NOTES TO THE FINANCIAL STATEMENTS (STANDALONE)

Note: 1 CORPORATE INFORMATION

Coal India Limited (CIL) is a Maharatna Company 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 of CIL and some of its subsidiaries.

Note 2: SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

i. The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the section 133 of Companies Act, 2013 ("The Act") (Indian Accounting Standards) Rules, 2015.

ii. 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 been unless otherwise indicated, 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

Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

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

Step 1 : Identifying the contract:

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

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

Combination of contracts

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

a) the contracts are negotiated as a package with a single commercial objective;

b) the amount of consideration to be paid in one contract depends on the price or performance of the other contract; or

c) the goods or services promised in the contracts (or some goods or services promised in each of the contracts) are a single performance obligation.

Contract modification

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

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

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

Step 2 : Identifying performance obligations:

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

a) a good or service (or a bundle of goods or services) that is distinct; or

b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Step 3 : Determining the transaction price

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

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

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

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

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

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

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

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

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

Step 4 : Allocating the transaction price:

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

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

Step 5 : Recognizing revenue:

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

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

a) the customer simultaneously receives and consumes the benefits provided by the company's performance as the Company performs;
b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced;
c) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

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

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

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

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

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

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

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

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

Contract assets:

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

Trade receivables:

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

Contract liabilities:

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

Interest

Interest income is recognised using the Effective Interest Method.

Dividend

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

Other Claims

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

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

2.5.1 Company as a lessee

At the commencement date, a lessee shall recognise a right-of-use asset at cost and a lease liability at the present value of the lease payments that are not paid at that date at that date for all leases unless the lease term is 12 months or less or the underlying asset is of low value.

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

Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless the costs are included in the carrying amount of another asset applying other applicable standards.

Right-of-use asset is depreciated over the useful life of the asset, if the lease transfers ownership of the asset to the lessee by the end of the lease term or if the cost of the right-to-use asset reflects that the lessee will exercise a purchase option. Otherwise, the lessee shall depreciate the right-to-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

2.5.2 Company as a lessor

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

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

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

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

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 as 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 derecognitionof 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.

Transition to Ind AS

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

2.8 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.

Research and Development is recognised as an expenditure as and when incurred.

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 115

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 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 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 permissible limits, as detailed hereunder:-

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

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

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.

2.2 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 Weighted Average 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 year end 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.

W.e.f 01.04.2019 Errors/omissions discovered in the current year relating to prior periods are treated as immaterial and adjusted during the current year, if all such errors and omissions in aggregate does not exceed 1% of total revenue from Operation (net of statutory levies) as per the last audited financial statement of the company.

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 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
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–STANDALONE

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

(` in crore)

	Freehold Land	Other Land	Land Reclamation/ Site Restoration Costs	Building (including water supply, roads and culverts)	Plant and Equipments	Telecommunication	Railway Sidings	Furniture and Fixtures	Office Equipments	Vehicles	Aircraft	Other Mining Infrastructure	Surveyed off Assets	Total
Gross Carrying Amount:														
As at 1April 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
Additions	-	-	-	2.67	2.37	0.02	-	0.44	3.25	-	-	-	0.04	8.79
Deletions/ Adjustments	(0.08)	-	-	-	(1.57)	(0.01)	-	0.03	(2.90)	(0.35)	-	-	-	(4.88)
As at 31 March 2019	12.07	0.92	11.20	222.07	71.96	3.13	0.38	18.01	13.58	1.54	0.58	0.18	0.13	355.75
As at 1April 2019	12.07	0.92	11.20	222.07	71.96	3.13	0.38	18.01	13.58	1.54	0.58	0.18	0.13	355.75
Additions	-	43.25	-	15.83	0.82	0.03	2.47	0.25	1.78	0.38	-	-	0.06	64.87
Deletions/ Adjustments	-	-	-	-	(0.26)	(0.02)	-	-	(0.72)	(0.01)	-	-	(0.04)	(1.05)
As at 31 March 2020	12.07	44.17	11.20	237.90	72.52	3.14	2.85	18.26	14.64	1.91	0.58	0.18	0.15	419.57
As at 1April 2018	-	0.03	3.27	15.55	17.14	1.04	-	4.92	8.00	1.03	-	0.06	0.05	51.09
Charge for the year	-	0.01	1.08	5.34	6.02	0.35	-	1.71	2.21	0.18	-	0.02	-	16.92
Impairment	-	-	-	-	-	0.01	-	0.04	0.03	-	-	-	-	0.08
Deletions/ Adjustments	-	-	-	-	(1.55)	(0.01)	-	-	(2.41)	(0.34)	-	-	-	(4.31)
As at 31 March 2019	-	0.04	4.35	20.89	21.61	1.39	-	6.67	7.83	0.87	-	0.08	0.05	63.78
As at 1April 2019	-	0.04	4.35	20.89	21.61	1.39	-	6.67	7.83	0.87	-	0.08	0.05	63.78
Charge for the year	-	37.08	1.09	5.44	6.13	0.31	0.01	1.71	2.17	0.16	-	0.02	-	54.12
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deletions/ Adjustments	-	-	-	-	(0.22)	(0.01)	-	0.01	(0.49)	0.00	-	-	(0.01)	(0.72)
As at 31 March 2020	-	37.12	5.44	26.33	27.52	1.69	0.01	8.39	9.51	1.03	-	0.10	0.04	117.18
Net Carrying Amount														
As at 31 March 2020	12.07	7.05	5.76	211.57	45.00	1.45	2.84	9.87	5.13	0.88	0.58	0.08	0.11	302.39
As at 31 March 2019	12.07	0.88	6.85	201.18	50.35	1.74	0.38	11.34	5.75	0.67	0.58	0.10	0.08	291.97

NOTES TO THE FINANCIAL STATEMENTS–STANDALONE

Note:

1. Land:

a. 5487.825 hectares of total land is in the possession of NEC, out of which 998.005 hectares constitutes of free hold land and remaining 4489.82 hectares as leasehold land. Out of above, 946.34 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 nil value was recorded in the books.

b. Land acquired in pursuance to Coal Mines (Nationalisation) Act 1973, does not require title deeds separately for corresponding land. All other title deeds for land acquired are in possession and are mutated in favour of company except in few cases of freehold lands, where same is under progress pending legal formalities.

c. Land- Others also includes Land acquired under Coal Bearing Areas (Acquisition and Development) Act, 1957 and Land Acquisition Act, 1894.

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

a. Fixed assets comprising plant & machinery and related building and other assets having written down value as on 31.03.2020 of `10.18 Crore (`10.21 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 `10.18 Crore (`10.21 crore) includes land of `3.73 Crore (at cost) and building of `3.99 Crore (`4.41 crore) (at WDV).

b. Fixed assets comprising plant & machinery and related building and other assets having written down value as on 31.03.2020 of `12.19 Crore (`12.51 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.

3. Land Reclamation/Site Restoration cost comprises of estimated cost to be incurred at the stage of mine closure duly escalated for inflation (5% p.a.) and then discounted at 8% discount rate that reflects current market rate of fair value and the risk.

4. During the year ` 43.24 crore has been capitalized under Other Land, being the compensation amount, demanded from Assam Forest Department for use of forest land as non forestry purpose for Tikak OCP against which ` 37.07 crore has been amortised for the expired lease period of 18 years.

NOTE 4 : CAPITAL WIP

(` in crore)

	Building (including water supply, roads and culverts)	Plant and Equipments	Railway Sidings	Other Mining infrastructure/ Development	Total
Gross Carrying Amount :					
As at 1 April 2018	62.13	1.12	-	55.75	119.00
Additions	9.74	0.04	1.72	14.38	25.88
Deletions / Adjustment	(1.08)	(0.90)	-	(0.07)	(2.05)
As at 31 March 2019	70.79	0.26	1.72	70.06	142.83
					-
As at 1 April 2019	70.79	0.26	1.72	70.06	142.83
Additions	1.84	0.06	1.17	0.59	3.66
Deletions / Adjustment	(15.43)	(0.06)	-2.47	-	(17.96)
As at 31 March 2020	57.20	0.26	0.42	70.65	128.53
					-
As at 1 April 2018	-	-	-	-	-
Charge for the year	-	-	-	-	-
Impairment	-	0.20	-	-	0.20
Deletions/Adjustments	-	-	-	-	-
As at 31 March 2019	-	0.20	-	-	0.20
					-
As at 1 April 2019	-	0.20	-	-	0.20
Charge for the year	-	-	-	-	-
Impairment	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-
As at 31 March 2020	-	0.20	-	-	0.20
					-
Net Carrying Amount					-
As at 31 March 2020	57.20	0.06	0.42	70.65	128.33
As at 31 March 2019	70.79	0.06	1.72	70.06	142.63

NOTES TO THE FINANCIAL STATEMENTS–STANDALONE

NOTE 5 : EXPLORATION AND EVALUATION ASSETS

(` in crore)

	Exploration and Evaluation Costs
Gross Carrying Amount:	
As at 1 April 2018	16.10
Additions	1.41
Deletions / Adjustments	0.07
As at 31 March 2019	17.58
As at 1 April 2019	17.58
Additions	-
Deletions/Adjustments	-
As at 31 March 2020	17.58
As at 1 April 2018	0.41
Charge for the year	-
Impairment	8.85
Deletions/Adjustments	-
As at 31 March 2019	9.26
As at 1 April 2019	9.26
Charge for the year	-
Impairment	-
Deletions/Adjustments	-
As at 31 March 2020	9.26
Net Carrying Amount	
As at 31 March 2020	8.32
As at 31 March 2019	8.32

NOTES TO THE FINANCIAL STATEMENTS–STANDALONE

NOTE 6 : INTANGIBLE ASSETS

(` in Crore)

	Computer Software
Gross Carrying Amount:	
As at 1 April 2018	0.87
Additions	0.35
Deletions / Adjustment	-
As at 31 March 2019	1.22
As at 1 April 2019	1.22
Additions	0.01
Deletions/Adjustments	-
As at 31 March 2020	1.23
As at 1 April 2018	0.43
Charge for the year	0.33
Impairment	-
Deletions / Adjustments	-
As at 31 March 2019	0.76
As at 1 April 2019	0.76
Charge for the year	0.27
Impairment	-
Deletions / Adjustments	-
As at 31 March 2020	1.03
Net Carrying Amount	
As at 31 March 2020	0.20
As at 31 March 2019	0.46

NOTES TO THE FINANCIAL STATEMENTS–STANDALONE

NOTE - 7 : INVESTMENTS

(` in Crore)

	Non Current	Percentage (%) holding	Number of shares	Face value per share	As at 31.03.2020	As at 31.03.2019
(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%	46570000	1000	4657.00	2118.00
	(Dhanbad, Jharkhand)	(100%)	(21180000)	(1000)		
	Western Coalfields Limited	100%	2971000	1000	297.10	297.10
	(Nagpur, Maharashtra)	(100%)	(2971000)	(1000)		
	Central Mine Planning & Design Institute	100%	380800	1000	19.04	19.04
	Limited (Ranchi , Jharkhand)	(100%)	(380800)	(1000)		
	Northern Coalfields Limited	100%	6309405	1000	126.19	126.19
	(Singrauli,Madhya Pradesh)	(100%)	(6309405)	(1000)		
	South Eastern Coalfields Limited	100%	6680561	1000	278.36	278.36
	(Bilaspur, Chattisgarh)	(100%)	(6680561)	(1000)		
	Mahanadi Coalfields Limited	100%	6618363	1000	132.37	132.37
	(Sambalpur, Odisha)	(100%)	(6618363)	(1000)		
	Coal India Africana Limitada	100%			0.01	0.01
	(Moatize, Mozambique)	(100%)	(Quota Capital)			
	Total (a) (i)				**8,668.52**	**6,129.52**
(ii)	**Equity Shares in Joint Venture Companies**					
	International Coal Venture Private	0.19%	2800000	10	2.80	2.80
	Limited , New Delhi	(0.19%)	(2800000)	(10)		
	CIL NTPC Urja Private Limited,	50%	76900	10	0.08	0.08
	New Delhi	(50%)	(76900)	(10)		
	Talcher Fertilizers Limited,	33.33%	159504807	10	159.50	16.34
	Bhubaneswar, Odisha	(33.33%)	(16344568)	(10)		
	Hindustan Urvarak & Rasayan Limited,	33.33%	751085000	10	751.09	440.33
	Kolkata	(33.33%)	(440325000)	(10)		
	Total (a) (ii)				**913.47**	**459.55**
(iii)	**Other Equity (Preference Share classified as Equity Component)**					
	5% redeemable cumulative Preference Shares in Bharat Coking Coal Ltd.				-	1057.52
	6% redeemable cumulative Preference Shares in Eastern Coalfields Ltd.				855.61	855.61
	Total (a) (iii)				**855.61**	**1913.13**
	Total (a)				**10,437.60**	**8,502.20**
(b)	**Investment in Preference Shares Preference Shares in Subsidiary Companies-Classified as debt Component**					
	5% redeemable cumulative Preference		Nil	Nil	-	2,350.93
	Shares in Bharat Coking Coal Ltd.		(25390000)	(1000)		
	6% redeemable cumulative Preference		20509700	1000	1,794.99	1,662.03
	Shares in Eastern Coalfields Ltd.		(20509700)	(1000)		
	Total (b)				**1,794.99**	**4,012.96**
	Total (a+b) :				**12,232.59**	**12,515.16**
	Aggregate amount of unquoted investments:				12,232.59	12,515.16
	Aggregate amount of quoted investments:				-	-
	Market value of quoted investments:				-	-
	Aggregate amount of impairment in value of investments:				-	-

Refer note 37 (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)

a) 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 31.03.2020 is `4657.00 (`2118.00) crore against which the accumulated loss as on 31.03.2020 is `359.34 crore (`2123.20 crore). The accumulated loss as on 31.03.2020 has come down to `359.34 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 31.03.2020 is `2218.45 (`2218.45)crore against which the accumulated loss as on 31.03.2020 is `1191.18 crore (`2025.55 crore). The accumulated loss as on 31.03.2020 has come to `1191.18 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.

b) Investments also includes preference share which have been classified as compound financial instrument by such companies as the dividend on them is payable at the discretion of ECL and BCCL.

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 shown under current account 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 31.03.2020 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 `4200.00 Crore. Presently Coal India Limited has invested `159.50 crore (i.e. 33.33%) in the joint venture company upto 31.03.2020.

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 `5300.00 Crore. Presently Coal India Limited has invested `751.09 crore (i.e. 33.33%) in the joint venture company upto 31.03.2020.

7 During the year 2018-19 Northern Coalfields Limited (NCL), South Eastern Coalfields Limited (SECL) and Mahanadi Coalfields Limited (MCL) sanctioned Buy-back of shares upto 7.59%, 6.834% and 6.27% respectively. Number of shares bought back by NCL, SECL and MCL are 5,18,560 equity shares of `1000 each, 4,90,039 equity shares of `1000 each and 4,42,967 equity shares of `1000 each respectively.

8 During the year, the Preference shares of BCCL were converted in equity shares on redemption and equity portion of Investment in preference shares were adjusted to retained earnings. The cumulative dividend on erstwhile 5% non convertible cumulative redeemable preference shares was not declared as the company (BCCL) was carrying accumulated losses.

NOTES TO THE FINANCIAL STATEMENTS–STANDALONE

NOTE-7 (Contd.)

INVESTMENTS

Current

(` in Crore)

	Number of units	NAV (In `)	As at 31.03.2020	As at 31.03.2019
Investment in Mutual Fund				
UTI Mutual Fund	Nil	Nil		
	134417.509	1019.4457	-	13.70
SBI Mutual Fund	936686.238 (90141.232)	1003.2500 (1003.2500)	93.97	9.04
Investments in Inter Corporate Deposits (ICD)				
SBI DFHI Ltd.			-	-
PNB GILTS Ltd.			-	-
Total :			**93.97**	**22.74**
Aggregate of Quoted Investment:			93.97	22.74
Aggregate of unquoted investments:			-	-
Market value of Quoted Investment:			93.97	22.74
Aggregate amount of impairment in value of investments:			-	-

Refer note 37 (1) for classification

NOTE - 8 : LOANS

(` in Crore)

	As at 31.03.2020	As at 31.03.2019
Non-Current		
Loans to Body Corporate and Employees		
- Secured, considered good	0.16	0.22
- Credit impaired	1.87	1.87
Less: Provision for doubtful loans	1.87	1.87
TOTAL	**0.16**	**0.22**

Refer note 37 (1) for classification

NOTE - 9 : OTHER FINANCIAL ASSETS

(` in Crore)

	As at 31.03.2020	As at 31.03.2019
Non Current		
Bank deposits	-	0.41
Deposit and receivables for site restoration		
Deposit in Bank under Mine Closure Plan[1]	55.28	52.01
Deposit in Bank under Shifting & Rehabilitation Fund scheme[3]	4,295.29	3,977.25
Other Deposits and Receivables[2]	34.96	33.56
Less : Allowance for doubtful deposits	-	-
	34.96	33.56
Security Deposits for utilities	3.66	3.66
Less : Allowance for doubtful deposits	0.01	0.01
	3.65	3.65
TOTAL	**4389.18**	**4066.88**

NOTES TO THE FINANCIAL STATEMENTS-STANDALONE

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 `3.64 crore (`2.68 crore) is included in interest income from deposit with banks disclosed in Note-24. Up to 80% of the total deposited amount including interest accrued in the ESCROW account may be released after every five years in line with the periodic examination of the closure plan as per the Guidelines. (Refer Note 20 for Provision for Site Restoration/Mine Closure).

2. Coal India Ltd. entered into a Consortium Agreement with M/s BEML Ltd and M/s Damodar Valley Corporation (DVC) on 08.06.2010 for acquiring specified assets of M/s Mining and Allied Machinery Corporation (under liquidation). The agreement, inter alia, provided for formation of a joint venture company with a shareholding pattern of 48:26:26 among BEML, CIL and DVC respectively. CIL has paid its proportionate share towards bid consideration of Rs 100 Crores towards the said acquisition based on the order passed by Hon'ble High Court of Calcutta. As on 31st March, 2020 an amount of `34.96 Crores (`33.56 Crores) was paid towards bid consideration and other miscellaneous expenditure. Further a Company in the name of MAMC Industries Limited (MIL) has been formed and incorporated on 25th August 2010 as a wholly owned subsidiary of BEML for the intended purposed of JV formation. As per terms and condition of the Consortium Agreement, a shareholders' agreement and joint venture agreement was to be executed. However shareholders' agreement and joint venture agreement are not yet executed.

3. Deposit in Bank under Shifting & Rehabilitation Fund scheme

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 as bank deposit for this purpose, till they are disbursed/utilized by subsidiaries/agencies implementing the relevant projects.

Current		(` in Crore)
Current Account with Subsidiaries	2,998.98	493.23
Current Account with IICM	5.32	-
Less: Allowance for doubtful advance	53.83	53.83
	2950.47	439.40
Interest accrued	0.24	1.21
Claims & other receivables[1]	71.23	74.57
Less : Allowance for doubtful claims	7.41	7.39
	63.82	67.18
TOTAL	**3014.53**	**507.79**

1. Claims and Other receivables of `71.23 crore includes `35.22 crore (`38.65 crore) for interest receivable on deposits made on account of Shifting & rehabilitation fund.

Refer note 37 (1) for classification

Escrow Account Balance		
Opening Balance in Escrow Account (Current / Non Current)	52.01	45.08
Add: Balance Deposited during Year	-	4.25
Add: Interest Credited during the year	3.27	2.68
Less: Amount Withdrawn during year	-	-
Balance in Escrow Account (Current / Non Current) on Closing date	**55.28**	**52.01**

NOTE 10 : OTHER NON-CURRENT ASSETS

(` in Crore)

	As at 31.03.2020	**As at 31.03.2019**
Capital Advances	2.70	13.77
Other Deposits and Advances	0.07	0.07
TOTAL	**2.77**	**13.84**

NOTES TO THE FINANCIAL STATEMENTS-STANDALONE

NOTE -11 : OTHER CURRENT ASSETS

(` in Crore)

	As at 31.03.2020	As at 31.03.2019
Advance for Revenue	2.79	8.98
Advance to CMPDIL	61.47	52.03
OtherAdvance and Deposits to Employees	5.13	6.30
GST credit entitlement	52.17	44.62
MAT credit entitlement	-	138.28
TOTAL	**121.56**	**250.21**

NOTE - 12 : INVENTORIES

(` in Crore)

		As at 31.03.2020	As at 31.03.2019
A.	Stock of Coal	14.21	29.89
B.	Stores & Spares	0.66	0.63
C .	Stock of Medicine at Central Hospital	0.11	0.15
Total (A+B+C)		**14.98**	**30.67**

Method of valuation : Refer Note No. 2.20 - Significant Accounting Policies on “Inventories” & Note 37(p)

Refer Note: 37(n) fro seized stock included in stock of coal

NOTE - 13 : TRADE RECEIVABLES

	As at 31.03.2020	As at 31.03.2019
Current		
Trade receivables		
- Unsecured, considered good	7.97	0.25
- Credit impaired	11.19	14.80
Less : Allowance for bad & doubtful debts	11.19	14.80
Total	**7.97**	**0.25**

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. Includes due from Joint Venture Companies (Refer Note No. 37 (5d))
   Refer note 37 (1) for classification

NOTES TO THE FINANCIAL STATEMENTS-STANDALONE

NOTE - 14 : CASH AND CASH EQUIVALENTS

(` in Crore)

		As at 31.03.2020	As at 31.03.2019
(a)	Balances with Banks		
	- in Deposit Accounts	-	-
	- in Current Accounts		
	Interest Bearing (Corporate Liquid Term Deposit)	29.11	57.61
	Non Interest Bearing	0.02	1.07
	- in Cash Credit Accounts	7.66	0.29
(b)	Cash on hand	-	0.01
	Total Cash and Cash Equivalents	**37.79**	**58.98**

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

Refer note 37 (1) for classification

NOTE - 15 : OTHER BANK BALANCES

(` in Crore)

	As at 31.03.2020	As at 31.03.2019
Balances with Banks		
- Deposit accounts[2]	1,018.01	179.24
- Unpaid dividend accounts	11.24	11.99
- Dividend accounts	5.44	3.30
Total	**1,034.69**	**194.53**

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 ` 3.18 crore (` 3.10 crore) are included above made as per the direction of The Court.

Refer note 37 (1) for classification

NOTE - 16 : EQUITY SHARE CAPITAL

(` in Crore)

	As at 31.03.2020	As at 31.03.2019
Authorised		
8,00,00,00,000 Equity Shares of ` 10/- each (8,00,00,00,000 Equity Shares of ` 10/- each)	8,000.00	8,000.00
	8000.00	**8000.00**
Issued, Subscribed and Paid		
6,16,27,28,327 Equity Shares of ` 10/- each (6,16,27,28,327 Equity Shares of ` 10/- each)	6,162.73	6,162.73
	6,162.73	**6,162.73**

NOTES TO THE FINANCIAL STATEMENTS-STANDALONE

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	4,07,56,34,553 (4,37,30,16,781)	66.13 (70.959)
Life Insurance Corporation of India	67,39,99,304 (67,39,99,304)	10.937 (10.937)

2. Reconciliation of equity shares outstanding at the beginning and at the end of reporting period:-

Particular	Number of Share	Amount
Balance as on 01.04.2016	63163,64,400	6316.36
Less: Shares bought back by the company during FY 2016-17	1089,55,223	108.95
Balance as on 31.03.2017	62074,09,177	6207.41
Change during FY 2017-18	-	-
Balance as on 31.03.2018	62074,09,177	6207.41
Less: Shares bought back by the company during FY 2018-19*	446,80,850	44.68
Balance as on 31.03.2019	61627,28,327	6162.73
Changes during the period	-	-
Balance as on 31.03.2020	6,162,728,327	6162.73

*The total no. of shares bought back during FY 2018-19 was 4,46,80,850 comprising Govt. shares 4,42,93,572 and balance 3,87,278 shares bought back from various financial institutions and others.

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
8	2018-19	0.225%	1,39,91,488	Bharat 22-ETF
9	2018-19	3.19%	19,80,03,931	OFS
10	2018-19	2.21%	13,73,11,943	CPSE-ETF
11	2018-19	0.01%	6,81,840	OFS
12	2018-19	0.383%	2,37,79,267	Bharat 22-ETF
13	2018-19	1.37%	8,45,92,894	CPSE-ETF
14	2018-19	0.194%	4,42,93,572	Buyback
15	2019-20	1.70%	10,49,77,641	CPSE ETF FFO5
16	2019-20	0.21%	1,28,35,528	Bharat 22 ETF
17	2019-20	2.91%	17,95,69,059	CPSE ETF FFO6
Total			**2,24,07,29,847**	

Hence, the number of shares held by Govt. of India stood at 4,07,56,34,553 i.e. 66.13% of the total 6,16,27,28,327 number of shares outstanding as on 31.03.2020

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 37 (5) (b) also for Authorised preference share capital of the company.

NOTES TO THE FINANCIAL STATEMENTS-STANDALONE

NOTE 17 : OTHER EQUITY

(` in Crore)

	Capital Redemption reserve	General Reserve	Retained Earnings	Other Comprehensive Income	Total
Balance as at 01.04.2018	1013.13	4238.05	1240.80	(4.68)	**6487.30**
Profit during the year		-	10469.67		**10469.67**
Remeasurement of defined benefit plans (net of tax)		-		(11.42)	**(11.42)**
Appropriations					
Transfer to/from General Reserve		10.63	(10.63)	-	-
Interim Dividend		-	(8105.58)	-	**(8105.58)**
Buyback of equity shares	44.68		(1049.99)		**(1005.31)**
Balance as at 31.03.2019	**1057.81**	**4248.68**	**2544.27**	**(16.10)**	**7834.66**
Balance as at 01.04.2019	**1057.81**	**4248.68**	**2544.27**	**(16.10)**	**7834.66**
Adjustment during the year			(1,057.52)		**(1057.52)**
Profit for the year			11280.88		**11280.88**
Remeasurement of defined benefit plans (net of tax)				(12.18)	**(12.18)**
Appropriations					
Transfer to/from General Reserve					
Interim Dividend			(7395.27)		**(7395.27)**
Corporate Dividend tax			-		
Balance as at 31.03.2020	**1057.81**	**4248.68**	**5372.36**	**(28.28)**	**10650.57**

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

	(` crore)
Balance as at 01.04.2018	1,037.11
Addition during FY 2018-19	299.01
Balance as at 31.03.2019	**1,336.12**
Addition during FY 2019-20	321.04
Less: Redemption of Preference share	(1057.52)
Balance as on 31.03.2020	**599.64**

Details of Capital Redemption Reserve

Particulars	**Amount (` in Crore)**	**Year**
Non-Cumulative 10% Redeemable Preference Share Capital Redemption	904.18	Upto FY 2000-01
Buyback of Equity Share	108.95	FY 2016-17
Buyback of Equity Share	44.68	FY 2018-19
Total	1057.81	

Balance in Capital Redemption Reserve will be utilized as per provisions of the Companies Act, 2013.

NOTES TO THE FINANCIAL STATEMENTS-STANDALONE

NOTE 18: TRADE PAYABLES

(` in Crore)

	As at 31.03.2020	As at 31.03.2019
Current		
Trade Payables for Micro, Small and Medium Enterprises (MSME)	-	-
Trade Payables for other than MSME		
- Stores and Spares	1.04	1.23
- Power and Fuel	0.81	1.00
- Liability for Salary, Wages and Allowances	37.99	47.40
- Other expenses	131.09	102.44
TOTAL	**170.93**	**152.07**
Refer note 37 (1) for classification		
Trade Payables for other than MSME- Other expenses includes:		
Rent	1.85	19.40
Recruitment expenses	15.30	0.07
Consultancy expenses	5.70	3.37
Other revenue expenses	108.24	7.60
Total	**131.09**	**102.44**
Trade payables -Total outstanding dues of Micro & Small enterprises		
(a) Principal & Interest amount remaining unpaid but not due as at period end	-	-
(b) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the period.	-	-
(c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(d) Interest accrued and remaining unpaid as at period end	-	-
(e) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

NOTE - 19 : FINANCIAL LIABILITIES

	As at 31.03.2020	As at 31.03.2019
Non Current		
Security Deposits	1.01	1.18
	1.01	**1.18**
Current		
Current Account of Subsidiaries	18.30	95.61
Current maturities of long-term debt	-	
Unpaid dividends[1]	16.68	15.29
Security Deposits	53.52	45.55
Earnest Money	17.91	35.52
Payable for Capital Expenditure	55.07	10.63
Others	5.33	0.66
TOTAL	**166.81**	**203.26**

1. During the year 2019-20, an amount of `1.26 crore in respect of interim dividend of FY 2011-12 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 March 31, 2020 except Interim dividend for the FY 2012-13 amounting to ` 0.80 crore remaining unpaid or unclaimed for a period of seven years which has been transferred to Investor Education and Protection Fund by the Company on 23rd June, 2020 on the basis of the relaxation given by Ministry of Corporate Affairs - Government of India due to COVID – 19 vide its General Circular No. 16/2020 dated April 13, 2020.

Refer note 37 (1) for classification

NOTES TO THE FINANCIAL STATEMENTS – STANDALONE

NOTE - 20 : PROVISIONS

(` in Crore)

	As at 31.03.2020	As at 31.03.2019
Non Current		
Employee Benefits		
- Gratuity	-	-
- Leave Encashment	52.40	15.58
- Other Employee Benefits	199.97	153.72
Site Restoration/Mine Closure[1]	45.29	42.63
TOTAL	**297.66**	**211.93**
Current		
Employee Benefits		
- Gratuity	-	-
- Leave Encashment	9.13	5.95
- Ex- Gratia	10.14	10.79
- Performance Related Pay	70.75	44.25
- Other Employee Benefits	44.84	29.31
Other (Seizure of Coal Stock)	2.24	-
TOTAL	**137.10**	**90.30**
1. Reconciliation of Site restoration / Mine Closure :		
Gross value of site restoration Asset	42.63	40.17
Add: Unwinding of Provision charged (incl. Capitalized) for the period	2.66	2.46
Mine Closure Provision	45.29	42.63

NOTES TO THE FINANCIAL STATEMENTS – STANDALONE

NOTE - 21 : OTHER NON CURRENT LIABILITIES

(` in Crore)

	As at 31.03.2020	As at 31.03.2019
Shifting & Rehabilitation Fund	4615.05	4098.18
Deferred Income	1.71	-
Total	**4,616.76**	**4,098.18**

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 on bank deposits earmarked for this fund is credited to this fund.

NOTE - 22 : OTHER CURRENT LIABILITIES

(` in Crore)

	As at 31.03.2020	As at 31.03.2019
Statutory Dues	42.27	64.46
Advance from customers / others	35.05	66.75
Others liabilities[1]	135.89	172.76
Total	**213.21**	**303.97**

1. Other Liabilities of `135.89 crore includes `123.18 crore (`164.22 crore) towards TDS on interest earned on deposits made against of Shifting & rehabilitation fund as referred in Note No. 21.

NOTES TO THE FINANCIAL STATEMENTS – STANDALONE

NOTE - 23 : REVENUE FROM OPERATIONS

(` in Crore)

	For the year ended 31.03.2020	For the year ended 31.03.2019
A. Sale of Coal	313.05	430.92
Less : Statutory Levies	81.47	115.53
Sales (Net) (A)	**231.58**	**315.39**
B. Other Operating Revenue		
Loading and additional transportation charges	3.36	4.53
Less : Statutory Levies	0.16	0.23
	3.20	**4.30**
Evacuation Facility charges	2.95	3.97
Less : Statutory Levies	0.14	0.20
	2.81	**3.77**
Other Services	716.93	719.94
Less : Statutory Levies	109.36	109.10
	607.57	**610.84**
Other Operating Revenue (Net) (B)	**613.58**	**618.91**
Revenue from Operations (A+B)	**845.16**	**934.30**

1. Sale of Coal is net of Provision for Coal Quality Variance amounting is ` 7.15 Crore in March, 2020 against ` 2.91 Crore in March, 2019.

2. Sale of Coal include the export to Bhutan of ` 0.51 Crore.

Refer Note: - 37(n) for sale in respect of seized coal

NOTES TO THE FINANCIAL STATEMENTS – STANDALONE

NOTE - 24 : OTHER INCOME

(` in Crore)

	For the year ended 31.03.2020	For the year ended 31.03.2019
Interest Income[1]	103.44	40.95
Dividend Income	11103.95	8932.75
Income on sale of investments in subsidiaries	-	1,025.35
Others		
Profit on Sale of Assets	0.01	-
Lease Rent	3.62	3.61
Liability Written back	0.46	191.95
Provision written back	4.03	34.75
Fair value changes (net)	321.04	299.01
Miscellaneous Income	29.78	20.29
Total	**11566.33**	**10548.66**

1. Interest income includes interest on income tax refund of `84.00 crore (Nil) received during the FY 2019-20.

NOTE - 25 : COST OF MATERIALS CONSUMED

(` in Crore)

	For the year ended 31.03.2020	For the year ended 31.03.2019
Explosives	2.45	4.47
Timber	0.05	0.14
Oil & Lubricants	0.38	1.47
HEMM Spares	-	0.08
Other Consumable Stores & Spares	2.21	1.42
Total	**5.09**	**7.58**

NOTE - 26 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(` in Crore)

	For the year ended 31.03.2020	For the year ended 31.03.2019
Opening Stock of Coal	29.89	20.48
Closing Stock of Coal	14.21	29.89
Change in Inventory of Coal	**15.68**	**(9.41)**
Change in Inventory { Decretion / (Accretion) }	**15.68**	**(9.41)**

NOTES TO THE FINANCIAL STATEMENTS – STANDALONE

NOTE 27 : EMPLOYEE BENEFITS EXPENSE

(` in Crore)

	For the year ended 31.03.2020	For the year ended 31.03.2019
Salary and Wages (incl. Allowances and Bonus etc.)	359.75	369.58
Contribution to P.F. & Other Funds	146.43	94.45
Staff welfare Expenses	39.07	10.63
Total	**545.25**	**474.66**

NOTE - 28 : CORPORATE SOCIAL RESPONSIBILITY EXPENSE

(` in Crore)

	For the year ended 31.03.2020	For the year ended 31.03.2019
CSR Expenses	171.32	27.33
Total	**171.32**	**27.33**

In pursuance of section 135 of Companies Act 2013, an amount of `8.28 crore (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 2019-20 towards CSR activities. The company has spent `171.32 crore during the year.

NOTE - 29 : REPAIRS

(` in Crore)

	For the year ended 31.03.2020	For the year ended 31.03.2019
Building	15.77	16.46
Plant & Machinery	0.34	0.52
Others	1.77	0.40
Total	**17.88**	**17.38**

NOTE - 30 : CONTRACTUAL EXPENSE

(` in Crore)

	For the year ended 31.03.2020	For the year ended 31.03.2019
Transportation Charges :	0.57	0.63
Wagon Loading	0.61	0.82
Hiring of Plant and Equipment	71.26	132.13
Other Contractual Work	0.63	0.66
Total	**73.07**	**134.24**

NOTES TO THE FINANCIAL STATEMENTS – STANDALONE

NOTE - 31 : FINANCE COSTS

(` in Crore)

	For the year ended 31.03.2020	For the year ended 31.03.2019
Interest Expenses		
Unwinding of discounts	2.66	2.46
Funds parked by subsidiaries[1]	2.60	15.58
Total	**5.26**	**18.04**

1. Interest on funds parked by subsidiaries

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

NOTE - 32 : PROVISIONS (NET OF REVERSAL)

(` in Crore)

	For the year ended 31.03.2020	For the year ended 31.03.2019
Provision made for		
Doubtful debts	0.02	0.25
Doubtful Advances & Claims	0.01	-
Others	2.24	0.18
Total	**2.27**	**0.43**

NOTE - 33 : WRITE OFF (NET OF PAST PROVISIONS)

(` in Crore)

	For the year ended 31.03.2020	For the year ended 31.03.2019
Doubtful debts	-	0.15
Less :- Provided earlier	-	0.15
	-	0.00
Doubtful advances	-	3.07
Less :- Provided earlier	-	2.65
	-	0.42
Total	**-**	**0.42**

NOTES TO THE FINANCIAL STATEMENTS – STANDALONE

NOTE - 34 : OTHER EXPENSES

(` in Crore)

	For the year ended 31.03.2020	For the year ended 31.03.2019
Travelling expenses	13.69	12.44
Training Expenses	3.83	3.22
Telephone & Postage	2.52	2.71
Advertisement & Publicity	6.94	5.23
Demurrage	-	0.15
Security Expenses	17.25	16.13
Hire Charges	4.39	4.68
CMPDIL Charges	1.67	0.54
Legal Expenses	6.28	10.62
Consultancy Charges	45.72	7.18
Under Loading Charges	1.93	3.45
Loss on Sale / Discard / Surveyed of Assets	0.02	-
Auditor's Remuneration & Expenses		-
- For Audit Fees	0.49	0.44
- For Taxation Matters	0.04	0.05
- For Other Services	0.19	0.14
- For Reimbursement of Exps.	0.23	0.20
Internal & Other Audit Expenses	0.94	0.77
Rent	7.36	5.42
Rates & Taxes	3.49	3.04
Insurance	0.58	0.36
Loss on Foreign Exchange Transactions	0.02	0.02
Printing & Stationery	2.04	1.90
Meeting Expenses	4.28	3.40
Rescue/Safety Expenses	0.06	0.35
Dead Rent/Surface Rent	0.83	1.15
Siding Maintenance Charges	0.19	0.38
R & D expenses[1]	8.65	103.69
Environmental & Tree Plantation Expenses	7.20	7.24
Expenses on Buyback of Shares	-	8.94
Donation / Subcription	60.41	0.21
Miscellaneous expenses	10.70	8.76
Total	**211.94**	**212.81**

1. Amount disbursed to implementing agencies for R&D by CMPDIL till 31.03.2019 has been recognised as R&D expenses during 2018-19.

NOTES TO THE FINANCIAL STATEMENTS – STANDALONE

NOTE - 35 : TAX EXPENSE

(` in Crore)

	For the year ended 31.03.2020	For the year ended 31.03.2019
Current Year	-	157.25
MAT Credit Entitlement	138.28	(36.88)
Earlier Years	(119.90)	(27.62)
Total	**18.38**	**92.75**

Reconciliation of tax Expenses and the accounting profit multiplied by India's domestic Tax rate for 31.03.2019	For the year ended 31.03.2020	For the year ended 31.03.2019
Profit/(Loss) before tax	11299.26	10562.42
At income tax rate of 25.17% (31.03.2019: 34.95%)	2844.02	3691.57
Less: Tax on exempted Income	(2794.86)	(3480.36)
Add: Tax on non-deductible expenses/(Income) (net)	(49.16)	(106.01)
Income Tax Expenses as per normal provision of tax (A)	-	105.20
Income tax under MAT provisions (Sec 115JB) [B]	-	157.25
Tax Payable higher of A/B		**157.25**
Adjustment in respect of current income tax of previous year	(119.90)	(27.62)
MAT Credit Entitlement	138.28	(36.88)
Income Tax Expenses reported in statement of Profit & Loss	**18.38**	**92.75**
Effective income tax rate :	**0.16%**	**0.88%**

NOTE - 36 : OTHER COMPREHENSIVE INCOME

(` in Crore)

	For the year ended 31.03.2020	For the year ended 31.03.2019
(i) Items that will not be reclassified to profit or loss		
Changes in revaluation surplus		
Remeasurement of defined benefit plans	(12.18)	(17.55)
	(12.18)	(17.55)
(ii) Income tax relating to items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans	-	6.13
		6.13
Total	**(12.18)**	**(11.42)**

NOTE - 37: ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020–STANDALONE

1. Fair Value Measurement

(a) Financial Instruments by Category

(` in Crore)

	31st March, 2020		31st March, 2019	
	FVTPL	AMORTISED COST	FVTPL	AMORTISED COST
Financial Assets				
Investments* :				
Preference Shares - Equity Component - Debt Component	 - -	 855.61 1794.99	 - -	 1913.13 4012.96
Mutual Fund	93.97	-	22.74	-
Loans	-	0.16	-	0.22
Deposits & receivable	-	7403.71	-	4574.67
Trade receivables	-	7.97	-	0.25
Cash & cash equivalents	-	36.79	-	58.98
Other Bank Balances	-	1034.69	-	194.53
Financial Liabilities				
Trade payables	-	170.93	-	152.07
Security Deposit and Earnest money	-	72.44	-	82.25
Other Liabilities	-	95.38	-	122.19

* Investment in Equity Shares in Subsidiary/Joint Ventures are measured at cost which stands at `9581.99 Crore as on 31.03.2020 (`6589.07 Crore 31.03.2019) not included above.

(b) Fair value hierarchy

Table below shows judgement 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	**31.03.2020**		**31.03.2019**	
	Level 1	Level 3	Level 1	Level 3
Financial Assets at FVTPL				
Investments :	-	-	-	-
Mutual Fund	93.97	-	22.74	-

Financial assets and liabilities measured at amortised cost for which fair values are disclosed at 31.03.2020	31st March, 2020		31st March, 2019	
	Leve 1	Level 3	Leve 1	Level 3
Financial Assets				
Investments:				
Preference Shares - Equity Component - Debt Component	-	855.61 1794.99	-	1913.13 4012.96
Loans	-	0.16	-	0.22
Deposits & receivable	-	7403.71	-	4574.67
Trade receivables	-	7.97	-	0.25
Cash & cash equivalents	-	36.79	-	58.98
Other Bank Balances	-	1034.69	-	194.53
Financial Liabilities				
Trade payables	-	170.93	-	152.07
Security Deposit and Earnest money	-	72.44	-	82.25
Other Liabilities	-	95.38	-	122.19

A brief of each level is given below.

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

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

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

(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 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.

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 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.

Credit risk arises when a counterparty defaults on contractual obligations resulting in financial loss to the company.

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 31.03.2020 (` in Crore)

Ageing	Less than 1 year	Due for 1 year	Due for 2 years	Due for 3 years	Due for more than 3 years	Total
Gross carrying amount	7.97	-	-	-	11.19	19.16
Expected loss rate					100.00%	58.40%
Expected credit losses (Loss allowance provision)	-	-	-	-	11.19	11.19

As on 31.03.2019 (` in Crore)

Ageing	Less than 1 year	Due for 1 year	Due for 2 years	Due for 3 years	Due for more than 3 years	Total
Gross carrying amount	-	3.87	0.11	-	11.07	15.05
Expected loss rate	-	93.54%	100%	-	100%	98.34%
Expected credit losses (Loss allowance provision)	-	3.62	0.11	-	11.07	14.80

Reconciliation of loss allowance provision – Trade receivables

(` in Crore)

Loss allowance on 01.04.2019	14.80
Change in loss allowance	(3.61)
Loss allowance on 31.03.2020	11.19

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 accordance with practice and limits set by the Company. 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 `535.00 Crore (`535.00 Crore), of which fund based limit is `240.00 Crore (`240.00Crore) and non-fund based limit is `295.00 crore (`295.00 Crore). Further, `5000.00 crore (`5000.00 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.

C. Market risk

a) Foreign currency risk

Foreign currency risk arises from future commercial transactions and recognised assets or liabilities denominated in a currency that is not the Company's functional currency(INR).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.

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

a) Gratuity

Gratuity is maintained as a defined benefit retirement plan and contribution is made to the Life Insurance Corporation of India. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

b) Leave encashment

The liabilities for earned leave are expected to be settled after the retirement of employee. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

c) 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 FY 2019-20 is `45.52 Crore (`53.63 Crore) has been recognized in the Statement of Profit & Loss (Note 27).

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

(i) Funded

- o Gratuity
- o Leave Encashment
- o Medical Benefits
- o Pension Scheme

(ii) Unfunded

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

Total liability as on 31.03.2020 based on valuation made by the Actuary, details of which are mentioned below is `532.20 Crore.

(` in Crore)

Particulars	Opening Actuarial Liability as on 01.04.2019	Incremental Liability/adjustment during the nine months	Closing Actuarial Liability as on 31.03.2020
Gratuity	217.32	(1.84)	215.48
Earned Leave	48.02	4.14	52.16
Half Pay Leave	16.75	5.21	21.96
Life Cover Scheme	0.61	(0.02)	0.59
Settlement Allowance Executives	1.29	0.09	1.38
Settlement AllowanceNon-executives	1.14	(0.08)	1.06
Group Personal Accident Insurance Scheme	0.03	0.01	0.04
Leave Travel Concession	2.18	0.05	2.23
Medical Benefits Executives	151.06	61.84	212.90
Medical Benefits Non-Executives	17.30	6.02	23.32
Compensation to dependents in case of mine accidental death	0.79	0.29	1.08
Total	**456.49**	**75.71**	**532.20**

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

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

ACTUARIAL VALUATION OF GRATUITY LIABILITY AS AT 31.03.2019 CERTIFICATES AS PER IND AS 19 (2015)

(` in Crore)

Changes in Present Value of defined benefit obligations	As at 31.03.2020	As at 31.03.2019
Present Value of obligation at beginning of the year	217.32	224.66
Current Service Cost	11.15	10.07
Interest Cost	13.03	14.98
Actuarial (Gain) / Loss on obligations due to change in financial assumption	10.61	1.80
Actuarial (Gain) / Loss on obligations due to unexpected experience	3.09	18.45
Benefits Paid	39.71	52.65
Present Value of obligation at end of the year	215.49	217.32

(` in Crore)

Changes in Fair Value of Plan Assets	As at 31.03.2020	As at 31.03.2019
Fair Value of Plan Asset at beginning of the period	231.31	159.68
Interest Income	15.27	12.06
Employer Contributions	21.64	109.51
Benefits Paid	39.71	52.65
Return on Plan Assets excluding Interest income	1.52	2.71
Fair Value of Plan Asset as at end of the period	230.03	231.31

(` in Crore)

Statement showing reconciliation to Balance Sheet	As at 31.03.2020	As at 31.03.2019
Funded Status	14.54	14.00
Fund Asset	230.03	231.31
Fund Liability	215.49	217.32

Statement showing Plan Assumptions:	As at 31.03.2020	As at 31.03.2019
Discount Rate	6.60%	7.55%
Expected Return on Plan Asset	6.60%	7.55%
Rate of Compensation Increase (Salary Inflation)	9.00% for Executives 6.25% for Non-Executives	9.00% for Executives 6.25% for Non-Executives
Pension Increase Rate	N/A	N/A
Average expected future service (Remaining working Life)	12.7	1000.00%
Mortality Table	IALM 2006-2008 ULTIMATE	
Superannuation at Age-Male	60.00	60.00
Superannuation at Age-Female	60.00	60.00
Early Retirement and Disablement	0.30%	0.30%

(` in Crore)

Expense Recognized in Statement of Profit / Loss	For the year ended 31.03.2020	For the year ended As at 31.03.2019
Current Service Cost	11.15	10.07
Net Interest Cost	(2.23)	2.92
Benefit Cost (Expense recognised in Statement of Profit/Loss)	8.91	12.99

(` in Crore)

Other Comprehensive Income	For the year ended 31.03.2020	For the year ended As at 31.03.2019
Actuarial (Gain) / Loss on obligations due to change in financial assumption	10.61	1.80
Actuarial (Gain) / Loss on obligations due to unexpected experience	3.09	18.46
Total Actuarial (Gain) / Loss	13.70	20.26
Return on Plan Asset, excluding Interest Income	1.52	2.71
Balance at the end of the Period	12.18	17.55
Net (Income) / Expense for the year recognised in Other Comprehensive Income	12.18	17.55

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)

Sensitivity Analysis of Gratuity Liability	31.03.2020	
	Increased Figure	Decreased Figure
Discount Rate (-/+ 0.5%)	209.77	221.53
%Change Compared to base due to sensitivity	-2.65%	2.81%
Salary Growth (-/+ 0.5%)	216.92	213.91
%Change Compared to base due to sensitivity	0.664%	-0.731%
Attrition Rate (-/+ 0.5%)	215.62	215.35
%Change Compared to base due to sensitivity	0.064%	-0.064%
Mortality Rate (-/+ 10%)	216.58	214.39
%Change Compared to base due to sensitivity	0.507%	-0.507%

Maturity Analysis of Gratuity Liability as on 31.03.2020

Year	(` in Crore)
1	43.16
2	29.38
3	31.53
4	28.76
5	19.61
6 to 10	89.66
More than 10 years	96.08
Total Undiscounted Payments Past and Future Service	-
Total Undiscounted Payments related to Past Service	338.19
Less Discount for Interest	122.70
Projected Benefit Obligation	215.49

Statement Showing Outlook Next Year Components of Net Periodic benefit Cost	(` in Crore)
Current service Cost 9Employer portion only) Next period	10.59
Interest Cost next period	12.80
Expected Return on Plan Asset	14.22
Benefit Cost	9.16

(` in Crore)

Bifuraction of Net Liability	as at 31.03.2020	as at 31.03.2019
Current liability	41.81	36.29
Non-Current Liability	173.68	181.03
Net Liability	215.49	217.32

ACTUARIAL VALUATION OF LEAVE ENCASHMENT BENEFIT (EL/HPL) AS AT 31.03.2020
CERTIFICATES AS PER IND AS 19 (2015)

(` in Crore)

Changes in Present Value of defined benefit obligations	As at 31.03.2020	As at 31.03.2019
Present Value of obligation at beginning of the year	64.76	55.04
Current Service Cost	9.82	11.85
Interest Cost	3.18	3.49
Actuarial (Gain) / Loss on obligations due to change in financial assumption	5.00	0.74
Actuarial (Gain) / Loss on obligations due to unexpected experience	24.62	11.23
Benefits Paid	33.26	17.59
Present Value of obligation at end of the year	74.12	64.76

(` in Crore)

Changes in Fair Value of Plan Assets	As at 31.03.2020	As at 31.03.2019
Fair Value of Plan Asset at beginning of the period	43.23	40.42
Interest Income	2.85	3.05
Employer Contributions	-	17.78
Benefits Paid	33.26	17.59
Return on Plan Assets excluding Interest income	(0.22)	-0.43
Fair Value of Plan Asset as at end of the period	12.60	43.23

(` in Crore)

Statement showing reconciliation to Balance Sheet	As at 31.03.2020	As at 31.03.2019
Funded Status	(61.53)	(21.54)
Fund Asset	12.60	43.23
Fund Liability	74.12	64.76

Statement showing Plan Assumptions:	As at 31.03.2020	As at 31.03.2019
Discount Rate	6.60%	7.55%
Expected Return on Plan Asset	6.60%	7.55%
Rate of Compensation Increase (Salary Inflation)	6.25% for Non-Executive & 9.00% for Executive	6.25% for Non-Executive & 9.00% for Executive
Pension Increase Rate	N/A	N/A
Average expected future service (Remaining working Life)	12.7	9.00
Mortality Table	IALM 2006-2008 ULTIMATE	IALM 2006-2008 ULTIMATE
Superannuation at Age- Male	60.00	60.00
Superannuation at Age- Female	60.00	60.00
Early Retirement and Disablement	0.30% p.a.	0.30% p.a.
Voluntary Retirement	Ignored	Ignored

(` in Crore)

Expense Recognized in Statement of Profit / Loss	For the year ended 31.03.2020	For the year ended 31.03.2019
Current Service Cost	9.82	11.85
Net Interest Cost	0.32	0.44
Net Actuarial Gain / Loss	29.84	12.40
Benefit Cost (Expense recognised in Statement of Profit/Loss)	39.99	24.69

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

Sensitivity Analysis of Leave Liability	31.03.2020	
	(` in Crore)	
	Increased Figure	Decreased Figure
Discount Rate (-/+ 0.5%)	71.4	77.08
%Change Compared to base due to sensitivity	-3.68%	3.98%
Salary Growth (-/+ 0.5%)	77	71.45
%Change Compared to base due to sensitivity	3.873%	-3.614%
Attrition Rate (-/+ 0.5%)	74.27	73.98
%Change Compared to base due to sensitivity	0.191%	-0.191%
Mortality Rate (-/+ 10%)	74.48	73.77
%Change Compared to base due to sensitivity	0.482%	-0.482%

Maturity Analysis of Leave Liability as on 31.03.2020

Year	(` in Crore)
1	9.42
2	9.95
3	7.47
4	8.29
5	7.95
6 to 10	33.53
More than 10 years	71.09
Total Undiscounted Payments Past and Future Service	-
Total Undiscounted Payments related to Past Service	147.71
Less Discount for Interest	73.58
Projected Benefit Obligation	74.12

(` in Crore)

Bifuraction of Net Liability	as at 31.03.2020	as at 31.03.2019
Current liability	9.13	6.11
Non-Current Liability	65.00	58.66
Net Liability	74.12	64.76

Medical Benefits for retired Employees

The Company provides Post-Retirement Medical Facility to the retired employees and their spouse. The facility is covered by separate Post-Retirement Medical scheme for executive and non-executive. Scheme for the medical benefit for executive retired prior to 01.01.2007 is administered through separate "Contributory Post-Retirement Medical Scheme for Executive Trust". Liability for the medical benefits are recognized based on actuarial valuation.

For executive retired prior to 01.01.2007 - funded status as on 31.03.2020 `6.76 crore (`5.47 crores) and liability for the same as on 31.03.2020 is `43.72 crore (`33.52 crore).

Pension

The company has a defined contribution pension scheme for its employees, which is administered through CIL Executive Defined Contribution Pension Scheme - 2007 trust. The funded status as on 31.03.2020 is `62.83 crore (`58.54 crores) and liability for the same as on 31.03.2020 is `2.04 crore (`53.70 crore).

4. Unrecognized items

a) Contingent Liabilities

I. Claims against the company not acknowledged as debt

(` in Crore)

Sl. No.	particulars	Central Government Deptt./agencies	State Government Deptt./ Agencies and other local authorities	Central Public Sector Enterprises	Others	Total
1	**Opening as on 01.04.2019**	243.36	12.19	0.15	599.85	855.55
2	Addition during the year	17.00	-	-	0.17	17.17
3	Claims settled during the year					
	a. From opening balance	-	-	-	-	-
	b. Out of addition during the year	-	-	-	-	-
	c. Total claims settled during the year (a+b)	-	-	-	-	-
4	**Closing as on 31.03.2020**	**260.36**	**12.19**	**0.15**	**600.02**	**872.72**

Contingent Liability

Sl. No.	Particulars	For the Year ended 31.03.2020	For the Year ended 31.03.2019
1	**Central Government**		
	Income Tax	255.91	238.91
	Central Excise	4.45	4.45
	Clean Energy Cess	-	-
	Central Sales Tax	-	-
	Service Tax	-	-
	Others	-	-
	Sub-Total	**260.36**	**243.36**
2	**State Government and Local Authorities**		
	Royalty	8.19	8.19
	Environment Clearance	-	-
	Sales Tax/VAT	-	-
	Entry Tax	-	-
	Electricity Duty	-	-
	MADA	-	-
	Others	4.00	4.00
	Sub-Total	**12.19**	**12.19**
3	**Central Public Sector Enterprises**		
	Arbitration Proceedings	-	-
	Suit against the company under litigation	0.15	0.15
	Others	-	-
	Sub-Total	**0.15**	**0.15**
4	**Others: (If any)**		
	Miscellaneous - Land & Others	600.02	599.85
	Employee Related & Etc.	-	-
	Sub-Total	**600.02**	**599.85**
	Grand Total	**872.72**	**855.55**

The management believes that the outcome of the above will not have any material adverse effect on the company.

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 31.03.2020 stood at `171.98 Crore (`165.55Crore) and `6.10 Crore (`6.29 Crore) respectively. Other bank guarantee issued is `2.85 Crore (`0.84 Crore).

III. Letter of Credit:

As on 31.03.2020 outstanding letters of credit is Nil (Nil).

b) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for: as on 31.03.2020 is `205.99 Crore (`322.61 Crore).

Other Commitment: as on 31.03.2020 `422.23 Crore (`306.85 Crore)

5. Other Information

a) Provisions

The position and movement of various provisions as per Ind AS-37 except those relating to employee benefits which are valued actuarially, as on 31.03.2020 are given below :

(` in Crore)

Provisions	Opening Balance as on 01.04.2019	Addition during the Year	Write back/Adj./paid during the Year	Closing Balance as on 31.03.2020
Note 3:- Property, Plant and Equipments :				
Impairment of Assets :	0.08	-	-	0.08
Note 4:- Capital Work in Progress :				
Against CWIP :	0.20	-	-	0.20
Note 5:- Exploration And Evaluation Assets :				
Provision and Impairment :	8.85	-	-	8.85
Note 8:- Loans :				
Other Loans :	1.87	-	-	1.87
Note 9:- Other Financial Assets:				
Other Deposits and Receivables	-	-	-	-
Security Deposit for utilities	0.01	-	-	0.01
Current Account with Subsidiaries	53.83	-	-	53.83
Claims & other receivables	7.39	0.02	-	7.41
Note 11:- Other Current Assets :				
Advances for Revenue :	-	-	-	-
Advance payment of statutory dues:	-	-	-	-
Other Advances and Deposits to Employees	-	-	-	-
Note 13:-Trade Receivables :				
Provision for bad & doubtful debts :	14.8	-	3.61	11.19
Note 20 :- Non-Current & Current Provision :				
Leave Encashment	21.53	19.96	(20.04)	61.53
Ex- Gratia	10.79	10.34	10.99	10.14
Performance Related Pay	44.25	38.56	12.06	70.75
Other Employee Benefits	183.03	39.07	(22.71)	244.81
Provision for National Coal Wage Agreement X	-	-	-	-
Provision for Executive Pay Revision	-	-	-	-
Site Restoration/Mine Closure	42.63	2.66	-	45.29

b) Authorised Preference Share capital

(` in Crores)

	As at 31.03.20	As at 31.03.19
90,41,800 Non-Cumulative 10% Redeemable Preference Shares of 10/- each	904.18	904.18

c) Earnings per share

Sl. No.	Particulars	For the Year ended 31.03.2020	For the year ended 31.03.2019
i)	Net profit after tax attributable to Equity Share Holders ` in crore	11280.88	10469.67
ii)	Weighted Average no. of Equity Shares Outstanding	6162728327	6206307457
iii)	Basic and Diluted Earnings per Share in Rupees (Face value `10/- per share)	`18.31	`16.87

d) **Related Party Disclosures**

A. **List of Related Parties**

i) **Subsidiary Companies**

1) Eastern Coalfields Limited (ECL)
2) Bharat Coking Coal Limited (BCCL)
3) Central Coalfields Limited (CCL)
4) Western Coalfields Limited (WCL)
5) South Eastern Coalfields Limited (SECL)
6) Northern Coalfields Limited (NCL)
7) Mahanadi Coalfields Limited (MCL)
8) Central Mine Planning and Design Institute Limited (CMPDIL)
9) Coal India Africana Limitada, Mozambique (CIAL)

ii) **Joint Venture Companies**

1) International Coal Venture Private Limited (ICVL)
2) CIL NTPC Urja Private Limited
3) Talcher Fertilizers Limited (TFL)
4) Hindustan Urvarak and Rasayan Limited (HURL)

iii) **Post Employment Benefit Fund:**

1) Group Gratuity Cash Accumulation Plan with LICI.
2) New Group Gratuity Cash Accumulation Plan with LICI (for employees joining after 01.04.2014).
3) New Group Leave Encashment Scheme with LICI.
4) Coal Mines Provident Fund (CMPF).
5) Contributory Post-Retirement Medical Scheme for Executive Trust
6) CIL Executive Defined Contribution Pension Scheme-2007

Key Managerial Personnel

Name	Designation	W.e.f.
Mr. Pramod Agrawal	Chairman-Cum-Managing Director	01.02.2020
Mr. A. K. Jha	Chairman-Cum-Managing Director	18.05.2018 to 31.01.2020
Mr. S.N. Prasad	Director (Marketing)	01.02.2016 to 30.11.2019, Additional charge as D(F),CIL w.e.f. 01.10.2018 to 09.07.2019
Mr. Binay Dayal	Director (Technical)	11.10.2017
Mr. R. P. Srivastava	Director (P&IR)	31.01.2018
Mr. Sanjiv Soni	Director (Finance)	10.07.2019
Mr. S.N. Tiwary	Director (Marketing)	01.12.2019
Mr. R.K.Sinha, JS & LA	Govt. Nominee Directors	05.08.2016 to 28.11.2019
Mrs. Reena Sinha Puri, JS & FA		09.06.2017
Mr. V.K. Tiwari, AS (Coal)		29.11.2019
Ms. Loretta M. Vas	Independent Directors	17.11.2015 Reappointed for 1 year w.e.f. 17.11.2018 to 16.11.2019
Mr. Vinod Jain		17.11.2015 Reappointed for 1 year w.e.f. 17.11.2018 to 16.11.2019
Dr. D.C. Panigrahi		17.11.2015 Reappointed for 1 year w.e.f. 17.11.2018 to 16.11.2019
Prof. Khanindra Pathak		17.11.2015 Reappointed for 1 year w.e.f. 17.11.2018 to 16.11.2019
Dr. S.B. Agnihotri		17.11.2015 Reappointed for 1 year w.e.f. 17.11.2018 to 16.11.2019
Mr. Vinod Kumar Thakral		06.09.2017
Mr. Bharatbhai Laxmanbhai Gajipara		22.09.2017
Mr. M Viswanathan, Company Secretary	Company Secretary	14.12.2011
Mr. S Sarkar, Chief Financial Officer	Chief Financial Officer	01.10.2018 to 09.07.2019

Remuneration of Key Managerial Personnel

(` in Crore)

Sl. No.	Payment to CMD, Whole Time Directors and Company Secretary	For the Year ended 31.03.2020	For the year ended 31.03.2019
i)	**Short Term Employee Benefits**		
	Gross Salary	1.69	1.74
	Medical Benefits	0.07	0.09
	Perquisites and other benefits	1.83	1.18
ii)	**Post-Employment Benefits**		
	Contribution to P.F. & other fund	0.29	0.20

Actuarial valuation of Gratuity and Leave encashment as on 31.03.2020 is `1.77 crore (`1.55 crore).

Note:

(i) Besides above, whole time Directors have been allowed 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 31.03.2020	For the year ended 31.03.2019
i)	Sitting Fees	0.09	1.06

Balances Outstanding with Key Managerial Personnel as on 31.03.2020

(` in Crore)

Sl. No.	Particulars	31.03.2020	31.03.2019
i)	Amount Payable	Nil	Nil
ii)	Amount Receivable	Nil	Nil

B. Related Party Transactions within Group

Coal India Limited has entered into transactions with its subsidiaries which include Apex charges, Rehabilitation charges, Lease rent, Interest on Funds parked by subsidiaries 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

Subsidiary Companies

(` in Crore)

Name of Related Parties	Apex Charges	Rehabilitation Charges	Dividend Received	Lease Rent Income	Interest on Funds parked by subsidiaries	Current Account Balances	
						Receivable	Payable
Eastern Coalfields Limited (ECL)	50.41 (50.16)	29.57 (30.23)	0.00 0.00	0.00 0.00	1.04 (12.83)	515.71 0.00	0.00 (36.18)
Bharat Coking Coal Limited (BCCL)	27.73 (31.04)	17.26 (19.86)	0.00 0.00	0.00 0.00	0.00 0.00	272.95 (306.88)	0.00 0.00
Central Coalfields Limited (CCL)	66.89 (68.72)	40.30 (41.03)	294.22 (297.04)	0.00 0.00	0.23 (1.65)	17.68 (25.16)	0.00 0.00
Western Coalfields Limited (WCL)	57.64 (53.18)	31.55 (33.33)	0.00 0.00	0.00 0.00	0.00 (0.05)	175.12 (79.52)	0.00 0.00
South Eastern Coalfields Limited (SECL)	150.55 (157.35)	85.16 (93.62)	1,617.52 (2,326.61)	1.80 (1.80)	0.36 0.00	0.00 (27.84)	1.16 0.00
Northern Coalfields Limited (NCL)	108.05 (101.50)	64.45 (60.95)	3,911.83 (2,396.53)	0.00 0.00	0.25 (0.24)	1,953.89 0.00	0.00 (7.85)
Mahanadi Coalfields Limited (MCL)	140.36 (144.15)	80.37 (85.38)	5,225.00 (3,875.00)	0.00 0.00	0.72 (0.80)	9.80 0.00	0.00 (33.87)

Name of Related Parties	Apex Charges	Rehabilitation Charges	Dividend Received	Lease Rent Income	Interest on Funds parked by subsidiaries	Current Account Balances	
						Receivable	Payable
Central Mine Planning and Design Institute Limited (CMPDIL)	0.00 0.00	0.00 0.00	53.58 (30.27)	0.00 0.00	0.00 0.00	0.00 (34.32)	17.14 0.00
Coal India Africana Limitada, Mozambique (CIAL)	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	53.83 (53.83)	0.00 0.00
Total	**601.63 (606.10)**	**348.66 (364.40)**	**11,102.15 (8,925.45)**	**1.80 (1.80)**	**2.60 (15.57)**	**2,998.98 (527.55)**	**18.30 (77.90)**

Joint Venture Companies

(` in Crore)

Name of Related Parties	Equity contribution	Income from Deputation of manpower	Account Balances	
			Receivable	Payable
Hindustan Urvarak and Rasayan Limited(HURL)	310.76 (107.08)	2.84 (2.52)	0.81 (0.24)	
Talcher Fertilizer Limited(TFL)	143.16 (11.32)	3.10 (2.22)	7.16 (3.62)	
Total	453.92 (118.40)	5.94 (4.74)	7.97 (3.86)	

C. Entities under the control of the same government:

The Company is a Central Public Sector Undertaking (CPSU) controlled by Central Government by holding majority of shares (Refer Note-16). The Company being a Government 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. The following transactions have been entered at arm's length price with entities under the control of the same Government.

(` in Crore)

Name of the entity	Transaction	As at 31.03.2020	As at 31.03.2019
NTPC	Sale of Coal	181.96	174.26

D. Lease

CIL AND IICM

CIL has leased out the assets viz. land, building, structures, furniture and fixtures and other assets to IICM. The existing lease agreement is valid from 01.04.2015 to 31.03.2020. The lease rent of IICM payable to CIL is `0.45 Crore per quarter.

e) 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.

f) Insurance and escalation claims

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

g) 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.

h) 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.

i) Current Liabilities

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

j) Disaggregated revenue information:

The table below presents disaggregated revenues from contract with customers information as per requirement of Ind AS 115,Revenue From Contract with Customer:

(` in Crore)

Disaggregated revenue information :	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Types of goods or service		
- Coal	231.58	315.39
- Others	-	-
Total revenue from Sale of Coal & others	**231.58**	**315.39**
Types of customers		
- Power sector	188.72	171.35
- Non-Power Sector	42.86	144.04
- Others or Services	-	-
Total revenue from Sale of Coal & others	**231.58**	**315.39**
Types of contract		
- FSA	190.47	182.45
- E Auction	40.61	132.94
- Others	0.50	-
Total revenue from Sale of Coal & others	**231.58**	**315.39**
Timing of goods or service		
- Goods transferred at a point in time	231.58	315.39
- Goods transferred over time	-	-
- Services transferred at a point in time	-	-
- Services transferred over time	-	-
Total revenue from Sale of Coal & others	**231.58**	**315.39**

k. 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 crores approximately.

l. Office of the Principal Chief Conservator of Forest and Head of Forest Force, Assam has directed not to carry out coal mining or other activity in Tikok OCP, pending final approval (Stage-II Clearance) from the Central Government under the Forest (Conservation) Act, 1980 w.e.f. 24.10.2019.

m. 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.

n. As per the direction given by Dy. Director of Forests, Regional Office, MoEF Shiliong on 24th October, 2019, 4810.76 tonnes of coal lying in the Tikak colliery was seized and directed not to carry out any mining operation at Tikak Colliery. NEC Protested the seizure of coal at Tikak Colliery and filed a case in the SDJM's Court, Margherita.

The Hon'ble court has given cognizance in the matter and case is pending till date. Based on order of the Hon'ble court, Divisional Forest Officer, Digboi Division has directed to sale the coal and deposit the money under the custody of Margherita Treasury.

Based on above order, NEC sold 3904.30 tonnes of coal value amounting to `1.93 Crore and collected Royalty of ` 0.25 Crore on these sale included in Sale of Coal (Note-23) in FY 2019-20. The inventory inlcudes stock of seized coal 906.46 tonnes valued ` 0.32 Crore (Note-12) in FY 2019-20. The management has also recognised provision against the same in Financial Statement (Note- 20 and 30).

o. The functional director of Coal India Limited vide its 229th meeting dated 05th June, 2020 has ratified the decision to temporarily suspend the mining operation at NEC (in Tikak, Tipong and Tirap Colliery) from 03rd June, 2020 till forestry and other statutory clearances are obtained and mines are made operational. The management is under process of estimating the impact of the above temporary suspension.

p. Change in Accounting Policy

Method of calculation of cost of inventories has been changed to Weighted Average method from FIFO method for providing more relevant information to the users. However, there has been insignificant impact on valuation of Closing Stock of Previous year 2018-19 as rate for valuation of closing stock of previous year as per new method is similar to the rate calculated under earlier method. Thus, reported figures for previous year has not been restated.

Materiality threshold for prior period adjustment has been changed from 0.50% of consolidated total Revenue from Operations (Net of Statutory levies) to 1% of the total Revenue from Operations (Net of Statutory levies) of the company. The change has no impact in the financial statement.

q. The outbreak of Coronavirus (COVID -19) is causing Significant disturbance and slowdown of economic activity in India and across the globe. The Company has evaluated impact of this pandemic on its business operations. Based on its review and current indicators of economic conditions, there is no significant impact on its financial results and carrying value of asset. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

r. On 20th September, 2019, vide taxation Laws (Amendment) Ordinance 2019, the Government of India inserted Section 115BAA in the income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective from 01st April, 2019 subject to certain conditions. The company has already elected to opt the option of lower tax rate in the Financial Statement.

s. Others

i. Previous period/year figures have been restated, regrouped and rearranged wherever considered necessary.

ii. Previous period/Year figures in Note No. 3 to 37 are in brackets.

iii. Note – 1 and 2 represents Corporate information and Significant Accounting Policies respectively, Note 3 to 22 form part of the Balance Sheet as at 31st March, 2020 and 23 to 36 form part of Statement of Profit & Loss for the period ended on that date. Note – 37 represents Additional Notes to the Financial Statements.

Signature to Note 1 to 37.

On behalf of the Board

(Pramod Agrawal) Chairman- Cum-Managing Director & CEO DIN-00279727	**(Sanjiv Soni)** Director (Finance) DIN-08173548
(Sunil Kumar Mehta) General Manager (Finance)	**(M.Viswanathan)** Company Secretary

Dated : 26th June, 2020
Place : Kolkata