



# GLOBAL COAL AND MINING PVT. LTD.

**ANNUAL REPORT 2015-2016**

**PROVIDING PERSONALIZED AND HIGH QUALITY SERVICES.**



## DIRECTORS' REPORT

Dear Members,

The Directors of Global Coal And Mining Private Limited (hereinafter referred to as “the Company”) have pleasure in presenting the 18<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2016.

### 1. FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY

The Board's Report is prepared on the basis of standalone and consolidated financial statements of the Company.

(Amount in Rs.)

Particulars	Standalone		Consolidated	
	FY 2015-2016	FY 2014-2015	FY 2015-2016	FY 2014-2015
Revenue generated from operations	4,608,536,179	3,655,613,982	4,704,837,495	-
Other Income	187,150,447	165,655,868	185,068,482	-
<b>Net Profit/Loss before tax and depreciation</b>	<b>754,005,753</b>	<b>501,781,458</b>	<b>734,165,314</b>	<b>-</b>
<i>Less: Depreciation</i>	<i>19,33,24,347</i>	<i>249,226,638</i>	<i>193,939,640</i>	<i>-</i>
<b>Profit/Loss before tax</b>	<b>560,681,406</b>	<b>252,554,820</b>	<b>540,225,674</b>	<b>-</b>
<i>Less: Provision for current tax</i>	<i>119,658,383</i>	<i>127,240,147</i>	<i>119,658,383</i>	<i>-</i>
<i>Less: Deferred tax charge earlier &amp; current year</i>	<i>4,546,735</i>	<i>(35,379,314)</i>	<i>(6,144,875)</i>	<i>-</i>
<i>Less: MAT Credit Entitlement</i>	<i>(8,164,245)</i>	<i>-</i>	<i>(8,164,245)</i>	<i>-</i>
<b>Profit/Loss After Tax</b>	<b>444,640,533</b>	<b>160,693,987</b>	<b>434,876,411</b>	<b>-</b>
<i>Less: Appropriation for Proposed dividend</i>	<i>8,786,146</i>	<i>8,786,146</i>	<i>8,786,146</i>	<i>-</i>
<i>Less: Corporate Dividend Tax</i>	<i>1,788,653</i>	<i>1,788,653</i>	<i>1,788,653</i>	<i>-</i>
<b>Net Profit/Loss transferred to balance sheet</b>	<b>434,065,734</b>	<b>150,119,188</b>	<b>-</b>	<b>-</b>
<b>Profit after tax, but before share in Profit / Loss of associates</b>	<b>-</b>	<b>-</b>	<b>424,301,612</b>	<b>-</b>
<b>Share in Profit of associates</b>	<b>-</b>	<b>-</b>	<b>157,050,186</b>	<b>-</b>
<b>Share in Loss transferred to minority</b>	<b>-</b>	<b>-</b>	<b>767,460</b>	<b>-</b>
<b>Profit for the Year</b>	<b>-</b>	<b>-</b>	<b>592,694,057</b>	<b>-</b>

## **2. BRIEF DESCRIPTION ON THE OPERATIONS OF THE COMPANY DURING THE YEAR**

The turnover of the Company, during the financial year 2015-16, is Rs 460.85 Crore and net profit for the period is Rs 44.46 Crore. The turnover during 2014-15 was Rs 365.56 Crore and net profit was Rs 16.07 Crore.

## **3. NATURE OF BUSINESS**

Coal beneficiation and coal handling services are the main business of the Company. The Company has commissioned a solar power plant of 10 MW during financial year under review.

## **4. DIVIDEND**

Considering the Company's financial performance, the Board of Directors have recommended a dividend of 5% (i.e. Rs. 0.50 per equity share of Rs. 10/- each) on the paid up equity capital of the Company. On approval of the Members at the ensuing Annual General Meeting, the dividend would be paid to those members whose names appear in the Register of Member as on the date of book closure. The payment of dividend would involve a cash outflow of Rs. 10,574,799/- inclusive of dividend distribution tax.

## **5. RESERVES**

The Company does not require to maintain a separate reserve under statutory and regulatory provisions. The surplus of net profit after distribution of dividend amounting to Rs 434,065,734 has been transferred to Reserves and Surplus in Balance Sheet.

## **6. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board of Directors is duly constituted having nine directors on the Board and Mr. Virender Kumar Sehgal, Managing Director (DIN-00013907) has retired from the services of the Company on superannuation with effect from 31<sup>st</sup> March, 2016. Shri Kartikeswar Patra who was appointed as additional director on the Board on 18<sup>th</sup> December, 2015 has been appointed as Managing Director with effect from 1<sup>st</sup> April, 2016 in the meeting of Board of Directors held on 30.03.2016. Shri Ram Kumar Rai has also been appointed as additional director on the Board with effect from 1<sup>st</sup> April, 2016 in the same meeting.

## **7. PARTICULARS OF EMPLOYEES**

None of the Employees of the Company has drawn salary in excess of the limits prescribed in the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## **8. MEETINGS**

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, an annual general meeting and five Board Meetings were convened and held. The intervening gap between the board meetings was within the period prescribed under the Companies Act, 2013. Details of Directors Meeting and attendance of directors in the meeting is attached as “Annexure-I”

## **9. SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES**

The Company has one subsidiary company named Orichem Limited and one associate company named XLR Capital (Cyprus) Limited. Spectrum Coal And Power Limited (in Consortium with GCMPL) is a joint venture with Spectrum Coal And Power Limited. There has been no material change in the nature of the business of the subsidiary company.

Pursuant to provisions of section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company.

During the year under review, neither a subsidiary, associate nor a joint venture was created nor a subsidiary, associate or a joint venture ceased to be a subsidiary, associate or joint venture of the Company.

## **10. AUDITORS**

The present Auditors M/s. B S R & Company, Chartered Accountants, (Firm Registration Number: 128032W), have expressed their unwillingness to be re-appointed as Statutory Auditors of the Company for the financial year ended 31 March 2017 due to their other pre-occupation assignments. The Company accordingly approached M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) for their appointment as the Statutory Auditors. M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) have confirmed their eligibility under the Companies Act, 2013 if appointed at the forthcoming Annual General Meeting of the Company, therefore, it is recommended by your Board of Directors to appoint M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) as Statutory Auditors of the company in place of the retiring Auditors M/s B S R & Company, Chartered Accountants, (Firm Registration Number: 128032W) to hold the office from the conclusion of this Annual General Meeting till the date of conclusion of next Annual General Meeting of the Company i.e. for a block of one year for the financial year 2016-17. The appointment of M/s. B S R & Co. LLP, Chartered Accountants, as statutory auditors of the Company, shall be placed for ratification before the shareholders in the ensuing AGM. Your Directors recommend to ratification for their re-appointment.

## **11. AUDITORS' REPORT**

On the Annual Account of the Company for the year ended 31<sup>st</sup> March 2016, the Auditors have given a qualified report on the basis of a dispute with one of the customers for quality of beneficiated coal supplied by the Company. The report is self explanatory and no further explanation is required. The matter is before Court appointed arbitrators for dispute resolution.

## **12. DISCLOSURE ABOUT COST AUDIT**

In terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s. Mahesh Singh & Co., Cost Accountants was appointed as Cost Auditors to conduct the audit of cost records of your company for the financial year 2016-17.

### **13. INTERNAL AUDIT & CONTROLS**

The Board of Directors has appointed M/s G. Singh & Co. as Internal Auditor of the Company. During the year review, the Company has implemented suggestions and recommendations of the Internal Auditor to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with head of concerned departments and suitable corrective actions are taken as per the directions of management on an ongoing basis to improve efficiency in operations.

### **14. VIGIL MECHANISM**

Your Company has adopted a Vigil Mechanism Policy. The purpose of the policy is to enable employees to raise concerns about unacceptable improper practices and/or any unethical practices being carried out in the organization without the knowledge of management. All employees shall be protected from any adverse action for reporting any unacceptable/improper practice and/or any unethical practice, fraud or violation of any law, rule, or regulation.

### **15. RISK MANAGEMENT POLICY**

A statement of risk indicating development and implementation of a risk management policy for the Company, including identification of elements of risk which may threaten the existence of the company, has been prepared and reviewed periodically by management.

### **16. EXTRACT OF ANNUAL RETURN:**

In terms of Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT-9** as a part of this Annual Report is annexed as “**Annexure-II.**”

### **17. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT.**

There is no material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report.

### **18. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There were no such orders passed against the Company by regulators or courts or tribunals impacting the going concern status and company's operations in future.

### **19. DEPOSITS**

The Company has not invited/accepted any public deposit from public under Section 73 & 76 of the Companies Act, 2013 and rules made there under during this financial year.

## 20. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Loan, guarantees and investments covered under Section 186 of the Companies Act, 2013 forms part of the Notes to the Financial Statements provided in this Annual Report.

## 21. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto are annexed as "Annexure-III."

## 22. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In compliance with Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, the Company has constituted an 'Internal Complaints Committee' ('Committee'). There was no complaint during the year, therefore the Committee has not prepared any complaints report in compliance with Section 22 of the Act.

## 23. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

### a) Conservation of energy

(i)	the steps taken or impact on conservation of energy	The Company has employed the best technology available for the business process.
(ii)	the steps taken by the company for utilizing alternate sources of energy	The Company has set up a solar power plant in Telengana but the generation of electricity from the plant is not utilized for captive consumption as coal beneficiation plants of the company are located far off the solar plant.
(iii)	the capital investment on energy conservation equipments	Nil

### (b) Technology absorption

(i)	the efforts made towards technology absorption	The Company has set up a 10 MW solar power plant with best of the technology and equipment available in the market.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Nil
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	The Company has imported solar modules from China during last financial year.
	(a) the details of technology imported	Solar Module
	(b) the year of import;	2015-16
	(c) whether the technology been fully absorbed	Yes
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Nil	
(iv)	the expenditure incurred on Research and	Nil

	Development	
--	-------------	--

### **(c) Foreign exchange earnings and Outgo**

During the year, the total foreign exchange used was for Rs. 37,11,39,696 /- on account of import of capital goods and Rs 320,778/- on account of business promotion expenditure. There was no foreign exchange earnings during the year.

## **24. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The brief outline of the corporate social responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in “**Annexure IV**” of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

## **25. HUMAN RESOURCES**

Your Company treats its “human resources” as one of its most important assets.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused attention towards human resource are conducted regularly by the Company; promotion of talent internally through job rotation and job enlargement remains the core of human resource management.

## **26. INTERNAL FINANCIAL CONTROL**

The Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016.

## **27. DIRECTORS’ RESPONSIBILITY STATEMENT**

The Directors present the following Directors’ Responsibility Statement as referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 28. ACKNOWLEDGEMENTS

The Board of Directors appreciates the valuable support and contribution made by the employees, bankers and all other stake holders of the Company in achieving the results recorded by the Company during last financial year.

**For and on behalf of the Board of Directors  
Global Coal And Mining Private Limited**

Place: Gurgaon-HR  
Date:

-sd-  
Kartikeswar Patra  
Managing Director  
DIN-01849504  
C-89, Palaspalli,  
P.O.- Aerodorme Area,  
P.S.- Airfield, Vimpur,  
Khordha, Odisha-751020

-sd-  
Kuldeep Singh Solanki  
Director  
DIN-00009212  
B-9/16, Vasant Vihar,  
New Delhi-110057



**“Annexure-I”**

**DETAILS OF MEETINGS ATTENDED BY DIRECTORS OF THE COMPANY DURING THE FINANCIAL YEAR 2015-16**

Sr. No	Date of Meeting	Type of Meeting	No. of Meetings attend by director								
			Virender Kumar Sehgal	Kartikeswar Patra	Bijay Kumar Mandhani	Kuldeep Singh Solanki	Manisha Solanki	Rudra Sen Sindhu	Vritpal Sindhu	Vir Sen Sindhu	Gautam Gode
1	24.06.2015	Board Meeting	Yes	N. A.	Yes	Yes	No	Yes	No	Yes	Yes
2	17.07.2015	Board Meeting	Yes	N. A.	No	Yes	No	Yes	No	No	Yes
3	29.09.2015	Board Meeting	Yes	N. A.	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	18.12.2015	Board Meeting	Yes	N. A.	No	Yes	No	Yes	Yes	Yes	Yes
5	30.03.2016	Board Meeting	Yes	No	No	Yes	No	Yes	Yes	No	Yes
6	08.05.2015	Borrowing Committee Meeting	Yes	N. A.	N. A.	Yes	N. A.	N. A.	N. A.	N. A.	Yes
7	03.06.2015	Borrowing Committee Meeting	Yes	N. A.	N. A.	Yes	N. A.	N. A.	N. A.	N. A.	Yes
8	04.11.2015	CSR Committee Meeting	Yes	N. A.	Yes	Yes	N. A.	N. A.	N. A.	N. A.	N. A.

**FORM NO. MGT-9  
EXTRACT OF ANNUAL RETURN  
As on financial year ended on 31.03.2016**

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

**I. REGISTRATION & OTHER DETAILS:**

1	<b>CIN</b>	U10102DL1998PTC094328
2	<b>Registration Date</b>	08-06-1998
3	<b>Name of the Company</b>	Global Coal And Mining Private Limited
4	<b>Category/Sub-category of the Company</b>	Limited by Shares/ Non-Government Company
5	<b>Address of the Registered office &amp; contact details</b>	#2, First Floor, Sector-8 Market, R. K. Puram, New Delhi-110022 Contact No.: 011-26712592/93
6	<b>Whether listed Company</b>	Unlisted
7	<b>Name, Address &amp; contact details of the Registrar &amp; Transfer Agent, if any.</b>	Beetal Financial & Computer Services Pvt. Ltd. Beetal House, 3rd Floor, 99 Madangir, New Delhi- 110062 Phone- 91-11-2996 1281-83

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Coal Beneficiation and allied activities	05103	78.09 %
2	Sale of Coal	47736	12.65 %

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiaries/ Associate	% of Shares Held	Applicable Section
1	<b>Orichem Limited</b> B-8, Palaspalli, Aerodrome Area, Bhubaneswar, Orrisa-751020	U24119OR1974PLC000616	Subsidiary Company	92.14	2 (87)
2	<b>XLR Capital (Cyprus) Ltd.</b> 17, Gr. Xenopoulou, Limassol, Cyprus		Associate Company	23.77	2 (6)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	0	2532346	2532346	14.41	1259746	1272600	2532346	14.41	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	6257358	3402695	9660053	54.97	7983006	1677047	9660053	54.97	0
e) Banks / FI	0	0	0	0					0
f) Any other	0	0	0	0					0
<b>Sub-total</b>	<b>6257358</b>	<b>5935041</b>	<b>12192399</b>	<b>69.38</b>	<b>9242752</b>	<b>2949647</b>	<b>12192399</b>	<b>69.38</b>	<b>0</b>
<b>(2) Foreign</b>	0	0	0	0	0	0	0	0	0
(g) NRIs- Individuals	0	0	0	0	0	0	0	0	0
(h) Other- Individuals	0	0	0	0	0	0	0	0	0
(i) Bodies Corp.	0	0	0	0	0	0	0	0	0
(j) Banks/ FI	0	0	0	0	0	0	0	0	0
(k) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(A) (2):-</b>									
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>6257358</b>	<b>5935041</b>	<b>12192399</b>	<b>69.38</b>	<b>9242752</b>	<b>2949647</b>	<b>12192399</b>	<b>69.38</b>	<b>0</b>



c) Others (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	0	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	1889044	878625	2767669	15.75	1889044	878625	2767669	15.75	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies – D R	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	<b>1889044</b>	<b>3490849</b>	<b>5379893</b>	<b>30.62</b>	<b>4419068</b>	<b>960825</b>	<b>5379893</b>	<b>30.62</b>	<b>0</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	<b>1889044</b>	<b>3490849</b>	<b>5379893</b>	<b>30.62</b>	<b>4419068</b>	<b>960825</b>	<b>5379893</b>	<b>30.62</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>8146402</b>	<b>9425890</b>	<b>17572292</b>	<b>100</b>	<b>13661820</b>	<b>3910472</b>	<b>17572292</b>	<b>100</b>	<b>0</b>

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Capt. K.S.Solanki	1,029,196	5.86	0	1,029,196	5.86	0	0
2	Smt. Indu Solanki	133,256	0.76	0	133,256	0.76	0	0
3	Ms. Manisha Solanki	97,294	0.55	0	97,294	0.55	0	0
4	Maneesha Finlease Ltd	1,725,648	9.82	0	1,725,648	9.82	0	0
5	Mr. Bijay Kumar Mandhani	1,061,840	6.04	0	1,061,840	6.04	0	0
6	Shri Pawan Mandhani	210,760	1.20	0	210,760	1.20	0	0
7	Bijman Securities Pvt. Ltd.	1,227,047	6.98	0	1,227,047	6.98	0	0
8	MBG Properties Private Limited	450,000	2.56	0	450,000	2.56	0	0
9	ACB (India) Limited	6,257,358	35.61	0	6,257,358	35.61	0	0
<b>Total</b>		<b>12192399</b>	<b>69.38</b>	<b>0</b>	<b>12192399</b>	<b>69.38</b>	<b>0</b>	<b>0</b>

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

There are no changes in the Promoter's shareholding during the Financial Year 2015-16.

**(iv) Shareholding Pattern of top ten Shareholders:**

**(Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	For Each of the Top 10 Shareholders Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>CIPL Investments</b>				
	At the beginning of the year	2,767,669	15.75	2,767,669	15.75
	Bought during the year	0	0	0	0
	Sold during the year	0	0	0	0
	At the end of the year	2,767,669	15.75	2,767,669	15.75
2	<b>Sajjan Export (India) Private Limited</b>				
	At the beginning of the year	921,616	5.24	921,616	5.24
	Bought during the year	0	0	0	0
	Sold during the year	0	0	0	0
	At the end of the year	921,616	5.24	921,616	5.24
3	<b>RSL Exports &amp; Marketing Pvt. Ltd.</b>				
	At the beginning of the year	889,704	5.06	889,704	5.06
	Bought during the year	0	0	0	0
	Sold during the year	0	0	0	0
	At the end of the year	889,704	5.06	889,704	5.06
4	<b>S A Portfolio Limited</b>				
	At the beginning of the year	643,704	3.36	643,704	3.36
	Bought during the year	0	0	0	0
	Sold during the year	0	0	0	0
	At the end of the year	643,704	3.36	643,704	3.36

5	<b>Smt. Banwar Kanwar</b>				
	At the beginning of the year	75,000	0.43	75,000	0.43
	Bought during the year	0	0	0	0
	Sold during the year	0	0	0	0
	At the end of the year	75,000	0.43	75,000	0.43
6	<b>Sh. Sajjan Singh</b>				
	At the beginning of the year	65,000	0.37	65,000	0.37
	Bought during the year	0	0	0	0
	Sold during the year	0	0	0	0
	At the end of the year	65,000	0.37	65,000	0.37
7	<b>Shri Virender Kumar Sehgal</b>				
	At the beginning of the year	10,000	0.06	10,000	0.06
	Bought during the year	0	0	0	0
	Sold during the year	0	0	0	0
	At the end of the year	10,000	0.06	10,000	0.06
8	<b>Sh. Raj Singh</b>				
	At the beginning of the year	7,200	0.04	7,200	0.04
	Bought during the year	0	0	0	0
	Sold during the year	0	0	0	0
	At the end of the year	7,200	0.04	7,200	0.04

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Sh. Kuldeep Singh Solanki</b>				
	At the beginning of the year	1,029,196	5.86	1,029,196	5.86
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	1,029,196	5.86	1,029,196	5.86



2	<b>Sh. Bijay Kumar Mandhani</b>				
	At the beginning of the year	1,061,840	6.04	1,061,840	6.04
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	1,061,840	6.04	1,061,840	6.04
3	<b>Sh. Virender Kumar Sehgal</b>				
	At the beginning of the year	10,000	0.06	10,000	0.06
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	10,000	0.06	10,000	0.06
4	<b>Ms. Manisha Solanki</b>				
	At the beginning of the year	97,294	0.55	97,294	0.55
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	97,294	0.55	97,294	0.55

## V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	816,327,551.00	-	-	816,327,551.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5,038,189.00	-	-	5,038,189.00
<b>Total (i+ii+iii)</b>	<b>821,365,740.00</b>	<b>-</b>	<b>-</b>	<b>821,365,740.00</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	2,729,043,482.24	-	-	2,729,043,482.24
• Reduction	2,746,186,303.62	-	-	2,746,186,303.62
<b>Net Change</b>	<b>(17,142,821.38)</b>	<b>-</b>	<b>-</b>	<b>(17,142,821.38)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	799,184,729.62	-	-	799,184,729.62
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3,281,081.88	-	-	3,281,081.88
<b>Total (i+ii+iii)</b>	<b>802,465,811.50</b>	<b>-</b>	<b>-</b>	<b>802,465,811.50</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		Shri Kuldeep Singh Solanki	Shri Virender Kumar Sehgal	Shri Bijay Kumar Mandhani	Smt. Manisha Solanki	Shri Kartikeswar Patra	
1	Gross salary	` 4,47,50,000	` 70,00,000	` 3,05,00,000	` 1,00,55,000	` 16,64,171	` 9,39,69,171
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	` 4,47,50,000	` 70,00,000	` 3,05,00,000	` 1,00,55,000	` 16,64,171	` 9,39,69,171
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0		0
	© Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0		0
2	Stock Option	0	0	0	0		0
3	Sweat Equity	0	0	0	0		0
4	Commission - as % of profit - others, specify...	0	0	0	0		0
5	Others, please specify	0	0	0	0		0
	Total (A)	` 4,47,50,000	` 70,00,000	` 3,05,00,000	` 1,00,55,000	` 16,64,171	` 9,39,69,171
	Ceiling as per the Act	N. A.	N. A.	N. A.	N. A.		N. A.

**B. Remuneration to other Directors:**

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

**C. Remuneration to Key Managerial Personnel other Than MD/Manager/WTD:**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	Nil	` 14,78,400	Nil	` 14,78,400
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	` 14,78,400	Nil	` 14,78,400
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	© Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil	Nil
	- others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil

Total	Nil	` 14,78,400	Nil	` 14,78,400
-------	-----	-------------	-----	-------------

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

**For and on behalf of the Board of Directors  
Global Coal And Mining Private Limited**

Place: Gurgaon-HR  
Date: 20/09/2016

Kartikeswar Patra  
Managing Director  
DIN-01849504  
C-89, Palaspalli,  
P.O.- Aerodorme Area,  
P.S.- Airfield, Vimpur,  
Khordha, Odisha-751020

Kuldeep Singh Solanki  
Director  
DIN-00009212  
B-9/16, Vasant Vihar,  
New Delhi-110057

**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm’s length basis.

SL. No.	Particulars	Details
a)	Name of the related party & nature of relationship	N. A.
b)	Nature of contracts / arrangements / transaction	N. A.
c)	Duration of the contracts/arrangements/ transactions including the value, if any	N. A.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N. A.
e)	Justification for entering into such contracts or arrangements or transactions’	N. A.
f)	Date of approval by the Board	N. A.
g)	Amount paid as advances, if any	N. A.
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N. A.

2. Details of contracts or arrangements or transactions at Arm’s length basis.

Sl. No.	Name of Related Party & relationship nature	Nature of Contracts	Duration of Contract	Salient Terms (Rs.)	Date of Approval	Advance, if any
1	<b>Aryan Energy Pvt. Ltd.</b> Enterprises over which KMP exercise significant influence (“Other related parties”)	Sale & purchases of coal, stores and spares, other services & Purchases of coal, stores and spares, other services.	1 Year	30 Crore	24.06.2015	Nil
2	<b>Sainik Mining and Allied Services Ltd.</b> Enterprises over which KMP exercise significant influence (“Other related parties”)	Sale & purchases of store, spares, parts, components, HSD, Tyres, accessories, apparatuses, tools etc. which are to be used in various vehicles like dozers, dumpers, tipper, excavators / poclain, graders, loaders, surface miners, water tankers diesel tankers, drill machines etc. and services of Transportation and logistics services.	1 Year	13.75 Crore	24.06.2015	Nil

3	<b>Global Minetec Ltd.</b> Enterprises over which KMP exercise significant influence (“Other related parties”)	To availing of services of liaisoning work with APGENCO and customers and to take property on lease.	1 Year	12.12 Crore	24.06.2015	Nil
4	<b>M A Automobiles</b> Enterprises over which KMP exercise significant influence (“Other related parties”)	Purchases of spare parts	1 Year	1.50 Crore	24.06.2015	Nil
5	<b>Aryan Clean Coal Technologies Pvt. Ltd.</b> Enterprises over which KMP exercise significant influence (“Other related parties”)	Purchases of spare parts	1 Year	6 Crore	24.06.2015	Nil
6	<b>Maheshwari Brothers Coal Limited</b> Enterprises over which KMP exercise significant influence (“Other related parties”)	To take property on lease	1 Year	18 Lakh	24.06.2015	Nil
7	<b>Orichem Limited</b> Subsidiary	To take property on lease	1 Year	70 Lakh	24.06.2015	Nil
8	<b>Mrs. Indu Solanki</b> Relative of KMP	To take property on lease	1 Year	6 Lakh	24.06.2015	Nil
9	<b>Aarvee Transport Co.</b> Enterprises over which KMP exercise significant influence (“Other related parties”)	Purchases of spare parts	1 Year	3 Lakh	18.12.2015	Nil

**For and on behalf of the Board of Directors  
Global Coal And Mining Private Limited**

Place: Gurgaon-HR  
Date: 20/09/2016

Kartikeswar Patra  
Managing Director  
DIN-01849504  
C-89, Palaspalli,  
P.O.- Aerodorme Area,  
P.S.- Airfield, Vimpur,  
Khordha, Odisha-751020

Kuldeep Singh Solanki  
Director  
DIN-00009212  
B-9/16, Vasant Vihar,  
New Delhi-110057

**ANNUAL REPORT ON CSR ACTIVITIES**

- (1) A brief outline of the company’s CSR policy:

The CSR initiatives of the Company focus on holistic development of host communities and create social, environmental and economic value to the society.

To pursue these objectives, the company continues to uphold and promote the principles of inclusive growth and equitable development. Develop community development plans based on needs and priorities of host communities and measure the effectiveness of these programs.

The Company will work actively in areas of preventive health and sanitation, education, skills for employability, livelihoods, income generation, waste resource management and water conservation for host communities for enhancing human development index.

The Company may collaborate with government organizations, voluntary organizations and academic and social institutes in pursuit of our goals.

- (2) The Composition of the CSR Committee

The Company has constituted three members CSR Committee to recommend the CSR programs and to monitor the implementation of the CSR programs undertaken by the Company.

- (3) Average net profit of the company for last three financial years: 64,22,95,827/-

- (4) Prescribed CSR Expenditure (two per cent. Of the amount as in item 3 above)

Prescribed CSR expenditure during the year was Rs 1,28,45,917/-

- (5) Details of CSR spent during the financial year.

- (a) Total amount to be spent for the financial year:

Unspent amount of FY 2014-15: Rs. 1,34,46,765/-

Amount allocated in FY 2015-16: Rs. 1,28,45,917/-

Total amount to be spent during the FY 2015-16: Rs. 2,62,92,682/-

- (b) Amount unspent, if any; 2,37,48,967/-



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

Sr. No.	CSR Project of Activity identified	Sector in which the project is covered	Projects or Programmers 1. Local area 2. Specify the State and district where projects or programs was undertaken	Amount outlay (budge) project of programs wise	Amount spent on the projects or programs : 1. Direct expenditure on projects or programs. 2. Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through agency
1	Promoting education and construction of building for education	Education	Loacl Area : Talcher, Dist.: Angul State: Odisha	Rs. 7,20,626/-	Rs. 7,20,626/-	Rs. 7,20,626/-	Direct
2	Promoting preventive health care and construction of building for hospital	Health	Loacl Area : Talcher, Dist.: Angul State: Odisha	Rs. 13,61,265/-	Rs. 13,61,265/-	Rs. 13,61,265/-	Direct
3	Promoting preventive health care and construction of building for hospital	Health	Loacl Area : Balana, Dist.: Pali State: Rajasthan	Rs. 4,61,824/-	Rs. 4,61,824/-	Rs. 4,61,824/-	Direct
<b>Total</b>				<b>Rs. 25,43,715/-</b>	<b>Rs. 25,43,715/-</b>	<b>Rs. 25,43,715/-</b>	

6. The Company is considering various proposals to undertake suitable CSR activities in coordination with local administration around the project area of the Company.

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

(Managing Director)	(Chairman CSR Committee)	
---------------------	--------------------------	--

## **Independent Auditor's Report**

To the Members of Global Coal and Mining Private Limited

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Global Coal and Mining Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

### **Basis for Qualified Opinion**

attention is invited to note 33(c) to the financial statements with regard to dispute with one of customers for quality of beneficiated coal supplied by the Company. As at the year end, the Company has outstanding receivables of Rs. 97,186,000 (previous year Rs. 97,186,000), outstanding bank guarantee of Rs. 106,700,000 (previous year Rs. 106,700,000) and the claims raised by the customer amounting to Rs. 225,278,000 (previous year Rs. 225,278,000) for recovery of cost of coal supplied by the customer for beneficiation and other penalties. The customer has invoked bank guarantees of Rs. 106,700,000. The Company had filed an application seeking interim protection from the invocation of bank guarantees till the matter is decided by the Arbitral Tribunal. District Judge dismissed the plea of the Company and same was challenged by the Company before the Hon'ble High Court, Nagpur which also rejected the plea of the Company. After rejection of the plea of the Company by Hon'ble High Court, Nagpur, the Company has filed Special Leave Petition ('SLP') with Hon'ble Supreme Court of India.

In the meantime, the High Court of Judicature at Bombay, Nagpur Bench had appointed sole arbitrator to adjudicate the dispute. During the year ended 31 March 2015, the Company and the customer has filed its claim and counter claim (including claim towards power generation loss, which is considered as baseless by the Company) respectively with the Arbitrator. The Company is hopeful of resolving these issues with the customer. Since the matter is in dispute and is sub judice, we are unable to express an opinion as to whether any provision is required to be made for the outstanding balances from this customer and against the claims of the customer. The impact of above on the financial statements is not ascertainable at this stage. This was the subject matter of qualification in our audit report on the financial statements for the year ended 31 March 2015 also.

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for effects of the matter described in the Basis for Qualified Opinion paragraph above, effects of which is not ascertained, the aforesaid standalone financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its profit and its cash flows for the year ended on that date.

### **Emphasis of Matters**

Attention is invited to note 39 to the standalone financial statements in respect of Company's investment in share capital amounting to Rs. 445,918,150 (previous year Rs. 445,918,150) and share application money amounting to Rs. 66,069,150 (previous year Rs. 66,069,150) in XLR Capital (Cyprus) Limited ('XLRCL'). XLRCL has further invested the amount in Yara Dallol B.V., Sluiskil, Netherlands ('YD') an associated company. YD had carried out a feasibility study for potash mining in Ethiopia and based on the independent study, identified annual production of 600,000 metric tons of sulphate of potash (SOP) over 23 years from the reserves. YD expects to begin production by end of 2018 and the delay would not result into any substantial financial impact on the financial statements. Accordingly no provision for diminution in the value of investment is made at this stage. Our opinion is not modified in respect of this matter.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we enclose in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) except for the matter described in basis for qualified opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) except for the matter described in basis for qualified opinion paragraph above, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) the matters described in the basis for qualified opinion and Emphasis of Matter above, in our opinion, may have an adverse effect on the functioning of the Company;
  - f) on the basis of written representations received from the directors as on 31 March 2016, and taken on record by the Board of Directors, none of the director is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act;
  - g) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    1. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements- Refer note 33(a)(i), 33(a)(ii), 33(c), 33(d)(i) and 33(d)(ii) to the standalone financial statements.
    2. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
    3. The Company did not have any dues on account of Investor Education and Protection Fund.

**For B S R & Company**  
*Chartered Accountants*  
ICAI Firm Registration No: 128032W

-sd-

**Pravin Tulsyan**  
*Partner*  
Membership No. 108044

Place: Gurgaon  
Date:

## **Annexure A to the Independent Auditor's report**

The Annexure referred to in our report to the members of Global Coal and Mining Private Limited for the year ended 31 March 2016. We report that:

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no discrepancies were noticed during physical verification of fixed assets.
  - (c) According to the information and explanations given to us and on the basis our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) According to the information and explanations given to us, the inventories have been physically verified by the management at the year end. In our opinion, the frequency of such verification is reasonable. As informed to us, the discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of accounts.
- (iii) According to the information and explanations given to us, the Company has not granted loans to companies covered in the register maintained under section 189 of the Act.
  - (a) In cases of loans granted in the prior years to the companies listed in the register maintained under section 189 of the Act, the borrowers have been regular in the repayment of the principal and payment of interest on such loans as and when demanded by the Company as stipulated.
  - (b) There are no overdue amounts in respect of the loan granted in the prior years to companies listed in the register maintained under section 189 of the Act. # #
- (iv) According to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and security made.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to ensure whether they are adequate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Value Added Tax, Service Tax, Duty of Customs, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities, except for dues in respect of Service tax where there have been significant delays and Income Tax, Employee State Insurance and Provident fund where there

have been slight delays. As explained to us, the Company did not have any dues on account of Duty of Excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales tax, Value Added Tax, Service tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Value Added Tax, Service tax, Duty of Customs and Cess which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

Name of the Statute	Nature of dues	Amount involved (in Rs. lacs)	Amount deposited (in Rs. lacs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax	727.31	54.55	June 2005 to March 2009 #	In the Customs, Central Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service tax	2,044.03	-	April 2006 to March 2011 #	Commissioner of Service Tax, New Delhi
Finance Act, 1994	Service tax	1,191.90	-	April 2011 to March 2012 #	Commissioner of Service Tax, New Delhi
Finance Act, 1994	Service tax	1,153.96	-	April 2012 to March 2013 #	Commissioner of Service Tax, New Delhi
Finance Act, 1994	Service tax	1,788.50	-	April 2013 to March 2014 #	Commissioner of Service Tax, New Delhi
Finance Act, 1994	Service tax	730.18	-	April 2014 to March 2015 #@	Commissioner of Service Tax, New Delhi
Income tax Act, 1961	Income tax	4,594.85	-	Financial year 2007-08*	CIT (Appeals), New Delhi
Income tax Act, 1961	Income tax	49.59	-	Financial year 2008-09 *	CIT (Appeals), New Delhi
Income tax Act, 1961	Income tax	23.89	-	Financial year 2009-10 *	CIT (Appeals), New Delhi
Income tax Act, 1961	Income tax	9.39	-	Financial year 2010-11 *	CIT (Appeals), New Delhi
Income tax Act, 1961	Income tax	669.83	-	Financial year 2011-12 *	CIT (Appeals), New Delhi
Income tax Act, 1961	Income tax	28.14	-	Financial year 2012-13 *	CIT (Appeals), New Delhi

@demand received subsequent to the year end on 19 April 2016

#excluding interest and penalty as not quantified in the demand

\*including interest and penalty till the date of demand notice

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its banker and financial institutions. The Company does not have any dues payable to any debenture holder and did not have any loan and borrowing from Government during the year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and the term loans were applied for the purpose for which they were raised.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the company Section 197 read with Schedule V to the Act is not applicable. Accordingly, paragraph 3(xi) of order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of section 177 of the Act are not applicable to the Company. According to the information and explanations given to us, transactions with the related parties are in compliance with section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

**For B S R & Company**  
*Chartered Accountants*  
ICAI Firm Registration No: 128032W

Place: Gurgaon  
Date:

-sd-  
**Pravin Tulsyan**  
*Partner*  
Membership No. 108044

## **Annexure B to the Auditor's report**

### **Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Global Coal and Mining Private Limited** ("the Company") as of 31 March 2016 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



## **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, issued by the Institute of Chartered Accountants of India.

*For B S R & Company*  
*Chartered Accountants*  
ICAI Firm Registration No: 128032W

Place: Gurgaon  
Date: 6 September 2016

**Pravin Tulsyan**  
*Partner*  
Membership No. 108044

**Global Coal and Mining Private Limited**  
**Balance Sheet as at 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

	Note	As at 31 March 2016	As at 31 March 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	175,722,920	175,722,920
Reserves and surplus	4	3,554,681,883	3,120,616,149
		<b>3,730,404,803</b>	<b>3,296,339,069</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	221,548,122	188,120,438
Other long-term liabilities	6	288,000,000	259,500,000
Long-term provisions	7	44,117,717	37,141,174
		<b>553,665,839</b>	<b>484,761,612</b>
<b>Current liabilities</b>			
Short-term borrowings	8	435,878,299	406,238,299
Trade payables	9		
(a) Total outstanding dues to micro and small enterprises		-	-
(b) Total outstanding dues to other than micro and small enterprises		1,258,119,143	769,190,326
Other current liabilities	10	667,060,672	282,709,790
Short-term provisions	11	21,743,221	20,744,254
		<b>2,382,801,335</b>	<b>1,478,882,669</b>
<b>TOTAL</b>		<b>6,666,871,977</b>	<b>5,259,983,350</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	12	1,949,310,229	1,063,588,500
Capital work-in-progress	13	358,546,944	590,165,130
		<b>2,307,857,173</b>	<b>1,653,753,630</b>
Non-current investments	14	564,246,480	567,448,335
Deferred tax assets (net)	15	29,345,751	33,892,485
Long-term loans and advances	16	510,541,658	432,530,111
Other non-current assets	17	92,713,325	55,266,346
		<b>1,196,847,214</b>	<b>1,089,137,277</b>
<b>Current assets</b>			
Inventories	18	177,943,809	137,060,215
Trade receivables	19	1,675,018,169	662,691,612
Cash and bank balances	20	274,108,455	383,136,922
Short-term loans and advances	21	956,374,988	854,947,115
Other current assets	22	78,722,169	479,256,579
		<b>3,162,167,590</b>	<b>2,517,092,443</b>
<b>TOTAL</b>		<b>6,666,871,977</b>	<b>5,259,983,350</b>
<b>Significant accounting policies</b>	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

*For BSR & Company*  
*Chartered Accountants*  
 ICAI Firm Registration No: 128032W

*For and on behalf of the Board of Directors of*  
**Global Coal and Mining Private Limited**

-sd-  
**Pravin Tulsyan**  
*Partner*  
 Membership No.: 108044

Place: Gurgaon  
 Date :

-sd-  
**Kuldeep Singh Solanki**  
*Chairman*  
 Din No.: 00009212

Place: Gurgaon  
 Date :

-sd-  
**Kartikeswar Patra**  
*Managing Director*  
 Din No.: 01849504

Place: Gurgaon  
 Date :

-sd-  
**Surjan Singh**  
*Company Secretary*  
 FCS-8864

Place: Gurgaon  
 Date :

**Global Coal and Mining Private Limited**  
**Statement of Profit and Loss for the year ended 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

	Note	Year ended 31 March 2016	Year ended 31 March 2015
<b>Revenue</b>			
Revenue from operations	23	4,608,536,179	3,655,613,982
Other income	24	187,150,447	165,655,868
<b>Total revenue</b>		<b>4,795,686,626</b>	<b>3,821,269,850</b>
<b>Expenses</b>			
Purchase of coal		156,963,588	142,102,398
Decrease/ (increase) in stock of coal	25	(44,591,771)	(18,696,519)
Transportation and loading charges		3,112,548,438	2,339,877,621
Power and fuel		77,978,184	75,746,880
Employee benefits expenses	26	281,704,886	268,384,558
Finance costs	27	72,711,734	97,718,005
Depreciation and amortisation expense	12	193,324,347	249,226,638
Other expenses	28	384,365,814	414,355,449
<b>Total expense</b>		<b>4,235,005,220</b>	<b>3,568,715,030</b>
<b>Profit before tax</b>		<b>560,681,406</b>	<b>252,554,820</b>
<b>Tax expenses</b>			
Current tax		119,658,383	127,240,147
Less: MAT Credit Entitlement		(8,164,245)	-
Deferred tax (credit)		4,546,735	(35,379,314)
<b>Net tax expense</b>		<b>116,040,873</b>	<b>91,860,833</b>
<b>Profit for the year</b>		<b>444,640,533</b>	<b>160,693,987</b>
<b>Basic and diluted earnings per share</b>	29	25.30	9.14
[nominal value of Rs. 10 (31 March 2015 Rs. 10)]			

**Significant accounting policies**

2

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

*For BSR & Company*  
*Chartered Accountants*  
ICAI Firm Registration No: 128032W

*For and on behalf of the Board of Directors of*  
**Global Coal and Mining Private Limited**

-sd-  
**Pravin Tulsyan**  
*Partner*  
Membership No.: 108044

-sd-  
**Kuldeep Singh Solanki**  
*Chairman*  
Din No.: 00009212

-sd-  
**Kartikeswar Patra**  
*Managing Director*  
Din No.: 01849504

-sd-  
**Surjan Singh**  
*Company Secretary*  
FCS-8864

Place: Gurgaon  
Date :

Place: Gurgaon  
Date :

Place: Gurgaon  
Date :

Place: Gurgaon  
Date :

**Global Coal and Mining Private Limited**  
**Cash Flow Statement for the year ended 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

	Year ended 31 March 2016	Year ended 31 March 2015
<b>A) Cash flow from operating activities:</b>		
Profit before tax	560,681,406	252,554,820
Non-cash adjustments to reconcile profit before tax to net cash flows		
Depreciation/ amortization	193,324,347	249,226,638
Bad debts/ advances written off	1,751,099	7,666,194
(Profit) on sale of fixed assets (net)	(806,316)	(186,778)
Loss on sale of investments	-	149,000
Share in loss of Association of Person (SCPL-GCMPL Consortium 49% holding)	20,201,855	16,036,365
Finance costs	72,711,734	97,718,005
Interest income	(146,116,785)	(150,685,332)
<b>Operating profit before following adjustments</b>	<b>701,747,340</b>	<b>472,478,912</b>
Increase/ (decrease) in trade payables	488,928,817	173,242,531
Increase in long-term provisions	6,976,543	14,445,117
Increase in short-term provisions	998,967	400,093
Increase/ (decrease) in other current liabilities	77,269,460	(58,270,181)
Increase in other long-term liabilities	28,500,000	139,500,000
Decrease/ (increase) in trade receivables	(1,014,077,656)	294,045,612
Decrease/ (increase) in inventories	(40,883,595)	(23,209,376)
(Increase) in long-term loans and advances	(31,429,827)	(107,534,252)
(Increase)/ decrease in short-term loans and advances	(2,639,941)	34,048,288
(Increase)/ decrease in other current assets	372,975,872	(388,069,629)
<b>Cash generated from operations</b>	<b>588,365,980</b>	<b>551,077,116</b>
Taxes paid (net of refunds)	(133,654,856)	(192,310,401)
<b>Net cash from operating activities (A)</b>	<b>454,711,124</b>	<b>358,766,715</b>
<b>B) Cash flow from investing activities:</b>		
Purchase of fixed assets/ capital work-in-progress	(463,231,512)	(187,751,505)
Sale of fixed assets	977,500	400,000
Sale/ (Purchase) of non-current investments	(17,000,000)	51,000
Movement in bank deposits (net) (with original maturity over three months)	56,369,201	(81,225,844)
Inter corporate deposits given	(132,035,012)	-
Inter corporate deposits received back	39,700,000	7,636,983
Interest income	173,675,323	150,685,332
<b>Net cash used in investing activities (B)</b>	<b>(341,544,500)</b>	<b>(110,204,034)</b>
<b>C) Cash flow from financing activities:</b>		
Proceeds from secured loans	633,332,000	131,205,128
Repayments of secured loans	(650,474,820)	(219,842,804)
Repayments of unsecured loans	-	(6,092,835)
Dividend and tax on dividend	(10,574,799)	(20,558,703)
Finance cost	(100,661,293)	(116,546,840)
<b>Net cash used in financing activities (C)</b>	<b>(128,378,912)</b>	<b>(231,836,054)</b>
<b>D) Net increase in cash and cash equivalents (A+B+C)</b>	<b>(15,212,288)</b>	<b>16,726,627</b>
<b>E) Cash and cash equivalents as at the beginning of the year [refer note 20]</b>	<b>82,906,389</b>	<b>66,179,762</b>
<b>F) Cash and cash equivalents as at the end of the year [refer note 20]</b>	<b>67,694,101</b>	<b>82,906,389</b>

**Note:**

The cash flow statement has been prepared in accordance with 'Indirect method' as set out in the Accounting Standard (AS)-3 on 'Cash Flow Statements' as specified in the section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014.

As per our report of even date attached

For **B S R & Company**  
Chartered Accountants  
ICAI Firm Registration No: 128032W

For and on behalf of the Board of Directors of  
**Global Coal and Mining Private Limited**

-sd-  
**Pravin Tulsyan**  
Partner  
Membership No.: 108044

-sd-  
**Kuldeep Singh Solanki**  
Chairman  
Din No.: 00009212

-sd-  
**Kartikeswar Patra**  
Managing Director  
Din No.: 01849504

-sd-  
**Surjan Singh**  
Company Secretary  
FCS-8864

Place: Gurgaon  
Date :

Place: Gurgaon  
Date :

Place: Gurgaon  
Date :

Place: Gurgaon  
Date :

**Global Coal and Mining Private Limited**  
**Notes to financial statements for the year ended 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

**1. Background**

Global Coal and Mining Private Limited ('the Company') was incorporated on 8 June 1998. The company is into the business of coal beneficiation and also into power generation through 1.5 MW wind mill plant and 10 MW solar power plant.

**2. Significant accounting policies**

**a. Basis of preparation**

These financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014, the relevant provisions of the Companies Act, 2013, pronouncements of the Institute of Chartered Accountants of India and other accounting principles generally accepted in India, to the extent applicable. The financial statements are presented in India Rupees.

The financial statements of the Company include its share of assets, liabilities, income and expenditure in relation to the jointly controlled asset, as per the terms of Memorandum of Understanding ('MOU') signed between the Company and Aryan Energy Private Limited, which are incorporated in the financial statements of the Company in proportion of its participating interest in joint venture.

Name of the Asset	Participating Interest (PI) (in %)
132 KV Switching Sub-Station, Talcher, Odisha	50%

**b. Current-non-current classification**

All assets and liabilities have been classified into current and non-current.

**Assets:**

An asset is classified as current when it satisfies any of the following criteria:

- i. It is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- ii. It is held primarily for the purpose of being traded;
- iii. It is expected to be realised within 12 months after the reporting date; or
- iv. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

**Liabilities:**

A liability is classified as current when it satisfies any of the following criteria:

- i. It is expected to be settled in the company's normal operating cycle;
- ii. It is held primarily for the purpose of being traded;
- iii. It is due to be settled within 12 months after the reporting date; or
- iv. The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.  
 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.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

**Operating cycle:**

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The company has ascertained its operating cycle being a period within twelve months for the purpose of classification of assets and liabilities as current and non-current.

**c. Use of estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Differences between the actual results and estimates are recognised in the year in which the results are known/ materialized. Any revision to accounting estimates is recognised prospectively in current and future periods.

**Global Coal and Mining Private Limited**  
**Notes to financial statements for the year ended 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

**d. Tangible fixed assets**

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repairs and maintenance expenditure and cost of replacing parts are charged to Statement of Profit and Loss for the period during which such expenses are incurred.

Tangible fixed assets under construction are disclosed as capital work-in-progress.

**e. Leases**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lesser, are recognised as operating leases. Lease payments under operating lease arrangements are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

**f. Borrowing costs**

Borrowing cost are interest, ancillary costs and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost incurred by the Company in connection with the borrowing of funds.

Borrowing costs (net of income on the temporary investment of those borrowings) that are attributable to the acquisition of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a period of one year or more to get ready for its intended use. All other borrowing costs are charged to revenue.

**g. Depreciation on tangible fixed assets**

*For assets used for power operations:*

Pursuant to Part 'B' of Schedule II of Companies Act, 2013 ('the Act'), the useful life or residual value of any specific asset, as notified for accounting purposes by a Regulatory Authority constituted under an Act of Parliament or by the Central Government shall be applied in calculating the depreciation to be provided for such asset irrespective of the requirements of this Schedule.

Ministry of Power, Government of India vide resolution dated 6th January 2006, has notified Tariff Policy in terms of section 3 of the Electricity Act, 2003. The said Tariff Policy inter alia provides that rates of depreciation as notified by Central Electricity Regulatory Commission (CERC) would be applicable for the purpose of tariffs as well as accounting. CERC has also notified the rates of depreciation as well as methodology for computing such depreciation and depreciation is to be provided up to 90% of the cost of asset, based on straight line method of calculating the depreciation.

*For assets used for coal beneficiation operations and others:*

The Company has provided for depreciation over the useful life of the assets as prescribed under part C of Schedule II of the Act.

*Leasehold assets:*

Leasehold assets are amortised over the period of lease. Leasehold improvements are amortised over the remaining period of lease or the useful lives of assets as determined by the management in accordance with the policy stated above, whichever is shorter.

The useful lives are reviewed by the management at each financial year-end and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the revised remaining useful life.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal.

Losses arising from retirement or gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

**h. Financial Reporting of interest in Jointly Controlled Asset**

The Joint Venture is in the nature of Jointly Controlled Asset as defined in Accounting Standard 27, 'Financial Reporting of Interest in Joint Ventures'. The Company incorporates in its financial statements revenues, expenditure, assets and liabilities in respect of the Joint Venture, in proportion of its participating interest in the venture. The balances in the financial statements include the Company's participating interest in the Joint Venture.

**Global Coal and Mining Private Limited**  
**Notes to financial statements for the year ended 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

**i. Impairment of assets**

The carrying amounts of assets are reviewed at each balance sheet date in accordance with Accounting Standard 28 'Impairment of Assets', to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

**j. Investments**

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realized within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments".

Long-term investments (including current portion thereof) are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments i.e., equity shares, mutual funds etc.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

**k. Inventories**

Inventories are valued at lower of cost and net realisable value. The bases for determination of cost of various category of inventory are as follows (as per note 18):

i. Stores and spares:

Stores and spares are computed on first in first out basis (FIFO).

ii. Raw coal:

These are valued at cost of raw coal and cost incurred to bring the coal to its present location and condition, computed on first in first out basis.

iii. Beneficiated coal:

These are valued at cost of raw coal as computed above and appropriate portion of processing and other overheads incurred to bring beneficiated coal to its present location and condition.

iv. Work-in-progress:

Work-in-progress represents the cost incurred on beneficiation of coal on behalf of customers towards raw coal transportation, beneficiation of raw coal and transportation of beneficiated coal to bring the coal to its present location and condition, and a systematic allocation of production overheads on appropriate basis.

v. Coal rejects:

These consist of rejects generated out of coal beneficiation process or coal rejects purchased directly. The cost is ascertained by proportioning the total cost attributable to the category of coal generated/ purchased, considering appropriate basis.

**l. Revenue recognition**

***Revenue from operations:***

i. Sale of coal:

Revenue from sale of coal is recognised when coal is dispatched to the customer, which coincides with the transfer of significant risks and rewards. The amount recognised as revenue is exclusive of sales tax, value added tax (VAT) and is net of returns.

ii. Sale of power:

Revenue from sale of wind power and solar power is recognised based on tariffs as per the terms of the Power Purchase Agreements entered into by the Company with respective customers.

**Global Coal and Mining Private Limited**  
**Notes to financial statements for the year ended 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

iii. Coal beneficiation and allied services:

Revenue from raw coal beneficiation and allied receipts is recognised on attainment of the said activity. Such activity is regarded as being attained when no significant uncertainty exists regarding the amount of consideration that will be derived from the performance of such activity and the activity is completed or substantially completed. The amount recognised as revenue is exclusive of service tax and is net of returns.

iv. Coal transportation and allied services:

Revenue from transport operations is recognised at the point of delivery of goods to the customers which coincides with transfer of risk and rewards associated with such goods to the customers.

**Other income:**

i. Interest income:

Interest income is recognised on a time proportion basis considering the contracted rate of return.

**m. Foreign currency transactions**

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the respective transactions. Monetary foreign currency assets and liabilities remaining unsettled at the balance sheet date are translated at the rates of exchange prevailing on that date. Gains/ losses arising on account of realisation/ settlement of foreign exchange transactions and on translation of foreign currency assets and liabilities are recognised in the Statement of Profit and Loss.

**n. Retirement and other employee benefits**

**Short-term employee benefits:**

All employee benefits payable/ available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

**Post employment benefits:**

**Defined contribution plans:** A defined contribution plan i.e. provident fund is a post-employment benefit plan under which an entity pays fixed contributions to statutory authority and will have no legal and constructive obligation to pay further amounts. Obligations for contributions to defined contribution provident plans are recognised as an employee benefit expense in the Statement of Profit and Loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

**Defined benefit plans:** A defined benefit plan i.e. gratuity, is a post-employment benefit plan.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employee have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. The calculation is performed annually by an independent actuary using the projected unit credit actuarial method. When the calculation results in a benefit to the Company, the asset is recognised only to the extent of the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

**Compensated absence:** Benefits under the Company's compensated absences scheme constitute other long-term employee benefits. The liability in respect of compensated absences is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

**o. Taxes**

Income-tax expenses comprise current tax (i.e. the amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of the timing differences between the accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in the future. However, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised. Deferred tax implications of timing differences, that originate during the tax holiday period and reverse after the tax holiday period are recognised in the year in which timing differences originate.



**Minimum Alternative Tax (MAT)**

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendation contained in the Guidance Note on “Accounting for Credit Available in respect of Minimum Alternative Tax under The Income Tax Act, 1961” issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

**p. Earnings per share**

In computing earnings per share, the Company considers net profit/ (loss) after tax. Basic earnings per share are computed by the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of equity and dilutive equivalent shares outstanding during the year, except where results would be anti-dilutive.

**q. Provisions and contingencies**

The Company recognises a provision when there is a present obligation as a result of a past event and it is more likely than not that there will be an outflow of resources embodying economic benefits to settle such obligation and the amount of such obligation can be reliably estimated. Provisions are not discounted to its present value, and are determined based on the management’s best estimate of the amount of obligation required at the year end. These are reviewed at each balance sheet date and adjusted to reflect current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of future events not wholly within the control of the Company. Contingent liabilities are also disclosed for present obligations in respect of which it is not probable that there will be an outflow of resources or a reliable estimate of the amount of obligation cannot be made.

When there is a possible obligation or a present obligation where the likelihood of an outflow of resources is remote, no disclosure or provision is made.

**r. Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**Global Coal and Mining Private Limited**  
**Notes to financial statements for the year ended 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

**3. Share capital**

	As at 31 March 2016		As at 31 March 2015	
	Number	Amount	Number	Amount
<b>Authorized share capital</b>				
Equity shares of Rs. 10 each	18,000,000	180,000,000	18,000,000	180,000,000
<b>Issued, subscribed and fully paid up</b>				
Equity shares of Rs. 10 each	17,572,292	175,722,920	17,572,292	175,722,920
		<b>175,722,920</b>		<b>175,722,920</b>

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the year**

	As at 31 March 2016		As at 31 March 2015	
	Number	Amount	Number	Amount
Equity shares at the beginning and end of the year	17,572,292	175,722,920	17,572,292	175,722,920

**(b) Terms/ rights attached to equity shares**

The Company has only one class of equity shares, having a par value of Rs. 10 per share. All shares rank pari passu with respect to dividend, voting rights and other terms. Each shareholder is eligible to one vote per fully paid share held. The dividend proposed by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(c) Details of shareholders holding more than 5% shares in the company**

	As at 31 March 2016		As at 31 March 2015	
	Number	% holding in the class	Number	% holding in the class
<b>Equity shares of Rs. 10 each fully paid</b>				
ACB (India) Limited	6,257,358	35.61%	6,257,358	35.61%
CIPL Investments	2,767,669	15.75%	2,767,669	15.75%
Maneesha Finlease Limited	1,725,648	9.82%	1,725,648	9.82%
Bijman Securities Private Limited	1,227,047	6.98%	1,227,047	6.98%
Bijay Kumar Mandhani	1,061,840	6.04%	1,061,840	6.04%
Ex.-Captain K. S. Solanki	1,029,196	5.86%	1,029,196	5.86%
Sajjan Exports (India) Private Limited	921,616	5.24%	921,616	5.24%
RSL Exports & Marketing Private Limited	889,704	5.06%	889,704	5.06%
	<b>15,880,078</b>	<b>90.37%</b>	<b>15,880,078</b>	<b>90.37%</b>

**4. Reserves and surplus**

	As at 31 March 2016	As at 31 March 2015
<b>Securities premium</b>		
Balance at the beginning and end of the year	704,766,767	704,766,767
<b>Surplus balance in the Statement of Profit and Loss</b>		
Opening balance	2,415,849,382	2,265,730,194
Add: Profit for the year	444,640,533	160,693,987
Less: Appropriations		
Proposed equity dividend [amount per share Re. 0.50 (31 March 2015 Re. 0.50)]	(8,786,146)	(8,786,146)
Tax on proposed equity dividend	(1,788,653)	(1,788,653)
<b>Net surplus balance in the Statement of Profit and Loss</b>	<b>2,849,915,116</b>	<b>2,415,849,382</b>
	<b>3,554,681,883</b>	<b>3,120,616,149</b>

**Global Coal and Mining Private Limited**  
**Notes to financial statements for the year ended 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

**5. Long-term borrowings**

	Total		Non-current portion		Current maturities *	
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
<b>Secured:</b>						
<b>Indian rupee term loans</b>						
From bank (Refer Note (a))	321,124,870	341,147,846	207,115,906	164,668,000	114,008,964	176,479,846
From others (Refer Note (b))	23,305,995	56,814,963	4,860,936	21,125,047	18,445,059	35,689,916
<b>Indian rupee vehicle/ equipment loans</b>						
From bank (Refer Note (c))	18,875,566	12,126,443	9,571,280	2,327,391	9,304,286	9,799,052
	<b>363,306,431</b>	<b>410,089,252</b>	<b>221,548,122</b>	<b>188,120,438</b>	<b>141,758,309</b>	<b>221,968,814</b>

\* Amount disclosed under 'other current liabilities' (note 10)

**I. Nature of security/ guarantees**

**Terms of repayment**

**(a) Indian rupee term loans from bank**

Term loans amounting to Rs. 265,524,870 (31 March 2015 Rs. 341,147,846) are secured by the way of first pari passu charge on movable fixed assets both present and future (except the assets financed exclusively) of Company by the way of hypothecation. Further secured by first pari passu charge on the Company's land and building at Ib Valley and Talcher by the way of equitable mortgage. Further collaterally secured by second pari passu charge on the Company's current assets, both present and future and also by way of personal guarantees of promoter directors.

(i) Loan amounting to Rs. 203,024,870 (31 March 2015 Rs. 127,710,000) is repayable in 20 equal quarterly installments commencing from 17 April 2015 along with interest at bank's base rate plus 300 basis points payable in monthly rests.

(ii) Loan amounting to Rs. Nil (31 March 2015 Rs. 25,937,846) is repayable in 12 equal quarterly installments commencing from 03 December 2012 along with interest at bank's base rate plus 300 basis points payable in monthly rests has been repaid during the year.

(iii) Loan amounting to Rs. 62,500,000 (31 March 2015 Rs. 187,500,000) is repayable in 13 equal quarterly installments commencing from 20 November 2013 along with interest at bank's base rate plus 215 basis points payable in monthly rests.

Term loans amounting to Rs. 55,600,000 (31 March 2015 Rs. NIL) are secured by the way of Equitable mortgage/registered mortgage over the project land & building both existing and proposed at Naskal, Rangareddy District, Telangana 'the site'. Further secured by the way of hypothecation of all movable assets pertaining to the project, including the plant & machinery installed or to be installed at the site. Further secured by the way of hypothecation charge on all the current assets pertaining to the project and also by way of personal guarantees of promoter directors.

Repayable in 36 equal quarterly installments commencing from 21 January 2017. Interest is payable at Bank's base rate plus 200 basis points at each month end.

**(b) Indian rupee term loans from others**

(i) Loan amounting to Rs. NIL (31 March 2015: Rs. 1,812,630) is secured by way of exclusive charge on all the movable assets both present and future of the Company's phase three of IB Valley plant by way of hypothecation.

Repayable in 48 equal monthly installments commencing from 01 August 2011 along with interest at fixed rate 11.437% payable in monthly rests.

(ii) Loan amounting to Rs. 1,286,051 (31 March 2015: Rs. 15,731,122) is secured by way of exclusive charge on all the movable assets both present and future of the Company's phase three of IB Valley plant by way of hypothecation.

Repayable in 48 equal monthly installments commencing from 10 May 2012 along with interest at fixed rate 13.00% payable in monthly rests.

(iii) Loan amounting to Rs. 11,378,199 (31 March 2015: Rs. 23,563,791) is secured by way of exclusive charge on all the movable assets both present and future of the Company's phase three of IB Valley plant by way of hypothecation.

Repayable in 48 equal monthly installments commencing from 01 February 2013 along with interest at fixed rate 12.49% payable in monthly rests.

(iii) Loan amounting to Rs. 10,641,745 (31 March 2015: Rs. 15,707,420) is secured by way of exclusive charge on all the movable assets both present and future of the Company's phase three of IB Valley plant by way of hypothecation.

Repayable in 48 equal monthly installments commencing from 15 January 2014 along with interest at fixed rate 13.00% payable in monthly rests.

**(c) Indian rupee vehicle/ equipment loans from banks**

(i) Vehicle Loan of Rs. 302,351 (31 March 2015: Rs. 3,716,408) is secured by the way of first and exclusive charge on specific vehicles/ equipment. Further secured by way of post dated cheques for repayment of interest and principal.

Repayable in 36 equal monthly installments commencing from 05 May 2013 along with interest at fixed rate 9.60% payable in monthly rests.

(ii) Vehicle Loan of Rs. NIL (31 March 2015: Rs. 1,981,991) is secured by the way of first and exclusive charge on specific vehicles/ equipment. Further secured by way of post dated cheques for repayment of interest and principal.

Repayable in 36 equal monthly installments commencing from 01 April 2013 along with interest at fixed rate 9.10% payable in monthly rests.

(iii) Vehicle Loan of Rs. NIL (31 March 2015: Rs. 3,255,244) is secured by the way of first and exclusive charge on specific vehicles/ equipment. Further secured by way of post dated cheques for repayment of interest and principal.

Repayable in 36 equal monthly installments commencing from 01 May 2013 along with interest at fixed rate 9.25% payable in monthly rests.

(iii) Vehicle Loan of Rs. 833,893 (31 March 2015: Rs. NIL) is secured by the way of first and exclusive charge on specific vehicles/ equipment. Further secured by way of post dated cheques for repayment of interest and principal.

Repayable in 36 equal monthly installments commencing from 05 February 2016 along with interest at fixed rate 10.00% payable in monthly rests.

(iii) Vehicle Loan of Rs. 15,714,259 (31 March 2015: Rs. NIL) is secured by the way of first and exclusive charge on specific vehicles/ equipment. Further secured by way of post dated cheques for repayment of interest and principal.

Repayable in 35 equal monthly installments commencing from 07 May 2015 along with interest at fixed rate 10.10% payable in monthly rests.

(iv) Vehicle Loan of Rs. 2,025,063 (31 March 2015: Rs. 3,172,800) is secured by the way of first and exclusive charge on specific vehicles/ equipment. Further secured by way of post dated cheques for repayment of interest and principal.

Repayable in 36 equal monthly installments commencing from 05 December 2014 along with interest at fixed rate 10.20% payable in monthly rests.

**II.** The company did not have any continuing default as on the balance sheet date in repayment of the above mentioned loans and interest thereon.

**6. Other long-term liabilities**

	As at 31 March 2016	As at 31 March 2015
Security deposits	288,000,000	259,500,000
	<b>288,000,000</b>	<b>259,500,000</b>

**Global Coal and Mining Private Limited**  
**Notes to financial statements for the year ended 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

**7. Long-term provisions**

	As at 31 March 2016	As at 31 March 2015
<b>Provision for employee benefits (refer note 30)</b>		
Provision for gratuity	43,892,338	37,141,174
Provision for compensated absence	225,379	-
	<b>44,117,717</b>	<b>37,141,174</b>

**8. Short-term borrowings**

	As at 31 March 2016	As at 31 March 2015
<b>Loans repayable on demand from banks (Secured)</b>		
Cash credit	235,878,299	206,238,299
Working capital loans	200,000,000	200,000,000
	<b>435,878,299</b>	<b>406,238,299</b>

Cash credits of Rs. 235,878,299 (31 March 2015 Rs. 206,238,299) and working capital loans of Rs. 200,000,000 (31 March 2015 Rs. 200,000,000) are secured through hypothecation by way of first pari passu charge on Company's current assets including stocks and receivables, both present and future. Further, secured by second pari passu charge on the Company's land and building at IB Valley and Talcher by the way of equitable mortgage. Additionally, collaterally secured by way of second pari passu charge on Company's fixed assets, other than those given on exclusive charge to other banks/ financial institutions and also by way of personal guarantees of promoter directors.

**9. Trade payables**

	As at 31 March 2016	As at 31 March 2015
Dues to micro and small enterprises *	-	-
Dues to other than micro and small enterprises	1,258,119,143	769,190,326
	<b>1,258,119,143</b>	<b>769,190,326</b>

\* The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on the information available with the management, there are no overdue outstanding to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Further, the Company has not received any claim for interest from any supplier under the said Act.

- The principal amount remaining unpaid to any supplier as at the end of the year	-	-
- The interest due on The principal remaining outstanding as at the end of The year	-	-
- The amount of interest paid under the MSMED Act, along with the amounts of the payment made beyond the appointed day during the year	-	-
- The amount of 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 the MSMED Act	-	-
- The amount of interest accrued and remaining unpaid at the end of the year	-	-
- The amount of 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, for the purpose of disallowance as a deductible expenditure under the MSMED Act	-	-

**10. Other current liabilities**

	As at 31 March 2016	As at 31 March 2015
<b>To parties other than related parties</b>		
Current maturities of long-term borrowings (refer note 5)	141,758,309	221,968,814
Interest accrued but not due on borrowings	3,281,082	5,038,189
Advance from customers	186,676	108,930
Security deposits	5,732,858	4,649,704
Dues to employees	56,804,063	15,144,922
Other payables:		
Other capital creditors	392,408,146	3,359,112
Service tax payable	45,046,715	11,684,463
Tax deducted at source payable	18,649,576	18,127,649
Other statutory dues	3,193,247	2,628,007
	<b>667,060,672</b>	<b>282,709,790</b>

**11. Short-term provisions**

	As at 31 March 2016	As at 31 March 2015
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note 30)	2,681,546	2,632,350
Provision for compensated absence	949,771	-
<b>Others</b>		
Proposed dividend [amount per share Re. 0.50 (31 March 2015 Re. 0.50)]	8,786,146	8,786,146
Tax on proposed dividend	1,788,653	1,788,653
Provision for income tax [net of advance income tax of Rs. 316,969,053 (31 March 2015 Rs. 316,969,053)].	7,537,105	7,537,105
	<b>21,743,221</b>	<b>20,744,254</b>

Global Coal and Mining Private Limited

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Rupees, unless stated otherwise)

12. Tangible assets

As at 31 March 2016

Particulars	Gross block				Accumulated depreciation				Net block
	As at 1 April 2015	Additions during the year	Deletions/ adjustments during the year	As at 31 March 2016	Upto 1 April 2015	For the year	Deletions/ adjustments during the year	Upto 31 March 2016	As at 31 March 2016
Freehold land	68,708,534	17,188,291	-	85,896,825	-	-	-	-	85,896,825
Leasehold land	23,977,349	-	-	23,977,349	2,895,715	376,328	-	3,272,043	20,705,306
Building	147,519,004	-	-	147,519,004	39,701,549	6,313,268	-	46,014,817	101,504,187
Factory building	221,157,716	88,574,291	-	309,732,007	139,014,429	15,473,113	-	154,487,542	155,244,465
Office equipment	14,506,825	1,346,799	-	15,853,624	12,085,704	1,340,172	-	13,425,876	2,427,748
Plant and machinery	1,168,396,936	929,224,945	-	2,097,621,881	788,308,557	77,019,317	-	865,327,874	1,232,294,007
Railway siding	605,551,048	-	-	605,551,048	264,229,062	64,701,704	-	328,930,766	276,620,282
Furniture and fixtures	5,288,087	49,373	-	5,337,460	3,740,632	470,792	-	4,211,424	1,126,036
Computers	5,276,853	883,074	-	6,159,927	4,911,980	507,315	-	5,419,295	740,632
Heavy earth moving machines	91,165,487	23,265,898	-	114,431,385	71,173,147	12,227,350	-	83,400,497	31,030,888
Motor vehicles	108,098,247	926,503	3,449,516	105,575,234	77,818,862	9,648,954	3,278,331	84,189,485	21,385,749
Roads	31,634,105	17,758,088	-	49,392,193	23,812,055	5,246,034	-	29,058,089	20,334,104
<b>Total</b>	<b>2,491,280,191</b>	<b>1,079,217,262</b>	<b>3,449,516</b>	<b>3,567,047,937</b>	<b>1,427,691,691</b>	<b>193,324,347</b>	<b>3,278,331</b>	<b>1,617,737,708</b>	<b>1,949,310,229</b>

As at 31 March 2015

Particulars	Gross block				Accumulated depreciation				Net block
	As at 1 April 2014	Additions during the year	Deletions/ adjustments during the year	As at 31 March 2015	Upto 1 April 2014	For the year	Deletions/ adjustments during the year	Upto 31 March 2015	As at 31 March 2015
Freehold land	28,177,974	40,530,560	-	68,708,534	-	-	-	-	68,708,534
Leasehold land	23,977,349	-	-	23,977,349	2,520,416	375,299	-	2,895,715	21,081,634
Building	147,519,004	-	-	147,519,004	30,290,524	9,411,025	-	39,701,549	107,817,455
Factory building	220,794,685	363,031	-	221,157,716	116,756,566	22,257,863	-	139,014,429	82,143,287
Office equipment	13,452,942	1,053,883	-	14,506,825	6,900,944	5,184,760	-	12,085,704	2,421,121
Plant and machinery	1,166,984,983	1,411,953	-	1,168,396,936	693,398,698	94,909,859	-	788,308,557	380,088,379
Railway siding	605,551,048	-	-	605,551,048	184,631,791	79,597,271	-	264,229,062	341,321,986
Furniture and fixtures	5,102,469	185,618	-	5,288,087	3,026,863	713,769	-	3,740,632	1,547,455
Computers	5,212,553	64,300	-	5,276,853	4,290,626	621,354	-	4,911,980	364,873
Heavy earth moving machines	74,005,651	17,159,836	-	91,165,487	63,300,318	7,872,829	-	71,173,147	19,992,340
Motor vehicles	108,497,985	2,400,262	2,800,000	108,098,247	66,763,640	13,642,000	2,586,778	77,818,862	30,279,385
Roads	31,634,105	-	-	31,634,105	9,171,445	14,640,609	-	23,812,054	7,822,051
<b>Total</b>	<b>2,430,910,748</b>	<b>63,169,443</b>	<b>2,800,000</b>	<b>2,491,280,191</b>	<b>1,181,051,831</b>	<b>249,226,638</b>	<b>2,586,778</b>	<b>1,427,691,691</b>	<b>1,063,588,500</b>

**Global Coal and Mining Private Limited**  
**Notes to financial statements for the year ended 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

**13. Capital work-in-progress**

	As at 31 March 2016	As at 31 March 2015
Opening balance	590,165,130	346,012,862
Add: Additions during the year (refer note 32)	816,248,371	244,152,268
Less: Assets capitalised during the year	(1,042,349,220)	-
Less: Transferred to Co-ventures	(5,517,337)	-
Closing balance	<u>358,546,944</u>	<u>590,165,130</u>

**14. Non-current investments (other than trade)**

(Valued at cost, unless specified otherwise)

	As at 31 March 2016	As at 31 March 2015
<b>Equity shares - unquoted</b>		
<b>Investment in subsidiaries</b>		
3,899,700 (31 March 2015 3,899,700) equity shares of Rs. 10 each fully paid up in Orichem Limited	75,970,050	75,970,050
<b>Investment in associates</b>		
23,071 (31 March 2015 23,071) equity shares of Euro 1 each fully paid up in XLR Capital (Cyprus) Limited [refer note 40]	445,918,150	445,918,150
<b>Equity shares - quoted</b>		
5,000 (31 March 2015 5,000) equity shares of Rs. 10 each fully paid up in Asian Oil Field Services Limited	96,500	96,500
<b>Investment in Mutual Funds</b>		
149,985 (31 March 2015 149,985) units of Rs. 10 each in Bank of India AXA Capital Protection Oriented Fund -Series 1 Regular Growth Plan	1,500,000	1,500,000
<b>Investment in Association of Persons</b>		
M/s Spectrum Coal and Power Limited (in consortium with Global Coal and Mining Private Limited)		
Opening Balance	43,963,635	60,000,000
Add: investment made during the year	17,000,000	-
Add: share in net profit/(loss) for the year	(20,201,855)	(16,036,365)
	<u>40,761,780</u>	<u>43,963,635</u>
	<u>564,246,480</u>	<u>567,448,335</u>

	As at 31 March 2016		As at 31 March 2015	
	Market Value	Aggregate Book Value	Market Value	Aggregate Book Value
Aggregate amount of quoted investment	1,917,063	1,596,500	2,078,813	1,596,500
Aggregate amount of unquoted investment		562,649,980		565,851,835

**Investment in M/s Spectrum Coal and Power Limited (in consortium with Global Coal and Mining Private Limited) - AOP**

Name of partners	share in profits (%)
Spectrum Coal and Power Limited	51%
Global Coal and Mining Private Limited	49%

Total capital of M/s Spectrum Coal and Power Limited (in consortium with Global Coal and Mining Private Limited)	Amount in Rs.
	87,937,090

**15. Deferred tax assets (net)**

	As at 31 March 2016	As at 31 March 2015
<b>Deferred tax asset on account of:</b>		
Excess of depreciation provided in accounts over depreciation allowable under Income-tax Act	8,934,589	15,990,834
<b>Gross deferred tax liability</b>	<u>8,934,589</u>	<u>15,990,834</u>
<b>Deferred tax asset on account of:</b>		
Provision for employee benefits	20,411,162	17,901,651
<b>Net deferred tax assets</b>	<u>29,345,751</u>	<u>33,892,485</u>

**16. Long-term loans and advances**

(Unsecured and considered good, unless otherwise stated)

	As at 31 March 2016	As at 31 March 2015
<b>To related parties [refer note 37(c)]</b>		
Security deposits	70,000,000	70,000,000
Share application money [refer note 39]	66,069,150	66,069,150
<b>To parties other than related parties</b>		
Capital advances	47,144,216	21,787,632
Advance income tax [net of provision for income tax of Rs. 821,572,691 (31 March 2015 Rs. 701,914,308)]	22,114,600	8,118,127
Security deposits	277,102,252	247,049,584
Prepaid expenses	20,882,777	19,505,618
MAT Credit Entitlement	7,228,663	-
	<u>510,541,658</u>	<u>432,530,111</u>

**17. Other non-current assets**

	As at 31 March 2016	As at 31 March 2015
Banks deposits (due to mature after 12 months from the reporting date) (refer note 20)	92,713,325	55,266,346
	<u>92,713,325</u>	<u>55,266,346</u>

**Global Coal and Mining Private Limited**  
**Notes to financial statements for the year ended 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

**18. Inventories**

(Valued at lower of cost and net realizable value)

	As at 31 March 2016	As at 31 March 2015
Raw Coal	-	88,252
Work-in-progress	29,968,556	24,561,729
Beneficiated coal	1,970,543	2,001,547
Coal rejects	56,747,351	17,443,151
Stores and spares	89,257,359	92,965,536
	<b>177,943,809</b>	<b>137,060,215</b>

**19. Trade receivables**

(Unsecured and considered good, unless otherwise stated)

	As at 31 March 2016	As at 31 March 2015
Receivables outstanding for a period exceeding six months from the date they became due for payment	171,207,081	191,557,624
Other receivables	1,503,811,088	471,133,988
	<b>1,675,018,169</b>	<b>662,691,612</b>

Trade receivable include Rs. 53,543,018 (31 March 2015 Rs. 13,441,142) due from Companies in which Director of the Company is a Director.

**20. Cash and bank balances**

	As at 31 March 2016	As at 31 March 2015
<b>Cash and cash equivalents</b>		
- Cash on hand	5,061,413	4,177,422
- Balances with banks:		
On current accounts	62,632,688	78,728,967
<b>Other bank balances</b>	206,414,354	300,230,534
	<b>274,108,455</b>	<b>383,136,922</b>

**Details of bank balances/ deposits**

	As at 31 March 2016	As at 31 March 2015
Bank balances available on demand/ deposits with original maturity of 3 months or less included under 'Other bank balances' *	-	31,980,954
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances' *	206,414,354	268,249,580
Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current assets' * (refer note 17)	92,713,325	55,266,346
	<b>299,127,679</b>	<b>355,496,880</b>

\* Includes Rs. 298,565,612 (31 March 2015 Rs. 354,961,241) pledged with banks as margin money for performance guarantees issued to various entities on behalf of the Company.

**21. Short-term loans and advances**

(Unsecured and considered good, unless otherwise stated)

	As at 31 March 2016	As at 31 March 2015
<b>To related parties [refer note 37(c)]</b>		
Advances for supply of goods and services	1,802,608	2,666,990
Inter corporate deposits*	500,736,494	409,393,232
Receivable from Co-venturer	5,517,337	-
<b>To parties other than related parties</b>		
Security deposits to others		
Unsecured, considered good	21,308,013	18,647,400
Advances for supply of goods and services	10,066,664	17,893,866
Others		
MAT Credit Entitlement	935,582	-
Inter corporate deposits*	370,467,906	369,476,156
Prepaid expenses	24,288,094	26,519,676
Loans to employees	484,047	1,032,485
Balance with statutory/ government authorities	20,768,243	9,317,310
	<b>956,374,988</b>	<b>854,947,115</b>

\* The inter corporate deposits have been paid to the following parties for business purpose:

Global Minetec Limited	65,210,401	67,508,340
MBG Commodities Private Limited	164,862,641	130,016,137
Rajasthan Explosives & Chemicals Limited	257,553,718	198,759,021
Orichem Limited	13,109,734	13,109,734
Asian Oil Field Services Limited	176,066,016	176,066,016
Bhilwara Tex-Fin Limited	194,401,890	193,410,140
	<b>871,204,400</b>	<b>778,869,388</b>

**22. Other current assets**

(Unsecured and considered good, unless otherwise stated)

	As at 31 March 2016	As at 31 March 2015
Unbilled revenue	52,205,611	425,181,483
Interest accrued but not due on inter corporate deposits and FDRs	26,516,558	54,075,096
	<b>78,722,169</b>	<b>479,256,579</b>

Global Coal and Mining Private Limited  
Notes to financial statements for the year ended 31 March 2016  
(All amounts are in Rupees, unless stated otherwise)

23. Revenue from operations

	Year ended 31 March 2016	Year ended 31 March 2015
<b>Sale of products</b>		
(i) Sale of coal	582,795,866	590,761,361
(ii) Sale of power	10,298,717	9,198,210
	<u>593,094,583</u>	<u>599,959,571</u>
<b>Sale of services</b>		
(i) <b>Coal beneficiation and allied services</b>		
(a) Coal beneficiation receipts	404,006,634	361,631,041
(b) Coal loading receipts	10,928,443	1,729,423
(c) Coal transporting receipts	3,183,881,273	2,347,943,607
	<u>3,598,816,350</u>	<u>2,711,304,071</u>
(ii) <b>Coal transportation and allied services</b>		
(a) Coal loading receipts	242,118,250	222,776,092
(b) Coal transporting receipts	26,457,115	57,579,938
	<u>268,575,365</u>	<u>280,356,030</u>
<b>Other Operating revenue</b>		
(a) Railway siding receipts	103,049,881	63,994,310
(b) Recoveries	45,000,000	-
	<u>148,049,881</u>	<u>63,994,310</u>
	<u><b>4,608,536,179</b></u>	<u><b>3,655,613,982</b></u>

24. Other income

	Year ended 31 March 2016	Year ended 31 March 2015
<b>Interest income on</b>		
- Bank deposits	30,932,766	29,400,583
- Inter-corporate deposits	115,184,019	121,284,749
Miscellaneous receipts	40,227,346	14,783,758
Profit on sale of fixed assets (net)	806,316	186,778
	<u><b>187,150,447</b></u>	<u><b>165,655,868</b></u>

25. Decrease/ (increase) in stock of coal

	Year ended 31 March 2016	Year ended 31 March 2015	(Increase)/ decrease during the year ended 31 March 2016
<b>Closing stock of coal</b>			
Raw Coal	-	88,252	88,252
Work-in-progress	29,968,556	24,561,729	(5,406,827)
Beneficiated coal	1,970,543	2,001,547	31,004
Coal rejects	56,747,351	17,443,151	(39,304,200)
	<u><b>88,686,450</b></u>	<u><b>44,094,679</b></u>	<u><b>(44,591,771)</b></u>

	Year ended 31 March 2016	Year ended 31 March 2015	(Increase)/ decrease during the year ended 31 March 2015
<b>Opening stock of coal</b>			
Raw Coal	88,252	1,577,537	1,489,285
Work-in-progress	24,561,729	10,369,194	(14,192,536)
Beneficiated coal	2,001,547	10,716,332	8,714,785
Coal rejects	17,443,151	2,735,098	(14,708,052)
	<u><b>44,094,679</b></u>	<u><b>25,398,161</b></u>	<u><b>(18,696,519)</b></u>

26. Employee benefits expenses

	Year ended 31 March 2016	Year ended 31 March 2015
Salaries, wages and bonus	264,955,409	252,383,938
Contribution to provident and other funds	11,378,555	10,779,606
Staff welfare expenses	5,370,922	5,221,014
	<u><b>281,704,886</b></u>	<u><b>268,384,558</b></u>

27. Finance costs

	Year ended 31 March 2016	Year ended 31 March 2015
Interest on term loan	18,387,685	40,650,541
Interest on cash credits/ working capital loan	48,540,506	52,782,779
Other borrowing costs	5,783,543	4,284,686
	<u><b>72,711,734</b></u>	<u><b>97,718,005</b></u>



**Global Coal and Mining Private Limited**  
**Notes to financial statements for the year ended 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

**28. Other expenses**

	<b>Year ended 31 March 2016</b>	<b>Year ended 31 March 2015</b>
Rent (refer note 31)	15,813,774	15,186,805
Deductions on account of quality and quantity	5,634,331	20,715,255
Coal handling charges	87,628,984	76,680,063
Repair, running and maintenance		
- Plant and machinery	58,387,155	61,321,186
- Others	34,747,809	41,759,284
Labour charges	33,159,294	41,787,605
Stores and spares consumed	10,725,651	10,246,770
Sampling charges	1,150,515	1,416,793
Water charges	7,729,476	7,042,509
Corporate social responsibility expenses	2,543,715	1,506,211
Legal and professional fees	11,999,433	8,259,882
Auditors' remunerations (refer note below)	1,528,814	1,575,000
Rate, taxes and fees	25,205,393	21,567,425
Share of loss from association of persons	20,201,855	16,036,365
Loss on sale of investment	-	149,000
Bank charges	17,060,004	20,063,282
Bad debts/ advances written off	1,751,099	7,666,194
Charity and donation	3,507,501	1,280,468
Donation to Bhartiya Janta Party	-	20,000,000
Donation to Telangana Rashtra Samithi	-	2,500,000
Insurance	6,843,149	6,498,155
Miscellaneous expenses	38,747,862	31,097,198
	<b>384,365,814</b>	<b>414,355,449</b>

**Note: Auditors' remunerations** (exclusive of service tax)

	<b>Year ended 31 March 2016</b>	<b>Year ended 31 March 2015</b>
Audit fee	1,500,000	1,500,000
Reimbursement of expenses	28,814	75,000
	<b>1,528,814</b>	<b>1,575,000</b>

**29. Earnings per share (EPS)**

	<b>Year ended 31 March 2016</b>	<b>Year ended 31 March 2015</b>
Profit after tax attributable to equity shareholders	444,640,533	160,693,987
Number of shares considered as weighted average shares outstanding for computing basic and diluted earnings per share (units)	17,572,292	17,572,292
Face value per share (Rupees)	10	10
<b>Basic and diluted earnings per share (Rupees)</b>	<b>25.30</b>	<b>9.14</b>

**Global Coal and Mining Private Limited**  
**Notes to financial statements for the year ended 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

**30. Employee benefits:**

**a. Defined contribution plan:**

Amount of Rs. 11,378,555 (previous year Rs. 10,779,606) pertaining to employers' contribution to provident fund, pension fund, labour welfare fund and administration charges is recognized as an expense and included in 'Employee benefits' in (Note 26)

**b. Defined benefit plan:**

**Gratuity Plan**

The Company operates a gratuity plan for its employees, which provides lump sum benefits linked to the qualifying salary and completed years of service with the Company at the time of separation. Every employee who has completed 5 years of continuous service is entitled to receive gratuity at the time of his retirement or separation from the organization whichever is earlier. However, the condition of completion of 5 years of service is not applicable where separation is on account of disability or death of an employee. The gratuity benefit that is payable to any employee, is computed in accordance with the provisions of "The Payment of Gratuity Act, 1972". The gratuity plan of the Company is unfunded.

The following table sets forth the status of the Gratuity Plan of the Company and the amounts recognised in the Balance Sheet and the Statement of Profit and Loss.

Particulars	Year ended	Year ended
	31 March 2016	31 March 2015
<b>Changes in the present value of defined benefit obligation</b>		
Projected benefit obligation at the beginning of year	39,773,524	24,928,314
Current service cost	5,104,898	3,561,445
Interest cost	3,441,418	2,559,434
Actuarial loss/ (gain)	1,557,094	10,053,993
Benefit Paid	(3,303,050)	(1,329,662)
<b>Projected benefit obligation at the end of the year</b>	<b>46,573,884</b>	<b>39,773,524</b>
<b>The net obligation is bifurcated as follows:</b>		
	As at	As at
	31 March 2016	31 March 2015
Current	2,681,546	2,632,350
Non-current	43,892,338	37,141,174
	<b>46,573,884</b>	<b>39,773,524</b>
<b>Expense recognised in the Statement of Profit and Loss</b>		
	Year ended	Year ended
	31 March 2016	31 March 2015
Current service cost	5,104,898	3,561,445
Interest cost on benefit obligation	3,441,418	2,559,434
Net actuarial loss/(gain) recognised in the year	1,557,094	10,053,993
<b>Net gratuity cost</b>	<b>10,103,410</b>	<b>16,174,872</b>

**Experience adjustments**

Particulars	Year ended	Year ended	Year ended	Year ended	Year ended
	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Defined benefit obligation	46,573,884	39,773,524	24,928,314	21,752,665	11,624,033
Plan assets	-	-	-	-	-
Surplus / (deficit)	(46,573,884)	(39,773,524)	(24,928,314)	(21,752,665)	(11,624,033)
Experience adjustment on plan liabilities	1,557,094	2,827,028	2,119,204	5,465,314	650,371
Experience adjustment on plan assets	-	-	-	-	-

**Principal actuarial assumptions at the balance sheet date are as follows:**

**Economic assumptions:** The principal assumptions are the discount rate and salary escalation rate. The discount rate is based on the market yields of Indian Government Securities as at the Balance Sheet date and the salary growth rate is based on the estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors. The assumptions used are summarized in the following table:

	As at 31 March 2016	As at 31 March 2015
Discount rate	7.90%	7.90%
Salary growth rate	10.00%	10.00%

**Demographic assumptions:**

	As at 31 March 2016	As at 31 March 2015
Retirement age	60 and 75 years	60 and 75 years
Mortality table	Indian Assured Lives (2006-08) Ult table	Indian Assured Lives (2006-08) Ult table
Employee turnover	21 – 30 years – 5%	21 – 30 years – 5%
	31 – 40 years – 3%	31 – 40 years – 3%
	41 – 50 years – 2%	41 – 50 years – 2%
	51 and above – 1%	51 and above – 1%

**Compensated absence:**

The Obligation of the Compensated Absence in respect of the employees of the Company as at 31 March 2016 works out to Rs. 1,175,150 (Previous year NIL)

**Global Coal and Mining Private Limited**  
**Notes to financial statements for the year ended 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

**31. Operating leases**

The Company has taken land, railway siding, office space, accommodation for its employees and guest house residential accommodation for employees under cancellable operating lease arrangements. Lease rental expenses charged during the year to the Statement of Profit and Loss amounts to Rs.15,813,774 (31 March 2015: Rs. 15,186,805).

**32. Capitalisation of expenditure**

During the year, the Company has capitalised borrowing cost of Rs. 26,192,451 (31 March 2015: Rs. 17,843,527) to the cost of capital work-in-progress. Consequently, expenses disclosed under note 27 'Finance cost' are net of amounts capitalised by the Company.

**33. Contingent liabilities, commitments, claims against the Company not acknowledged as debts and other legal cases:**

**(a) Contingent liabilities:**

- i. The Company has contested a liability raised by the service tax authorities for Rs. 758,132,564 (31 March 2015: Rs. 511,720,147 ) for the financial years 2005-06 to 2014-15. Detail of liability contested as mentioned below:

Name of the Statute	Amount involved (in Rs.) #	Period to which amount relates
Finance Act, 1994	67,276,250	June 2005 to March 2009
Finance Act, 1994	204,402,883	April 2006 to March 2011
Finance Act, 1994	119,190,000	April 2011 to March 2012
Finance Act, 1994	115,396,182	April 2012 to March 2013
Finance Act, 1994	178,849,144	April 2013 to March 2014
Finance Act, 1994	73,018,105	April 2014 to March 2015*

# excluding interest and penalty as not quantified in the demand

\* demand received subsequent to the year end on 19 April 2016

- ii. The Company has received assessment orders u/s 153A of the Income Tax Act, 1961 dated 31 March 2016 wherein demand of Rs. 537,570,700 was raised including tax and interest thereon. Subsequent to the year end, the Company has filed appeals with Commissioner of Income Tax (Appeals) contesting the above mentioned demands.

**(b) Commitments:**

The estimated amount of contracts remaining to be executed on capital account (net of advance) is Rs. 15,957,318 (31 March 2015: Rs. 140,084,510).

**(c) Claims against the Company not acknowledged as debts:**

In the previous years, one of the customers, pursuant to a contract entered for beneficiation of coal, has raised dispute regarding the quality of the beneficiated coal supplied by the Company. As at the year end, the Company has overdue debtors and has issued bank guarantees amounting to Rs. 97,186,000 and Rs. 106,700,000 (previous year Rs. 97,186,000 and Rs. 106,700,000) respectively. The customer had also raised a total claim of Rs. 225,278,000 (previous year Rs. 225,278,000) towards cost of coal supplied by it for beneficiation (Rs. 67,982,000) and other penalties (Rs. 157,296,000) and asked for invocation of bank guarantees.

The matter for invocation of bank guarantees is pending at Hon'ble Supreme Court of India. Meantime, on an application filed for the appointment of Arbitrator in regard to above disputes, the Hon'ble Bombay High Court, Nagpur Bench appointed Sole Arbitrator. During the year ended 31 March 2015, the Company and the customer has filed its claim and counter claim (including claim towards power generation loss) respectively with the Arbitrator.

While, the decision of the Sole Arbitrator is pending, on the basis of contractual terms and its evaluation of the matters raised in consultation with the Company's Counsel, the management believes that final outcome of the litigation will not have significant financial impact and accordingly, no provision is required.

**(d) Other legal cases:**

- i. The Company has received notice on 29 March 2010 from Mahanadi Coalfields Limited ("MCL") claiming that the leased land of the Company at Belpahar belongs to MCL and the Company should vacate such land. The Company acquired this land from Odisha Industrial Infrastructure Development Corporation ("OIIDC") and has valid titles to the said land vide lease deed duly registered with Registering Officer, Jharsuguda. On the aforesaid matter, the Hon'ble High Court of Orissa (High Court) vide order dated 6 May 2014 directed the State Government & OIIDC to take immediate steps to allot alternate land for shifting the coal washery at the existing land.

In view of the above fact, in FY 2013-14, the company had revised the remaining expected useful life of factory building whose net block as on 1 April 2013 is 65,480,887 to four years, which the Company considers expected time for identifying the alternate land by the authority and shifting of the coal washery. Accordingly, the company has recognised the depreciation on factory building on the basis of remaining expected useful life. Consequently, due to change in the revision of life of the washery there is increase in depreciation charge of factory building by Rs. 7,322,143 (31 March 2015: Rs. 13,210,873). Further, the useful life of plant and machineries of washery is not revised since management believes the said assets could be relocated and used for operations.

- ii. The Company is also involved in certain other lawsuits, claims and proceedings, either initiated by or against the Company, whether asserted or not. However, based on facts currently available, the management believes that these matters both individually and in aggregate will not have a material effect on the financial statements of the Company.

Global Coal and Mining Private Limited  
Notes to financial statements for the year ended 31 March 2016  
(All amounts are in Rupees, unless stated otherwise)

34. Foreign Currency earnings and expenditure of the company:

Value of imports calculated on CIF basis:

(a) Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Capital goods	371,139,696	3,901,678

Expenditure in Foreign Currency:

(b) Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Business Promotion	320,778	1,136,268

Unhedged foreign currency exposure

(c) Foreign currency exposure on account of payables not hedged by derivative instruments are as follows:

Foreign currency	As at 31 March 2016		As at 31 March 2015	
	Amount in foreign currency	Amount in Rs.	Amount in foreign currency	Amount in Rs.
United States Dollar (USD)	5,212,593	351,179,387	-	-
<b>Total</b>	<b>5,212,593</b>	<b>351,179,387</b>	-	-

35. Details of imported and indigenous spare parts consumed during the financial year:

Particulars	For the year ended 31 March 2016		For the year ended 31 March 2015	
	Rs.	Percentage	Rs.	Percentage
Imported	-	-	-	-
Indigenous	10,725,651	100.00	10,246,770	100.00
<b>Total</b>	<b>10,725,651</b>	<b>100.00</b>	<b>10,246,770</b>	<b>100.00</b>

36. Segment reporting

In accordance with Accounting Standard 17 'Segment Reporting' on segment reporting as specified in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014, the Company has identified two business segments viz. coal operations and power. The above segments have been identified and reported taking into account the differing risks and returns, and the current internal financial reporting systems. The segment wise disclosures are as follows:

Segment revenue, results, segment assets and liabilities include the respective amounts identifiable to each of the segments. Other unallocable expenditure/assets/liabilities include expenses/assets/liabilities which are not directly identifiable to any business segment.

Segment revenue, results and capital employed:

Particulars	Coal operations	Power	Unallocable	Total
Segment revenue	4,598,237,462 (3,646,415,772)	10,298,717 (9,198,210)	- -	4,608,536,179 (3,655,613,982)
Segment results	650,783,520 (403,674,596)	3,728,608 (2,690,788)	(208,269,434) 221,748,427	446,242,694 (184,616,958)
Finance cost	-	-	72,711,734 (97,718,005)	72,711,734 (97,718,005)
Interest and other income	40,227,346 (14,783,758)	-	146,923,101 (150,872,110)	187,150,447 (165,655,868)
Profit before tax	691,010,866 (418,458,354)	3,728,608 (2,690,788)	(134,058,068) 168,594,322	560,681,406 (252,554,819)

Other information	Coal operations	Power	Unallocable	Total
Segment assets	3,972,459,311 (3,234,119,833)	651,289,728 (30,197,974)	2,043,122,941 (1,995,665,545)	6,666,871,978 (5,259,983,350)
Segment liabilities	1,685,790,268 (1,134,741,436)	392,266,987 -	4,588,814,721 (4,125,241,914)	6,666,871,976 (5,259,983,351)
Segment capital expenditure	242,183,970 (86,537,835)	624,865,341 -	5,906,349 (110,369)	872,955,660 (86,648,204)
Segment depreciation	181,866,809 (235,725,852)	4,332,015 (3,919,241)	7,125,523 (9,581,545)	193,324,347 (249,226,638)

Figures in brackets are for 31 March 2015.

The Company's customers are located in India and constitute a single reportable segment for the purpose of secondary segment reporting. Accordingly, no secondary segment information has been disclosed as required by AS-17.

Segment accounting policies

The accounting principles consistently used in the preparation of the financial statements and consistently applied to record revenue and expenditure in individual segments are as set out in note 2 to the financial statements on significant accounting policies. The accounting policies in relation to segment accounting are as under:

(a) Segment assets and liabilities

All segment assets and liabilities have been allocated to the various segments on the basis of specific identification. Segment assets consist principally of fixed assets, capital work-in-progress, inventories, trade receivables, other current assets and loans and advances. Segment assets do not include unallocated corporate fixed assets, cash and bank balances, advance tax and other assets not specifically identifiable with any segment.

Segment liabilities include trade payables, other liabilities and staff benefits. Segment liabilities do not include share capital and provision for income tax and other liabilities not specifically identifiable with a segment.

(b) Segment revenue and expenses

Segment revenue and expenses are directly attributable to the segment and have been allocated to various segments on the basis of specific identification. Segment revenue does not include interest income, miscellaneous income in respect of non-segmental activities. Segment expenses do not include depreciation on unallocated corporate fixed assets, interest expense, tax expense, and other expense in respect of non-segmental activities.

37. Related party disclosures

(a) Related party and nature of the relationship with whom transactions have taken place during the year:

**Subsidiaries**

- Orichem Limited

**Association of Persons**

- Spectrum Coal and Power Limited (in consortium with Global Coal and Mining Private Limited)

**Associates**

- XLR Capital (Cyprus) Limited

**Key Management Personnel ("KMP") & their relatives**

- Mr. Kuldeep Singh Solanki, Chairman
- Mr. V. K. Sehgal, Managing Director (upto 31 March 2016)
- Mr. Kartikeswar Patra, Managing Director
- Mr. Bijay Kumar Mandhani, Executive Director
- Ms. Manisha Solanki, Executive Director
- Mrs. Indu Solanki

**Enterprise having significant influence**

- ACB (India) Limited

**Enterprises over which KMP exercise significant influence ("Other related parties")**

- Aryan Clean Coal Technologies Private Limited
- Aryan Energy Private Limited
- Blastec (India) Private Limited (upto 31 March 2015)
- M A Automobiles
- Maneesha Finlease Limited
- Emul Tek Private Limited (upto 31 March 2015)
- Global Minetec Limited
- MBG Commodities Private Limited
- Maheshwari Brothers Coal Limited
- Rajasthan Explosives & Chemicals Limited
- Sainik Mining And Allied Services Limited
- Sainik Finance and Industries Limited
- Spectrum Coal and Power Limited
- K.Patro & Associates
- Chakadola Transport Private Limited
- Aarvee Transport Co.

(b) The company has entered into transactions with certain related parties as listed below. The Board of Directors considers such transactions to be in normal course of business. Details of such transactions alongwith disclosure in respect of transactions which are more than 10% of the total transactions of the similar nature with related parties during the year are as follows:

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
<b>Coal transportation and allied receipts</b>		
<b>Other related parties</b>		
- Aryan Energy Private Limited	114,664,244	69,575,832
	<b>114,664,244</b>	<b>69,575,832</b>
<b>Rent Income</b>		
<b>Other related parties</b>		
- Chakadola Transport Private Limited	240,000	-
	<b>240,000</b>	<b>-</b>
<b>Interest income</b>		
<b>Other related parties</b>		
- Global Minetec Limited	10,228,697	10,258,418
- Blastec India Private Limited	-	6,365,712
- MBG Commodities Private Limited	20,547,879	18,202,161
- Rajasthan Explosives & Chemicals Limited	32,100,557	28,437,408
- Sainik Mining And Allied Services Limited	-	15,975,349
<b>Subsidiary</b>		
- Orichem Limited	2,096,065	1,901,875
	<b>64,973,198</b>	<b>81,140,923</b>
<b>Interest expense</b>		
<b>Other related parties</b>		
- Maneesha Finlease Limited	-	210,606
	<b>-</b>	<b>210,606</b>
<b>Sale of coal</b>		
<b>Other related parties</b>		
- Rajasthan Explosives & Chemicals Limited	-	643,181
	<b>-</b>	<b>643,181</b>
<b>Transportation and loading charges</b>		
<b>Other related parties</b>		
- Aryan Energy Private Limited	-	133,787
- Sainik Mining And Allied Services Limited	2,923,563	2,869,167
- Chakadola Transport Private Limited	179,780,545	-
- K.Patro & Associates	24,317,107	-
	<b>207,021,215</b>	<b>3,002,954</b>
<b>Supervision &amp; liasoning charges</b>		
<b>Other related parties</b>		
- Global Minetec Limited	56,456,680	56,509,933
	<b>56,456,680</b>	<b>56,509,933</b>

**Global Coal and Mining Private Limited**  
**Notes to financial statements for the year ended 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
<b>Purchase of stores, spares and fuel</b>		
<b>Other related parties</b>		
- M. A. Automobiles	2,131,263	2,967,196
- Sainik Mining And Allied Services Limited	5,272,235	8,455,642
- Aryan Energy Private Limited	200,700	251,585
- Aryan Clean Coal Technologies Private Limited	1,827,739	1,431,139
- Aarvee Transport Co.	300,000	-
	<b>9,731,937</b>	<b>13,105,562</b>
<b>Managerial remuneration paid</b>		
<b>KMPs</b>		
- Mr. Kuldeep Singh Solanki	44,750,000	44,750,000
- Mr. Bijay Kumar Mandhani	30,500,000	30,500,000
- Mr. Kartikeswar Patra	1,664,171	-
- Ms. Manisha Solanki	10,055,000	10,055,000
- Mr. V. K. Sehgal	7,000,000	7,000,000
	<b>93,969,171</b>	<b>92,305,000</b>
<b>Rent paid</b>		
<b>Other related parties</b>		
- Maheshwari Brothers Coal Limited	542,430	1,046,115
- Global Minetec Limited	1,200,000	300,000
<b>Subsidiary</b>		
- Orichem Limited	1,800,000	1,800,000
<b>KMP &amp; their relatives</b>		
- Mrs. Indu Solanki	480,000	480,000
- Mr. Kartikeswar Patra	240,000	-
	<b>4,262,430</b>	<b>3,626,115</b>
<b>Advances given for Purchase of stores, spares and fuel</b>		
<b>Other related parties</b>		
- Sainik Mining And Allied Services Limited	-	30,000,000
	-	<b>30,000,000</b>
<b>Advances received back for Purchase of stores, spares and fuel</b>		
<b>Other related parties</b>		
- Sainik Mining And Allied Services Limited	-	30,000,000
	-	<b>30,000,000</b>
<b>Share in Loss of Association of Person</b>		
<b>Association of Persons</b>		
- Spectrum Coal and Power Limited (in consortium with Global Coal and Mining Private Limited)	20,201,855	16,036,365
	<b>20,201,855</b>	<b>16,036,365</b>
<b>Purchase of fixed assets</b>		
<b>Other related parties</b>		
- Emultek Private Limited	-	6,776,000
- Sainik Mining And Allied Services Limited	-	8,599,034
	-	<b>15,375,034</b>
<b>Investments made</b>		
<b>Association of Persons</b>		
- Spectrum Coal and Power Limited (in consortium with Global Coal and Mining Private Limited)	17,000,000	-
	<b>17,000,000</b>	-
<b>Investments sold</b>		
<b>Subsidiary</b>		
- Rajasthan Khanij & Ispat Udyog Private Limited	-	200,000
	-	<b>200,000</b>
<b>Capital Advances received back</b>		
<b>Other related parties</b>		
- Sainik Mining And Allied Services Limited	-	62,352,281
- Global Minetec Limited	-	15,868,252
	-	<b>78,220,533</b>
<b>Inter corporate deposits received back</b>		
<b>Other related parties</b>		
- Global Minetec Limited	17,500,000	2,508,934
- Blastec (India) Private Limited	-	52,401,345
- Sainik Mining And Allied Services Limited	-	110,126,620
- MBG Commodities Private Limited	-	28,532
- Rajasthan Explosives & Chemicals Limited	-	2,000,000
<b>Subsidiary</b>		
- Orichem Limited	-	366,526
- Rajasthan Khanij & Ispat Udyog Private Limited	-	134,842
	<b>17,500,000</b>	<b>167,566,799</b>
<b>Unsecured Loan repaid</b>		
<b>Other related parties</b>		
- Manesha Finlease Limited	-	6,282,380
	-	<b>6,282,380</b>

Global Coal and Mining Private Limited  
Notes to financial statements for the year ended 31 March 2016  
(All amounts are in Rupees, unless stated otherwise)

(c) Outstanding balances as at the year end:

Particulars	As at 31 March 2016	As at 31 March 2015
<b>Share application money given</b>		
<b>Associates</b>		
- XLR Capital (Cyprus) Limited	66,069,150	66,069,150
	<b>66,069,150</b>	<b>66,069,150</b>
<b>Security deposits given</b>		
<b>Other related parties</b>		
- Spectrum Coal and Power Limited	70,000,000	70,000,000
	<b>70,000,000</b>	<b>70,000,000</b>
<b>Inter corporate deposits given</b>		
<b>Other related parties</b>		
- Global Minetec Limited	65,210,401	67,508,340
- MBG Commodities Private Limited	164,862,641	130,016,137
- Rajasthan Explosives & Chemicals Limited	257,553,718	198,759,021
<b>Subsidiary</b>		
- Orichem Limited	13,109,734	13,109,734
	<b>500,736,494</b>	<b>409,393,232</b>
<b>Interest accrued but not due on inter corporate deposits</b>		
<b>Other related parties</b>		
- Global Minetec Limited	-	5,996,234
- MBG Commodities Private Limited	-	16,353,413
- Rajasthan Explosives & Chemicals Limited	-	29,904,196
<b>Subsidiary</b>		
- Orichem Limited	3,704,878	1,821,253
	<b>3,704,878</b>	<b>54,075,096</b>
<b>Trade receivables</b>		
<b>Other related parties</b>		
- Aryan Energy Private Limited	53,543,018	13,441,142
	<b>53,543,018</b>	<b>13,441,142</b>
<b>Advance for purchase of stores, spares and fuel</b>		
<b>Other related parties</b>		
- Sainik Mining And Allied Services Limited	-	2,666,990
	-	<b>2,666,990</b>
<b>Trade payables</b>		
<b>Enterprise having significant influence</b>		
- ACB (India) Limited	1,441,910	-
<b>Subsidiaries</b>		
- Orichem Limited	603,363	-
<b>Other related parties</b>		
- K. Patro & Associates	2,940,176	-
- Chakadola Transport Pvt.Ltd	17,777,543	-
- M A Automobiles	533,882	363,802
- Sainik Mining And Allied Services Limited	751,180	-
	<b>24,048,054</b>	<b>363,802</b>

**Global Coal and Mining Private Limited****Notes to financial statements for the year ended 31 March 2016***(All amounts are in Rupees, unless stated otherwise)*

38. The Company had remitted an amount aggregating USD 1,250,000 (Rs. 66,069,150) on 02 May 2012 towards purchase of equity shares of foreign associate but shares have not been allotted till date. Reserve Bank of India ("RBI") notification FEMA 120/RB, dated 7 July 2004, as amended from time to time, prescribes for allotment of shares within six months from the date of effecting remittance. The Company is in process of filing necessary documents with RBI and expects allotment in near future. The Company is of the view that above delay will not have any significant impact on the Company's financial position and its operations.
39. The Company has invested in share capital amounting to Rs. 445,918,150 (previous year Rs. 445,918,150) and share application money amounting to Rs. 66,069,150 (previous year Rs. 66,069,150) in XLR Capital (Cyprus) Limited ("XLRCL"). XLRCL has further invested in Yara Dallol B.V., Sluiskil, Netherlands ("YD") an associated company. YD had carried out a feasibility study for potash mining in Ethiopia and based on the independent study, identified annual production of 600,000 metric tons of sulphate of potash (SOP) over 23 years from the reserves. YD expects to begin production by end of 2018 and the delay would not result into any substantial financial impact on the financial statements. Accordingly no provision for diminution in the value of investment is made at this stage by the Company.
40. As per Section 135 of The Companies Act, 2013 following is the detail of corporate social responsibility expenses incurred by the Company.

Gross amount to be spent by the company during the year ended 31 March 2016 is Rs. 12,845,917.

Amount spent during the year ended 31 March 2016 on:

Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	2,543,715	-	2,543,715
<b>Total</b>	<b>2,543,715</b>	<b>-</b>	<b>2,543,715</b>

**41. Interest in joint venture**

The Company has the following investment, in a jointly controlled entity:

Name of the entity	Country of Incorporation	Percentage of ownership interest as at 31 March 2016	Percentage of ownership interest as at 31 March 2015
Spectrum Coal and Power in Consortium with Global Coal and Mining	India	49%	49%

The Company's interest in this Joint Venture is reported as Non-current investment (Refer Note 14) and is stated at cost. The Company's share of each of the assets, liabilities, income, expenses, etc (each without elimination of the effect of transactions between the Company and the Joint Venture) related to its interest in this joint venture, based on the audited standalone financial statements are:

Particulars	As at 31 March 2016	As at 31 March 2015
Fixed Asset	349,928	874,820
Deferred Tax Asset	19,178,680	8,487,070
Current assets	111,350,451	29,290,158
Current liabilities	87,789,885	-
Revenue	96,301,316	-
Expenses	116,503,170	16,036,364

**42. Previous year figures have been regrouped/ rearranged as under:**

- a) In the statement of Profit & Loss
- (i) "Bank Guarantee Commission charges" from Finance cost to Bank Charges under "Other Expenses" for an amount of Rs. 19,192,046.

For **BS R & Company**  
Chartered Accountants  
ICAI Firm Registration No: 128032W

For and on behalf of the Board of Directors of  
**Global Coal and Mining Private Limited**

-sd-  
**Pravin Tulsyan**  
Partner  
Membership No.: 108044

-sd-  
**Kuldeep Singh Solanki**  
Chairman  
Din No.: 00009212

-sd-  
**Kartikeswar Patra**  
Managing Director  
Din No.: 01849504

-sd-  
**Surjan Singh**  
Company Secretary  
FCS-8864

Place: Gurgaon  
Date :

Place: Gurgaon  
Date :

Place: Gurgaon  
Date :

Place: Gurgaon  
Date :



## **Independent Auditor's Report**

To the Members of Global Coal and Mining Private Limited

### **Report on the Consolidated Financial Statements**

We have audited the accompanying Consolidated Financial Statements of Global Coal and Mining Private Limited ("the Holding Company" or "the Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "Group") its associate and jointly controlled entity, which comprise the consolidated Balance Sheet as at 31 March 2016, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements")

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associate and Joint controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their report referred to in 'Other Matter' paragraph below, is sufficient and appropriate to provide a basis for qualified our audit opinion on the consolidated financial statements.

### **Basis for Qualified Opinion**

(a) attention is invited to note 34 (c) to the financial statements with regard to dispute with one of customers for quality of beneficiated coal supplied by the Company. As at the year end, the Company has outstanding receivables of Rs. 97,186,000, outstanding bank guarantee of Rs. 106,700,000 and the claims raised by the customer amounting to Rs. 225,278,000 for recovery of cost of coal supplied by the customer for beneficiation and other penalties. The customer has invoked bank guarantees of Rs. 106,700,000. The Company had filed an application seeking interim protection from the invocation of bank guarantees till the matter is decided by the Arbitral Tribunal. District Judge dismissed the plea of the Company and same was challenged by the Company before the Hon'ble High Court, Nagpur which also rejected the plea of the Company. After rejection of the plea of the Company by Hon'ble High Court, Nagpur, the Company had filed Special Leave Petition ('SLP') with Hon'ble Supreme Court of India.

In the meantime, on an application filed for the appointment of Arbitrator in regard to above dispute, the Hon'ble Bombay High Court, Nagpur Bench appointed Sole Arbitrator and the Company have filed its claim to the Arbitrator. The decision of the Sole Arbitrator is pending.

Subsequent to the year end, in the matter for invocation of bank guarantees, the Hon'ble Supreme Court of India vide order dated 15 September 2016 has directed the banks to release 40 percent of the bank guarantee to the customer within a week. The rest of the amount to be covered by fresh bank guarantees within two weeks and the said bank guarantees to be kept alive till final award is passed by the learned Arbitrator. The Hon'ble Supreme Court of India directed the learned Arbitrator to dispose of the matter finally and pass the award in the arbitration proceedings by the end of February 2017. The learned Arbitrator was further directed not to be influenced by this interim arrangement as it has been done on the basis of concession and to adjudicate the claim pertaining to bank guarantees on its own merits.

The management is in the process of filing rejoinder for amendment to its settlement of claim considering the abovementioned bank guarantees. The Company is hopeful of resolving these issues with the customer. Since the matter is in dispute and is sub judice, we are unable to express an opinion as to whether any provision is required to be made for the outstanding balances from this customer and against the claims of the customer. The impact of above on the financial statements is not ascertainable at this stage.

(b) In its subsidiary, the other auditor who audited the financial statement has reported that the trade receivable amounting to Rs. 6,974,595 are not recoverable. The report of the other auditor states that had the management provided for the same the trade receivable as at the year ended would have been Nil and the loss for the year would be increased by the said amount.

## **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for effects of the matter described in the Basis for Qualified Opinion paragraph (a) above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and jointly controlled entity as at 31 March 2016, their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

## **Emphasis of Matters**

Attention is invited to note 40 to the consolidated financial statements in respect of Company's investment in share capital amounting to Rs. 445,918,150 and share application money amounting to Rs. 66,069,150 in an associate company ('XLRCL'). XLRCL has further invested the amount in Yara Dallol B.V., Sluiskil, Netherlands ('YD') an associated company. YD had carried out a feasibility study for potash mining in Ethiopia and based on the independent study, identified annual production of 600,000 metric tons of sulphate of potash (SOP) over 23 years from the reserves. YD expects to begin production by end of 2018 and the delay would not result into any substantial financial impact on the financial statements. Accordingly no provision for diminution in the value of investment is made at this stage. Our opinion is not modified in respect of this matter.

## **Other Matter**

We did not audit the financial statements of its subsidiary and jointly controlled entity, whose financial statements reflect total assets of Rs. 166,077,294 as at 31 March 2016, total revenues of Rs. 96,301,316 and net cash outflows amounting to Rs. 3,585,733 for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 570,191,723 (including 413,141,537 through reserve and surplus) for the year ended 31 March 2016, as considered in the consolidated financial statements, in respect of its associate, whose financials statements are prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by European Union ('EU') and have been restated by the management of the said entity to conform to generally accepted accounting principal in India. These financial statement have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, jointly controlled entity and associate, and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, jointly controlled entity and associate, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements as certified by the management.

## **Report on Other Legal and Regulatory Requirements**

As required by Section 143 (3) of the Act, we report to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- b) In our opinion, except for the matters described in basis for qualified opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of other auditors.
- c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, except for the matters described in basis for qualified opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) The matters described in the basis for qualified opinion and Emphasis of Matter above, in our opinion, may have an adverse effect on the functioning of the Company;
- f) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company and the report of statutory auditors of its subsidiary company incorporated in India, none of the Directors of the Group companies is disqualified as on 31 March 2016 from being appointed as a Director in terms of sub-section 2 of Section 164 of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “Annexure A”; and
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate. Refer Note 34 (a), 34 (c ) and 34 (d) to the consolidated financial statements;
  - ii. The Group, its associate and jointly controlled entity did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There were no amount which were required to be transferred to Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

*For B S R & Company*  
*Chartered Accountants*  
ICAI Firm Registration No: 128032W

-sd-  
**Pravin Tulsyan**  
*Partner*  
Membership No. 108044

Place: Gurgaon  
Date:

#

**Annexure A referred to the Independent Auditor's report to the members of Global Coal and Mining Private Limited on the consolidated financial statements for the year ended 31 March 2016**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of Global Coal and Mining Private Limited ("the Company") and its subsidiary, which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Company and its subsidiary, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company and its subsidiary, which are companies incorporated in India, internal financial controls system over financial reporting.

#

#

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company and its subsidiary, which are companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to the subsidiary company, which is company incorporated in India, is based on the corresponding reports of the auditor of such company incorporated in India. Our report is not modified in respect of this matter.

*For B S R & Company*  
*Chartered Accountants*  
ICAI Firm Registration No: 128032W

-sd-

**Pravin Tulsyan**

*Partner*

Membership No. 108044

Place: Gurgaon

Date:

#

**Global Coal and Mining Private Limited**  
**Consolidated Balance Sheet as at 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

	Note	As at 31 March 2016
<b>I. EQUITY AND LIABILITIES</b>		
<b>Shareholders' funds</b>		
Share capital	3	175,722,920
Reserves and surplus	4	4,115,904,073
		<u>4,291,626,993</u>
<b>Minority interest</b>	5	1,422,397
<b>Non-current liabilities</b>		
Long-term borrowings	6	221,548,122
Other long-term liabilities	7	288,085,371
Long-term provisions	8	44,117,717
		<u>553,751,210</u>
<b>Current liabilities</b>		
Short-term borrowings	9	435,878,299
Trade payables	10	
(a) Total outstanding dues to micro and small enterprises		-
(b) Total outstanding dues to other than micro and small enterprises		1,344,783,156
Other current liabilities	11	670,715,542
Short-term provisions	12	21,743,221
		<u>2,473,120,218</u>
<b>TOTAL</b>		<u><u>7,319,920,818</u></u>
<b>II. ASSETS</b>		
<b>Non-current assets</b>		
Fixed assets		
Tangible assets	13	1,952,193,037
Intangible assets	13	45,385,592
Capital work-in-progress	14	377,983,867
		<u>2,375,562,496</u>
Non-current investments	15	1,022,647,297
Deferred tax assets (net)	16	48,524,431
Long-term loans and advances	17	515,488,433
Other non-current assets	18	92,713,325
		<u>1,679,373,486</u>
<b>Current assets</b>		
Inventories	19	178,518,534
Trade receivables	20	1,777,377,367
Cash and bank balances	21	276,194,994
Short-term loans and advances	22	957,876,650
Other current assets	23	75,017,291
		<u>3,264,984,836</u>
<b>TOTAL</b>		<u><u>7,319,920,818</u></u>
<b>Significant accounting policies</b>	2	

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

*For B S R & Company*  
*Chartered Accountants*  
 ICAI Firm Registration No: 128032W

*For and on behalf of the Board of Directors of*  
**Global Coal and Mining Private Limited**

-sd-  
**Pravin Tulsyan**  
*Partner*  
 Membership No.: 108044  
 Place: Gurgaon  
 Date:

-sd-  
**Kuldeep Singh Solanki**  
*Chairman*  
 DIN: 00009212  
 Place: Gurgaon  
 Date:

-sd-  
**Kartikeswar Patra**  
*Managing Director*  
 DIN: 01849504  
 Place: Gurgaon  
 Date:

-sd-  
**Surjan Singh**  
*Company Secretary*  
 FCS-8864  
 Place: Gurgaon  
 Date:

**Global Coal and Mining Private Limited**  
**Consolidated Statement of Profit and Loss for the year ended 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

	Note	Year ended 31 March 2016
<b>Revenue</b>		
Revenue from operations	24	4,704,837,495
Other income	25	185,068,482
<b>Total revenue</b>		<b>4,889,905,977</b>
<b>Expenses</b>		
Purchase of coal		156,963,588
Decrease/ (increase) in stock of finished goods & work in progress	26	(36,300,264)
Transportation and loading charges		3,209,891,516
Power and fuel		77,995,955
Employee benefits expenses	27	283,742,166
Finance costs	28	72,711,734
Depreciation and amortisation expense	13	193,939,640
Other expenses	29	390,735,968
<b>Total expense</b>		<b>4,349,680,303</b>
<b>Profit before tax, share in profit of associates and share in loss transferred to minority</b>		<b>540,225,674</b>
<b>Tax expenses</b>		
Current tax		119,658,383
MAT credit entitlement		(8,164,245)
Deferred tax (credit)		(6,144,875)
<b>Net tax expense</b>		<b>105,349,263</b>
<b>Profit after tax, but before share in profit of associates and share in loss transferred to minority</b>		<b>434,876,411</b>
Share in profit of associates, net		157,050,186
Share in loss transferred to minority, net		767,460
		<b>157,817,646</b>
<b>Profit for the year</b>		<b>592,694,057</b>
<b>Basic and diluted earnings per share</b>	30	33.73
[nominal value of Rs. 10 (31 March 2015 Rs. 10)]		

**Significant accounting policies**

2

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

*For BSR & Company*  
*Chartered Accountants*  
 ICAI Firm Registration No: 128032W

*For and on behalf of the Board of Directors of*  
**Global Coal and Mining Private Limited**

-sd-  
**Pravin Tulsyan**  
*Partner*  
 Membership No.: 108044  
 Place: Gurgaon  
 Date:

-sd-  
**Kuldeep Singh Solanki**  
*Chairman*  
 DIN: 00009212  
 Place: Gurgaon  
 Date:

-sd-  
**Kartikeswar Patra**  
*Managing Director*  
 DIN: 01849504  
 Place: Gurgaon  
 Date:

-sd-  
**Surjan Singh**  
*Company Secretary*  
 FCS-8864  
 Place: Gurgaon  
 Date:



**Global Coal and Mining Private Limited**  
**Consolidated Cash Flow Statement for the year ended 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

	Year ended 31 March 2016
<b>A) Cash flow from operating activities:</b>	
Profit before tax	540,225,674
Non-cash adjustments to reconcile profit before tax to net cash flows	
Depreciation/ amortization	193,939,640
Bad debts/ advances written off	1,751,099
(Profit) on sale of fixed assets (net)	(806,316)
Finance costs	72,711,734
Interest income	(144,006,620)
<b>Operating profit before following adjustments</b>	<b>663,815,211</b>
Increase/ (decrease) in trade payables	575,694,216
Increase in long-term provisions	6,976,543
Increase in short-term provisions	998,967
Increase/ (decrease) in other current liabilities	86,045,716
Increase in other long-term liabilities	30,383,640
Decrease/ (increase) in trade receivables	(1,110,065,622)
Decrease/ (increase) in inventories	(32,592,089)
(Increase) in long-term loans and advances	(16,612,251)
(Increase)/ decrease in short-term loans and advances	(2,639,941)
(Increase)/ decrease in other current assets	372,961,425
<b>Cash generated from operations</b>	<b>574,965,815</b>
Taxes paid (net of refunds)	(133,654,856)
<b>Net cash from operating activities (A)</b>	<b>441,310,959</b>
<b>B) Cash flow from investing activities:</b>	
Purchase of fixed assets/ capital work-in-progress	(463,231,512)
Sale of fixed assets	977,500
Movement in bank deposits (net) (with original maturity over three months)	56,369,201
Inter corporate deposits given	(132,035,012)
Inter corporate deposits received back	39,700,000
Interest income	173,661,223
<b>Net cash used in investing activities (B)</b>	<b>(324,558,600)</b>
<b>C) Cash flow from financing activities:</b>	
Proceeds from secured loans	633,332,000
Repayments of secured loans	(650,474,820)
Dividend and tax on dividend	(10,574,799)
Finance cost	(102,757,358)
<b>Net cash used in financing activities (C)</b>	<b>(130,474,977)</b>
<b>D) Net increase in cash and cash equivalents (A+B+C)</b>	<b>(13,722,618)</b>
<b>E) Cash and cash equivalents as at the beginning of the year [refer note 21]</b>	<b>83,480,322</b>
<b>F) Cash and cash equivalents as at the end of the year [refer note 21]</b>	<b>69,757,704</b>

**Note:**

The cash flow statement has been prepared in accordance with 'Indirect method' as set out in the Accounting Standard (AS)-3 on 'Cash Flow Statements' as specified in the section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014.

As per our report of even date attached

For **BSR & Company**  
Chartered Accountants  
ICAI Firm Registration No: 128032W

For and on behalf of the Board of Directors of  
**Global Coal and Mining Private Limited**

-sd-  
**Pravin Tulsyan**  
Partner  
Membership No.: 108044

-sd-  
**Kuldeep Singh Solanki**  
Chairman  
DIN: 00009212

-sd-  
**Kartikeswar Patra**  
Managing Director  
DIN: 01849504

-sd-  
**Surjan Singh**  
Company Secretary  
FCS-8864

Place: Gurgaon  
Date:

Place: Gurgaon  
Date:

Place: Gurgaon  
Date:

Place: Gurgaon  
Date:

**Global Coal and Mining Private Limited**  
**Notes to consolidated financial statements for the year ended 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

**1. Background**

Global Coal and Mining Private Limited ('the Company') or ('GC MPL') was incorporated on 8 June 1998. The Company along with its subsidiaries (the company and its subsidiaries together referred to as 'the Group'), its joint venture and associates' are engaged into the business of coal beneficiation and also into power generation through 1.5 MW wind mill plant and 10 MW solar power plant.

**2. Significant accounting policies**

**a. Basis of preparation**

These consolidated financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014, the relevant provisions of the Companies Act, 2013, pronouncements of the Institute of Chartered Accountants of India and other accounting principles generally accepted in India, to the extent applicable. The consolidated financial statements are presented in India Rupees.

The financial statements of the group include its share of assets, liabilities, income and expenditure in relation to the jointly controlled asset, as per the terms of Memorandum of Understanding ('MOU') signed between the Company and Aryan Energy Private Limited, which are incorporated in the financial statements of the Company in proportion of its participating interest in joint venture.

<b>Name of the Asset</b>	<b>Participating Interest (PI) (in %)</b>
132 KV Switching Sub-Station, Talcher, Odisha	50%

**b. Principles of consolidation**

The consolidated financial statements have been prepared in accordance with the principles and procedures for the preparation and presentation as laid down under Accounting Standard 21 on "Consolidated Financial Statements" as specified in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014.

- i. The consolidated financial statements of the Group have been combined on a line by line basis by adding together the book values of all items of assets, liabilities, incomes and expenses after eliminating all intra-company balances and intra-company transactions and also unrealised profits and losses in full in accordance with the Accounting Standard 21 on "Consolidated Financial Statements".
- ii. The difference between the cost of investment in subsidiaries and its proportionate share in the equity of the investee company at the time of acquisition of shares in the subsidiaries is recognised in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be. Goodwill is tested for impairment by the management on an annual basis.
- iii. Share of the assets, liabilities, income and expenses of a jointly controlled entity is accounted for using proportionate consolidation method as specified under Accounting Standard-27 on "Financial Reporting of Interests in Joint Ventures" as specified in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014.
- iv. In case of associates, where the Company, directly or indirectly through subsidiaries, holds more than 20% of equity are accounted for using equity method in accordance with Accounting Standard-23 – "Accounting for investments in associates in consolidated financial statements" as specified in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014.

The Group accounts for its share in the change in net assets of the associates, post-acquisition, after eliminating unrealised profits and losses resulting from transactions between the respective company of the Group and its associates to the extent of its share, through its consolidated Statement of Profit and Loss to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves for the balance, based on available information.

The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the consolidated financial statements as Goodwill or Capital Reserve as the case may be and is presented as part of the investments.

- v. The consolidated financial statements are prepared using uniform accounting policies for the like transactions and other events in similar circumstances and are presented to the extent possible, and required in the same manner as the Company's separate financial statements. The financial statement of the foreign subsidiary is adjusted for the accounting principles and policies followed by the Company.

**Global Coal and Mining Private Limited**  
**Notes to consolidated financial statements for the year ended 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

vi. The companies considered in the consolidated financial statements are:

Name of the Company	Date of becoming subsidiary/associates/joint venture	Country of incorporation	% shareholding as at 31 March 2016
<b>Subsidiary:</b>			
Orichem Limited (OL)	Thursday, April 16, 2009	India	92.14%
<b>Joint controlled entity:</b>			
M/s Spectrum Coal and Power Limited (in consortium with Global Coal and Mining Private Limited) ('SCPL-GCMPL')	Friday, November 8, 2013	India	49.00%
<b>Associate:</b>			
XLR Capital (Cyprus) Limited	Monday, March 26, 2012	Cyprus	23.77%

vii Disclosures mandated by Schedule III of the Companies Act, 2013 by way of additional information

Name of the entity	Net Assets i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
1	2	3	4	5
<b>Parent</b>				
Global Coal and Mining Private Limited	86.92	3,730,404,803	75.02	444,640,533
<b>Subsidiary</b>				
<b>Indian</b>				
Orichem Limited	0.42	18,096,648	(1.65)	(9,764,121)
<b>Associate (Investment as per equity method)</b>				
<b>Foreign</b>				
XLR Capital (Cyprus) Limited	23.79	1,021,050,547	26.50	157,050,186
<b>Joint Ventures (as per proportionate consolidation)</b>				
<b>Indian</b>				
Spectrum Coal and Power Limited in consortium with Global Coal and Mining Private Limited	0.95	40,761,780	(3.41)	(20,201,856)
<i>Less:</i>				
Adjustments arising out of consolidation	(1.66)	(71,346,239)	3.41	20,201,856
Minorities interest in all subsidiaries	(0.03)	(1,422,397)	0.13	767,460
Cost of investment in associates	(10.39)	(445,918,150)		-
<b>Consolidated Net Assets/ Profit after tax</b>	<b>100.00</b>	<b>4,291,626,992</b>	<b>100.00</b>	<b>592,694,057</b>

**b. Current-non-current classification**

All assets and liabilities have been classified into current and non-current.

**Assets:**

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle of the respective company of the Group;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

**Global Coal and Mining Private Limited**  
**Notes to consolidated financial statements for the year ended 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

***Liabilities:***

A liability is classified as current when it satisfies any of the following criteria:

- i. It is expected to be settled in the company's normal operating cycle of the respective company of the Group;;
- ii. It is held primarily for the purpose of being traded;
- iii. It is due to be settled within 12 months after the reporting date; or
- iv. The respective company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. 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.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

***Operating cycle:***

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The group has ascertained its operating cycle being a period within twelve months for the purpose of classification of assets and liabilities as current and non-current.

**c. Use of estimates**

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Differences between the actual results and estimates are recognised in the year in which the results are known/ materialized. Any revision to accounting estimates is recognised prospectively in current and future periods.

**d. Tangible fixed assets**

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repairs and maintenance expenditure and cost of replacing parts are charged to Statement of Profit and Loss for the period during which such expenses are incurred.

Tangible fixed assets under construction are disclosed as capital work-in-progress.

**e. Leases**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lesser, are recognised as operating leases. Lease payments under operating lease arrangements are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

**f. Borrowing costs**

Borrowing cost are interest, ancillary costs and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost incurred by the Company in connection with the borrowing of funds.

Borrowing costs (net of income on the temporary investment of those borrowings) that are attributable to the acquisition of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a period of one year or more to get ready for its intended use. All other borrowing costs are charged to revenue.

**Global Coal and Mining Private Limited**

**Notes to consolidated financial statements for the year ended 31 March 2016**

*(All amounts are in Rupees, unless stated otherwise)*

**g. Depreciation on tangible fixed assets**

*For assets used for power operations:*

Pursuant to Part 'B' of Schedule II of Companies Act, 2013 ('the Act'), the useful life or residual value of any specific asset, as notified for accounting purposes by a Regulatory Authority constituted under an Act of Parliament or by the Central Government shall be applied in calculating the depreciation to be provided for such asset irrespective of the requirements of this Schedule.

Ministry of Power, Government of India vide resolution dated 6th January 2006, has notified Tariff Policy in terms of section 3 of the Electricity Act, 2003. The said Tariff Policy inter alia provides that rates of depreciation as notified by Central Electricity Regulatory Commission (CERC) would be applicable for the purpose of tariffs as well as accounting. CERC has also notified the rates of depreciation as well as methodology for computing such depreciation and depreciation is to be provided up to 90% of the cost of asset, based on straight line method of calculating the depreciation.

*For assets used for coal beneficiation operations and others:*

The Company has provided for depreciation over the useful life of the assets as prescribed under part C of Schedule II of the Act.

*Leasehold assets:*

Leasehold assets are amortised over the period of lease. Leasehold improvements are amortised over the remaining period of lease or the useful lives of assets as determined by the management in accordance with the policy stated above, whichever is shorter.

The useful lives are reviewed by the management at each financial year-end and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the revised remaining useful life.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal.

Losses arising from retirement or gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

**h. Financial Reporting of interest in Jointly controlled asset**

The Joint Venture is in the nature of Jointly Controlled Asset as defined in Accounting Standard 27, 'Financial Reporting of Interest in Joint Ventures'. The Group incorporates in its financial statements revenues, expenditure, assets and liabilities in respect of the Joint Venture, in proportion of its participating interest in the venture. The balances in the financial statements include the Group's participating interest in the Joint Venture.

**i. Impairment of assets**

The carrying amounts of assets are reviewed at each balance sheet date in accordance with Accounting Standard 28 'Impairment of Assets', to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

**j. Investments**

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realized within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments".

Long-term investments (including current portion thereof) are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments i.e., equity shares, mutual funds etc.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

**Global Coal and Mining Private Limited**  
**Notes to consolidated financial statements for the year ended 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

**k. Inventories**

Inventories are valued at lower of cost and net realisable value. The bases for determination of cost of various category of inventory are as follows (as per note 18):

i. Stores and spares:

Stores and spares are computed on first in first out basis (FIFO).

ii. Raw coal:

These are valued at cost of raw coal and cost incurred to bring the coal to its present location and condition, computed on first in first out basis.

iii. Beneficiated coal:

These are valued at cost of raw coal as computed above and appropriate portion of processing and other overheads incurred to bring beneficiated coal to its present location and condition.

iv. Work-in-progress:

Work-in-progress represents the cost incurred on beneficiation of coal on behalf of customers towards raw coal transportation, beneficiation of raw coal and transportation of beneficiated coal to bring the coal to its present location and condition, and a systematic allocation of production overheads on appropriate basis.

v. Coal rejects:

These consist of rejects generated out of coal beneficiation process or coal rejects purchased directly. The cost is ascertained by proportioning the total cost attributable to the category of coal generated/ purchased, considering appropriate basis.

**l. Revenue recognition**

***Revenue from operations:***

i. Sale of coal:

Revenue from sale of coal is recognised when coal is dispatched to the customer, which coincides with the transfer of significant risks and rewards. The amount recognised as revenue is exclusive of sales tax, value added tax (VAT) and is net of returns.

ii. Sale of power:

Revenue from sale of wind power and solar power is recognised based on tariffs as per the terms of the Power Purchase Agreements entered into with respective customers.

iii. Coal beneficiation and allied services:

Revenue from raw coal beneficiation and allied receipts is recognised on attainment of the said activity. Such activity is regarded as being attained when no significant uncertainty exists regarding the amount of consideration that will be derived from the performance of such activity and the activity is completed or substantially completed. The amount recognised as revenue is exclusive of service tax and is net of returns.

iv. Coal transportation and allied services:

Revenue from transport operations is recognised at the point of delivery of goods to the customers which coincides with transfer of risk and rewards associated with such goods to the customers.

***Other income:***

i. Interest income:

Interest income is recognised on a time proportion basis considering the contracted rate of return.

**m. Foreign currency transactions**

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the respective transactions. Monetary foreign currency assets and liabilities remaining unsettled at the balance sheet date are translated at the rates of exchange prevailing on that date. Gains/ losses arising on account of realisation/ settlement of foreign exchange transactions and on translation of foreign currency assets and liabilities are recognised in the Statement of Profit and Loss.

**n. Retirement and other employee benefits**

**Short-term employee benefits:**

All employee benefits payable/ available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

**Post employment benefits:**

**Defined contribution plans:** A defined contribution plan i.e. provident fund is a post-employment benefit plan under which an entity pays fixed contributions to statutory authority and will have no legal and constructive obligation to pay further amounts. Obligations for contributions to defined contribution provident plans are recognised as an employee benefit expense in the Statement of Profit and Loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

**Defined benefit plans:** A defined benefit plan i.e. gratuity, is a post-employment benefit plan.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employee have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. The calculation is performed annually by an independent actuary using the projected unit credit actuarial method. When the calculation results in a benefit to the Company, the asset is recognised only to the extent of the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

**Compensated absence:** Benefits under the Company's compensated absences scheme constitute other long-term employee benefits. The liability in respect of compensated absences is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

**o. Taxes**

Income-tax expenses comprise current tax (i.e. the amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of the timing differences between the accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in the future. However, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised. Deferred tax implications of timing differences, that originate during the tax holiday period and reverse after the tax holiday period are recognised in the year in which timing differences originate.

**Minimum Alternative Tax (MAT)**

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendation contained in the Guidance Note on "Accounting for Credit Available in respect of Minimum Alternative Tax under The Income Tax Act, 1961" issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

**p. Earnings per share**

In computing earnings per share, the Company considers net profit/ (loss) after tax. Basic earnings per share are computed by the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of equity and dilutive equivalent shares outstanding during the year, except where results would be anti-dilutive.

**Global Coal and Mining Private Limited**

**Notes to consolidated financial statements for the year ended 31 March 2016**

*(All amounts are in Rupees, unless stated otherwise)*

**q. Provisions and contingencies**

The Company recognises a provision when there is a present obligation as a result of a past event and it is more likely than not that there will be an outflow of resources embodying economic benefits to settle such obligation and the amount of such obligation can be reliably estimated. Provisions are not discounted to its present value, and are determined based on the management's best estimate of the amount of obligation required at the year end. These are reviewed at each balance sheet date and adjusted to reflect current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of future events not wholly within the control of the Company. Contingent liabilities are also disclosed for present obligations in respect of which it is not probable that there will be an outflow of resources or a reliable estimate of the amount of obligation cannot be made.

When there is a possible obligation or a present obligation where the likelihood of an outflow of resources is remote, no disclosure or provision is made.

**r. Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



**Global Coal and Mining Private Limited**  
**Notes to consolidated financial statements for the year ended 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

**3. Share capital**

	As at 31 March 2016	
	Number	Amount
<b>Authorized share capital</b>		
Equity shares of Rs. 10 each	18,000,000	180,000,000
<b>Issued, subscribed and fully paid up</b>		
Equity shares of Rs. 10 each	17,572,292	175,722,920
		<b>175,722,920</b>

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the year**

	As at 31 March 2016	
	Number	Amount
Equity shares at the beginning and end of the year	17,572,292	175,722,920

**(b) Terms/ rights attached to equity shares**

The Company has only one class of equity shares, having a par value of Rs. 10 per share. All shares rank pari passu with respect to dividend, voting rights and other terms. Each shareholder is eligible to one vote per fully paid share held. The dividend proposed by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(c) Details of shareholders holding more than 5% shares in the company**

	As at 31 March 2016	
	Number	% holding in the class
<b>Equity shares of Rs. 10 each fully paid</b>		
ACB (India) Limited	6,257,358	35.61%
CIPL Investments	2,767,669	15.75%
Maneesha Finlease Limited	1,725,648	9.82%
Bijman Securities Private Limited	1,227,047	6.98%
Bijay Kumar Mandhani	1,061,840	6.04%
Ex.-Captain K. S. Solanki	1,029,196	5.86%
Sajjan Exports (India) Private Limited	921,616	5.24%
RSL Exports & Marketing Private Limited	889,704	5.06%
	<b>15,880,078</b>	<b>90.37%</b>

**4. Reserves and surplus**

	As at 31 March 2016
<b>Securities premium</b>	
Balance at the beginning and end of the year	704,766,767
<b>Surplus balance in the Statement of Profit and Loss</b>	
Opening balance	2,415,849,382
Add: Profit for the year	592,694,057
Post- acquisition profit till 31 March 2015	409,669,343
Less: Appropriations	
Proposed equity dividend [amount per share Re. 0.50]	(8,786,146)
Tax on proposed equity dividend	(1,788,653)
<b>Net surplus balance in the Statement of Profit and Loss</b>	<b>3,407,637,983</b>
<b>Foreign currency translation reserve</b>	
Opening balance	(720,676)
Add: additions during the year	4,219,999
Closing balance	<b>3,499,323</b>
	<b>4,115,904,073</b>

**5. Minority interest**

	As at 31 March 2016
Opening balance	2,189,857
Loss for the year	(767,460)
<b>Closing balance</b>	<b>1,422,397</b>

**Global Coal and Mining Private Limited**  
**Notes to consolidated financial statements for the year ended 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

**6. Long-term borrowings**

	Total	Non-current portion	Current maturities *
	As at	As at	As at
	31 March 2016	31 March 2016	31 March 2016
<b>Secured:</b>			
<b>Indian rupee term loans</b>			
From bank (Refer Note (a))	321,124,870	207,115,906	114,008,964
From others (Refer Note (b))	23,305,995	4,860,936	18,445,059
<b>Indian rupee vehicle/ equipment loans</b>			
From bank (Refer Note (c))	18,875,566	9,571,280	9,304,286
	<b>363,306,431</b>	<b>221,548,122</b>	<b>141,758,309</b>

\* Amount disclosed under 'other current liabilities' (note 11)

**I. Nature of security/ guarantees**

**Terms of repayment**

**(a) Indian rupee term loans from bank**

Term loans amounting to Rs. 265,524,870 are secured by the way of first pari passu charge on movable fixed assets both present and future (except the assets financed exclusively) of Company by the way of hypothecation. Further secured by first pari passu charge on the Company's land and building at Ib Valley and Talcher by the way of equitable mortgage. Further collaterally secured by second pari passu charge on the Company's current assets, both present and future and also by way of personal guarantees of promoter directors.

(i) Loan amounting to Rs. 203,024,870 is repayable in 20 equal quarterly installments commencing from 17 April 2015 along with interest at bank's base rate plus 300 basis points payable in monthly rests.

(iii) Loan amounting to Rs. 62,500,000 is repayable in 13 equal quarterly installments commencing from 20 November 2013 along with interest at bank's base rate plus 215 basis points payable in monthly rests.

Term loans amounting to Rs. 55,600,000 are secured by the way of Equitable mortgage/registered mortgage over the project land & building both existing and proposed at Naskal, Rangareddy District, Telangana 'the site'. Further secured by the way of hypothecation of all movable assets pertaining to the project, including the plant & machinery installed or to be installed at the site. Further secured by the way of hypothecation charge on all the current assets pertaining to the project and also by way of personal guarantees of promoter directors.

Repayable in 36 equal quarterly installments commencing from 21 January 2017. Interest is payable at Bank's base rate plus 200 basis points at each month end.

**(b) Indian rupee term loans from others**

(i) Loan amounting to Rs. 1,286,051 is secured by way of exclusive charge on all the movable assets both present and future of the Company's phase three of IB Valley plant by way of hypothecation.

Repayable in 48 equal monthly installments commencing from 10 May 2012 along with interest at fixed rate 13.00% payable in monthly rests.

(ii) Loan amounting to Rs. 11,378,199 is secured by way of exclusive charge on all the movable assets both present and future of the Company's phase three of IB Valley plant by way of hypothecation.

Repayable in 48 equal monthly installments commencing from 01 February 2013 along with interest at fixed rate 12.49% payable in monthly rests.

(iii) Loan amounting to Rs. 10,641,745 is secured by way of exclusive charge on all the movable assets both present and future of the Company's phase three of IB Valley plant by way of hypothecation.

Repayable in 48 equal monthly installments commencing from 15 January 2014 along with interest at fixed rate 13.00% payable in monthly rests.

**(c) Indian rupee vehicle/ equipment loans from banks**

(i) Vehicle Loan of Rs. 302,351 is secured by the way of first and exclusive charge on specific vehicles/ equipment. Further secured by way of post dated cheques for repayment of interest and principal.

Repayable in 36 equal monthly installments commencing from 05 May 2013 along with interest at fixed rate 9.60% payable in monthly rests.

(ii) Vehicle Loan of Rs. 833,893 is secured by the way of first and exclusive charge on specific vehicles/ equipment. Further secured by way of post dated cheques for repayment of interest and principal.

Repayable in 36 equal monthly installments commencing from 05 February 2016 along with interest at fixed rate 10.00% payable in monthly rests.

(iii) Vehicle Loan of Rs. 15,714,259 is secured by the way of first and exclusive charge on specific vehicles/ equipment. Further secured by way of post dated cheques for repayment of interest and principal.

Repayable in 35 equal monthly installments commencing from 07 May 2015 along with interest at fixed rate 10.10% payable in monthly rests.

(iv) Vehicle Loan of Rs. 2,025,063 is secured by the way of first and exclusive charge on specific vehicles/ equipment. Further secured by way of post dated cheques for repayment of interest and principal.

Repayable in 36 equal monthly installments commencing from 05 December 2014 along with interest at fixed rate 10.20% payable in monthly rests.

**II.** The company did not have any continuing default as on the balance sheet date in repayment of the above mentioned loans and interest thereon.

**7. Other long-term liabilities**

	As at
	31 March 2016
Security deposits/Retention	288,085,371
	<b>288,085,371</b>

**Global Coal and Mining Private Limited**  
**Notes to consolidated financial statements for the year ended 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

**8. Long-term provisions**

	<u>As at</u> <u>31 March 2016</u>
<b>Provision for employee benefits (refer note 31)</b>	
Provision for gratuity	43,892,338
Provision for compensated absence	225,379
	<u>44,117,717</u>

**9. Short-term borrowings**

	<u>As at</u> <u>31 March 2016</u>
<b>Loans repayable on demand from banks (Secured)</b>	
Cash credit	235,878,299
Working capital loans	200,000,000
	<u>435,878,299</u>

Cash credits of Rs. 235,878,299 and working capital loans of Rs. 200,000,000 are secured through hypothecation by way of first pari passu charge on Company's current assets including stocks and receivables, both present and future. Further, secured by second pari passu charge on the Company's land and building at IB Valley and Talcher by the way of equitable mortgage. Additionally, collaterally secured by way of second pari passu charge on Company's fixed assets, other than those given on exclusive charge to other banks/ financial institutions and also by way of personal guarantees of promoter directors.

**10. Trade payables**

	<u>As at</u> <u>31 March 2016</u>
Dues to micro and small enterprises *	-
Dues to other than micro and small enterprises	1,344,783,156
	<u>1,344,783,156</u>

\* The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on the information available with the management, there are no overdues outstanding to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Further, the Company has not received any claim for interest from any supplier under the said Act.

- The principal amount remaining unpaid to any supplier as at the end of the year	-
- The interest due on The principal remaining outstanding as at the end of The year	-
- The amount of interest paid under the MSMED Act, along with the amounts of the payment made beyond the appointed day during the year	-
- The amount of 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 the MSMED Act	-
- The amount of interest accrued and remaining unpaid at the end of the year	-
- The amount of 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, for the purpose of disallowance as a deductible expenditure under the MSMED Act	-

**11. Other current liabilities**

	<u>As at</u> <u>31 March 2016</u>
<b>To related parties</b>	
Payable to Co-venturer	2,327,393
<b>To parties other than related parties</b>	
Current maturities of long-term borrowings (refer note 6)	141,758,309
Interest accrued but not due on borrowings	3,281,082
Advance from customers	186,676
Security deposits	5,732,858
Dues to employees	56,849,795
Other payables:	
Other capital creditors	392,408,146
Service tax payable	45,046,715
Tax deducted at source payable	18,877,832
Other statutory dues	4,246,736
	<u>670,715,542</u>

**12. Short-term provisions**

	<u>As at</u> <u>31 March 2016</u>
Provision for employee benefits	
Provision for gratuity (refer note 31)	2,681,546
Provision for compensated absence	949,771
Others	
Proposed dividend [amount per share Re. 0.50]	8,786,146
Tax on proposed dividend	1,788,653
Provision for income tax [net of advance income tax of Rs. 316,969,053].	7,537,105
	<u>21,743,221</u>

**Global Coal and Mining Private Limited**

**Notes to financial statements for the year ended 31 March 2016**

*(All amounts are in Rupees, unless stated otherwise)*

**13. Tangible assets**

**As at 31 March 2016**

Particulars	Gross block				Accumulated depreciation/amortization				Net block
	As at 1 April 2015	Additions during the year	Deletions/ adjustments during the year	As at 31 March 2016	Upto 1 April 2015	For the year	Deletions/ adjustments during the year	Upto 31 March 2016	As at 31 March 2016
Freehold land	68,708,534	17,188,291	-	85,896,825	-	-	-	-	85,896,825
Leasehold land	24,779,525	-	-	24,779,525	3,221,459	384,088	-	3,605,547	21,173,978
Building	151,552,951	-	-	151,552,951	41,588,647	6,395,909	-	47,984,556	103,568,395
Factory building	221,157,716	88,574,291	-	309,732,007	139,014,429	15,473,113	-	154,487,542	155,244,465
Office equipment	14,506,825	1,346,799	-	15,853,624	12,085,704	1,340,172	-	13,425,876	2,427,748
Plant and machinery	1,168,396,936	929,224,945	-	2,097,621,881	788,308,557	77,019,317	-	865,327,874	1,232,294,007
Railway siding	605,551,048	-	-	605,551,048	264,229,062	64,701,704	-	328,930,766	276,620,282
Furniture and fixtures	5,288,087	49,373	-	5,337,460	3,740,632	470,792	-	4,211,424	1,126,036
Computers	6,151,673	883,074	-	7,034,747	4,911,980	1,032,207	-	5,944,187	1,090,560
Heavy earth moving machines	91,165,487	23,265,898	-	114,431,385	71,173,147	12,227,350	-	83,400,497	31,030,888
Motor vehicles	108,098,247	926,503	3,449,516	105,575,234	77,818,862	9,648,954	3,278,331	84,189,485	21,385,749
Roads	31,634,105	17,758,088	-	49,392,193	23,812,055	5,246,034	-	29,058,089	20,334,104
<b>Total</b>	<b>2,496,991,134</b>	<b>1,079,217,262</b>	<b>3,449,516</b>	<b>3,572,758,880</b>	<b>1,429,904,534</b>	<b>193,939,640</b>	<b>3,278,331</b>	<b>1,620,565,843</b>	<b>1,952,193,037</b>
<b>Intangible assets</b>									
Goodwill on consolidation	45,385,592	-	-	45,385,592	-	-	-	-	45,385,592
<b>Total</b>	<b>45,385,592</b>	<b>-</b>	<b>-</b>	<b>45,385,592</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,385,592</b>

**Global Coal and Mining Private Limited**  
**Notes to consolidated financial statements for the year ended 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

**14. Capital work-in-progress**

	<b>As at 31 March 2016</b>
Opening balance	609,602,053
Add: Additions during the year (refer note 33)	816,248,371
Less: Assets capitalised during the year	(1,042,349,220)
Less: Transferred to Co-ventures	(5,517,337)
Closing balance	<b>377,983,867</b>

**15. Non-current investments (other than trade)**

(Valued at cost, unless specified otherwise)

	<b>As at 31 March 2016</b>
<b>Equity shares - unquoted</b>	
<b>Investment in associate</b>	
23,071 equity shares of Euro 1 each fully paid up in XLR Capital (Cyprus) Limited [refer note 40] [including goodwill of Rs. 457,495,362 ]	1,021,050,547
<b>Others</b>	
25 equity shares of Rs. 10 each fully paid up in Kolmac Chemicals Limited	250
<b>Equity shares - quoted</b>	
5,000 equity shares of Rs. 10 each fully paid up in Asian Oil Field Services Limited	96,500
<b>Investment in Mutual Funds</b>	
149,985 units of Rs. 10 each in Bank of India AXA Capital Protection Oriented Fund -Series 1 Regular Growth Plan	1,500,000
	<b>1,022,647,297</b>

	<b>As at 31 March 2016</b>	
	<b>Market Value</b>	<b>Aggregate Book Value</b>
Aggregate amount of quoted investment	1,917,063	1,596,500
Aggregate amount of unquoted investment	-	1,021,050,797

**16. Deferred tax assets (net)**

	<b>As at 31 March 2016</b>
<b>Deferred tax on account of:</b>	
Excess of depreciation provided in accounts over depreciation allowable under Income-tax Act	8,934,589
Provision for employee benefits	20,411,162
Brought forward business losses and unabsorbed depreciation	19,178,680
<b>Net deferred tax assets</b>	<b>48,524,431</b>

**17. Long-term loans and advances**

(Unsecured and considered good, unless otherwise stated)

	<b>As at 31 March 2016</b>
<b>To related parties [refer note 38(c)]</b>	
Security deposits	70,000,000
Share application money [refer note 39]	66,069,150
<b>To parties other than related parties</b>	
Advances for supply of goods and services	3,082,157
Capital advances	47,144,216
Advance income tax [net of provision for income tax of Rs. 821,572,691]	22,294,600
Security deposits	277,407,790
Prepaid expenses	20,882,777
Loans to employees	310,082
Balance with statutory/ government authorities	541,792
Claim receivables	527,206
MAT credit entitlement	7,228,663
	<b>515,488,433</b>

**18. Other non-current assets**

	<b>As at 31 March 2016</b>
Banks deposits (due to mature after 12 months from the reporting date) (refer note 21)	92,713,325
	<b>92,713,325</b>

**Global Coal and Mining Private Limited**  
**Notes to consolidated financial statements for the year ended 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

**19. Inventories**

(Valued at lower of cost and net realizable value)

	As at 31 March 2016
Raw Coal	-
Work-in-progress	29,968,556
Beneficiated coal	1,970,543
Coal rejects	56,747,351
Stores and spares	89,832,084
	<b>178,518,534</b>

**20. Trade receivables**

(Unsecured and considered good, unless otherwise stated)

	As at 31 March 2016
Receivables outstanding for a period exceeding six months from the date they became due for payment	178,181,676
Other receivables	1,599,195,691
	<b>1,777,377,367</b>

Trade receivable include Rs. 53,543,018 due from Companies in which Director of the Company is a Director.

**21. Cash and bank balances**

	As at 31 March 2016
<b>Cash and cash equivalents</b>	
- Cash on hand	5,088,391
- Balances with banks:	
On current accounts	64,669,313
<b>Other bank balances</b>	206,437,290
	<b>276,194,994</b>

**Details of bank balances/ deposits**

	As at 31 March 2016
Bank balances available on demand/ deposits with original maturity of 3 months or less included under 'Other bank balances' *	-
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances' *	206,437,290
Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current assets' * (refer note 18)	92,713,325
	<b>299,150,615</b>

\* Includes Rs. 298,565,612 pledged with banks as margin money for performance guarantees issued to various entities on behalf of the company.

**22. Short-term loans and advances**

(Unsecured and considered good, unless otherwise stated)

	As at 31 March 2016
<b>To related parties [refer note 38(e)]</b>	
Advances for supply of goods and services	1,802,608
Inter corporate deposits	487,626,760
Receivable from Co-venturer	5,517,337
<b>To parties other than related parties</b>	
Security deposits to others	
Unsecured, considered good	21,308,013
Advances for supply of goods and services	10,066,664
Others	
MAT credit entitlement	935,582
Inter corporate deposits	370,467,906
Prepaid expenses	36,321,565
Loans to employees	484,047
Balance with statutory/ government authorities	23,346,168
	<b>957,876,650</b>

**23. Other current assets**

(Unsecured and considered good, unless otherwise stated)

	As at 31 March 2016
Unbilled revenue	52,205,611
Interest accrued but not due on inter corporate deposits and FDRs	22,811,680
	<b>75,017,291</b>

**Global Coal and Mining Private Limited**  
**Notes to consolidated financial statements for the year ended 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

**24. Revenue from operations**

	<b>Year ended 31 March 2016</b>
<b>Sale of products</b>	
(i) Sale of coal	582,795,866
(ii) Sale of power	<u>10,298,717</u>
	593,094,583
<b>Sale of services</b>	
(i) <b>Coal beneficiation and allied services</b>	
(a) Coal beneficiation receipts	500,307,950
(b) Coal loading receipts	10,928,443
(c) Coal transporting receipts	<u>3,183,881,273</u>
	3,695,117,666
(ii) <b>Coal transportation and allied services</b>	
(a) Coal loading receipts	242,118,250
(b) Coal transporting receipts	<u>26,457,115</u>
	268,575,365
<b>Other Operating revenue</b>	
(a) Railway siding receipts	103,049,881
(b) Recoveries	<u>45,000,000</u>
	148,049,881
	<u><u>4,704,837,495</u></u>

**25. Other income**

	<b>Year ended 31 March 2016</b>
<b>Interest income on</b>	
- Bank deposits	30,946,866
- Inter-corporate deposits	113,087,954
Miscellaneous receipts	40,227,346
Profit on sale of fixed assets (net)	<u>806,316</u>
	<u><u>185,068,482</u></u>

**26. Increase in stock of finished goods & work-in-progress**

	<b>As at 31 March 2016</b>
<b>Closing stock of finished goods &amp; work in progress</b>	
Raw Coal	-
Work-in-progress	29,968,556
Beneficiated coal	1,970,543
Coal rejects	56,747,351
Other chemical product	<u>-</u>
	<u><u>88,686,450</u></u>

	<b>As at 31 March 2016</b>
<b>Opening stock of finished goods &amp; work in progress</b>	
Raw Coal	88,252
Work-in-progress	31,943,552
Beneficiated coal	2,001,547
Coal rejects	17,443,151
Other chemical product	<u>909,684</u>
	<u><u>52,386,186</u></u>

**27. Employee benefits expenses**

	<b>Year ended 31 March 2016</b>
Salaries, wages and bonus	266,885,584
Contribution to provident and other funds	11,464,310
Staff welfare expenses	<u>5,392,272</u>
	<u><u>283,742,166</u></u>

**Global Coal and Mining Private Limited**  
**Notes to consolidated financial statements for the year ended 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

**28. Finance costs**

	<u>Year ended</u> <u>31 March 2016</u>
Interest on term loan	18,387,685
Interest on cash credits/ working capital loan	48,540,506
Other borrowing costs	5,783,543
	<u>72,711,734</u>

**29. Other expenses**

	<u>Year ended</u> <u>31 March 2016</u>
Rent (refer note 32)	14,327,626
Deductions on account of quality and quantity	19,903,354
Coal handling charges	87,628,984
Repair, running and maintenance	
- Plant and machinery	58,387,155
- Others	34,749,409
Labour charges	33,159,294
Stores and spares consumed	10,725,651
Sampling charges	1,150,515
Water charges	7,729,476
Corporate social responsibility expenses	2,543,715
Legal and professional fees	12,181,433
Auditors' remunerations (refer note below)	1,557,814
Rate, taxes and fees	25,253,105
Bank charges	30,582,657
Bad debts/ advances written off	1,751,099
Charity and donation	3,507,501
Insurance	6,843,149
Miscellaneous expenses	38,754,030
	<u>390,735,967</u>

**Note: Auditors' remunerations** (exclusive of service tax)

	<u>Year ended</u> <u>31 March 2016</u>
Audit fee	1,529,000
Reimbursement of expenses	28,814
	<u>1,557,814</u>

**30. Earnings per share (EPS)**

	<u>Year ended</u> <u>31 March 2016</u>
Profit after tax attributable to equity shareholders	592,694,057
Number of shares considered as weighted average shares outstanding for computing basic and diluted earnings per share (units)	17,572,292
Face value per share (Rupees)	10
<b>Basic and diluted earnings per share (Rupees)</b>	<b>33.73</b>



**Global Coal and Mining Private Limited**  
**Notes to consolidated financial statements for the year ended 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

**31. Employee benefits:**

**a. Defined contribution plan:**

Amount of Rs. 11,464,310 pertaining to employers' contribution to provident fund, pension fund, labour welfare fund and administration charges is recognized as an expense and included in 'Employee benefits' in (Note 27)

**b. Defined benefit plan:**

**Gratuity Plan**

The Company operates a gratuity plan for its employees, which provides lump sum benefits linked to the qualifying salary and completed years of service with the Company at the time of separation. Every employee who has completed 5 years of continuous service is entitled to receive gratuity at the time of his retirement or separation from the organization whichever is earlier. However, the condition of completion of 5 years of service is not applicable where separation is on account of disability or death of an employee. The gratuity benefit that is payable to any employee, is computed in accordance with the provisions of "The Payment of Gratuity Act, 1972". The gratuity plan of the Company is unfunded.

The following table sets forth the status of the Gratuity Plan of the Company and the amounts recognised in the Balance Sheet and the Statement of Profit and Loss.

Particulars	Year ended 31 March 2016
<b>Changes in the present value of defined benefit obligation</b>	
Projected benefit obligation at the beginning of year	39,773,524
Current service cost	5,104,898
Interest cost	3,441,418
Actuarial loss/ (gain)	1,557,094
Benefit Paid	(3,303,050)
<b>Projected benefit obligation at the end of the year</b>	<b>46,573,884</b>
<b>As at</b>	
<b>31 March 2016</b>	
Current	2,681,546
Non-current	43,892,338
	<b>46,573,884</b>
<b>Year ended</b>	
<b>31 March 2016</b>	
Current service cost	5,104,898
Interest cost on benefit obligation	3,441,418
Net actuarial loss/(gain) recognised in the year	1,557,094
<b>Net gratuity cost</b>	<b>10,103,410</b>

**Experience adjustments**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014	Year ended 31 March 2013
Defined benefit obligation	46,573,884	39,773,524	24,928,314	21,752,665
Plan assets	-	-	-	-
Surplus / (deficit)	(46,573,884)	(39,773,524)	(24,928,314)	(21,752,665)
Experience adjustment on plan liabilities	1,557,094	2,827,028	2,119,204	5,465,314
Experience adjustment on plan assets	-	-	-	-

**Principal actuarial assumptions at the balance sheet date are as follows:**

**Economic assumptions:** The principal assumptions are the discount rate and salary escalation rate. The discount rate is based on the market yields of Indian Government Securities as at the Balance Sheet date and the salary growth rate is based on the estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors. The assumptions used are summarized in the following table:

	As at 31 March 2016
Discount rate	7.90%
Salary growth rate	10.00%

**Demographic assumptions:**

	As at 31 March 2016
Retirement age	60 and 75 years
Mortality table	Indian Assured Lives (2006-08) Ult table
Employee turnover	21 – 30 years – 5%
	31 – 40 years – 3%
	41 – 50 years – 2%
	51 and above – 1%

**Compensated absence:**

The Obligation of the Compensated Absence in respect of the employees of the Company as at 31 March 2016 works out to Rs. 1,175,150

**32. Operating leases**

The Company has taken land, railway siding, office space, accommodation for its employees and guest house residential accommodation for employees under cancellable operating lease arrangements. Lease rental expenses charged during the year to the Statement of Profit and Loss amounts to Rs.14,327,626.

**Global Coal and Mining Private Limited**  
**Notes to consolidated financial statements for the year ended 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

**33. Capitalisation of expenditure**

During the year, the Company has capitalised borrowing cost of Rs. 26,192,451 to the cost of capital work-in-progress. Consequently, expenses disclosed under note 28 'Finance cost' are net of amounts capitalised by the Company.

**34. Contingent liabilities, commitments, claims against the Company not acknowledged as debts and other legal cases:**

**(a) Contingent liabilities:**

- i. The Company has contested a liability raised by the service tax authorities for Rs. 758,132,564 for the financial years 2005-06 to 2014-15. Detail of liability contested as mentioned below:

Name of the Statute	Amount involved (in Rs.) #	Period to which amount relates
Finance Act, 1994	67,276,250	June 2005 to March 2009
Finance Act, 1994	204,402,883	April 2006 to March 2011
Finance Act, 1994	119,190,000	April 2011 to March 2012
Finance Act, 1994	115,396,182	April 2012 to March 2013
Finance Act, 1994	178,849,144	April 2013 to March 2014
Finance Act, 1994	73,018,105	April 2014 to March 2015*

# excluding interest and penalty as not quantified in the demand  
\* demand received subsequent to the year end on 19 April 2016

- ii. The Company has received assessment orders u/s 153A of the Income Tax Act, 1961 dated 31 March 2016 wherein demand of Rs. 537,570,700 was raised including tax and interest thereon. Subsequent to the year end, the Company has filed appeals with Commissioner of Income Tax (Appeals) contesting the above mentioned demands.
- iii. The Orichem Limited has received demand orders wherein sales tax department has raised demand of Rs. 14,935,000. The Orichem limited has filed an appeal to the sales tax appellate authority contesting the above mentioned demand.

**(b) Commitments:**

The estimated amount of contracts remaining to be executed on capital account (net of advance) is Rs. 15,957,318 (31 March 2015: Rs. 140,084,510).

**(c) Claims against the Company not acknowledged as debts:**

In the previous years, one of the customers, pursuant to a contract entered for beneficiation of coal, has raised dispute regarding the quality of the beneficiated coal supplied by the Company. As at the year end, the Company has overdue debtors and has issued bank guarantees amounting to Rs. 97,186,000 and Rs. 106,700,000 respectively. The customer had also raised a total claim of Rs. 225,278,000 towards cost of coal supplied by it for beneficiation (Rs. 67,982,000) and other penalties (Rs. 157,296,000) and asked for invocation of bank guarantees.

The Company had filed an application seeking interim protection from the invocation of bank guarantees till the matter is decided by the Arbitral Tribunal. District Judge dismissed the plea of the Company and same was challenged by the Company before the Hon'ble High Court, Nagpur which also rejected the plea of the Company. After rejection of the plea of the Company by Hon'ble High Court, Nagpur, the Company had filed Special Leave Petition ('SLP') with Hon'ble Supreme Court of India.

In the meantime, on an application filed for the appointment of Arbitrator in regard to above dispute, the Hon'ble Bombay High Court, Nagpur Bench appointed Sole Arbitrator and the Company have filed its claim to the Arbitrator. The decision of the Sole Arbitrator is pending.

Subsequent to the year end, in the matter for invocation of bank guarantees, the Hon'ble Supreme Court of India vide order dated 15 September 2016 has directed the banks to release 40 percent of the bank guarantee to the customer within a week. The rest of the amount to be covered by fresh bank guarantees within two weeks and the said bank guarantees to be kept alive till final award is passed by the learned Arbitrator. The Hon'ble Supreme Court of India directed the learned Arbitrator to dispose of the matter finally and pass the award in the arbitration proceedings by the end of February 2017. The learned Arbitrator was further directed not to be influenced by this interim arrangement as it has been done on the basis of concession and to adjudicate the claim pertaining to bank guarantees on its own merits.

While, the decision of the Sole Arbitrator is pending, on the basis of contractual terms and its evaluation of the matters raised in consultation with the Company's Counsel, the management believes that final outcome of the litigation will not have significant financial impact and accordingly, no provision is required.

**(d) Other legal cases:**

- i. The Company has received notice on 29 March 2010 from Mahanadi Coalfields Limited ("MCL") claiming that the leased land of the Company at Belpahar belongs to MCL and the Company should vacate such land. The Company acquired this land from Odisha Industrial Infrastructure Development Corporation ("OIIDC") and has valid titles to the said land vide lease deed duly registered with Registering Officer, Jharsuguda. On the aforesaid matter, the Hon'ble High Court of Orissa (High Court) vide order dated 6 May 2014 directed the State Government & OIIDC to take immediate steps to allot alternate land for shifting the coal washery at the existing land.

In view of the above fact, in FY 2013-14, the company had revised the remaining expected useful life of factory building whose net block as on 1 April 2013 is 65,480,887 to four years, which the Company considers expected time for identifying the alternate land by the authority and shifting of the coal washery. Accordingly, the company has recognised the depreciation on factory building on the basis of remaining expected useful life. Consequently, due to change in the revision of life of the washery there is increase in depreciation charge of factory building by Rs. 7,322,143. Further, the useful life of plant and machineries of washery is not revised since management believes the said assets could be relocated and used for operations.

- ii. The Company is also involved in certain other lawsuits, claims and proceedings, either initiated by or against the Company, whether asserted or not. However, based on facts currently available, the management believes that these matters both individually and in aggregate will not have a material effect on the financial statements of the Company.

**Global Coal and Mining Private Limited**  
**Notes to consolidated financial statements for the year ended 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

**35. Foreign Currency earnings and expenditure of the company:**

Value of imports calculated on CIF basis:

(a) Particulars	Year ended 31 March 2016
Capital goods	371,139,696

Expenditure in Foreign Currency:

(b) Particulars	Year ended 31 March 2016
Business Promotion	320,778

Unhedged foreign currency exposure

(c) Foreign currency exposure on account of payables not hedged by derivative instruments are as follows:

Foreign currency	As at 31 March 2016	
	Amount in foreign currency	Amount in Rs.
United States Dollar (USD)	5,212,593	351,179,387
<b>Total</b>	<b>5,212,593</b>	<b>351,179,387</b>

**36. Details of imported and indigenous spare parts consumed during the financial year:**

Particulars	For the year ended 31 March 2016	
	Rs.	Percentage
Imported	-	-
Indigenous	10,725,651	100.00
<b>Total</b>	<b>10,725,651</b>	<b>100.00</b>

**37. Segment reporting**

In accordance with Accounting Standard 17 'Segment Reporting' on segment reporting as specified in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014, the Company has identified two business segments viz. coal operations and power. The above segments have been identified and reported taking into account the differing risks and returns, and the current internal financial reporting systems. The segment wise disclosures are as follows:

Segment revenue, results, segment assets and liabilities include the respective amounts identifiable to each of the segments. Other unallocable expenditure/assets/liabilities include expenses/assets/liabilities which are not directly identifiable to any business segment.

Segment revenue, results and capital employed:

Particulars	Coal operations	Power	Unallocable	Total
<b>Segment revenue</b>	4,694,538,778	10,298,717	-	4,704,837,495
<b>Segment results</b>	650,783,520	3,728,608	(226,643,201)	427,868,927
<b>Finance cost</b>	-	-	72,711,734	72,711,734
<b>Interest and other income</b>	40,227,346	-	144,841,136	185,068,482
<b>Profit before tax</b>	680,319,256	3,728,608	(143,822,190)	540,225,674

  

Other information	Coal operations	Power	Unallocable	Total
<b>Segment assets</b>	4,082,781,523	651,289,728	2,585,849,567	7,319,920,818
<b>Segment liabilities</b>	1,775,907,546	392,266,987	5,151,746,285	7,319,920,818
<b>Segment capital expenditure</b>	242,183,970	624,865,341	5,906,349	872,955,660
<b>Segment depreciation</b>	182,391,701	4,332,015	7,215,924	193,939,640

The Company's customers are located in India and constitute a single reportable segment for the purpose of secondary segment reporting. Accordingly, no secondary segment information has been disclosed as required by AS-17.

**Segment accounting policies**

The accounting principles consistently used in the preparation of the financial statements and consistently applied to record revenue and expenditure in individual segments are as set out in note 2 to the financial statements on significant accounting policies. The accounting policies in relation to segment accounting are as under:

**(a) Segment assets and liabilities**

All segment assets and liabilities have been allocated to the various segments on the basis of specific identification. Segment assets consist principally of fixed assets, capital work-in-progress, inventories, trade receivables, other current assets and loans and advances. Segment assets do not include unallocated corporate fixed assets, cash and bank balances, advance tax and other assets not specifically identifiable with any segment.

Segment liabilities include trade payables, other liabilities and staff benefits. Segment liabilities do not include share capital and provision for income tax and other liabilities not specifically identifiable with a segment.

**(b) Segment revenue and expenses**

Segment revenue and expenses are directly attributable to the segment and have been allocated to various segments on the basis of specific identification. Segment revenue does not include interest income, miscellaneous income in respect of non-segmental activities. Segment expenses do not include depreciation on unallocated corporate fixed assets, interest expense, tax expense, and other expense in respect of non-segmental activities.

**Global Coal and Mining Private Limited**  
**Notes to consolidated financial statements for the year ended 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

**38. Related party disclosures**

**(a) Related party and nature of the relationship with whom transactions have taken place during the year:**

**Key Management Personnel (“KMP”) & their relatives**

- Mr. Kuldeep Singh Solanki, Chairman
- Mr. V. K. Sehgal, Managing Director (upto 31 March 2016)
- Mr. Kartikeswar Patra, Managing Director
- Mr. Bijay Kumar Mandhani, Executive Director
- Ms. Manisha Solanki, Executive Director
- Mrs. Indu Solanki

**Enterprise having significant influence**

- ACB (India) Limited

**Enterprises over which KMP exercise significant influence (“Other related parties”)**

- Aryan Clean Coal Technologies Private Limited
- Aryan Energy Private Limited
- Blastec (India) Private Limited (upto 31 March 2015)
- M A Automobiles
- Maneesha Finlease Limited
- Emul Tek Private Limited (upto 31 March 2015)
- Global Minetec Limited
- MBG Commodities Private Limited
- Maheshwari Brothers Coal Limited
- Rajasthan Explosives & Chemicals Limited
- Sainik Mining And Allied Services Limited
- Sainik Finance and Industries Limited
- Spectrum Coal and Power Limited
- K.Patro & Associates
- Chakadola Transport Private Limited
- Aarvee Transport Co.

**(b)** The company has entered into transactions with certain related parties as listed below. The Board of Directors considers such transactions to be in normal course of business. Details of such transactions alongwith disclosure in respect of transactions which are more than 10% of the total transactions of the similar nature with related parties during the year are as follows:

Particulars	Year ended 31 March 2016
<b>Coal transportation and allied receipts</b>	
<b>Other related parties</b>	
- Aryan Energy Private Limited	114,664,244
	<b>114,664,244</b>
<b>Rent Income</b>	
<b>Other related parties</b>	
- Chakadola Transport Private Limited	240,000
	<b>240,000</b>
<b>Interest income</b>	
<b>Other related parties</b>	
- Global Minetec Limited	10,228,697
- MBG Commodities Private Limited	20,547,879
- Rajasthan Explosives & Chemicals Limited	32,100,557
	<b>62,877,133</b>
<b>Transportation and loading charges</b>	
<b>Other related parties</b>	
- Sainik Mining And Allied Services Limited	2,923,563
- Chakadola Transport Private Limited	179,780,545
- K.Patro & Associates	24,317,107
	<b>207,021,215</b>
<b>Supervision and liaisoning charges</b>	
<b>Other related parties</b>	
- Global Minetec Limited	56,456,680
	<b>56,456,680</b>

**Global Coal and Mining Private Limited**  
**Notes to consolidated financial statements for the year ended 31 March 2016**  
*(All amounts are in Rupees, unless stated otherwise)*

Particulars	Year ended 31 March 2016
<b>Purchase of stores, spares and fuel</b>	
<b>Other related parties</b>	
- M. A. Automobiles	2,131,263
- Sainik Mining And Allied Services Limited	5,272,235
- Aryan Energy Private Limited	200,700
- Aryan Clean Coal Technologies Private Limited	1,827,739
- Aarvee Transport Co.	300,000
	<b>9,731,937</b>
<b>Managerial remuneration paid</b>	
<b>KMPs</b>	
- Mr. Kuldeep Singh Solanki	44,750,000
- Mr. Bijay Kumar Mandhani	30,500,000
- Mr. Kartikeswar Patra	1,664,171
- Ms. Manisha Solanki	10,055,000
- Mr. V. K. Sehgal	7,000,000
	<b>93,969,171</b>
<b>Rent paid</b>	
<b>Other related parties</b>	
- Maheshwari Brothers Coal Limited	542,430
- Global Minetec Limited	1,200,000
<b>KMP &amp; their relatives</b>	
- Mrs. Indu Solanki	480,000
- Mr. Kartikeswar Patra	240,000
	<b>2,462,430</b>
<b>Inter corporate deposits received back</b>	
<b>Other related parties</b>	
- Global Minetec Limited	17,500,000
	<b>17,500,000</b>

**(c) Outstanding balances as at the year end:**

Particulars	As at 31 March 2016
<b>Security deposits given</b>	
<b>Other related parties</b>	
- Spectrum Coal and Power Limited	70,000,000
	<b>70,000,000</b>
<b>Inter corporate deposits given</b>	
<b>Other related parties</b>	
- Global Minetec Limited	65,210,401
- MBG Commodities Private Limited	164,862,641
- Rajasthan Explosives & Chemicals Limited	257,553,718
	<b>487,626,760</b>
<b>Trade receivables</b>	
<b>Other related parties</b>	
- Aryan Energy Private Limited	53,543,018
	<b>53,543,018</b>
<b>Trade payables</b>	
<b>Enterprise having significant influence</b>	
- ACB (India) Limited	1,441,910
<b>Other related parties</b>	
- K. Patro & Associates	2,940,176
- Chakadola Transport Pvt.Ltd	17,777,543
- M A Automobiles	533,882
- Sainik Mining And Allied Services Limited	751,180
	<b>23,444,691</b>

**Global Coal and Mining Private Limited****Notes to consolidated financial statements for the year ended 31 March 2016***(All amounts are in Rupees, unless stated otherwise)*

39. The Company had remitted an amount aggregating USD 1,250,000 (Rs. 66,069,150) on 02 May 2012 towards purchase of equity shares of foreign associate but shares have not been allotted till date. Reserve Bank of India ('RBI') notification FEMA 120/RB, dated 7 July 2004, as amended from time to time, prescribes for allotment of shares within six months from the date of effecting remittance. The Company is in process of filing necessary documents with RBI and expects allotment in near future. The Company is of the view that above delay will not have any significant impact on the Company's financial position and its operations.
40. The Company has invested in share capital amounting to Rs. 445,918,150 and share application money amounting to Rs. 66,069,150 an associate company ('XLRCL'). XLRCL has further invested in Yara Dallol B.V., Sluiskil, Netherlands ('YD') an associated company. YD had carried out a feasibility study for potash mining in Ethiopia and based on the independent study, identified annual production of 600,000 metric tons of sulphate of potash (SOP) over 23 years from the reserves. YD expects to begin production by end of 2018 and the delay would not result into any substantial financial impact on the financial statements. Accordingly no provision for diminution in the value of investment is made at this stage by the Company.
41. As per Section 135 of the Companies Act, 2013 the following is the detail of Corporate social responsibility expenses incurred by the respective company of the Group:-  
Gross amount to be spent by the respective company of the Group during the year ended 31 March 2016 is Rs. 12,845,917.  
Amount spent during the year ended 31 March 2016 on:

Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	2,543,715	-	2,543,715
<b>Total</b>	<b>2,543,715</b>	<b>-</b>	<b>2,543,715</b>

42. Since this is the first year of preparation of the consolidated financial statements, previous year figures have not been disclosed.

*For BSR & Company*  
*Chartered Accountants*  
ICAI Firm Registration No: 128032W

*For and on behalf of the Board of Directors of*  
**Global Coal and Mining Private Limited**

-sd-  
**Pravin Tulyan**  
*Partner*  
Membership No.: 108044

-sd-  
**Kuldeep Singh Solanki**  
*Chairman*  
DIN: 00009212

-sd-  
**Kartikeswar Patra**  
*Managing Director*  
DIN: 01849504

-sd-  
**Surjan Singh**  
*Company Secretary*  
FCS-8864

Place: Gurgaon  
Date:

Place: Gurgaon  
Date:

Place: Gurgaon  
Date:

Place: Gurgaon  
Date:

**FORM AOC-1**

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

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

**Part “A”: Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

<b>Sl. No.</b>	<b>Particulars</b>	<b>Details</b>
1.	<b>Name of the subsidiary</b>	Orichem Limited
2.	<b>Reporting period for the subsidiary concerned, if different from the holding company's reporting period</b>	01/04/2015 to 31/03/2016
3.	<b>Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries</b>	`
4.	<b>Share capital</b>	` 4,23,24,500
5.	<b>Reserves &amp; surplus</b>	` (2,42,27,852)
6.	<b>Total assets</b>	` 3,58,01,599
7.	<b>Total Liabilities</b>	` 1,77,04,951
8.	<b>Investments</b>	` 7,59,70,050
9.	<b>Turnover</b>	` 0
10.	<b>Profit before taxation</b>	` (97,64,120)
11.	<b>Provision for taxation</b>	` NIL
12.	<b>Profit after taxation</b>	` (97,64,120)
13.	<b>Proposed Dividend</b>	NIL
14.	<b>% of shareholding</b>	92.14 %

**Notes:** The following information shall be furnished at the end of the statement:

1. No any subsidiary which are yet to commence operations.
2. No any subsidiary was sold during the year.

**Part “B”: Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of associates/Joint Ventures	Spectrum Coal and Power Limited (in Consortium with GCMPL)	XLR
1. Latest audited Balance Sheet Date	31.03.2016	31.12.2015
2. Shares of Associate/Joint Ventures held by the company on the year end	31.03.2016	31.03.2016
No.	Not applicable	23071/-
Amount of Investment in Associates/Joint Venture	4,07,61,780	44,59,18,150
Extend of Holding%	49.00%	23.77%
3. Description of how there is significant influence	Joint venture with global spectrum	Holding more than 20% stake in the company
4. Reason why the associate/joint venture is not consolidated	Not applicable	Not applicable
5. Net worth attributable to shareholding as per latest audited Balance Sheet	Nil	57,51,32,397
6. Profit/Loss for the year		
i. Considered in Consolidation	(20,201,856)	15,70,50,186
ii. Not Considered in Consolidation	Not applicable	Not applicable

1. No any associates or joint ventures which are yet to commence operations.
2. No any associate or joint venture was sold during the year.

**For and on behalf of the Board of Directors  
Global Coal and Mining Private Limited**

-sd-

-sd-

Place: Gurgaon-HR  
Date:

Kartikeswar Patra  
Managing Director  
DIN-01849504  
C-89, Palaspalli,  
P.O.- Aerodorme Area,  
P.S.- Airfield, Vimpur,  
Khordha, Odisha-751020

Kuldeep Singh Solanki  
Director  
DIN-00009212  
B-9/16, Vasant Vihar,  
New Delhi-110057