companies Act, 2013)
3. 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:			
<b>Sl. No.</b>	<b>Directions</b>	<b>Auditor's Reply</b>	
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.	According to the information and explanations given to us by the holding company and as reported by the auditors of the subsidiary companies, the Group 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.	According to the information and explanations given to us by the holding company and as reported by the auditors of the subsidiary companies, there were no cases of waiver/write off of debts /loans/interest etc made by the lender during the year ended 31.03.2020.	This being a statement of fact calls for no comment separately.
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, an amount of Rs.5.02 Crore is recognised as Revenue Grants against the Protective works and the portion of capital grants which are in excess of carrying amount of respective assets of Rs. 3.37 crores upon the receipt of approval in 83rd and 84th meetings of CCDAC. During the year, Capital Grants for an amount of Rs 74.64 Crores for Road, Rail and Man Riding Systems approved by CCDAC have been recognised during the year 2019-20. An amount of Rs.71.27 Crore is adjusted from the carrying amount of respective assets. An amount of Rs.3.37 Crore out of capital grants approved are recognised as income to P&L account. Refer note 39.5.2A. During the year, the proceeds of Grants received from CCDAC amounted to Rs. 3.87 crores comprising of Rs. 1.26 crores towards revenue grants and Rs. 2.61 crores towards capital Grants.	This being a statement of fact calls for no comment separately.



<p style="text-align: center;"><b>ANNEXURE 'A'</b></p> <p style="text-align: center;"><b>TO THE INDEPENDENT AUDITOR'S REPORT</b></p> <p style="text-align: center;">(Referred to in paragraph 1(g) 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><b>Management reply on the audit observations (Contd...)</b></p> <p><b>(under section 134(3) of the Companies Act, 2013)</b></p>
<p><b>Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")</b></p>	--
<p>In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of <b>The Singareni Collieries Company Limited</b> (hereinafter referred as ("the Holding Company")), and considered reports of auditors of its subsidiary companies and joint ventures, which are companies incorporated in India, as of that date.</p>	--
<p><b>Management's Responsibility for Internal Financial Controls</b></p> <p>The respective Board of Directors of the Holding Company, its subsidiary companies and its joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.</p>	<p>This being a statement of fact calls for no comment separately.</p>
<p><b>Auditor's Responsibility</b></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</p>	<p>This being a statement of fact calls for no comment separately.</p>



<p style="text-align: center;"><b>ANNEXURE 'A'</b></p> <p style="text-align: center;"><b>TO THE INDEPENDENT AUDITOR'S REPORT</b></p> <p style="text-align: center;"><b>(Referred to in paragraph 1(g) 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...)</b></p>	<p><b>Management reply on the audit observations (Contd...)</b></p> <p><b>(under section 134(3) of the Companies Act, 2013)</b></p>
<p>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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.</p>	<p>This being a statement of fact calls for no comment separately</p>
<p><b>Meaning of Internal Financial Controls over Financial Reporting</b></p> <p>A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that</p> <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 style="text-align: center;"><b>ANNEXURE 'A'</b></p> <p style="text-align: center;"><b>TO THE INDEPENDENT AUDITOR'S REPORT</b></p> <p style="text-align: center;"><b>(Referred to in paragraph 1(g) 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...)</b></p>	<p><b>Management reply on the audit observations (Contd...)</b></p> <p><b>(under section 134(3) of the Companies Act, 2013)</b></p>
<p><b>Limitations of Internal Financial Controls Over Financial Reporting</b></p> <p>Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.</p>	<p>This being a statement of fact calls for no comment separately</p>
<p><b>Disclaimer of Opinion</b></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 Internal Financial Control 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 31<sup>st</sup> March, 2020.</p>	<p>This being a statement of fact calls for no comment separately</p>
<p style="text-align: center;">For <b>RAMAMOORTHY (N) &amp; CO</b> Chartered Accountants (FRN: 002899S)</p> <p style="text-align: center;">Sd/- (CA Surendranath Bharathi) Partner Membership No. 023837 UDIN:20023837AAAABM7069</p> <p>Date: 03-10-2020. Place: Hyderabad</p>	<p style="text-align: center;">For and on behalf of the Board</p> <p style="text-align: center;">Sd/- (N. Sridhar) Chairman &amp; Managing Director</p> <p>Date : 13.11.2020. Place : Hyderabad</p>



## Balance Sheet (Standalone) as at 31<sup>st</sup> March 2020

(Rs. in Crore)

S. No.	Particulars	Note No	As at 31.03.2020	As at 31.03.2019
	<b>ASSETS</b>			
<b>A.</b>	<b>Non-current Assets</b>			
(a)	Property, Plant and Equipment	3	13887.27	15573.25
(b)	Capital Work-In-Progress	4	1920.87	743.72
(c)	Right of Use Assets	5A	25.60	-
(d)	Other Intangible Assets	5B	1.56	2.32
(e)	Financial Assets			
(i)	Investments	6	2511.37	1809.37
(ii)	Loans	7	2661.79	2069.37
(iii)	Others	8	917.92	804.57
(f)	Deferred Tax Assets (Net)	9	2441.66	3712.64
(g)	Other Non-Current Assets	10	675.24	617.19
	<b>Total Non-Current Assets (A)</b>		<b>25043.28</b>	<b>25332.43</b>
<b>B.</b>	<b>Current Assets</b>			
(a)	Inventories	11	1009.77	703.64
(b)	Financial Assets			
(i)	Trade Receivables	12	9461.92	5346.26
(ii)	Cash and Cash Equivalentents	13	1101.67	730.63
(iii)	Bank Balance Other than (ii) above	14	287.03	1869.89
(iv)	Investments	6	40.02	401.98
(v)	Loans	7	179.67	226.63
(vi)	Others	8	381.18	1032.93
(c)	Current Tax Asset (Net)	15	74.28	83.48
(d)	Other Current Assets	16	706.73	697.60
	<b>Total Current Assets (B)</b>		<b>13242.27</b>	<b>11093.04</b>
	<b>Total Assets (A+B)</b>		<b>38285.55</b>	<b>36425.47</b>



## Balance Sheet (Standalone) as at 31<sup>st</sup> March 2020 (Contd.)

(Rs. in Crore)

S. No.	Particulars	Note No	As at 31.03.2020	As at 31.03.2019
	<b>EQUITY AND LIABILITIES</b>			
<b>A.</b>	<b>EQUITY</b>			
(a)	Equity Share Capital	17	1733.20	1733.20
(b)	Other Equity	18	6613.42	5824.67
	<b>Total Equity (A)</b>		<b>8346.62</b>	<b>7557.87</b>
<b>B.</b>	<b>LIABILITIES</b>			
<b>B.1</b>	<b>Non-Current Liabilities</b>			
(a)	Financial Liabilities			
(i)	Borrowings	19	3857.20	3843.08
(b)	Lease Liability	21 A	13.42	-
(c)	Provisions	22	19237.78	18470.31
	<b>Total Non-Current Liabilities (B.1)</b>		<b>23108.40</b>	<b>22313.39</b>
<b>B.2</b>	<b>Current Liabilities</b>			
(a)	Financial Liabilities			
(i)	Borrowings	19	264.83	12.37
(ii)	Trade Payables	20	784.19	1010.45
(iii)	Lease Liability	21 A	12.66	-
(iv)	Other Financial Liabilities	21 B	2032.29	1813.23
(b)	Other Current Liabilities	24	1853.49	1881.92
(c)	Provisions	22	1883.07	1836.24
	<b>Total Current Liabilities (B.2)</b>		<b>6830.53</b>	<b>6554.21</b>
	<b>Total Liabilities (B=(B.1+B.2))</b>		<b>29938.93</b>	<b>28867.60</b>
	<b>TOTAL EQUITY AND LIABILITIES (A+B)</b>		<b>38285.55</b>	<b>36425.47</b>

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/-  
**(B.Muralidhara Rao)**

General Manager (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 : 03-10-2020

Place : Hyderabad



## Statement of Profit & Loss (Standalone) for the year ended 31<sup>st</sup> March 2020

(Rs in Crore)

S. No.	Particulars	Note No.	For the Year ended	
			31.03.2020	31.03.2019
	<b>Revenue from Operations</b>			
(I)	Revenue from Operations	26	18859.01	19826.09
(II)	Other Income	27	919.54	873.27
(III)	<b>Total Income (I+II)</b>		<b>19778.55</b>	<b>20699.36</b>
(IV)	<b>EXPENSES</b>			
	Cost of Materials Consumed	28	3007.72	3693.95
	Changes in Inventories of Finished goods	29	(240.26)	469.73
	Employee Benefits Expense	30	6320.47	6830.47
	Finance Costs	31	1192.79	1268.54
	Depreciation and Amortization expenses		1601.93	1663.06
	Power & Fuel	32	474.46	481.06
	Repairs & Maintenance	33	216.44	216.36
	Contractual Expenses	34	2651.34	2263.44
	Provisions	35	29.24	190.37
	Write offs	36	12.26	128.32
	Stripping Activity (OBR)Adjustment		719.54	(65.34)
	Other Expenses	37	836.86	711.22
	<b>Total Expenses (IV)</b>		<b>16822.79</b>	<b>17851.18</b>
(V)	<b>Profit/(Loss) before Exceptional Items and Tax (III-IV)</b>		<b>2955.76</b>	<b>2848.18</b>
(VI)	Exceptional Items	38	86.70	-
(VII)	<b>Profit /(Loss) Before Tax (V) - (VI)</b>		<b>2869.06</b>	<b>2848.18</b>
(VIII)	<b>Tax Expense</b>			
	(1) Current Tax		1166.38	620.64
	(2) Tax relating to Earlier periods		-	(27.71)
	(3) Deferred Tax		690.47	415.62
(IX)	<b>Profit (Loss) for the period from Continuing Operations (VII - VIII)</b>		<b>1012.21</b>	<b>1839.63</b>
(X)	Profit/(Loss) from discontinued operations		-	-
(XI)	Tax expenses of discontinued operations		-	-



## Statement of Profit & Loss (Standalone) for the year ended 31<sup>st</sup> March 2020

(Rs. in Crore)

S. No.	Particulars	Note No.	For the year ended	
			31.03.2020	31.03.2019
(XII)	Profit/(loss) from discontinued operations (After Tax) (X- XI)			
(XIII)	<b>Profit/(loss) for the Period (IX+XII)</b>		<b>1012.21</b>	<b>1839.63</b>
(XIV)	<b>Other Comprehensive Income</b>			
	A. Items that will not be reclassified to profit or loss		(24.52)	(25.69)
	<b>Less:</b> Income tax relating to items that will not be reclassified to Profit or Loss		6.17	8.97
	B. Items that will be reclassified to profit or loss		-	-
	<b>Less:</b> Income tax relating to items that will be reclassified to Profit or Loss		-	-
	<b>Total Other Comprehensive Income(XIV)</b>		<b>(18.35)</b>	<b>(16.72)</b>
(XV)	<b>Total Comprehensive Income for the Period (XIII+XIV)</b>		<b>993.86</b>	<b>1822.91</b>
(XVI)	<b>Earnings per Equity Share</b>			
	(1) Basic		5.84	10.61
	(2) Diluted		5.84	10.61

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/-
<b>(CA.Surendranath Bharathi)</b>	<b>(B.Muralidhara Rao)</b>	<b>(M.Narasimha Reddy)</b>	<b>(N.Balram)</b>	<b>(N.Sridhar)</b>
Partner Membership No.23837	General Manager (C.A) & Company Secretary	General Manager (F&A) Corporate	Director (Finance) & C.F.O	Chairman & Managing Director

Date : 03-10-2020

Place : Hyderabad





## Statement of Changes In Equity for the Period Ended 31<sup>st</sup> March 2020 (Standalone)

### A. EQUITY SHARE CAPITAL:

(Rs. in Crore)

Particulars	Balance as at 31.03.2018	Changes in Equity Share Capital during the year	Balance as at 31.03.2019	Changes in Equity Share Capital during the year	Balance as at 31.03.2020
Equity Shares	1733.20	-	1733.20	-	1733.20

### B. OTHER EQUITY:

Particulars	Fly Ash Utilization Reserve	General Reserve	Retained Earnings	Total
<b>Balance at the Beginning of the Reporting Period as at 31.03.2018</b>	-	1,460.40	2,769.74	4,230.14
Adjustments for Prior Period Errors (net of Deferred Tax)			3.73	3.73
Adjustments for Changes in Accounting Policies (net of Deferred Tax)			(23.16)	(23.16)
<b>Restated Balance as on 01.04.2018</b>	-	1,460.40	2,750.31	4,210.71
Profit for the Year 2018-19 (Restated)			1839.62	1839.62
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)	-
<b>Restated Balance as on 31.03.2019</b>	-	1,560.40	4264.27	5824.67
Profit for the Year 2019-20	3.84		1012.21	1016.05
Other Comprehensive Income (net of tax)			(18.35)	(18.35)
Dividends-2018-19 (including dividend distribution tax)			(208.95)	(208.95)
Transfer to/(from) retained earnings		100.00	(100.00)	-
<b>Balance as on 31.03.2020</b>	3.84	1660.40	4949.18	6613.42



## CASH FLOW STATEMENT (STANDALONE) FOR THE YEAR 2019-20

(Rs in Crore)

S. No	Particulars	For the Year Ended	
		31.03.2020	31.03.2019
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit/(loss) Before Tax and Exceptional items, OCI	2955.76	2848.18
	<b>Adjustments for:</b>		
	Depreciation, Amortization and Impairment Expense	1613.69	1686.25
	Assets / CWIP Written off	8.04	13.41
	Bad Debts & Advances Written off	4.22	114.91
	Provision for Bad debts & Adv, obsolete stores Etc	17.48	167.18
	Non-current provisions	421.77	(45.59)
	Finance Cost	1192.79	1268.55
	Fly Ash Sale proceeds( Reserve)	3.84	-
	Stripping Activity Adjustment	719.54	(65.39)
	Adj.for Variable Consideration(Grade variation Coal)	(115.92)	44.94
	Provisions/Liabilities Written Back	(154.41)	(101.79)
	Unrealised Foreign Exchange Loss	6.19	(1.23)
	Interest Income on Investments	(232.99)	(177.10)
	Interest Income on Term Deposits	(199.47)	(219.50)
	Interest Income on LIC-ETB	(171.62)	(155.45)
	Income from Mutual Funds	(10.24)	(4.82)
	Fair Vale Change – Mutual Funds	1.31	(1.33)
	Actuarial gains/(losses) routed through other comprehensive income	(24.52)	(25.69)
	Exceptional Items	(86.70)	-
		<b>2993.00</b>	<b>-</b>
	<b>Operating Profit Before Working Capital Changes</b>	<b>5948.76</b>	<b>5345.53</b>
	<b>Adjustments towards changes in</b>		
	Inventories	(317.27)	414.99
	Trade Receivables	(3999.73)	(2563.49)
	Current/Non - current/Loans, Other financial assets and other assets	432.97	(750.51)
	Trade Payables	(220.87)	49.22
	Current/Non - Current Borrowings, Financial liabilities and provisions	498.37	(464.07)
	Tax paid Including TDS	(570.50)	(741.18)
		<b>(4177.03)</b>	<b>(741.18)</b>
	<b>Net Cash flow from Operating Activities (A)</b>	<b>1771.73</b>	<b>1290.49</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Increase in Property, plant & equipment (including Capital Work-in-progress)	(2261.23)	(959.53)
	(Increase)/Redemption of Investments	(702.00)	-
	(Investment)/maturity of Fixed deposits >3 months maturity period	1586.70	717.35
	Investment in LIC-ETB	(521.62)	(5.45)
	Interest Income on LIC-ETB	171.62	155.45
	Interest Income on Investments	232.99	177.10
	Interest Income on Term Deposits	199.47	219.50
	Income from Mutual Funds	10.24	4.82
	(Investments)/Sale (in)/of Mutual Funds	360.65	(400.65)
	<b>Cash Flow from Investing Activities(B)</b>	<b>(923.18)</b>	<b>(91.41)</b>



## CASH FLOW STATEMENT (STANDALONE) FOR THE YEAR 2019-20 (Contd.)

(Rs in Crore)

S. No	Particulars	For the Year Ended	
		31.03.2020	31.03.2019
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Increase/ (Decrease) in Borrowings	(92.45)	(225.72)
	Increase/(Decrease ) in Demand Loans from Banks	256.99	-
	Changes in Cash Credit	(4.52)	(5.75)
	Interest Expense( other than unwinding costs)	(416.12)	(397.28)
	Dividend paid	(173.32)	(173.32)
	Dividend Tax paid	(35.63)	(35.63)
	Lease payments ( Right of Use Assets)	(10.92)	-
	Interest cost - Leases	(1.42)	-
	<b>Cash flow from Financing activities (C)</b>	<b>(477.39)</b>	<b>(837.70)</b>
<b>D</b>	<b>Net increase in Cash and Cash equivalents (A+B+C)</b>	<b>371.16</b>	<b>361.38</b>
<b>E</b>	<b>Cash &amp; Cash equivalents at the beginning of the year</b>	<b>726.87</b>	<b>365.49</b>
<b>F</b>	<b>Cash &amp; Cash equivalents at the end of the year (D+E)</b>	<b>1098.03</b>	<b>726.87</b>

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

(Rs in Crore)

Particulars	2019-20	2018-19
<b>Cash &amp; Bank Balances at the Beginning of the year</b>	<b>730.63</b>	<b>371.58</b>
Special OD Account		
Overdraft in Current Account	(3.76)	(6.09)
<b>Cash &amp; Bank Balances at the Beginning of the year</b>	<b>726.87</b>	<b>365.49</b>
<b>Cash &amp; Bank Balances at the End of the year</b>	<b>1101.67</b>	<b>730.63</b>
Special OD Account		
Overdraft in Current Account	(3.64)	(3.76)
<b>Cash &amp; Bank Balances at the End of the year</b>	<b>1098.03</b>	<b>726.87</b>

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/-  
**(B.Muralidhara Rao)**

General Manager (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 : 03-10-2020

Place : Hyderabad



*Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020*

## 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.

## 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)

#### 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.

*Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

## **E) Formulation of Accounting Policies**

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

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

- a) relevant to the economic decision-making needs of users; and
- b) reliable in that financial statements:
  - (i) represent faithfully the financial position, financial performance and cash flows of the entity;
  - (ii) reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
  - (iii) are neutral, i.e. free from bias;
  - (iv) are prudent; and
  - (v) are complete in all material respects on a consistent basis In making the judgement management refers to, and considers the applicability of, the following sources in descending order:
    - a) the requirements in Ind ASs dealing with similar and related issues; and
    - b) the definitions, recognition criteria and measurement concepts for assets liabilities, income and expenses in the Framework.

In making the judgement, management considers the most recent pronouncements of International Accounting Standards Board and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The company operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geo-mining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. In the absence of specific accounting literature, guidance and standards in certain specific areas which are in the process of evolution. The Company continues to strive to develop accounting policies in line with the development of accounting literature and any development therein 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 31<sup>st</sup> March, 2020 (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.

#### **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.



*Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

- 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.
- i. Fly Ash Utilization Reserve Fund :  
Proceeds from sale of Fly ash along-with income on investment of such proceeds are transferred to 'Fly Ash Utilization Reserve Fund' in pursuance of directives from Ministry of Environment and Forests, Government of India. The fund is utilized towards expenditure on development of infrastructure / facilities, promotion & facilitation activities for use of fly ash.

### 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.

### 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.



*Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

- 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.
- 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



*Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

- 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.
- 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.
- 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.

*Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

- 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.

**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.



*Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

**B. Backfilling of Overburden:**

- i) In order to comply with the Ministry of Environment & Forest's stipulation regarding reducing the depth of the final void of certain opencast mines to 30/35/45 meters from surface, re-handling/dumping over burden (OB) is to be carried out to reduce the final void as per the MOEF stipulation. The reduction of the final void can be done either (i) by re-handling the Overburden of the external/ internal dumps or (ii) by dumping the OB produced from the adjacent/relay projects.
- ii) Re-handling of Overburden of the external/internal dumps incurs additional cost which is provided for. The cost of dumping from the adjacent / relay project is considered as the cost of Overburden removal of the adjacent/relay project.
- iii) The estimation of quantity of Overburden (OB) required to backfill the final void is made by in-house technical estimation by professionals in Mining, Project Planning Environment fields. Total cost of Backfilling required is estimated, based on the total quantity to be backfilled in cubic metres at the end of mine life, at the SCCL weighted average rate of OB Removal of outsourced operations.
- iv) The Estimation of Liability and corresponding recognition of Asset, discounting of liability and depreciation of asset and unwinding of liability etc, shall be as per the procedure mentioned at accounting policy no 2.2.7.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
  - ii) from the beginning of the year, wherein the value of production at the monthly selling price of the Mine is more than the total related expenses of such developed project/ mine.



*Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

- 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 Monthly Selling Price for the Mine.
- 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 all the operating Open Cast Projects with revenue workings once in three years. In case significant deviation occurs in mining & geological structure, reorganisation and closure of mines, such review is taken up on occurrence.
- iii) Provision for future Overburden Removal is restated at current year cost and difference is taken to profit and loss account. Advance Action for Overburden removal is valued at weighted average cost.

### **2.2.11 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



*Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

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.

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) and 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

*Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

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 , non-vesting Leave entitlements and Monthly Monetary Compensation to dependants of deceased in mine accidents/ medical unfit/ Low Productive Employees 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.

#### **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.



*Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

**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.

**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 31<sup>st</sup> March, 2020 (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.

### **2.2.18: Leases:**

The Company evaluates at the inception of a contract, whether the contract is, or contains, a lease, if the contract conveys the right to control the use of an identified Asset. Identification of a lease requires significant judgment. The Company determines the lease term as the non-cancellable period of a lease together with the periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option.

In the absence of the interest rates implicit in the Contracts, the Company adopts incremental borrowing rate as the discount rate.

Lease liability is initially recognised and measured at an amount equal to the present value of lease payments to be made during the lease term and corresponding amount is recognised as Right of Use Asset which is measured at cost.

The lease liability is measured in subsequent periods using the effective interest rate method. The right-of-use asset is depreciated over the lease term on straightline basis.



*Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

The amounts payable in respect of Low Value leases up to Rs.2.00 lakhs/P.M per Identified Asset and the Short term leases of 12 months or less are fully charged off as expenses of the period.

The Company had adopted Option II of the Modified Retrospective Approach permitted under Clause no C.5(b) read with C7 and C8 of the Appendix C of the Accounting Standard. Accordingly, the Lease Liability and corresponding Right of Use Assets are initially recognized at the present value of the future Lease payments outstanding as on 01.04.2019.

### **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.



**Annual Rescue competitions held at Rescue Station RG-2 Area**



Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)

### NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold Lands Mining	Freehold Lands Others	Lease hold Lands	Builngs Factory	Builngs Others	Roads	Railway Sidings	Plant & Eqm't	Fur'ure & Fixres	Vehicles	Office Eqm't	Land Re'tion / site Re'stn Costs	Other Min-ing Infra're	Total
<b>Gross Carrying Amount:</b>														
As at 1 April 2018	1002.59	273.69	791.33	693.17	1,003.73	267.11	69.78	12,892.55	17.10	48.76	1.14	5,771.92	1,545.22	24,378.09
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at 1 April 2018 (Restated)</b>	<b>1002.59</b>	<b>273.69</b>	<b>791.33</b>	<b>693.17</b>	<b>1,003.73</b>	<b>267.11</b>	<b>69.78</b>	<b>12,892.55</b>	<b>17.10</b>	<b>48.76</b>	<b>1.14</b>	<b>5,771.92</b>	<b>1,545.22</b>	<b>24,378.09</b>
Additions / Transfers	442.63	0.00	0.00	10.20	88.08	7.89	12.63	1,202.87	7.71	16.34	0.13	471.63	8.75	2,268.86
Deductions/Disposals/Transfers	0.00	-181.46	-19.11	-0.52	-19.80	-	-6.71	-404.01	-0.45	-3.10	-	-13.64	-22.01	-670.81
<b>As at 31 March 2019(Restated)</b>	<b>1,445.22</b>	<b>92.23</b>	<b>772.22</b>	<b>702.85</b>	<b>1,072.01</b>	<b>275.00</b>	<b>75.70</b>	<b>13,691.41</b>	<b>24.36</b>	<b>62.00</b>	<b>1.27</b>	<b>6,229.91</b>	<b>1,531.96</b>	<b>25,976.14</b>
Additions / Transfers	427.81	24.83	96.39	20.86	4.48	25.06	-	468.10	2.29	7.94	0.27	-	21.31	1,099.34
Deductions/Disposals/Transfers	-	-0.09	-	-6.92	-3.86	-12.17	-9.72	-407.72	-2.42	-10.29	-0.14	-1149.10	-87.72	-1690.15
<b>As at 31 March 2020</b>	<b>1,873.03</b>	<b>116.97</b>	<b>868.61</b>	<b>716.79</b>	<b>1,072.63</b>	<b>287.89</b>	<b>65.98</b>	<b>13,751.79</b>	<b>24.23</b>	<b>59.65</b>	<b>1.40</b>	<b>5,080.81</b>	<b>1,465.55</b>	<b>25,385.33</b>
<b>Accumulated Depreciation:</b>														
As at 1 April 2018	304.55	3.48	428.34	86.17	248.52	172.56	34.23	4,294.19	11.55	35.44	0.83	2,460.39	1,032.23	9,112.48
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at 1 April 2018 (Restated)</b>	<b>304.55</b>	<b>3.48</b>	<b>428.34</b>	<b>86.17</b>	<b>248.52</b>	<b>172.56</b>	<b>34.23</b>	<b>4,294.19</b>	<b>11.55</b>	<b>35.44</b>	<b>0.83</b>	<b>2,460.39</b>	<b>1,032.23</b>	<b>9,112.49</b>
Charge for the year	143.44	-	56.94	33.61	47.44	0.72	3.98	912.08	1.66	5.08	-	377.65	88.15	1,670.75
Deductions/Disposals/Transfers	-	2.42	-	-0.40	-19.79	-	-6.72	-402.93	-0.45	-3.03	-	-6.82	-21.48	-464.04
<b>As at 31 March 2019(Restated)</b>	<b>447.99</b>	<b>1.06</b>	<b>485.28</b>	<b>119.38</b>	<b>276.17</b>	<b>173.28</b>	<b>31.49</b>	<b>4,803.34</b>	<b>12.76</b>	<b>37.49</b>	<b>0.83</b>	<b>2,831.22</b>	<b>1,098.90</b>	<b>10,319.19</b>
Charge for the year	89.80	0.00	57.69	30.28	28.01	21.54	4.61	939.82	2.00	5.27	0.09	363.44	85.14	1,627.69
Deductions/Disposals/Transfers	-	-	-	-6.23	-2.48	-12.17	-4.15	-402.83	-2.41	-10.22	-0.14	-3.83	-87.72	-532.18
<b>As at 31 March 2020</b>	<b>537.78</b>	<b>1.06</b>	<b>542.97</b>	<b>143.43</b>	<b>301.70</b>	<b>182.65</b>	<b>31.95</b>	<b>5,340.33</b>	<b>12.35</b>	<b>32.54</b>	<b>0.78</b>	<b>3,190.83</b>	<b>1,096.32</b>	<b>11,414.70</b>
<b>Provision for Diminution in Value of Assets</b>														
31 March 2019	-	-	-	10.94	1.09	3.62	-	2.64	-	-	-	34.11	31.29	83.69
31 March 2020	-	-	-	11.57	1.21	4.64	-	-0.01	-	-	-	34.11	31.84	83.36
<b>Net Carrying Amount</b>														
<b>As at 31 March 2020</b>	<b>1,335.24</b>	<b>115.91</b>	<b>325.64</b>	<b>561.79</b>	<b>769.72</b>	<b>100.60</b>	<b>34.03</b>	<b>8,411.47</b>	<b>11.88</b>	<b>27.11</b>	<b>0.62</b>	<b>1,855.87</b>	<b>337.39</b>	<b>13,887.27</b>
As at 31 March 2019	997.23	91.17	286.94	572.53	794.75	98.10	44.21	8,885.43	11.60	24.51	0.44	3,364.58	401.77	15,573.26



Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)

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

- 3.1 Land measuring Acres: 726, Guntas: 21 1/2 (Previous year Acres 726, Guntas: 21 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.1,638.45 Crore includes - Capitalized Depreciation of Rs.36.13 Crore (Previous Year Rs 29.40 Crore). Depreciation charged to Revenue (including on Right of Use Assets & Intangible assets (Note 5A & 5 B ) -Rs.1,601.93 Crore (Previous Year Rs.1,663.06 Crore).
- 3.5 STPP assets include interest Capitalized on borrowings of Rs.1,312.78 Crore (Previous Year Rs.1,312.78 Crore).The capitalization rate of borrowing cost in the current year was 9.10% ( Previous year 9.10%)
- 3.6 Solar power plant Assets at STPP includes interest Capitalized on borrowings of Rs.0.19 Crore (Previous Year Rs. NIL). The capitalization rate of borrowing cost in the current year was 8.49% ( Previous year NIL).

### NOTE 4: CAPITAL WORK IN PROGRESS

(Rs. in Crore)

Particulars	Lands	Building	Plant and Equipments	Development	Total
<b>Gross Carrying Amount:</b>					
<b>Opening Balance as on 1<sup>st</sup> April 2018</b>	94.28	84.86	914.37	330.47	1423.98
Restatement Adjustments	-	-	-	-23.16	-23.16
<b>As at 1 April 2018</b>	<b>94.28</b>	<b>84.86</b>	<b>914.37</b>	<b>307.31</b>	<b>1,400.82</b>
Additions (Restated)	175.45	98.72	423.63	59.12	756.92
Capitalized / Deletions	-241.98	-106.31	-1051.60	-8.57	-1408.45
Impairment for the year	-	-	-	-5.57	-5.57
<b>As at 31 March 2019</b>	<b>27.75</b>	<b>77.27</b>	<b>286.40</b>	<b>352.30</b>	<b>743.72</b>
Additions	524.11	71.47	1346.80	375.02	2317.41
Capitalized / Deletions	-549.02	-25.35	-533.67	-22.91	-1,130.95
Impairment for the year	-	-	-	-9.30	-9.30
<b>As at 31 March 2020</b>	<b>2.84</b>	<b>123.39</b>	<b>1099.53</b>	<b>695.11</b>	<b>1920.87</b>

- 4.1 CWIP includes interest on borrowings from Power Finance Corporation for construction of STPP of Rs. 0.00 Crore ( Previous Year: Rs. 85.59 Cr.)
- 4.2 CWIP includes interest on borrowings from SBI for Solar power plants Rs. 4.36 Crore (Previous Year: NIL)



Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)

## Note 5 A : RIGHT OF USE ASSETS ( LEASES)

(Rs. in Crore)

Particulars	HEMM	Plant and Equipment	Vehicles	Total
<b>Gross Carrying Amount:</b>				
As at 01 April 2019 **	1.10	13.73	1.12	15.95
Additions	1.98	17.65	0.00	19.63
Adjustments/ Deletions	0.00	0.00	0.00	0.00
<b>As at 31 March 2020</b>	<b>3.08</b>	<b>31.38</b>	<b>1.12</b>	<b>35.58</b>
<b>Depreciation:</b>				
Depreciation Charge for year 2019-20	0.99	8.13	0.86	9.98
<b>Accumulated Depreciation as at 31.03.2020</b>	<b>0.99</b>	<b>8.13</b>	<b>0.86</b>	<b>9.98</b>
<b>Net Carrying Amount:</b>				
As at 31 March 2019	0.00	0.00	0.00	0.00
<b>As at 31 March 2020</b>	<b>2.09</b>	<b>23.25</b>	<b>0.26</b>	<b>25.60</b>

5.A.1 : Option II of Modified Retrospective approach is adopted for transitional adjustments as on 01.04.2019.

## NOTE – 5 B: OTHER INTANGIBLE ASSETS

(Rs. in Crore)

Particulars	ERP – Software	TOTAL
<b>Gross Carrying Amount:</b>		
Gross Block As on 31.03.2018	20.34	20.34
Additions during the year 2018-19	1.11	1.11
<b>Gross Block As on 31.03.2019</b>	<b>21.45</b>	<b>21.45</b>
Additions during the year 2019-20	-	-
<b>Gross Block As on 31.03.2020</b>	<b>21.45</b>	<b>21.45</b>
<b>Depreciation/ Amortization:</b>		
Up to 31 <sup>st</sup> March 2018	18.50	18.50
For the Year 2018-19	0.62	0.62
<b>Up to 31<sup>st</sup> March 2019</b>	<b>19.12</b>	<b>19.12</b>
For the Year 2019-20	0.77	0.77
<b>Up to 31<sup>st</sup> March 2020</b>	<b>19.89</b>	<b>19.89</b>
<b>Net carrying Amount:</b>		
As at 31 <sup>st</sup> March 2019	2.32	2.32
<b>As at 31<sup>st</sup> March 2020</b>	<b>1.56</b>	<b>1.56</b>



Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)

## NOTE - 6: INVESTMENTS

(Rs. in Crore)

Particulars		As at 31.03.2020	As at 31.03.2019
<b>1. Non - Current</b>			
<b>(A) Investment in Equity instruments</b>			
<b>Unquoted, fully paid-up Shares</b>			
-14,750 Laxmi Porcelains Ltd of Rs.10/- each	0.01	0.01	
<b>Less: Provision for Diminution in the value of Investments</b>	0.01	0.01	-
<b>Investments in Co-operative Societies</b>		-	
1,86,214 Singareni Collieries Co-operative Central Stores Ltd of Rs.10/- each	0.19	0.19	
<b>Investment in Joint Venture</b>			
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>Investment in Subsidiary</b>			
(i) 91,80,000 Andhra Pradesh Heavy Machinery & Engineering Limited of Rs.10/- each	9.18	9.18	
<b>(B) Investments in debentures or bonds</b>			
<b>Quoted, fully paid-up</b>			
(i) 10,000 - 9.75% APPFC Power Bonds (Series 2/2012) of Rs.10 Lakh each.	1000.00	1000.00	
(ii) 8,000 - 9.95% TSSPDCL Power Bonds (Series-1/2014) of Rs.10 Lakh each.	800.00	800.00	
(iii) 7,020 – 10.32% APPFCL Power Bonds (Series 1/2019)	702.00		-
<b>TOTAL</b>	<b>2511.37</b>	<b>1809.37</b>	
<b>2. Current :</b>			
<b>Investment in Mutual Funds</b>			
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	
Investment in Baroda Liquid Fund (174795 units @Rs.2289.53 NAV/Unit)	40.02	-	
<b>TOTAL</b>	<b>40.02</b>	<b>401.98</b>	

(Rs. in Crore)

Particulars	As at 31.03.2020	As at 31.03.2019
Aggregate of Quoted investments	2542.02	2201.99
Aggregate of Unquoted investments	9.39	9.39
Aggregate of Diminution provided	0.02	0.02



*Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

- 6.1 10000 Nos. of APPFC Power Bonds (Series 2/2012) @ Rs.10 Lakh each were pledged with State Bank of India as security for obtaining Bank Guarantee of Rs.176.32 Crore and Rs.641.20 Crore for submission to GOI as Performance Guarantee against allotment of Naini Coal Block and New patrapara Coal Mine blocks respectively. The Bank Guarantees are valid up to 12.10.2020 and 19.04.2021 respectively.
- 6.2 750 Nos of TSSPDCL Bonds (Series-1/2014) were pledged for obtaining BG limit of Rs.50 Crore with State Bank of India for obtaining BGs for submission to SECI, New Delhi against Viability Gap Funding(VGF) scheme of Solar Power Projects. Against this BG limit, a BG for an amount of Rs.27.00 Crore was obtained as on the reporting date and submitted to SECI, New Delhi, which is valid up to 29.12.2022.

## NOTE - 7: LOANS

(Rs. in Crore)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Non Current</b>		
<b>- Unsecured, considered good</b>		
- Deposit with LIC	2552.38	2030.76
- Security Deposits	109.41	38.61
<b>TOTAL</b>	<b>2661.79</b>	<b>2069.37</b>
<b>Current</b>		
- Security Deposits	98.15	153.42
- Advances to Staff	81.52	73.21
<b>TOTAL</b>	<b>179.67</b>	<b>226.63</b>

- 7.1 Deposit with LIC represent amount parked in the Employees Terminal Benefits (ETB) scheme including accrued interest thereon. The Funds are to be utilised for depositing of contributions to Gratuity Trust and payment of other Terminal benefits by the Company.

## NOTE - 8: OTHER FINANCIAL ASSETS

(Rs. in Crore)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Non – Current</b>		
Deposit under Mine Closure Plan Scheme (Maturity > 12 Months)	917.92	804.57
<b>TOTAL</b>	<b>917.92</b>	<b>804.57</b>
<b>Current</b>		
Interest Accrued On Investments – Securities	90.25	207.45
Interest Accrued on Loans & Advances	5.40	5.81
Other Receivables Considered good - Rent, Water, Electricity etc.	285.53	819.67
Other receivables considered doubtful	10.35	14.01
Less: Provision for bad and doubtful	10.35	14.01
<b>TOTAL</b>	<b>381.18</b>	<b>1032.93</b>



Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)

## NOTE 9: DEFERRED TAX ASSET (NET)

(Rs. in Crore)

Particulars		As at 31.03.2020	As at 31.03.2019
(A)	<b>Deferred Tax Asset:</b>		
	- Backfilling & Mine Closure plan	1101.19	1501.83
	- Gratuity	801.31	960.37
	- Other Employee Benefits	597.72	745.15
	- Overburden Removal	633.29	879.28
	- MAT Credit	-	479.82
	- Other Provisions	340.54	477.22
	<b>Total (A)</b>	<b>3474.05</b>	<b>5043.67</b>
(B)	<b>Deferred Tax Liability:</b>		
	- Fixed Assets- Excess of Net Book value over Written down value as per provisions of Income Tax Act	1032.39	1331.03
	<b>Total (B)</b>	<b>1032.39</b>	<b>1331.03</b>
	<b>Net Deferred Tax Asset (A-B)</b>	<b>2441.66</b>	<b>3712.64</b>

- 9.1 The Company elected to continue to pay Corporate Income Tax at the existing normal tax rate of 34.944% in view of the lower tax amounts payable due to setting off of MAT credit and claiming of 80IA exemption in respect of STPP profits instead of availing the optional tax rate @25.168% permitted under Section 115BAA of the Income Tax Act, 1961. However, as per the estimates made by the Management, the Corporate Income Tax at the reduced rate of 25.168% would be beneficial from FY 2021-22 onwards and most likely to be opted. Accordingly, the Company has re-measured Deferred Tax Assets/Liabilities expected to be realised/settled in FY 2020-21 @ 34.944% and the remaining Deferred Tax Assets/Liabilities are measured at 25.168% i.e. at the Tax rates that are expected to apply in the period when the Deferred Tax Asset is realised or Deferred Tax Liability is settled (As per Accounting Policy no 2.2.13.B). Consequently, an amount of Rs. 850.24 Crore was withdrawn from carrying amount of Differed Tax Assets (net) as on 31.03.2020 and charged to the Profit & Loss Account for the Financial Year 2019-20.
- 9.2 The amount of Net Deferred Tax Asset of Rs.2,441.66 Crore (Previous year Rs. 3712.64 Crore) includes amount of Rs.1,101.19Crore (Previous year Rs.1,501.83 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 1 to 2 years and so on, on commencement of Backfilling and Mine Closure activities at JK-5 OC, MOCP, GKOC etc.

## NOTE - 10: OTHER NON CURRENT ASSETS

(Rs.in Crore)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Unsecured, considered good</b>		
- Capital Advances	398.38	420.98
- Deposits under Protest (VAT, CST, Service Tax, WCT, APGST, Entry Tax)	276.86	196.21
<b>TOTAL</b>	<b>675.24</b>	<b>617.19</b>

Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)

## Note- 11: INVENTORIES

(Rs. in Crore)

Particulars		As at 31.03.2020		As at 31.03.2019	
(i)	Stores and Spares	609.61		516.70	
(ii)	Loose Tools	2.60		3.92	
	<b>Less:</b> Provision for obsolete, Non-moving Stores & Shortages and Damages	612.21 69.99	542.22	520.62 63.46	457.16
(iii)	Finished Goods		457.34		217.10
(iv)	Work-in-Progress		1.09		1.24
(v)	Stores in Transit		9.12		28.14
<b>TOTAL</b>			<b>1009.77</b>		<b>703.64</b>

11.1 Out of the above Finished Goods, Washery Rejects of 4,99,395.288 Tonnes are indentified as non-saleable owing to "NIL" grade and due to catching of Fire at MNG, RKP and RGM Washeries. Pending write off of the these non-saleable washery rejects with Board's approval in due course, provision towards grade deterioration was recognised for Rs.4.61 Crore during year 2019-20 (refer Note no 22.9).

## NOTE 12 : TRADE RECEIVABLES

(Rs.in Crore)

Particulars		As at 31.03.2020		As at 31.03.2019	
<b>Unsecured, considered good</b>					
i)	Exceeding six months				
	(a) Coal	471.61		211.84	
	(b) Power	3186.61		1043.86	
			<b>3658.22</b>		<b>1255.70</b>
ii)	Not exceeding six months				
	(a) Coal	2709.05		1704.89	
	(b) Power	3091.08		2384.38	
	(c) Services	3.57		1.29	
			<b>5803.70</b>		<b>4090.56</b>
iii)	<b>Unsecured, considered doubtful</b>				
	(a) Coal	345.90		340.86	
	(b) Power	161.50		161.50	
		507.40		502.36	
	<b>Less: Provision for Expected Credit Loss</b>	507.40	-	502.36	-
<b>TOTAL</b>			<b>9461.92</b>		<b>5346.26</b>

12.1 The Dues from customers (Coal) not exceeding six months shown above as on 31.03.2020 has been reduced by Rs. 171.92 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.252.65 Crore).





*Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

12.2 During the year, against the Coal dues, M/S. APGENCO has issued Bills Receivable for an amount of Rs.951.86 Crore, which were discounted with Banks (ICICI/SBI/HDFC). As per the covenants of the Bills discounting arrangements, the Company has to indemnify the Bankers in case of dishonour of the Bills of Exchange by M/s APGENCO on the respective due dates. The dues from coal customers presented above are net of the bill discounting proceeds of Rs.918.03 Crore. (Refer Note No:39.4.C.3).

### NOTE - 13: CASH AND CASH EQUIVALENTS

(Rs. in Crore)

Particulars	As at 31.03.2020		As at 31.03.2019	
Cash on hand		0.18		0.17
<b>Balances with banks</b>				
In Deposit Account (Maturity < 3 Months)	952.63		509.92	
In Current Account	148.86	1101.49	220.54	730.46
<b>TOTAL</b>		<b>1101.67</b>		<b>730.63</b>

13.1 Out of the above Fixed Deposits with Banks, fixed Deposits of Rs.49.57 Crore was pledged with SBI, Commercial Branch-Hyderabad as margin money for obtaining Bank Guarantees for submission to MoC, Govt. of India as performance Bank Guarantee against allotment of Penagadapa Coal Block Rs.38.96 Crore (valid up to 16.05.2021), to SC Railways Rs.2.00 Crore (valid up to 31.03.2022) and SECI, NewDelhi (Rs.3.24 Core valid up to 30.06.2021 and Rs.3.60 Crore valid up to 30.04.2021).

### NOTE - 14: OTHER BANK BALANCES

(Rs. in Crore)

Particulars	As at 31.03.2020	As at 31.03.2019
- Unpaid dividend accounts	0.01	0.01
- In Deposit Account (Maturity > 3 Months)	283.18	1869.88
- Fly Ash Utilisation Reserve Fund Account	3.84	-
<b>TOTAL</b>	<b>287.03</b>	<b>1869.89</b>

14.1 Balance with Banks includes unclaimed dividend of Rs.1,22,978.39 (Previous Year Rs.1,30,925).

14.2 Fly Ash Utilisation Reserve Fund represents, the proceeds from sale of Fly Ash parked in separate Bank Account for meeting the expenditure on development of infrastructure facilities, promotion and facilitation activities for use of Fly Ash as per the Accounting policy No: 2.2.1.E(i).

14.3 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.37.65 Crore as on 31.03.2020 (Previous Year Rs.34.88 Crore)

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

(Rs. in Crore)

Particulars	As at 31.03.2020	As at 31.03.2019
Income Tax	74.28	83.48
<b>TOTAL</b>	<b>74.28</b>	<b>83.48</b>

Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)

## NOTE - 16: OTHER CURRENT ASSETS

(Rs. in Crore)

Particulars		As at 31.03.2020		As at 31.03.2019	
<b>Loans &amp; Advances:</b>					
<b>Unsecured, Considered good</b>					
(i)	Advances Against Purchases, Services & others		185.39		202.60
(ii)	Considered Doubtful Adv. against purchases & services	11.13		10.89	
	<b>Less: Provision for Bad &amp; Doubtful Advances</b>	11.13		10.89	
(iii)	Prepaid Expenses		14.43		9.72
(iv)	CENVAT Credit receivable		-		12.21
(v)	GST (ITC) receivable		403.96		473.07
(vi)	Refunds due from Tax Authorities		102.95		-
	<b>TOTAL</b>		<b>706.73</b>		<b>697.60</b>

## NOTE - 17: EQUITY SHARE CAPITAL

(Rs. in Crore)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>AUTHORIZED</b>		
180,00,00,000 Equity Shares of Rs.10/ each	1800.00	1800.00
<b>ISSUED,SUBSCRIBED AND PAID-UP</b>		
173,31,98,119 Equity Shares of Rs.10/- each fully paid (includes 6,32,145 Equity Shares of Rs.10/- each allotted as bonus shares by capitalisation of general and capital reserves)	1733.20	1733.20
<b>TOTAL</b>	<b>1733.20</b>	<b>1733.20</b>

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

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

Name of the Shareholder	As at 31.03.2020		As at 31.03.2019	
	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 31<sup>st</sup> March, 2020 (Contd...)

## RECONCILIATION OF EQUITY SHARES

Particulars	As at 31.03.2020		As at 31.03.2019	
	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	<b>1,73,31,98,119</b>	<b>1,733.20</b>	<b>1,73,31,98,119</b>	<b>1,733.20</b>

## NOTE - 18: OTHER EQUITY

(Rs. in Crore)

Particulars	Fly Ash Utilization Reserve	General Reserve	Retained Earnings	Total
<b>Balance at the Beginning of the Reporting Period as at 31.03.2018</b>	-	<b>1,460.40</b>	<b>2,769.74</b>	<b>4,230.14</b>
Adjustments for Prior Period Errors (net of Deferred Tax)			3.73	3.73
Adjustments for Changes in Accounting Policies (net of Deferred Tax)			(23.16)	(23.16)
<b>Restated Balance as on 01.04.2018</b>	-	<b>1,460.40</b>	<b>2,750.31</b>	<b>4,210.71</b>
Profit for the Year 2018-19 (Restated)			1839.62	1839.62
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)	-
<b>Restated Balance as on 31.03.2019</b>	-	<b>1,560.40</b>	<b>4264.27</b>	<b>5824.67</b>
Profit for the Year 2019-20	3.84		1012.21	1016.05
Other Comprehensive Income (net of tax)			(18.35)	(18.35)
Dividends-2018-19 (including dividend distribution tax)			(208.95)	(208.95)
Transfer to/(from) retained earnings		100.00	(100.00)	-
<b>Balance as on 31.03.2020</b>	<b>3.84</b>	<b>1660.40</b>	<b>4949.18</b>	<b>6613.42</b>



Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)

## NOTE - 19: BORROWINGS

(Rs. in Crore)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Non – Current</b>		
<b>Term Loans</b>		
<b>Secured :</b>		
- From Power Finance Corporation (PFC) (Rs.3980 Cr. Less current maturities of Rs.248.75 Cr and principle paid Rs.1077.91 Cr plus accrued interest of 61.22 Core )	2714.56	2902.09
- From Power Finance Corporation (PFC) & Rural Electrification Corporation Ltd. (REC) (Rs.1258.56 Cr. Less current maturities of Rs.83.89 Cr and principle paid Rs. 280.68 Cr plus accrued interest Rs.19.63 Cr)	913.61	940.99
- From SBI, Hyderabad (Solar Power Plant) (Rs.224.00 Cr Plus capitalised interest Rs.4.55 Cr and other adj' Rs.0.48 Cr)	229.03	-
<b>TOTAL</b>	<b>3857.20</b>	<b>3843.08</b>
<b>Current</b>		
<b>Secured:</b>		
- Loans payable on demand - from Banks	256.99	-
- Cash Credit	7.84	12.37
<b>TOTAL</b>	<b>264.83</b>	<b>12.37</b>

- 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 company has availed the Moratorium allowed on term loans as per the RBI circular DOR No.BP. BC.47/21.04.048/2019-20 Dt. March 27, 2020 against the payment of instalments due on 15.04.2020. Consequent to the availment of Moratorium, the Interest accrued but not due as on 31.03.2020 amounting to Rs.61.22 Crore was added to the carrying amounts of principal amount of Term Loan as on 31.03.2020 as an adjusting event as per Ind AS -10.
- (iii) The balance loan amount of Rs 2963.30 Crore (including interest of Rs.61.22 Crore) is repayable in 35 quarterly installments of Rs.82.92 Crore each. Interest payable on this loan is 9.50% p.a.
- 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.1258.56 Crore has been utilized.
- (ii) As stated at Para no 19.1(ii) above, a similar moratorium was availed on the installment due on 15.04.2020 against this Loan. Consequently, the Interest accrued but not due as on 31.03.2020 amounting to Rs.19.63 Crore was added to the carrying amounts of principal amount of Term Loan as on 31.03.2020 as an adjusting event as per Ind AS -10.
- (iii) The Outstanding amount of Rs.998.29 Crore (including interest of Rs.19.63 Crore) outstanding as on 31.03.2020 is repayable in 35 quarterly installments of Rs.26.88 Crore each. Rate of Interest payable on this loan as below:



*Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

Rate of Interest	Loan Amount Rs in Crore	Rate of Interest	Loan Amount Rs in Crore	Rate of Interest	Loan Amount Rs in Crore
8.31%	1.38	9.00%	3.90	9.72%	413.84
8.38%	10.35	9.08%	7.12	9.75%	17.56
8.50%	15.16	9.25%	1.47	9.89%	2.60
8.55%	35.64	9.26%	3.84	10.06%	1.96
8.60%	21.52	9.29%	3.31	10.10%	6.51
8.69%	4.47	9.43%	17.23	10.11%	1.17
8.71%	7.13	9.46%	7.65	10.12%	3.22
8.73%	8.57	9.50%	120.65	10.14%	5.93
8.86%	8.99	9.55%	44.40	10.18%	5.02
8.87%	7.03	9.59%	2.18	10.25%	2.61
8.93%	17.74	9.60%	15.53	10.43%	7.62
8.97%	8.23	9.66%	6.16	10.47%	5.17
8.99%	13.01	9.68%	112.78		

- 19.3 Loan From SBI for setting up of 300 MW Solar power plants at various areas for an amount of Rs.951.00 Crore from SBI is secured by first charge on all the present and future movable & immovable assets of the Solar power plants. During the year, an amount of Rs.224.00 Crore was drawn against the sanctioned amount. The interest rate applicable on the loan is 8.49%p.a with interest reset on yearly basis. The interest on the loan drawn during the year of Rs.4.55 Crore is included in the carrying amount of the loan.
- 19.4 Loans payable on demand from Banks, represent the Demand loans availed from Bank of Baroda, Masabtank, Hyderabad of Rs.72.00 Crore (against Pledge of FDR of Rs.80.00 Crore), Andhra Bank, Kothagudem Rs.152.50 (against Pledge of FDR of Rs.170.00 Crore), and Yes Bank, Somajiguda, Hyderabad of Rs.27.00 Crore (against Pledge of FDR of Rs.30 Crore). The Interest accrued of Rs.5.22 Crore and Rs.0.26 Crore on the loans from Andhra Bank and Yes Bank and not paid is added to the Loan amounts and presented as carrying amounts as on 31.03.2020 .
- 19.5 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 31.03.2020	As at 31.03.2019
(a) Dues to Micro, Small & Medium Enterprises	21.25	11.99
(b) Dues to Subsidiary - Andhra Pradesh Heavy Machinery Engineering Limited (APHMEL)	18.27	9.68
(c) Dues to Others (including Stores-in-Transit net of Advances)	744.67	988.78
(d) Others	-	-
<b>TOTAL</b>	<b>784.19</b>	<b>1010.45</b>

Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)

## NOTE - 21: OTHER FINANCIAL LIABILITIES:

### 21.A: LEASE LIABILITY

(Rs. in Crore)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Non Current :</b>		
Lease Liabilities	13.42	-
<b>TOTAL</b>	<b>13.42</b>	<b>-</b>
<b>Current :</b>		
Lease Liabilities	12.66	-
<b>TOTAL</b>	<b>12.66</b>	<b>-</b>

### 21.B :OTHER FINANCIAL LIABILITIES :

(Rs. in Crore)

Particulars	As at 31.03.2020	As at 31.03.2019
(1) Current maturities of long- term debt	332.64	439.21
(2) Interest accrued but not due on borrowings	-	80.14
(3) Unclaimed dividends	0.01	0.01
(4) Deposits from Vendors, Suppliers & Customers	237.47	216.18
(5) Other Payables:		
(i) Salaries & Wages	360.00	299.58
(ii) Others :		
a) Deposits from Others	2.55	2.31
b) Overdraft in Current Account	3.65	3.76
c) Creditors for Capital Expenditure	692.92	431.97
d) Other Liabilities	403.05	340.07
	1102.17	778.11
<b>TOTAL</b>	<b>2032.29</b>	<b>1813.23</b>

21.1 The Company has availed the Moratorium allowed on term loans as per the RBI circular DOR No.BP. BC.47/21.04.048/2019-20 Dt. March 27, 2020 against the payment of instalments due on 15.04.2020. Hence, the instalments due on 15.04.2020 were not included in the above current maturities of Long Term Debt.

21.2 The above presented amount of Current maturities of Long term Debt represent the 3 instalments payable in the year 2020-21 (excluding Moratorium availed instalments due on 15.04.2020) in respect of term loans from PFC & PFC-REC of Rs. 248.75 Crore and Rs. 83.88 Crore respectively. (Previous Year Term Loans from PFC & PFC-REC of Rs.331.67 Crore and Rs.107.54 Crore respectively).

21.3 Further, consequent to availment of Moratorium as stated above, the Interest accrued but not due on the term loans as on 31.03.2020 amounting to Rs. 80.85 Crore was added to the carrying amounts of the respective principal amounts of Term Loans (Non Current) as on 31.03.2020 (being an adjusting event after the Reporting Date as per Ind AS 10).



Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)

## NOTE - 22: PROVISIONS

(Rs. in Crore)

Particulars		As at 31.03.2020	As at 31.03.2019
<b>Non – Current:</b>			
<b>(a)</b>	<b>Provision for Employee Benefits :</b>		
-	Gratuity (to the extent unfunded)	3128.47	2748.32
-	Leave Encashment (Vesting)	530.19	502.27
-	Leave Entitlement – Non vesting	287.54	266.39
-	Monthly Monetary Compensation & Low Productive Employee Compensation (Unfunded)	116.18	106.88
-	Settling-in- Allowance	61.36	46.25
-	Leave Travel Concession	42.26	32.19
		4166.00	3702.30
<b>(b)</b>	<b>Others:</b>		
-	Overburden Removal Adjustment Net of Advance Action Rs. 823.36 (P.Y. Rs.963.32 Crore)	3233.70	2513.85
-	Back Filling	10576.14	11146.84
-	Mine Closure	1175.24	1107.32
-	Remedial action plan( EC)	86.70	-
		15071.78	14768.01
	<b>TOTAL-Non Current</b>	<b>19237.78</b>	<b>18470.31</b>
<b>Current:</b>			
	<b>Provision for employee benefits:</b>		
-	Gratuity (funded)	1.41	1.32
-	Leave Encashment (Vesting)	101.74	110.01
-	Monthly Monetary Compensation (unfunded)	39.50	44.50
-	Superannuation Benefit (unfunded)	368.22	310.87
-	<b>Post Superannuation Medical Benefit</b>		
1)	Executives	193.68	142.89
2)	Non Executives	296.15	184.66
		489.83	327.55
-	Settling-in- Allowance	13.09	9.21
-	Leave Travel Concession	24.30	28.11
-	Performance Related Pay (EXE)	258.96	235.13
-	PLB/PLR (Exgratia)	273.35	292.54
-	Corporate Special Incentive	278.28	477.00
-	<b>Other Current Provisions:</b>		
1)	Provision for CSR Expenditure	29.78	-
2)	Provision for grade deterioration	4.61	-
	<b>TOTAL-Current</b>	<b>1883.07</b>	<b>1836.24</b>



*Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

## **22.1 Provision for Overburden Removal (net of Advance Action):**

- (i) In respect of all open cast (OC) mines in operation, the accounting of overburden removal (OBR) is carried out as per the Accounting policy No: 2.3.10.
- (ii) As per the Revised Accounting Policy, the Review of Stripping Ratios of all the OC Mines in operation has been carried out during the year at 3 years interval irrespective of period of revenue workings, as against the earlier policy of general review at five year interval which covered only the operating mines with 5 year revenue working. Therefore, the mines which had not completed 5 years of revenue operations were escaping the review of stripping ratios upto 6 to 9 years. Thus, due to the modified accounting policy, the mines which had completed 5 years of revenue operations and also mines which became operational until FY 2019-20, irrespective of period of revenue workings thereof, have been covered in the general review in FY 2019-20. The previous review was conducted in FY 2014-15. With the availability of more accurate survey & measurement of OBR and Coal Reserves with the usage of latest software modelling techniques, the revised stripping ratios of all the Mines have been firmed up in the Financial year 2019-20.
- (iii) Though, the changes in the Accounting Policies are to be given retrospective application as per Ind AS 8 read with the Accounting policy no 2.2.20 of the Company, this modification to the Accounting Policy regarding the periodicity of review from 5 years to 3 years could not be given retrospective implementation as it was impracticable to apply the revised Accounting Policy retrospectively owing to statutory compliances imposed during the period after the previous general review of stripping ratios, non availability of the relevant information as on the respective previous periods in view of the fact that the revised reserves of Coal & OB and revised stripping ratios have since been firmed up in the current year only duly considering the operational & geological factors. Hence, the financial impact of the change in the Accounting policy as to the review period is applied prospectively as a change in the estimate.
- (iv) The financial impact of the general review of the Stripping Ratios of Rs.209.16 Crore (Credit) (pertaining to 11 Mines) was accounted as a change in the estimate in the Current year and an amount of Rs.169.03 Crore (debit) (pertaining to 5 Mines) was accounted for in the current year. Thus the overall financial impact due to the review of the stripping ratios during the current year amounted to an increase in profit for the year of Rs.40.13 Crore

## **22.2 : Provision for Backfilling of Final Void:**

- i) Until FY 2018-19, provision for backfilling is being made as per accounting policy no. 2.2.7.B. to meet the obligation pursuant to the stipulations in Environment Clearances (EC) regarding the reduction of the depth of final void to 30/35/40 metres from the surface as the case may be in respect of 11 opencast (OC) mines. Other OC projects are either on relay concept or no such stipulation in the EC.
- ii) During the year 2019-20, approvals for the Revised Mining Plans were received from MoC for 6 OC Projects wherein the final void was proposed as water bodies instead of the earlier mandate of backfilling by re-handling of OB from dumps. However, EC approvals from MoEF&CC are to be obtained on similar lines for the stipulations mentioned in the recent Revised Mining Plans.
- iii) During the year, revised EC was approved for MNG OC with final void as water body and approval of revised EC is under active progress for MNG OC II Extn with similar stipulations proposed in the Revised Mining Plan. For the other 4 projects, EC is yet to be applied and would be addressed in a phased manner in the future years.



*Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

- iv) During the Year 2019-20, the provision for backfilling is made for 9 mines only as against 11 mines (i.e. excluding the above two OC Mines for which revised EC is obtained /approval is anticipated).The quantity of OB required to backfill the void is considered as per the earlier Mining Plan / EC, wherever applicable, since Final Voids are proposed as water bodies for 4 Mines and sequential dumping for one Mine in the Revised Mining Plans.
- v) In respect of the MNG OC and MNG OC II Extn, the existing provision of Rs 200.76 crore and Rs 971.45 crore respectively (net of Site restoration Assets) as on 01.04.2019 is continued in the books of account since the revised Mining Plan / EC mandates certain statutory compliances for maintenance of final void as water body by providing adequate engineering interventions for sustenance of aquatic life. Accordingly, the charge to Profit & Loss account towards Backfilling obligation (including depreciation of site restoration Assets) for the year 2019-20 was lower by Rs 228.91 Crore (MNG OC - Rs.90.86 Crore and MNG OC II Extn - Rs 138.05 Crore respectively ).For crystallization of liability as per the revised stipulations, scientific studies / consultancy are proposed to be outsourced to experts in the relevant field in view of lack of precedence in SCCL. Necessary withdrawals of provision will be made accordingly in due course.
- vi) Further, in respect of SRP OC II and GK OC Projects, the provision for backfilling was reviewed adopting the Revised Mine lives as proposed by Project Planning Department. Consequent to this, there is decrease in the provision of backfilling by Rs 301.37 Crore out of which an amount of Rs 184.38 Crore is adjusted against the carrying amount of site restoration cost asset and an amount of Rs.116.98 Crore (excess of carrying amount pertaining to SRP OC II Project ) is taken to P&L account. Due to the downward revision of provision and corresponding site restoration cost asset, there is a decrease in the current year charge towards unwinding costs and deprecation of corresponding site restoration assets totaling to Rs 80.07 Crore. Further, there would be decrease in the unwinding of discount by 8% and depreciation of the site restoration cost assets till the end of life of the respective mine.

### **22.3 Provision for mine closure (MCP):**

- 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 2019-20, revised Mine closure plan preparation guidelines have been issued by MoC with revised mine closure cost per hectare of Rs.9 lakhs and Rs.1.5 lakhs for OC mines and UG mines respectively(previous stipulation was Rs.6 lakh/RS.1 Lakh for OC and UG respectively). The revised rates and conditions are implemented for the mine closure plans / final mine closure plans prepared subsequent to receipt of revised guidelines.
- iii) During the year 2019-20, mine closure provision was re-assessed in respect of 9 mines due to adoption of revised mine lives as proposed by Project Planning Department of SCCL, approval of revised mine closure plans by MoC and Final Mine closure Plans by the Board of Directors . Consequent to this, there is an overall decrease in mine closure provision by Rs 33.59 Crore. Out of which an amount of Rs. 15.31 Crore is accounted by adjusting asset balance of corresponding provision and Rs 18.28 Crore is taken to P&L Account as income.
- iv) Provision for Mine closure plan is made for 18 OC and 28 UG mines against 20 OC and 29 UG Mines. During the year Rs.118.03 Crore (including Rs.48.83 Crore of interest accrued) was deposited in designated



*Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

escrow accounts. The cumulative Deposit as on 31.03.2020 is Rs.917.92 Crore (including accrued interest of Rs.132.06 Crore net off TDS).

- v) Against the deposits for MCP held in the escrow accounts as on the reporting date, an amount of Rs.57.44 Crores was released provisionally by Coal Controller during June and July 2020 (released after the reporting date). This amount is 50% of the claimed amounts including interest on Mine closure expenditure claims in respect of 17 Mines for the years from 2013-14 to 2017-18 submitted by the Company. Pending scrutiny and verification by the technical committee of Coal Controller, as this amount is only adhoc amount, no receivable is recognised in the accounts as on the reporting date. Further, pending Assessment of Mine Specific actual progressive/final mine closure expenditure, no adjustments in Mine closure provisions and corresponding Assets are made in the accounts of FY 2019-20.

#### **22.4 Provision for Remediation & Community Resource Augmentation Plans(RP & NCRAP)**

- i) In pursuance of notification vide S.O.804 (E), dated 14.03.2017 issued by MoEF&CC, the Company had submitted proposals for obtaining Environment Clearances involving 20 projects falling under the EC violation category. As per the ToRs issued by MoEF&CC, EMPs comprising of Remediation Plan and Natural & Community Resource Augmentation Plans (RP & NCRAP) corresponding to the ecological damage assessed and economic benefits derived due to violation are to be prepared. Accordingly, EMPs were prepared for two proposals viz., Cluster of GDK-1&3, 2&2A and 5 Inclines and JVR OC-1 Expansion projects. EAC recommended activities with Rs.2.77 Crore for implementation of RP & NCRAP for Cluster of GDK-1&3, 2&2A and 5 Inclines and the RP & NCRAPs for JVR OC-1 Expansion project is submitted to MoEF&CC for an amount of Rs.26.26 Crore.
- ii) The estimated liability towards the cost of implementation of RP & NCRAP of Rs.86.71 Crore (being the cost assessed in the plans already submitted and amounts equivalent to 3% of Capital investment cost towards damage assessment and 3% of economic surplus generated for other Projects) is provided for in the current year.
- iii) Considering the specific nature of the expenditure, the Company has classified and disclosed as Exceptional item as per Para no 9.6 of Guidance Note issued by ICAI on Division II – Ind AS Schedule –III to the Companies Act, 2013.

#### **22.5 Provision towards Performance Related Pay (PRP) ( Executives):**

The carrying amount of the provision 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, FY2018-19 and FY 2019-20. During the Year, PRP for the year 2017-18 was paid with the approval from designated authority. Pending receipt of approval from designated authority, an amount of Rs.79.81 Crore was provided for the year 2019-20 as per the procedure prescribed in DPE guidelines considering Operating Profit for the current year (i.e. Profit before tax after excluding interest earned on idle cash, deposits /investments). (PY Rs.111.47 Crore).

#### **22.6 Royalty on Closing Stock of Coal at Mines/CSPs amounting to Rs.48.35 Crore was not transacted in the Books (Previous year Rs. 18.05.Crore )**

*Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

## **22.7 CPRMS (NE):**

As per the terms of NCWAX 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.7.91 Crore has been provided for in the books of account for the current year and the total provision made up to 31.03.2020 amounted to Rs.106.96 Crore. (PY Rs.99.05 Crore)

## **22.8 Executives' Superannuation Benefit Scheme:**

- i) Owing to non-formulation of the Modalities of the scheme, the Superannuation Benefit contributions (Executives) have remained payable in the Books of SCCL. Recently, the Company has formulated a scheme "SCCL Executives Defined Contribution Pension Scheme 2007" in line with Coal India and the activities related to the implementation of the scheme are in progress.
- ii) During the year, the inter se allocation of 30% Superannuation benefits was reviewed in line with CIL and the Contribution towards superannuation benefit was revised to 6.99% from 2.84% w.e.f. 01.10.2017. Consequent to this revision of contributions and firming up of the executive wise contributions payable to the scheme, there was an increase in the contributions payable by the Company by Rs.21.42 Crore up to FY 2018-19 (i.e. covering the period from 01.04.2007 to 31.03.2019) which were provided for as a change in the estimate in the current year along with the contributions payable for the year 2019-20. The total amount of contributions payable to the Superannuation Benefit Scheme up to 31.03.2020 amounted to Rs.271.88 Crore. Out of which, Rs.10.00 Crore was deposited to Trust Account as initial contribution.
- iii) As there exists constructive obligation to deposit the contributions to the Trust along with interest, an amount of Rs.21.36 Crore (PY Rs.16.62 Crore) is provided for towards compensatory interest for the current year. The Total amount of compensatory interest provided up to 31.03.2020 amounted to Rs.106.34 Crore (PY 84.98 Crore).

## **22.9 Provision towards unspent CSR Liability:**

During the year 2019-20, an amount of Rs.34.86 Crore has to be spent by the Company on the CSR initiatives as per statutory requirement of 2% of Average PBT of preceding three financial years. However, the actual amounts spent during the year 2019-20 including the spill over payments against works sanctioned in previous years and the expenditure incurred by the Singareni Seva Samithi (SSS) amounted to Rs.19.79 Crore only. As there is shortfall in the minimum amounts to be spent due to obvious reasons, the Company has recognised liability towards the unspent amounts against CSR works/Projects sanctioned as per the CSR Policy of the Company during the year 2019-20 amounting to Rs.29.78 Crore.

## **22.10 Provision towards grade deterioration of the Washery Rejects :**

Washery Rejects of 4,99,395.288 Tonnes are indentified as non-saleable owing to "NIL" grade/ due to catching of Fire at MNG, RKP and RGM Washeries. Pending write off of the these non-saleable washery rejects with Board's approval in due course, provision towards grade deterioration was recognised for Rs.4.61 Crore (@ NRV of Rs.92.283/T) during the year 2019-20 as a measure of prudence.

Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)

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

(Rs. in Crore)

Particulars	As at 31.03.2020	As at 31.03.2019
-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

### NOTE - 24: OTHER CURRENT LIABILITIES

(Rs. in Crore)

Particulars	As at 31.03.2020	As at 31.03.2019
- Statutory Dues	1064.08	760.96
- Contract Liabilities	777.29	1099.26
- Advances from Others	12.12	21.70
- Deferred Government Grant	-	-
<b>TOTAL</b>	<b>1853.49</b>	<b>1881.92</b>

24.1. Contract liabilities represent the Deposits/Advances from Customers recognised as per Ind AS-115 – Revenue from contracts with customers.

### NOTE - 25: CURRENT TAX LIABILITY

(Rs. in Crore)

Particulars	As at 31.03.2020	As at 31.03.2019
- Income Tax	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)

## NOTE - 26: REVENUE FROM OPERATIONS

(Rs. in Crore)

Particulars		2019 - 20	2018 - 19
(A)	<b>Coal:</b>		
	1. Turnover (Gross)	18634.47	20756.37
	2. Adjustments for Variable Consideration:		
	i) Penalty for Short lifting of Coal	1.46	(0.02)
	ii) Bonus for Supply of Coal	34.26	39.20
	iii) Provision for Shale/ Stone & Grade Variance	80.20	(84.12)
		115.92	(44.94)
		18750.39	20711.43
	Less : Statutory Levies		
	Royalty	1687.16	1841.00
	GST Compensation Cess	2261.81	2502.72
		3948.97	4343.72
		14801.42	16367.71
	Less: Transfer to Development	74.06	28.28
	<b>Net Sales – Coal (A)</b>	<b>14727.36</b>	<b>16339.43</b>
(B)	<b>Sale of Power</b>	<b>4126.76</b>	<b>3483.07</b>
(C)	<b>Income from Services</b>		
	Consultancy Services	4.89	3.59
	<b>TOTAL (A+B+C)</b>	<b>18859.01</b>	<b>19826.09</b>

26.1 The Gross Turnover of Coal presented above is net of Goods & Service Tax (GST).

26.2 Sale of Power presented above includes net revenue of Rs.100.51 Crore recognised as per Order issued by Hon' TS ERC dt 28.08.2020 for Truing up of Tariff petition for the billing periods 2016-17 to 2018-19 (Income of Rs.105.01 Crore) and Revision petition for the billing periods 2019-20 to 2023-24 (refund of Rs.4.50 Core for FY 2019-20), being an adjusting event in pursuance of the provisions of Ind AS 10 – 'Events After the Reporting Period'.



Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)

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

(Rs. In Crore)

Particulars	2019-20	2018-19
Types of goods or service		
- Coal	14727.36	16339.43
- Power	4126.76	3483.07
- Others	4.89	3.59
<b>Total Revenue from Contracts with Customers</b>	<b>18859.01</b>	<b>19826.09</b>
Types of Customers for coal		
- Power sector	11985.02	13011.59
- Non Power Sector	2742.34	3327.84
Types of Customers for Power		
- Electricity distribution company	4126.76	3483.07
Types of Customers for Services		
- Consultancy	4.89	3.59
<b>Total Revenue from Contracts with Customers</b>	<b>18859.01</b>	<b>19826.09</b>
Types of Contracts of Coal		
- Fuel Supply Agreements	13792.94	13559.77
- E Auction/E Linkage	468.96	709.37
- Others	465.46	2070.29
Types of Contract for Power		
- Power Purchase Agreement	4126.76	3483.07
Types of Customers for Services		
- Others	4.89	3.59
<b>Total Revenue from Contracts with Customers</b>	<b>18859.01</b>	<b>19826.09</b>
Timing of Goods or Service		
- Goods transferred at a point in time (Coal)	14727.36	16339.43
- Goods transferred over time (Power)	4126.76	3483.07
- Services transferred at a point in time	-	-
- Services transferred over time (services)	4.89	3.59
<b>Total Revenue from Contracts with Customers</b>	<b>18859.01</b>	<b>19826.09</b>

Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)

## NOTE - 27: OTHER INCOME

(Rs. in Crore)

Particulars		2019 - 20	2018 - 19
(a)	<b>Interest Income</b>		
	- Interest on Investment (Non-trade) Gross	232.99	177.10
	- Interest on Term Deposits	199.47	219.50
	- Interest on Sundry Debtors for Coal, Loans, Advances to others	27.84	100.87
	- Interest on deposit with LIC (ETB)	171.62	155.45
		631.92	652.92
(b)	<b>Income from Mutual Funds</b>	8.93	6.14
(c)	<b>Other non-operating Income</b>		
	- Rents	8.93	8.27
	- Electricity & Fuel	13.91	27.37
	- Water charges	0.82	0.73
	- Provisions and Liabilities no longer required written back	154.41	101.79
	- Miscellaneous Receipts	92.23	75.03
	- Subsidy received from CCDAC for Protective works etc.	8.39	1.02
		278.69	214.21
	<b>TOTAL</b>	<b>919.54</b>	<b>873.27</b>

- 27.1 Income from Mutual Funds includes an amount of Rs.0.02 Crore Fair Value adjustment as on 31.03.2020 recognised through Profit & Loss Account (FVTPL) (PY Rs. 1.33 Cr).
- 27.2 Provisions written back include withdrawal of Backfilling provision of Rs.116.98 Crore and Mine Closure Provision of Rs.10.28 Crore on review of Mine lives, withdrawal of provision made for Idle Freight claims in FY 2018-19 on settlement of the claims of Rs.5.69 Crore, withdrawal of Provision made in the earlier years towards Bad & doubtful debts on write off of the Debts on current year of Rs.4.21 Crore and Misc.credits/claims taken to Company's account Rs.5.39 Crore (Previous year Rs.9.08 Crore) .
- 27.3 Miscellaneous Receipts for the current year include sale proceeds of scrap/waste Rs. 24.24 Crore (previous year Rs.24.09 Crore), Penalties recovered from contractors & suppliers Rs.29.20 Crore (previous year Rs.32.13 Crore), Handling charges collected from employees and Contractors on the goods sold on sale account Rs.24.84 Crore (Previous year Rs.1.37 Crore) and E-auction service charges Rs.5.82 Crore (previous year Rs.10.78 Crore).
- 27.4. No Subsidy for Sand Stowing works for FY 2019-20 is 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. However, subsidy of Rs.5.02 Crore towards certain protective works approved by CCDAC and Rs.3.37 Crore being excess of capital grants over the carrying amount of the Assets are recognised as Subsidy Income (Revenue) during the current year.



Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)

## NOTE – 28: COST OF MATERIALS CONSUMED

(Rs. in Crore)

Particulars	2019 – 20	2018 – 19
Stores & Spares	554.91	596.76
Explosives	506.67	517.06
Petrol, Oil and Lubricants (POL)	1930.99	2567.83
Internal Consumption of Coal	0.02	0.03
Others	15.13	12.27
<b>TOTAL</b>	<b>3007.72</b>	<b>3693.95</b>

## NOTE – 29: CHANGES IN INVENTORIES

(Rs. in Crore)

Particulars	2019 - 20	2018 - 19
Opening Stock	217.10	685.13
<b>Add</b> : Adjustments for purchase of coal from FCI	-	1.73
<b>Less</b> : Internal Consumption of Coal	0.02	0.03
<b>Less</b> : Closing Stock	457.34	217.10
<b>TOTAL</b>	<b>(240.26)</b>	<b>469.73</b>

## NOTE – 30: EMPLOYEE BENEFITS EXPENSE

(Rs. in Crore)

Particulars	2019 - 20	2018 - 19
Salaries, Wages and Allowances	4351.67	4666.61
CMPF, CMPS and Administrative charges	657.61	679.52
Attendance Bonus	228.27	410.16
Performance Linked Reward	267.34	302.35
Gratuity	345.43	364.46
Superannuation Benefit	122.65	76.84
Workmen's Compensation, Group Insurance & Group Personal Accident Insurance	0.70	0.65
Directors' Remuneration	2.04	2.01
Life cover premia under Gratuity Scheme with LIC	13.44	15.53
<b>Social Amenities:</b>		
Employee Welfare Expenses	187.01	175.59
Lumpsum/ Monthly Monetary Compensation for dependants	103.22	99.47
Grants to Singareni Collieries Educational Society	41.09	37.28
<b>TOTAL</b>	<b>6320.47</b>	<b>6830.47</b>



Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)

## NOTE – 31: FINANCE COSTS

(Rs. in Crore)

Particulars	2019 - 20	2018 - 19
<b>Interest Expense:</b>		
- Interest on Cash Credit	0.12	0.02
- Interest on Loans	412.25	385.74
- Interest on Others	3.76	11.52
- Unwinding Cost-Back filling provision	696.45	788.95
- Unwinding Cost -Mine closure provision	78.79	82.31
- Interest Cost - Leases	1.42	-
<b>TOTAL</b>	<b>1192.79</b>	<b>1268.54</b>

## NOTE – 32: POWER & FUEL

(Rs. in Crore)

Particulars	2019 - 20	2018 - 19
- Electricity	474.45	479.54
- Others	0.01	1.52
<b>TOTAL</b>	<b>474.46</b>	<b>481.06</b>

## NOTE – 33: REPAIRS & MAINTENANCE

(Rs. in Crore)

Particulars	2019 - 20	2018 - 19
Railway sidings	6.24	4.28
Buildings	68.84	60.12
Plant & Machinery	141.36	151.96
<b>TOTAL</b>	<b>216.44</b>	<b>216.36</b>

## NOTE – 34: CONTRACTUAL EXPENSES

(Rs. in Crore)

Particulars	2019 - 20	2018 - 19
- Coal Offloading	150.20	112.71
- OBR Offloading	1594.29	1237.71
- Top Soil Rehandling	12.98	1.46
- Transportation Charges	367.28	437.12
- Hiring of Heavy Earth Moving Machinery (HEMM), Weighbridge and others	180.03	160.24
- ALP O&M	170.99	147.26
- STPP - O&M	90.47	86.43
- Others	85.10	80.51
<b>TOTAL</b>	<b>2651.34</b>	<b>2263.44</b>

34.1. Expenditure incurred on Hiring of HEMM & Others above are presented net of the payments towards Lease Elements during the year of Rs.10.92 Crore.(As per the requirement of Ind AS-116 – “Leases”)



Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)

## NOTE – 35: PROVISIONS

(Rs. in Crore)

Particulars	2019 - 20	2018 - 19
- Obsolete Stores	6.52	4.50
- Low/Grade deterioration (Washery rejects)	4.61	-
- Doubtful Debts / Advances	6.34	162.68
- Impairment of OMI( Development - UG)	0.55	2.04
- Impairment P&M, Buildings & Others	1.91	15.61
- Impairment of CWIP (Development Expenditure)	9.31	5.54
<b>TOTAL</b>	<b>29.24</b>	<b>190.37</b>

35.1 Provision for Doubtful Debts/ Advances for the year 2018-19 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	2019 - 20	2018 - 19
Bad & Doubtful Debts Written Off	4.21	114.85
Advances Written Off	0.01	0.06
Assets Written Off	6.44	13.41
Others	1.60	-
<b>TOTAL</b>	<b>12.26</b>	<b>128.32</b>

36.1 Bad and doubtful debts written off in FY 2018-19 of Rs.114.85 Crore 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.

36.2 Bad Debts Written-off in FY 2019-20, represent dues of Rs.4.21 Crore towards Rent, Electricity & Water supply charges.

36.3 Assets Written-off includes write-off of Obsolete Stores Rs.2.28 Crore (PY 5.66 Crore). The balance amount represents the write-off of carrying amount of PPE, Other Fixed Assets owing to surveyed off assets for obvious reasons and Assets not useful/non-retrievable on closure of mining operations etc.



Notes to the Standalone financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)

## NOTE – 37: OTHER EXPENSES

(Rs. in Crore)

Particulars		2019 - 20		2018 - 19	
(a)	Selling & Distribution		142.77		202.57
(b)	Gain/Loss on Exchange Rate Variance		6.19		(1.23)
(c)	Corporate Social Responsibility (CSR)		50.58		20.96
(d)	<b>Others:</b>				
	Rents	1.42		2.42	
	Insurance	12.69		10.41	
	Rates & Taxes	47.49		8.73	
	Travelling Expenses	9.52		9.98	
	Postage, Telegrams and Telephone	3.58		3.49	
	Legal Expenses	7.64		3.73	
	Bank Charges and Commission	2.93		1.67	
	CISF Salaries and Wages	47.69		43.46	
	Directors' Travelling Expenses	1.11		0.70	
	Auditors' Remuneration				
	- Statutory Audit Fee	0.17		0.17	
	- Out of Pocket Expenses(Stat.Audit)	0.03		0.11	
	- Other Expenses-Certification	0.09		0.03	
	Tax audit & Cost Audit Fees	0.06		0.04	
	Advertisements	3.17		1.98	
	Research and Development Expense	3.73		4.21	
	Journals and Periodical	0.20		0.18	
	Printing and Stationary	1.26		1.06	
	Plantation Expenditure	12.02		10.03	
	Royalty - STPP	318.57		245.96	
	GST ITC Reversal -STPP	120.20		89.92	
	Forest permit Fee –STPP	5.91		5.10	
	Shunting Charges – STPP	3.28		6.80	
	Other Expenses	34.56	637.32	38.74	488.92
	<b>TOTAL</b>		<b>836.86</b>		<b>711.22</b>

37.1 CSR Expenditure includes an amount of Rs. 29.78 Crore provision made towards the obligation on account of works sanctioned as per CSR Policy during the year 2019-20 remained un-executed as on the reporting date.

37.2 Rates & Taxes includes Rs.29.82 Crore towards disputed Indirect Tax demands settled during the year and charged off as expense.

## NOTE – 38: EXCEPTIONAL ITEMS

(Rs. in Crore)

Particulars	2019 - 20	2018 - 19
Environment Remediation Plan Expenditure	86.70	-
<b>TOTAL</b>	<b>86.70</b>	<b>-</b>

**NOTE – 39**

**ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS (STANDALONE)  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2020.**

**1. Fair Value measurement:****A. Financial Instruments by Category :****(Rs. in Crore)**

Financial assets and liabilities	As on 31 <sup>st</sup> March 2020			As on 31 <sup>st</sup> March 2019		
	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
<b>Financial Assets</b>						
Mutual Funds@	40.02			401.98	-	-
Loans			2841.47	-	-	2,296.00
Others			1299.10	-	-	1,837.50
Trade receivables			9461.92	-	-	5,346.26
Cash & cash equivalents			1101.67	-	-	730.63
Other Bank Balances			287.03	-	-	1,869.89
Investments*			2502.19	-	-	1,800.19
<b>Financial Liabilities</b>						
Borrowings			4122.04	-	-	3,855.45
Trade payables			784.19	-	-	1,010.44
Other Financial Liabilities			2032.29	-	-	1813.23

# FVTPL – Fair Value through Profit &amp; 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 &amp; 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 <sup>st</sup> March 2020			As on 31 <sup>st</sup> March 2019		
	Level I	Level II	Level III	Level I	Level II	Level III
<b>Financial Assets at FVTPL</b>						
Investments:				-	-	-
Mutual Funds	40.02			401.98	-	-
<b>Financial Liabilities</b>				-	-	-
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 <sup>st</sup> March, 2020	As on 31 <sup>st</sup> March 2020			As on 31 <sup>st</sup> March 2019		
	Level-I	Level-II	Level-III	Level-I	Level-II	Level-III
<b>Financial Assets at FVTPL</b>						
Loans			2841.47	-	-	2296.00
Others			1299.10	-	-	1837.50
Trade receivables			9461.92	-	-	5,346.26
Cash & cash equivalents			1101.67	-	-	730.63
Other Bank Balances			287.03	-	-	1,869.89
Investments		2502.19		-	1800.19	-
<b>Financial Liabilities</b>				-	-	
Borrowings			4122.04	-	-	3,855.45
Trade payables			784.19	-	-	1,010.44
Other Financial Liabilities			2032.29	-	-	1813.23

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.

**(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

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

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

#### 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.

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

**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 31.03.2020)**

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	5,803.70	3658.22	507.40	9,969.32
Expected loss rate	-	-	100%	5.09%
Expected credit losses (Loss allowance provision)	-	-	507.40	507.40

**(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	Total
Gross carrying amount	4090.56	1255.70	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.)***Reconciliation of Credit Loss allowance provision – Trade receivables**

Particulars	Amount (Rs. in Crore)
<b>Loss allowance on 31.03.2019</b>	<b>502.36</b>
Changes in loss allowance in 2019-20	5.05
<b>Loss allowance on 31.03.2020</b>	<b>507.40</b>

**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 2020	As on 31 March 2019
Interest bearing borrowings :		
On demand :		
Less than 365 days	-	-
More than 365 days :		
PFC-REC Loan 2	61.44	101.34
SBI term Loan (Solar)	722.45	-
<b>Total</b>	<b>783.89</b>	<b>101.34</b>

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.





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

- 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)

Particulars	As at 31.03.2020	As at 31.03.2019
Equity Share capital	1733.20	1733.20
Long term debt (PFC+PFC&REC+SBI(SOLAR))	3857.20	3843.07

### 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 2019-20	For the FY 2018-19
1.	Coal Mines Provident Fund Scheme is a Defined Contribution Plan and charged off to Statement of Profit & Loss.	657.61	679.52
2.	Superannuation & Pension Benefit to the Executive Cadre employees was provided and charged off to Statement of Profit & Loss.	65.55	17.36

- 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 31.03.2020 based on valuation made by the Actuary, details of which are mentioned below is Rs. 4645.28 Crore (Previous Year Rs. 4136.07 Crore).

*Additional Notes to the Financial Statements (Contd.)***(Rs. in Crore)**

Particulars	Opening Actuarial Liability as on 01.04.2019	Incremental Liability during the Year	Closing Actuarial Liability as on 31.03.2020
Gratuity	2748.32	380.15	3128.47
Leave Encashment (Vesting)	612.28	19.65	631.93
Leave Entitlements (Non-Vesting)	266.39	21.16	287.55
CPRMS(E) / (NE)	241.94	58.70	300.64
Monthly Monetary Compensation	151.38	4.30	155.68
Settling Allowance	55.46	19.00	74.46
Leave Travel concession	60.30	6.25	66.56
<b>Total</b>	<b>4136.07</b>	<b>509.21</b>	<b>4645.28</b>

**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.3128.47 Crore as at 31.3.2020 (Previous Year Rs. 2748.32 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) and the outstanding amounts towards leaves encashed during the year amounted to Rs. 631.93 Crore as at 31.3.2020 (Previous Year Rs.612.28 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. The actuarial liability as at 31.3.2020 stood at Rs.287.55 Crore (Previous Year Rs. 266.39 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.300.64 Crore as at 31.3.2020, as against provision of Rs.241.94 Crore up to 31.3.2019. An amount of Rs. 64.43 Crore is charged to Revenue and Rs.5.74 Crore and Rs.13.22 Crore were paid to Executives & NCWA Employees under the respective Schemes.

**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 31.3.2020 is Rs.155.68 Crore (Previous Year Rs.151.38 Crore).

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

- f) Settling Allowance is valued on actuarial basis and actuarial liability as at 31.03.2020 is Rs.74.46 Crore as against Previous Year of Rs.55.46 Crore.
- g) Leave Travel concession is valued on actuarial basis and actuarial liability as at 31.03.2020 is Rs.66.56 Crore (Previous Year Rs.60.30 Crore). An amount of Rs.19.47 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 31.03.2020 CERTIFICATES AS PER IND AS-19****(Rs. in Crore)**

Changes in Present Value of defined benefit obligations	As at 31.03.2020	As at 31.03.2019
Present Value of obligation at beginning of the period	4808.41	4818.17
Current Service Cost	155.26	195.66
Past Service Cost	-	-
Interest Cost	318.34	345.15
Actuarial (Gain) / Loss on obligations due to change in financial assumption	58.42	25.69
Actuarial (Gain) / Loss on obligations due to unexpected experience	(33.90)	-
Benefits Paid	(941.57)	(576.26)
<b>Present Value of obligation at end of the period</b>	<b>4364.96</b>	<b>4808.41</b>

**(Rs. in Crore)**

Changes in Fair Value of Plan Assets	As at 31.03.2020	As at 31.03.2019
Fair Value of Plan Asset at beginning of the period	2060.09	2219.00
Interest Income	117.98	167.35
Employer Contributions	-	250.00
Benefits Paid	(941.57)	(576.26)
Return on Plan Assets excluding Interest income	-	-
<b>Fair Value of Plan Asset as at end of the period</b>	<b>1236.49</b>	<b>2060.09</b>

**(Rs. in Crore)**

Statement showing reconciliation to Balance Sheet	As at 31.03.2020	As at 31.03.2019
Fund Liability	4364.96	4808.41
Fund Asset	1236.49	2060.09
<b>Un Funded Status</b>	<b>3128.47</b>	<b>2748.32</b>



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

(Rs. in Crore)

Expense Recognized in Statement of Profit / Loss	As at 31.03.2020	As at 31.03.2019
Current Service Cost	155.26	195.66
Past Service Cost	-	-
Net Interest Cost	200.36	177.81
<b>Benefit Cost (Expense recognized in Statement of Profit/Loss)</b>	<b>355.62</b>	<b>373.47</b>

(Rs. in Crore)

Other Comprehensive Income	As at 31.03.2020	As at 31.03.2019
Actuarial (Gain) / Loss on obligations due to change in financial assumption	58.42	25.69
Actuarial (Gain) / Loss on obligations due to unexpected experience	(33.90)	-
Total Actuarial (Gain) / Loss	-	-
Return on Plan Asset, excluding Interest Income	-	-
Balance at the end of the period	-	-
<b>Net (Income) / Expense for the period recognized in Other Comprehensive Income</b>	<b>24.52</b>	<b>25.69</b>

(Rs. in Crore)

Statement showing Plan Assumptions	As at 31.03.2020	As at 31.03.2019
Discount Rate	6.75%	7.50%
Expected Return on Plan Asset	7.40%	8.25%
Rate of Compensation Increase (Salary Inflation)	6.50%	7.00%
Average Expected Future Service (Remaining Working Life)	14.49 Years	12.84 Years
Average Duration of Liabilities	20.01 Years	21.89 Years
Mortality Table	LIC (2006-08) Ultimate	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	As at 31.03.2020	As at 31.03.2019
Age	Mortality (Per Annum)	Mortality (Per Annum)
Uniform for all ages	4.04	4.56

*Additional Notes to the Financial Statements (Contd.)***(Rs. in Crore)**

<b>Statement Showing Benefit Information Estimated Future payments (Past Service)</b>		
<b>Year</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
1	982.44	566.30
2	470.22	755.35
3	533.83	725.59
4	556.53	582.79
5	472.15	786.14
6 to 10	1362.74	1711.05
More than 10 years	2495.29	2506.06
<b>Total Undiscounted Payments Past and Future Service</b>	<b>6873.20</b>	<b>7633.29</b>
<b>Total Undiscounted Payments related to Past Service</b>	<b>4447.06</b>	<b>4870.45</b>
Less Discount For Interest	82.10	62.04
<b>Projected Benefit Obligation</b>	<b>4364.96</b>	<b>4808.41</b>

**(Rs. in Crore)**

<b>Statement Showing Cash Flow Information</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
Current service Cost (Employer portion Only) Next period	154.00	155.26
Interest Cost next period	6.75	7.50
Expected Return on Plan Asset	75.00	167.00
<b>Benefit Cost</b>	<b>950.00</b>	<b>555.00</b>

**(Rs. in Crore)**

<b>Statement Showing expected return on Plan Asset at end Measurement</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Current liability	-	-
Non-Current Liability	-	-
<b>Net Liability</b>	<b>4364.96</b>	<b>4808.41</b>



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

**ACTUARIAL VALUATION OF LEAVE ENCASHMENT BENEFIT (VESTING) (EL/HPL) AS AT 31.03.2020  
CERTIFICATES AS PER IND AS-19**

**(Rs. in Crore)**

Changes in Present Value of defined benefit obligations	As at 31.03.2020	As at 31.03.2019
Present Value of obligation at beginning of the period	612.28	680.80
Current Service Cost	124.23	81.10
Interest Cost	45.92	49.78
Actuarial (Gain)/ Loss on obligations due to change in financial assumption	9.46	12.96
Curtailment of Benefits	-	(51.36)
Benefits Paid	(159.96)	(161.00)
Present Value of obligation at end of the period	631.93	612.28

**(Rs. in Crore)**

Changes in Fair Value of Plan Assets	As at 31.03.2020	As at 31.03.2019
Fair Value of Plan Asset at beginning of the period	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 31.03.2020	As at 31.03.2019
Fund Liability	631.93	612.28
Fund Asset	-	-
Funded Status	Unfunded	Unfunded

**(Rs. in Crore)**

Statement showing Plan Assumptions	As at 31.03.2020	As at 31.03.2019
Discount Rate	6.75%	7.50%
Rate of Compensation Increase (Salary Inflation)	6.50%	7.00%
Average Expected Future Service (Remaining Working Life)	14.49 Years	12.84 Years
Average Duration of Liabilities	20.01 Years	21.89 Years
Mortality Table	LIC (2006-08) Ultimate	
Superannuation at Age	60 Years	60 Years



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

(Rs. in Crore)

Expense Recognized in Statement of Profit / Loss	As at 31.03.2020	As at 31.03.2019
Current Service Cost	124.23	81.10
Net Interest Cost	45.92	49.78
Curtailment in benefits in current year	-	(51.36)
Actuarial (Gain)/ Loss on obligations due to change in financial assumption	9.46	12.96
<b>Benefit Cost (Expense recognized in Statement of Profit/Loss)</b>	<b>179.61</b>	<b>92.48</b>

Mortality Table	As at 31.03.2020	As at 31.03.2019
Age	Mortality (Per Annum)	Mortality (Per Annum)
Uniform for all ages	4.04	4.56

(Rs. in Crore)

Statement Showing Benefit Information Estimated Future payments		
Year	31.03.2020	31.03.2019
1	75.47	51.84
2	70.30	52.65
3	78.33	62.56
4	87.11	59.09
5	74.93	52.68
6 to 10	284.59	177.18
More than 10 years	310.00	174.08
Total Undiscounted Payments Past and Future Service	980.73	696.12
Total Undiscounted Payments related to Past Service	679.36	630.08
Less Discount For Interest	47.43	47.81
Projected Benefit Obligation	<b>631.93</b>	<b>582.27</b>

(Rs. in Crore)

Statement Showing expected return on Plan Asset at end Measurement	As at 31.03.2020	As at 31.03.2019
Current liability	90.87	110.01
Non-Current Liability	541.06	502.27
Net Liability	<b>631.93</b>	<b>612.28</b>

*Additional Notes to the Financial Statements (Contd.)***4. Unrecognized items:****4.A. Contingent Liabilities****(Rs. in Crore)**

Sl. No.	Particulars	As on 31.3.2020	As on 31.3.2019
	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	14.08	7.91
(ii)	Workmen Compensation (cases contested – court)	0.90	0.91
(iii)	Motor Accident claims (cases contested – court)	0.35	0.67
(iv)	Police Guard (excess man power billed disputed)	2.98	2.98
(v)	S C Railways (damages, demurrages etc. disputed)	1.67	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	323.20	265.09
(ix)	Other disputed claims & Legal cases etc.	12.73	26.43
(x)	<p>Service Tax demands were raised on OBR contractors by Service Tax Department treating value of free issue explosives and HSD oil as additional consideration to them. The demands of Service Tax Department have been contested by the Service Providers. Pending adjudication of disputed demands, SCCL issued letter of comfort to the contractors with commitment to reimburse Service Tax, interest and penalty thereon in case the verdict goes against them.</p> <p>However, Larger Bench of CESTAT, New Delhi in the case of M/s. Bhayana Builders (P) Ltd., and others held that value of the goods and materials supplied free of cost of being neither monetary nor non-monetary consideration and would be outside the taxable value or the gross amount charged to Service Tax.</p> <p>In the appeal filed by M/s. SV Engg. Constructions, to whom comfort letter was given by SCCL, the Hyderabad Circuit Bench of CESTAT has given judgment in favour of M/s. SV Engg. Constructions.</p> <p>Further, in appeals filed by M/s. PLR Projects Pvt. Ltd., M/s Gulf Oil Corporation Ltd., M/s GRN Construction Pvt. Ltd., M/s. BGR Mining &amp; Infra Pvt. Ltd. And SV Engg. Constructions, CESTAT, Bangalore has passed a judgement in favour of the Contractors.</p> <p>Against the order passed by the CESTAT in the case of M/s. Gulf Oil Corporation Ltd, the Service Tax Department has filed a Civil Appeal in the Hon'ble Supreme Court. The Supreme Court has pronounced its judgement on the Civil Appeal stating that material issued free of cost does not attract service tax (Civil Appeal Nos 1335-1358 of 2015). However, as the individual orders for the cases filed by Contractors are yet to be received, the service tax liability against the Comfort Letter 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 31.3.2020	As on 31.3.2019
(xi)	(a) Excise Duty demands on quantity disputes.	5.70	5.75
	(b) 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
	(c) Demand for Clean Energy Cess	-	0.24
	(d) Excise Duty on APGENCO performance Incentive	-	10.87
	(e) CEC on Closing Stock as on 30.06.2017 (Pre-GST)	223.39	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.	31.72	5.67
(xiii)	Tax Demands from Income Tax Department which are disputed by SCCL and pending before various appellate authorities for adjudication.	372.87	212.58
(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
	(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
(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	1.66
(xviii)	(a) Claims for additional compensation decided by the Lower Courts in favour pattadars which were contested by the company in Higher Courts for Acres 548 Guntas 11 ½ (PY Acres: 114, Guntas 12.)	25.82	12.48
	(b) Claims in respect of suits filed by the Pattadars for additional compensation for Acres 4465, Guntas 5 ½ (Previous year: Acres: 2369, Guntas 30¼) contested by the Company and pending in Courts.	Not quantifiable	Not quantifiable

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

Sl. No.	Particulars	As on 31.3.2020	As on 31.3.2019
(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 31.3.2020	As on 31.3.2019
1)	Estimated value of capital commitment for 2x600 MW Singareni Thermal Power Project, Jaipur, Telangana State.	113.30	197.42
2)	Estimated value of capital commitments of other contracts to be executed	201.87	526.85
3)	Estimated value of capital commitments - Solar Power Plants	78.07	494.96
<b>Total</b>		<b>393.24</b>	<b>1219.23</b>

**4.C. Other Commitments/Guarantees :****(Rs. In Crore)**

Sl.No.	Particulars	As on 31.3.2020	As on 31.3.2019
1	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.	894.32	288.44
2	Outstanding Letters of Credit	42.73	28.42
3	Bills Receivable from M/S. APGENCO discounted with Banks (ICICI/ SBI/HDFC).for which the Company has undertaken to indemnify the banks in the event of non-honouring of the Bills of Exchange by M/S. APGENCO on maturity.	951.86	-
4	The balance value of Surrounding Habitats Assistance Programme (SHAPE) works to be executed.	7.34	7.35
5	Liability on the Works sanctioned towards CSR under CSR policy of the company for the period upto FY 2018-19	32.27	41.44
<b>Total</b>		<b>1928.52</b>	<b>365.65</b>



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

- 4.C.1.1 This includes Bank Guarantees of Rs.176.32 Crore, Rs.40 Crore and Rs.641.20 Crore submitted to MoC, Government of India, as Performance Guarantees against allotment of Naini Coal Block, Odisha, Penagadapa Coal Block, Telangana and New Patrapara Coal Mine Odisha, respectively. In addition, Bank Guarantees worth, Rs.33.84 Crore submitted to M/s SECI, New Delhi, against Solar power plant related works. In respect of the coal blocks allotted, pre-mining operations are in progress.
- 4.C.3.1 Out of these, Bills of Exchange worth Rs.240.55 Crore (discounted with ICICI), Rs.210.05 Crore (discounted with SBI), Rs.200.57 Crore (discounted with HDFC) and Rs.300.69 Crore (discounted with SBI) have been honoured by M/s APGENCO on respective maturity dates (i.e. on 10.06.2020, 08.06.2020, 14.08.2020 and 14.09.2020 respectively).

## 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)
- 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.

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

- 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.

**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.

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

- 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.

**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).

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

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.

**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).

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

- c) KPCL / MSEB - Bills will be raised in first lot from 1<sup>st</sup> to 10<sup>th</sup>, second lot 11<sup>th</sup> to 20<sup>th</sup> and third lot from 21<sup>st</sup> to 30<sup>th</sup>/31<sup>st</sup> 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 (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.
  - 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/

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

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 Ind AS 116 : Leases :

- 5.2.1 In pursuance of the provisions of Ind AS 116 – Leases effective from 01.04.2019, the Company had recognised the Lease Liabilities and Right of Use Assets, in respect of the Leases contained in the Service/ Hiring Contracts in operation where the contracts convey the right to control the use of the identified Assets to the Company as a Lessee.
- 5.2.2 The company had adopted Option II of the Modified Retrospective Approach permitted under Clause no C.5(b) read with C7 and C8 of the Appendix C of the Accounting Standard. Accordingly, the Lease Liabilities and corresponding Right of Use Assets are initially recognized at Rs.15.95 Crore being the present value of the future Lease payments outstanding as on 01.04.2019.
- 5.2.3 The amounts payable in respect of Low Value leases up to Rs.2.00 lakhs/PM per Asset and the Short term leases of 12 months or less are fully charged to expense.
- 5.2.3 During the year further Lease liabilities Rs. 19.63 Crore and Right of Use Assets at the corresponding amount are recognised in respect of the new Leases commenced during the Year 2019-20. During the year, Finance cost of Rs.1.42 Crore (being the unwinding cost of interest @ 8.50%) included in the payments identified as lease elements and depreciation on Right of Use Assets for an amount of Rs.9.98 Crore (on straightline basis over the lease period) is charged off to Profit & Loss Account for the year 2019-20. The identified value of lease payments of Rs.10.92 Crore were reduced from respective lease liabilities and the Hiring cost of the Assets. The overall impact of the implementation of the Ind AS 116- Leases for FY 2019-20 is Rs.0.48 Crore only (net increase in expenditure).
- 5.2.4 The carrying amounts of Lease Liability and the Right of Use Assets as on 31.03.2020 are Rs.26.08 Crore and Rs.25.60 Crore respectively.

#### 5.2A: Government Grants :

- 5.2A.1 During the year, an amount of Rs.5.02 Crore is recognised as Revenue Grants against the Protective works and the portion of capital grants which are in excess of carrying amount of respective assets upon the receipt of approval in 83<sup>rd</sup> and 84<sup>th</sup> meetings of CCDAC. Further, as 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), no income is recognised on the same during the year.



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

5.2A.2 During the year, Capital Grants for an amount of Rs 74.64 Crore against Road, Rail and Man Riding Systems approved in the 83<sup>rd</sup> & 84<sup>th</sup> meetings of CCDAC have been recognised during the year 2019-20. An amount of Rs.71.27 Crore is adjusted from the carrying amount of respective asset. An amount of Rs.3.37 Crore out of capital grants approved are charged to P&L account which are in excess of carrying amount of respective assets.

5.2A.3 During the year, the proceeds of Grants received from CCDAC amounted to Rs 3.87 Crore comprising of Rs.1.26 Crore towards revenue grants and Rs 2.61 Crore towards Capital Grants .

**5.3 Provisions :**

The position and movement of various provisions as on 31.03.2020 are given below:

Provisions	(Rs. In Crore)				
	Opening Balance as on 01.04.2019	Addition during the year	Write back/ Adj./ payments During the year	Unwinding of discounts	Closing Balance as on 31.03.2020
<b>Long term provisions:</b>					
Gratuity	2748.32	179.79	-	200.36	3128.47
Leave encashment - Vesting	502.27	38.79	(10.87)	-	530.19
Leave Entitlement – Non vesting	266.39	21.15	-	-	287.54
Monthly Monetary Compensation & Low productive employee compensation (MMC & LPE)	106.88	9.30	-	-	116.18
Settling Allowance	46.25	15.11	-	-	61.36
Leave Travel Concession	32.19	10.07	-	-	42.26
OBR (Net of Advance Action)	2513.85	719.85	-	-	3233.70
Backfilling	11146.84		(1276.20)	705.49	10576.13
Mine Closure Plan	1107.33	20.22	(33.59)	81.28	1175.24
Remedial Action Plan	-	86.71	-	-	86.71
<b>Short term provisions :</b>					
Gratuity	1.32	0.10	-	-	1.41
Leave Encashment (Vesting)	110.01	-	(8.27)	-	101.74
MMC & LPE	44.50	-	(5.00)	-	39.50
Superannuation Benefit	310.87	67.35	(10.00)	-	368.22
Post Superannuation Medical Benefit- Executives & Non Executives	327.55	162.28	-	-	489.83
Performance related pay – Exe	235.13	79.82	(55.99)	-	258.96
Performance Linked Reward Scheme(PLR) (Exgratia)	292.54	273.35	292.54	-	273.35
Settling Allowance	9.21	3.88	-	-	13.09
LTC / LLTC	28.11	-	(3.81)	-	24.30
Corporate Special Incentive	477.00	278.28	(477.00)	-	278.28
Provision for Grade deterioration of Washery Rejects	-	4.61	-	-	4.61
Provision for CSR	-	29.78	-	-	29.78

*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 31.03.2020	For the year ended 31.03.2019
i)	Net profit after tax attributable to Equity Share Holders (in Rs. Crore)	1012.21	1839.62
ii)	No. Of Equity Shares Outstanding(In Number)	1733198119	1733198119
iii)	Basic Earnings per Share in Rupees (Face value Rs.10/- per share)	5.84	10.61

**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 S. Shankar	Director (Electrical & Mechanical)	Full period
3.	Sri S. Chandrasekhar	Director (Operations) Director (PA&W) (FAC)	Full period
4.	Sri B. Bhaskara Rao	Director (Planning & Projects)	Full period
5.	Sri. N. Balram	Director (Finance)	Full period
6.	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 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).

*Additional Notes to the Financial Statements (Contd.)***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 31.03.2020	For the year ended 31.03.2019
i)	Short Term Employee Benefits	2.28	2.40
	Gross Salary		
	Perquisites & Medical Benefits	0.22	0.16
ii)	Post-Employment Benefits	0.21	0.25
	Contribution to P.F. & other fund		
iii)	Termination Benefits (Paid at the time of separation) Leave Encashment	-	-
	Gratuity paid	-	-
	Gratuity Outstanding	-	-
	<b>TOTAL</b>	<b>2.71</b>	<b>2.81</b>

**b) Sitting Fees:****(Rs. In Crore)**

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

**c) Balances Outstanding as on 31.03.2020****(Rs. In Crore)**

Sl. No.	Particulars	As on 31.03.2020	As on 31.03.2019
i)	Amount Payable- Gratuity	NIL	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 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.

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

DEFERRED TAX ASSETS/ LIABILITY		As on 31.03.2020	As on 31.03.2019
A	<b>Deferred Tax Liabilities</b>		
	Depreciation	1032.39	1331.03
	<b>TOTAL</b>	<b>1032.39</b>	<b>1331.03</b>
B	<b>Deferred Tax Assets</b>		
	Back filling & Mine Closure Provision	1101.19	1501.83
	Gratuity	801.31	960.37
	Other Employment Benefits	597.72	745.15
	Overburden Removal	633.29	879.28
	MAT Credit	-	479.82
	Other Provisions	340.54	477.22
	<b>TOTAL</b>	<b>3474.05</b>	<b>5043.67</b>
	<b>Deferred Tax Assets (net) (B-A)</b>	<b>2441.66</b>	<b>3712.64</b>

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

Sl.No.	Nature of Adjustments	Year ended 31.03.2020
1	Net profit as per Statement of Profit and Loss (before tax)	<b>2869.06</b>
2	Add/Less: Differences as per Income Tax Act. (MAT)	468.80
3	Book profit for the purpose of MAT(1-2)	<b>3337.86</b>
4	Applicable tax rate @34.944%	34.944%
5	MAT on Book profit as per income Tax Act, 1961 (3*4)	1166.38
6	Taxes as per P&L A/c	
	a) Current year tax	1166.38
	b) Deferred Tax in P&L	690.47
	c) Deferred Tax in OCI	(6.17)
7	Net tax liability as per P&L A/c	1850.68
8	Other Comprehensive Income (Excluding Deferred Tax on OCI)	(24.52)
9	Profit after Tax (Total comprehensive income for the period) (1-7+8)	<b>993.86</b>

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

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

- a) During the year, the Govt of India has notified an option to the Assesses for payment of Corporate Income Tax at either the normal Tax rate of 34.944% with MAT Credit entitlement and availment of special exemptions or at the reduced Tax rate of 25.168% without MAT credit entitlement and Exemptions. Based on the Estimated Tax liability under both the options, the payment of Income Tax on the normal Tax rates is beneficial for the year 2019-20. Hence, the company has opted to pay Income Tax at normal rates of 34.944% with MAT Credit utilization and availment of 80IA exemption in respect of STPP profits. Accordingly, the current tax liability for the year 2019-20 at normal rates worked out to Rs.1166.38 Crore (Previous Year Tax provision is Rs. 620.64 Crore (MAT)).
- b) Further, as per the estimates of physical parameters and Profitability for future accounting periods, the payment of Income Tax at Normal tax rate of 34.944% would be beneficial for FY 2020-21 also and from FY 2021-22 onwards, the reduced Tax rates would be favourable. As per the provisions of Ind AS 12 – “Income Taxes” read with Accounting Policy no 2.2.13(B), the deferred Tax Assets/Liabilities have been arrived by considering the rate of Income Tax at which they would be realized i.e. at 34.944% for FY 2020-21 and at 25.168% from 2021-22 onwards. Consequently, an amount of Rs.850.24 Crore is charged off as impairment of deferred Tax Assets (net) in the current year.( Refer Note No 9.1)
- c) The total amount of Deferred Tax Asset (net) charged off including the movement in the various items of Deferred Tax Assets/ Deferred Tax Liabilities and the impairment of deferred Tax assets on account of Rate reduction as mentioned above worked out to Rs.684.30 Crore.

**iv) Dividend Distribution Tax:**

For the Financial year 2018-19, the Company has declared and paid Dividend @10% on the paid-up equity share capital in the FY 2019-20 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.

As per the amendments made to Section 115 O of Income Tax Act, during the current year, no Dividend distribution Tax is applicable on the dividends declared /paid on or after 01.04.2020.

**v) Unsettled Tax propositions :**

The expenditure reimbursed to Educational society was disallowed in the latest assessments by the Tax Authorities, without change in law or the nature of claim. The company has contested the disallowance before the Appellate Authorities and expecting a favourable decision. The tax liability for the current year is arrived duly considering the educational society expenditure as an allowable expenditure.

**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.

*Additional Notes to the Financial Statements (Contd.)***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 31.3.2020	As on 31.3.2019
The principal amount remaining unpaid (But not due)	21.25	11.99
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 Rs.73.68 Crore is not provided for in books as on 31.03.2020 (Previous year Rs.77.18 Crore).
- D) **Balance Confirmations:**
- Balance confirmation/reconciliation is carried out for cash & bank balances, certain loans & advances, long term liabilities and current liabilities. Provision is taken against all doubtful unconfirmed balances.
  - Joint reconciliation with major sundry debtors is done periodically.
- E) **Value of imports on CIF basis:**

**(Rs. In Crore)**

Particulars	For the Year ended 31.3.2020	For the Year ended 31.3.2019
Components, Stores & Spare Parts	7.69	21.42
Capital Goods	49.36	29.60

*Additional Notes to the Financial Statements (Contd.)***F) Expenditure incurred in Foreign Currency:****(Rs. In Crore)**

Particulars	For the Year ended 31.3.2020	For the Year ended 31.3.2019
Travelling Expenses	0.14	0.16
Consultancy Payments	0.50	0.34
Others	2.33	3.24

**G) Consumption of Stores & Spares :****(Rs. In Crore)**

Particulars	31.3.2020		31.3.2019	
	Amount	% of total consumption	Amount	% of total consumption
Imported	9.90	0.33	10.62	0.29
Indigenous	2997.82	99.67	3683.33	99.71
<b>Total</b>	<b>3007.72</b>	<b>100.00</b>	<b>3693.95</b>	<b>100.00</b>

**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 2019-21 commenced from 2018-19.

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

The Assets mentioned at (i) and (ii) above were physically verified during 2019-20 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 31.3.2020		For the year ended 31.3.2019	
	Quantity In '000 T	Value (Rs. in Crore)	Quantity In '000 T	Value (Rs. in Crore)
Opening Balance	1864.39	217.10	5283.66	685.13
Production	64,044.38	-	64,401.23	-
Purchase from FCI	-	-	10.78	1.73
Despatches	56,552.72	14,727.36	62,569.65	16,339.43
Internal Consumption (incl. STPP)	5,876.62	2,303.27	5,220.01	1,768.26
Adjustments for adopted Stock	-	-	0.29	-
Shale/Stone Write off	11.15	-	41.91	-
Closing Balance*** (#)	3,468.28	457.34	1,864.39	217.10

\*\*\* The above closing stock includes 17,959.90 Tonnes of shale values at "NIL" rate (Previous Year 11,146.75 Tonnes)

# Closing stock includes 19,168.20 Tonnes of Coal in transit at STPP as on 31.03.2020 valuing Rs.8.13 Crore. (PY 3698.96 Tonnes valuing Rs. 1.43 Crore)

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

**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) Fly Ash Utilisation Reserve :**

In pursuance of Guidelines issued by MOEF, the revenues generated from the Sale of Fly Ash at STPP shall be recognized as a specific reserve under the nomenclature “Fly Ash Utilization Reserve Fund”, instead of recognizing as revenue in Profit & Loss Account. The fund is to be utilized to meet the expenditure on development of infrastructure / facilities, promotion & facilitation activities for use of fly ash. Accordingly, the Company has adopted a new accounting policy for accounting of proceeds from the sale of Fly Ash from FY 2019-20 onwards. Consequently, the revenues from the sale of Fly Ash of Rs.3.84 Crore during the year 2019-20 were not accounted as Income and shown as Fly Ash Utilization Reserve Fund under Reserves & Surplus in Balance Sheet and the proceeds are parked in separate bank account.

**b) Leases :**

The Company had recognised the Lease Liabilities and Right of Use Assets, in respect of the Leases contained in the Service/Hiring Contracts in operation where the contracts convey the right to control the use of the identified Assets to the Company as a Lessee as per the provisions of Ind AS 116 – Leases. The company had adopted Option II of the Modified Retrospective Approach permitted under Clause no C.5(b) read with C7 and C8 of the Appendix C of the Accounting Standard. Accordingly, the Lease Liabilities and corresponding Right of Use Assets are initially recognized at Rs.15.95 Crore being the present value of the future Lease payments outstanding as on 01.04.2019.

In respect to new Leases commenced during the Financial Year 2019-20, Lease liabilities and Right of Use Assets are recognised for Rs.19.63 Crore. During the year, Finance cost of Rs.1.42 Crore (being the unwinding cost of interest @ 8.50%) included in the payments identified as lease elements and depreciation on Right of Use Assets for an amount of Rs.9.98 Crore (on straightline basis over the lease period) is charged off to Profit & Loss Account for the year 2019-20. The identified value of lease payments of Rs.10.92 Crore were reduced from respective lease liabilities and the Hiring cost of the Assets. The overall impact of the implementation of the Ind AS 116- Leases for FY 2019-20 is Rs.0.48 Crore only (net increase in expenditure).

The carrying amounts of Lease Liability and the Right of Use Assets as on 31.03.2020 are Rs.26.08 Crore and Rs.25.60 Crore respectively.

**c) Development Expenditure :**

The Accounting policy at Sl.No 2.2.9.B (ii) and (E) regarding reckoning the sale value of coal production of the Mine has been modified from “the Average Monthly Selling Price of the Area” to “Monthly Selling Price of the Mine” as it is more appropriate basis for arriving at the sale value of production for and recognizing the Revenue expenditure capitalized as Development Expenditure Assets.

Consequent to the above modification in the accounting policy, an amount of Rs.23.16 Crore was adjusted (debit) against Retained Earnings as on 01.04.2018 and corresponding amount was credited to Development expenditure, being the effect of retrospective application pertaining to the earliest period. The financial impact for the year 2018-19 (Comparative Year) was accounted by increasing the



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

Coal Sales Revenue by Rs.6.51 Crore, Development Expenditure by Rs.6.51 Crore and consequent increase in profit for FY 2018-19 was Rs.6.51 Crore). Consequently, the corresponding reported figures of FY 2018-19 are restated. Due to change in the policy, there is an increase in the Sales revenue and Development Expenditure by Rs.6.71 Crore during the current year.

**d) Overburden Removal Accounting:**

As per the Accounting Policy 2.2.10.1(ii), general review of stripping ratios is taken up once in five years in respect of only those OC mines which have completed five years of revenue workings. However, as per this policy, certain revenue Mines which have not completed five years of revenue production by the time of a general review are escaping the review of stripping ratios for 6 to 9 years, as the case may be.

In order to cover the review of Stripping Ratios of all the OC Mines in operation (irrespective of period of revenue working thereof) the review of stripping ratios of all the operating OC mines is taken up in current year by modifying the accounting policy regarding the periodicity of revision of stripping ratios as 3 years interval from the existing 5 years. Further, the revised stripping ratios of the projects not qualified for the general review of stripping ratios are also estimated by the Project Planning dept by the usage of latest software modelling techniques.

The modification to the Accounting Policy reducing the interval period of general review of stripping ratios from five years to three years could not be given retrospective implementation as it was impracticable to apply the revised Accounting Policy retrospectively owing to non availability of the relevant information at that point of time. The respective previous periods and revised stripping ratios have since been firmed up in the current year. Hence, the financial impact of the change in the Accounting policy as to the review period is applied prospectively as a change in the estimate and an additional amount of Rs.169.03 Crore is debited to Profit & Loss Account in the current year in respect of five OC Mines.

**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, 2020 which shall be applied from 01.04.2020. Some of the amendments made to the standards relevant to the company as under:

**a) Ind AS 103 – “ Business Combinations” :**

The amendment made with regard to determination of whether a transaction or other event is a business combination, which requires determining whether the assets acquired and liabilities assumed constitute a business or not and in case the assets acquired are not a business, accounting for the transaction or other event as an asset acquisition, may not have any impact on the Company as no business acquisitions are proposed for.

**b) Ind AS 109 – “Financial Instruments”:**

The amendments made with regard to accounting treatment of Uncertainty arising from interest rate benchmark reform and Temporary exceptions from applying specific hedge accounting requirements are not applicable as there are no such Financial Instruments in the Company.

**c) Ind AS 116 – “Leases”:**

The amendments proposed with regard to Covid-19-related rent concessions for lessees are not applicable to the Company as there are no such transactions in the Company.

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

**d) Ind AS 1 – “Presentation of Financial Statements” and Ind AS 8 - “ Changes in the Accounting policies” :**

The definition of the term Material is modified in both the Standards as “Material: Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. Further, the term Obscure information was also amplified with the examples.

On primary understanding, these amendments made with regard to materiality have no impact on the company as all the required information is appropriately presented and disclosed. However, these amendments will be thoroughly reviewed and all material information as per new definition shall be presented in the future Financial Statements.

**e) Ind AS 10 – “ Events After the Reporting Period” :**

The amendment made specifying that if non-adjusting events after the reporting period are material, non-disclosure could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

Accordingly, an entity shall disclose the following for each material category of non-adjusting event after the reporting period-

- i) the nature of the event; and
- ii) an estimate of its financial effect, or a statement that such an estimate cannot be made.

The material non-adjusting events after the reporting period which are required to be disclosed in the Financial Statements for the current year have been appropriately disclosed in the Notes wherever required. However, these amendments will be reviewed and material non-adjusting events, if any, shall be appropriately presented in the future Financial Statements.

**L) Material Prior Period Errors:**

**1. Excess payment of HRA to Employees:**

The excess payment of HRA to Employees posted at Urban Areas covering the period October 2017 to December 2019 was identified by Internal Audit Dept during the current year. Pending recovery of the amounts from respective on roll/not on roll employees, the excess payment of HRA of Rs.18.38 Core for the period October 2017 to December 2019 is recognised as Receivable. Though, the excess payment pertaining to FY 2019-20 of Rs.5.44 Cores was accounted as a current year’s transaction, the excess payments pertaining FY 2017-18 and 2018-19 are to be considered as a prior period errors.

Accordingly, the excess payment pertaining to the period from October 2017 to March 2018 (i.e. earliest period) of Rs. 3.01 Crore was transacted as an adjustment to the Retained Earnings as on 01.04.2018 (Rs 4.60 Net minus deferred tax liability of Rs.1.59 Crore). The excess payment pertaining to the Period April 2018 to March 2019 of Rs.8.34 Crore (previous Year) was recognised by restating the corresponding reported figures of Employee Benefit Expenses for the year 2018-19 (reduction). On this, deferred tax liability of Rs.2.91 Crore (increase) was also recognised. The net increase in the Profit for the year 2018-19 was Rs.5.43 Crores.

**2. Excess payment of Administrative charges on the Pension Contributions:**

The contributions to be made to the Coal Mines Pension Scheme, 1998 both the employer and employees are revised to 7% of notional salary w.e.f 01.10.2017. Consequently, the CMPF contributions

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

are also revised as 12% of actual salary earned from the even date. Consequent to this revision, Administrative charges @ 3% are required to be paid on the CMPF Contributions only. However, while payment of Pay revision Arrears in FY 2018-19, Administrative charges were erroneously paid on the Pension Contributions also to the CMPF authorities, which was noticed in the current year.

Hence, the excess paid administrative charges are adjusted against the amounts payable to CMPF authorities in the current year and financial impact of FY 2018-19 was recognised by restating the corresponding reported figures of Employee benefit Expenses are reduced by Rs.15.88 Crores. On this, deferred tax liability of Rs.5.55 Crore (increase) was also recognised. The net increase in the Profit for the year 2018-19 was Rs.10.33 Crore.

**3. Errors in Overburden removal Accounting :**

Few errors in the overburden accounting owing to non provisioning for estimated amounts payable on the closed contracts, omission of diesel penalty recoverable, incorrect stores expenditure allocation etc, with consequential impact on the OBR charge, updation of reserve/advance action are noticed in the current year which need to be corrected retrospectively. Accordingly, the Financial Impact of these errors up to 31.03.2018 (earliest Period was adjusted against retained earnings as on 01.04.2018 for an amount of Rs.2.41 Crore (Credit) (Rs.3.70 Crore net of deferred tax of Rs.1.29 Crore) and the financial impact of FY 2018-19 was recognised by restating the corresponding reported figures of related expenditure GLs/OBR adjustment account, as the case may be, by Rs.8.72 Core (Credit). On this, deferred tax liability of Rs.3.05Crore (increase) was also recognised. The net increase in the Profit for the year 2018-19 was Rs.5.67 Crore.

**4. Non regularisation of Tax liability provision :**

For the year 2017-18, the estimated Tax liability (including deferred tax) as per the information available up to the closure of accounts was provided in the Books of Account. However, inadvertently the regularisation of the estimated Tax liability against the actual Tax liability firmed up as per the Return of Income filed and consequential withdrawal of excess liability of Rs. 28.80 Crore was not done in FY 2018-19, which need to be viewed as a prior period error and requires retrospective correction. Accordingly, the corresponding reported figures of Tax liability of FY 2018-19 was restated. The increase in the Profit (PAT) for the year 2018-19 was Rs.28.80 Crore.

- 5.** In addition to above, few expenses pertaining to prior periods have been recognised in the current year. These items amounting to Rs.2.19 Crore (decrease) have been corrected retrospectively by restating the opening balance of retained earnings as on 01.04.2018 (earliest period) by Rs.1.69 Crore (decrease) and the comparative amounts for the prior period 2018-19 by Rs.0.50 Crore (decrease) as the case may be.

**6. Exceptional Items :**

In pursuance of notification vide S.O.804 (E), dated 14.03.2017 issued by MoEF&CC, the Company had submitted proposals for obtaining Environment Clearances involving 20 projects falling under the EC violation category. The Company has recognised liability of Rs.86.71 Crore for implementation of Remediation Plan and Natural & Community Resource Augmentation Plans (RP & NCRAP) corresponding to the ecological damage assessed and economic benefits derived due to violation.

Considering the specific nature of the expenditure the Company has classified and disclosed the same as Exceptional item as per Para no 9.6 of Guidance Note issued by ICAI on Division II – Ind AS Schedule –III to the Companies Act, 2013. (Refer Note no 22.5).

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

**7. Dividend Information :**

For the year 2018-19 dividend was declared by the shareholders in the AGM held on 30.09.2019 @ 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 2019-20, 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 2019-20 by the shareholders in the ensuing AGM, the same is not accounted in the books of account as it is in the nature of an event after the reporting date as per Ind AS 10. As mentioned at Para no.39.5.8(iv), no dividend distribution tax is applicable on the same.

**8. Disclosures with regard to COVID-19 and its impact:**

**a) Financial Impact:** The Company has been classified as an Emergency Services Provider. The lock down imposed in the country in March 2020 due to COVID-19 had caused only minor effect on the operations of the Company. There is a loss of Coal production of 2.69 LT and despatches are lower by 5.05 LTs in March 2019-20. Consequent to this there is a reduction in Revenue by Rs.100.11 Crore (net of increase in inventory) and corresponding reduction in the Profit Before Tax (PBT ) by even amount.

**b) Impact of Corona Virus on financial reporting – Assets & Liabilities:**

- 1) **Inventory:** There is reduction of 5.05 LT in the despatch of Coal to customers in March 2020 due to Covid 19. As the major customers of the Company are power generating utilities which are declared as emergency services, the Management do not see any need to write down the inventories in view of COVID-19.
- 2) **Impairment test for Assets:** No impairment of non-financial assets like property, plant & equipment, intangibles and goodwill, is felt necessary due to COVID-19.
- 3) **Change in useful life of fixed assets:** No change in useful life of assets is felt necessary due to COVID-19.
- 4) **Fair value of financial assets/instruments:** There is no impact due to COVID-19 in fair value of financial assets/instruments.
- 5) **Trade receivables-Expected Credit Loss:** No additional ECL is felt necessary due to COVID-19 Situation.
- 6) **Leased Assets:** No changes in conditions of the Lease agreements due to COVID-19.
- 7) **Capitalisation of Borrowing cost:** There is no impact on the Capitalisation of Borrowing Cost.
- 8) **Provision for onerous contract:** There are no onerous contracts in the Company hence provisioning towards the same does not arise.
- 9) **Going concern assumption need to be reassessed by management:** The management feels that there shall not be any impact on Going Concern Assumption due to COVID-19 as on Balance Sheet date and next 12 months.
- 10) **Impact of COVID-19 on significant uncertainties:** As the Company is classified as an Emergency service sector and operations are continued as normal, no significant uncertainties have been emerged by the outbreak of the COVID-19 in measuring various assets and liabilities. However, due to the overall economic situation in the country, it is



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

estimated that there could be 15%-20% scale down in the operations in the year 2020-21 when compared to the reporting period.

**c) Impact of Corona virus on financial reporting-Revenue & Expenses:**

- 1) **Revenue recognition:** No reassessment of Revenue is felt necessary considering the impact of COVID-19.
- 2) **Recognition of insurance claims filed due to loss on account of COVID-19:** There has been no loss for which insurance claims need to be filed due to loss on account of COVID-19 (Loss of Profit Policy) as the generation of power at STPP was normal during the lockdown period in March 2020.
- 3) **Re-measurement of deferred taxes:** No changes in the deferred taxes are expected due to COVID-19.
- 4) **Revision in risk assessment and materiality:** Management feels that the demand position of Coal in FY 2020-21 would be lower as compared to FY 2019-20. During the period from April 2020 to August 2020, there was a reduction in production and despatches by 44% and 46% respectively. However, the overall scale down in the operation during the year 2020-21 is expected to be in the range of 15% - 20%. No material risks are anticipated necessitating their provisioning in the Accounts for FY 2019-20.
- 5) **Year-end physical verification:** Physical verification of Inventory has been carried out at various projects as per Perpetual Inventory System.
- 6) **External confirmations:** Letters seeking confirmations have been sent to Debtors and Creditors as per every year practice.

**9. 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 31<sup>st</sup> March, 2020  
(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/-
<b>(CA.Surendranath Bharathi)</b>	<b>(B.Muralidhara Rao)</b>	<b>(M.Narasimha Reddy)</b>	<b>(N.Balram)</b>	<b>(N.Sridhar)</b>
Partner Membership No.23837	General Manager (C.A) & Company Secretary	General Manager (F&A) Corporate	Director (Finance) & C.F.O	Chairman & Managing Director

Date : 03-10-2020

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)

#### FY 2019-20

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	33.34
6.	Total assets	72.04
7.	Total Liabilities	72.04
8.	Investments	--
9.	Turnover	72.81
10.	Profit/ (Loss) before taxation	(3.81)
11.	Provision for taxation	(0.31)
12.	Profit / (Loss) after taxation	(3.50)
13.	Proposed Dividend	--
14.	% of shareholding	81.54%

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/-  
**(B.Muralidhara Rao)**  
General Manager (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 : 03-10-2020

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 2019-20)

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/-  
**(B.Muralidhara Rao)**  
General Manager (C.A) &  
Company Secretary

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

Sd/-                      Sd/-  
**(N.Balram)**                      **(N.Sridhar)**  
Director (Fi-                      Chairman &  
nance) & C.F.O                      Managing Director

Date : 03.10.2020  
Place : Hyderabad.



## Consolidated Balance Sheet as at 31<sup>st</sup> March 2020

(Rs. in Crore)

S. No.	Particulars	Note No	As at 31.03.2020	As at 31.03.2019
	<b>ASSETS</b>			
<b>A.</b>	<b>Non-current Assets</b>			
(a)	Property, Plant and Equipment	3	13886.56	15569.75
(b)	Capital Work-In-Progress	4	1921.79	744.35
(c)	Goodwill		14.95	14.95
(d)	Right of Use Assets	5A	25.60	0.00
(e)	Other Intangible Assets	5B	1.56	2.32
(f)	Financial Assets			
	(i) Investments	6	2502.19	1800.19
	(ii) Loans	7	2661.99	2069.57
	(iii) Others	8	917.92	804.57
(g)	Deferred Tax Assets (Net)	9	2443.64	3714.30
(h)	Other Non-Current Assets	10	676.96	619.24
	<b>Total Non-Current Assets (A)</b>		<b>25053.16</b>	<b>25339.24</b>
<b>B.</b>	<b>Current Assets</b>			
(a)	Inventories	11	1029.62	724.77
(b)	Financial Assets			
	(i) Trade Receivables	12	9480.31	5362.92
	(ii) Cash and Cash Equivalentents	13	1102.49	740.36
	(iii) Bank Balance Other than (iii) above	14	288.58	1877.25
	(iv) Investments	6	40.02	401.98
	(v) Loans	7	181.04	227.65
	(vi) Others	8	381.28	1033.19
(c)	Current Tax Asset (Net)	15	75.35	84.36
(d)	Other Current Assets	16	708.75	699.53
	<b>Total Current Assets (B)</b>		<b>13287.44</b>	<b>11152.01</b>
	<b>Total Assets (A+B)</b>		<b>38340.60</b>	<b>36491.25</b>





## Consolidated Balance Sheet as at 31<sup>st</sup> March 2020 (Contd.)

(Rs. in Crore)

S. No.	Particulars	Note No	As at 31.03.2020	As at 31.03.2019
	<b>EQUITY AND LIABILITIES</b>			
A.	<b>Equity</b>			
	(a) Equity Share Capital	17	1733.20	1733.20
	(b) Other Equity	18	6659.49	5870.89
	(c) Non Controlling Interest		9.12	9.16
	<b>Total Equity (A)</b>		<b>8401.81</b>	<b>7613.25</b>
B.	<b>LIABILITIES</b>			
B.1	<b>Non-Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	19	3857.20	3843.08
	(b) Provisions	22	19242.79	18474.11
	(c) Lease Liability	21 A	13.42	-
	<b>Total Non-Current Liabilities (B.1)</b>		<b>23113.41</b>	<b>22317.19</b>
B.2	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	19	264.84	12.37
	(ii) Trade Payables	20	768.09	1007.18
	(iii) Lease Liability	21 A	12.66	-
	(iv) Other Financial Liabilities	21 B	2039.95	1819.31
	(b) Other Current Liabilities	24	1854.95	1884.03
	(c) Provisions	22	1884.89	1837.92
	<b>Total Current Liabilities (B.2)</b>		<b>6825.38</b>	<b>6560.81</b>
	<b>Total Liabilities (B=(B.1+B.2))</b>		<b>29939.79</b>	<b>28878.00</b>
	<b>TOTAL EQUITY AND LIABILITIES (A+B)</b>		<b>38340.60</b>	<b>36491.25</b>

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/-  
**(B.Muralidhara Rao)**  
General Manager (C.A) &  
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Sd/-  
**(M.Narasimha Reddy)**  
General Manager (F&A)  
Corporate

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

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

Date : 03-10-2020

Place : Hyderabad



## Statement of Consolidated Profit & Loss for the year ended 31<sup>st</sup> March 2020

(Rs in Crore)

S. No.	Particulars	Note No.	For the year ended	
			31.03.2020	31.03.2019
	<b>Revenue from Operations</b>			
(I)	Revenue from Operations	26	18885.55	19845.84
(II)	Other Income	27	921.47	876.74
(III)	<b>Total Income (I+II)</b>		<b>19807.02</b>	<b>20722.58</b>
(IV)	<b>EXPENSES</b>			
	Cost of Materials Consumed	28	3002.23	3686.99
	Changes in Inventories of Finished goods	29	(236.63)	471.05
	Employee Benefits Expense	30	6338.84	6849.20
	Finance Costs	31	1192.85	1268.62
	Depreciation and Amortization expenses		1602.14	1663.28
	Power & Fuel	32	475.32	481.88
	Repairs & Maintenance	33	216.69	216.61
	Contractual Expenses	34	2657.39	2269.55
	Provisions	35	29.36	190.38
	Write offs	36	12.27	128.38
	Stripping Activity Adjustment		719.54	(65.34)
	Other Expenses	37	841.29	715.23
	<b>Total Expenses (IV)</b>		<b>16851.29</b>	<b>17875.83</b>
(V)	<b>Profit/(Loss) before Exceptional Items and Tax (III-IV)</b>		<b>2955.73</b>	<b>2846.75</b>
(VI)	Exceptional Items	38	86.70	-
(VII)	<b>Profit / (Loss) Before Tax (V) - (VI)</b>		<b>2869.03</b>	<b>2846.75</b>
(VIII)	<b>Tax Expense</b>			
	(1) Current Tax		1166.38	620.64
	(2) Tax relating to Earlier periods		-	(27.71)
	(3) Deferred Tax		690.28	416.85
(IX)	<b>Profit (Loss) for the period from Continuing Operations (VII - VIII)</b>		<b>1012.37</b>	<b>1836.97</b>
(X)	Profit/(Loss) from discontinued operations		-	-
(XI)	Tax expenses of discontinued operations		-	-



## Statement of Consolidated Profit & Loss for the year ended 31<sup>st</sup> March 2020 (Contd.)

(Rs in Crore)

S.No.	Particulars	Note No.	For the year ended	
			31.03.2020	31.03.2019
(XII)	Profit/ (loss) from discontinued operations (After Tax) (X- XI)		-	-
(XIII)	<b>Profit/(loss) for the Period (IX+XII)</b>		<b>1012.37</b>	<b>1836.97</b>
	<b>Attributable to:</b>			
	Equity shareholders of Parent		1012.34	1837.46
	Non-controlling Interest		0.03	(0.49)
(XIV)	<b>Other Comprehensive Income</b>			
	<b>A. Items that will not be reclassified to profit or loss</b>		(25.00)	(26.61)
	<b>Less:</b> Income tax relating to items that will not be reclassified to Profit or Loss		6.30	9.22
	<b>B. Items that will be reclassified to profit or loss</b>			
	<b>Less:</b> Income tax relating to items that will be reclassified to Profit or Loss			
	<b>Total Other Comprehensive Income(XIV)</b>		<b>(18.70)</b>	<b>(17.39)</b>
(XV)	<b>Total Comprehensive Income for the Period (XIII+XIV)</b>		<b>993.67</b>	<b>1819.58</b>
	<b>Attributable to:</b>			
	<b>Equity shareholders of Parent</b>		993.71	1820.20
	Non-controlling Interest		(0.04)	(0.62)
(XVI)	<b>Earnings per Equity Share</b>			
	(1) Basic		5.84	10.60
	(2) Diluted		5.84	10.60

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/-  
**(B.Muralidhara Rao)**

General Manager (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 : 03-10-2020

Place : Hyderabad



## STATEMENT OF CONSOLIDATED CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2020

### A. EQUITY SHARE CAPITAL

(Rs. in Crore)

Particulars	Balance as at 01.04.2018	Changes in Equity Share Capital during the year	Balance as at 01.04.2019	Changes in Equity Share Capital during the year	Balance as at 31.03.2020
Equity Shares	1733.20	-	1733.20	-	1733.20

### B. OTHER EQUITY

(Rs. in Crore)

Particulars	Fly Ash Utilisation Reserve	General Reserve	Retained Earnings	Total	Non controlling Interests
<b>Balance at the Beginning of the Reporting Period as at 01.04.2018</b>	-	1460.40	2818.69	4279.09	9.78
Adjustments for Prior Period Errors (net of Deferred Tax)			3.73	3.73	
Adjustments for Changes in Accounting Policies (net of Deferred Tax)			(23.16)	(23.16)	
<b>Restated Balance as on 01.04.2018</b>	-	1460.40	2799.26	4259.66	9.78
Profit for the Year 2018-19 (Restated)			1837.46	1837.46	(0.49)
Other Comprehensive Income (net of tax)			(17.27)	(17.27)	(0.13)
Dividends 2017-18 (including dividend distribution tax)			(208.95)	(208.95)	
Transfer (from)/to retained earnings		100.00	(100.00)	-	
<b>Restated Balance as on 31.03.2019</b>	-	1560.40	4310.50	5870.90	9.16
Profit for the Year 2019-20	3.84		1012.34	1016.18	0.03
Other Comprehensive Income (net of tax)			(18.64)	(18.64)	(0.07)
Dividends 2018-19 (including dividend distribution tax)			(208.95)	(208.95)	
Transfer (from)/to retained earnings		100.00	(100.00)		
<b>Balance as on 31.03.2020</b>	3.84	1660.40	4995.25	6659.49	9.12



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2019-20

(Rs in Crore)

S. No	Particulars	For the year ended	
		31.03.2020	31.03.2019
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit/(loss) Before Tax and Exceptional items, OCI	2955.73	2846.75
	<b>Adjustments for:</b>		
	Depreciation, Amortization and Impairment Expense	1613.91	1686.46
	Assets / CWIP Written off	8.05	13.42
	Bad Debts & Advances Written off	4.22	114.96
	Provision for Bad debts & Adv, obsolete stores Etc	17.60	167.18
	Non - Current Provisions	422.98	(47.06)
	Finance Cost	1192.85	1268.63
	Fly Ash Reserve Sale Proceeds (Reserve)	3.84	0.00
	Stripping Activity Adjustment	719.54	(65.39)
	Adjustments for Variable Consideration (Grade Variation Coal)	(115.92)	44.94
	Provisions / Liabilities Written Back	(154.53)	(102.04)
	Unrealised foreign Exchange Loss	6.19	(1.23)
	Interest Income on Investments	(232.99)	(177.11)
	Interest Income on Term Deposits	(199.86)	(220.68)
	Interest Income on LIC-ETB	(171.62)	(155.45)
	Income from Mutual Funds	(10.24)	(4.82)
	Fair Value Change - Mutual Funds	1.31	(1.33)
	Actuarial gains/(losses) routed through other comprehensive income	(25.00)	(26.61)
	Exceptional Items	(86.71)	-
		<b>2993.62</b>	<b>-</b>
		<b>5949.35</b>	<b>5340.62</b>
	<b>Operating Profit Before Working Capital Changes</b>		
	<b>Adjustments towards changes in Working Capital</b>		
	Inventories	(316.11)	411.54
	Trade Receivables	(4001.48)	(2563.64)
	Current/Non - current/Loans, Other financial assets and other assets	433.03	(751.17)
	Trade Payables	(233.70)	53.57
	Current/Non - Current Borrowings, Financial liabilities and provisions	498.67	(464.80)
	Tax paid Including TDS	(570.69)	(741.47)
		<b>(4190.28)</b>	<b>(4055.97)</b>
	<b>Net Cash flow from Operating Activities (A)</b>	<b>1759.07</b>	<b>1284.65</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Increase in Property, plant & equipment (including Capital Work-in-progress)	(2264.52)	(964.03)
	(Increase)/ Redemption of Investments	(702.00)	-
	(Investment) / maturity of Fixed Deposits>3 months maturity period	1592.50	728.23
	Investment in LIC/ETB	(521.62)	(5.45)
	Interest Income on LIC-ETB	171.62	155.45
	Interest Income on Investments	232.99	177.11
	Interest Income on Term Deposits	199.86	220.68
	Income from Mutual Funds	10.24	4.82
	(Investments)/Sale (in)/ of Mutual Funds	360.65	(400.65)
	<b>Cash Flow from Investing Activities (B)</b>	<b>(920.28)</b>	<b>(83.85)</b>



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2019-20 (contd..)

(Rs in Crore)

S. No	Particulars	For the year ended	
		31.03.2020	31.03.2019
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Increase/ (Decrease) in Borrowings	(92.45)	(225.70)
	Increase/(Decrease) in Demand Loans from Banks	256.99	-
	Changes in Cash Credit	(4.52)	(5.75)
	Net-Interest Expense (other than unwinding costs)	(416.19)	(397.37)
	Dividend paid	(173.32)	(173.32)
	Dividend Tax paid	(35.63)	(35.63)
	Lease Payments (Right of Use Assets)	(10.92)	-
	Interest Cost - Leases	(1.42)	-
	<b>Cash flow from Financing activities (C)</b>	<b>(477.46)</b>	<b>(837.77)</b>
<b>D</b>	<b>Net increase in Cash and Cash Equivalents (A+B+C)</b>	<b>361.33</b>	<b>363.03</b>
<b>E</b>	<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>736.60</b>	<b>373.57</b>
<b>F</b>	<b>Cash &amp; Cash Equivalents at the end of the year (D+E)</b>	<b>1097.93</b>	<b>736.60</b>

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

(Rs. in Crore)

Particulars	2019-20	2018-19
<b>Cash &amp; Bank Balances at the beginning of the year</b>	<b>740.36</b>	<b>379.73</b>
Special OD account		-
Overdraft in current account	(3.76)	(6.16)
<b>Cash &amp; Bank Balances at the beginning of the year</b>	<b>736.60</b>	<b>373.57</b>
Cash & Bank Balances at the end of the year	1102.48	740.36
Special OD account		-
Overdraft in current account	(4.55)	(3.76)
<b>Cash &amp; Bank Balances at the end of the year</b>	<b>1097.93</b>	<b>736.60</b>

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/-
<b>(CA.Surendranath Bharathi )</b>	<b>(B.Muralidhara Rao)</b>	<b>(M.Narasimha Reddy)</b>	<b>(N.Balram)</b>	<b>(N.Sridhar)</b>
Partner Membership No.23837	General Manager (C.A) & Company Secretary	General Manager (F&A) Corporate	Director (Finance) & C.F.O	Chairman & Managing Director

Date : 03-10-2020

Place : Hyderabad

*Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020*

## 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)

#### 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



*Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

### **E) Formulation of Accounting Policies**

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

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

- a) relevant to the economic decision-making needs of users; and
- b) reliable in that financial statements:
  - (i) represent faithfully the financial position, financial performance and cash flows of the entity;
  - (ii) reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
  - (iii) are neutral, i.e. free from bias;
  - (iv) are prudent; and
  - (v) are complete in all material respects on a consistent basis In making the judgement management refers to, and considers the applicability of, the following sources in descending order:
    - a) the requirements in Ind ASs dealing with similar and related issues; and
    - b) the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Framework.

In making the judgement, management considers the most recent pronouncements of International Accounting Standards Board and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The company operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geo-mining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. In the absence of specific accounting literature, guidance and standards in certain specific areas which are in the process of evolution. The Company continues to strive to develop accounting policies in line with the development of accounting literature and any development therein 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





*Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

users make on the basis of the financial statements. A Transaction is considered material only if it exceeds Rs.50.00 lakh in each case for the purpose of adjustments for Pre-paid and Prior period items.

## **2.2 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.

#### **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.



*Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

- 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.
- i. Fly Ash Utilization Reserve Fund :

Proceeds from sale of Fly ash along-with income on investment of such proceeds are transferred to 'Fly Ash Utilization Reserve Fund' in pursuance of directives from Ministry of Environment and Forests, Government of India. The fund is utilized towards expenditure on development of infrastructure / facilities, promotion & facilitation activities for use of fly ash.

### **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.

### **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.



*Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

**2. Railway sidings:**

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

**3. Plant & Equipment:**

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

**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

*Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

- 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.
- 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.
- 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

*Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

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.

**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.

*Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

**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 overburden (OB) is to be carried out to reduce the final void as per the MOEF stipulation. The reduction of the final void can be done either (i) by re-handling the Overburden of the external/ internal dumps or (ii) by dumping the OB produced from the adjacent/relay projects.
- ii) Re-handling of Overburden of the external/internal dumps incurs additional cost which is provided for. The cost of dumping from the adjacent / relay project is considered as the cost of Overburden removal of the adjacent/relay project.
- iii) The estimation of quantity of Overburden (OB) required to backfill the final void is made by in-house technical estimation by professionals in Mining, Project Planning Environment fields. Total cost of Backfilling required is estimated, based on the total quantity to be backfilled in cubic metres at the end of mine life, at the SCCL weighted average rate of OB Removal of outsourced operations.
- iv) The Estimation of Liability and corresponding recognition of Asset, discounting of liability and depreciation of asset and unwinding of liability etc, shall be as per the procedure mentioned at accounting policy no 2.2.7.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
  - 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.



*Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

- 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 Mine.
- 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 all the operating Open Cast Projects with revenue workings once in three years. In case significant deviation occurs in mining & geological structure, reorganisation and closure of mines, such review is taken up on occurrence.
- iii) Provision for future Overburden Removal is restated at current year cost and difference is taken to profit and loss account. Advance Action for Overburden removal is valued at weighted average cost.

**2.2.11 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.

*Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

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

**B. Deferred income tax**

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

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

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

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

**2.2.14 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 31<sup>st</sup> March, 2020 (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.

#### **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



*Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

- 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.

**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.



*Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

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.

### **2.2.18: Leases:**

The Company evaluates at the inception of a contract, whether the contract is, or contains, a lease, if the contract conveys the right to control the use of an identified Asset. Identification of a lease requires significant judgment. The Company determines the lease term as the non-cancellable period of a lease together with the periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option.

In the absence of the interest rates implicit in the Contracts, the Company adopts incremental borrowing rate as the discount rate.

Lease liability is initially recognised and measured at an amount equal to the present value of lease payments to be made during the lease term and corresponding amount is recognised as Right of Use Asset which is measured at cost.

The lease liability is measured in subsequent periods using the effective interest rate method. The right-of-use asset is depreciated over the lease term on straightline basis.

The amounts payable in respect of Low Value leases up to Rs.2.00 lakhs/P.M per Identified Asset and the Short term leases of 12 months or less are fully charged off as expenses of the period.

The Company had adopted Option II of the Modified Retrospective Approach permitted under Clause no C.5(b) read with C7 and C8 of the Appendix C of the Accounting Standard. Accordingly, the Lease Liability and corresponding Right of Use Assets are initially recognized at the present value of the future Lease payments outstanding as on 01.04.2019.

*Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

### **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.

### **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.



**Continuous Miner**



Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (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				
<b>Gross Carrying Amount:</b>																	
As at 1 <sup>st</sup> April 2018	1002.59	274.12	791.33	697.02	1003.73	267.11	69.78	12894.51	17.36	48.91	2.12	5771.92	1545.23				24385.73
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 1 <sup>st</sup> April 2018 (Restated)	1002.59	274.12	791.33	697.02	1003.73	267.11	69.78	12894.51	17.36	48.91	2.12	5771.92	1545.23				24385.73
Additions	442.63	-	-	10.20	88.08	7.89	12.63	1206.60	7.71	16.34	0.14	471.63	8.75				2272.60
Deductions/Disposals/Transfer	-	-181.46	-19.11	-0.52	-19.80	-	-6.71	-404.11	-0.45	-3.11	-0.01	-13.64	-22.01				-670.93
As at 31 <sup>st</sup> March 2019 (Restated)	1445.22	92.66	772.22	706.70	1072.01	275.00	75.70	13697.00	24.62	62.14	2.25	6229.91	1531.97				25987.40
Additions	427.81	24.83	96.39	20.86	4.48	25.06	-	471.08	2.27	7.94	0.31	-	21.31				1102.34
Deductions/Disposals	-	-0.09	-	-6.92	-3.86	-12.17	-9.72	-407.82	-2.42	-10.29	-0.18	-1149.10	-87.72				-1690.29
As at 31 <sup>st</sup> March 2020	1873.03	117.40	868.61	720.64	1072.63	287.89	65.98	13760.26	24.47	59.79	2.38	5080.81	1465.56				25399.45
Accumulated Depreciation:																	
As at 1 <sup>st</sup> April 2018	304.55	3.48	428.34	89.41	248.52	172.56	34.23	4304.36	11.79	35.49	1.77	2460.39	1032.24				9127.13
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 1 <sup>st</sup> April 2018 (Restated)	304.55	3.48	428.34	89.41	248.52	172.56	34.23	4304.36	11.79	35.49	1.77	2460.39	1032.24				9127.13
Charge for the year	143.44	-	56.94	33.67	47.44	0.72	3.98	912.20	1.67	5.09	0.01	377.65	88.15				1670.96
Deductions/Disposals/Transfer	-	2.42	-	-0.40	-19.79	-	-6.72	-403.02	-0.45	-3.03	-0.01	-6.82	-21.47				-464.13
As at 31 <sup>st</sup> March 2019 (Restated)	447.99	1.06	485.28	122.68	276.17	173.28	31.49	4813.54	13.01	37.55	1.77	2831.22	1098.92				10333.96
Charge for the year	89.80	-	57.69	30.34	28.01	21.54	4.61	939.93	2.00	5.28	0.12	363.44	85.14				1627.90
Deductions/Disposals/Transfer	-	-	-	-6.23	-2.48	-12.18	-4.15	-402.93	-2.41	-10.22	-0.18	-3.83	-87.72				-532.33
As at 31 <sup>st</sup> March 2020	537.79	1.06	542.97	146.79	301.70	182.64	31.95	5350.54	12.60	32.61	1.71	3190.83	1096.34				11429.53
Provision for Impairment																	
31 <sup>st</sup> March 2019	-	-	-	10.94	1.09	3.62	-	2.64	-	-	-	34.11	31.29				83.69
31 <sup>st</sup> March 2020	-	-	-	11.57	1.21	4.64	-	-0.01	-	-	-	34.11	31.84				83.36
Net Carrying Amount																	
As at 31 <sup>st</sup> March 2020	1335.24	116.34	325.64	562.28	769.72	100.61	34.03	8409.73	11.87	27.18	0.67	1855.87	337.38				13886.56
As at 31 <sup>st</sup> March 2019	997.23	91.60	286.94	573.08	794.75	98.10	44.21	8880.82	11.61	24.59	0.48	3364.58	401.76				15569.75

*Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

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

- 3.1 Land measuring Acres: 726, Guntas: 21 1/2 (Previous year Acres 726, Guntas: 21 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.1,638.66 Crore includes - Capitalized Depreciation of Rs.36.13 Crore (Previous Year Rs 29.40 Crore). Depreciation charged to Revenue (including on Right of Use Assets & Intangible assets (Note 5A & 5 B ) -Rs.1,602.14 Crore (Previous Year Rs.1,663.28 Crore).
- 3.5 STPP assets include interest Capitalized on borrowings of Rs.1,312.78 Crore (Previous Year Rs.1,312.78 Crore).The capitalization rate of borrowing cost in the current year was 9.10% ( Previous year 9.10%)
- 3.6 Solar power plant Assets at STPP includes interest Capitalized on borrowings of Rs.0.19 Crore (Previous Year Rs. NIL). The capitalization rate of borrowing cost in the current year was 8.49% ( Previous year NIL).

### **NOTE 4: CAPITAL WORK IN PROGRESS**

(Rs in Crore)

Particulars	Lands	Building	Plant and Equipments	Development	Total
<b>Gross Carrying Amount :</b>					
Opening Balance as on 1 <sup>st</sup> April 2018	94.28	84.85	914.25	330.47	1423.85
Restatement Adjustments				-23.16	-23.16
<b>As at 1 April 2018</b>	<b>94.28</b>	<b>84.85</b>	<b>914.25</b>	<b>307.31</b>	<b>1400.69</b>
Additions (Restated)	175.45	98.73	424.38	59.12	757.68
Capitalised / Deletions	-241.98	-106.30	-1051.60	-8.57	-1408.45
Impairment for the year				-5.57	-5.57
<b>As at 31 March 2019</b>	<b>27.75</b>	<b>77.28</b>	<b>287.03</b>	<b>352.29</b>	<b>744.35</b>
Additions	524.11	71.47	1347.08	375.02	2317.69
Capitalised / Deletions	-549.02	-25.35	-533.67	-22.91	-1130.95
Impairment for the year				-9.30	-9.30
<b>As at 31<sup>st</sup> March, 2020</b>	<b>2.84</b>	<b>123.40</b>	<b>1100.45</b>	<b>695.10</b>	<b>1921.79</b>

- 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.)
- 4.2 CWIP includes interest on borrowings from SBI for Solar power plants Rs. 4.36.00 Crore (Up to Previous Year: NIL)



Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)

## Note 5 A : RIGHT OF USE ASSETS (LEASES)

(Rs. in Crore)

Particulars	HEMM	Plant and Equipment	Vehicles	Total
<b>Gross Carrying Amount:</b>				
As at 01 April 2019 **	1.10	13.73	1.12	15.95
Additions	1.98	17.65	0.00	19.63
Adjustments/ Deletions	0.00	0.00	0.00	0.00
<b>As at 31 March 2020</b>	<b>3.08</b>	<b>31.38</b>	<b>1.12</b>	<b>35.58</b>
<b>Depreciation:</b>				
Depreciation Charge for year 2019-20	0.99	8.13	0.86	9.98
<b>Accumulated Depreciation as at 31.03.2020</b>	<b>0.99</b>	<b>8.13</b>	<b>0.86</b>	<b>9.98</b>
<b>Net Carrying Amount:</b>				
As at 31 March 2019	0.00	0.00	0.00	0.00
<b>As at 31 March 2020</b>	<b>2.09</b>	<b>23.25</b>	<b>0.26</b>	<b>25.60</b>

5.A.1 : Option II of Modified Retrospective approach is adopted for transitional adjustments as on 01.04.2019.

## NOTE – 5 B: OTHER INTANGIBLE ASSETS

(Rs. in Crore)

Particulars	ERP – Software	TOTAL
<b>Gross Carrying Amount:</b>		
Gross Block As on 31.03.2018	20.34	20.34
Additions during the year 2018-19	1.11	1.11
<b>Gross Block As on 31.03.2019</b>	<b>21.45</b>	<b>21.45</b>
Additions during the year 2019-20	-	-
<b>Gross Block As on 31.03.2020</b>	<b>21.45</b>	<b>21.45</b>
<b>Depreciation/ Amortization:</b>		
Up to 31 <sup>st</sup> March 2018	18.50	18.50
For the Year 2018-19	0.62	0.62
<b>Up to 31<sup>st</sup> March 2019</b>	<b>19.12</b>	<b>19.12</b>
For the Year 2019-20	0.77	0.77
<b>Up to 31<sup>st</sup> March 2020</b>	<b>19.89</b>	<b>19.89</b>
<b>Net carrying Amount:</b>		
As at 31 <sup>st</sup> March 2019	2.32	2.32
<b>As at 31<sup>st</sup> March 2020</b>	<b>1.56</b>	<b>1.56</b>



Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)

## NOTE - 6: INVESTMENTS

(Rs. in Crore)

Particulars		As at 31.03.2020	As at 31.03.2019
<b>1. Non - Current</b>			
<b>(A)</b>	<b>Investment in Equity instruments</b>		
	<b>Unquoted, fully paid-up Shares</b>	0.01	
	-14,750 Laxmi Porcelains Ltd of Rs.10/- each		0.01
	<b>Less: Provision for Diminution in the value of Investments</b>	0.01	0.01
		-	-
	<b>Investments in Co-operative Societies</b>		
	1,86,214 Singareni Collieries Co-operative Central Stores Ltd of Rs.10/- each	0.19	0.19
	<b>Investment in Joint Venture</b>		
	4,900 shares of APMDC-SCCL Suliyari Coal Co. Ltd. of Rs.10/- each(Rs.49000)		
	<b>Less: Provision for Diminution in the value of Investments in JV ( Rs.49,000)</b>		
		-	-
<b>(B)</b>	<b>Investments in debentures or bonds</b>		
	<b>Quoted, fully paid-up</b>		
	(i) 10,000 - 9.75% APPFC Power Bonds (Series 2/2012) of Rs.10 Lakh each.	1000.00	1000.00
	(ii) 8,000 - 9.95% APCPDCL Power Bonds (Series-1/2014) of Rs.10 Lakh each.	800.00	800.00
	(iii) 7020 – 10.32% APPFCL Power Bonds (Series 1/2019 of Rs. 10 Lakh each)	702.00	-
	<b>TOTAL</b>	<b>2502.19</b>	<b>1800.19</b>
<b>2. Current</b>			
	<b>Investment in Mutual Funds</b>		
	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
	Investment in Baroda Liquid Fund (174795 units @ Rs.2289.53 NAV/unit)	40.02	0.00
		<b>40.02</b>	<b>401.98</b>

Particulars	As at 31.03.2020	As at 31.03.2019
Aggregate of Quoted investments	2542.02	2201.98
Aggregate of Unquoted investments	0.21	0.21
Aggregate of Diminution provided	0.02	0.02





*Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

- 6.1. 10000 Nos. of APPFC Power Bonds (Series 2/2012) @ Rs.10 Lakh each were pledged with State Bank of India as security for obtaining Bank Guarantee of Rs.176.32 Crore and Rs.641.20 Crore for submission to GOI as Performance Guarantee against allotment of Naini Coal Block and New patrapara Coal Mine blocks respectively. The Bank Guarantees are valid up to 12.10.2020 and 19.04.2021 respectively.
- 6.2. 750 Nos of TSSPDCL Bonds (Series-1/2014) were pledged for obtaining BG limit of Rs.50 Crore with State Bank of India for obtaining BGs for submission to SECI, New Delhi against Viability Gap Funding(VGF) scheme of Solar Power Projects. Against this BG limit, a BG for an amount of Rs.27.00 Crore was obtained as on the reporting date and submitted to SECI, New Delhi, which is valid up to 29.12.2022.

## NOTE - 7: LOANS

(Rs. in Crore)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Non Current</b>		
- Unsecured, considered good		
- Deposit with LIC	2552.38	2030.76
- Security Deposits	109.61	38.81
<b>TOTAL</b>	<b>2661.99</b>	<b>2069.57</b>
<b>Current</b>		
- Security Deposits	99.49	154.42
- Advances to Staff	81.55	73.23
<b>TOTAL</b>	<b>181.04</b>	<b>227.65</b>

- 7.1 Deposit with LIC represent amount parked in the Employees Terminal Benefits (ETB) scheme including accrued interest thereon. The Funds are to be utilised for depositing of contributions to Gratuity Trust and payment of other Terminal benefits by the Company.

## NOTE - 8: OTHER FINANCIAL ASSETS

(Rs. in Crore)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Non – Current</b>		
Deposit under Mine Closure Plan Scheme (Maturity > 12 Months)	917.92	804.57
<b>TOTAL</b>	<b>917.92</b>	<b>804.57</b>
<b>Current</b>		
Interest Accrued On Investments - Securities	90.25	207.45
Interest Accrued on Deposits with Banks	0.10	0.26
Interest Accrued on Loans & Advances	5.40	5.81
Other Receivables Considered good - Rent, Water, Electricity etc.	285.53	819.67
Other receivables considered doubtful	10.35	14.01
<b>Less: Provision for bad and doubtful</b>	<b>(10.35)</b>	<b>(14.01)</b>
<b>TOTAL</b>	<b>381.28</b>	<b>1033.19</b>

Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)

## NOTE 9 : DEFERRED TAX ASSET (NET)

(Rs. in Crore)

	Particulars	As at 31.03.2020	As at 31.03.2019
<b>(A)</b>	<b>Deferred Tax Asset:</b>		
	- Backfilling & Mine Closure plan	1101.19	1501.83
	- Gratuity	802.73	961.52
	- Other Employee Benefits	597.72	745.15
	- Overburden Removal	633.29	879.28
	- MAT Credit	-	479.82
	- Other Provisions	341.16	477.82
	<b>Total (A)</b>	<b>3476.09</b>	<b>5045.42</b>
<b>(B)</b>	<b>Deferred Tax Liability:</b>		
	- Fixed Assets- Excess of Net Book value over Written down value as per provisions of Income Tax Act	1032.45	1331.12
	<b>Total (B)</b>	<b>1032.45</b>	<b>1331.12</b>
	<b>Net Deferred Tax Asset (A-B)</b>	<b>2443.64</b>	<b>3714.30</b>

- 9.1 The Company elected to continue to pay the existing normal tax rate of 34.944% in view of the lower tax amounts payable due to setting off of MAT credit and claiming of 80IA exemption in respect of STPP profits instead of availing the optional tax rate @25.168% permitted under Section 115BAA of the Income Tax Act, 1961. However, as per the estimates made by the Management, the Corporate Tax at the reduced rate of 25.168% would be beneficial from FY 2021-22 onwards and most likely to be opted. Accordingly, the Company has re-measured Deferred Tax Assets/Liabilities expected to be realised/settled in FY 2020-21 @ 34.944% and the remaining Deferred Tax Assets/Liabilities are measured at 25.168% i.e. at the Tax rates that are expected to apply in the period when the Asset is realised or Liability is settled (As per Accounting Policy no 2.2.13.B). Consequently, an amount of Rs. 850.24 Crore was withdrawn from carrying amount of Differed Tax Assets (net) as on 31.03.2020 and charged to the Profit & Loss Account for the Financial Year 2019-20.
- 9.2 The amount of Net Deferred Tax Asset of Rs.2,443.65 Crore (Previous year Rs. 3714.31 Crore) includes amount of Rs.1,101.19 Crore (Previous year Rs.1,501.83 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 1 to 2 years and so on, on commencement of Backfilling and Mine Closure activities at JK-5 OC, MOCP, GKOC etc.

## NOTE - 10: OTHER NON CURRENT ASSETS

(Rs. in Crore)

	Particulars	As at 31.03.2020	As at 31.03.2019
	<b>Unsecured, considered good</b>		
	- Capital Advances	398.37	420.98
	- Deposits under Protest (VAT, CST, Service Tax, WCT, APGST, Entry Tax)	278.59	198.26
	<b>TOTAL</b>	<b>676.96</b>	<b>619.24</b>

Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)

## NOTE - 11: INVENTORIES

(Rs.in Crore)

Particulars		As at 31.03.2020		As at 31.03.2019	
(i)	Stores and spares	629.31		533.93	
(ii)	Loose tools	2.60		3.93	
		631.91		537.86	
	Less: Provision for obsolete, Non- moving stores & shortages and damages	(71.38)		(64.92)	
		<b>560.53</b>		<b>472.94</b>	
(iii)	Finished goods	457.34		217.10	
(iv)	Work-in-progress	2.63		6.59	
(v)	Stores in transit	9.12		28.14	
	<b>TOTAL</b>	<b>1029.62</b>		<b>724.77</b>	

11.1 Out of the above Finished Goods, Washery Rejects of 4,99,395.288 Tonnes are indentified as non-saleable owing to "NIL" grade and due to catching of Fire at MNG, RKP and RGM Washeries. Pending write off of the these non-saleable washery rejects with Board's approval in due course, provision towards grade deterioration was recognised for Rs.4.61 Crore during year 2019-20 (refer Note no 22.9).

## NOTE - 12: TRADE RECEIVABLES

(Rs.in Crore)

Particulars		As at 31.03.2020		As at 31.03.2019	
	<b>Unsecured, considered good</b>				
i)	Exceeding six months				
	- Coal	471.60		211.84	
	- Power	3186.61		1043.85	
		<b>3658.21</b>		<b>1255.69</b>	
ii)	Not exceeding six months				
(a)	Coal	2709.05		1704.90	
(b)	Power	3091.08		2384.38	
(c)	Services	21.97		17.95	
		<b>5822.10</b>		<b>4107.23</b>	
	<b>Unsecured, considered doubtful</b>				
(a)	Coal	345.90		340.86	
(b)	Power	161.50		161.50	
		507.40		502.36	
	<b>Less: Provision for Expected Credit Loss</b>	-507.40		-502.36	
				-	
	<b>TOTAL</b>	<b>9480.31</b>		<b>5362.92</b>	

12.1 The Dues from customers (Coal) not exceeding six months shown above as on 31.03.2020 has been reduced by Rs. 171.92 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.252.65 Crore).

*Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

12.2 During the year, against the Coal dues, M/S. APGENCO has issued Bills receivable for an amount of Rs.951.86 Crore, which were discounted with Banks (ICICI/SBI/HDFC). As per the covenants of the Bills discounting arrangements, the Company has to indemnify the Bankers in case of dishonour of the Bills of Exchange by M/s APGENCO on the respective due dates. The dues from coal customers presented above are net of the bill discounting proceeds of Rs.918.03 Crore. (Refer Note No:39.4.C.3).

### NOTE - 13: CASH AND CASH EQUIVALENTS

(Rs. in Crore)

Particulars	As at 31.03.2020		As at 31.03.2019	
Cash on hand		0.21		0.18
<b>Balances with banks</b>				
In Deposit Account (Maturity < 3 Months)	952.63		514.61	
In Current Account	149.65	1102.28	225.57	740.18
<b>TOTAL</b>		<b>1102.49</b>		<b>740.36</b>

13.1. Out of the above Fixed Deposits with Banks, fixed Deposits of Rs.49.57 Crore was pledged with SBI, Commercial Branch-Hyderabad as margin money for obtaining Bank Guarantees for submission to MoC, Govt. of India as performance Bank Guarantee against allotment of Penagadapa Coal Block Rs.38.96 Crore (valid up to 16.05.2021), to SC Railways Rs.2.00 Crore (valid up to 31.03.2022) and SECI, NewDelhi (Rs.3.24 Core valid up to 30.06.2021 and Rs.3.60 Crore valid up to 30.04.2021).

### NOTE - 14: OTHER BANK BALANCES

(Rs. in Crore)

Particulars	As at 31.03.2020	As at 31.03.2019
- Unpaid dividend accounts	0.01	0.01
- In Deposit Account (Maturity > 3 Months)	284.73	1877.24
- Fly Ash Utilisation Reserve Fund Account	3.84	-
<b>TOTAL</b>	<b>288.58</b>	<b>1877.25</b>

14.1 Balance with Banks includes unclaimed dividend of Rs.1,22,978.39 (Previous Year Rs.1,30,925).

14.2 Fly Ash Utilisation Reserve Fund represents, the proceeds from sale of Fly Ash parked in separate Bank Account for meeting the expenditure on development of infrastructure facilities, promotion and facilitation activities for use of Fly Ash as per the Accounting policy No: 2.2.1.E(i).

14.3 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.37.65 Crore as on 31.03.2020 (Previous Year Rs.34.88 Crore)

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

(Rs. in Crore)

Particulars	As at 31.03.2020	As at 31.03.2019
Income Tax	75.35	84.36
<b>TOTAL</b>	<b>75.35</b>	<b>84.36</b>

Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)

## NOTE - 16: OTHER CURRENT ASSETS

(Rs. in Crore)

Particulars	As at 31.03.2020		As at 31.03.2019	
<b>Loans &amp; Advances:</b>				
<b>Unsecured, Considered good</b>				
- Advances Against Purchases, Services & others		185.56		202.83
- Considered Doubtful Adv. against purchases & services	11.14		10.91	
<b>Less: Provision for Bad &amp; Doubtful Advances</b>	11.14		10.91	-
- Prepaid Expenses		14.72		9.89
- Cenvat & VAT Credit available		-		12.21
- GST( ITC) Receivable		405.52		474.60
- Refunds Due from Tax Authorities		102.95		-
<b>TOTAL</b>		<b>708.75</b>		<b>699.53</b>

## NOTE - 17: EQUITY SHARE CAPITAL

(Rs. in Crore)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>AUTHORIZED</b>	1800.00	1800.00
180,00,00,000 Equity Shares of Rs.10/ each		
<b>ISSUED,SUBSCRIBED AND PAID-UP</b>	1733.20	1733.20
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)		
<b>TOTAL</b>	<b>1733.20</b>	<b>1733.20</b>

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

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

Name of the Shareholder	As at 31.03.2020		As at 31.03.2019	
	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 31<sup>st</sup> March, 2020 (Contd...)

## RECONCILIATION OF EQUITY SHARES

Particulars	As at 31.03.2020		As at 31.03.2019	
	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	Fly Ash Utilisation Reserve	General Reserve	Retained Earnings	Total	Non controlling Interests
<b>Balance at the Beginning of the Reporting Period as at 01.04.2018</b>	-	1460.40	2818.69	4279.09	9.78
Adjustments for Prior Period Errors (net of Deferred Tax)			3.73	3.73	
Adjustments for Changes in Accounting Policies (net of Deferred Tax)			(23.16)	(23.16)	
<b>Restated Balance as on 01.04.2018</b>	-	1460.40	2799.26	4259.66	9.78
Profit for the Year 2018-19 (Restated)			1837.46	1837.46	(0.49)
Other Comprehensive Income (net of tax)			(17.27)	(17.27)	(0.13)
Dividends 2017-18 (including dividend distribution tax)			(208.95)	(208.95)	-
Transfer (from)/to retained earnings		100.00	(100.00)	-	-
<b>Restated Balance as on 31.03.2019</b>	-	1560.40	4310.50	5870.90	9.16
Profit for the Year 2019-20	3.84		1012.34	1016.18	0.03
Other Comprehensive Income (net of tax)			(18.64)	(18.64)	(0.07)
Dividends 2018-19 (including dividend distribution tax)			(208.95)	(208.95)	
Transfer (from)/to retained earnings		100.00	(100.00)		
<b>Balance as on 31.03.2020</b>	3.84	1660.40	4995.25	6659.49	9.12



Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)

## NOTE - 19: BORROWINGS

(Rs. in Crore)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Non – Current</b>		
<b>Term Loans</b>		
Secured		
- From Power Finance Corporation (PFC) (Rs.3980 Cr. Less current maturities of Rs.248.75 Cr and principle paid Rs.1077.91 Cr plus accrued interest of Rs.61.22 Cr)	2714.56	2902.09
- From Power Finance Corporation (PFC) & Rural Electrification Corporation Ltd. (REC) (Rs.1258.56 Cr. Less current maturities of Rs.83.89 Cr and principle paid Rs.280.68 Cr plus accrued interest of Rs.19.63 Cr)	913.62	940.99
- From SBI, Hyderabad (Solar Power Plant) (Rs.224 Cr plus capitalised interest Rs.4.55 Cr and other adj' Rs.0.48 Cr)	229.02	-
<b>TOTAL</b>	<b>3857.20</b>	<b>3843.08</b>
<b>Current</b>		
Secured:		
- Loans payable on demand - from Banks	256.99	-
- Cash Credit	7.85	12.37
<b>TOTAL</b>	<b>264.84</b>	<b>12.37</b>

- 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 company has availed the Moratorium allowed on term loans as per the RBI circular DOR No.BP. BC.47/21.04.048/2019-20 Dt. March 27, 2020 against the payment of instalments due on 15.04.2020. Consequent to the availment of Moratorium, the Interest accrued but not due as on 31.03.2020 amounting to Rs.61.22 Crore was added to the carrying amounts of principal amount of Term Loan as on 31.03.2020 as an adjusting event as per Ind AS -10.
- (iii) The balance loan amount of Rs 2963.30 Crore (including interest of Rs.61.22 Crore) is repayable in 33 quarterly installments of Rs.82.92 Crore each. Interest payable on this loan is 9.50% p.a.
- 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.1258.56 Crore has been utilized.
- (ii) As stated at Para no 19.1(ii) above, a similar moratorium was availed on the installment due on 15.04.2020 against this Loan. Consequently, the Interest accrued but not due as on 31.03.2020 amounting to Rs.19.63 Crore was added to the carrying amounts of principal amount of Term Loan as on 31.03.2020 as an adjusting event as per Ind AS -10.

*Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

- (iii) The Outstanding amount of Rs.998.29 Crore (including interest of Rs.19.63 Crore) outstanding as on 31.03.2020 is repayable in 33 quarterly installments of Rs.26.88 Crore each. Rate of Interest payable on this loan as below:

Rate of Interest	Loan Amount Rs in Crore	Rate of Interest	Loan Amount Rs in Crore	Rate of Interest	Loan Amount Rs in Crore
8.31%	1.38	9.00%	3.90	9.72%	413.84
8.38%	10.35	9.08%	7.12	9.75%	17.56
8.50%	15.16	9.25%	1.47	9.89%	2.60
8.55%	35.64	9.26%	3.84	10.06%	1.96
8.60%	21.52	9.29%	3.31	10.10%	6.51
8.69%	4.47	9.43%	17.23	10.11%	1.17
8.71%	7.13	9.46%	7.65	10.12%	3.22
8.73%	8.57	9.50%	120.65	10.14%	5.93
8.86%	8.99	9.55%	44.40	10.18%	5.02
8.87%	7.03	9.59%	2.18	10.25%	2.61
8.93%	17.74	9.60%	15.53	10.43%	7.62
8.97%	8.23	9.66%	6.16	10.47%	5.17
8.99%	13.01	9.68%	112.78		

- 19.3 Loan From SBI for setting up of 300 MW Solar power plants at various areas for an amount of Rs.951.00 Crore from SBI is secured by first charge on all the present and future movable & immovable assets of the Solar power plants. During the year, an amount of Rs.224.00 Crore was drawn against the sanction amount. The interest rate applicable on the loan is 8.49%p.a with interest reset on yearly basis. The interest on the loan drawn during the year of Rs.4.55 Crore is included in the carrying amount of the loan.
- 19.4 Loans payable on demand from Banks, represent the Demand loans availed from Bank of Baroda, Masab Tank, Hyderabad of Rs.72.00 Crore (against Pledge of FDR of Rs.80.00 Crore), Andhra Bank, Kothagudem Rs.152.50 Crore (against Pledge of FDR of Rs.170.00 Crore), and Yes Bank, Somajiguda, Hyderabad of Rs.27.00 Crore (against Pledge of FDR of Rs.30 Crore). The Interest accrued of Rs.5.22 Crore and Rs.0.26 Crore on the loans from Andhra Bank and Yes Bank and not paid are added to the Loan amounts and presented as carrying amounts as on 31.03.2020 .
- 19.5 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 31.03.2020	As at 31.03.2019
a) Dues to Micro, Small & Medium Enterprises	21.41	13.05
b) Dues to Others (including Stores-in-Transit net of Advances)	746.68	994.13
c) Others	-	-
<b>TOTAL</b>	<b>768.09</b>	<b>1007.18</b>





Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)

## NOTE - 21: OTHER FINANCIAL LIABILITIES

### 21.A: LEASE LIABILITY

(Rs. in Crore)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Non Current :</b>		
Lease Liabilities	13.42	-
<b>TOTAL</b>	<b>13.42</b>	<b>-</b>
<b>Current :</b>		
Lease Liabilities	12.66	-
<b>TOTAL</b>	<b>12.66</b>	<b>-</b>

### 21.B :OTHER FINANCIAL LIABILITIES :

(Rs. in Crore)

Particulars	As at 31.03.2020	As at 31.03.2019
(1) Current maturities of long-term debt	332.64	439.21
(2) Interest accrued but not due on borrowings	-	80.14
(3) Unclaimed dividends	0.01	0.01
(4) Deposits from Vendors, Suppliers & Contractors	239.40	218.59
(5) Other Payables		
i) Salaries & Wages	361.37	300.88
ii) Others:		
a) Deposits from Others	2.55	2.31
b) Overdraft in Current Account	4.55	3.76
c) Creditors for Capital Expenditure	692.93	431.98
d) Other Liabilities	406.50	780.48
<b>TOTAL</b>	<b>2039.95</b>	<b>1819.31</b>

- 21.1 The Company has availed the Moratorium allowed on term loans as per the RBI circular DOR No.BP. BC.47/21.04.048/2019-20 Dt. March 27, 2020 against the payment of instalments due on 15.04.2020. Hence, the instalments due on 15.04.2020 were not included in the above current maturities of Long Term Debt.
- 21.2 The above presented amount of Current maturities of Long term Debt represent the 3 instalments payable in the year 2020-21 (excluding Moratorium availed instalments due on 15.04.2020) in respect of term loans from PFC & PFC-REC of Rs. 248.75 Crore and Rs. 83.88 Crore respectively. (Previous Year Term Loans from PFC & PFC-REC of Rs.331.67 Crore and Rs.107.54 Crore respectively).
- 21.3 Further, consequent to availment of Moratorium as stated above, the Interest accrued but not due on the term loans as on 31.03.2020 amounting to Rs. 80.85 Crore was added to the carrying amounts of the respective principal amounts of Term Loans (Non Current) as on 31.03.2020 (being an adjusting event after the Reporting Date as per Ind AS 10).



Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)

## NOTE - 22: PROVISIONS

(Rs. in Crore)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Non - Current</b>		
<b>(a) Provision for Employee Benefits</b>		
Gratuity (to the extent unfunded)	3132.13	2750.76
Leave Encashment (Vesting)	531.53	503.63
Leave Entitlement (Non-vesting)	287.55	266.39
Monthly Monetary Compensation & Low Productive Employee Compensation (unfunded)	116.17	106.87
Settling-in- Allowance	61.36	46.25
Leave Travel Concession	42.26	32.19
	4171.00	3706.09
<b>(b) Others</b>		
Overburden Removal Adjustment Net of Advance Action Rs.823.36 (P.Y. Rs.936.32 Crore)	3233.70	2513.85
Back Filling	10576.13	11146.84
Mine Closure	1175.25	1107.33
Environment Remediation plan Expenditure	86.71	-
	15071.79	14768.02
<b>TOTAL – Non Current</b>	<b>19242.79</b>	<b>18474.11</b>
<b>Current</b>		
<b>Provision for employee benefits</b>		
Gratuity (unfunded)	1.41	1.32
Leave Encashment (Vesting)	102.58	110.84
Monthly Monetary Compensation (unfunded)	39.50	44.50
Superannuation Benefit (unfunded)	368.22	310.87
<b>Post Superannuation Medical Benefit (Executives &amp; Non Executives)</b>		
(1) Executives	193.68	142.89
(2) Non-Executives	296.15	184.66
	489.83	327.55
Settling-in- Allowance	13.10	9.21
Leave Travel Concession	24.30	28.11
Performance Related Pay (EXE)	258.96	235.13
PLB/PLR (Exgratia)	273.35	292.54
Corporate Special Incentive Other Current Provisions	278.28	477.00
(1) Provision for CSR Expenditure	29.78	0.00
(2) Provision for grade deterioration	4.61	-
(3) Provision for Warranty on Sales	0.97	0.86
<b>TOTAL – Current</b>	<b>1884.89</b>	<b>1837.92</b>

*Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

### **22.1 Provision for Overburden Removal (net of Advance Action):**

- (i) In respect of all open cast (OC) mines in operation, the accounting of overburden removal (OBR) is carried out as per the Accounting policy 2.3.10.
- (ii) As per the Revised Accounting Policy, the Review of Stripping Ratios of all the OC Mines in operation has been carried out during the year at 3 years interval irrespective of period of revenue workings, as against the earlier policy of general review at five year interval which covered only the operating mines with 5 year revenue working. Therefore, the mines which had not completed 5 years of revenue operations were escaping the review of stripping ratios upto 6 to 9 years. Thus, due to the modified accounting policy, the mines which had completed 5 years of revenue operations and also mines which became operational until FY 2019-20, irrespective of period of revenue workings thereof, have been covered in the general review in FY 2019-20. The previous review was conducted in FY 2014-15. With the availability of more accurate survey & measurement of OBR and Coal Reserves with the usage of latest software modelling techniques, the revised stripping ratios of all the Mines have been firmed up in the Financial year 2019-20.
- (iii) Though, the changes in the Accounting Policies are to be given retrospective application as per Ind AS 8 read with the Accounting policy no 2.2.20 of the Company, this modification to the Accounting Policy regarding the periodicity of review from 5 years to 3 years could not be given retrospective implementation as it was impracticable to apply the revised Accounting Policy retrospectively owing to statutory compliances imposed during the period after the previous general review of stripping ratios, non availability of relevant information as on the respective previous periods in view of the fact that the revised reserves of Coal & OB and revised stripping ratios have since been firmed up in the current year only duly considering the operational & geological factors. Hence, the financial impact of the change in the Accounting policy as to the review period is applied prospectively as a change in the estimate.
- (iv) The financial impact of the general review of the Stripping Ratios of Rs.209.16 Crore (Credit) (pertaining to 11 Mines) was accounted as a change in the estimate in the Current year and an amount of Rs.169.03 Crore (debit) (pertaining to 5 Mines) was accounted for in the current year. Thus the overall financial impact due to the review of the stripping ratios during the current year amounted to an increase in profit for the year of Rs.40.13 Crore.

### **22.2 Provision for Backfilling of Final Void:**

- i) Until FY 2018-19, provision for backfilling is being made as per accounting policy no. 2.2.7.B. to meet the obligation pursuant to the stipulations in Environment Clearances (EC) regarding the reduction of the depth of final void to 30/35/40 metres from the surface as the case may be in respect of 11 opencast (OC) mines. Other OC projects are either on relay concept or no such stipulation in the EC.
- ii) During the year 2019-20, approvals for the Revised Mining Plans were received from MoC for 6 OC Projects wherein the final void was proposed as water bodies instead of the earlier mandate of backfilling by re-handling of OB from dumps. However, EC approvals from MoEF&CC are to be obtained on similar lines for the stipulations mentioned in the recent Revised Mining Plans.
- iii) During the year, revised EC was approved for MNG OC with final void as water body and approval

*Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

of revised EC is under active progress for MNG OC II Extn with similar stipulations proposed in the Revised Mining Plan. For the other 4 projects, EC is yet to be applied and would be addressed in a phased manner in the future years.

- iv) During the Year 2019-20, the provision for backfilling is made for 9 mines only as against 11 mines (i.e. excluding the above two OC Mines for which revised EC is obtained /approval is anticipated shortly). The quantity of OB required to backfill the void is considered as per the earlier Mining Plan / EC, wherever applicable, since the Final Voids are proposed as water bodies for 4 Mines and sequential dumping for one Mine in the Revised Mining Plans.
- v) In respect of the MNG OC and MNG OC II Extn, the existing provision of Rs 200.76 Crore Rs. 971.45 crore respectively (net of Site restoration Assets ) as on 01.04.2019 is continued in the books of account since the revised Mining Plan / EC mandates certain statutory compliances for maintenance of final void as water body by providing adequate engineering interventions for sustenance of aquatic life.

Accordingly, the charge to Profit & Loss account towards Backfilling obligation (including depreciation of site restoration Assets) for the year 2019-20 was lower by Rs 228.91 Crore (MNG OC - Rs.90.86 Crore and MNG OC II Extn - Rs 138.05 Crore respectively ).For crystallization of liability as per the revised stipulations, scientific studies / consultancy are proposed to be outsourced to experts in the relevant field in view of lack of precedence in SCCL. Necessary withdrawals of provision will be made accordingly in due course.

- vi) Further, in respect of SRP OC II and GK OC Projects, the provision for backfilling was reviewed adopting the Revised Mine lives as proposed by Project Planning Department. Consequent to this, there is decrease in the provision of backfilling by Rs 301.37 Crore out of which an amount of Rs 184.38 is adjusted against the carrying amount of site restoration cost asset and an amount of Rs.116.98 Crore (excess of carrying amount pertaining to SRP OC II Project ) is taken to P&L account. Due to the downward revision of provision and corresponding site restoration cost asset, there is a decrease in the current year charge towards unwinding costs and depreciation of corresponding site restoration assets totalling to Rs 80.07 Crore. Further, there would be decrease in the unwinding of discount by 8% and depreciation of the site restoration cost assets till the end of life of the respective mine.

### **22.3 Provision for mine closure (MCP):**

- 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 2019-20, revised Mine closure plan preparation guidelines have been issued by MoC with revised mine closure cost per hectare of Rs.9 lakhs and Rs.1.5 lakhs for OC mines and UG mines respectively (previous stipulation was Rs.6 lakh/Rs.1 Lakh for OC and UG respectively). The revised rates and conditions are implemented for the mine closure plans / final mine closure plans prepared subsequent to receipt of revised guidelines.
- iii) During the year 2019-20, mine closure provision was re-assessed in respect of 9 mines due to adoption of revised mine lives as proposed by Project Planning Department, approval of revised mine closure plans and Final Mine closure Plans. Consequent to this, there is an overall decrease in mine closure provision by Rs 33.59 Crore. Out of which an amount of Rs. 15.31 Crore is accounted by adjusting asset balance of corresponding provision and Rs 18.28 Crore is taken to P&L Account.

*Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

- iv) Provision for Mine closure plan is made for 18 OC and 28 UG mines against 20 OC and 29 UG Mines. During the year Rs.118.03 Crore (including Rs.48.83 Crore of interest accrued) was deposited in designated escrow accounts. The cumulative Deposit as on 31.03.2020 is Rs.917.92 Crore (including accrued interest of Rs.132.06 Crore net off TDS).
- v) Against the deposits for MCP held in the escrow accounts as on the reporting date, an amount of Rs.57.44 Crore was released provisionally by Coal Controller during June and July 2020 (released after the reporting date). This amount is 50% of the claimed amounts including interest on Mine closure expenditure claims in respect of 17 Mines for the years from 2013-14 to 2017-18 submitted by the Company. Pending scrutiny and verification by the technical committee of Coal Controller, as this amount is only adhoc amount, no receivable is recognised in the accounts as on the reporting date. Further, pending Assessment of Mine Specific actual progressive/final mine closure expenditure, no adjustments in Mine closure provisions and corresponding Assets are made in the accounts of FY 2019-20.

#### **22.4 Provision for Remediation & Community Resource Augmentation Plans(RP & NCRAP)**

- (i) In pursuance of notification vide S.O.804 (E), dated 14.03.2017 issued by MoEF&CC, the Company had submitted proposals for obtaining Environment Clearances involving 20 projects falling under the EC violation category. As per the ToRs issued by MoEF&CC, EMPs comprising of Remediation Plan and Natural & Community Resource Augmentation Plans (RP & NCRAP) corresponding to the ecological damage assessed and economic benefits derived due to violation are to be prepared. Accordingly, EMPs were prepared for two proposals viz., Cluster of GDK-1&3, 2&2A and 5 Inclines and JVR OC-1 Expansion projects. EAC recommended activities with Rs.2.77 Crore for implementation of RP & NCRAP for Cluster of GDK-1&3, 2&2A and 5 Inclines and the RP & NCRAPs for JVR OC-1 Expansion project is submitted to MoEF&CC for an amount of Rs.26.26 Crore.
- (ii) The estimated liability towards the cost of implementation of RP & NCRAP of Rs.86.71 Crore (being the cost assessed in the plans already submitted and amounts equivalent to 3% of Capital investment cost towards damage assessment and 3% of economic surplus generated for other Projects) is provided for in the current year.
- (iii) Considering the specific nature of the expenditure, the Company has classified and disclosed as Exceptional item as per Para no 9.6 of Guidance Note issued by ICAI on Division II – Ind AS Schedule –III to the Companies Act, 2013.

#### **22.5 Provision towards Performance Related Pay (PRP) ( Executives):**

The carrying amount of the provision 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, FY2018-19 and FY 2019-20. During the Year, PRP for the year 2017-18 was paid with the approval from designated authority. Pending receipt of approval from designated authority, an amount of Rs.79.81 Crore was provided for the year 2019-20 as per the procedure prescribed in DPE guidelines considering Operating Profit for the current year (i.e. Profit before tax after excluding interest earned on idle cash, deposits /investments). (PY Rs.111.47 Crore).

*Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

**22.6** Royalty on Closing Stock of Coal at Mines/CSPs amounting to Rs.48.35 Crore was not transacted in the Books (Previous year Rs. 18.05.Crore )

**22.7 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.7.91 Crore has been provided for in the books of account for the current year and the total provision made up to 31.03.2020 amounted to Rs.106.96 Crore. (PY Rs.99.05 Crore).

**22.8 Executives' Superannuation Benefit Scheme:**

- i) Owing to non-formulation of the Modalities of the scheme, the Superannuation Benefit contributions (Executives) have remained payable in the Books of SCCL. Recently, the Company has formulated a scheme "SCCL Executives Defined Contribution Pension Scheme 2007" in line with Coal India and the activities related to the implementation of the scheme are in progress.
- ii) During the year, the inter se allocation of 30% Superannuation benefits was reviewed and the Contribution towards superannuation benefit was revised to 6.99% from 2.84% w.e.f. 01.10.2017. Consequent to this revision of contributions and firming up of the executive wise contributions payable to the scheme, there was an increase in the contributions payable by the Company by Rs.21.42 Crore up to FY 2018-19 (i.e. covering the period from 01.04.2007 to 31.03.2019) which were provided for as a change in the estimate in the current year along with the contributions payable for the year 2019-20. The total amount of contributions payable to the Superannuation Benefit Scheme up to 31.03.2020 amounted to Rs.271.88 Crore. Out of which, Rs.10.00 Crore was deposited to Trust Account as initial contribution.
- iii) As there exists constructive obligation to deposit the contributions to the Trust along with interest, an amount of Rs.21.36 Crore (PY Rs.16.62 Crore) is provided for towards compensatory interest for the current year. The Total amount of compensatory interest provided up to 31.03.2020 amounted to Rs.106.34 Crore (PY 84.98 Crore).

**22.9 Provision towards unspent CSR Liability:**

During the year 2019-20, an amount of Rs.34.86 Crore has to be spent by the Company on the CSR initiatives as per statutory requirement of 2% of Average PBT of preceding three financial years. However, the actual amounts spent during the year 2019-20 including the spill over payments against works sanctioned in previous years and the expenditure incurred by the Singareni Seva Samithi (SSS) amounted to Rs.19.79 Crore only. As there is shortfall in the minimum amounts to be spent due to obvious reasons, the Company has recognised liability towards the unspent amounts against CSR works/Projects sanctioned as per the CSR Policy of the Company during the year 2019-20 amounting to Rs.29.78 Crore.

**22.10 Provision towards grade deterioration of the Washery Rejects :**

Washery Rejects of 4,99,395.288 Tonnes are indentified as non-saleable owing to "NIL" grade/ due to catching of Fire at MNG, RKP and RGM Washeries. Pending write off of the these non-saleable washery rejects with Board's approval in due course, provision towards grade deterioration was recognised for Rs.4.61 Crore (@ NRV of Rs.92.283/T) during the year 2019-20 as a measure of prudence.



Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)

## NOTE - 23: OTHER NON - CURRENT LIABILITIES

(Rs. in Crore)

Particulars	As at 31.03.2020	As at 31.03.2019
Deferred Government Grant	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

## NOTE - 24: OTHER CURRENT LIABILITIES

(Rs. in Crore)

Particulars	As at 31.03.2020	As at 31.03.2019
Statutory Dues	1064.54	761.61
Contract Liabilities	777.29	1099.26
Advances from Others	12.12	22.16
Advance from Govt. Grant	1.00	1.00
<b>TOTAL</b>	<b>1854.95</b>	<b>1884.03</b>

## NOTE - 25: CURRENT TAX LIABILITY

(Rs. in Crore)

Particulars	As at 31.03.2020	As at 31.03.2019
Income Tax	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)

## NOTE - 26: REVENUE FROM OPERATIONS

(Rs. in Crore)

Particulars		2019-20	2018 - 19
<b>(A)</b>	<b>Coal:</b>		
1.	Turnover (Gross)	18634.47	20756.37
2.	Adjustments for Variable Consideration:		
	i) Penalty for Short lifting of Coal	1.46	(0.02)
	ii) Bonus for Supply of Coal	34.26	39.21
	iii) Provision for Shale/ Stone & Grade Variance	80.20	(84.13)
		115.92	(44.94)
		18750.39	20711.43
	Less : Statutory Levies:		
	Royalty	1687.16	1841.00
	GST Compensation Cess	2261.81	2502.72
		3948.97	4343.72
		14801.42	16367.71
	Less: Transfer to Development	74.06	28.28
	<b>Net Sales – Coal (A)</b>	<b>14727.36</b>	<b>16339.43</b>
<b>(B)</b>	<b>Sale of Power</b>	<b>4126.76</b>	<b>3483.07</b>
<b>(C)</b>	<b>Income from Services</b>		
	Consultancy Services	2.79	1.96
<b>(D)</b>	<b>Other Goods</b>	<b>28.64</b>	<b>21.38</b>
	<b>TOTAL (A+B+C)</b>	<b>18885.55</b>	<b>19845.84</b>

26.1 The Gross Turnover of Coal presented above is net of Goods & Service Tax (GST)

26.2 Sale of Power presented above includes net revenue of Rs.100.51 Crore recognised as per Order issued by Hon' TS ERC dt 28.08.2020 for Truing up of Tariff petition for the billing periods 2016-17 to 2018-19 (Income of Rs.105.01 Crore) and Revision petition for the billing periods 2019-20 to 2023-24 (refund of Rs.4.50 Core for FY 2019-20), being an adjusting event in pursuance of the provisions of Ind AS 10 – 'Events After the Reporting Period'.





Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)

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

(Rs. in Crore)

Particulars	2019-20	2018-19
Types of goods or service		
- Coal	14727.36	16339.43
- Power	4126.76	3483.07
- Others	2.79	1.96
- Other goods	28.64	21.38
<b>Total Revenue from Contracts with Customers</b>	<b>18885.55</b>	<b>19845.84</b>
Types of Customers for coal		
- Power sector	11985.02	13011.59
- Non Power Sector	2742.34	3327.84
Types of Customers for Power	4126.76	
- Electricity distribution company		3483.07
Types of Customers for Services		
- Consultancy	2.79	1.96
Types of Customers for other goods		
- Other goods	28.64	21.38
<b>Total Revenue from Contracts with Customers</b>	<b>18885.55</b>	<b>19845.84</b>
Types of Contracts of Coal		
- Fuel Supply Agreements	13792.94	13559.77
- E Auction/E Linkage	468.96	709.38
- Others	465.46	2070.28
Types of Contract for Power		
- Power Purchase Agreement	4126.76	3483.07
Types of Customers for Services		
- Others	2.79	1.96
Types of Customers for other goods		
- Other goods	28.64	21.38
<b>Total Revenue from Contracts with Customers</b>	<b>18885.55</b>	<b>19845.84</b>
Timing of Goods or Service		
- Goods transferred at a point in time (Coal)	14727.36	16339.43
- Goods transferred over time (Power)	4126.76	3483.07
- Goods transferred at a point in time (Other goods)	28.64	21.38
- Services transferred at a point in time	-	-
- Services transferred over time (services)	2.79	1.96
<b>Total Revenue from Contracts with Customers</b>	<b>18885.55</b>	<b>19845.84</b>

Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)

## NOTE - 27: OTHER INCOME

(Rs. in Crore)

Particulars		2019-20	2018 - 19
<b>(a)</b>	<b>Interest Income</b>		
	Interest on Investment (Non-trade) Gross	232.99	177.11
	Interest on Term Deposits	199.87	220.68
	Interest on Sundry Debtors for Coal, Loans, Advances to others	27.84	100.87
	Interest on deposits with LIC	171.62	155.45
	Interest /LPS on Sundry Debtors for Power	-	-
		632.32	654.11
<b>(b)</b>	<b>Income from Mutual Funds</b>	8.93	6.14
<b>(c)</b>	<b>Other non-operating income</b>		
	- Rents	9.38	8.99
	- Electricity & Fuel	13.91	27.37
	- Water charges	0.82	0.73
	- Provisions and Liabilities no longer required	154.53	102.04
	- Miscellaneous Receipts	93.19	76.34
	- Subsidy received from CCDAC for Stowing, Protective Works etc.,	8.39	1.02
		280.22	216.49
	<b>TOTAL</b>	<b>921.47</b>	<b>876.74</b>

- 27.1 Income from Mutual Funds includes an amount of Rs.0.02 Crore Fair Value adjustment as on 31.03.2020 recognised through Profit & Loss Account (FVTPL) (PY Rs. 1.33 Cr).
- 27.2 Provisions written back include withdrawal of Backfilling provision on review of Mine lives of Rs.135.27 Crore, withdrawal of provision made for Idle Freight claims in FY 2018-19 on settlement of the claims of Rs.5.69 Crore, withdrawal of Provision made in the earlier years towards Bad & doubtful debts on write off of the Debts on current year of Rs.4.21 Crore and Misc.credits/claims taken to Company's account Rs.5.39 Crore (Previous year Rs.9.08 Crore) .
- 27.3 Miscellaneous Receipts for the current year include sale proceeds of scrap/waste Rs. 24.24 Crore (previous year Rs.24.09 Crore), Penalties recovered from contractors & suppliers Rs.29.20 Crore (previous year Rs.32.13 Crore), Handling charges collected from employees and Contractors on the goods sold on sale account RS.24.84 Crore (Previous year Rs.1.37 Crore) and E-auction service charges Rs.5.82 Crore (previous year Rs.10.78 Crore).
- 27.4. No Subsidy for Sand Stowing works for FY 2019-20 is 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. However, subsidy of Rs.5.02 Crore towards certain protective works approved by CCDAC and Rs.3.37 Crore being excess of capital grants over the carrying amount of the Assets are recognised as Subsidy Income (Revenue) during the current year.



Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)

## NOTE – 28: COST OF MATERIALS CONSUMED

(Rs. in Crore)

Particulars	2019 - 20	2018 - 19
Stores & Spares	549.43	589.80
Explosives	506.67	517.07
Petrol, Oil and Lubricants (POL)	1930.98	2567.82
Internal Consumption of Coal	0.02	0.03
Others	15.13	12.27
<b>TOTAL</b>	<b>3002.23</b>	<b>3686.99</b>

## NOTE – 29: CHANGES IN INVENTORIES

(Rs. in Crore)

Particulars	2019 - 20	2018 - 19
Opening Stock	222.69	692.04
<b>Add:</b> Coal Purchased from FCI	-	1.73
<b>Less:</b> Internal Consumption of Coal	0.02	0.03
<b>Less:</b> Closing Stock	459.30	222.69
<b>TOTAL</b>	<b>(236.63)</b>	<b>471.04</b>

## NOTE – 30: EMPLOYEE BENEFITS EXPENSE

(Rs. in Crore)

Particulars	2019 - 20	2018 - 19
Salaries, Wages and Allowances	4365.65	4681.88
CMPF ,CMPS and Administrative charges	659.79	680.91
Attendance Bonus	228.28	410.16
Performance Linked Reward	267.46	302.50
Gratuity	346.24	365.10
Superannuation Benefit	122.65	76.84
Workmen's Compensation, Group Insurance & Group Personal Accident Insurance	0.73	0.68
Directors' Remuneration	2.55	2.56
Life cover premia under Gratuity Scheme with LIC	13.44	15.53
<b>Social Amenities:</b>		
Employee Welfare Expenses	187.74	176.29
Lumpsum/ Monthly Monetary Compensation for dependants	103.22	99.47



Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)

Grants to Singareni Collieries Educational Society	41.09	37.28
<b>TOTAL</b>	<b>6338.84</b>	<b>6849.20</b>

### NOTE – 31: FINANCE COSTS

(Rs. in Crore)

Particulars	2019 – 20	2018 - 19
<b>Interest expense</b>		
- Interest on Cash Credit	0.16	0.07
- Interest on Loans	412.25	385.74
- Interest on Others	3.78	11.56
- Unwinding cost -Back filling	696.45	788.94
- Unwinding cost -Mine closure	78.79	82.31
- Interest Cost - Leases	1.42	-
<b>TOTAL</b>	<b>1192.85</b>	<b>1268.62</b>

### NOTE – 32: POWER & FUEL

(Rs. in Crore)

Particulars	2019 – 20	2018 - 19
Electricity	475.31	480.35
Others	0.01	1.53
<b>TOTAL</b>	<b>475.32</b>	<b>481.88</b>

### NOTE – 33: REPAIRS & MAINTENANCE

(Rs. in Crore)

Particulars	2019 - 20	2018 - 19
Railway sidings	6.25	4.28
Buildings	68.85	60.13
Plant & Machinery	141.59	152.20
<b>TOTAL</b>	<b>216.69</b>	<b>216.61</b>

### NOTE – 34: CONTRACTUAL EXPENSES

(Rs. in Crore)

Particulars	2019 - 20	2018 - 19
- Coal Offloading	150.20	112.70
- OBR Offloading	1594.28	1237.71
- Top soil rehandling	12.98	1.46
- Transportation Charges	367.28	437.11
- Hiring of Heavy Earth Moving Machinery (HEMM), Weighbridge and others	180.03	160.24
- ALP – O&M	170.99	147.26
- STPP O&M	90.47	86.43
- Others	91.16	86.64



*Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)*

<b>TOTAL</b>	<b>2657.39</b>	<b>2269.55</b>
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34.1 Expenditure incurred on Hiring of HEMM & Others above are presented net of the payments towards Lease Elements during the year of Rs.10.92 Crore.(As per the requirement of Ind AS-116 – “Leases”)

### **NOTE – 35: PROVISIONS**

(Rs. in Crore)

Particulars	2019 - 20	2018 - 19
Obsolete Stores	6.64	4.50
Low/Grade deterioration (Washery Rejects)	4.61	-
Doubtful Debts / Advances	6.35	162.68
Impairment of OMI (Development - UG)	0.55	2.05
Impairment of P&M, Buildings & Others	1.91	15.61
Impairment of CWIP	9.30	5.54
<b>TOTAL</b>	<b>29.36</b>	<b>190.38</b>

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	2019 - 20	2018 - 19
Bad & Doubtful Debts Written off	4.21	114.85
Advances Written off	0.01	0.11
Assets Written off	6.45	13.42
CWIP Written Off	1.60	-
<b>TOTAL</b>	<b>12.27</b>	<b>128.38</b>

36.1 Bad and doubtful debts written off in FY 2018-19 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.

36.2 Bad Debts Written-off in FY 2019-20, represent dues of Rs.4.21 Crore towards Rent, Electricity & Water supply charges.

36.3 Assets Written-off of Rs.6.45 Crore includes write-off of Obsolete Stores Rs.2.28 Crore (PY 5.66 Crore). The balance amount represents the write-off of carrying amount of PPE, Other Fixed Assets owing to surveyed off assets for obvious reasons and Assets not useful/returnable on closure of mining operations.

Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2020 (Contd...)

## NOTE – 37: OTHER EXPENSES

(Rs. in Crore)

Particulars		2019-20		2018 - 19	
(a)	Selling & Distribution		142.78		202.57
(b)	Gain/Loss on Exchange Rate Variance		6.19		(1.23)
(c)	Corporate Social Responsibility (CSR)		50.58		20.96
(d)	Others:				
	Rents	1.42		2.43	
	Insurance	12.71		10.43	
	Rates & Taxes	47.59		8.83	
	Travelling Expenses	9.80		10.32	
	Postage, Telegrams and Telephone	3.69		3.58	
	Legal Expenses	7.82		3.93	
	Bank Charges and Commission	3.26		1.86	
	CISF Salaries and Wages	47.69		43.46	
	Directors' Travelling Expenses	1.13		0.73	
	Auditors' Remuneration				
	Statutory Audit Fee	0.18		0.18	
	Out of Pocket Expense (Stat.Audit)	0.03		0.11	
	Other Expenses- Certification	0.09		0.03	
	Tax Audit & Cost Audit fees	0.06		0.04	
	Advertisements	3.19		1.99	
	Research and Development Expense	3.73		4.21	
	Journals and Periodical	0.20		0.18	
	Printing and Stationary	1.35		1.15	
	Plantation Expenditure	12.03		10.02	
	Royalty-STPP	318.57		245.96	
	GST ITC Reversal	120.20		89.92	
	Forest permit fee-STPP	5.91		5.10	
	Shunting Charges-STPP	3.28		6.80	
	Other Expenses	37.81	641.74	41.67	492.93
	<b>TOTAL</b>		<b>841.29</b>		<b>715.23</b>

37.1 CSR Expenditure includes an amount of Rs. 29.78 Crore provision made towards the obligation on account of works sanctioned as per CSR Policy during the year 2019-20 remained un-executed as on the reporting date.

37.2 Rates & Taxes includes Rs.29.82 Crore towards the liability of various Indirect Taxes settled during the year and charged off as expense.

## NOTE – 38: EXCEPTIONAL ITEMS

(Rs. in Crore)

Particulars	2019 - 20	2018 - 19
Environment Remediation Plan Expenditure	86.70	-
<b>TOTAL</b>	<b>86.70</b>	<b>-</b>

**NOTE – 39**

**ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2020.**

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

(Rs. in Crore)

Financial assets and liabilities	As on 31 <sup>st</sup> March 2020			As on 31 <sup>st</sup> March 2019		
	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
<b>Financial Assets</b>						
Mutual Funds @	40.02			401.98	-	-
Loans			2843.03	-	-	2297.22
Others			1299.20	-	-	1837.76
Trade receivables			9480.31	-	-	5362.92
Cash & cash equivalents			1102.49	-	-	740.36
Other Bank Balances			288.58	-	-	1877.25
Investments*			2502.19	-	-	1,800.19
<b>Financial Liabilities</b>						
Borrowings			4122.04	-	-	3855.45
Trade payables			768.09	-	-	1007.18
Other Financial Liabilities			2039.96	-	-	1819.31

# FVTPL – Fair Value through Profit &amp; 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 &amp; 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 <sup>st</sup> March 2020			As on 31 <sup>st</sup> March 2019		
	Level I	Level II	Level III	Level I	Level II	Level III
<b>Financial Assets at FVTPL</b>						
Investments:				-	-	-
Mutual Funds	40.02			401.98	-	-
<b>Financial Liabilities</b>				-	-	-
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 <sup>st</sup> March, 2020	As on 31 <sup>st</sup> March 2020			As on 31 <sup>st</sup> March 2019		
	Level-I	Level-II	Level-III	Level-I	Level-II	Level-III
<b>Financial Assets at FVTPL</b>						
Loans			2843.03	-	-	2297.22
Others			1299.20	-	-	1837.76
Trade receivables			9480.31	-	-	5362.92
Cash & cash equivalents			1102.49	-	-	740.36
Other Bank Balances			288.58	-	-	1877.25
Investments		2502.19		-	1800.19	-
<b>Financial Liabilities</b>						
Borrowings			4122.04	-	-	3855.45
Trade payables			768.09	-	-	1007.18
Other Financial Liabilities			2039.96	-	-	1819.31

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.

**(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.



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

- 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 31.03.2020)

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	5822.10	3658.22	507.40	9987.71
Expected loss rate	-	-	100%	5.08%
Expected credit losses (Loss allowance provision)	-	-	507.40	507.40



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

(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	Total
Gross carrying amount	4107.21	1255.70	502.36	5865.28
Expected loss rate	-	-	100%	8.56%
Expected credit losses (Loss allowance provision)	-	-	502.36	502.36

**Reconciliation of Credit Loss allowance provision – Trade receivables**

Particulars	Amount (Rs. in Crore)
Loss allowance on 31.03.2019	502.36
Changes in loss allowance in 2019-20	5.05
Loss allowance on 31.03.2020	507.40

**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 2020	As on 31 March 2019
Interest bearing borrowings :		
On demand :	-	-
Less than 365 days	-	-
More than 365 days:		
(PFC-REC Loan2)	61.44	101.34
SBI Term Loan (Solar)	722.45	-
<b>Total</b>	<b>783.89</b>	<b>101.34</b>

Note: Cash Credits & Special Over drafts not considered.

*Additional Notes to the Financial Statements (Consolidated) (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)**

Particulars	As at 31.03.2020	As at 31.03.2019
Equity Share capital	1733.20	1733.20
Long term debt	3857.20	3843.08

**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 2019-20	For the FY 2018-19
1	Coal Mines Provident Fund Scheme is a Defined Contribution Plan and charged off to Statement of Profit & Loss.	659.79	680.91
2	Superannuation & Pension Benefit to the Executive Cadre employees was provided and charged off to Statement of Profit & Loss.	65.55	17.36

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)

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

Settling Allowance  
 Leave Travel Concession  
 Monthly Monetary Compensation(MMC)  
 CPRMS(E) / CPRMS(NE)

- iii) Total liability as on 31.03.2020 based on valuation made by the Actuary, details of which are mentioned below is Rs. 4651.13 Crore (Previous Year Rs.4140.70 Crore).

**(Rs. in Crore)**

Particulars	Opening Actuarial Liability as on 01.04.2019	Incremental Liability during the Year	Closing Actuarial Liability as on 31.03.2020
Gratuity	2750.76	381.37	3132.13
Leave Encashment (Vesting)	614.47	19.64	634.11
Leave Entitlements (Non-Vesting)	266.39	21.16	287.55
CPRMS(E) / (NE)	241.94	58.70	300.64
Monthly Monetary Compensation	151.38	4.30	155.68
Settling in Allowance	55.46	19.00	74.46
Leave Travel Concession	60.30	6.25	66.56
<b>Total</b>	<b>4140.70</b>	<b>510.42</b>	<b>4651.13</b>

**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.3132.13 Crore as at 31.3.2020 (Previous Year Rs.2750.76 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) and the outstanding amounts towards leaves encashed during the year amounted to Rs. 634.11 Crore as at 31.3.2020 (Previous Year Rs.614.47 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 31.3.2020 stood at Rs.287.55 Crore (Previous Year Rs.266.39 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. 300.64 Crore as at 31.3.2020, as against

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

provision of Rs.241.94 Crore up to 31.3.2019. An amount of Rs.64.83 Crore is charged to Revenue and Rs.5.74 Crore and Rs.13.22 Crore were paid to Executives & NCWA Employees under the respective Schemes.

**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 31.3.2020 is Rs.155.68 Crore (Previous Year Rs.151.38 Crore).

**f)** Settling Allowance is valued on actuarial basis and actuarial liability as at 31.03.2020 is Rs.74.46 Crore as against Previous Year of Rs.55.46 Crore.

**g)** Leave Travel concession is valued on actuarial basis and actuarial liability as at 31.03.2020 is Rs. 66.56 Crore (Previous Year Rs.60.30 Crore). An amount of Rs.19.47 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 31.03.2020 CERTIFICALS AS PER IND AS-19**

(Rs. in Crore)

Changes in Present Value of defined benefit obligations	As at 31.03.2020	As at 31.03.2019
Present Value of obligation at beginning of the period	4818.25	4830.20
Current Service Cost	155.74	196.12
Past Service Cost	-	-
Interest Cost	318.99	345.87
Actuarial (Gain) / Loss on obligations due to change in financial assumption	58.67	25.63
Actuarial (Gain) / Loss on obligations due to unexpected experience	(33.67)	1.01
Benefits Paid	(943.95)	(580.58)
<b>Present Value of obligation at end of the period</b>	<b>4374.03</b>	<b>4818.25</b>

(Rs. in Crore)

Changes in Fair Value of Plan Assets	As at 31.03.2020	As at 31.03.2019
Fair Value of Plan Asset at beginning of the period	2067.50	2227.76
Interest Income	118.35	167.85
Employer Contributions	-	252.50
Benefits Paid	(943.95)	(580.58)
Return on Plan Assets excluding Interest income	-	(0.03)
<b>Fair Value of Plan Asset as at end of the period</b>	<b>1241.90</b>	<b>2067.50</b>



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

(Rs. in Crore)

Statement showing reconciliation to Balance Sheet	As at 31.03.2020	As at 31.03.2019
Fund Liability	4374.03	4818.25
Fund Asset	1241.90	2067.50
<b>Un Funded Status</b>	<b>3132.13</b>	<b>2750.75</b>

(Rs. in Crore)

Expense Recognized in Statement of Profit / Loss	As at 31.03.2020	As at 31.03.2019
Current Service Cost	155.74	196.12
Past Service Cost	-	-
Net Interest Cost	200.64	178.02
<b>Benefit Cost (Expense recognized in Statement of Profit/Loss)</b>	<b>356.38</b>	<b>374.14</b>

(Rs. in Crore)

Other Comprehensive Income	As at 31.03.2020	As at 31.03.2019
Actuarial (Gain) / Loss on obligations due to change in financial assumption	58.67	25.63
Actuarial (Gain) / Loss on obligations due to unexpected experience	(33.67)	1.01
Total Actuarial (Gain) / Loss	-	26.64
Return on Plan Asset, excluding Interest Income	-	(0.03)
Balance at the end of the period	-	-
<b>Net (Income) / Expense for the period recognized in Other Comprehensive Income</b>	<b>25.00</b>	<b>26.61</b>

Statement showing Plan Assumptions:	As at 31.03.2020	As at 31.03.2019
Discount Rate	6.75%	7.50%
Expected Return on Plan Asset	7.40%	8.25%
Rate of Compensation Increase (Salary Inflation)	6.50%	7.00%
Average Expected Future Service (Remaining Working Life)	14.49 Years	12.84 Years
Average Duration of Liabilities	20.01 Years	21.89 Years
Mortality Table	LIC (2006-08) Ultimate	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 (Consolidated) (Contd.)*

Mortality Table		
Age	As at 31.03.2020	As at 31.03.2019
	Mortality (Per annum)	Mortality (Per annum)
Uniform for all ages	4.04	4.56

(Rs. in Crore)

Statement Showing Benefit Information Estimated Future payments (Past Service)		
Year	31.03.2020	31.03.2019
1	984.44	566.30
2	472.22	755.35
3	535.83	725.59
4	557.53	582.79
5	473.15	786.14
6 to 10	1363.74	1720.89
More than 10 years	2495.36	2506.06
Total Undiscounted Payments Past and Future Service	6873.20	7643.12
Total Undiscounted Payments related to Past Service	4447.06	4756.21
Less Discount For Interest	82.10	62.04
Projected Benefit Obligation	<b>4374.03</b>	<b>4818.25</b>

(Rs. in Crore)

Statement Showing Cash Flow Information		31.03.2020	31.03.2019
Current service Cost (Employer portion Only) Next period		154.00	155.26
Interest Cost next period		6.75	7.50
Expected Return on Plan Asset		75.00	167.00
Benefit Cost		<b>950.00</b>	<b>555.00</b>

(Rs. in Crore)

Statement Showing expected return on Plan Asset at end Measurement		As at 31.03.2020	As at 31.03.2019
Current liability		-	-
Non-Current Liability		-	-
<b>Net Liability</b>		<b>4374.03</b>	<b>4818.25</b>



*Additional Notes to the Financial Statements (Consolidated) (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 31.03.2020	As at 31.03.2019
Present Value of obligation at beginning of the period	614.47	683.64
Current Service Cost	124.48	81.32
Interest Cost	46.05	49.95
Actuarial (Gain)/ Loss on obligations due to unexpected adjustments	0.34	0.02
Actuarial (Gain)/ Loss on obligations due to change in financial assumption	9.51	12.95
Curtailment of Benefits	-	(51.36)
Benefits Paid	(160.77)	(162.05)
Present Value of obligation at end of the period	634.08	614.47

(Rs. in Crore)

Changes in Fair Value of Plan Assets	As at 31.03.2020	As at 31.03.2019
Fair Value of Plan Asset at beginning of the period	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 31.03.2020	As at 31.03.2019
Fund Liability	634.08	614.47
Fund Asset	-	-
Funded Status	Unfunded	Unfunded

(Rs. in Crore)

Statement showing Plan Assumptions:	As at 31.03.2020	As at 31.03.2019
Discount Rate	6.75%	7.50%
Rate of Compensation Increase (Salary Inflation)	6.50%	7.00%
Average Expected Future Service (Remaining Working Life)	14.49 Years	12.84 Years
Average Duration of Liabilities	20.01 Years	21.89 Years
Mortality Table	LIC (2006-08)Ultimate	
Superannuation at Age	60 Years	60 Years



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

Expense Recognized in Statement of Profit / Loss	As at 31.03.2020	As at 31.03.2019
Current Service Cost	124.48	81.32
Net Interest Cost	46.05	49.95
Curtailment in benefits in current year	-	(51.36)
Actuarial (Gain)/ Loss on obligations due to unexpected adjustments	0.34	0.02
Actuarial (Gain)/ Loss on obligations due to change in financial assumption	9.51	12.95
<b>Benefit Cost (Expense recognized in Statement of Profit/Loss)</b>	<b>180.38</b>	<b>92.88</b>

Mortality Table	As at 31.03.2020	As at 31.03.2019
Age	Mortality (Per Annum)	Mortality (Per Annum)
Uniform for all ages	4.04	4.56

(Rs. in Crore)

Statement Showing Benefit Information Estimated Future payments		
Year	31.03.2020	31.03.2019
1	76.47	54.84
2	71.30	55.65
3	78.33	65.56
4	87.26	63.09
5	74.93	56.68
6 to 10	284.59	184.38
More than 10 years	310.00	182.08
Total Undiscounted Payments Past and Future Service	980.73	698.32
Total Undiscounted Payments related to Past Service	681.51	662.28
Less Discount For Interest	47.43	47.81
Projected Benefit Obligation	<b>634.08</b>	<b>614.47</b>

(Rs. In Crore)

Statement Showing expected return on Plan Asset at end Measurement	As at 31.03.2020	As at 31.03.2019
Current liability	91.68	110.84
Non-Current Liability	542.40	503.63
Net Liability	<b>634.08</b>	<b>614.47</b>

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

**4. Unrecognized items:**

**4. A. Contingent Liabilities**

(Rs. In Crore)

Sl. No.	Particulars	As on 31.3.2020	As on 31.3.2019
	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	14.08	7.91
(ii)	Workmen Compensation (cases contested – court)	0.90	0.91
(iii)	Motor Accident claims (cases contested – court)	0.37	0.69
(iv)	Police Guard (excess man power billed disputed)	2.98	2.98
(v)	S C Railways (damages, demurrages etc. disputed)	1.67	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	323.40	265.61
(ix)	Other disputed claims & Legal cases etc.	14.70	28.06
(x)	<p>Service Tax demands were raised on OBR contractors by Service Tax Department treating value of free issue explosives and HSD oil as additional consideration to them. The demands of Service Tax Department have been contested by the Service Providers. Pending adjudication of disputed demands, SCCL issued letter of comfort to the contractors with commitment to reimburse Service Tax, interest and penalty thereon in case the verdict goes against them.</p> <p>However, Larger Bench of CESTAT, New Delhi in the case of M/s. Bhayana Builders (P) Ltd., and others held that value of the goods and materials supplied free of cost of being neither monetary nor non-monetary consideration and would be outside the taxable value or the gross amount charged to Service Tax.</p> <p>In the appeal filed by M/s. SV Engg. Constructions, to whom comfort letter was given by SCCL, the Hyderabad Circuit Bench of CESTAT has given judgment in favour of M/s. SV Engg. Constructions.</p> <p>Further, in appeals filed by M/s. PLR Projects Pvt. Ltd., M/s Gulf Oil Corporation Ltd., M/s GRN Construction Pvt. Ltd., M/s. BGR Mining &amp; Infra Pvt. Ltd. And SV Engg. Constructions, CESTAT, Bangalore has passed a judgement in favour of the Contractors.</p> <p>Against the order passed by the CESTAT in the case of M/s Gulf Oil Corporation Ltd, the Service Tax Department has filed a Civil Appeal in the Hon'ble Supreme Court. The Supreme Court has pronounced its judgement on the Civil Appeal stating that material issued free of cost does not attract service tax (Civil Appeal Nos. 1355-1358 of 2015). However, as the individual orders for the cases filed by the Contractors are yet to be received, the service tax liability against the Comfort Letter is considered as Contingent Liability.</p>	337.64	337.64

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

		(Rs. In Crore)	
Sl. No.	Particulars	As on 31.3.2020	As on 31.3.2019
(xi)	(a) Excise Duty demands on quantity disputes.	5.70	8.24
	(b) 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
	(c) Demand for Clean Energy Cess	-	0.24
	(d) Excise Duty on APGENCO performance Incentive	-	10.87
	(e) CEC on Closing Stock as on 30.06.2017 (Pre-GST)	223.39	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.	36.16	7.93
(xiii)	Tax Demands from Income Tax Department which are disputed by SCCL and pending before various appellate authorities for adjudication.	372.87	212.58
(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
	(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
(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	1.66
(xviii)	(a) Claims for additional compensation decided by the Lower Courts in favour pattadars which were contested by the company in Higher Courts for Acres: 114 ,Guntas 12.	25.82	12.48



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

Sl. No.	Particulars	As on 31.3.2020	As on 31.3.2019
(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>			

#### 4.B. Capital Commitments:

(Rs. in Crore)

Sl.No.	Particulars	As on 31.3.2020	As on 31.3.2019
a)	Estimated value of capital commitment for 2x600 MW Singareni Thermal Power Project, Jaipur, Telangana State.	113.30	197.42
b)	Estimated value of capital commitments of other contracts to be executed	201.87	526.85
c)	Estimated value of capital commitments - Solar Power Plants	78.07	494.96
<b>Total</b>		<b>393.24</b>	<b>1219.23</b>

#### 4.C. Other Commitments/Guarantees:

(Rs. in Crore)

Sl.No.	Particulars	As on 31.3.2020	As on 31.3.2019
1	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.	901.98	288.44
2	Outstanding Letters of Credit	42.73	28.42
3	Bills Receivable from M/S. APGENCO discounted with Banks (ICICI/SBI/HDFC) for which the Company has undertaken to indemnify the banks in the event of non-honouring of the Bills of Exchange by M/S. APGENCO on maturity.	951.86	-
4	The balance value of Surrounding Habitats Assistance Programme (SHAPE) works to be executed.	7.34	7.35
5	Liability on the Works sanctioned towards CSR under CSR policy of the company for the period upto FY 2018-19.	32.27	41.44
<b>Total</b>		<b>1928.52</b>	<b>365.65</b>



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

- 4.C.1.1 This includes Bank Guarantee of Rs.176.32 Crore, Rs.40 Crore and Rs. 641.20 Crore submitted to MoC, Government of India as Performance Guarantees against allotment of Naini Coal Block, Odisha, Penagadapa Coal Block, Telangana, and New Patrapara Coal Mine, Odisha respectively. In addition, Bank Guarantees worth Rs. 33.84 Crore submitted to M/S. SECI, New Delhi against Solar Power Plant related works.
- 4.C.3.1: Out of these, Bills of Exchange worth Rs.240.55 Crore (discounted with ICICI), Rs.210.05 Crore (discounted with SBI), Rs.200.57 Crore (discounted with HDFC) and Rs.300.69 Crore (discounted with SBI) have been honoured by M/S. APGENCO on respective maturity dates (i.e. on 10.06.2020, 08.06.2020, 14.08.2020 and 14.09.2020 respectively).

## 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)
- 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.

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

- 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.

**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.

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

- 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.

**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



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

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.

**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.

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

#### **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 1<sup>st</sup> to 7<sup>th</sup> of the month, second lot from 8<sup>th</sup> to 20<sup>th</sup> and third lot from 21<sup>st</sup> to the 30<sup>th</sup>/31<sup>st</sup> 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 1<sup>st</sup> to 10<sup>th</sup>, second lot 11<sup>th</sup> to 20<sup>th</sup> and third lot from 21<sup>st</sup> to 30<sup>th</sup>/31<sup>st</sup> 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 (1<sup>st</sup>) instalment on the first (1<sup>st</sup>) day of the month, second (2<sup>nd</sup>) instalment on the eleventh (11<sup>th</sup>) day of the month and the third (3<sup>rd</sup>) instalment on the twenty first (21<sup>st</sup>) day of the month. Each of these payment instalments cover the As Delivered Price of Coal for the Coal quantities that is one-ninth (1/9<sup>th</sup>) of the QQ concerned. Further, each of these instalments takes into account the average of Base Prices of Grades. However, the third (3<sup>rd</sup>) 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.

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

- 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.
  - 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 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 Ind AS 116 : Leases :**

- 5.2.1** In pursuance of the provisions of Ind AS 116 – Leases effective from 01.04.2019, the Company had recognised the Lease Liabilities and Right of Use Assets, in respect of the Leases contained in the Service/ Hiring Contracts in operation where the contracts convey the right to control the use of the indentified Assets to the Company as a Lessee.
- 5.2.2** The company had adopted Option II of the Modified Retrospective Approach permitted under Clause no C.5(b) read with C7 and C8 of the Appendix C of the Accounting Standard. Accordingly, the Lease Liabilities and corresponding Right of Use Assets are initially recognized at Rs.15.95 Crore being the present value of the future Lease payments outstanding as on 01.04.2019.
- 5.2.3** The amounts payable in respect of Low Value leases up to Rs.2.00 lakhs/PM per Asset and the Short term leases of 12 months or less are fully charged to expense.



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

**5.2.4** During the year further Lease liabilities Rs.19.63 Crore and Right of Use Assets at the corresponding amount are recognised in respect of the new Leases commenced during the Year 2019-20. During the year, Finance cost of Rs.1.42 Crore (being the unwinding cost of interest @ 8.50%) included in the payments identified as lease elements and depreciation on Right of Use Assets for an amount of Rs.9.98 Crore (on straight-line basis over the lease period) is charged off to Profit & Loss Account for the year 2019-20. The identified value of lease payments of Rs.10.92 Crore were reduced from respective lease liabilities and the Hiring cost of the Assets. The overall impact of the implementation of the Ind AS 116- Leases for FY 2019-20 is Rs.0.48 Crore only (net increase in expenditure).

**5.2.5** The carrying amounts of Lease Liability and the Right of Use Assets as on 31.03.2020 are Rs.26.08 Crore and Rs.25.60 Crore respectively.

### **5.2 A Government Grants**

5.2A.1 During the year, an amount of Rs.5.02 Crore is recognised as Revenue Grants against the Protective works and the portion of capital grants which are in excess of carrying amount of respective assets upon the receipt of approval in 83<sup>rd</sup> and 84<sup>th</sup> meetings of CCDAC. Further, as 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), no income is recognised on the same during the year.

5.2A.2 During the year, Capital Grants for an amount of Rs 74.64 Crore against Road, Rail and Man Riding Systems approved in the 83<sup>rd</sup> & 84<sup>th</sup> meetings of CCDAC have been recognised during the year 2019-20. An amount of Rs 71.27 Crore is adjusted from the carrying amount of respective asset. An amount of Rs.3.37 Crore out of capital grants approved are charged to P&L account which are in excess of carrying amount of respective assets.

5.2A.3 During the year, the proceeds of Grants received from CCDAC amounted to Rs 3.87 Crore comprising of Rs 1.26 Crore towards revenue grants and Rs 2.61 Crore towards capital Grants .

*Additional Notes to the Financial Statements (Consolidated) (Contd.)***5.3 Provisions :**

The position and movement of various provisions as on 31.03.2020 are given below:

**(Rs. In Crore)**

Provisions	Opening Balance as on 01.04.2019	Addition during the year	Write back/ Adj./ payments During the year	Unwinding of discounts	Closing Balance as on 31.03.2020
<b>Long term provisions:</b>					
Gratuity	2750.76	180.84	-	200.53	3132.13
Leave encashment - Vesting	503.63	38.79	(10.87)	-	531.55
Leave Entitlement – Non vesting	266.39	21.15	-	-	287.54
Monthly Monetary Compensation & Low productive employee compensation (MMC & LPE)	106.88	9.30	-	-	116.18
Settling Allowance	46.25	15.11	-	-	61.36
Leave Travel Concession	32.19	10.07	-	-	42.26
OBR(Net of Advance Action)	2513.85	719.85	-	-	3233.70
Backfilling	11146.84		(1276.20)	705.49	10576.13
Mine Closure Plan	1107.33	20.32	(33.59)	81.28	1175.24
Remedial Action Plan		86.71	-	-	86.71
<b>Short term provisions :</b>			-	-	-
Gratuity	1.32	0.10	-	-	1.41
Leave Encashment (Vesting)	110.84	-	(8.28)	-	102.56
MMC & LPE	44.50	-	(5.00)	-	39.50
Superannuation Benefit	310.87	67.35	(10.00)	-	368.22
Post Superannuation Medical Benefit- Executives & Non Executives	327.55	162.28	-	-	489.83
Performance related pay – Exe	235.13	79.82	(55.99)	-	258.96
Performance Linked Reward Scheme(PLR) (Exgratia)	292.54	273.35	292.54	-	273.35
Settling Allowance	9.21	3.88	-	-	13.09
LTC / LLTC	28.11	-	(3.81)	-	24.30
Corporate Special Incentive	477.00	278.28	(477.00)	-	278.28
Provision for Grade deterioration of Washery Rejects	-	4.61	-	-	4.61
Provision for CSR	-	29.78	-	-	29.78
Provision for Warranty	0.86	0.12	-	-	0.98



*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 31.03.2020	For the year ended 31.03.2019
i)	Net profit after tax attributable to Equity Share Holders (in Rs Crore)	1012.34	1837.46
ii)	No. Of Equity Shares Outstanding(In Number)	1733198119	1733198119
iii)	Basic Earnings per Share in Rupees (Face value Rs.10/- per share)	5.84	10.60

## 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 S. Shankar	Director (Electrical & Mechanical)	Full period
3.	Sri S. Chandrasekhar	Director (Operations) Director (PA&W) (FAC)	Full period
4.	Sri B. Bhaskara Rao	Director (Planning & Projects)	Full period
5.	Sri. N. Balram	Director (Finance)	Full period
7.	Sri G. Srinivas	Company Secretary	Full period

### 2. Subsidiary Company:

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

1	Sri P. Arjun	Managing Director	01.04.2019 to 31.05.2019
2	Sri G.S.R. Murthy	Managing Director	01.06.2019 to 31.03.2020
3	Sri Y. Srinivas Rao	Chief Financial Officer	Full period
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 Suliari Coal Company Ltd., a Joint Venture by SCCL and APMDC:

During the year there are no operations. The Joint Venture was formed for exploration of coal in Suliari Coal Block. Hon'ble Supreme Court vide its judgement dated 25.08.2014 has cancelled this Coal Blocks allocation. In the SCCL's Board meeting held on 04.03.2017, it was accorded approval for voluntary winding up of the JV company and seeking repayment of RS.9.80 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 Suliari Coal Company Ltd.
(ii)	Country of Incorporation : India
(iii)	Principal Activities : Coal & Lignite mining; generating power through Wind, Tidal and Solar sources and Setting up integrated power plants
(iv)	Ownership interest: 49%
(v)	Original cost of Investment: Rs.49,000& Rs.9,79,51,000/- paid towards Share application.
(vi)	Aggregate amounts related to interest in Joint Venture entity: The Company's interest in the aforementioned entity's assets, liabilities, income and expenditure are not disclosed as the entities financials are not finalised yet.

## 5.7 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 31.03.2020	For the year ended 31.03.2019
i)	Short Term Employee Benefits	3.27	3.37
	Gross Salary		
	Perquisites & Medical Benefits	0.35	0.24
ii)	Post-Employment Benefits	0.21	0.30
	Contribution to P.F. & other fund		
iii)	Termination Benefits (Paid at the time of separation) Leave Encashment		-
	Gratuity paid	-	-
	Gratuity Outstanding	-	-
	<b>TOTAL</b>	<b>3.83</b>	<b>3.91</b>



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

**b) Sitting Fees:**

(Rs. In Crore)

Sl. No.	Payment to Independent Directors	For the year ended 31.03.2020	For the year ended 31.03.2019
1	Sitting Fees	0.004	0.004

**c) Balances Outstanding as on 31.03.2019**

(Rs. In Crore)

Sl. No.	Particulars	As on 31.03.2020	As on 31.03.2019
i)	Amount Payable- Gratuity	-	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 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 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	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>1</b>	<b>Segment Revenue</b>												
a	External Turnover	14730.15	16341.38	4126.76	3483.07	28.64	21.39	-	-	-	-	18885.55	19845.84
b	Inter Segment Turnover												
	- STPP	2303.27	1768.26	-	-	-	-	(2303.27)	(1768.26)	-	-	-	-
	- APHMEEL	2.10	1.63	-	-	44.17	37.09	(46.27)	(38.72)	-	-	-	-
	<b>Gross Turnover* (a+b)</b>	<b>17035.52</b>	<b>18111.27</b>	<b>4126.76</b>	<b>3483.07</b>	<b>72.81</b>	<b>58.48</b>	<b>(2349.54)</b>	<b>(1806.98)</b>	-	-	<b>18885.55</b>	<b>19845.84</b>
	<b>Net Turnover</b>	<b>17035.52</b>	<b>18111.27</b>	<b>4126.76</b>	<b>3483.07</b>	<b>72.81</b>	<b>58.48</b>	<b>(2349.54)</b>	<b>(1806.98)</b>	-	-	<b>18885.55</b>	<b>19845.84</b>
<b>2</b>	Segment Result before interest and Taxes	1674.49	1682.06	976.45	914.40	(3.66)	(7.57)	-	-	-	-	2647.28	2588.89
	Interest Revenue	640.64	648.94	0.21	10.13	0.40	1.19	-	-	-	-	641.25	660.26
	Interest Expense	(35.25)	(12.02)	(380.87)	(385.28)	(0.07)	(0.09)	-	-	-	-	416.19	397.39
	Profit Before Tax	2279.88	2318.98	595.79	539.25	(3.33)	(6.47)	-	-	-	-	2872.34	2851.76
	Profit Before Tax (C/F)	2279.88	2318.98	595.79	539.25	(3.33)	(6.47)	3.31	5.03	-	-	2869.03	2846.73
<b>3</b>	Taxes & other adjustments												
a	Income Tax									1166.38	620.64	1166.38	620.64
b	Deferred Taxes					0.19	(1.23)			690.09	418.08	690.28	416.85
c	Earlier year taxes									-	(27.71)	-	(27.71)
<b>4</b>	Profit after Tax (before OCI)											<b>1012.37</b>	<b>1836.97</b>
	Other Comprehensive Income net of Taxes											<b>(18.70)</b>	<b>(17.39)</b>
<b>5</b>	Profit after Tax (before adj. of interest in Associates)											<b>993.67</b>	<b>1819.58</b>
	Profit Related to Non Controlling Interest											<b>(0.04)</b>	<b>(0.62)</b>
	Profit after Tax ( after adj Non Controlling Interest)											<b>993.71</b>	<b>1820.20</b>

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

**(II) OTHER INFORMATION**

(Rs. in Crore)

Particulars	Coal		Power		APHMEL		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Segment Assets	24,436.78	25,129.86	13,831.78	11,286.62	72.04	74.77	38,340.60	36,491.25
Segment Liabilities	25,638.33	24,183.36	4,279.03	4,674.18	21.43	20.66	29,938.79	28,878.20
Capital Expenditure	2,149.99	1,100.40	126.51	175.18	-	0.01	2,276.50	1,275.59
Depreciation/ Amortization Expenses	1,176.84	1,257.74	425.09	405.32	0.21	0.22	1,602.14	1,663.28

**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.

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

(Rs. In Crore)

DEFERRED TAX ASSETS/LIABILITY		As on 31.03.2020	As on 31.03.2019
<b>A</b>	<b>Deferred Tax Liabilities</b>		
	Depreciation	1032.45	1331.12
	<b>TOTAL</b>	<b>1032.45</b>	<b>1331.12</b>
<b>B</b>	<b>Deferred Tax Assets</b>		
	Back filling & Mine Closure Provision	1101.19	1501.83
	Gratuity	802.73	961.52
	Other Employment Benefits	597.72	745.15
	Overburden Removal	633.29	879.28
	MAT Credit	-	479.82
	Other Provisions	341.16	477.22
	<b>TOTAL</b>	<b>3476.09</b>	<b>5045.42</b>
	<b>Deferred Tax Assets (net) (B-A)</b>	<b>2443.64</b>	<b>3714.30</b>

*Additional Notes to the Financial Statements (Consolidated) (Contd.)***ii) Relationship between Tax Expense and Accounting Profit :****Numerical Reconciliation of difference****(Rs. In Crore)**

Sl.No.	Nature of Adjustments	Year ended 31.03.2020
1	Net profit as per Statement of Profit and Loss (before tax)	<b>2869.03</b>
2	Add/Less: Differences as per Income Tax Act. (MAT)	468.80
3	<b>Book profit for the purpose of MAT</b>	<b>3337.83</b>
4	Applicable tax rate @ 34.944%	34.944%
5	MAT on Book profit as per income Tax Act, 1961 (3*4)	1166.37
6	Taxes as per P&L A/c	
	a) Current year tax	1166.38
	b) Deferred Tax in P&L	690.28
	c) Deferred Tax in OCI	(6.30)
7	Net tax liability as per P&L A/c	1850.36
8	Other Comprehensive Income (Excluding Deferred Tax on OCI)	(25.00)
9	<b>Profit after Tax (Total comprehensive income for the period) (1-7+8)</b>	<b>993.67</b>

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

- a) During the year, the Govt of India has notified an option to the Assesses for payment of Corporate Income Tax at either the normal Tax rate of 34.944% with MAT Credit entitlement and availment of special exemptions or at the reduced Tax rate of 25.168% without MAT credit entitlement and exemptions. Based on the Estimated Tax liability under both the options, the payment of Income Tax on the normal Tax rates is beneficial for the year 2019-20. Hence, the company has opted to pay Income Tax at normal rates of 34.944% with MAT Credit utilization and availment of 80IA exemption in respect of STPP profits. Accordingly, the current tax liability for the year 2019-20 at Normal Rates worked out to Rs.1166.38 Crore (Previous Year Tax provision is Rs. 620.64 Crore (MAT)).
- b) Further, as per the estimates of physical parameters and Profitability for future accounting periods, the payment of Income Tax at Normal tax rate of 34.944% would be beneficial for FY 2020-21 also and from FY 2021-22 onwards, the reduced Tax rates would be favourable. As per the provisions of Ind AS 12 – “Income Taxes” read with Accounting Policy no 2.2.13(B), the deferred Tax Assets/Liabilities have been arrived by considering the rate of Income Tax at which they would be realized i.e. at 34.944% for FY 2020-21 and at 25.168% from 2021-22 onwards. Consequently, an amount of Rs.850.24 Crore is charged off as impairment of deferred Tax Assets (net) in the current year.( Refer Note No 9.1)
- c) The total amount of Deferred Tax Asset (net) charged off including the movement in the various items of Deferred Tax Assets/ Deferred Tax Liabilities and the impairment of deferred Tax assets on account of Rate reduction as mentioned above worked out to Rs.683.98 Crore.

**iv) Dividend Distribution Tax:**

For the Financial year 2018-19, the Company has declared and paid Dividend @10% on the paid-up equity share capital in the FY 2019-20 amounting to Rs.173.32 Crore. Dividend distribution Tax at the effective rate

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

of 20.557 % amounting to Rs.35.63 Crore was paid on the same during the year. As per the amendments made to Section 115 O of Income Tax Act, during the current year, no Dividend distribution Tax is applicable on the dividends declared /paid on or after 01.04.2020.

**v) Unsettled Tax Propositions:**

The expenditure reimbursed to Educational society was disallowed in the latest assessments by the Tax Authorities, without change in law or the nature of claim. The company has contested the disallowance before the Appellate Authorities and expecting a favourable decision. The tax liability for the current year was arrived duly considering the educational society expenditure as an allowable expenditure.

**5.10 Insurance and escalation claims :**

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

**5.11 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.

**5.12 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.

**5.13 Current Liabilities:**

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

**5.14 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 31.3.2020	As on 31.3.2019
The principal amount remaining unpaid (But not due)	21.41	13.05
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.

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

- 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 Rs73.68 Crore is not provided for in books as on 31.03.2020. (Previous year Rs.77.18 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 31.3.2020	For the Year ended 31.3.2019
Components, Stores & Spare Parts	7.92	21.42
Capital Goods	49.36	29.60

**F) Expenditure incurred in Foreign Currency:**

Particulars	For the Year ended 31.3.2020	For the Year ended 31.3.2019
Travelling Expenses	0.14	0.16
Consultancy Payments	0.50	0.34
Others	2.33	3.24

**G) Consumption of Stores & Spares :****(Rs. In Crore)**

Particulars	31.3.2020		31.3.2019	
	Amount	% of total consumption	Amount	% of total consumption
Imported	9.90	0.33	10.63	0.29
Indigenous	2992.33	99.67	3676.36	99.71
<b>Total</b>	<b>3002.23</b>	<b>100.00</b>	<b>3686.99</b>	<b>100.00</b>

**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 2019-21 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 (2<sup>nd</sup> year of Block).

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

- iii) Fixed Assets with original value > Rs.3 Lakh and < Rs.10 Lakh once in three years (3<sup>rd</sup> year of Block).

The Assets mentioned at (i) & (ii) above were physically verified during 2019-20 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 31.3.2020		For the year ended 31.3.2019	
	Quantity In '000 T	Value (Rs. In Crore)	Quantity In '000 T	Value (Rs. In Crore)
Opening Balance	1864.39	217.10	5283.66	685.13
Production	64044.38		64,401.23	-
Purchase from FCI			10.78	1.73
Despatches	56552.72	14727.36	62,569.65	16,339.43
Internal Consumption (incl. STPP)	5876.62	2303.29	5,220.01	1768.29
Adjustments for adopted Stock	-		0.29	-
Shale/Stone Write off	11.15		41.91	-
Closing Balance*** (#)	3468.28	457.34	1,864.39	217.10

\*\*\*The above closing stock includes 17,959.90 Tonnes of shale values at NIL rate (Previous Year 11,146.75 Tonnes)

# Closing stock includes 19,168.20 Tonnes of Coal in transit at STPP as on 31.03.2020 valuing Rs.8.13 Crore ( PY 3698.96 Tonnes 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) Fly Ash Utilisation Reserve :**

In pursuance of Guidelines issued by MOEF, the revenues generated from the Sale of Fly Ash at STPP shall be recognized as a specific reserve under the nomenclature "Fly Ash Utilization Reserve Fund", instead of recognizing as revenue in Profit & Loss Account. The fund is to be utilized to meet the expenditure on development of infrastructure / facilities, promotion & facilitation activities for use of fly ash. Accordingly, the Company has adopted a new accounting policy for accounting of proceeds from the sale of Fly Ash from FY 2019-20 onwards. Consequently, the revenues from the sale of Fly Ash of Rs.3.84 Crore during the year 2019-20 were not accounted as Income and shown as Fly Ash Utilization Reserve Fund under Reserves & Surplus in Balance Sheet and the proceeds are parked in separate bank account.

**b) Leases :**

The Company had recognised the Lease Liabilities and Right of Use Assets, in respect of the Leases contained in the Service/Hiring Contracts in operation where the contracts convey the right to control

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

the use of the identified Assets to the Company as a Lessee as per the provisions of Ind AS 116 – Leases. The company had adopted Option II of the Modified Retrospective Approach permitted under Clause no C.5(b) read with C7 and C8 of the Appendix C of the Accounting Standard. Accordingly, the Lease Liabilities and corresponding Right of Use Assets are initially recognized at Rs.15.95 Crore being the present value of the future Lease payments outstanding as on 01.04.2019.

In respect to new Leases commenced during the Financial Year 2019-20, Lease liabilities and Right of Use Assets are recognised for Rs.19.63 Crore. During the year, Finance cost of Rs.1.42 Crore (being the unwinding cost of interest @ 8.50%) included in the payments identified as lease elements and depreciation on Right of Use Assets for an amount of Rs.9.98 Crore (on straightline basis over the lease period) is charged off to Profit & Loss Account for the year 2019-20. The identified value of lease payments of Rs.10.92 Crore were reduced from respective lease liabilities and the Hiring cost of the Assets. The overall impact of the implementation of the Ind AS 116- Leases for FY 2019-20 is Rs.0.48 Crore only (net increase in expenditure).

The carrying amounts of Lease Liability and the Right of Use Assets as on 31.03.2020 are Rs.26.08 Crore and Rs.25.60 Crore respectively.

**c) Development Expenditure :**

The Accounting policy at Sl.No 2.2.9.B (ii) and (E) regarding reckoning the sale value of coal production of the Mine has been modified from “the Average Monthly Selling Price of the Area” to “Monthly Selling Price of the Mine” as it is more appropriate basis for arriving at the sale value of production for and recognizing the Revenue expenditure capitalized as Development Expenditure Assets.

Consequent to the above modification in the accounting policy, an amount of Rs.23.16 Crore was adjusted (debit) against Retained Earnings as on 01.04.2018 and corresponding amount was credited to Development expenditure, being the effect of retrospective application pertaining to the earliest period. The financial impact for the year 2018-19 (Comparative Year) was accounted by increasing the Coal Sales Revenue by Rs.6.51 Crore, Development Expenditure by Rs.6.51 Crore and increase in profit for FY 2018-19 was Rs.6.51 Crore). Consequently, the corresponding reported figures of FY 2018-19 are restated. Due to change in the policy, there is an increase in the Sales revenue and Development Expenditure by Rs.6.71 Crore during the current year.

**d) Overburden Removal Accounting:**

As per the Accounting Policy 2.2.10.1(ii), general review of stripping ratios is taken up once in five years in respect of only those OC mines which have completed five years of revenue workings. However, as per this policy, certain revenue Mines which have not completed five years of revenue production by the time of a general review are escaping the review of stripping ratios for 6 to 9 years as the case may be.

In order to cover the review of Stripping Ratios of all the OC Mines in operation (irrespective of period of revenue working thereof) the review of stripping ratios of all the operating OC mines is taken up in current year by modifying the accounting policy regarding the periodicity of revision of stripping ratios as 3 years interval from the existing 5 years. Further, the revised stripping ratios of the projects not qualified for the general review of stripping ratios are also estimated by the Project Planning dept by the usage of latest software modelling techniques.

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

The modification to the Accounting Policy reducing the interval period of general review of stripping ratios from five years to three years could not be given retrospective implementation as it was impracticable to apply the revised Accounting Policy retrospectively owing to non availability of the relevant information at that point of time. The respective previous periods and revised stripping ratios have since been firmed up in the current year. Hence, the financial impact of the change in the Accounting policy as to the review period is applied prospectively as a change in the estimate and an additional amount of Rs.169.03 Crore is debited to Profit & Loss Account in the current year in respect of five OC Mines.

**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:

**a) Ind AS 103 – “ Business Combinations” :**

The amendment made with regard to determination of whether a transaction or other event is a business combination, which requires determining whether the assets acquired and liabilities assumed constitute a business or not and in case the assets acquired are not a business, accounting for the transaction or other event as an asset acquisition, may not have any impact on the Company as no business acquisitions are proposed for.

**b) Ind AS 109 – “Financial Instruments”:**

The amendments made with regard to accounting treatment of Uncertainty arising from interest rate benchmark reform and Temporary exceptions from applying specific hedge accounting requirements are not applicable as there are no such Financial Instruments in the Company.

**c) Ind AS 116 – “Leases”:**

The amendments proposed with regard to Covid-19-related rent concessions for lessees are not applicable to the Company as there are no such transactions in the Company.

**d) Ind AS 1 – “Presentation of Financial Statements” and Ind AS 8 - “ Changes in the Accounting policies” :**

The definition of the term Material is modified in both the Standards as “Material: Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. Further, the term Obscure information was also amplified with the examples.

On primary understanding, these amendments made with regard to materiality have no impact on the company as all the required information is appropriately presented and disclosed. However, these amendments will be thoroughly reviewed and all material information as per new definition shall be presented in the future Financial Statements.



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

**e) Ind AS 10 – “ Events After the Reporting Period” :**

The amendment made specifying that if non-adjusting events after the reporting period are material, non-disclosure could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

Accordingly, an entity shall disclose the following for each material category of non-adjusting event after the reporting period-

- i) the nature of the event; and
- ii) an estimate of its financial effect, or a statement that such an estimate cannot be made.

The material non-adjusting events after the reporting period which are required to be disclosed in the Financial Statements for the current year have been appropriately disclosed in the Notes wherever required. However, these amendments will be reviewed and material non-adjusting events, if any, shall be appropriately presented in the future Financial Statements.

**L) Material Prior Period Errors:**

**1. Excess payment of HRA to Employees:**

The excess payment of HRA to Employees posted at Urban Areas covering the period October 2017 to December 2019 was identified by Internal Audit Dept during the current year. Pending recovery of the amounts from respective on roll/not on roll employees, the excess payment of HRA of Rs.18.38 Core for the period October 2017 to December 2019 is recognised as Receivable. Though, the excess payment pertaining to FY 2019-20 of Rs.5.44 Cores was accounted as a current year's transaction, the excess payments pertaining FY 2017-18 and 2018-19 are to be considered as a prior period errors.

Accordingly, the excess payment pertaining to the period from October 2017 to March 2018 (i.e. earliest period) of Rs. 3.01 Crore was transacted as an adjustment to the Retained Earnings as on 01.04.2018 (Rs 4.60 Net minus deferred tax liability of Rs.1.59 Crore). The excess payment pertaining to the Period April 2018 to March 2019 of Rs.8.34 Crore (previous Year) was recognised by restating the corresponding reported figures of Employee Benefit Expenses for the year 2018-19 (reduction). On this, deferred tax liability of Rs.2.91 Crore (increase) was also recognised. The net increase in the Profit for the year 2018-19 was Rs.5.43 Crore.

**2. Excess payment of Administrative charges on the Pension Contributions:**

The contributions to be made to the Coal Mines Pension Scheme, 1998 both the employer and employees are revised to 7% of notional salary w.e.f 01.10.2017. Consequently, the CMPF contributions are also revised as 12% of actual salary earned from the even date. Consequent to this revision, Administrative charges @ 3% are required to be paid on the CMPF Contributions only. However, while payment of Pay revision Arrears in FY 2018-19, Administrative charges were erroneously paid on the Pension Contributions also to the CMPF authorities, which was noticed in the current year.

Hence, the excess paid administrative charges are adjusted against the amounts payable to CMPF authorities in the current year and financial impact of FY 2018-19 was recognised by restating the corresponding reported figures of Employee benefit Expenses are reduced by Rs.15.88 Cores. On

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

this, deferred tax liability of Rs.5.55 Crore (increase) was also recognised. The net increase in the Profit for the year 2018-19 was Rs.10.33 Crore.

**3. Errors in Overburden removal Accounting :**

Few errors in the overburden accounting owing to non provisioning for estimated amounts payable on the closed contracts, omission of diesel penalty recoverable, incorrect stores expenditure allocation etc, with consequential impact on the OBR charge, updation of reserve/advance action are noticed in the current year which need to be corrected retrospectively. Accordingly, the Financial Impact of these errors up to 31.03.2018 (earliest Period was adjusted against retained earnings as on 01.04.2018 for an amount of Rs.2.41 Crore (Credit) (Rs.3.70 Crore net of deferred tax of Rs.1.29 Crore) and the financial impact of FY 2018-19 was recognised by restating the corresponding reported figures of related expenditure GLs/OBR adjustment account, as the case may be, by Rs.8.72 Core (Credit). On this, deferred tax liability of Rs.3.05Crore (increase) was also recognised. The net increase in the Profit for the year 2018-19 was Rs.5.67 Crore.

**4. Non regularisation of Tax liability provision :**

For the year 2017-18, the estimated Tax liability (including deferred tax) as per the information available up to the closure of accounts was provided in the Books of Account. However, inadvertently the regularisation of the estimated Tax liability against the actual Tax liability firmed up as per the Return of Income filed and consequential withdrawal of excess liability of Rs. 28.80 Crore was not done in FY 2018-19, which need to be viewed as a prior period error and requires retrospective correction. Accordingly, the corresponding reported figures of Tax liability of FY 2018-19 was restated. The increase in the Profit (PAT) for the year 2018-19 was Rs.28.80 Crore.

5. In addition to above, few expenses pertaining to prior periods have been recognised in the current year. These items amounting to Rs.2.19 Crore (decrease) have been corrected retrospectively by restating the opening balance of retained earnings as on 01.04.2018 (earliest period) by Rs.1.69 Crore (decrease) and the comparative amounts for the prior period 2018-19 by Rs.0.50 Crore (decrease) as the case may be.

**6. Exceptional Items :**

In pursuance of notification vide S.O.804 (E), dated 14.03.2017 issued by MoEF&CC, the Company had submitted proposals for obtaining Environment Clearances involving 20 projects falling under the EC violation category. The Company has recognised liability of Rs.86.71 Crore for implementation of Remediation Plan and Natural & Community Resource Augmentation Plans (RP & NCRAP) corresponding to the ecological damage assessed and economic benefits derived due to violation.

Considering the specific nature of the expenditure the Company has classified and disclosed the same as Exceptional item as per Para no 9.6 of Guidance Note issued by ICAI on Division II – Ind AS Schedule –III to the Companies Act, 2013.(Refer Note no 22.4).

**7. Dividend Information :**

For the year 2018-19 dividend was declared by the shareholders in the AGM held on 30.09.2019 @ 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

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

against the Retained Earnings. For the year 2019-20, 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 2019-20 by the shareholders in the ensuing AGM, the same is not accounted in the books of account as it is in the nature of an event after the reporting date as per Ind AS 10. As mentioned at note no.39.5.9 (iv), no dividend distribution tax is applicable on the same.

**8. Disclosures with regard to COVID-19 and its impact:**

- a) Financial Impact:** The Company has been classified as an Emergency Services Provider. The lock down imposed in the country in March 2020 due to COVID-19 had caused only minor effect on the operations of the Company. There is a loss of Coal production of 2.69 LT and despatches are lower by 5.05 LTs in March 2019-20. Consequent to this there is a reduction in Revenue by Rs.100.11 Crore (net of increase in inventory) and corresponding reduction in the Profit Before Tax (PBT) by the even amount.
- b) Impact of Corona Virus on financial reporting – Assets & Liabilities:**
- 1) Inventory:** There is reduction of 5.05 LT in the despatch of Coal to customers in March 2020 due to Covid 19. As the major customers of the Company are power generating utilities which are declared as emergency services, the Management do not see any need to write down the inventories in view of COVID-19.
  - 2) Impairment test for Assets:** No impairment of non-financial assets like property, plant & equipment, intangibles and goodwill, is felt necessary due to COVID-19.
  - 3) Change in useful life of fixed assets:** No change in useful life of assets is felt necessary due to COVID-19.
  - 4) Fair value of financial assets/instruments:** There is no impact due to COVID-19 in fair value of financial assets/instruments.
  - 5) Trade receivables-Expected Credit Loss:** No additional ECL is felt necessary due to COVID-19 Situation.
  - 6) Leased Assets:** No changes in the conditions of the Lease agreements due to COVID-19.
  - 7) Capitalisation of Borrowing cost:** There is no impact on the Capitalisation of Borrowing Cost.
  - 8) Provision for onerous contract:** There are no onerous contracts in the Company hence provisioning towards the same does not arise.
  - 9) Going concern assumption need to be reassessed by management:** The management feels that there shall not be any impact on Going Concern Assumption due to COVID-19 as on Balance Sheet date and next 12 months.
  - 10) Impact of COVID-19 on significant uncertainties:** As the Company is classified as an Emergency service sector and operations are continued as normal, no significant uncertainties have been emerged by the outbreak of the COVID-19 in measuring various assets and liabilities. However, due to the overall economic situation in the country, it is estimated that there could be 15%-20% scale down in the operations in the year 2020-21 when compared to the reporting period.

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

**c) Impact of Corona virus on financial reporting-Revenue & Expenses:**

- 1) **Revenue recognition:** No reassessment of Revenue is felt necessary considering the impact of COVID-19.
- 2) **Recognition of insurance claims filed due to loss on account of COVID-19:** There has been no loss for which insurance claims need to be filed due to loss on account of COVID-19 (Loss of Profit Policy) as the generation of power at STPP was normal during the lockdown period in March 2020.
- 3) **Re-measurement of deferred taxes:** No changes in the deferred taxes are expected due to COVID-19.
- 4) **Revision in risk assessment and materiality:** Management feels that the demand position of Coal in FY 2020-21 would be lower as compared to FY 2019-20. During the period from April 2020 to August 2020, there was a reduction in production and despatches by 44% and 46% respectively. However, the overall scale down in the operation during the year 2020-21 is expected to be in the range of 15% - 20%. No material risks are anticipated necessitating their provisioning in the Accounts for FY 2019-20.
- 5) **Year-end physical verification:** Physical verification of Inventory has been carried out at various projects as per Perpetual Inventory System.
- 6) **External confirmations:** Letters seeking confirmations have been sent to Debtors and Creditors as per every year practice.

**9. 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 31.03.2020 is 1,40,82,700 Equity Shares out of 1,72,71,293 Shares of Rs.10/- each and extent of holding is



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

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
	<b>Total</b>	<b>14082700</b>	<b>14.08</b>	<b>9.18</b>	<b>(19.85)</b>	<b>14.95</b>

- 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.

**10. 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 31<sup>st</sup> March, 2020  
(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/-
<b>(CA.Surendranath Bharathi)</b>	<b>(B.Muralidhara Rao)</b>	<b>(M.Narasimha Reddy)</b>	<b>(N.Balram)</b>	<b>(N.Sridhar)</b>
Partner	General Manager (C.A) &	General Manager (F&A)	Director (Finance)	Chairman &
Membership No.23837	Company Secretary	Corporate	& C.F.O	Managing Director

Date : 03-10-2020

Place : Hyderabad



**C&MD Sri N.Sridhar participating in Chintan Shivir conduct by Ministry of Coal at Kewadia(Gujarat) on February 9, 2020**



**C&MD Sri N.Sridhar planting a sapling in Haritha Haram program at Kothagudem**



**Sri K.Chandrasekhar Rao Chief Minister is greeted by Sri N.Sridhar C&MD SCCL on the occasion of handing over dividend cheque**



**Sri N.Sridhar C&MD receiving BHARATIYA MAHANTAM PURASKAR 2019-20 (THE LEADER) award at Bangkok (Thailand) on February 7, 2020**



**THE SINGARENI COLLIERIES COMPANY LIMITED**  
**(A Government Company)**

Registered Office: Kothagudem Collieries (P.O.) - 507 101  
Bhadradri Kothagudem District, Telangana, India.  
[www.scclmines.com](http://www.scclmines.com) CIN: U10102TG1920SGC000571