NOTES TO THE FINANCIAL STATEMENTS (STANDALONE)

Note: 1 CORPORATE INFORMATION

Coal India Limited (CIL) is a Maharatna Company with having registered office at Kolkata, West Bengal and listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

The Company is mainly engaged in mining and production of Coal and also operates Coal washeries. The major consumers of the company are power and steel sectors. Consumers from other sectors include cement, fertilisers, brick kilns etc.

CIL is an apex body with 8 wholly-owned subsidiaries in India out of which 7 subsidiaries are coal producing and 1 subsidiary is engaged in mine planning, designing and related consultancy services. The operations of the Company are spread across 8 states in India. CIL also has a fully owned mining company in Mozambique known as 'Coal India Africana Limitada' which is yet to commence operations. Further some of the subsidiaries of CIL, are also having another layer of subsidiaries. There are also Joint Ventures/Associates of CIL and some of its subsidiaries.

Note 2: SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

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

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

- certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments in para 2.14);
- Defined benefit plans- plan assets measured at fair value;
- Inventories at Cost or NRV whichever is lower (refer accounting policy in para no. 2.20).

2.1.1 Rounding of amounts

Amounts in these financial statements have, unless otherwise indicated, have been rounded off to 'rupees in crore 'upto two decimal points.

2.2 Current and non-current Classification

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

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

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

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

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

A liability is treated as current by the Company when:

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

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

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

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

All other liabilities are classified as non-current.

2.3 Revenue recognition

2.3.1 Revenue from sale of goods

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

(a) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

(b) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

(c) the amount of revenue can be measured reliably;

(d) it is probable that the economic benefits associated with the transaction will flow to the Company; and

(e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

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

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

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

2.3.2 Interest

Interest income is recognised using the Effective Interest Method.

2.3.3 Dividend

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

2.3.4 Other Claims

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

2.3.5 Rendering of Services

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

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

2.4 Grants from Government

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

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

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

Grants related to income (i.e. grant related to other than assets) are presented as part of statement of profit and loss under the head 'Other Income'.

A government grant/assistance that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs, is recognised in profit or loss of the period in which it becomes receivable.

The Government grants or grants in the nature of promoter's contribution are recognised directly in "Capital Reserve" which forms part of the "Shareholders fund".

2.5 Leases

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

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

2.5.1 Company as a lessee

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

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

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

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

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

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

2.5.2 Company as a lessor

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

(a) another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished, even if the payments to the lessors are not on that basis; or

(b) the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary according to factors other than inflation, then this condition is not met.

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

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

2.6 Non-current assets held for sale

The Company classifies non-current assets and (or disposal groups) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely those significant changes to the plan will be made or that the plan will be withdrawn.

2.7 Property, Plant and Equipment (PPE)

Land is carried at historical cost. Historical cost includes expenditure which are directly attributable to the acquisition of the land like, rehabilitation expenses, resettlement cost and compensation in lieu of employment incurred for concerned displaced persons etc.

After recognition, an item of all other Property, plant and equipment are carried at its cost less any accumulated depreciation and any accumulated impairment losses under Cost Model. The cost of an item of property, plant and equipment comprises:

(a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

(b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Company incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item depreciated separately. However, significant part(s) of an item of PPE having same useful life and depreciation method are grouped together in determining the depreciation charge.

Costs of the day to-day servicing described as for the 'repairs and maintenance' are recognised in the statement of profit and loss in the period in which the same are incurred.

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

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

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

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

Other Land (incl. Leasehold Land)	:	Life of the project or lease term whichever is lower
Building	:	3-60 years
Roads	:	3-10 years
Telecommunication	:	3-9 years
Railway Sidings	:	15 years
Plant and Equipment	:	5-15 years
Computers and Laptops	:	3 Years
Office equipment	:	3-6 years
Furniture and Fixtures	:	10 years
Vehicles	:	8-10 years

Based on technical evaluation, the management believes that the useful lives given above best represents the period over which the management expects to use the asset. Hence the useful lives of the assets may be different from useful lives as prescribed under Part C of schedule II of Companies act, 2013.

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

The residual value of Property, plant and equipment is considered as 5% of the original cost of the asset except some items of assets such as, Coal tub, winding ropes, haulage ropes, stowing pipes & safety lamps etc. for which the technically estimated useful life has been determined to be one year with nil residual value.

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

Value of "Other Land" includes land acquired under Coal Bearing Area (Acquisition & Development) (CBA) Act, 1957, Land Acquisition Act, 1894, Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (RFCTLAAR) Act, 2013, Long term transfer of government land etc., which is amortised on the basis of the balance life of the project; and in case of Leasehold land such amortisation is based on lease period or balance life of the project whichever is lower.

Fully depreciated assets, retired from active use are disclosed separately as surveyed off assets at its residual value under Property, plant Equipment and are tested for impairment.

Capital Expenses incurred by the company on construction/development of certain assets which are essential for production, supply of goods or for the access to any existing Assets of the company are recognised as Enabling Assets under Property, Plant and Equipment.

2.8 Mine Closure, Site Restoration and Decommissioning Obligation

The company's obligation for land reclamation and decommissioning of structures consists of spending at both surface and underground mines in accordance with the guidelines from Ministry of Coal, Government of India. The company estimates its obligation for Mine Closure, Site Restoration and Decommissioning based upon detailed calculation and technical assessment of the amount and timing of the future cash spending to perform the required work.Mine Closure expenditure is provided as per approved Mine Closure Plan. The estimates of expenses are escalated for inflation, and then discounted at a discount rate that reflects current market assessment of the time value of money and the risks, such that the amount of provision reflects the present value of the expenditures expected to be required to settle the obligation. The company records a corresponding asset associated with the liability for final reclamation and mine closure. The obligation and corresponding assets are recognised in the period in which the liability is incurred. The asset representing the total site restoration cost (as estimated by Central Mine Planning and Design Institute Limited) as per mine closure plan is recognised as a separate item in PPE and amortised over the balance project/mine life.

The value of the provision is progressively increased over time as the effect of discounting unwinds; creating an expense recognised as financial expenses.

Further, a specific escrow fund account is maintained for this purpose as per the approved mine closure plan.

The progressive mine closure expenses incurred on year to year basis forming part of the total mine closure obligation is initially recognised as receivable from escrow account and thereafter adjusted with the obligation in the year in which the amount is withdrawn after the concurrence of the certifying agency.

2.9 Exploration and Evaluation Assets

Exploration and evaluation assets comprise capitalised costs which are attributable to the search for coal and related resources, pending the determination of technical feasibility and the assessment of commercial viability of an identified resource which comprises inter alia the following:

- acquisition of rights to explore
- researching and analysing historical exploration data;
- gathering exploration data through topographical, geo chemical and geo physical studies;
- exploratory drilling, trenching and sampling;

- determining and examining the volume and grade of the resource;
- surveying transportation and infrastructure requirements;
- Conducting market and finance studies.

The above includes employee remuneration, cost of materials and fuel used, payments to contractors etc.

As the intangible component represents an insignificant/indistinguishable portion of the overall expected tangible costs to be incurred and recouped from future exploitation, these costs along with other capitalised exploration costs are recorded as exploration and evaluation asset.

Exploration and evaluation costs are capitalised on a project by project basis pending determination of technical feasibility and commercial viability of the project and disclosed as a separate line item under non-current assets. They are subsequently measured at cost less accumulated impairment/provision.

Once proved reserves are determined and development of mines/project is sanctioned, exploration and evaluation assets are transferred to "Development" under capital work in progress. However, if proved reserves are not determined, the exploration and evaluation asset is derecognised.

2.10 Development Expenditure

When proved reserves are determined and development of mines/project is sanctioned, capitalised exploration and evaluation cost is recognised as assets under construction and disclosed as a component of capital work in progress under the head "Development". All subsequent development expenditure is also capitalised. The development expenditure capitalised is net of proceeds from the sale of coal extracted during the development phase.

Commercial Operation

The project/mines are brought to revenue; when commercial readiness of a project/mine to yield production on a sustainable basis is established either on the basis of conditions specifically stated in the project report or on the basis of the following criteria:

(a) From beginning of the financial year immediately after the year in which the project achieves physical output of 25% of rated capacity as per approved project report, or

(b) 2 years of touching of coal, or

(c) From the beginning of the financial year in which the value of production is more than total, expenses.

Whichever event occurs first;

On being brought to revenue, the assets under capital work in progress are reclassified as a component of property, plant and equipment under the nomenclature "Other Mining Infrastructure". Other Mining Infrastructure are amortised from the year when the mine is brought under revenue in 20 years or working life of the project whichever is less.

2.11 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation (calculated on a straight-line basis over their useful lives) and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised. Instead, the related expenditure is recognised in the statement of profit and loss and other comprehensive income in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

An intangible asset with an indefinite useful life is not amortised but is tested for impairment at each reporting date.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss

Exploration and Evaluation assets attributable to blocks identified for sale or proposed to be sold to outside agencies (i.e. for blocks not earmarked for CIL) are however, classified as Intangible Assets and tested for impairment.

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

2.12 Impairment of Assets (other than financial assets)

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

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

2.13 Investment Property

Property (land or a building or part of a building or both) held to earn rentals or for capital appreciation or both, rather than for, use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of businesses are classified as investment property.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

Investment properties are depreciated using the straight-line method over their estimated useful lives.

2.14 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.14.1 Financial assets

2.14.1 Initial recognition and measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through profit or loss, plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

2.14.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

2.14.2.1 Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

2.14.2.2 Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

2.14.2.3 Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

2.14.2.4 Equity investments in subsidiaries, associates and Joint Ventures

In accordance of Ind AS 101 (First time adoption of Ind AS), the carrying amount of these investments as per previous GAAP as on the date of transition was considered to be the deemed cost. Subsequently Investment in subsidiaries, associates and joint ventures are measured at cost.

2.14.2.5 Other Equity Investment

All other equity investments in scope of Ind AS 109 are measured at fair value through profit or loss.

For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

2.14.2.6 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

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

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

2.14.2.7 Impairment of financial assets(other than fair value)

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Lease receivables under Ind AS 17

d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

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

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

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

2.14.3 Financial liabilities

2.14.3.1 Initial recognition and measurement

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

2.14.3.2 Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

2.14.3.3 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

2.14.3.4 Financial liabilities at amortised cost

After initial recognition, these are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

2.14.3.5 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in profit or loss.

2.14.4 Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

2.14.5 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.14.6 Cash & Cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

2.15 Borrowing Costs

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

2.16 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period. Taxable profit differs from "profit before income tax" as reported in the statement of profit and loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are reassessed at the end of each reporting year and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.17 Employee Benefits

2.17.1 Short-term Benefits

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

2.17.2 Post-employment benefits and other long term employee benefits

2.17.2.1 Defined contributions plans

A defined contribution plan is a post-employment benefit plan for Provident fund and Pension under which the company pays fixed contribution into fund maintained by a separate statutory body (Coal Mines Provident Fund) constituted under an enactment of law and the company will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of profit and loss in the periods during which services are rendered by employees.

2.17.2.2 Defined benefits plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity, leave encashment are defined benefit plans (with ceilings on benefits). The company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return of their service in the current and prior periods. The benefit is discounted to determine its present value and reduced by the fair value of plan assets, if any. The discount rate is based on the prevailing market yields of Indian Government securities as at the reporting date that have maturity dates approximating the terms of the company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The application of actuarial valuation involves making assumptions about discount rate, expected rates of return on assets, future salary increases, mortality rates etc. Due to the long term nature of these plans, such estimates are subject to uncertainties. The calculation is performed at each balance sheet by an actuary using the projected unit credit method. When the calculation results in to the benefit to the company, the recognised asset is limited to the present value of the economic benefits available in the form of any future refunds from the plan or reduction in future contributions to the plan. An economic benefit is available to the company if it is realisable during the life of the plan, or on settlement of plan liabilities.

Re-measurement of the net defined benefit liability, which comprise actuarial gain and losses considering the return on plan assets (excluding interest) and the effects of the assets ceiling (if any, excluding interest) are recognised immediately in the other comprehensive income. The company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit and loss.

When the benefits of the plan are improved, the portion of the increased benefit relating to past service by employees is recognised as expense immediately in the statement of profit and loss.

2.17.3 Other Employee benefits

Certain other employee benefits namely benefit on account of LTA, LTC, Life Cover scheme, Group personal Accident insurance scheme, settlement allowance, post-retirement medical benefit scheme and compensation to dependents of deceased in mine accidents etc., are also recognised on the same basis as described above for defined benefits plan. These benefits do not have specific funding.

2.18 Foreign Currency

The company's reported currency and the functional currency for majority of its operations is in Indian Rupees (INR) being the principal currency of the economic environment in which it operates.

Transactions in foreign currencies are converted into the reported currency of the company using the exchange rate prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies outstanding at the end of the reporting period are translated at the exchange rates prevailing as at the end of reporting period. Exchange differences arising on the settlement of monetary assets and liabilities or on translating monetary assets and liabilities at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in statement of profit and loss in the period in which they arise. Non-monetary items denominated in foreign currency are valued at the exchange rates prevailing on the date of transactions.

2.19 Stripping Activity Expense/Adjustment

In case of opencast mining, the mine waste materials ("overburden") which consists of soil and rock on the top of coal seam is required to be removed to get access to the coal and its extraction. This waste removal activity is known as 'Stripping'.In opencast mines, the company has to incur such expenses over the life of the mine (as technically estimated).

Therefore, as a policy, in the mines with rated capacity of one million tonnes per annum and above, cost of Stripping is charged on technically evaluated average stripping ratio (OB:COAL) at each mine with due adjustment for stripping activity asset and ratio-variance account after the mines are brought to revenue.

Net of balances of stripping activity asset and ratio variance at the Balance Sheet date is shown as Stripping Activity Adjustment under the head Non - Current Assets/ Non-Current Provisions as the case may be.

The reported quantity of overburden as per record is considered in calculating the ratio for OBR accounting where the variance between reported quantity and measured quantity is within the lower of the two alternative permissible limits, as detailed hereunder :-

Annual Quantum of OBR of the Mine	Permissible limits of variance	
	I	II
	%	Quantum (in Mill. Cu. Mtr.)
Less than 1 Mill. CUM	+/- 5%	0.03
Between 1 and 5 Mill. CUM	+/- 3%	0.20
More than 5 Mill. CUM	+/- 2%	

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

In case of mines with rated capacity of less than one million tonne, the above policy is not applied and actual cost of stripping activity incurred during the year is recognised in Statement of Profit and Loss.

2.20 Inventories

2.20.1 Stock of Coal

Inventories of coal/coke are stated at lower of cost and net realisable value. Cost of inventories are calculated using the First in First out method**.**Net realisable value represents the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale.

Book stock of coal is considered in the accounts where the variance between book stock and measured stock is upto +/- 5% and in cases where the variance is beyond +/- 5% the measured stock is considered. Such stock are valued at net realisable value or cost whichever is lower. Coke is considered as a part of stock of coal.

Coal & coke-fines are valued at lower of cost or net realisable value and considered as a part of stock of coal.

Slurry (coking/semi-coking), middling of washeries,are valued at net realisable value and considered as a part of stock of coal.

2.20.2 Stores & Spares

The Stock of stores & spare parts (which also includes loose tools) at central & area stores are considered as per balances appearing in priced stores ledger and are valued at cost calculated on the basis of weighted average method. The inventory of stores & spare parts lying at collieries / sub-stores / drilling camps/ consuming centres are considered at the yearend only as per physically verified stores and are valued at cost.

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

2.20.3 Other Inventories

Workshop jobs including work-in-progress are valued at cost. Stock of press jobs (including work in progress) and stationary at printing press and medicines at central hospital are valued at cost.

However, Stock of stationery (other than lying at printing press), bricks, sand, medicine (except at Central Hospitals), aircraft spares and scraps are not considered in inventory considering their value not being significant.

2.21 Provisions, Contingent Liabilities &Contingent Assets

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the company, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent Assets are not recognised in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

2.22 Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per shares is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per shares and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

2.23 Judgements, Estimates and Assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period. Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

2.23.1 Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

2.23.1.1 Formulation of Accounting Policies

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

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

a) relevant to the economic decision-making needs of users and

b) reliable in that financial statements:

(i) represent faithfully the financial position, financial performance and cash flows of the Company; (ii) reflect the economic substance of transactions, other events and conditions, and not merely the legal form; (iii) are neutral, i.e. free from bias; (iv) are prudent; and (v) are complete in all material respects on a consistent basis.

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

(a) the requirements in Ind ASs dealing with similar and related issues; and

(b) the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Framework.

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

The Company operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geomining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. In the absence of specific accounting literature, guidance and standards in certain specific areas which are in the process of evolution. The Company continues to strive to develop accounting policies in line with the development of accounting literature and any development therein shall be accounted for prospectively as per the procedure laid down above more particularly in Ind AS 8.

The financial statements are prepared on going concern basis using accrual basis of accounting.

2.23.1.2 Materiality

Ind AS applies to items which are material. Management uses judgement in deciding whether individual items or groups of item are material in the financial statements. Materiality is judged by reference to the size and nature of the item. The deciding factor is whether omission or misstatement could individually or collectively influence the economic decisions that users make on the basis of the financial statements. Management also uses judgement of materiality for determining the compliance requirement of the Ind AS. In particular circumstances either the nature or the amount of an item or aggregate of items could be the determining factor. Further the Company may also be required to present separately immaterial items when required by law.

2.23.1.3 Operating lease

Company has entered into lease agreements. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

2.23.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

2.23.2.1 Impairment of non-financial assets

There is an indication of impairment if, the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. Company considers individual mines as separate cash generating units for the purpose of test of impairment. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to other mining infrastructures. The key assumptions used to determine the recoverable amount for the different CGUs, are disclosed and further explained in respective notes.

2.23.2.2 Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

2.23.2.3 Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates.

Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables of the country. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rate.

2.23.2.4 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using generally accepted valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk, volatility and other relevant input /considerations. Changes in assumptions and estimates about these factors could affect the reported fair value of financial instruments.

2.23.2.5 Intangible asset under development

The Company capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a project report is formulated and approved.

2.23.2.6 Provision for Mine Closure, Site Restoration and Decommissioning Obligation

In determining the fair value of the provision for Mine Closure, Site Restoration and Decommissioning Obligation, assumptions and estimates are made in relation to discount rates, the expected cost of site restoration and dismantling and the expected timing of those costs. The Company estimates provision using the DCF method considering life of the project/mine based on —

- Estimated cost per hectare as specified in guidelines issued by ministry of Coal, Government of India
- The discount rate (pre tax rate) that reflect current market assessments of the time value of money and the risks specific to the liability.

2.24 Abbreviation used:

a.	CGU	Cash generating unit	l.	ECL	Eastern Coalfields Limited
b.	DCF	Discounted Cash Flow	m.	BCCL	Bharat Coking Coal Limited
c.	FVTOCI	Fair value through Other Comprehensive Income	n.	CCL	Central Coalfields Limited
d.	FVTPL	Fair value through Profit & Loss	o.	SECL	South Eastern Coalfields Limited
e.	GAAP	Generally accepted accounting principles	p.	MCL	Mahanadi Coalfields Limited Standards
f.	Ind AS	Indian Accounting Standards	q.	NCL	Northern Coalfields Limited
g.	OCI	Other Comprehensive Income	r.	WCL	Western Coalfields Limited
h.	P&L	Profit and Loss	s.	CMPDIL	Central Mine Planning & Design Institute Limited
i.	PPE	Property, Plant and Equipment	t.	NEC	North Eastern Coalfields
j.	SPPI	Solely Payment of Principal and Interest	u.	IICM	Indian Institute of Coal Management
k.	EIR	Effective Interest Rate	v.	CIL	Coal India Limited

NOTES TO THE FINANCIAL STATEMENTS
NOTE 3 : PROPERTY , PLANT AND EQUIPMENT

(₹ in crore)

	Freehold Land	Other Land	Land Recla-mation/ Site Restor-ation Costs	Building (inclu-ding water supply, roads and culverts)	Plant and Equip-ments	Teleco-mmuni-cation	Rail-way Sidings	Furni-ture and Fixtures	Office Equip-ments	Vehicles	Aircraft	Other Mining Infra-structure	Surveyed off Assets	Others	Total
Gross Carrying Amount:															
As at 1 April 2016	11.81	0.92	11.20	213.48	64.15	2.61	0.38	16.99	9.77	1.64	0.58	0.18	0.06		333.77
Additions	0.24	-	-	2.56	1.70	0.30	-	0.32	1.30	0.13	-	-	0.03		6.58
Deletions/ Adjustments	-	-	-	-0.03	-0.02	-	-	-	-0.30	-0.01	-	-	-0.04		-0.40
As at 31 March 2017	12.05	0.92	11.20	216.01	65.83	2.91	0.38	17.31	10.77	1.76	0.58	0.18	0.05		339.95
As at 1 April 2017	12.05	0.92	11.20	216.01	65.83	2.91	0.38	17.31	10.77	1.76	0.58	0.18	0.05		339.95
Additions	0.10	-	-	3.44	5.53	0.21	-	0.23	2.96	0.22	-	-	0.05		12.74
Deletions/ Adjustments	-	-	-	-0.05	-0.20	-	-	-	-0.50	-0.09	-	-	-0.01		-0.85
As at 31 March 2018	12.15	0.92	11.20	219.40	71.16	3.12	0.38	17.54	13.23	1.89	0.58	0.18	0.09		351.84
Accumulated Depreciation and Impairment															
As at 1 April 2016	-	0.01	1.09	4.79	5.70	0.37	-	1.55	2.49	0.40	-	0.02	-		16.42
Charge for the period	-	0.01	1.09	5.34	5.70	0.35	-	1.68	2.76	0.40	-	0.02	-		17.35
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	0.05		0.05
Deletions/ Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-		-
As at 31 March 2017	-	0.02	2.18	10.13	11.40	0.72	-	3.23	5.25	0.80	-	0.04	0.05		33.82
As at 1 April 2017	-	0.02	2.18	10.13	11.40	0.72	-	3.23	5.25	0.80	-	0.04	0.05		33.82
Charge for the period	-	0.01	1.09	5.43	5.91	0.32	-	1.69	2.78	0.24	-	0.02	-		17.49
Impairment	-	-	-	-	-	-	-	-	0.01	-	-	-	-		0.01
Deletions/ Adjustments	-	-	-	-0.01	-0.17	-	-	-	-0.04	-0.01	-	-	-		-0.23
As at 31 March 2018	-	0.03	3.27	15.55	17.14	1.04	-	4.92	8.00	1.03	-	0.06	0.05		51.09
Net Carrying Amont															
As at 31 March 2018	12.15	0.89	7.93	203.85	54.02	2.08	0.38	12.62	5.23	0.86	0.58	0.12	0.04		300.75
As at 31 March 2017	12.05	0.90	9.02	205.88	54.43	2.19	0.38	14.08	5.52	0.96	0.58	0.14	-		306.13

Note:

1. **Land:**

- 5487.985 hectares of total land is in the possession of NEC, out of which 998.165 hectares constitutes of free hold land and remaining 4489.82 hectares as leasehold land. Out of above, 946.51 hectares of free hold land and the entire 4489.82 hectares of leasehold land were acquired by the company in the process of Nationalisation for which no value was recorded in the books.

2. **Dankuni Coal Complex / Indian Institute of Coal Management :**

- Fixed assets comprising power plant and related building and other assets having written down value as on 31.03.2018 of ₹ 10.68 Crore, continue to be let out to South Eastern Coalfields Ltd. for a lease rent of ₹ 1.80 Crore per annum under cancellable operating lease agreement. The above written down value of ₹ 10.68 Crore includes land of ₹ 3.73 Crore (at cost) and building of ₹ 4.83 Crore (at WDV).

- Fixed assets comprising plant & machinery and related building and other assets having written down value as on 31.03.2018 of ₹ 12.50 Crore have been let out to Indian Institute of Coal Management, a registered society under Societies Registration Act, 1860 for an annual lease rent of ₹ 1.80 Crore under cancellable operating lease agreement.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 : CAPITAL WIP

(₹ in crore)

	Building (including water supply, roads and culverts)	Plant and Equipments	Railway Sidings	Other Mining infrastructure/ Development	Others	Total
Gross Carrying Amount:						
As at 1 April 2016	0.73	0.22	-	12.18	-	13.13
Additions	0.72	0.71	-	-	-	1.43
Capitalisation/ Deletions	-1.01	-0.03	-	-	-	-1.04
As at 31 March 2017	0.44	0.90	-	12.18	-	13.52
						-
As at 1 April 2017	0.44	0.90	-	12.18	-	13.52
Additions	61.95	0.90	-	43.57	-	106.42
Capitalisation/ Deletions	-0.26	-0.68	-	-	-	-0.94
As at 31 March 2018	62.13	1.12	-	55.75	-	119.00
						-
Provision and Impairment						-
As at 1 April 2016	-	-	-	-	-	-
Charge for the period	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-	-
As at 31 March 2017	-	-	-	-	-	-
						-
As at 1 April 2017	-	-	-	-	-	-
Charge for the period	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-	-
As at 31 March 2018	-	-	-	-	-	-
						-
Net Carrying Amont						-
As at 31 March 2018	62.13	1.12	-	55.75	-	119.00
As at 31 March 2017	0.44	0.90	-	12.18	-	13.52

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 : EXPLORATION AND EVALUATION ASSETS

(₹ in crore)

	Exploration and Evaluation Costs
Gross Carrying Amount:	
As at 1 April 2016	14.89
Additions	-
Capitalisation/ Deletions	-
As at 31 March 2017	14.89
As at 1 April 2017	14.89
Additions	1.21
Deletions/Adjustments	-
As at 31 March 2018	16.10
Amortisation and Impairment	
As at 1 April 2016	-
Charge for the period	-
Impairment	-
Deletions/Adjustments	-
As at 31 March 2017	-
As at 1 April 2017	-
Charge for the period	-
Impairment	0.41
Deletions/Adjustments	-
As at 31 March 2018	0.41
Net Carrying Amont	
As at 31 March 2018	15.69
As at 31 March 2017	14.89

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 : INTANGIBLE ASSETS

(₹ in Crore)

	Computer Software	Others	Total
Gross Carrying Amount:			
As at 1 April 2016	0.50	-	0.50
Additions	-	-	-
Capitalisation/ Deletions	-	-	-
As at 31 March 2017	0.50	-	0.50
As at 1 April 2017	0.50	-	0.50
Additions	0.37	-	0.37
Deletions/Adjustments	-	-	-
As at 31 March 2018	0.87	-	0.87
Amortisation and Impairment			
As at 1 April 2016	0.03	-	0.03
Charge for the period	0.16	-	0.16
Impairment	-	-	-
Deletions/Adjustments	-	-	-
As at 31 March 2017	0.19	-	0.19
As at 1 April 2017	0.19	-	0.19
Charge for the period	0.24	-	0.24
Impairment	-	-	-
Deletions/Adjustments	-	-	-
As at 31 March 2018	0.43	-	0.43
Net Carrying Amont			
As at 31 March 2018	0.44	-	0.44
As at 31 March 2017	0.31	-	0.31

NOTES TO THE FINANCIAL STATEMENTS-STANDALONE
NOTE - 7 : INVESTMENTS

(₹ in Crore)

	Non Current	Percentage (%) holding	Number of shares	Face value per share	As at 31.03.2018	As at 31.03.2017
(a)	**Investment in Equity Instruments**					
(i)	**Equity Shares in Subsidiary Companies**					
	Eastern Coalfields Limited	100%	22184500	1000	2218.45	2218.45
	(Sanctoria, West Bengal)	(100%)	(22184500)	(1000)		
	Central Coalfields Limited	100%	9400000	1000	940.00	940.00
	(Ranchi, Jharkhand)	(100%)	(9400000)	(1000)		
	Bharat Coking Coal Limited	100%	21180000	1000	2118.00	2118.00
	(Dhanbad, Jharkhand)	(100%)	(21180000)	(1000)		
	Western Coalfields Limited	100%	2971000	1000	297.10	297.10
	(Nagpur, Maharastra)	(100%)	(2971000)	(1000)		
	Central Mine Planning & Design Institute	100%	380800	1000	19.04	19.04
	Limited (Ranchi , Jharkhand) (See Note 7)	(100%)	(190400)	(1000)		
	Northern Coalfields Limited (Singrauli,	100%	6827965	1000	136.56	136.56
	Madhya Pradesh) (See Note 7)	(100%)	(1365593)	(1000)		
	South Eastern Coalfields Limited	100%	7170600	1000	298.78	298.78
	(Bilaspur, Chattisgarh) (See Note 7)	(100%)	(2987750)	(1000)		
	Mahanadi Coalfields Limited	100%	7061330	1000	141.23	141.23
	(Sambalpur, Odisha) (See Note 7)	(100%)	(1412266)	(1000)		
	Coal India Africana Limitada	100%	(Quota Capital)	0.01	0.01	
(Moatize, Mozambique)						
	Total (a) (i)				**6169.17**	**6169.17**
(ii)	**Equity Shares in Joint Venture Companies**					
	International Coal Venture Private	0.19%	2800000	10	2.80	2.80
	Limited , New Delhi	(0.22%)	(2800000)	(10)		
	CIL NTPC Urja Private Limited,	50%	76900	10	0.08	0.08
	New Delhi	(50%)	(76900)	(10)		
	Talcher Fertilizers Limited,	33.32%	5015000	10	5.02	0.02
	Bhubneswar, Odisha	(30.00%)	(15000)	(10)		
	Hidustan Urvarak & Rasayan Limited,	33.33%	333250000	10	333.25	5.03
	Kolkata	(33.28%)	(5025000)	(10)		
	Total (a) (ii)				**341.15**	**7.93**
	(iii) Other Equity (Preference Share classifed as Equity Component)					
	5% redeemable cumulative Preference Shares in Bharat Coking Coal Ltd.				1057.52	1057.52
	6% redeemable cumulative Preference Shares in Eastern Coalfields Ltd.				855.61	855.61
	Total (a) (iii)				**1913.13**	**1913.13**
	Total (a)				**8423.45**	**8090.23**
(b)	**Investment in Preference Shares**					
	Preference Shares in Subsidiary Companies-Classified as debt Component					
	5% redeemable cumulative Preference		25390000	1000	2176.78	2015.54
	Shares in Bharat Coking Coal Ltd.		(25390000)	(1000)		
	6% redeemable cumulative Preference		20509700	1000	1537.16	1423.30
	Shares in Eastern Coalfields Ltd.		(20509700)	(1000)		
	Total (b)				**3713.94**	**3438.84**
	Total (a+b) :				**12137.39**	**11529.07**
	Aggregate amount of unquoted investments:				**12137.39**	**11529.07**
	Aggregate amount of quoted investments:				-	-
	Market value of quoted investments:				-	-
	Aggregate amount of impairment in value of investments:				-	-
	Refer note 38 (1) for classification					

NOTES TO THE FINANCIAL STATEMENTS-STANDALONE

NOTE - 7 (contd.) NON - CURRENT INVESTMENTS - Unquoted at Cost

1. **Investment in Eastern Coalfields Limited (ECL) and Bharat Coking Coal Limited (BCCL)**

   The investment in Equity Shares of BCCL, a wholly owned subsidiary, is long term and strategic in nature. The Book Value of investment in BCCL as on 31.03.2018 is ₹ 2118.00 crore against which the accumulated loss as on 31.03.2018 is ₹2546.82 crore (₹1249.40 crore). The accumulated losses as on 31.03.2018 has come down to ₹2546.82 crore from ₹4106.03 crore as on 31.03.2013 (i.e. the end of the year in which it came out of BIFR).

   Similarly, the investment in Equity Shares of ECL, a wholly owned subsidiary, is also long term and strategic in nature. The Book Value of investment in ECL as on 31.03.2018 is ₹ 2218.45 crore against which the accumulated loss as on 31.03.2018 is ₹2731.93 crore (₹1907.76 crore). The accumulated losses as on 31.03.2018 has come to ₹2731.93 crore from ₹2716.00 crore as on 31.03.2015 (i.e. the end of the year in which it came out of BIFR).

   In view of these companies turning around and the investments in these companies being long term and strategic in nature, book value of investment has been considered.

2. **Investment in Coal India Africana Limitada (CIAL) (100% owned subsidiary –Overseas)**

   Coal India Ltd., has formed a 100% owned Subsidiary in Republic of Mozambique, named "Coal India Africana Limitada" to explore non-coking coal properties in Mozambique. The initial paid up capital on such formation (known as "Quota Capital") is ₹ 0.01 crore. The investment by CIL in CIAL is strategic and long term in nature. The advance given by CIL to CIAL has been fully provided for because the expenses incurred till date are for the coal blocks which could not be turned into feasible projects.Pursuant to the directives of CIL Board, a request was made through Govt. of India for allocation of a new prospective coal block, the response for which from Mozambique government is awaited. In view of above, the investment does not have any indication for impairment and as such the same are valued at cost.

3. **Investment in International Coal Ventures Pvt. Ltd.**

   CIL has entered into a Memorandum of Understanding (vide approval from its Board in 237th meeting held on 24th November, 2007) regarding formation of Special Purpose Vehicle (SPV) through joint venture involving CIL/SAIL/RINL/NTPC & NMDC for acquisition of coking coal properties abroad. The formation of the SPV had been approved by the Government of India, vide its approval dated 8th November, 2007.

   The aforesaid SPV viz. International Coal Ventures Pvt. Ltd. was incorporated under Companies Act, 1956 on 20th May, 2009 initially with an authorised capital of ₹1.00 crore and paid up capital of ₹0.70 crore. The authorised Capital and paid up Capital as on 31.03.2018 stood at ₹3500.00 Crore and ₹1450.67 Crore respectively. Out of above paid up capital, Coal India Ltd. is owning 0.19% share i.e. ₹2.80 crore face value of equity shares.

4. **Investment in CIL NTPC Urja Private Ltd.**

   CIL NTPC Urja Pvt.Ltd., a 50:50 joint venture company was formed on 27th April' 2010 between CIL & NTPC for setting up of joint integrated power plants along with mining of coal. Coal India Ltd. is presently holding 50% equity shares of face value of ₹ 0.08 crore in the joint venture Company.

5. **Investment in Talcher Fertilizers Limited**

   A Joint venture company named "Talcher Fertilizers Limited" (formerly known as Rashtriya Coal Gas Fertilizers Limited) was incorporated on 13th November, 2015 under the Companies Act, 2013 under a joint venture agreement dated 27th October,2015, among Coal India Limited (CIL), Rashtriya Chemicals and Fertilizers Limited, GAIL (India) Limited and Fertilizer Corporation of India Limited with an authorised share capital of ₹50 Crore, out of which CIL shall hold 29.67% share capital. However, presently Coal India Limited has invested ₹ 5.02 crore (i.e. 33.32%) in the joint venture company upto 31.03.2018.

6. **Investment in Hindustan Urvarak and Rasayan Limited**

   By virtue of agreement dated 16th May, 2016 made between CIL and NTPC Ltd., a joint venture company named Hindustan Urvarak and Rasayan Limited (HURL) was formed. Subsequently, joint venture agreement has been revised on 31st October, 2016 to include IOCL, FCIL and HFCL as joint venture partners. The authorised share capital of the company is ₹1000.00 Crore, out of which CIL shall hold 29.67% share capital. However, presently Coal India Limited has invested ₹333.25 crore (i.e. 33.33%) in the joint venture company upto 31.03.2018.

7. During the year Northern Coalfields Limited (NCL), Mahanadi Coalfields Limited (MCL), South Eastern Coalfields Limited (SECL) and Coal Mine Planning and Designing Institute Limited (CMPDIL) issued Bonus shares in the ratio of 4:1, 4:1, 7:5 and 1:1 respectively. No. of shares issued as Bonus Shares by NCL, MCL, SECL and CMPDIL are 5462372 equity shares of ₹1000 each, 5649064 equity shares of ₹1000 each, 41,82,850 equity shares of ₹1000 and 1,90,400 equity shares of ₹1000 each respectively.

Current

(₹ in Crore)

	Number of units	NAV (In ₹)	As at 31.03.2018	As at 31.03.2017
Investment in Mutual Fund				
UTI Mutual Fund	255591.968 (299529.434)	1019.4457 (1019.4457)	26.06	30.54
BOI AXA Mutual Fund	Nil (295769.562)	1002.6483 (1002.6483)	0.00	29.65
Total :			**26.06**	**60.19**
Aggregate of Quoted Investment:			-	-
Aggregate of unquoted investments:			26.06	60.19
Market value of Quoted Investment:			-	-
Aggregate amount of impairment in value of investments:		-	-	

CIL invests in liquid schemes (daily dividend) of the above mutual funds. In the daily dividend schemes, dividends are received on daily basis in the form of units of mutual fund scheme and the value of the NAV of the scheme remain constant.

Refer note 38 (1) for classification

NOTES TO THE FINANCIAL STATEMENTS-STANDALONE

NOTE - 8 : LOANS

(₹ in Crore)

	As at 31.03.2018		As at 31.03.2017	
Non-Current				
Loans to Employees				
- Secured, considered good	0.40		0.43	
- Unsecured, considered good	-		-	
- Doubtful	-		-	
Less: Allowance for doubtful loans	-	0.40	-	0.43
Loans to body corporates				
- Secured, considered good	-		-	
- Unsecured, considered good	-		-	
- Doubtful	1.50		1.50	
Less: Allowance for doubtful loans	1.50	-	1.50	-
TOTAL		**0.40**		**0.43**
CLASSIFICATION				
Secured, considered good		0.40		0.43
Unsecured, Considered good		-		-
Doubtful		1.50		1.50
Current				
Loans to Related parties				
- Secured, considered good	-		-	
- Unsecured, considered good	-		1,200.00	
- Doubtful	-		-	
Less: Allowance for doubtful loans	-	-	-	1,200.00
Loans to other body corporates				
- Secured, considered good	-		-	
- Unsecured, considered good	1.87		8.84	
- Doubtful	-		-	
Less: Allowance for doubtful loans	-	1.87	-	8.84
Loans to Employees				
- Secured, considered good	0.01		0.16	
- Unsecured, considered good	-		-	
- Doubtful	-		-	
Less: Allowance for doubtful loans	-	0.01	-	0.16
TOTAL		**1.88**		**1,209.00**
CLASSIFICATION				
Secured, considered good		0.01		0.16
Unsecured, Considered good		1.87		1,208.84
Doubtful		-		-

Refer note 38 (1) for classification

Loans to Related parties

Coal India Limited (Holding Co.) extended a short term loan to its wholly owned subsidiaries viz. Mahanadi Coalfields Limited (₹700.00 crore), Northern Coalfields Limited (₹250.00 crore) and South Eastern Coalfields Limited (₹250.00 crore) for the purpose of its business activities @6.35% per annum during FY 2016-17 which has been repaid during FY 2017-18.

NOTES TO THE FINANCIAL STATEMENTS-STANDALONE
NOTE - 9 : OTHER FINANCIAL ASSETS

(₹ in Crore)

	As at 31.03.2018		As at 31.03.2017	
Non Current				
Deposits with bank under				
- Mine Closure Plan[1]		45.08		38.74
- Shifting & Rehabilitation Fund scheme*		3,627.00		3,259.27
Other deposits	0.31		0.66	
Less : Allowance for doubtful deposits	0.01	0.30	0.01	0.65
Security Deposit for utilities	4.25		2.74	
Less : Allowance for doubtful deposits	0.17	4.08	0.17	2.57
Receivable for Exploratory drilling work[2]	45.36		61.27	
Less: Allowance	45.36	-	61.27	-
TOTAL		**3,676.46**		**3,301.23**

1. **Deposit with bank under Mine Closure Plan**
   Following the guidelines from Ministry of Coal, Government of India for preparation of Mine Closure Plan, an Escrow Account has been opened. The interest earned/accrued during the year on such Escrow Account for ₹ 2.41 crore (₹ 0.71 crore) is included in interest income from deposit with banks disclosed in Note-25. (Refer Note 21 for Provision for Site Restoration/Mine Closure)
2. **Receivable for Exploratory Drilling Work**
   In view of critically weak financial position of ECL, which was under BIFR till 31st Dec 2014, expenditure incurred by CMPDIL on exploratory drilling works, falling under the command area of ECL was paid by CIL and shown as advance. Amount of advance, lying unadjusted for more than five years is being written off. Therefore, as an abundant precaution, advance made on this account upto 31st Dec 2014 was fully provided for.

* Refer Note 22 - Shifting & Rehabilitation Fund

(₹ in Crore)

Current				
Current Account with				
- Subsidiaries[1]	533.03		525.25	
Less: Allowance for doubtful advance	53.83	479.20	53.08	472.17
Interest accrued on				
- Bank Deposits		8.33		0.73
Claims receivables	2.26		2.26	
Less : Allowance for doubtful claims	2.26	-	2.26	-
Other receivables[2]	50.32		30.50	
Less : Allowance for doubtful claims	-	50.32	-	30.50
TOTAL		**537.85**		**503.40**

1. **Current accounts with Subsidiaries:** The balances of the current account with the Subsidiaries are reconciled at regular intervals, and the same as on 31.03.2018 has also been reconciled. Adjustments arising out of reconcilation are carried out continuously.
2. Other receivables of ₹ 50.32 crore includes ₹ 29.72 crore (₹ 24.47 crore) for interest receivable on deposits made on account of Shifting & rehabilitation fund.

   Refer note 38 (1) for classification

NOTES TO THE FINANCIAL STATEMENTS-STANDALONE
NOTE 10 : OTHER NON-CURRENT ASSETS

(₹ in Crore)

		As at 31.03.2018		As at 31.03.2017	
(i)	**Capital Advances**	62.06		97.98	
	Less : Provision	-	62.06	-	97.98
(ii)	**Advances other than capital advances**				
	Advance for goods and services	0.15		0.85	
	Less :Provision	-	0.15	-	0.85
	TOTAL		**62.21**		**98.83**

NOTES TO THE FINANCIAL STATEMENTS-STANDALONE

NOTE -11 : OTHER CURRENT ASSETS

(₹ in Crore)

		As at 31.03.2018		As at 31.03.2017	
(a)	Advance for Revenue	0.62		1.35	
	Less : Provision	0.22	0.40	0.22	1.13
(b)	Advance payment of statutory dues	0.02		0.68	
	Less : Provision	0.02	-	0.02	0.66
(c)	Advance to Related Parties For Research & Development with CMPDIL		90.12		34.04
(d)	Advance to Employees	0.86		0.99	
	Less : Provision	-	0.86	-	0.99
(e)	Advance- Others	13.57		5.16	
	Less : Provision	-	13.57	-	5.16
(f)	Deposits- Others	0.79		0.60	
	Less: Provision	-	0.79	-	0.60
(g)	Cenvat credit receivable		-		5.11
(h)	GST credit entitlement[1]		17.55		-
(i)	MAT credit entitlement[2]		101.39		-
(j)	Other Receivables	2.39		2.41	
	Less: Provision	0.74	1.65	0.74	1.67
	TOTAL		**226.33**		**49.36**

1. GST credit entitlement mainly relates to NEC (production unit of CIL), where output tax liability is lower than the input tax credit available. As per GST Act, the same is allowed to be claimed as refund due to inverted duty structure.

2. MAT credit entitlement arose due to company being liable to pay income tax under section 115JB of the Income Tax Act, 1961. The same is allowed to be carried forward for next 15 years for setting off against normal tax liability.

NOTES TO THE FINANCIAL STATEMENTS-STANDALONE

NOTE - 12 : INVENTORIES

(₹ in Crore)

		As at 31.03.2018		As at 31.03.2017	
	Stock of Coal	20.54		67.49	
	Less : Provision	0.06	20.48	0.06	67.43
A.	**Stock of Coal (Net)**		**20.48**		**67.43**
	Stores & Spares	1.60		1.82	
	Less : Provision	0.83	0.77	0.90	0.92
B.	**Stores & Spares (Net)**		**0.77**		**0.92**
C.	Stock of Medicine at Central Hospital		0.14		0.09
	Total (A+B+C)		**21.39**		**68.44**

Method of valuation : Refer Note No. 2.20 - Significant Accounting Policies on “Inventories”

NOTES TO THE FINANCIAL STATEMENTS-STANDALONE

NOTE - 13 : TRADE RECEIVABLES

(₹ in Crore)

		As at 31.03.2018		As at 31.03.2017
Current				
Trade receivables				
- Secured, considered good	-			
- Unsecured, considered good	0.27		12.74	
- Doubtful	11.07		11.07	
Less : Allowance for bad & doubtful debts	11.07	0.27	11.07	12.74
Total		**0.27**		**12.74**

1. No Trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or member.
2. A Provision of ₹4.88 Crores (Nil) has been recognised as Coal Quality Variance for sampling results awaiited from refree samplers and disclosed separately in Note 21 Provisions.

   Refer note 38 (1) for classification

NOTES TO THE FINANCIAL STATEMENTS-STANDALONE

NOTE - 14 : CASH AND CASH EQUIVALENTS

(₹ in Crore)

		As at 31.03.2018	As at 31.03.2017
(a)	Balances with Banks		
	- in Deposit Accounts	275.50	649.38
	- in Current Accounts		
	Interest Bearing (CLTD)	66.37	65.37
	Non Interest Bearing	1.40	5.24
	- in Cash Credit Accounts	1.96	5.15
(b)	Cash on hand	0.02	0.03
	Total Cash and Cash Equivalents	**345.25**	**725.17**
	Bank Overdraft	-	-
	Total Cash and Cash Equivalents (net of Bank Overdraft)	**345.25**	**725.17**

1. Cash and cash equivalents comprises cash on hand and at bank, sweep accounts and term deposits held with banks with original maturities of three months or less.

   Refer note 38 (1) for classification.

NOTES TO THE FINANCIAL STATEMENTS-STANDALONE

NOTE - 15 : OTHER BANK BALANCES

(₹ in Crore)

	As at 31.03.2018	As at 31.03.2017
Balances with Banks		
- Deposit accounts [2]	120.23	2.81
- Shifting and Rehabilitation Fund scheme	-	115.00
- Unpaid dividend accounts	11.48	10.34
- Dividend accounts	11.12	68.77
Total	**142.83**	**196.92**

1. Other Bank Balances comprise term deposits and other bank deposits which are expected to realise in cash within 12 months after the reporting date.
2. Fixed Deposit of ₹2.88 crore (₹2.72 crore) are included above made as per the direction of The Court.

   Refer note 38 (1) for classification

NOTES TO THE FINANCIAL STATEMENTS-STANDALONE
NOTE - 16 : EQUITY SHARE CAPITAL

(₹ in Crore)

	As at 31.03.2018	As at 31.03.2017
Authorised		
8,00,00,00,000 Equity Shares of ₹10/- each		
(8,00,00,00,000 Equity Shares of ₹10/- each)	8000.00	8000.00
	8,000.00	**8,000.00**
Issued, Subscribed and Paid-up		
6,20,74,09,177 Equity Shares of ₹10/- each		
(6,20,74,09,177) Equity Shares of ₹10/- each)	6207.41	6,207.41
	6,207.41	**6,207.41**

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

Name of Shareholder	No.of Shares held (Face value of ₹10 each)	% of Total Shares
Hon'ble President of India	4,87,56,71,716 (4,89,49,71,329)	78.546 (78.857)
Life Insurance Corporation of India	55,69,48,456 (45,29,23,208)	8.972 (7.296)

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

3 Listing of shares of Coal India Ltd. in Stock Exchange :

The shares of Coal India Ltd. is listed in two major stock exchanges of India, viz. Bombay Stock Exchange and National Stock Exchange on and from 4th November,2010.

The details of disinvestment/Buyback of shares by Govt of India is furnished below:

Sl. No.	Financial year of Disinvestment	% of shares disinvestment	No. of shares disinvested	Mode
1	2010-11	10.00%	63,16,36,440	IPO
2	2013-14	0.35%	2,20,37,834	CPSE-ETF
3	2014-15	10.00%	63,16,36,440	OFS
4	2015-16	0.001%	83,104	CPSE-ETF
5	2016-17	1.248%	7,88,42,816	Buyback
6	2016-17	0.92%	5,71,56,437	CPSE-ETF
7	2017-18	0.31%	1,92,99,613	Bharat 22-ETF

Hence, the number of shares held by Govt of India stood at 4,87,56,71,716 i.e. 78.546% of the total 6,20,74,09,177 number of shares outstanding as on 31.03.2018.

4 The Company has only one class of equity shares having a face value ₹10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meeting of shareholders.

5 Refer Note 38 (5) (c) also for Authorised Share capital of the company.

NOTES TO THE FINANCIAL STATEMENTS-STANDALONE

NOTE 17 : OTHER EQUITY

(₹ in Crore)

	Capital Redemption reserve	General Reserve	Retained Earnings			Total
			Profit after tax*	Other Compre-hensive Income	Total Retained Earnings and OCI	
Balance as at 01.04.2016	**904.18**	**7,871.78**	**966.93**	**(13.44)**	**953.49**	**9,729.45**
Prior period errors			(0.92)		(0.92)	(0.92)
Restated balance as at 01.04.2016	**904.18**	**7,871.78**	**966.01**	**(13.44)**	**952.57**	**9,728.53**
Profit during the year			14,499.09		14,499.09	14,499.09
Remeasurement of defined benefit plans (net of tax)				3.40	3.40	3.40
Appropriations						
Transfer to/from General Reserve		8.01	(8.01)		(8.01)	-
Interim Dividend			(12,352.76)		(12,352.76)	(12,352.76)
Corporate Dividend tax			(627.18)		(627.18)	(627.18)
Buyback of equity shares	108.95	(3,650.00)	-		-	(3,541.05)
Balance as at 31.03.2017	**1,013.13**	**4,229.79**	**2,477.15**	**(10.04)**	**2,467.11**	**7,710.03**
Balance as at 01.04.2017	**1,013.13**	**4,229.79**	**2,477.15**	**(10.04)**	**2,467.11**	**7,710.03**
Profit during the year			9,293.42		9,293.42	9,293.42
Remeasurement of defined benefit plans (net of tax)				5.36	5.36	5.36
Appropriations						
Transfer to/from General Reserve		8.26	(8.26)		(8.26)	-
Interim Dividend			(10,242.24)		(10,242.24)	(10,242.24)
Corporate Dividend tax			(279.27)		(279.27)	(279.27)
Balance as at 31.03.2018	**1,013.13**	**4,238.05**	**1,240.80**	**(4.68)**	**1,236.12**	**6,487.30**

*Profit after tax includes gain on valuation of debt component of investment in preference shares in subsidiary companies which is notional/ unrealised in nature which is not available for distribution of dividend. The details of such gain is given below:

	(₹ in crore)
Balance as at 01.04.2016	507.27
Addition during FY 2016-17	254.73
Balance as at 31.03.2017	**762.00**
Addition during FY 2017-18	275.11
Balance as at 31.03.2018	**1037.11**

1. **Interim Dividend**- During the year the company has paid interim dividend of ₹16.50 (₹19.90) per equity share of face value of ₹10/- each for the year 2017-18 amounting to ₹10,242.24 crore (₹12,352.76 crore) .

   The Board of Directors of the company decided to recommend such interim dividend already paid as final dividend and no additional dividend has been recommended for the year 2017-18.

2. **Corporate Dividend Tax** - The above represents the Dividend Distribution Tax pertaining to the Dividend paid over and above the utilization of Dividend received from Subsidiaries, as per provisions of Income Tax Act,1961.

NOTES TO THE FINANCIAL STATEMENTS-STANDALONE

NOTE 18: BORROWINGS

(₹ in Crore)

	As at 31.03.2018	As at 31.03.2017
Non-Current		
Term Loans		
-From Banks	-	-
-From Other Parties	-	-
Loans from Related Parties	-	-
Other Loans		
Total	-	-
CLASSIFICATION		
Secured	-	
Unsecured	-	-
Loans repayable on demand		
-From Banks	-	-
-From Other Parties	-	-
Loans from Related Parties	-	-
Other Loans		
Total	-	-
CLASSIFICATION		
Secured	-	-
Unsecured	-	-

Cash Credit

The bank borrowings of Coal India Ltd. has been secured by creating charge against stock of coal, stores and spare parts and book debts of CIL and its Subsidiary Companies within consortium of banks.

The total working capital credit limit available to CIL is ₹550.00 Crore, of which fund based limit is ₹250.00 Crore and non-fund based limit is ₹300.00 crore. Further, ₹2000.00 crore was set up as non-fund based limit outside consortium in order to facilitate import of HEMM. Coal India Limited is contingently liable to the extent such facility is actually utilised by the Subsidiary Companies.

NOTES TO THE FINANCIAL STATEMENTS-STANDALONE

NOTE - 19 :TRADE PAYABLES

(₹ in Crore)

	As at 31.03.2018	As at 31.03.2017
Current		
Trade Payables for Micro, Small and Medium Enterprises (MSME)	-	-
Trade Payables for other than MSME		
-Stores and Spares	1.26	1.58
-Power and Fuel	1.55	1.84
-Other expenses	108.35	106.58
TOTAL	**111.16**	**110.00**

There is no reported Micro, Small and Medium Enterprises as defined in the "Micro, Small and Medium Enterprises Development Act, 2006", to whom the company owes dues and remaining outstanding as at 31.03.2018.

Refer note 38 (1) for classification

Trade Payables for other than MSME- Other expenses includes:

Rent	19.40	18.08
Municipal Tax	2.77	2.21
Recruitment expenses	0.07	16.07
Consultancy expenses	24.04	27.67
Other revenue expenses	62.07	42.55
Total	**108.35**	**106.58**

NOTES TO THE FINANCIAL STATEMENTS – STANDALONE

NOTE - 20 : OTHER FINANCIAL LIABILITIES

(₹ in Crore)

	As at 31.03.2018	As at 31.03.2017
Non Current		
Security Deposits	-	-
Earnest Money	-	-
	-	-
Current		
Funds parked by subsidiaries	591.87	291.90
Current Account of		
- Subsidiaries[1]	13.87	131.29
- IICM[2]	187.77	197.30
Unpaid dividends[3]	22.60	79.12
Security Deposits	41.35	37.05
Earnest Money	292.69	20.81
Liability for Salary, Wages and Allowances	19.03	14.34
Others	1.37	3.33
TOTAL	**1,170.55**	**775.14**

1. **Current Accounts of Subsidiaries**

The current account balances of the Subsidiary Companies are reconciled on regular intervals, and the same as on 31.03.2018 has been reconciled. Adjustment arising out of reconcilation are carried out continuously.

2. **Current Account of Indian Institute of Coal Management (IICM)**

Current account balance of IICM represents the fund accumulated by receiving ₹ 0.50 per tonne (upto June 2017) of productions of NEC and the Subsidiaries, net of expenditure made / fund remitted on behalf of IICM.

During this period total contribution received from NEC and the Subsidiaries on this account amounted to ₹5.94 Crore. Further ₹13.67 Crore (net) were remitted to IICM during the period; and hire charges/ lease rent recovered from IICM amounted to ₹1.80 Crore (excluding service tax/ GST applicable thereon).

3. Unpaid dividend includes interim dividend of ₹11.12 crore (₹68.77 crore) declared but 30 days have not been lapsed so as to transfer in Unpaid Dividend account.

During the year, an amount of ₹0.48 crore in respect of interim dividend of FY 2010-11 has been transferred to Investor Education & Protection Fund (IEPF) as the same remained unpaid and unclaimed for a period of seven years from the date of transfer of such dividend to unpaid dividend account.

There is no other amount due to be transferred to IEPF within 31.03.2018.

Refer note 38 (1) for classification

NOTES TO THE FINANCIAL STATEMENTS – STANDALONE

NOTE - 21 : PROVISIONS

(₹ in Crore)

	As at 31.03.2018	As at 31.03.2017
Non Current		
Employee Benefits		
- Gratuity	27.95	-
- Leave Encashment	7.95	23.33
- Other Employee Benefits	160.58	151.60
Site Restoration/Mine Closure[1]	40.17	37.89
TOTAL	**236.65**	**212.82**
Current		
Employee Benefits		
- Gratuity	52.29	3.98
- Leave Encashment	8.54	9.97
- Ex- Gratia	11.01	11.46
- Performance Related Pay	13.81	28.90
- Other Employee Benefits[2]	73.69	64.14
- Provision for National Coal Wage Agreement X[3]	26.90	15.19
- Provision for Executive Pay Revision[4]	32.84	2.67
Excise Duty on Closing Stock of Coal	-	4.86
Provision for Coal Quality Variance[5]	4.88	-
Others	0.07	0.07
TOTAL	**224.03**	**141.24**

1. **Provision for Site Restoration/Mine Closure**

The company's obligation for land reclamation and decommissioning of structures consists of spending at both surface and underground mines in accordance with the guidelines from Ministry of Coal, Government of India. The estimate of obligation for Mine Closure, Site Restoration and Decommissioning based upon detailed calculation and technical assessment of the amount and timing of the future cash spending to perform the required work. Mine Closure expenditure is provided as per approved Mine Closure Plan. The estimates of expenses are escalated for inflation, and then discounted at a discount rate (@8%) that reflects current market assessment of the time value of money and the risks, such that the amount of provision reflects the present value of the expenditures expected to be required to settle the obligation. The value of the provision is progressively increased over time as the effect of discounting unwinds; creating an expense recognised as financial expenses. In reference to the above guidelines for preparation of mine closure plan, an escrow account has been opened. (Refer Note 9 for deposit with banks under Mine Closure Plan)

2. Provision- Other Employee Benefits-Current includes ₹51.53 crore (₹45.09 crore) provided for Superannuation benefits @9.84%.

3. National Coal Wage Agreement (NCWA)-X for non-executive employees effective from 01.07.2016 was finalized on 10th October 2017 and payment of salary as per the agreement has been started from the month of October, 2017. Provision against arrear salary for NCWA-X amounting to ₹21.26 crore has been made for the period from 01.04.2017 to 30.09.2017 resulting total provision of ₹36.45 crore for the period from 01.07.2016 to 30.09.2017. An adhoc amount of ₹9.55 crore has been paid in October, 2017 against above arrear which is net off with the provision as shown in Note-21. (Refer footnote 1 of Note 28)

4. Department of Public Enterprises (DPE) vide Office Memorandum (OM) NO. W-02/0028/2017-DPE(WC)-GL-XIII/17 dated 3rd August, 2017 has circulated the approval of the Government of India regarding the guidelines of the revision of pay and allowances of Board level and below Board level Executives and non-unionized supervisors of Central Public Sector Enterprises (CPSEs) w.e.f 01.01.2017.

Pending final implementation of these guidelines, the provision for executive pay revision of ₹32.84 crore, considering estimated impact of increase in all elements of executive salary (including the employer's PF contribution), other employee benefits and all superannuation benefits as per DPE guidelines, covering the period 01.01.2017 to 31.03.2018, has been made/kept in the financial statements.

5. A provision as Coal Quality Variance of ₹4.88 Crore (Nil) is recognised For sampling results awaited from refree samplers.

NOTES TO THE FINANCIAL STATEMENTS – STANDALONE

NOTE - 22 : OTHER NON CURRENT LIABILITIES

(₹ in Crore)

	As at 31.03.2018	As at 31.03.2017
Shifting & Rehabilitation Fund		
Opening balance	3449.67	3177.66
Add: Interest from investment of the fund (Net of TDS)	199.59	217.80
Add: Contribution received	347.64	325.43
Less: Amount released to subsidiaries during the year	295.92	271.22
Total	**3,700.98**	**3,449.67**

Shifting and Rehabilitation Fund

1- Following the direction of the Ministry of Coal, the Company has setup a fund for implementation of action plan for shifting & rehabilitation, dealing with fire & stabilization of unstable areas of Eastern Coal Fields Ltd. & Bharat Coking Coal Ltd. The fund is utilized (by ECL and BCCL) based on implementation of approved projects in this respect.

The subsidiaries of CIL except CMPDIL and Coal India Africana Limitada are making a contribution of ₹6/- per tonne of their respective coal dispatch per annum to this fund, which remains in the custody of CIL, till they are disbursed/utilised by subsidiaries/agencies implementing the relevant projects. (Refer Note 9 for deposits with bank under Shifting & Rehabilitation Fund scheme)

2- Interest earned (Net of TDS) on bank deposits earmarked for this fund is credited to this fund.

NOTES TO THE FINANCIAL STATEMENTS – STANDALONE

NOTE - 23 : OTHER CURRENT LIABILITIES

(₹ in Crore)

		As at 31.03.2018		As at 31.03.2017
Capital Expenditue		31.40		28.45
Statutory Dues:				
GST	11.16		-	
Sales Tax / Vat	-		1.37	
Provident Fund & Others	3.91		3.39	
Royalty & Cess on Coal	7.52		4.38	
Stowing Excise Duty	-		0.09	
National Mineral Exploration Trust	0.15		0.09	
District Mineral Foundation	1.61		23.41	
Other Statutory Levies	29.59		0.79	
Income Tax deducted/collected at Source	3.84	57.78	7.15	40.67
Advance from customers / others		52.70		46.51
Others liabilities		184.96		163.46
TOTAL		**326.84**		**279.09**

Other liabilities include ₹177.00 crore (₹154.82 crore) towards TDS on interest earned on deposits made against Shifting & Rehabilitation fund as refered in Note-22.

NOTES TO THE FINANCIAL STATEMENTS – STANDALONE

NOTE - 24 : REVENUE FROM OPERATIONS

(₹ in Crore)

		For the year ended 31.03.2018		For the year ended 31.03.2017	
A.	**Sale of Coal**	477.00		415.24	
	Less :Other Statutory Levies				
	Royalty	45.07		35.44	
	CGST	4.27		-	
	SGST	4.27		-	
	IGST	7.85		-	
	GST Compensation Cess	27.37		-	
	Cess on Coal	4.47		3.88	
	Stowing Excise Duty	0.21		0.78	
	Central Sales Tax	1.86		5.48	
	Clean Energy Cess	8.42		31.08	
	State Sales Tax/VAT	1.05		6.82	
	National Mineral Exploration Trust	0.90		0.71	
	District Mineral Foundation	6.70		23.41	
	Other Levies	1.63		1.24	
	Total Levies		**114.07**		**108.84**
	Sales (Net) (A)		**362.93**		**306.40**
B.	**Other Operating Revenue**				
	Subsidy for Sand Stowing & Protective Works		0.07		0.08
	Loading and additional transportation charges	5.41		4.85	
	Less : Other Statutory Levies	0.24	5.17	0.15	4.70
	Evacuation Facility charges	2.31		-	
	Less : Other Statutory Levies	0.11	2.20	-	-
	Other Operating Revenue (Net) (B)		**7.44**		**4.78**
	Revenue from Operations (A+B)		**370.37**		**311.18**

1. Government of India introduced Goods and Services Tax (GST) w.e.f 1st July,2017. Consequently revenue from operations for the period from 01.07.2017 to 31.03.2018 is presented net of GST.
2. Revenue from operations for the period prior to 01.07.2017 is inclusive of Excise duty. Sale of coal includes excise duty of ₹5.80 Crore (₹21.03 crore). Sales of coal (Net) exclusive of excise duty is ₹357.13 crore (₹285.37 crore).

   Loading and additional transportation charges includes excise duty of ₹0.07 Crore (₹0.27 crore). Loading and additional transportation charges net of excise duty is ₹5.10 crore (₹4.43 crore).
3. Subsidy for Sand Stowing & Protective Works includes ₹0.07 received from Ministry of Coal, Government of India in terms of Coal Mines (Conservation & Development) Act, 1974 towards reimbursement of expenditure incurred for the Sand Stowing & Protective Works by NEC.
4. Clean energy Cess has been repealed w.e.f 01.07.2017, and GST compensation cess has been introduced w.e.f. 01.07.2017.

NOTES TO THE FINANCIAL STATEMENTS – STANDALONE

NOTE - 25 : OTHER INCOME

(₹ in Crore)

	For the year ended 31.03.2018	For the year ended 31.03.2017
Interest Income		
Deposits with Banks	85.44	282.42
Loans given to subsidiaries	6.55	-
Loans	0.06	0.02
Others	6.98	4.61
Dividend Income		
Investments in Subsidiaries	8,853.18	10,429.51
Investments in Mutual Funds	14.64	20.35
Income on Buyback of shares by subsidiaries	-	3,914.16
Other Non-Operating Income		
Apex Charges	566.58	276.77
Profit on Sale of Assets	0.02	0.01
Exchange Rate Variance	0.04	-
Lease Rent	3.63	3.63
Liability / Provision Write Backs	0.89	13.58
Excise Duty on Decrease in Stock	-	6.57
Miscellaneous Income	33.02	53.12
Total	**9,571.03**	**15,004.75**

1. Interim Dividend of 2017-18 received from CCL ₹531.10 crore (₹3634.04 crore), NCL ₹1750.00 crore (₹1680.00 crore), SECL ₹2202.58 crore (₹2133.47 crore), MCL ₹4350.00 crore (₹2982.00 crore) and CMPDIL ₹19.50 crore (Nil) has been accounted for during the year.
2. Interest income from deposits with Banks and dividend income from investment in mutual fund includes interest/dividend income on investments of amount lying in Current Account of IICM. (Refer Note 20)
3. Miscellaneous income includes incomes like receipt on account of holiday home bookings, RTI fees, application money for recruitments, misc. receipts from banks etc.

NOTES TO THE FINANCIAL STATEMENTS – STANDALONE

NOTE - 26 : COST OF MATERIALS CONSUMED

(₹ in Crore)

	For the year ended 31.03.2018	For the year ended 31.03.2017
Explosives	3.45	2.65
Timber	0.33	0.42
Oil & Lubricants	1.44	2.31
HEMM Spares	0.13	0.18
Other Consumable Stores & Spares	1.58	2.66
Total	**6.93**	**8.22**

NOTES TO THE FINANCIAL STATEMENTS – STANDALONE

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

(₹ in Crore)

	For the year ended 31.03.2018		For the year ended 31.03.2017	
Opening Stock of Coal	67.49		150.98	
Less: Adjustment of opening stock	4.86			
Less: Deterioration of Coal	0.06	62.57	0.06	150.92
Less:-				
Closing Stock of Coal	20.54		67.49	
Less: Deterioration of Coal	0.06	20.48	0.06	67.43
Change in Inventory of Stock in trade {Decretion / (Accretion)}		**42.09**		**83.49**

NOTES TO THE FINANCIAL STATEMENTS – STANDALONE

NOTE - 28 : EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

	For the year ended 31.03.2018	For the year ended 31.03.2017
Salary, Wages, Allowances, Bonus etc.	265.97	254.60
National Coal Wage Agreement X [1]	21.26	15.19
Executive Salary Revision Provision*	30.17	2.67
Ex-Gratia	11.49	12.15
Performance Related Pay	7.83	8.20
Contribution to P.F. & Other Funds	28.61	27.71
Gratuity [2]	105.60	11.24
Leave Encashment	1.68	22.10
VRS	0.89	2.18
Medical Expenses for existing employees	10.42	11.31
Medical Expenses for retired employees	21.10	31.26
Grants to Schools & Institutions	2.32	1.82
Sports & Recreation	0.13	0.15
Canteen & Creche	1.19	0.56
Power - Township	7.47	7.43
Hire Charges of Bus, Ambulance etc.	1.67	1.46
Other Employee Benefits	7.24	5.60
	525.04	**415.63**

1. National Coal Wage Agreement (NCWA)-X for non-executive employees effective from 01.07.2016 was finalized on 10th October 2017 and payment of salary as per the agreement has been started from the month of October, 2017. The provision for such wage revision was made in Accounts upto 30.09.2017.

   The NCWA -X for the year ended 31.03.2018 above includes ₹6.68 Crore relating to the Period 01.07.2016 to 31.03.2017. (Refer footnote 3 of Note 21)
2. As per the Payment of Gratuity (Amendment) Act, 2018 and the notification issued thereafter, the ceiling for maximum gratuity has been increased from ₹10 lakh to ₹20 lakh w.e.f. 29.03.2018. Gratuity for the year ended 31.03.2018 above includes ₹97.55 Crore for impact of above change in gratuity ceiling.

* Refer footnote 4 of Note 21

NOTES TO THE FINANCIAL STATEMENTS – STANDALONE

NOTE - 29 : CORPORATE SOCIAL RESPONSIBILITY EXPENSE

(₹ in Crore)

	For the year ended 31.03.2018	For the year ended 31.03.2017
CSR Expenses	24.31	128.05
Total	**24.31**	**128.05**

In pursuance of section 135 of Companies Act 2013, an amount of ₹7.88 crore (being 2% of the average net profit of the company made during the three immediately preceding financial years - considered from the audited financial statements of the respective years prepared as per previous GAAP/Ind-AS) was required to be spent during 2017-18 towards CSR activities. The company has spent ₹24.31 crore during the year.

NOTE 30 : REPAIRS

(₹ in Crore)

	For the year ended 31.03.2018	For the year ended 31.03.2017
Building	18.98	12.63
Plant & Machinery	0.60	0.41
Others	4.05	0.72
Total	**23.63**	**13.76**

NOTES TO THE FINANCIAL STATEMENTS – STANDALONE

NOTE - 31 : CONTRACTUAL EXPENSE

(₹ in Crore)

	For the year ended 31.03.2018	For the year ended 31.03.2017
Transportation Charges :		
- Coal	0.47	0.41
- Stores & Others	-	0.02
Wagon Loading	0.92	0.75
Hiring of Plant and Equipments	115.30	81.33
Other Contractual Work	1.32	0.88
Total	**118.01**	**83.39**

NOTE - 32 : FINANCE COSTS

(₹ in Crore)

	For the year ended 31.03.2018	For the year ended 31.03.2017
Interest Expenses		
Unwinding of discounts	2.28	2.11
Funds parked by subsidiaries1	14.48	116.28
Fair value changes (net)2	(275.11)	(254.73)
Others	0.49	0.11
Total	**(257.86)**	**(136.23)**

1. Interest on funds parked by subsidiaries

Interest has been paid on funds parked by Subsidiaries with CIL. Such interest is paid at annualised average yield rate at which CIL earns from its investment in Fixed Deposits/Mutual Funds.

2. Fair value changes (net) represents gain on valuation of debt component of investment in preference shares in subsidiary companies

NOTES TO THE FINANCIAL STATEMENTS – STANDALONE

NOTE - 33 : PROVISIONS (NET OF REVERSAL)

(₹ in Crore)

	For the year ended 31.03.2018	For the year ended 31.03.2017
(A) Provision made for		
Doubtful debts	-	0.33
Doubtful Advances & Claims	0.75	0.58
Stores & Spares	-	0.08
Coal Quality Variance[1]	4.88	-
Others	-	0.05
Total (A)	**5.63**	**1.04**
(B) Provision Reversal		
Doubtful Advances & Claims	15.91	0.04
Stores & Spares	0.07	0.34
Others	-	0.43
Total (B)	**15.98**	**0.81**
Total (A-B)	**(10.35)**	**0.23**

1. A provision as Coal Quality Variance of ₹4.88 Crore (Nil) is recognised For sampling results awaited from refree samplers.

NOTE 34 : WRITE OFF (NET PF PAST PROVISIONS)

(₹ in Crore)

	For the year ended 31.03.2018		For the year ended 31.03.2017	
Doubtful debts	-		0.04	
Less: Provided earlier	-	-	0.04	-
Doubtful advances	-		18.04	
Less: Provided earlier	-	-	17.91	0.13
Total		**-**		**0.13**

NOTES TO THE FINANCIAL STATEMENTS – STANDALONE

NOTE - 35 : OTHER EXPENSES

(₹ in Crore)

	For the year ended 31.03.2018	For the year ended 31.03.2017
Travelling expenses		
- Domestic	14.45	15.20
- Foreign	0.62	0.67
Training Expenses	8.18	11.81
Telephone & Postage	3.59	2.31
Advertisement & Publicity	9.57	7.83
Demurrage	0.11	0.19
Donation/Subscription	0.16	0.22
Security Expenses	9.88	5.63
Hire Charges	5.40	5.72
CMPDI Charges	1.48	1.87
Legal Expenses	7.35	7.22
Bank Charges	0.48	0.39
Guest House Expenses	1.31	1.03
Consultancy Charges	19.62	35.12
Under Loading Charges	4.30	2.74
Auditor's Remuneration & Expenses		
- For Audit Fees	0.21	0.26
- For Taxation Matters	0.05	0.06
- For Other Services	0.24	0.45
- For Reimbursement of Exps.	0.27	0.08
Internal & Other Audit Expenses	0.63	0.67
Rent	6.43	5.59
Rates & Taxes	4.33	1.95
Insurance	0.55	0.55
Loss on Foreign Exchange Transactions	0.01	0.01
Rescue/Safety Expenses	0.13	0.04
Dead Rent/Surface Rent	0.78	0.54
Siding Maintenance Charges	1.00	0.23
Environmental & Tree Plantation Expenses	0.41	0.34
Expenses on Buyback of Shares	-	9.87
Miscellaneous expenses	17.11	40.12
Total	**118.65**	**158.71**
Note: Miscellaneous expenses includes:		
Meeting expenses	4.23	5.15
Printing & Stationary	1.79	2.12
Recruitment expenses	0.83	23.32
Office contingency & other expenses	10.26	9.53
	17.11	**40.12**

NOTES TO THE FINANCIAL STATEMENTS – STANDALONE

NOTE - 36 : TAX EXPENSE

(₹ in Crore)

	For the year ended 31.03.2018	For the year ended 31.03.2017
Current Year	118.63	11.14
MAT Credit Entitlement	(101.39)	-
Earlier Years	4.17	-
Total	**21.41**	**11.14**

Reconciliation of tax Expenses and the accounting profit multiplied by India's domestic Tax rate for 31.03.2018	**For the year ended 31.03.2018**	**For the year ended 31.03.2017**
Profit/(Loss) before tax	9,314.83	14,510.23
At income tax rate of 34.6081% (31.03.2017: 34.6081%)	3,223.69	5,021.71
Less: Tax on exempted Income	(3,063.92)	(4,964.34)
Add: Tax on non-deductible expenses	(95.15)	(46.23)
Income Tax Expenses as per normal provision of tax (A)	64.61	11.14
Income tax under MAT provisions (Sec 115JB) [B]	118.63	-
Tax Payable higher of A/B	118.63	11.14
Adjustment in respect of current income tax of previous year	4.17	-
MAT Credit Entitlement	(101.39)	-
Income Tax Expenses reported in statement of Profit & Loss	**21.41**	**11.14**
Effecive income tax rate :	**0.23**	**0.08**

NOTES TO THE FINANCIAL STATEMENTS – STANDALONE

NOTE - 37 : OTHER COMPREHENSIVE INCOME

(₹ in Crore)

		For the year ended 31.03.2018	For the year ended 31.03.2017
(A)	**(i) Items that will not be reclassified to profit or loss**		
	Changes in revaluation surplus		
	Remeasuremnt of defined benefit plans	6.25	3.64
	Equity instrument through OCI		
	Fair value changes relating to own credit risk of financial liabilities designated at FVTPL		
		6.25	3.64
	(ii) Income tax relating to items that will not be reclassified to profit or loss		
	Changes in revaluation surplus		
	Remeasuremnt of defined benefit plans	(0.89)	(0.24)
	Equity instrument through OCI		
	Fair value changes relating to own credit risk of financial liabilities designated at FVTPL		
		(0.89)	(0.24)
	Total (A)	**5.36**	**3.40**
(B)	**(i) Items that will be reclassified to profit or loss**		
	Exchange differences in translating the financial statements of a foreign operation		
	Debt instrument through OCI		
	The effective portion of gains and loss on hedging instruments in a cash flow hedge		
		-	
	(ii) Income tax relating to items that will be reclassified to profit or loss		
	Exchange differences in translating the financial statements of a foreign operation		
	Debt instrument through OCI		
	The effective portion of gains and loss on hedging instruments in a cash flow hedge		
		-	
	Total (B)	-	
	Total (A+B)	**5.36**	**3.40**

NOTE - 38: ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED31stMARCH, 2018 (STANDALONE)

1. Fair Value Measurement

(a) Financial Instruments by Category

(₹ in Crore)

	31stMar, 2018			31st March 2017		
	FVTPL	FVTOCI	AMORTISED COST	FVTPL	FVTOCI	AMORTISED COST
Financial Assets						
Investments* :						
Preference Shares - Equity Component - Debt Component	 - -	 - -	 1913.13 3713.94	 - -	 - -	 1913.13 3438.84
Mutual Fund	26.06	-	-	60.19	-	
Other Investments	-	-	-	-	-	
Loans	-	-	2.28	-	-	1209.43
Deposits & receivable	-	-	4214.31	-	-	3804.63
Trade receivables	-	-	0.27	-	-	12.74
Cash & cash equivalents	-	-	345.25	-	-	725.17
Other Bank Balances	-		142.83	-	-	196.92
Financial Liabilities						
Borrowings	-	-	-	-	-	-
Trade payables	-	-	111.16	-	-	110.00
Security Deposit and Earnest money	-	-	334.04	-	-	57.86
Other Liabilities	-	-	836.51	-	-	717.28

* Investment in Equity Shares in Subsidiary / Joint Ventures are measured at costwhich stands at ₹ 6510.32 Crore as on 31.03.2018 (₹ 6177.10 Crore -31.03.2017) are not included above.

(b) Fair value hierarchy

Table below shows judgements 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.

(₹ in Crore)

Financial assets and liabilities measured at fair value	31st March, 2018			31st March,2017		
	Level I	Level II	Level III	Level I	Level II	Level III
Financial Assets at FVTPL						
Investments :	-	-	-	-	-	-
Mutual Fund	26.06	-	-	60.19	-	-
Financial Liabilities	-	-	-	-	-	-
If any item	-	-	-	-	-	-

Financial assets and liabilities measured at amortised cost for which fair values are disclosed at 31st March, 2018	31st March, 2018			31st March 2017		
	LevelI	Level II	Level III	LevelI	Level II	Level III
Financial Assets						
Investments:						
Preference Shares - Equity Component - Debt Component	-	-	1913.13 3713.94	-	-	1913.13 3438.84
Other Investments	-	-		-	-	
Loans	-	-	2.28	-	-	1209.43
Deposits & receivable	-	-	4214.31	-	-	3804.63
Trade receivables	-	-	0.27	-	-	12.74
Cash & cash equivalents	-	-	345.25	-	-	725.17
Other Bank Balances	-	-	142.83	-	-	196.92
Financial Liabilities						
Borrowings	-	-		-	-	
Trade payables	-	-	111.16	-	-	110.00
Security Deposit and Earnest money	-	-	334.04	-	-	57.86
Other Liabilities	-	-	836.51	-	-	717.28

A brief of each level is given below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes Mutual fund which is valued using closing NAV.

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

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

(c) Valuation technique used in determining fair value

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

(d) Fair value measurements using significant unobservable inputs

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

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

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

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

2. Financial Risk Management

Financial risk management objectives and policies

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

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a risk committee that advises, inter alia, on financial risks and the appropriate financial risk governance framework for the Company. The risk committee provides assurance to the Board of Directors that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

The Company is exposed to market risk, credit risk and liquidity risk.This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and Cash equivalents, trade receivables financial asset measured at amortised cost	Ageing analysis/ Credit rating	Department of Public enterprises (DPE guidelines), diversification of bank deposits credit limits and other securities
Liquidity Risk	Borrowings and other liabilities	Periodic cash flows	Availability of committed credit lines and borrowing facilities
Market Risk- foreign exchange	Future commercial transactions, recognised financial assets and liabilities not denominated in INR	Cash flow forecast sensitivity analysis	Regular watch and review by senior management and audit committee.
Market Risk- interest rate	Cash and Cash equivalents, Bank deposits and mutual funds	Cash flow forecast sensitivity analysis	Department of public enterprises (DPE guidelines), Regular watch and review by senior management and audit committee.

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

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

Credit risk management:

Receivables arise mainly out of sale of Coal. Sale of Coal is broadly categorized as sale through fuel supply agreements (FSAs) and e-auction.

Macro - economic information (such as regulatory changes) is incorporated as part of the fuel supply agreements (FSAs) and e-auction terms

Fuel Supply Agreements (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 or with State Nominated Agencies that in turn enters into appropriate distribution arrangements with end customers. Our FSAs can be broadly categorized into:

- FSAs with customers in the power utilities sector, including State power utilities, private power utilities ("PPUs") and independent power producers ("IPPs");
- FSAs with customers in non-power industries (including captive power plants ("CPPs")); and
- FSAs with State Nominated Agencies.

E-Auction Scheme

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

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

Expected Credit losses for trade receivables under simplified approach.

As on 31.03.2018 (₹ in Crore)

Ageing	Due for 2 months	Due for 6 months	Due for 1 year	Due for 2 years	Due for 3 years	Due for more than 3 years	Total
Gross carrying amount	-	-	-	0.27	-	11.07	11.34
Expected loss rate	-	-	-	-	-	100%	97.62%
Expected credit losses (Loss allowance provision)	-	-	-	-	-	11.07	11.07

As on 31.03.2017 (₹ in Crore)

Ageing	Due for 2 months	Due for 6 months	Due for 1 year	Due for 2 years	Due for 3 years	Due for more than 3 years	Total
Gross carrying amount	12.74	-	-	-	-	11.07	23.81
Expected loss rate	-	-	-	-	-	100%	46.49%
Expected credit losses (Loss allowance provision)	-	-	-	-	-	11.07	11.07

Reconciliation of loss allowance provision – Trade receivables

(₹ in Crore)

Loss allowance on 01.04.2017	11.07
Change in loss allowance	-
Loss allowance on 31.03.2018	11.07

Provision of ₹ 4.88 Crores (Nil) has been recognized as Coal Quality Variance for sampling results awaited from referee samplers and disclosed separately in Note 21 Provisions.

Significant estimates and judgments for 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 judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

B. Liquidity Risk

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

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

C. Market risk

a) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk in respect of foreign operation is considered to be insignificant. The Company also imports and risk is managed by regular follow up. Company has a policy which is implemented when foreign currency risk becomes significant.

b) Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from bank deposits with change in interest rate exposes the Company to cash flow interest rate risk. Company policy is to maintain most of its deposits at fixed rate.

Company manages the risk using guidelines from Department of public enterprises (DPE), diversification of bank deposits credit limits and other securities.

Capital management

The company being a government entity manages its capital as per the guidelines of Department of investment and public asset management under ministry of finance.

Capital Structure of the company is as follows:

(₹ in Crore)

	31.03.2018	31.03.2017
Equity Share capital	6207.41	6207.41
Long term debt	-	-

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

a) **Provident Fund**:

Company pays fixed contribution towards Provident Fund and Pension Fund at pre-determined rates to a separate trust named Coal Mines Provident Fund (CMPF). The contribution towards the fund during the year is ₹ 28.61.Crore (₹ 27.71 Crore)has been recognized in the Statement of Profit & Loss (Note 28).

b) The Company operates some defined benefit plans as follows which are valued on actuarial basis:

(i) **Funded**

- Gratuity
- Leave Encashment
- Medical Benefits

(ii) **Unfunded**

- Life Cover Scheme
- Settlement Allowance
- Group Personal Accident Insurance
- Leave Travel Concession
- Compensation to dependent on Mine Accident Benefits

Total liability as on 31.03.2018 based on valuation made by the Actuary, details of which are mentioned below is ₹ 462.42 Crore.

(₹ in Crore)

Particulars	Opening Actuarial Liability as on 01.04.2017	Incremental Liability/adjustment during the year	Closing Actuarial Liability as on 31.03.2018
Gratuity	138.96	85.70	224.66
Earned Leave	51.08	(9.20)	41.88
Half Pay Leave	17.81	(4.65)	13.16
Life Cover Scheme	0.73	(0.08)	0.65
Settlement Allowance Executives	0.74	0.35	1.09
Settlement AllowanceNon-executives	1.38	(0.16)	1.22
Group Personal Accident Insurance Scheme	0.03	0.00	0.03
Leave Travel Concession	13.23	2.64	15.87
Medical Benefits Executives	147.31	4.18	151.49
Medical Benefits Non-Executives	6.03	5.45	11.48
Compensation to dependents in case of mine accidental death	1.00	(0.11)	0.89
Total	**378.30**	**84.12**	**462.42**

a) **Disclosure as per Actuary's Certificate**

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

ACTUARIAL VALUATION OF GRATUITY LIABILITY AS AT 31.03.2018 CERTIFICATES AS PER IND AS 19 (2015)

(₹ in Crore)

Changes in Present Value of defined benefit obligations	**As at 31.03.2018**	**As at 31.03.2017**
Present Value of obligation at beginning of the period	138.96	140.93
Current Service Cost	9.31	11.88
Interest Cost	9.75	9.45
Plan amendments : vested portion at end of period (past service)	98.14	-
Actuarial (Gain) / Loss on obligations due to change in financial assumption	(6.83)	5.82
Actuarial (Gain) / Loss on obligations due to unexpected experience	0.46	(7.91)
Benefits Paid	25.13	21.21
Present Value of obligation at end of the period	224.66	138.96

(₹ in Crore)

Changes in Fair Value of Plan Assets	**As at 31.03.2018**	**As at 31.03.2017**
Fair Value of Plan Asset at beginning of the period	148.15	136.69
Interest Income	11.42	9.91
Employer Contributions	25.35	21.21
Benefits Paid	25.13	21.21
Return on Plan Assets excluding Interest income	(0.11)	1.55
Fair Value of Plan Asset as at end of the period	159.68	148.15

(₹ in Crore)

Statement showing reconciliation to Balance Sheet	**As at 31.03.2018**	**As at 31.03.2017**
Funded Status	(64.98)	9.19
Unrecognized actuarial (gain) / loss at end of the period	-	-
Fund Asset	159.68	148.15
Fund Liability	224.66	138.96

Statement showing Plan Assumptions:	**As at 31.03.2018**	**As at 31.03.2017**
Discount Rate	7.71%	7.25%
Expected Return on Plan Asset	7.71%	7.25%
Rate of Compensation Increase (Salary Inflation)	Executives-9.00% Non-Executives- 6.25%	Executives-9.00% Non-Executives- 6.50%
Mortality Table	IALM 2006-2008 ULTIMATE	
Superannuation at Age	60	60
Early Retirement and Disablement	0.30% p.a.	1.00% p.a.

(₹ in Crore)

Expense Recognized in Statement of Profit / Loss	**As at 31.03.2018**	**As at 31.03.2017**
Current Service Cost	9.31	11.88
Past service cost (vested)	98.14	-
Net Interest Cost	(1.68)	(0.47)
Benefit Cost (Expense recognised in Statement of Profit/Loss)	105.77	11.42

(₹ in Crore)

Other Comprehensive Income	As at 31.03.2018	As at 31.03.2017
Actuarial (Gain) / Loss on obligations due to change in financial assumption	(6.83)	5.82
Actuarial (Gain) / Loss on obligations due to unexpected experience	0.46	(7.91)
Total Actuarial (Gain) / Loss	(6.37)	(2.09)
Return on Plan Asset, excluding Interest Income	(0.11)	1.55
Net (Income) / Expense for the period recognised in Other Comprehensive Income	(6.25)	(3.64)

Mortality Table

Age	Mortality (Per Annum)
25	0.000984
30	0.001056
35	0.001282
40	0.001803
45	0.002874
50	0.004946
55	0.007888
60	0.011534
65	0.0170085
70	0.0258545

(₹ in Crore)

Statement Showing expected return on Plan Asset at end Measurement	As at 31.03.2018	As at 31.03.2017
Current liability	37.03	23.25
Non-Current Liability	187.63	115.71
Net Liability	224.66	138.96

ACTUARIAL VALUATION OF LEAVE ENCASHMENT BENEFIT (EL/HPL) AS AT 31.03.2018 CERTIFICATES AS PER IND AS 19 (2015)

(₹ in Crore)

Changes in Present Value of defined benefit obligations	As at 31.03.2018	As at 31.03.2017
Present Value of obligation at beginning of the period	68.89	57.04
Current Service Cost	8.33	11.82
Interest Cost	4.61	3.66
Actuarial (Gain) / Loss on obligations due to change in financial assumption	(1.57)	11.94
Actuarial (Gain) / Loss on obligations due to unexpected experience	(7.00)	(2.44)
Benefits Paid	18.22	13.13
Present Value of obligation at end of the period	55.04	68.89

(₹ in Crore)

Changes in Fair Value of Plan Assets	As at 31.03.2018	As at 31.03.2017
Fair Value of Plan Asset at beginning of the period	37.72	35.00
Interest Income	2.91	2.54
Employer Contributions	18.41	13.13
Benefits Paid	18.41	13.13
Return on Plan Assets excluding Interest income	(0.21)	0.18
Fair Value of Plan Asset as at end of the period	40.42	37.72

(₹ in Crore)

Statement showing reconciliation to Balance Sheet	As at 31.03.2018	As at 31.03.2017
Funded Status	(14.62)	(31.17)
Fund Asset	40.42	37.72
Fund Liability	55.04	68.89

Statement showing Plan Assumptions:	As at 31.03.2018	As at 31.03.2017
Discount Rate	7.71%	7.25%
Expected Return on Plan Asset	7.71%	7.25%
Rate of Compensation Increase (Salary Inflation)	9.00% for Executives and 6.25% for Non-Executives	9.00% for Executives and 6.50% for Non-Executives
Mortality Table	IALM 2006-2008 ULTIMATE	
Superannuation at Age	60	60
Early Retirement and Disablement	0.30% p.a.	1.00% p.a.
Voluntary Retirement	Ignored	Ignored

(₹ in Crore)

Expense Recognized in Statement of Profit / Loss	As at 31.03.2018	As at 31.03.2017
Current Service Cost	8.33	11.82
Net Interest Cost	1.69	1.12
Net Actuarial Gain / Loss	(8.17)	9.32
Benefit Cost (Expense recognised in Statement of Profit/Loss)	1.85	22.26

Mortality Table

Age	Mortality (Per Annum)
25	0.000984
30	0.001056
35	0.001282
40	0.001803
45	0.002874
50	0.004946
55	0.007888
60	0.011534
65	0.0170085
70	0.0258545

(₹ in Crore)

Statement Showing expected return on Plan Asset at end Measurement	As at 31.03.2018	As at 31.03.2017
Current liability	6.67	7.84
Non-Current Liability	48.37	61.05
Net Liability	55.04	68.89

4. Unrecognized items

a) **Contingent Liabilities**

I. Claims against the companynot acknowledged as debt

(₹ in Crore)

Sl	particulars	Central Government Deptt./agencies	State Government Deptt./ Agencies and other local authorities	Central Public Sector Enterprises	Others	Total
1	Opening as on 01.04.2017	**-**	**12.19**	**0.15**	**598.98**	**611.32**
2	Addition during the year	4.45	-	-	0.06	4.51
3	Claims settled during the year					
	a. From opening balance	-	-	-	0.34	0.34
	b. Out of addition during the year	-	-	-	-	-
	c. Total claims settled during the year (a+b)	-	-	-	0.34	0.34
4	**Closing as on 31.03.2018**	**4.45**	**12.19**	**0.15**	**598.70**	**615.49**

II. Guarantee

The company has given guarantee on behalf of subsidiaries namely, Eastern Coalfields Limited and Mahanadi Coalfields Limited to the extent of their obligations under loans (principal and interest) made to Export Development Corporation, Canada and Natexis Banque (for purchase of Machinery from Liebherr France). The outstanding balance as on 31.03.2018 stood at ₹ 161.20 Crore (₹ 167.20 Crore) and ₹ 7.09 Crore (₹ 6.64 Crore) respectively. Other bank guarantee issued is ₹ 0.84 Crore (₹ 1.01 Crore).

III. Letter of Credit:

As on 31.03.2018 outstanding letters of credit is Nil (Nil).

b) **Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for: ₹ 19.38 Crore (₹ 23.03 Crore).

Other Commitment: ₹ 391.02 Crore (₹ 312.24 Crore)

5. Other Information

a) Provisions

The position and movement of various provisions except those relating to employee benefits which are valued actuarially, as on 31.03.2018 are given below:

(₹ in Crore)

Provisions	Opening Balance as on 1.04.2017	Addition during the Year	Write back/Adj. during the Year	Unwinding of discounts	Closing Balance as on 31.03.2018
Note 3:-Property, Plant and Equipment: Impairment of Assets	0.10	0.42	—	—	0.52
Note 8:- Loans : Other Loans	1.50	—	—	—	1.50
Note 9:- Other Financial Assets:					
Current Account with Subsidiaries	53.08	0.75	—	—	53.83
Claim receivables	2.26	—	—	—	2.26
Other Receivables —	—	—	—	—	
Other Deposits	0.01	—	—	—	0.17
Against Security Deposit for Utilities	0.17	—	—	—	0.17
Exploratory Drilling Work	61.27	—	15.91	—	45.36
Note 11:- Other Current Assets :					
Advances for Revenue	0.22	—	—	—	0.22
Advance Payment Against	0.02	—	—	—	0.02
Statutory Dues	—	—	—	—	—
Other Deposits	—	—	—	—	—
Other Receivables	0.74	—	—	—	0.74
Note 12:-Inventories :					
Stock of Coal	0.06	—	—	—	0.06
Stock of Stores & Spares	0.90	—	0.07	—	0.83
Note 13:-Trade Receivables :					
Provision for bad & doubtful debts	11.07	—	—	—	11.07
Note 21 :- Non-Current & Current Provision :					
Ex Gratia	11.46	11.49	11.94	—	11.01
Performance related pay	28.90	7.83	22.92	—	13.81
NCWA-X	15.19	21.26	9.55	—	26.90
Executive Pay Revision	2.67	30.17	—	—	32.84
Mine Closure	37.89	2.28	—	—	40.17
Coal Quality Variance	—	4.88	—	—	4.88
Others	0.07	—	—	—	0.07

b) **Segment Reporting**

(₹ in Crore)

Description	Coal Mining		Other Incidental Activities		Total	
	31.03.2018	**31.03.2017**	**31.03.2018**	**31.03.2017**	**31.03.2018**	**31.03.2017**
Revenue :						
External sales	362.93	306.40	-	-	362.93	306.40
Dividend Income	-	-	8,853.18	10,429.51	8,853.18	10,429.51
Buyback Income	-	-	-	3,914.16	-	3,914.16
Total Revenue :	**362.93**	**306.40**	**8,853.18**	**14,343.67**	**9,216.11**	**14,650.07**
Segment Result (before tax and interest)	(119.78)	(122.63)	8,853.18	14,343.67	**8,733.40**	**14,221.04**
Unallocated Income / Expenditure (Net)	-	-	-	-	209.90	(154.44)
Operating Profit	-	-	-	-	8943.30	14,066.60
Finance Cost	2.29	2.13	(260.15)	(138.36)	(257.86)	(136.23)
Interest/Dividend Income	1.84	1.20	111.83	306.20	113.67	307.40
Income Tax	-	-	-	-	21.41	11.14
Profit from Ordinary Activities:	**4.13**	**3.33**	**(148.32)**	**167.84**	**9293.42**	**14,499.09**
Other Information						
Segment Assets	208.62	239.16	-	-	208.62	239.16
Unallocated Corporate Assets	-	-	-	-	5,242.13	6,295.24
Total Assets :	**208.62**	**239.16**	**-**	**-**	**5,450.75**	**6,534.40**
Segment Liabilities	455.13	371.09	-	-	455.13	371.09
Unallocated Corporate Liabilities	-	-	-	-	5,315.08	4,571.07
Total Liabilities :	**455.13**	**371.09**	**-**	**-**	**5,770.21**	**4,942.16**
Segment Capital Expenditure	41.15	3.90	-	-	41.15	3.90
Unallocated Capital Expenditure	-	-	-	-	79.22	4.07
Total Capital Expenditure :	**41.15**	**3.90**	**-**	**-**	**120.37**	**7.97**
Depreciation (Including provision for impairment)	15.29	10.32	-	-	15.29	10.32
Unallocated Depreciation (Including Other provisions)	-	-	-	-	36.64	23.68
Total Depreciation (Including provision for impairment) :	**15.29**	**10.32**	**-**	**-**	**51.93**	**34.00**

c) (i) **Authorised Share Capital**

(₹ in Crores)

	As on 31.03.18	As on 31.03.17
8,00,00,00,000 Equity Shares of ₹10/- each	8,000.00	8,000.00
90,41,800 Non-Cumulative 10% Redeemable Preference Shares of ₹ 10/- each	904.18	904.18

d) **Earnings per share**

Sl. No.	Particulars	For the Year ended 31.03.2018	For the year ended 31.03.2017
i)	Net profit after tax attributable to Equity Share Holders	9293.42 Crores	14499.09 Crores
ii)	Weighted Average no. of Equity Shares Outstanding	6207409177	6270095744
iii)	Basic and Diluted Earnings per Share in Rupees Face value ₹10/- per share)	₹ 14.97	₹ 23.12

e) **Related Party Disclosures**

A. **Key Managerial Personnel**

Mr. A. K. Jha, Chairman-Cum-Managing Director (w.e.f 18.05.2018)

Mr. Suresh Kumar,Chairman-Cum-Managing Director(Addl. Charge (w.e.f 23.04.2018 to 17.05.2018)

Mr. Gopal Singh, Chairman-Cum-Managing Director (Addl. Charge)(w.e.f. 01.09.2017 to 20.04.2018)

Mr. S. Bhattacharya, Chairman-Cum-Managing Director (w.e.f 05.01.2015 to 31.08.2017)

Mr. C.K. Dey, Director (Finance)

Mr. S.N. Prasad, Director (Marketing)

Mr. Binay Dayal, Director (Technical)

Mr. Shekhar Saran, Director (Technical) - Additional Charge (up to 10.10.2017)

Mr. R. P. Srivastava, Director (P&IR)

Mr. R. R. Mishra, Director (P&IR) - Additional Charge (up to 30.01.2018)

Mr. M Viswanathan, Company Secretary

Independent Directors (appointed on 17.11.2015)

Ms. Loretta M. Vas

Mr. Vinod Jain

Dr. D.C. Panigrahi

Prof. Khanindra Pathak

Dr. S.B. Agnihotri

Mr. Vinod Kumar Thakral (appointed on 06.09.2017)

Mr. Bharatbhai Laxmanbhai Gajipara **(appointed on 22.09.2017)**

Remuneration of Key Managerial Personnel

(₹ in Crore)

Sl. No.	Payment to CMD, Whole Time Directors and Company Secretary	For the Year ended 31.03.2018	For the year ended 31.03.2017
i)	**Short Term Employee Benefits**		
	Gross Salary	0.81	1.46
	Medical Benefits	0.05	0.12
	Perquisites and other benefits	0.85	2.11
ii)	**Post-Employment Benefits**		
	Contribution to P.F. & other fund	0.11	0.16
iii)	**Termination Benefits**	1.26	1.12
	TOTAL	**3.08**	**4.97**

Note:

(i) Besides above, whole time Directors have been allowed to use of cars for private journey upto a ceiling of 1000 KMs on payment of ₹ 2000 per month as per service conditions.

Payment to Independent Directors

(₹ in Crore)

Sl. No.	Payment to Independent Directors	For the Year ended 31.03.2018	For the year ended 31.03.2017
i)	Sitting Fees	0.80	0.54

Balances Outstanding with Key Managerial Personnel as on 31.03.2018

Sl. No.	Particulars	As on 31.03.2018	As on 31.03.2017
i)	Amount Payable	Nil	0.24
ii)	Amount Receivable	Nil	Nil

A. Related Party Transactions within Group

The Company being a Government related entity is exempt from the general disclosure requirements in relation to related party transactions and outstanding balances with the controlling Government and another entity under same Government.

Coal India Limited has entered into transactions with its subsidiaries which include Apex charges, Rehabilitation charges, Lease rent, Interest on Funds parked by subsidiaries, IICM charges and other expenditure incurred by or on behalf of other subsidiaries through current account.

As per Ind AS 24, following are the disclosures regarding nature and amount of significant transactions.

Nature of Transaction	Purpose	Amount (₹ in Crore)
Apex Charges	Levied on subsidiaries for management consultancy services provided by CIL	566.58
Rehabilitation Charges	Levied on subsidiaries for shifting and rehabilitation dealing with fire and stabilization of unstable areas of ECL and BCCL as per direction of Ministry of Coal, GOI.	347.64
Lease Rent Income	Lease Rent levied on assets leased out by CIL to Indian Institute of Coal Management (IICM) and Dankuni Coal Complex, SECL	3.60
Interest on Funds parked by subsidiaries	Interest on funds parked by subsidiaries with CIL calculated at the average yield earned by CIL	14.48
IICM charges	IICM charges levied on subsidiaries for training of the employees and development of IICM	5.94

f) Goods procured by Coal India Ltd. on behalf of Subsidiaries

As per existing practice, goods purchased by Coal India Ltd. on behalf of subsidiary companies are accounted for in the books of respective subsidiaries directly.

g) Insurance and escalation claims

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

h) Provisions made in the Accounts

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

i) Current Assets, Loans and Advances etc.

In the opinion of the Management, assets other than fixed assets and non-current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

j) Current Liabilities

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

k) Balance Confirmations

Balance confirmation/reconciliation is carried out for cash & bank balances, certain loans & advances, long term liabilities and current liabilities. Provision is taken against all doubtful unconfirmed balances.

m) During the financial year 2013-14, a case of misappropriation of Company's fund for personal gain came to the notice of the management. The matter has been investigated by different agencies and appropriate action for recovery is underway. As per the estimate of the internal audit department of Coal India Limited, the amount involved is ₹ 1.17 Crore approximately.

n) Value of imports on CIF basis

(₹ in Crore)

Particulars	For the Year ended 31.03.2018	For the year ended 31.03.2017
(i) Raw Material	NIL	NIL
(ii) Capital Goods	NIL	NIL
(iii) Stores, Spares & Components	NIL	NIL

o) Expenditure incurred in Foreign Currency

(₹ in Crore)

Particulars	For the Year ended 31.03.2018	For the year ended 31.03.2017
Travelling Expenses	0.32	0.29
Training Expenses	0.18	0.53
Others	0.05	0.23

p) Earning in Foreign Exchange: Nil (Nil)

q) Total Consumption of Stores and Spares

(₹ in Crore)

Particulars	For the Year ended 31.03.2018		For the year ended 31.03.2017	
	Amount	% of total consumption	Amount	% of total consumption
(i) Imported Materials	NIL	-	NIL	-
(ii) Indigenous	6.93	100%	8.22	100%

r) **Statement of Opening Stock, Production, Purchases, Turnover and Closing Stock of Coal**

(₹ in Crore and Quantity in '000 MT)

Particulars	For the Year ended 31.03.2018		For the year ended 31.03.2017	
	Qty.	Value	Qty.	Value
Opening Stock	**183.19**	**67.43**	**359.87**	**150.92**
Production	781.33	310.18	600.29	-
Sales	894.62	357.13	776.97	306.68
Own Consumption	0.01	0.00	-	-
Write Off	-	-	-	-
Closing Stock	**69.89**	**20.48**	**183.19**	**67.43**

s) **Details of Loans given, Investments made and Guarantee given covered u/s 186(4) of the Companies Act, 2013**

a) Loans given are shown in Note 8 under the head 'Loans to related parties' and Investments made are shown in Note 7 under the respective heads.

b) Corporate guarantees given by the company in respect of loans taken by subsidiaries as at 31.03.2018-

(₹ in Crore)

Name of the Company	As at 31.03.2018	As at 31.03.2017
1. Eastern Coalfields limited(Loan taken from Export Development Corporation, Canada)	161.20	167.20
2. Mahanadi Coalfields Limited(Loan taken from Natexis Banque)	7.09	6.64

t) **Total Comprehensive Income (TCI) attributable to owners of the company for the year ended 31.03.2017, and other equity as at 31.03.2017 has been restated as per Ind AS 8, and reconciliation of the same with figures as reported earlier is as under:**

(₹ in Crore)

Particulars	For the year ended 31.03.2017
Total Comprehensive income attributable to owners of the company reported earlier	14503.93
Adjustment for prior period items	
Advertisement and Publicity	0.89
Legal Expenses	0.55
Total Comprehensive income attributable to owners of the company, now restated	14502.49
EPS (Basic & diluted) for FY 16-17 now restated	23.12
EPS (Basic & diluted) for FY 16-17 reported earlier	23.13

Reconciliation of other equity as at 31.03.2017

(₹ in Crore)

Particulars	
Other Equity as at 31.03.2017 reported earlier	**7712.39**
Adjustment for prior period items:	
Decrease in retained earnings for training expensesrelating to periods prior to FY 2016-17	0.92
Increase in the profits for FY 2016-17 for expenses relating to FY 2016-17 (Refer above table)	1.44
Other equity (Reserve excluding Revaluation Reserve) as at 31.03.2017 now restated	**7710.03**

u) Significant accounting policy

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

v) Others

i. Previous year's figures have been restated, regrouped and rearranged wherever considered necessary.

ii. Previous Year's figures in Note No. 3 to 38 are in brackets.

iii. Note – 1 and 2 represents Corporate information and Significant Accounting Policies respectively, Note 3 to 23 form part of the Balance Sheet as at 31st March, 2018 and 24 to 37 form part of Statement of Profit & Loss for the year ended on that date. Note – 38 represents Additional Notes to the Financial Statements.

Signature to Note 1 to 38.

On behalf of the Board

As per our report annexed
For Chaturvedi & Co.
Chartered Accountants
FR No. 302137E

(A. K. Jha)
Chairman-Cum-Managing Director & CEO
DIN – 06645361

(C. K. Dey)
Director (Finance) & CFO DIN - 03204505

(CA S.C. Chaturvedi)
Partner
Membership No. 012705
Dated: 29th May, 2018
Place: Kolkata

(S. Dutta)
General Manager (Finance)

(M. Viswanathan)
Company Secretary