



# JHARKHAND CENTRAL RAILWAY LIMITED

*(A JV Company of CCL, IRCON & Government of Jharkhand)*

DARBHANGA HOUSE, RANCHI



## ANNUAL REPORT 2017-18

Registered Office:  
CCL, Darbhanga House, Ranchi  
Jharkhand, PIN-834029

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# REFERENCE INFORMATION

As on 31.03.2018

## REGISTERED OFFICE

Darbhangra House  
Ranchi 834 029  
(Jharkhand)

## BOARD OF DIRECTORS

Shri Awadh Kishor Mishra, Director (T/P&P), CCL	:	Chairman	(W.e.f. 21.11.2016)
Shri M.K. Singh, Director, IRCON	:	Director	(W.e.f. 20.03.2018)
Shri S.L Gupta, ED/G, IRCON	:	Director	(W.e.f. 20.03.2018)
Shri Suresh Kumar Sinha, GM (Civil/IC), CCL	:	Director	(W.e.f. 19.07.2017)
Shri S.N Tiwary, GM (S&M), CCL	:	Director	(W.e.f. 19.07.2017)
Shri R. C. Thakur, Executive Director, Railway Board	:	Director	(W.e.f. 21.11.2016)
Shri Murli Manohar Prasad, Govt. of Jharkhand	:	Director	(W.e.f. 05.07.2016)

## KEY MANAGERIAL PERSONNEL

Shri Manoj Kumar Sinha	:	Chief Financial Officer
Shri Ravi Prakash	:	Company Secretary

## BANKERS

Punjab National Bank  
SN Ganguly Road, Ranchi,  
Jharkhand - 834001

## STATUTORY AUDITORS

Pradeep Kumar Jain & Associates.  
Room No. 407, 4th Floor, Panchwat Plaza,  
Kutchery Road, Ranchi-834001

## SECRETARIAL AUDITORS

**M/s. Vidhya Baid & Co.,**  
4th floor, Room No. 408,  
Bhikam Chand Market,  
14/2 Old China Bazar Street,  
Kolkata-700001, West Bengal.

**BOARD OF DIRECTORS  
 (DURING 2017-18)**

<b>Chairman 2017-18</b>	
Shri Awadh Kishor Mishra, Director (T/P&P), CCL	(W.e.f. 21.11.2016)

<b>Directors 2017-18</b>	
Shri Hitesh Khanna, Director, IRCON	(w.e.f. 23.06.2016 to 20.03.2018)
Shri Anil Kumar Gupta, ED, IRCON	(w.e.f. 31.08.2015 to 25.01.2018)
Shri M.K. Singh, Director, IRCON	(W.e.f. 20.03.2018)
Shri S.L Gupta, ED/G, IRCON	(W.e.f. 20.03.2018)
Shri Suresh Kumar Sinha, GM (Civil/IC), CCL	(w.e.f. 19.07.2017)
Shri S.N Tiwary, GM (S&M), CCL	(w.e.f. 19.07.2017)
Shri R. C. Thakur, Executive Director, Railway Board	(w.e.f. 21.11.2016)
Shri Murli Manohar Prasad, Govt. of Jharkhand	(w.e.f. 05.07.2016)

**Ref No.: CS/ICRL/2018/**

Dated: 31.07.2018

**NOTICE**  
**THIRD ANNUAL GENERAL MEETING**

Notice is hereby given to Shareholders of Jharkhand Central Railway Limited that the Third Annual General Meeting of the Company will be held on Tuesday, the 31<sup>st</sup> day of July, 2018 at 3.00 PM at Darbhanga House, Ranchi -834029 to transact the following businesses:

**A. ORDINARY BUSINESS:**

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018 including Audited Balance Sheet as at 31st March, 2018, Profit and Loss Account for the year ended on that date, Cash Flow Statement together with all Notes, Additional Notes on the Financial Statements and Significant Accounting Policy for the year 2017-18, the Reports of Statutory Auditor and Comptroller & Auditor General of India and Directors' Report.
2. To appoint a Director in place of Shri Ramesh Chand Thakur (DIN-07690639) who retires by rotation in terms of Section 152(6) of the Companies Act 2013 and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Suresh Kumar Sinha (DIN-07911628) who retires by rotation in terms of Section 152(6) of the Companies Act 2013 and being eligible, offers himself for reappointment.

By order of the Board of Directors  
Jharkhand Central Railway Limited

Sd/-  
Company Secretary, JCRL.

**Note :**

1. The Shareholders are requested to give their consent in writing or by electronic mode for calling the Annual General Meeting at a Shorter Notice pursuant to the provisions of the Section 101(1) of the Companies Act, 2013.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. Pursuant to the provisions of Section 171(1)(b) and 189(4) of the Companies Act, 2013, the registers required to be kept open for inspection at every Annual General Meeting of the company, shall be accessible during the continuance of the meeting to any person having the right to attend the meeting.

**MEMBERS****Central Coalfields Limited**

CCL, Darbhanga House,  
Ranchi -834029  
(Jharkhand), India

**Shri Awadh Kishor Mishra, Chairman JCRL**

CCL, Darbhanga House,  
Ranchi -834029  
(Jharkhand), India

**Shri Suresh Kumar Sinha, Director JCRL**

CCL, Darbhanga House,  
Ranchi -834029  
(Jharkhand), India

**Shri S.S. Jha, Director JCRL**

CCL, Darbhanga House,  
Ranchi -834029  
(Jharkhand), India

**IRCON International Limited**

C-4, District Centre, Saket,  
New Delhi-110017

**Shri Surajit Dutta, CGM/F, IRCON**

C-4, District Centre, Saket,  
New Delhi-110017

**Government of Jharkhand**

Ranchi

**STATUTORY AUDITORS**

Pradeep Kumar Jain & Associates  
407 Panchavati Plaza,  
Kachery Road  
Ranchi, Jharkhand

**SECRETARIAL AUDITORS**

**M/s. Vidhya Baid & Co.,**  
4th floor, Room No. 408,  
Bhikam Chand Market,  
14/2 Old China Bazar Street,  
Kolkata-700001, West Bengal.

**Copy to all Directors of JCRL.**

**BOARD OF DIRECTORS**  
**(AS ON DATE OF AGM i.e. 20.07.2018)**

Shri Awadh Kishor Mishra, Director (T/P&P), CCL	Chairman
Shri M.K. Singh, Director, IRCON	Director
Shri S.L Gupta, ED/G, IRCON	Director
Shri Suresh Kumar Sinha, GM (Civil/IC), CCL	Director
Shri S.S. Jha, Sr. Manager (Civil/IC), CCL	Director
Shri R. C. Thakur, Executive Director, Railway Board	Director

**JHARKHAND CENTRAL RAILWAY LIMITED  
DIRECTORS' REPORT 2017-18**

To  
**The Shareholders,**  
Jharkhand Central Railway Limited

Members,

I, on behalf of the Board of Directors have great pleasure in presenting to you the 2<sup>nd</sup> Annual Report of your Company along with the Audited Financial Statements for the year ended 31st March, 2018. The Audited Financial Statements, report of the Statutory Auditors and Management's reply thereon as well as comments of the Comptroller & Auditor General of India on the audited Accounts are annexed to this report.

Jharkhand Central Railway Limited is a Joint Venture Company between Central Coalfields Limited, M/s IRCON International Limited and Govt. of Jharkhand. The company was formed under companies Act 2013.

Name of Promoter entitles	Share Holding Pattern
Central Coalfields Limited	64%
M/s IRCON International Limited	26%
Govt. of Jharkhand	10%

The authorized share capital of the company is 500 Crores.

The performance of JCRL is as under : -

1. Jharkhand Central Railway Limited was incorporated on 31.08.2015. Subsequently following project was awarded to JCRL.
  - Shivpur – Kathotia new BG Rail line – for Revised Detailed Project Report (DPR) & Bankability report.

The work of Shivpur – Kathotia new BG Rail Line has been identified to be taken up by M/s Ircon International Limited, implementing agency of JCRL. M/s IRCON prepared Detailed Project Report which was approved 'In-Principle' by JCRL Board. Further, EC Railway has accorded its approval on the DPR (Revised Project Cost – Rs 1799.64 Crs) submitted by M/s IRCON on 27<sup>th</sup> Feb. 2018. M/s IRCON has taken up the matter for finalization of inflated mileage and concession agreement with Railway.

2. Financial Position :-

During the year 2017-18, the Authorised Capital of the company increased from Rs 100.0 Crores to Rs. 500.0 Crores.

Name of Company	Share Holding Pattern as on 31.03.2018 as per MOU
Central Coalfields Limited	64%
M/s IRCON International Limited	26%
Govt. of Jharkhand	10%

Promoter's share capital money has been received by Jharkhand Central Railway Limited.



3. Summarized Balance Sheet :-

Particulars	As at 31.03.2018 Rs.	As at 31.03.2017 (Restated) Rs.
<b>Total Equity and Liabilities</b>		
Capital	50,00,00,000.00	33,30,50,000.00
Reserves & Surplus	(66,54,391.00)	(63,87,036.00)
<b>Sub Total</b>	49,33,45,609.00	32,66,62,964.00
Long Term Borrowings	0.00	0.00
Total Current Liabilities	3,51,20,608.00	62,438.00
Total Non-Current Liabilities	175,57,82,356.00	175,57,82,356.00
<b>Total</b>	<b>228,42,48,573.00</b>	<b>208,25,07,758.00</b>

<b>Assets</b>		
Tangible Assets (less Depreciation)	0.00	0.00
Capital WIP	184,28,95,260.00	175,57,82,356.00
Long Term Loans & Advances	4,05,69,300.00	5,00,00,000.00
Cash and Bank Balance	39,86,83,720.00	27,63,48,893.00
Short term loans and advances	0.00	0.00
Current Tax Assets (Net)	21,00,293.00	3,76,509.00
<b>Total</b>	<b>228,42,48,573.00</b>	<b>208,25,07,758.00</b>

4. During the year ended 31.03.2018, the Capital Structure stands as under:

<u>Issued, Subscribed &amp; Paid up Share Capital</u>			
Shareholders	No. of Shares	Rate	Amount in Rs.
CCL	3,20,00,000	Rs. 10/- each	32,00,00,000/-
IRCON	1,30,00,000	Rs. 10/- each	13,00,00,000/-
Govt. of Jharkhand	50,00,000	Rs. 10/- each	5,00,00,000/-
Total Paid up Equity Share Capital			<b>50,00,00,000/-</b>
Share Application Money, pending allotment			<b>NIL</b>
Total Capital as on 31.03.2018			<b>50,00,00,000/-</b>

5. During the year ended 31.03.2018, JCRL has incurred Net Loss amounting to Rs. 2,67,355.00/- against Net Loss of Rs. 58,02,983.00/- (Re-stated) incurred in the year ended 31.03.2017.

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

No material changes and commitments affecting the financial position of the company occurred between the end of the financial year to which the financial statements relate and the date of this report.

**RIGHT TO INFORMATION**

Under the RTI Act'2005, the details of application dealt during the year 2017-18 are given below:

Sl. No.	Particulars	Nos.
1	No. of applications received during the year 2017-18	1
2	No. of applications disposed of during the year	1

**CORPORATE GOVERNANCE**

Your Company, believes that great Companies are built upon a rich legacy of fair, ethical and transparent governance practices, many of which were in place even before they were mandated by adopting highest standards of professionalism, honesty, integrity and ethical behavior and other good governance practices.

**AVAILABILITY OF ANNUAL REPORT AND ACCOUNTS AT THE H.Q. FOR INSPECTION OF SHAREHOLDERS:**

The Annual Accounts of CCL and the related detailed information has been made available to the shareholders of the Holding Companies seeking such information at any point of time. The Annual Account of JCRL has also been kept for inspection by any Shareholder in the Head Office.

**BOARD OF DIRECTORS**

During the year under reference your Directors held 6 (Six) Board Meetings. Your Company had the following Directors on the Board, as on 31.03.2018:

1. Shri Awadh Kishor Mishra, Director (T/P&P), CCL : Chairman
2. Shri M.K. Singh, Director, IRCON : Director
3. Shri S.L Gupta, ED/G, IRCON : Director
4. Shri Suresh Kumar Sinha, GM (Civil/IC), CCL : Director
5. Shri S.N Tiwary, GM (S&M), CCL : Director
6. Shri R. C. Thakur, Executive Director, Railway Board : Director
7. Shri Murli Manohar Prasad, Govt. of Jharkhand : Director

**Annual General Meeting:**

Particulars of the Annual General Meetings/ Extraordinary General Meetings of the shareholders held during last 2 years:

Year	Name of Meeting Date & Time	Location	Attendance	Special Resolution, if any
2015-16	1 <sup>st</sup> Annual General Meeting 21 <sup>st</sup> June' 2016 At 3.00 PM	CCL, Darbhanga House, Ranchi.	1. Shri Subir Chandra 2. Shri Vipin Kumar Sofat, 3. Shri Anil Kumar Gupta 4. Shri Sandeep Kumar Bhagat 5. Shri Achal Khare 6. Shri Sandeep Singh	Yes  <b>To Increase the Authorised share capital and amend the capital clause of Memorandum of Association</b>

2016-17	2 <sup>nd</sup> Annual General Meeting 19 <sup>th</sup> July' 2017 At 3.00 PM	CCL, Darbhanga House, Ranchi.	1. Shri Awadh Kishor Mishra 2. Shri S.N Tiwari 3. Shri Suresh Kumar Sinha 4. Shri S.S. Jha 5. Shri Hitesh Khanna 6. Shri Murli Manohar Prasad 7. Shri R.K. Mishra	Nil
2016-17	Extraordinary General Meeting 25 <sup>th</sup> August'2017 At 2.00 PM	CCL, Darbhanga House, Ranchi.	1. Shri Awadh Kishor Mishra 2. Shri S.N Tiwari 3. Shri Suresh Kumar Sinha 4. Shri Anil Kumar Gupta 5. Shri S.S. Jha 6. Shri P.K. Singh 7. Shri Murli Manohar Prasad	Yes  <b>To Increase the Authorised share capital and amend the capital clause of Memorandum of Association</b>

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 134(5) of the Companies Act 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- 1) That in the preparation of the Financial Statement for the financial year ended 31<sup>st</sup> March 2018, the Uniform Accounting Policy approved by CIL, has been followed. The said uniform Accounting Policy has been drawn in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015.
- 2) The Financial Statements have been prepared on historical cost basis.
- 3) That the Directors have selected such accounting policies and made judgements and estimates that were considered 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 the year under review.
- 4) That proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 5) That the Directors have prepared the Financial Statement for the financial year ended 31<sup>st</sup> March 2018 on 'going concern' basis.
- 6) That the system of internal financial controls are adequate and are operating effectively.
- 7) That the system has been developed for compliance of all applicable laws and that such systems were adequate and operating effectively.

## **AUDITORS OF THE COMPANY:**

### **Statutory Auditors:**

Under Section 139 of the Companies Act, 2013 the following Chartered Accountants Firms were appointed by the Comptroller and Auditor General of India for auditing the Financial Accounts of your Company for the year 2016-17.

Pradeep Kumar Jain & Associates.  
Room No. 407, 4th Floor, Panchwat Plaza,  
Kutchery Road, Ranchi-834001

### **Secretarial Auditors:**

Under Section 204 of the Companies Act, 2013 the following Company Secretary Firm was appointed by the Board of Directors in its 16<sup>th</sup> Board Meeting vide item No. 4(2) dated 08.05.2018 for conducting Secretarial Audit as required under the Act for the year 2017-18 and 2018-19. The Secretarial Audit Report has been attached to this report as **Annexure-I**.

**M/s. Vidhya Baid & Co.,**  
4th floor, Room No. 408,  
Bhikam Chand Market,  
14/2 Old China Bazar Street,  
Kolkata-700001, West Bengal.

## **AUDITORS REPORT**

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

## **COMMENTS OF C&AG**

Comments of the Comptroller and Auditor General of India under section 143(6)(b) of the Companies Act, 2013 on the standalone and consolidated financial statements of Jharkhand Central Railway Limited for the year ended 31st March 2018 is enclosed as **Annexure- II**.

## **EXTRACT OF ANNUAL RETURN**

Pursuant to section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an Extract of Annual Return of the Company in Form-MGT-9 is included as **Annexure-III** and form part of this Report.

## **RELATED PARTY TRANSACTIONS:**

The Company has no contract or arrangements with Related Parties referred to in sub-section (1) of section 188. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel.

## **DEPOSITS**

The company has neither accepted nor renewed any deposits during the year under review.

**PARTICULARS OF LOANS, GURANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There was no loans, guarantees or investments made by the company exceeding the limits specified under Section 186 of the Companies Act, 2013 during the year under review and hence, the said provision is not applicable.

**MANAGERIAL REMUNERATION:**

No remuneration is paid to Managerial Personnel.

**DISCLOSURE OF PARTICULARS WITH RESPECT TO CONVERSION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

- A. Conservation of Energy : N.A
- B. Technology Absorption : N.A
- C. Foreign Exchange Earnings and Outgo
  - 1. Earnings : Nil
  - 2. Outgo : Nil

**ACKNOWLEDGEMENT:**

Your Directors express their sincere thanks to the Government of India in general and Ministry of Railway in particular for their valuable guidance and unstinted support to your Company towards attainment of the objectives of the Company. Your Directors also thank the Government of Jharkhand for their co-operation and valuable assistance extended to your Company.

**ADDENDA**

The following documents are annexed hereto for your consideration:

1. "Secretarial Audit Report" of the company is given in **Annexure-I** to this report.
2. Comments of the Comptroller and Auditor General of India under section 143(6)(b) of the Companies Act, 2013 on the financial statements of Jharkhand Central Railway Limited for the year ended 31st March 2018 is given in **Annexure-II** to this report
3. The extract of Annual Return of the Company in Form No. MGT-9 for the year ended 31.03.2017 under sub-section (3) of section 92 of the Companies Act, 2013 is given in **Annexure-III** to this Report.
4. Report of the Statutory Auditor appointed under Section 139 of the Companies Act, 2013 is given in **Annexure-IV** to this report.

For & on behalf of the Board of Directors.

Sd/-  
(A.K. Mishra)  
Chairman  
DIN No. 07646542

## FORM No. MR-3

## SECRETARIAL AUDIT REPORT

(for the financial year ended 31<sup>st</sup> March, 2018)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**The Members****Jharkhand Central Railway Limited**

Darbhanga House, Ranchi  
Jharkhand

We have conducted the **Secretarial Audit** of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Jharkhand Central Railway Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

*We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:*

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. \*Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises, Government of India vide their OM. No. 18(8)/2005-GM dated 14th May, 2010.;
- VI. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
  - \* a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

**Registered Address :** 14/2, Old China Bazar Street, Bhikam Chand Market,  
Room No : 408, 4th Floor, Kolkata - 700 001  
**Tel :** 033-4066 0171 (M) +91 9830705261, +91 9007450898  
**E-mail :** vidhyabaid@gmail.com, vidhyabaid@yahoo.com



- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- \* d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- \* e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
- \* f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- \* g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- \* h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- # i. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015

VII. Applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India.

- \* These Clauses were not applicable during the year under review.
- # Provisions of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 thereunder were complied to the extent applicable to the Company as the Company is a sub-subsidiary of Coal India Limited which is a listed entity.

We report that, having regard to the compliance system prevailing in the Company and as certified by the Management and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the laws specifically applicable to the Company as detailed in Annexure I

During the period under review the Company has *generally* complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

1. As per Section 177 read with rule 6 of Companies (Meetings of Board and its power) Rules, 2014 the company was required to constitute a Audit committee. The Company is yet to constitute a Audit Committee.
2. As per Section 178 read with rule 6 of Companies (Meetings of Board and its power) Rules, 2014, the company was required to constitute a Nomination and Remuneration committee. The Company is yet to constitute a Nomination and Remuneration Committee.
3. As per Standard 6.4 of the Secretarial Standard 1 (SS-1), meetings of Board of Directors, "Resolutions passed by circulation shall be noted at the next Meeting of the Board and the text thereof with dissent or abstention, if any, shall be recorded in the Minutes of such Meeting". The Board has approved a circular resolutions, however on analysis of the minutes of Board meeting dated 25<sup>th</sup> May, 2017, it is observed that there is inadequate compliance of Standard 6.4 in as much the text of the resolution has not been recorded in the minutes as envisaged by the Standards 6.
4. Compliance of Secretarial Standards issued by ICSI regarding disclosures to be made in the minute books needs to be further strengthened.



**Jharkhand Central Railway Limited** is a joint venture company between Central Coalfields Limited, Ircon International Limited and Government of Jharkhand. As per Memorandum of Understanding (MOU) which was executed between Government of Jharkhand, Central Coalfields Limited and IRCON International Limited, as well as Articles of Association the shareholding pattern of the Company is as under:

- Central Coalfields Limited : 64%
- IRCON International Limited: 26%
- Government of Jharkhand : 10%

As per MOU as well as Articles of Association, Board of Directors("BOD") of the Company shall have part-time directors. The nominees of parties on the BOD shall be as under:

Party	No. of Directors
Government of Jharkhand (GoJ)	1
Ministry of Railway (MoR)	1
Central Coalfields Limited(CCL)	3
IRCON International Limited	2

The Chairman of the Board shall be the nominee of CCL. Chairman shall have a casting vote in case of a tie. Further, independent directors may be nominated by the controlling ministry (MoC/CIL/CCL) as per the DPE guidelines.

Further on 5<sup>th</sup> July, 2017 MCA had notified the Companies (Appointment and Qualification of Directors) Amendment Rules, 2017 exempting a "joint venture" unlisted public company from the requirement of appointing independent directors.

We further report that :

- a) The Board of Directors of the Company is constituted keeping in view the above facts. Few changes in the composition of the Board of Directors took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) As per the minutes of the meetings of the Board duly recorded and signed by the Chairman, the majority decision of the Board were unanimous and no dissenting views have been recorded.

Annual General Meeting for the year 2016-2017 was called at a shorter notice with due consent taken from the members/directors.





We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines *except that certain filing of forms with the Ministry of Corporate Affairs were done beyond their due dates.*

We further report that during the audit period, the Company has the following specific events/actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- The Company altered the Capital Clause of the Memorandum of Association for increasing its Authorised Share Capital during the period under review.
- The Company has raised funds to the tune of Rs. 50 crore by way of issue of Equity Shares during the period under review. *However certain compliances relating to the said issue were not in conformity with the provisions of the Act.*

Place: Kolkata  
Date: 31st July, 2018



**For VIDHYA BAID & CO.  
Company Secretaries**

*Vidhya Baid*  
**VIDHYA BAID  
(Proprietor)  
FCS No. 8882  
CP No. 8686**

**List of other laws applicable to the company**

1. Hazardous wastes (Management Handling and Trans - Boundary Movement) Rules 2008;
2. The water (Prevention and Control of Pollution) Act 1974;
3. The Air (Prevention and Control of Pollution) Act 1981;
4. Environment Protection Act, 1986
5. Information Technology Act, 2000 and the rules made thereunder
6. Right to Information Act, 2005
7. Negotiable Instrument Act 1881
8. Maternity Benefits Act, 1961
9. Payment of Minimum Wages Act, 1948
10. Payment of Wages Act, 1936
11. Payment of Gratuity Act, 1972
12. Industrial Dispute Act, 1947;
13. Trade Union Act, 1926;
14. The Employees State Insurance Act 1948;
15. The Employees Provident Fund and Miscellaneous Provisions Act 1952;
16. The Industrial Employment (Standing Orders) Act 1946;
17. The Employees Compensation Act 1923;
18. Payment of Bonus Act, 1965
19. Child Labour (Prohibition and Regulation) Act, 1986
20. Workmen Compensation Act, 1923
21. Construction Workers (Regulation of Employment and condition of Service) Act, 1996
22. Equal Remuneration Act, 1976
23. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressed) Act 2013



**The Members****Jharkhand Central Railway Limited**

CCL, Darbhanga House, Ranchi  
Jharkhand

Our report of odd date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3 We further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata  
Date: 31st July, 2018



**For VIDHYA BAID & CO.  
Company Secretaries**

*Vidhya Baid*  
**VIDHYA BAID  
(Proprietor)  
FCS No. 8882  
CP No. 8686**

## MANAGEMENT REPLY TO THE OBSERVATIONS OF SECRETARIAL AUDITOR OF JCRL

As per section 204 of the Companies Act' 2013, M/s. Vidhya Baid & Co. has been appointed to conduct Secretarial Audit of M/s. Jharkhand Central Railway Ltd. Ranchi. The management reply in respect of the observation of Secretarial Audit Report as submitted by M/s. Vidhya Baid & Co is as under:

Sl. No.	SECRETARIAL AUDITOR'S OBSERVATION	MANAGEMENT REPLY
1.	As per Section 177 read with rule 6 of Companies (Meetings of Board and its power) Rules, 2014 the company was required to constitute an Audit committee. The Company is yet to constitute an Audit Committee.	As per Section 177 of Companies Act the Audit Committee shall consist of a minimum of three directors with independent directors forming a majority. There are no Independent Directors in JCRL Board hence Audit Committee could not be Constituted.
2.	As per Section 178 read with rule 6 of Companies (Meetings of Board and its power) Rules, 2014, the company was required to constitute a Nomination and Remuneration committee. The Company is yet to constitute a Nomination and Remuneration Committee.	As per Section 178 of Companies Act the Nomination and Remuneration Committee shall consist of three or more non-executive directors out of which not less than one-half shall be independent directors There are no Independent Directors in JCRL Board hence Nomination and Remuneration Committee could not be Constituted.
3.	As per Standard 6.4 of the Secretarial Standard 1 (SS-1), meetings of Board of Directors, "Resolutions passed by circulation shall be noted at the next Meeting of the Board and the text thereof with dissent or abstention, if any, shall be recorded in the Minutes of such Meeting". The Board has approved a circular resolutions, however on analysis of the minutes of Board meeting dated 25th May, 2017, it is observed that there is inadequate compliance of Standard 6.4 in as much the text of the resolution has not been recorded in the minutes as envisaged by the Standards 6.	The RBC has been circulated with the resolutions as per provisions of Companies Act 2013 and Standard 6.4 of the Secretarial Standard 1 (SS-1), and the same were placed before Board for ratification.
4.	Compliance of Secretarial Standards issued by ICSI regarding disclosures to be made in the minute books needs to be further strengthened.	A full-fledged infrastructure and dedicated manpower is required for smooth functioning of JCRL.

**Annexure-II**

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF JHARKHAND CENTRAL RAILWAY LIMITED FOR THE YEAR ENDED 31 MARCH 2018.**

The preparation of financial statements of Jharkhand Central Railway Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 18.05.2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6) (a) of the Act of the financial statements of Jharkhand Central Railway Limited for the year ended 31 March 2018. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

Sd/-  
(Reena Saha)  
Principal Director of Commercial Audit  
& Ex-Officio Member, Audit Board-II  
Kolkata-20

Place: Kolkata  
Dated: 15 June 2018

**Form No.MGT-9**

## EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]***I. REGISTRATION AND OTHER DETAILS:**

i.	<b>CIN</b>	U45201JH2015GOI003139
ii.	Registration Date	31 <sup>st</sup> August 2015
iii.	Name of the Company	Jharkhand Central Railway Limited
iv.	Category of the Company	Public Company
v.	Sub-Category of the Company	Union Government Company Company Limited by Shares Company having Share Capital
vi.	Address of the Registered office and contact details	Darbhanga House, Kutchery Road Ranchi 834029 (Jharkhand)
vii.	Whether listed company	No
viii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable







ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)									
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	4505000	4505000	100%	-	50000000	50000000	100%	1009.88%

**ii.Shareholding of Promoters**

SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
	Central Coalfields Limited	3200000	71.03	NIL	32000000	64	NIL	900%
	IRCON International Ltd.	1300000	28.86	NIL	13000000	26	NIL	900%
	Govt. of Jharkhand	5000	0.11	NIL	5000000	10	NIL	99900%
	Total	4505000	100%	NIL	50000000	100%	NIL	<b>1009.88%</b>

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

SN		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
	At the beginning of the year	4505000	100%	4505000	100%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweat equity etc):	45495000	100%	45495000	100%
	At the end of the year	50000000	100%	50000000	100%

iv. *Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):*

SN	For Each of the Top 10 Shareholders	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
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil

v. *Shareholding of Directors and Key Managerial Personnel:*

SN	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
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil

**V INDEBTEDNESS**

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

	<b>Secured Loans excluding deposits (Rs. in Crore)</b>	<b>Unsecured Loans (Rs. in Crore)</b>	<b>Deposits (Rs. in Crore)</b>	<b>Total Indebtedness (Rs. in Crore)</b>
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year				
* Addition	NIL	NIL	NIL	NIL
* Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL

**VI). REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:***A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:*

<b>S.N</b>	<b>Particulars of Remuneration</b>	<b>Name of MD/WTD/ Manager</b>	<b>Total Amount</b>
1.	Gross salary	Nil	Nil
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission - as % of profit - others, specify	Nil	Nil
5.	Others, please specify	Nil	Nil
	Total (A)	Nil	Nil



*C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD:*

	<b>Particulars of Remuneration</b>	<b>Key Managerial Personnel</b>	<b>Total Amount (Rs.)</b>
			<b>Total</b>
1.	Gross salary	Nil	Nil
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission	Nil	Nil
	- as % of profit	Nil	Nil
	Others, specify...	Nil	Nil
5.	Others, please specify	Nil	Nil
	Total	Nil	Nil

**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			None		
Punishment					
Compounding					
<b>B. DIRECTORS:</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT:</b>					
Penalty			None		
Punishment					
Compounding					

\*\*\*\*\*



**Pradeep Kumar Jain & Associates**  
Chartered Accountants

Email: pk\_jain12@rediffmail.com  
Mobile: 93347-02049, 98359-38849  
Room No. 407, 4th Floor  
Panchwati Plaza  
Kutchery Road, Ranchi - 834 001  
(Jharkhand)

Date: .....18 MAY 2018.....

**INDEPENDENT AUDITOR'S REPORT(REVISED)**

To  
The Members,  
Jharkhand Central Railway Limited,  
Darbhanga House,  
Ranchi

This Audit Report supersedes the earlier Audit Report Dated 11<sup>th</sup>. May 2018 and is being revised as per the directions of the comptroller and Auditor General of India vide its Audit Memo No. Accounts Audit – 2017-2018/Audit Memo No. 1 Dated 17/05/2018.

**REPORT ON FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of **JHARKHAND CENTRAL RAILWAY LIMITED** Darbhanga House, Ranchi which comprise the Balance sheet as at 31<sup>st</sup>. March 2018, and the Statement of Profit and Loss for the period ending on 31/03/2018 and a summary of significant accounting policies and other explanatory information.

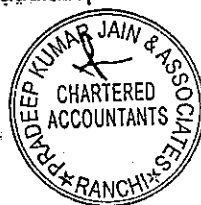
**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance 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 3 of the Companies (INDIAN ACCOUNTING STANDARDS) Rules, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, 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.

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these 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 there under.



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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give 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 estimate made by management, as well as evaluating the overall presentation of the financial statements.

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

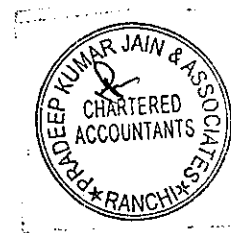
### **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the 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 including the Ind AS :

- a) In the case of the Balance sheet, of the state of affairs of the Company as at 31/03/2018;
- b) In the case of the statement of Profit and Loss, of the loss for the period ended on that date,
- c) Its cash flows for the year ended on that date; and
- d) Change in equity for the year ended on that date

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditors Report) ordered 2016 (The Ordered) issued by the Central Government of India in terms of Sub- Section (11) of Section 143 of the Act, and on basis of such Cheques, Books and other records as considered appropriate and according to the information and explanation given to us, we give in the Annexure – A , a statement on the matters specified in paragraph 3 and 4 of the order.
2. As required by the Section 143(5) of the Act, directions and sub-directions issued by the Comptroller and Auditors General of India, we give our comments there on, action taken and impact on the financial statements in Annexure – B annexed herewith.



3. As required by section 143(3) of the Companies Act, 2013, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
  - c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Accounts) Rules, 2015. Nothing has come to our attention that causes us to believe that the accompanying statement prepared in accordance with recognition and measurement principles laid down in Applicable Indian Accounting Standard (Ind AS) specified under sec 133 of the Companies act ,2013 , read with relevant Rules thereunder and other recognised practices and Policies has not Disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI ( Listing Obligations & Disclosure Requirements) Regulations , 2015 , read with Circular No. CIR/CFD/FAC/62/2016 dated July 5 , 2016 including the manner in which it is to be disclosed , or that it contains any material misstatement.
  - e) 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 – C.
  - f) On the basis of written representations received from the directors as on 31<sup>st</sup>. March 2018, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup>. March 2018 , from being appointed as director in terms of Section 164(2) of the Act.

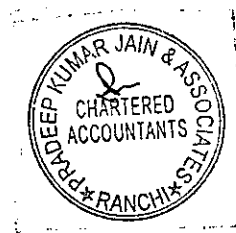
**For PRADEEP KUMAR JAIN & ASSOCIATES**  
**Chartered Accountants**  
**Firm Registration No. 03937C**

Place : Ranchi

DATE : 18.05.2018

  
**(PRADEEP KUMAR JAIN)**

**(Partner)**  
**Membership No. 072978**



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

Referred to in paragraph-1 on other Legal and Regulatory Requirements of our Report of even date to the members of Jharkhand Central Railway Limited on the Financial Statements of the Company for the year ended 31st March, 2018, we report that:

(i) (a) whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets; NA

(b) whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account; NA

(c) whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof; NA

(ii) whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of account; NA

(iii) whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so, NIL

(a) whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest; NA

(b) whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular; NA



(c) if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;

NA

(iv) in respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.

NIL

(v) in case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?

NIL

(vi) whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained.

NA

(vii) (a) whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated;

YES

(b) where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).

NA



- (viii) whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of defaults to banks, financial institutions, and Government, lender wise details to be provided).
- NO
- (ix) whether moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;
- NIL
- (x) whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;
- NO
- (xi) whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same;
- NIL
- (xii) whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;
- NA
- (xiii) whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
- YES



(xiv) whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;

NO

(xv) whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with;

NO

(xvi) whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.

NO

**For PRADEEP KUMAR JAIN & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 03937C**

**Place: Ranchi  
Date: 18.05.2018**

  
**PRADEEP KUMAR JAIN  
(Partner)  
Membership No. 072978**



## Annexure – B(I) to the Independent Auditor’s Report

Directions under Section 143(5) of the Companies Act, 2013

1	Whether the company has clear title/lease deeds for freehold and leasehold respectively ? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available	Not applicable
2	Whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	Not applicable
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift from Government or other authorities.	Not applicable





Additional directions under Section 143(5) of the Companies Act, 2013

1	Whether coal stock measurement was done keeping in view the contour map. Whether physical stock measurement reports are accompanied by contour map in all cases ? Whether new heap, if any, reated during the year has got the approval of the competent authority ?	Not applicable
2	Whether the Company conducted physical verification exercise of assets and properties at the time of merger/split/re-structure of an area. If so whether the concerned subsidiary followed the requisite procedure ?	Not applicable
3	Whether separate Escrow Accounts for each mine has been maintained in CIL and its subsidiary companies. Also examine the utilization of the fund of the Account.	Not applicable
4	Whether the impact of penalty for illegal mining as imposed by the Hon’ble Supreme Court has been duly considered and accounted for ?	Not applicable

**For PRADEEP KUMAR JAIN & ASSOCIATES****Chartered Accountants****Firm Registration No. 03937C****Place: Ranchi****Date: 18.05.2018****PRADEEP KUMAR JAIN****(Partner)****Membership No. 072978**

## Annexure – C to the Auditors' 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 Jharkhand Central Railway Limited, as of 31<sup>st</sup> March 2018 in conjunction with our Audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

### (1) Management's Responsibility for Internal Financial Controls

The Company 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 Areas 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.

### (2) Auditors' Responsibility

Our responsibility is to express an opinion on the Company 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 judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 Companies' internal financial controls system over financial reporting.

**(3) Meaning of Internal Financial Controls over Financial Reporting**

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 Ind AS 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's ; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company's are being made only in accordance with authorizations of management and directors of the Company's and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Area's assets that could have a material effect on the Standalone Ind AS financial statements.

**(4) 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.

**(5) Opinion**

The Company's have adequate policies for internal financial controls with respect to maintenance of records, authorization by appropriate authority for material transactions, check against unauthorized, acquisition/use/disposition of Company's assets, and utilization of equity and borrowed funds, prevention and detection of frauds and errors, the accuracy and completeness of accounting records and the timely completion of reliable financial information etc.



In view of this, in our opinion the Company's have adequate & effective internal control systems over financial reporting as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company's 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 PRADEEP KUMAR JAIN & ASSOCIATES**

**Chartered Accountants**

**Firm Registration No. 03937C**

**Place: Ranchi**

**Date: 18.05.2018**



**PRADEEP KUMAR JAIN**

**(Partner)**

**Membership No. 072978**



Statement of Standalone Results for the Year ended 31.03.2018

(Rs. except Shares and EPS)

Sl. No:	Particulars	Quarter Ended			Year Ended	
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
		Unaudited	Unaudited	Unaudited	Audited	Audited
1	<b>Income from Operations</b>					
	Gross Sales	-	-	-	-	-
	Less: Other levies	-	-	-	-	-
	(a) Net Sales/ Income from operations (Net of levies excluding excise duty)	-	-	-	-	-
	(b) Other operating income	-	-	-	-	-
	<b>Total income from operations (Net) (a+b)</b>	-	-	-	-	-
2	<b>Expenses</b>					
	(a) Cost of materials consumed	-	-	-	-	-
	(b) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	-	-	-	-	-
	(c) Excise Duty	-	-	-	-	-
	(d) Employee Benefits Expense	-	-	-	-	-
	(e) Depreciation/amortisation/impairment	-	-	-	-	-
	(f) Power & fuel Expenses	-	-	-	-	-
	(g) Corporate Social Responsibility expenses	-	-	-	-	-
	(h) Repairs	-	-	-	-	-
	(i) Contractual expenses	-	-	-	-	-
	(j) Other expenses	39,709.00	54,050.00	(74,135.00)	1,75,05,195.00	74,80,826.00
	(k) Provisions/write off	-	-	-	-	-
	(l) Stripping Activity expenses	-	-	-	-	-
	<b>Total expenses (a to l)</b>	<b>39,709.00</b>	<b>54,050.00</b>	<b>(74,135.00)</b>	<b>1,75,05,195.00</b>	<b>74,80,826.00</b>
3	<b>Profit/ (Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	<b>(39,709.00)</b>	<b>(54,050.00)</b>	<b>74,135.00</b>	<b>(1,75,05,195.00)</b>	<b>(74,80,826.00)</b>
4	Other income	51,21,445.00	46,21,713.00	27,36,955.00	1,72,37,840.00	37,65,087.00
5	<b>Profit / (Loss) from ordinary activities before finance costs and exceptional items</b>	<b>50,81,736.00</b>	<b>45,67,663.00</b>	<b>28,11,090.00</b>	<b>(2,67,355.00)</b>	<b>(37,15,739.00)</b>
6	Finance costs	-	-	31,438.00	-	20,87,244.00
7	<b>Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>50,81,736.00</b>	<b>45,67,663.00</b>	<b>27,79,652.00</b>	<b>(2,67,355.00)</b>	<b>(58,02,983.00)</b>
8	Exceptional items	-	-	-	-	-
9	<b>Profit / ( Loss ) from ordinary activities before tax (7-8)</b>	<b>50,81,736.00</b>	<b>45,67,663.00</b>	<b>27,79,652.00</b>	<b>(2,67,355.00)</b>	<b>(58,02,983.00)</b>
10	Tax expense	-	-	-	-	-
11	<b>Net Profit / ( Loss ) for the period (9-10) [A]</b>	<b>50,81,736.00</b>	<b>45,67,663.00</b>	<b>27,79,652.00</b>	<b>(2,67,355.00)</b>	<b>(58,02,983.00)</b>
12	Other Comprehensive Income/(loss)(net of tax) [B]	-	-	-	-	-
13	<b>Total Comprehensive Income/(loss) [A + B]</b>	<b>50,81,736.00</b>	<b>45,67,663.00</b>	<b>27,79,652.00</b>	<b>(2,67,355.00)</b>	<b>(58,02,983.00)</b>
14	Paid-up equity share capital (Face Value of share Rs. 10/- each)	50,00,00,000.00	45,00,50,000.00	4,50,50,000.00	50,00,00,000.00	4,50,50,000.00
15	Earnings per share (EPS) ( Face Value of share Rs. 10 /-each) (not annualised)					
	(a) Basic	0.102	0.101	0.617	(0.005)	(1.288)
	(b) Diluted	0.102	0.101	0.617	(0.005)	(1.288)

  
(Ravi Prakash)  
Company Secretary

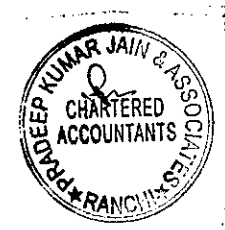
  
(M.K. Sinha)  
C.F.O

  
(S.K. Sinha)  
Director  
DIN- 07911628

  
(A. K. Mishra)  
Chairman  
DIN- 07646542

Place: Ranchi  
Dated: 8<sup>th</sup> May, 2018

In terms of our Report of even date  
For Pradeep Kumar Jain & Associates  
CHARTERED ACCOUNTANTS  
(Firm Reg.No. 03937C )



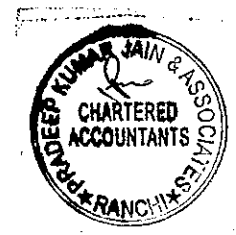
**JHARKHAND CENTRAL RAILWAY LIMITED**  
**( A JV BETWEEN CCL, IRCON INTL. LTD & GOVT. OF JHARKHAND )**  
**(CIN: U45201JH2015GOI003139)**

**BALANCE SHEET AS AT 31ST MARCH' 2018**

(₹)

	Note	As at	
		31.03.2018	31.03.2017
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant & Equipments	3	-	-
(b) Capital Work in Progress	4	1,84,28,95,260.00	1,75,57,82,356.00
(c) Exploration and Evaluation Assets	5	-	-
(d) Intangible Assets	6	-	-
(e) Intangible Assets under Development			
(f) Investment Property			
<b>(g) Financial Assets</b>			
(i) Investments	7	-	-
(ii) Loans	8	-	-
(iii) Other Financial Assets	9	-	-
(h) Deferred Tax Assets (net)			
(i) Other non-current assets	10	4,05,69,300.00	5,00,00,000.00
<b>Total Non-Current Assets (A)</b>		<b>1,88,34,64,560.00</b>	<b>1,80,57,82,356.00</b>
<b>Current Assets</b>			
(a) Inventories	12	-	-
<b>(b) Financial Assets</b>			
(i) Investments	7	-	-
(ii) Trade Receivables	13	-	-
(iii) Cash & Cash equivalents	14	36,33,720.00	-
(iv) Other Bank Balances	15	39,50,50,000.00	27,63,48,893.00
(v) Loans	8	-	-
(vi) Other Financial Assets	9	-	-
(c) Current Tax Assets (Net)		21,00,293.00	3,76,509.00
(d) Other Current Assets	11	-	-
<b>Total Current Assets (B)</b>		<b>40,07,84,013.00</b>	<b>27,67,25,402.00</b>
<b>Total Assets (A+B)</b>		<b>2,28,42,48,573.00</b>	<b>2,08,25,07,758.00</b>

Note : Current Tax Assets (TDS FY 16-17 Rs. 3,76,509/- + TDS FY 17-18 Rs. 17,23,784/- = Rs. 21,00,293/-)



**JHARKHAND CENTRAL RAILWAY LIMITED**  
**( A JV BETWEEN CCL, IRCON INTL. LTD & GOVT. OF JHARKHAND )**  
**(CIN: U45201JH2015GOI003139)**

BALANCE SHEET AS AT 31ST MARCH' 2018

(₹)

	Note	As at	
		31.03.2018	31.03.2017
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Equity</b>			
(a) Equity Share Capital	16	50,00,00,000.00	33,30,50,000.00
(b) Other Equity	17	(66,54,391.00)	(63,87,036.00)
<b>Equity attributable to equityholders of the company</b>		<b>49,33,45,609.00</b>	<b>32,66,62,964.00</b>
Non-Controlling Interests		-	-
<b>Total Equity (A)</b>		<b>49,33,45,609.00</b>	<b>32,66,62,964.00</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	18	-	-
(ii) Trade Payables		-	-
(iii) Other Financial Liabilities	20	-	-
(b) Provisions	21	-	-
(c) Other Non-Current Liabilities	22	1,75,57,82,356.00	1,75,57,82,356.00
<b>Total Non-Current Liabilities (B)</b>		<b>1,75,57,82,356.00</b>	<b>1,75,57,82,356.00</b>
<b>Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	18	-	-
(ii) Trade payables	19	-	-
(iii) Other Financial Liabilities	20	-	28,294.00
(b) Other Current Liabilities	23	3,51,20,608.00	34,144.00
(c) Provisions	21	-	-
(d) Current Tax Liabilities (net)		-	-
<b>Total Current Liabilities (C)</b>		<b>3,51,20,608.00</b>	<b>62,438.00</b>
<b>Total Equity and Liabilities (A+B+C)</b>		<b>2,28,42,48,573.00</b>	<b>2,08,25,07,758.00</b>

The Accompanying Notes form an integral part of the Financial Statements.

  
**(RAVI PRAKASH)**  
 COMPANY SECY.

  
**(M.K. SINHA)**  
 C.F.O

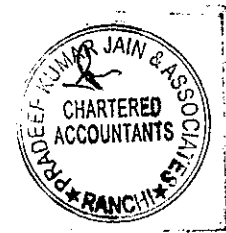
  
**(S.K. SINHA)**  
 DIRECTOR  
 DIN: 07911628

  
**(A.K. MISHRA)**  
 CHAIRMAN  
 DIN: 07646542

In terms of our Report of even date  
 For Pradeep Kumar Jain & Associates  
 Chartered Accountant  
 (Firm Reg. No. 08937C)

Dated : 8<sup>th</sup> May, 2018  
 Place : Ranchi

Partner  
 Membership No.  
 072978



**JHARKHAND CENTRAL RAILWAY LIMITED**  
**( A JV BETWEEN CCL, IRCON INTL. LTD & GOVT. OF JHARKHAND )**  
**(CIN: U45201JH2015GOI003139)**

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2018**

	Note	For the Year ended 31.03.2018	For the Year ended 31.03.2017
			(₹)
<b>Revenue from Operations</b>	24	-	-
A Sales (Net of other levies but including excise duty)			
B Other Operating Revenue (Net of other levies but including excise duty)		-	-
<b>(I) Revenue from Operations (A+B)</b>			
(II) Other Income	25	1,72,37,840.00	37,65,087.00
<b>(III) Total Income (I+II)</b>		<u>1,72,37,840.00</u>	<u>37,65,087.00</u>
<b>(IV) EXPENSES</b>			
Cost of Materials Consumed	26	-	-
Changes in inventories of finished goods/work in progress and Stock in trade	27	-	-
Excise Duty			
Employee Benefits Expense	28	-	-
Power Expense		-	-
Corporate Social Responsibility Expense	29	-	-
Repairs	30	-	-
Contractual Expense	31	-	-
Finance Costs	32	-	20,87,244.00
Depreciation/Amortization/ Impairment		-	-
Provisions	33	-	-
Write off	34	-	-
Stripping Activity Adjustment		-	-
Other Expenses	35	1,75,05,195.00	74,80,826.00
<b>Total Expenses (IV)</b>		<u>1,75,05,195.00</u>	<u>95,68,070.00</u>
<b>(V) Profit before exceptional items and Tax (I-IV)</b>		(2,67,355.00)	(58,02,983.00)
(VI) Exceptional Items		-	-
<b>(VII) Profit before Tax (V-VI)</b>		(2,67,355.00)	(58,02,983.00)
(VIII) Tax expense	36	-	-
<b>(IX) Profit for the year from continuing operations (VII-VIII)</b>		(2,67,355.00)	(58,02,983.00)
(X) Profit/(Loss) from discontinued operations		-	-
(XI) Tax exp of discontinued operations		-	-
(XII) Profit/(Loss) from discontinued operations (after Tax) (X-XI)		-	-
(XIII) Share in JV's/Associate's profit/(loss)		-	-
<b>(XIV) Profit for the Year (IX+XII+XIII)</b>		(2,67,355.00)	(58,02,983.00)
<b>Other Comprehensive Income</b>	37	-	-
A (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>(XV) Total Other Comprehensive Income</b>		-	-
<b>(XVI) Total Comprehensive Income for the year (XIV+XV) (Comprising Profit (Loss) and Other Comprehensive Income for the year)</b>		(2,67,355.00)	(58,02,983.00)





**JHARKHAND CENTRAL RAILWAY LIMITED**  
**( A JV BETWEEN CCL, IRCON INTL. LTD & GOVT. OF JHARKHAND )**  
**(CIN: U45201JH2015GOI003139)**


**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2018**

	Note	For the Year ended 31.03.2018	For the Year ended 31.03.2017
			(₹)
Profit attributable to:			
Owners of the company		(2,67,355.00)	(58,02,983.00)
Non-controlling interest		-	-
Other Comprehensive Income attributable to:			
Owners of the company		-	-
Non-controlling interest		-	-
Total Comprehensive Income attributable to:			
Owners of the company		(2,67,355.00)	(58,02,983.00)
Non-controlling interest		-	-
(XVII) Earnings per equity share (for continuing operation):			
(1) Basic		(0.005)	(1.29)
(2) Diluted		-	-
(XVIII) Earnings per equity share (for discontinued operation):			
(1) Basic		-	-
(2) Diluted		-	-
(XIX) Earnings per equity share (for discontinued & continuing operation):			
(1) Basic		(0.005)	(1.29)
(2) Diluted		-	-

The Accompanying Notes form an integral part of the Financial Statements.

  
**(RAVI PRAKASH)**  
 COMPANY SECY.

  
**(M.K. SINHA)**  
 C.F.O

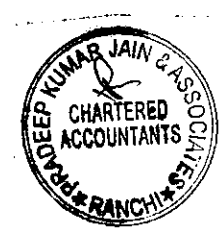
  
**(SURESH KR. SINHA)**  
 DIRECTOR  
 DIN: 07911628

  
**(A.K. MISHRA)**  
 CHAIRMAN  
 DIN: 07646542

In terms of our Report of even date  
 For Pradeep Kumar Jain & Associates  
 CHARTERED ACCOUNTANTS

Dated : 5<sup>th</sup> May, 2018  
 Place : Ranchi

(Firm Reg. No. 03937C)  
 Partner  
 Membership No. 072929



**JHARKHAND CENTRAL RAILWAY LIMITED**  
**( A JV BETWEEN CCL, IRCON INTL. LTD. & GOVT. OF JHARKHAND )**  
**(CIN: U45201JH2015GOI003139)**

**CASH FLOW STATEMENT**

	For the Year ended 31.03.2018	For the Year Ended 31.03.2017
		(₹)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	(2,67,355.00)	(58,02,983.00)
Adjustments for :		
Depreciation / Impairment of Fixed Assets	-	-
Interest from Bank Deposits	-	-
Finance cost related to financing activity	-	-
Unwinding of discount	-	-
Share in (profit)/loss of JV	-	-
Interest / Dividend from investments	-	-
Profit / Loss on sale of Fixed Assets	-	-
Provisions made & write off	-	-
Liability write back	-	-
Stripping Activity Adjustment	-	-
<b>Operating Profit before Current/Non Current Assets and Liabilities</b>	<b><u>(2,67,355.00)</u></b>	<b><u>(58,02,983.00)</u></b>
Adjustment for :		
Trade Receivables	-	-
Inventories	-	-
Current/Non current/Loans, Other financial assets and other Assets	(11,09,94,191.00)	(27,67,25,402.00)
Current/Non current/Provisions, Other financial liabilities and other liabilities	3,50,58,170.00	1,75,52,60,741.00
<b>Cash Generated from Operation</b>	<b><u>(7,62,03,376.00)</u></b>	<b><u>1,47,27,32,356.00</u></b>
Income Tax Paid/Refund	-	-
<b>Net Cash Flow from Operating Activities</b>	<b>( A ) <u>(7,62,03,376.00)</u></b>	<b><u>1,47,27,32,356.00</u></b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(8,71,12,904.00)	(1,75,57,82,356.00)
Investment in Bank Deposit	-	-
Change in investments	-	-
Investment in Joint Venture	-	-
Interest pertaining to Investing Activities	-	-
Interest / Dividend from investments	-	-
Investment in Mutual Fund Investments	-	-
<b>Net Cash from Investing Activities</b>	<b>( B ) <u>(8,71,12,904.00)</u></b>	<b><u>(1,75,57,82,356.00)</u></b>

*[Handwritten Signature]*



**CASH FLOW FROM FINANCING ACTIVITIES**

Repayment/Increase of Short Term Borrowings	-	(5,00,00,000.00)
Long Term Advance (Advance from CCL for project work)	-	-
Change in Borrowings	-	-
Interest & Finance cost pertaining to Financing Activities	-	-
Receipt of Shifting & Rehabilitation Fund	-	-
Dividend on Equity shares	-	-
Tax on Dividend on Equity shares	-	-
Buyback of Equity Share Capital	-	-
Issue of Equity Share Capital	16,69,50,000.00	33,30,50,000.00
<b>Net Cash used in Financing Activities</b>	<b>( C ) 16,69,50,000.00</b>	<b>28,30,50,000.00</b>
<b>Net Increase / (Decrease) in Cash &amp; cash equivalents(A+B+C)</b>	<b>36,33,720.00</b>	<b>-</b>
<b>Cash &amp; cash equivalents as at the beginning of the year</b>	<b>-</b>	<b>-</b>
<b>Cash &amp; cash equivalents as at the end of the year</b>	<b>36,33,720.00</b>	<b>-</b>

(All figures in bracket represent outflow.)

  
(RAVI PRAKASH)  
COMPANY SECY.

  
(M.K. SINHA)  
C.F.O

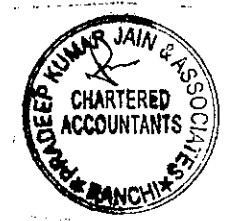
  
SURESH KR. SINHA)  
DIRECTOR  
DIN: 07911628

  
(A.K. MISHRA)  
CHAIRMAN  
DIN: 07646542

  
**In terms of our Report of even date**  
For Pradeep Kumar Jain & Associates  
CHARTERED ACCOUNTANTS

Dated : 3<sup>rd</sup> May, 2018  
Place : Ranchi

(Firm Reg. No. 03937C)  
Partner  
Membership No. 072978



**JHARKHAND CENTRAL RAILWAY LIMITED**  
(A JV BETWEEN CCI, IRCON INTL. LTD. & GOVT. OF JHARKHAND)

50

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.03.2018

A. EQUITY SHARE CAPITAL

Particulars	(₹)					
	Balance as at 01.04.2016	Changes In Equity Share Capital during the year	Balance as at 31.03.2017	Balance as at 01.04.2017	Changes In Equity Share Capital during the year	Balance as at 31.03.2018
45,05,000 Equity Shares of Rs. 10/- each as on 31.03.2017	-	4,50,50,000.00	4,50,50,000.00	4,50,50,000.00	45,49,50,000.00	50,00,00,000.00
5,00,00,000 Equity Shares of Rs.10/- each as on 31.03.2018						

Note: Share Application Money (pending allotment) from Govt. of Jharkhand received on 27.12.2017 amounting to Rs. 4,99,50,000/- were allotted on 30.01.2018.

B. OTHER EQUITY

	Equity portion of Preference	Capital Redemption reserve	Capital Reserve	General Reserve	Retained Earnings	OCI	Total	Non-Controlling Interest	Equity
Balance as at 01.04.2016	-	-	-	-	(5,84,053.00)	-	(5,84,053.00)	-	(5,84,053.00)
Changes in Accounting policy	-	-	-	-	-	-	-	-	-
Prior period errors	-	-	-	-	-	-	-	-	-
Restated balance as at 01.04.2016	-	-	-	-	(5,84,053.00)	-	(5,84,053.00)	-	(5,84,053.00)
Additions during the year	-	-	-	-	-	-	-	-	-
Adjustments during the year	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	(58,02,983.00)	-	(58,02,983.00)	-	(58,02,983.00)
Appropriations	-	-	-	-	-	-	-	-	-
Transfer to / from General reserve	-	-	-	-	-	-	-	-	-
Transfer to / from Other reserves	-	-	-	-	-	-	-	-	-
Interim Dividend	-	-	-	-	-	-	-	-	-
Final Dividend	-	-	-	-	-	-	-	-	-
Corporate Dividend tax	-	-	-	-	-	-	-	-	-
Buy Back on Equity Share	-	-	-	-	-	-	-	-	-
Tax on Buy Back	-	-	-	-	-	-	-	-	-
Pre-operative expenses	-	-	-	-	-	-	-	-	-
Reimbursement of Defined Benefit Plans (Net of Tax)	-	-	-	-	-	-	-	-	-
Balance as at 31.03.2017	-	-	-	-	(63,87,036.00)	-	(63,87,036.00)	-	(63,87,036.00)
Balance as at 01.04.2017	-	-	-	-	(63,87,036.00)	-	(63,87,036.00)	-	(63,87,036.00)
Additions during the period	-	-	-	-	-	-	-	-	-
Adjustments during the period	-	-	-	-	-	-	-	-	-
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	(2,67,355.00)	-	(2,67,355.00)	-	(2,67,355.00)
Appropriations	-	-	-	-	-	-	-	-	-
Transfer to / from General reserve	-	-	-	-	-	-	-	-	-
Transfer to / from Other reserves	-	-	-	-	-	-	-	-	-
Interim Dividend	-	-	-	-	-	-	-	-	-
Final Dividend	-	-	-	-	-	-	-	-	-
Corporate Dividend tax	-	-	-	-	-	-	-	-	-
Buyback of Equity Shares	-	-	-	-	-	-	-	-	-
Tax on Buyback	-	-	-	-	-	-	-	-	-
Reimbursement of Defined Benefit Plans (Net of Tax)	-	-	-	-	-	-	-	-	-
Balance as at 31.03.2018	-	-	-	-	(66,54,391.00)	-	(66,54,391.00)	-	(66,54,391.00)

As per our report annexed

(RAVI PRAKASH)  
COMPANY SECY.

(M.K. SINHA)  
CFO

(SURESH KR. SINHA)  
DIRECTOR  
DIN: 07911628

(A.K. MISHRA)  
CHAIRMAN  
DIN: 07646542

In terms of our Report of even date  
For Pradeep Kumar Jain & Associates  
CHARTERED ACCOUNTANTS  
(Firm Reg. No. 03937C)

Dated: 8th May, 2018  
Place: Ranchi

Partner:  
Membership No. 072928



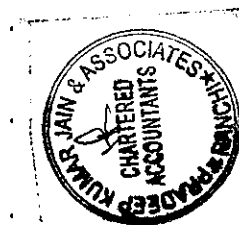
**JHARKHAND CENTRAL RAILWAY LIMITED**  
(A JV BETWEEN CCL, IRCON INTL. LTD. & GOVT. OF JHARKHAND)

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2018

**NOTE 3: PROPERTY, PLANT AND EQUIPMENT**

	Freehold Land	Other Land	Land Reclamation/Site Restoration Costs	Building (including water supply, roads and culverts)	Plant and Equipments	Telecommunication	Railway Sidings	Furniture and Fixtures	Office Equipments	Vehicles	Aircraft	Other Mining Infrastructure	Surveyed off Assets	Others	Total
<b>Gross Carrying Amount:</b>															
As at 1st April 2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 1st April 2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Accumulated Depreciation and Impairment</b>															
As at 1st April 2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 1st April 2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Carrying Amount</b>															
As at 31st March 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

*Signature*



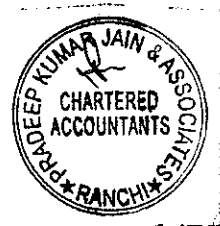
**JHARKHAND CENTRAL RAILWAY LIMITED**  
( A JV BETWEEN CCL, IRCON INTL. LTD & GOVT. OF JHARKHAND)

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH' 2018

**NOTE 4 : CAPITAL WIP**

						(₹)
	Building (including water supply, roads and culverts)	Plant and Equipments	Railway Sidings	Other Mining infrastructure/ Development	Others	Total
<b>Gross Carrying Amount:</b>						
As at 1st April 2016	-	-	-	-	-	-
Additions	-	-	1,75,57,82,356.00	-	-	1,75,57,82,356.00
Capitalisation/ Deletions	-	-	-	-	-	-
<b>As at 31st March 2017</b>	-	-	1,75,57,82,356.00	-	-	1,75,57,82,356.00
As at 1st April 2017	-	-	1,75,57,82,356.00	-	-	1,75,57,82,356.00
Additions	-	-	8,71,12,904.00	-	-	-
Capitalisation/ Deletions	-	-	-	-	-	-
<b>As at 31st March' 2018</b>	-	-	1,84,28,95,260.00	-	-	1,84,28,95,260.00
<b>Accumulated Provision and Impairment</b>						
As at 1st April 2015	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-	-
<b>As at 31st March 2016</b>	-	-	-	-	-	-
As at 1st April 2016	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-	-
<b>As at 31st March'2018</b>	-	-	-	-	-	-
<b>Net Carrying Amount</b>						
<b>As at 31st March 2018</b>	-	-	1,84,28,95,260.00	-	-	1,84,28,95,260.00
<b>As at 31st March 2017</b>	-	-	1,75,57,82,356.00	-	-	1,75,57,82,356.00

Note: As per revised DPR of Shivpur-Kathautia New BG Electrified Rail Line dated 02.02.2018, the total Project Cost has been estimated to the tune of Rs. 1,799.64 Crore.

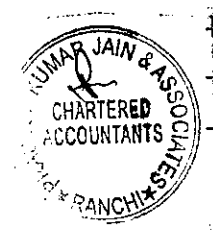


**JHARKHAND CENTRAL RAILWAY LIMITED**  
( A JV BETWEEN CCL, IRCON INTL. LTD & GOVT. OF JHARKHAND)

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH' 2018**

**NOTE 5 : EXPLORATION AND EVALUATION ASSETS**

	(₹)
	<b>Exploration and Evaluation Costs</b>
<b>Gross Carrying Amount:</b>	
As at 1 April 2016	-
Additions	-
Deletions/Adjustments	-
<b>As at 31st March 2017</b>	-
As at 1st April 2017	-
Additions	-
Deletions/Adjustments	-
<b>As at 31st March' 2018</b>	-
<b>Accumulated Provision and Impairment</b>	-
As at 1st April 2016	-
Charge for the year	-
Impairment	-
Deletions/Adjustments	-
<b>As at 31st March 2017</b>	-
As at 1st April 2017	-
Charge for the year	-
Impairment	-
Deletions/Adjustments	-
<b>As at 31st March' 2018</b>	-
<b>Net Carrying Amont</b>	
<b>As at 31st Mar' 2018</b>	
<b>As at 31st March 2017</b>	

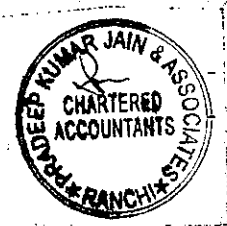



**JHARKHAND CENTRAL RAILWAY LIMITED**  
( A JV BETWEEN CCL, IRCON & GOVT. OF JHAKHAND)

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH' 2018**

**NOTE 6 : OTHER INTANGIBLE ASSETS**

	Computer Software	Others	Total
			(₹)
<b>Gross Carrying Amount:</b>			
As at 1 April 2016	-	-	-
Additions	-	-	-
Deletions/Adjustments	-	-	-
<b>As at 31st March 2017</b>	-	-	-
As at 1st April 2017	-	-	-
Additions	-	-	-
Deletions/Adjustments	-	-	-
<b>As at 31st March' 2018</b>	-	-	-
<b>Accumulated Amortisation and Impairment</b>	-	-	-
As at 1 April 2016	-	-	-
Charge for the year	-	-	-
Impairment	-	-	-
Deletions/Adjustments	-	-	-
<b>As at 31st March 2017</b>	-	-	-
As at 1st April 2017	-	-	-
Charge for the year	-	-	-
Impairment	-	-	-
Deletions/Adjustments	-	-	-
<b>As at 31st March' 2018</b>	-	-	-
<b>Net Carrying Amont</b>			
<b>As at 31st March' 2018</b>	-	-	-
<b>As at 31st March 2017</b>	-	-	-





**JHARKHAND CENTRAL RAILWAY LIMITED**  
( A JV BETWEEN CCL, IRCON INTL. LTD & GOVT. OF JHARKHAND)

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH' 2018**

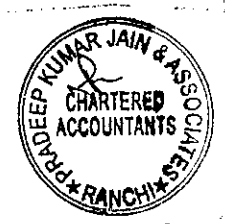
**NOTE - 7 : INVESTMENTS**

	No. of shares/units As on 31.03.18	Face Value per share As on 31.03.18	As at	
			31.03.2018	31.03.2017
<b>NON CURRENT INVESTMENTS</b>				
Investment in Co-operative shares (Unquoted)				
Total (A)	-	-	-	-
Investments in Secured Bonds (quoted)				
Total (B)	-	-	-	-
Equity Shares in Joint Venture Companies (Unquoted)				
Total (C)	-	-	-	-
Grand Total (A+B+C)	-	-	-	-

Aggregate amount of unquoted investments:

Aggregate amount of quoted investments:

Market Value of Quoted Investment

**JHARKHAND CENTRAL RAILWAY LIMITED**  
( A JV BETWEEN CCL, IRCON INTL. LTD & GOVT. OF JHARKHAND)

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH' 2018**

**NOTE - 7**

**INVESTMENTS**

			(₹)	
<b>Current</b>	<b>No: of Units</b>	<b>NAV/FV per unit (in Rs.)</b>	<b>As at</b>	
			<b>31.03.2018</b>	<b>31.03.2017</b>
<b>Mutual Fund Investment</b>				
BOI AXA Mutual fund			-	-
Canara robeco Mutual fund			-	-
SBI Mutual Fund			-	-
Union KBC Mutual fund			-	-
UTI Mutual Fund			-	-
<b>Total (A + B)</b>			-	-
Aggregate amount of unquoted investments:			-	-
Aggregate amount of quoted investments:			-	-
Market Value of Quoted Investment			-	-
Provision made for diminution in the value of Investment			-	-

*[Handwritten Signature]*

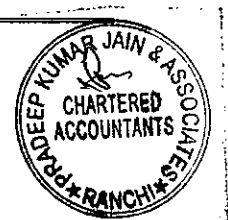


**JHARKHAND CENTRAL RAILWAY LIMITED**  
( A JV BETWEEN CCL, IRCON INTL. LTD & GOVT. OF JHARKHAND)

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH' 2018**

**NOTE - 8 : LOANS**

	As at (₹)	
	31.03.2018	31.03.2017
<b>Non-Current</b>		
<b>Loans to Related parties</b>		
- Secured, considered good	-	-
- Unsecured, considered good	-	-
- Doubtful	-	-
Less: Provision for doubtful loans	-	-
<b>Loans to Employees</b>		
- Secured, considered good	-	-
- Unsecured, considered good	-	-
- Doubtful	-	-
Less: Provision for doubtful loans	-	-
<b>Other Loans</b>		
- Secured, considered good	-	-
- Unsecured, considered good	-	-
- Doubtful	-	-
Less: Provision for doubtful loans	-	-
<b>TOTAL</b>	-	-
<b>CLASSIFICATION</b>		
Secured, considered good	-	-
Unsecured, Considered good	-	-
Doubtful	-	-
<b>Current</b>		
<b>Loans to Related parties</b>		
- Secured, considered good	-	-
- Unsecured, considered good	-	-
- Doubtful	-	-
Less: Provision for doubtful loans	-	-
<b>Loans to Employees</b>		
- Secured, considered good	-	-
- Unsecured, considered good	-	-
- Doubtful	-	-
Less: Provision for doubtful loans	-	-
<b>Other Loans</b>		
- Secured, considered good	-	-
- Unsecured, considered good	-	-
- Doubtful	-	-
Less: Provision for doubtful loans	-	-
<b>TOTAL</b>	-	-
<b>CLASSIFICATION</b>		
Secured, considered good	-	-
Unsecured, Considered good	-	-
Doubtful	-	-

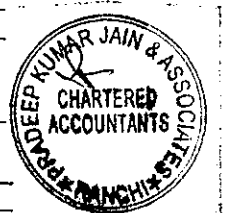



**JHARKHAND CENTRAL RAILWAY LIMITED**  
( A JV BETWEEN CCL, IRCON INTL. LTD & GOVT. OF JHARKHAND)

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH' 2018**

**NOTE - 9 : OTHER FINANCIAL ASSETS**

	As at	
	31.03.2018	31.03.2017
	(₹)	
<b>Non Current</b>		
Bank Deposits	-	-
Deposits with bank		
Other deposits	-	-
Less : Provision for doubtful deposits	-	-
	-	-
Security Deposit for utilities	-	-
Less : Provision	-	-
	-	-
Receivable for Exploratory works	-	-
Less : Provision	-	-
	-	-
Other receivables	-	-
Less: Provision	-	-
	-	-
<b>TOTAL</b>	-	-
<b>Current</b>		
Surplus Fund with CCL	-	-
Balance with CCL	-	-
	-	-
Current maturities of long term loan	-	-
Interest accrued on		
- Investments	-	-
- Bank Deposits	-	-
-Others	-	-
Other deposits	-	-
Less : Provision for doubtful deposits	-	-
	-	-
Claims receivables	-	-
Less : Provision for doubtful claims	-	-
	-	-
Other receivables	-	-
Less : Provision for doubtful claims	-	-
	-	-
<b>TOTAL</b>	-	-



*[Handwritten Signature]*

**JHARKHAND CENTRAL RAILWAY LIMITED**  
( A JV BETWEEN CCL, IRCON INTL. LTD & GOVT. OF JHARKHAND)

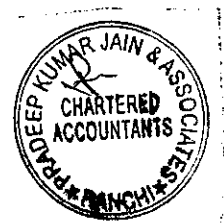
**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH' 2018**

**NOTE 10 : OTHER NON-CURRENT ASSETS**

(₹)

	As at	
	31.03.2018	31.03.2017
<b>(i) Capital Advances</b>	4,05,69,300.00	5,00,00,000.00
Less : Provision for doubtful advances		
	<u>4,05,69,300.00</u>	<u>5,00,00,000.00</u>
<b>(ii) Advances other than capital advances</b>		
(a) Security Deposit for utilities	-	-
Less : Provision for doubtful deposits	-	-
	-	-
(b) Other Deposits	-	-
Less : Provision for doubtful deposits	-	-
	-	-
(c) Advances to related parties	-	-
(D) Advance for Revenue	-	-
Less : Provision for doubtful advances	-	-
	-	-
(d) Prepaid Expenses	-	-
(e) Others	-	-
<b>TOTAL</b>	<u>4,05,69,300.00</u>	<u>5,00,00,000.00</u>

*[Handwritten Signature]*



**JHARKHAND CENTRAL RAILWAY LIMITED**  
**( A JV BETWEEN CCL, IRCON INTL. LTD & GOVT. OF JHARKHAND)**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH' 2018**

**NOTE -11 : OTHER CURRENT ASSETS**

(₹)

	As at	
	31.03.2018	31.03.2017
(a) Advance for Revenue (goods & services)	-	-
Less : Provision for doubtful advances	-	-
	-	-
(b) Advance payment of statutory dues	-	-
Less : Provision for doubtful advances	-	-
	-	-
(c) Advance to Related Parties	-	-
(d) Advance to Employees	-	-
Less : Provision for doubtful advances	-	-
	-	-
(e) Advance- Others	-	-
Less : Provision for doubtful claims	-	-
	-	-
(f) Deposits- Others	-	-
Less: Provision	-	-
	-	-
(g) CENVAT / VAT CREDIT Receivable	-	-
Less: Provision	-	-
	-	-
(h) Input Tax Credit Receivable	-	-
Less: Provision	-	-
	-	-
(i) MAT CREDIT ENTITLEMENT	-	-
Less: Provision	-	-
	-	-
(j) Prepaid Expenses	-	-
(k) Receivables- Others	-	-
Less: Provision	-	-
	-	-
<b>TOTAL</b>	-	-

*[Signature]*



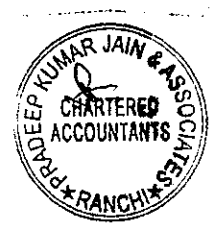
**JHARKHAND CENTRAL RAILWAY LIMITED**  
**( A JV BETWEEN CCL, IRCON INTL. LTD & GOVT. OF JHARKHAND)**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH' 2018**

**NOTE - 12 : INVENTORIES**

	(₹)	
	As at	
	<u>31.03.2018</u>	<u>31.03.2017</u>
(a) Stock of Stores & Spares (at cost)	-	-
Add: Stores-in-transit	-	-
Less : Provision	-	-
Net Stock of Stores & Spares (at cost)	<u>-</u>	<u>-</u>
(b) Workshop Jobs:	-	-
Work-in-progress and Finished Goods	-	-
Less: Provision	-	-
Net Stock of Workshop Jobs	<u>-</u>	<u>-</u>
<b>Total</b>	<u>-</u>	<u>-</u>

*[Handwritten Signature]*



**JHARKHAND CENTRAL RAILWAY LIMITED**  
( A JV BETWEEN CCL, IRCON INTL. LTD & GOVT. OF JHARKHAND)

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH' 2018**

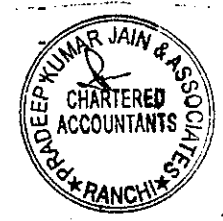
**NOTE - 13 : TRADE RECEIVABLES**

(₹)

	As at	
	31.03.2018	31.03.2017
<b>Current</b>		
Trade receivables	-	-
Secured considered good	-	-
Unsecured considered good	-	-
Doubtful	-	-
	-	-
Less : Provision for bad & doubtful debts	-	-
	-	-
<b>Total</b>	-	-

**CLASSIFICATION**

Secured, considered good  
Unsecured, Considered good  
Doubtful



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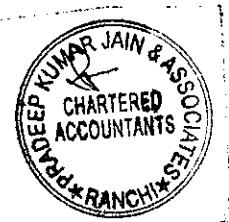
**JHARKHAND CENTRAL RAILWAY LIMITED**  
(A JV BETWEEN CCL, IRCON INTL. LTD & GOVT. OF JHARKHAND)

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH' 2018**

**NOTE - 14 : CASH AND CASH EQUIVALENTS**

	As at		(₹)
	31.03.2018	31.03.2017	
(a) Balances with Banks			
in Deposit Accounts	36,33,720.00	-	
in Current Accounts	-	-	
in Cash Credit Accounts	-	-	
(b) Bank Balances outside India	-	-	
(c) Cheques, Drafts and Stamps in hand	-	-	
(d) Cash on hand	-	-	
(e) Cash on hand outside India	-	-	
(f) Others	-	-	
<b>Total Cash and Cash Equivalents</b>	<b>36,33,720.00</b>	<b>-</b>	
(g) Bank Overdraft	-	-	
<b>Total Cash and Cash Equivalents(net of Bank Overdraft)</b>	<b>36,33,720.00</b>	<b>-</b>	

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

**JHARKHAND CENTRAL RAILWAY LIMITED**  
( A JV BETWEEN CCL, IRCON INTL. LTD & GOVT. OF JHARKHAND)

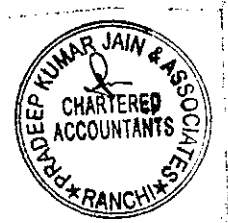
**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH' 2018**

**NOTE - 15 : OTHER BANK BALANCES**

(₹)

	As at	
	31.03.2018	31.03.2017
Balances with Banks		
Deposit accounts	39,50,50,000.00	27,63,48,893.00
Shifting and Rehabilitation Fund scheme	-	-
Unpaid dividend accounts	-	-
Dividend accounts	-	-
<b>Total</b>	<b>39,50,50,000.00</b>	<b>27,63,48,893.00</b>

1. Other Bank Balances comprise term deposits and other bank deposits which are expected to realise in cash within 12 months after the reporting date.

**JHARKHAND CENTRAL RAILWAY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH' 2018**

**NOTE - 16 : EQUITY SHARE CAPITAL**

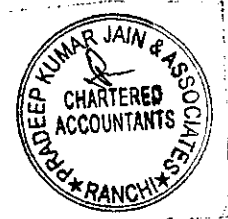
	As at		(₹)
	31.03.2018	31.03.2017	
<b>Authorised</b>			
50,00,00,000 Equity Shares of ₹10/- each			
Previous Year : 10,00,00,000 Equity Shares of ₹10/- each	5,00,00,00,000.00	1,00,00,00,000.00	
	<b>5,00,00,00,000.00</b>	<b>1,00,00,00,000.00</b>	
<b>Issued, Subscribed and Paid-up</b>			
5,00,00,000 Equity Shares of ₹10/- each			
Previous Year: 45,05,000 Equity Share of ₹10/- each	50,00,00,000.00	4,50,50,000.00	
<b>Share Application Money Pending Allotment</b>			
CCL		28,80,00,000.00	
Govt. of Jharkhand			
	<b>50,00,00,000.00</b>	<b>33,30,50,000.00</b>	

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

Name of Shareholder	As on 31.03.2018		As on 31.03.2017	
	No. of Shares Held (Face value of ₹ 10 each)	% of Total Shares	No. of Shares Held (Face value of ₹10 each)	% of Total Shares
Central Coalfields Limited	3,20,00,000	64	32,00,000	71.03
IRCON International Ltd.	1,30,00,000	26	13,00,000	28.86
Govt. of Jharkhand	50,00,000	10	5,000	0.11

2. During the year, the company has issued 4,05,00,000 shares on 08.05.2017 & 49,95,000 shares on 30.01.2018. In FY 2016-17 Equity Share issued & Paid up was 45,05,000 shares @ Rs. 10 each

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



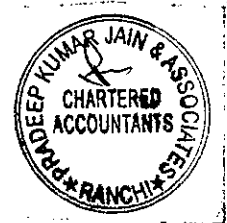
**JHARKHAND CENTRAL RAILWAY LIMITED**  
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NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH' 2018

**NOTE 17 : OTHER EQUITY**

(₹)

	Equity portion of Preference Share Capital	Capital Redemption reserve	Capital Reserve	General Reserve	Retained Earnings	OCI	Total	Non-Controlling Interest	Equity
<b>Balance as at 01.04.2016</b>	-	-	-	-	(5,84,053.00)	-	(5,84,053.00)	-	(5,84,053.00)
Changes in Accounting policy	-	-	-	-	-	-	-	-	-
Prior period errors	-	-	-	-	-	-	-	-	-
<b>Restated balance as at 01.04.2016</b>	-	-	-	-	(5,84,053.00)	-	(5,84,053.00)	-	(5,84,053.00)
<b>Additions during the year</b>	-	-	-	-	-	-	-	-	-
Adjustments during the year	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	(58,02,983.00)	-	(58,02,983.00)	-	(58,02,983.00)
<b>Appropriations</b>	-	-	-	-	-	-	-	-	-
Transfer to / from General reserve	-	-	-	-	-	-	-	-	-
Transfer to / from Other reserves	-	-	-	-	-	-	-	-	-
Interim Dividend	-	-	-	-	-	-	-	-	-
Final Dividend	-	-	-	-	-	-	-	-	-
Corporate Dividend tax	-	-	-	-	-	-	-	-	-
Buy Back on Equity Share	-	-	-	-	-	-	-	-	-
Tax on Buy Back	-	-	-	-	-	-	-	-	-
Pre-operative expenses	-	-	-	-	-	-	-	-	-
Reimbursement of Defined Benefit Plans (Net of Tax)	-	-	-	-	-	-	-	-	-
<b>Balance as at 31.03.2017</b>	-	-	-	-	(63,87,036.00)	-	(63,87,036.00)	-	(63,87,036.00)
<b>Balance as at 01.04.2017</b>	-	-	-	-	(63,87,036.00)	-	(63,87,036.00)	-	(63,87,036.00)
Additions during the period	-	-	-	-	-	-	-	-	-
Adjustments during the period	-	-	-	-	-	-	-	-	-
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	(2,67,355.00)	-	(2,67,355.00)	-	(2,67,355.00)
<b>Appropriations</b>	-	-	-	-	-	-	-	-	-
Transfer to / from General reserve	-	-	-	-	-	-	-	-	-
Transfer to / from Other reserves	-	-	-	-	-	-	-	-	-
Interim Dividend	-	-	-	-	-	-	-	-	-
Final Dividend	-	-	-	-	-	-	-	-	-
Corporate Dividend tax	-	-	-	-	-	-	-	-	-
Buyback of Equity Shares	-	-	-	-	-	-	-	-	-
Tax on Buyback	-	-	-	-	-	-	-	-	-
Reimbursement of Defined Benefit Plans (Net of Tax)	-	-	-	-	-	-	-	-	-
<b>Balance as at 31.03.2018</b>	-	-	-	-	(66,54,391.00)	-	(66,54,391.00)	-	(66,54,391.00)



**JHARKHAND CENTRAL RAILWAY LIMITED**  
( A JV BETWEEN CCL, IRCON INTL. LTD & GOVT. OF JHARKHAND)

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH' 2018**

**NOTE 18: BORROWINGS**

(₹)

	As at	
	31.03.2018	31.03.2017
<b>Non-Current</b>	-	-
<b>Term Loans</b>		
<b>Loans from Related Parties</b>		
IRCON International Ltd.	-	-
Central Coalfields Limited	-	-
Other Loans	-	-
<b>Total</b>	-	-

**CLASSIFICATION**

Secured	-	-
Unsecured	-	-

**Current**

Loans repayable on demand		
-From Banks	-	-
-From Other Parties	-	-

**Loans from Related Parties**

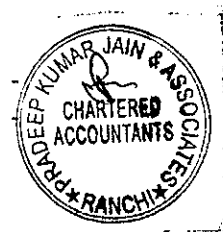
CCL	-	-
IRCON International Ltd.	-	-

Other Loans	-	-
<b>Total</b>	-	-

**CLASSIFICATION**

Secured	-	-
Unsecured	-	-

*[Handwritten Signature]*



**JHARKHAND CENTRAL RAILWAY LIMITED**  
**( A JV BETWEEN CCL, IRCON INTL. LTD & GOVT. OF JHARKHAND )**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH' 2018**

**NOTE - 19 :TRADE PAYABLES**

(₹)

	As at	
	31.03.2018	31.03.2017
<b>Current</b>		
Trade Payables for Micro, Small and Medium Enterprises	-	-
Other Trade Payables for		
Stores and Spares	-	-
Power and Fuel	-	-
Other expenses	-	-
<b>TOTAL</b>	-	-



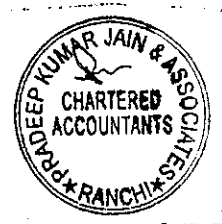

**JHARKHAND CENTRAL RAILWAY LIMITED**  
**( A JV BETWEEN CCL, IRCON INTL. LTD & GOVT. OF JHARKHAND)**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH' 2018**

**NOTE - 20 : OTHER FINANCIAL LIABILITIES**

(₹)

	As at	
	31.03.2018	31.03.2017
<b>Non Current</b>		
Security Deposits	-	-
Earnest Money	-	-
Others	-	-
	<hr/>	<hr/>
	<hr/>	<hr/>
<b>Current</b>		
Current Account with Holding Company	-	-
Current maturities of long-term debt	-	-
Unpaid dividends	-	-
Security Deposits	-	-
Earnest Money	-	-
Liability for Salary, Wages and Allowances	-	-
Others (Interest Accrued by Loan from CCL)	-	28,294.00
<b>TOTAL</b>	<hr/>	<hr/>
	<hr/>	<hr/>

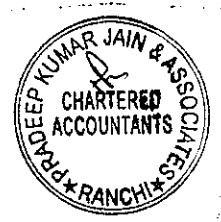
**JHARKHAND CENTRAL RAILWAY LIMITED**  
**( A JV BETWEEN CCL, IRCON INTL. LTD & GOVT. OF JHARKHAND)**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH' 2018**

**NOTE - 21 : PROVISIONS**

(₹)

	As at	
	31.03.2018	31.03.2017
<b>Non Current</b>		
Employee Benefits	-	-
Gratuity	-	-
Leave Encashment	-	-
Other Employee Benefits	-	-
	-	-
	-	-
Others	-	-
<b>TOTAL</b>	-	-
<b>Current</b>		
Employee Benefits		
Gratuity	-	-
Leave Encashment	-	-
Ex- Gratia	-	-
Performance Related Pay	-	-
Other Employee Benefits	-	-
NCWA-X	-	-
Executive Pay Revision	-	-
	-	-
	-	-
Others	-	-
<b>TOTAL</b>	-	-



**JHARKHAND CENTRAL RAILWAY LIMITED**  
( A JV BETWEEN CCL, IRCON INTL. LTD & GOVT. OF JHARKHAND)

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH' 2018**

**NOTE - 22 :OTHER NON CURRENT LIABILITIES**

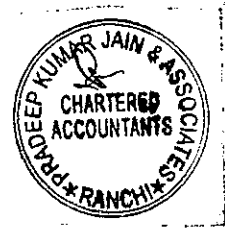
	As at	
	<u>31.03.2018</u>	<u>31.03.2017</u>
<b>Advance from Related Party (CCL)</b>	1,75,57,82,356.00	1,75,57,82,356.00
<b>Shifting &amp; Rehabilitation Fund</b>		
Opening balance	-	-
Add: Interest from investment of the fund (Net of TDS )	-	-
Add: Contribution received	-	-
Less: Amount released to subsidiaries during the year	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
Deferred Income	-	-
<b>Total</b>	<u><u>1,75,57,82,356.00</u></u>	<u><u>1,75,57,82,356.00</u></u>

1. Advance from CCL for Project work Rs. 175,57,82,356.00

2. On the basis of the Expenditure statement received from EC Railway vide letter No.

DCE/C/HZME/W/CCL/01/Pt.II/1026 dated 20.10.2016 expenditure of Rs. 175,57,82,356.00 incurred on Shivpur Kathotia section has been considered as an advance from CCL (Other Non-Current Liabilities). As per decision of 11th Board meeting of JCRL held on 25.05.2017, such advance will be converted to Unsecured loan after establishing viability of the project and acceptance of revised DPR and Bankability Report by the Board.

The terms and conditions of interest on such loan will be decided by CCL and JCRL on final acceptance of revised DPR and Bankability Report by the Board.

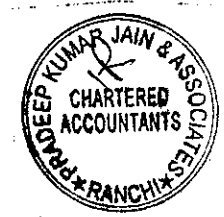
**JHARKHAND CENTRAL RAILWAY LIMITED**  
( A JV BETWEEN CCL, IRCON INTL. LTD & GOVT. OF JHARKHAND)

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH' 2018**

**NOTE - 23 : OTHER CURRENT LIABILITIES**

(₹)

	For the Year ended 31.03.2018	For the Year ended 31.03.2017
<b>Capital Expenditure</b>	<b>3,43,27,748.00</b>	-
<b>Statutory Dues:</b>		
Goods and Service Tax	-	-
GST Compenstaion Cess	-	-
Sales Tax / VAT	-	-
Provident Fund & Others	-	-
Other Statutory Levies	-	-
Income Tax deducted/collected at Source	7,54,456.00	3,144.00
	<b>7,54,456.00</b>	<b>3,144.00</b>
Advance from customers / others	-	-
Cess Equalization Account	-	-
Others liabilities	38,404.00	31,000.00
<b>TOTAL</b>	<b>3,51,20,608.00</b>	<b>34,144.00</b>



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**JHARKHAND CENTRAL RAILWAY LIMITED**  
( A JV BETWEEN CCL, IRCON INTL. LTD & GOVT. OF JHARKHAND)

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH' 2018**

**NOTE - 24 : REVENUE FROM OPERATIONS**

(₹)

	For the Year ended 31.03.2018	For the Year ended 31.03.2017
<b>A. Sales of Coal/Services</b>	-	-
<b>Less : Other Statutory Levies</b>	-	-
Goods and Service Tax	-	-
GST Compenstaion Cess	-	-
Central Sales Tax	-	-
Other Levies	-	-
<b>Total Levies</b>	-	-
<b>Sale of Coal (Net) (A)</b>	-	-
 <b>B. Other Operating Revenue</b>	-	-
 <b>Other Operating Revenue (Net) (B)</b>	-	-
 <b>Revenue from Operations (A+B)</b>	-	-

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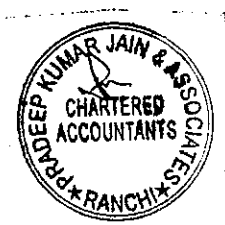
**JHARKHAND CENTRAL RAILWAY LIMITED**  
( A JV BETWEEN CCL, IRCON INTL. LTD & GOVT. OF JHARKHAND)

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH' 2018

NOTE 25 : OTHER INCOME

(₹)

	For the Year ended 31.03.2018	For the Year ended 31.03.2017
<b><u>Interest Income</u></b>		
Deposits with Banks (Interest received on Bank Account) (TDS 2017-18= Rs. 17,23,784/- & 2016-17 = Rs. 3,76,509/-)	1,72,37,840.00	37,65,087.00
Investments	-	-
Loans	-	-
Funds parked within Group	-	-
Others	-	-
<b><u>Dividend Income</u></b>		
Investments in Subsidiaries	-	-
Investments in Mutual Funds	-	-
Investments in Govt Securities (8.5% Tax free Special Bonds)	-	-
<b><u>Income on Buyback of Shares by Subsidiaries</u></b>		
	-	-
<b><u>Other Non-Operating Income</u></b>		
Apex charges	-	-
Profit on Sale of Assets	-	-
Gain on Foreign exchange Transactions	-	-
Exchange Rate Variance	-	-
Lease Rent	-	-
Liability / Provision Write Backs	-	-
Miscellaneous Income	-	-
<b>Total</b>	<b>1,72,37,840.00</b>	<b>37,65,087.00</b>



**JHARKHAND CENTRAL RAILWAY LIMITED**  
( A JV BETWEEN CCL, IRCON INTL. LTD & GOVT. OF JHARKHAND)

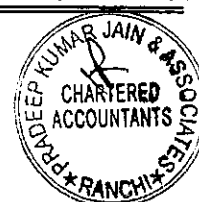
**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH' 2018**

**NOTE 26 : COST OF MATERIALS CONSUMED**

	(₹)	
	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Explosives	-	-
Timber	-	-
Oil & Lubricants	-	-
HEMM Spares	-	-
Other Consumable Stores & Spares	-	-
<b>Total</b>	-	-

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

	(₹)	
	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Opening Stock of Workshop made finished goods and WIP	-	-
Add: Adjustment of Opening Stock	-	-
Less: Provision	-	-
Closing Stock of Workshop made finished goods and WIP	-	-
Less: Provision	-	-
<b>A Change in Inventory of workshop</b>	-	-
Press Opening Job		
i) Finished Goods	-	-
ii) Work in Progress	-	-
Less: Press Closing Job		
i) Finished Goods	-	-
ii) Work in Progress	-	-
<b>B Change in Inventory of Closing Stock of Press Job</b>	-	-
<b>Change in Inventory of Stock in trade (A+B)</b>		
<b>{ Decretion / ( Accretion) }</b>	-	-

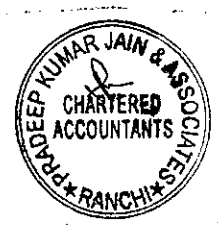
**JHARKHAND CENTRAL RAILWAY LIMITED**  
( A JV BETWEEN CCL, IRCON INTL. LTD & GOVT. OF JHARKHAND)

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH' 2018**

**NOTE 28 : EMPLOYEE BENEFITS EXPENSES**

(₹)

	<b>For the Year ended 31.03.2018</b>	<b>For the Year ended 31.03.2017</b>
Salary, Wages, Allowances ,Bonus etc.	-	-
Provision for National Coal Wages Agreement (NCWA) - X	-	-
Executive Pay Revision	-	-
Ex-Gratia	-	-
Performance Related Pay	-	-
Contribution to P.F. & Other Funds	-	-
Gratuity	-	-
Leave Encashment	-	-
Voluntary Retirement Scheme	-	-
Workman Compensation	-	-
Medical Expenses for existing employees	-	-
Medical Expenses for retired employees	-	-
Grants to Schools & Institutions	-	-
Sports & Recreation	-	-
Canteen & Creche	-	-
Power - Township	-	-
Hire Charges of Bus, Ambulance etc.	-	-
Other Employee Benefits	-	-
	-	-

**JHARKHAND CENTRAL RAILWAY LIMITED**  
**( A JV BETWEEN CCL, IRCON INTL. LTD & GOVT. OF JHARKHAND )**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH' 2018**

**NOTE 29 : CORPORATE SOCIAL RESPONSIBILITY EXPENSE**

(₹)

	<b>For the Year ended 31.03.2018</b>	<b>For the Year ended 31.03.2017</b>
CSR Expenses	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**NOTE 30 : REPAIRS**

(₹)

	<b>For the Year ended 31.03.2018</b>	<b>For the Year ended 31.03.2017</b>
Building	-	-
Plant & Machinery	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>




**JHARKHAND CENTRAL RAILWAY LIMITED**  
( A JV BETWEEN CCL, IRCON INTL. LTD & GOVT. OF JHARKHAND)

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH' 2018**

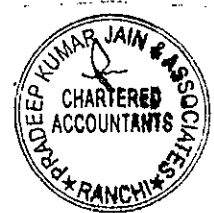
**NOTE 31 : CONTRACTUAL EXPENSES**

	(₹)	
	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Transportation Charges :		
Sand	-	-
Coal	-	-
Stores & Others	-	-
Wagon Loading	-	-
Hiring of Plant and Equipments	-	-
Other Contractual Work	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**NOTE 32 : FINANCE COSTS**

	(₹)	
	For the Year ended 31.03.2018	For the Year ended 31.03.2017
<b>Interest Expenses</b>		
Borrowings (Int. on unsecured loan from CCL)	-	20,87,244.00
Reclamation of Land/Mine Closure Expenses	-	-
Unwinding of discounts	-	-
Funds parked within Group	-	-
Fair value changes (net)	-	-
Others	-	-
<b>Other Borrowing Costs</b>	<b>-</b>	<b>-</b>
	<b>-</b>	<b>20,87,244.00</b>

*[Handwritten Signature]*





**JHARKHAND CENTRAL RAILWAY LIMITED**  
( A JV BETWEEN CCL, IRCON INTL. LTD & GOVT. OF JHARKHAND)

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH' 2018**

**NOTE 33 : PROVISIONS (NET OF REVERSAL)**

	For the Year ended 31.03.2018	For the Year ended 31.03.2017
		(₹)
<b>(A) Provision made for</b>		
Doubtful debts	-	-
Doubtful Advances & Claims	-	-
Stores & Spares	-	-
Others	-	-
<b>Total(A)</b>	-	-
<b>(B) Provision Reversal</b>		
Doubtful debts	-	-
Doubtful Advances & Claims	-	-
Stores & Spares	-	-
Others	-	-
<b>Total(B)</b>	-	-
<b>Total (A-B)</b>	-	-

**NOTE 34 : WRITE OFF ( Net of past provisions )**

	For the Year ended 31.03.2018	For the Year ended 31.03.2017
		(₹)
Doubtful debts	-	-
Less :- Provided earlier	-	-
Doubtful advances	-	-
Less :- Provided earlier	-	-
Stock of Coal	-	-
Less :- Provided earlier	-	-
Others	-	-
Less :- Provided earlier	-	-
<b>Total</b>	-	-

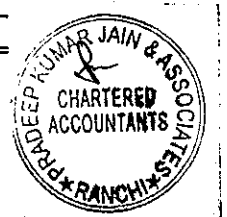



**JHARKHAND CENTRAL RAILWAY LIMITED**  
( A JV BETWEEN CCL, IRCON INTL. LTD & GOVT. OF JHARKHAND)

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH' 2018**

**NOTE 35 : OTHER EXPENSES**

	For the Year ended 31.03.2018	For the Year ended 31.03.2017
		(₹)
Travelling expenses		
Domestic	-	-
Foreign	-	-
Training Expenses	-	-
Telephone & Postage	-	-
Advertisement & Publicity	-	-
Freight Charges	-	-
Demurrage	-	-
Donation/Subscription	-	-
Security Expenses	-	-
Service Charges of CIL	-	-
Hire Charges	-	-
CMPDI Charges	-	-
Legal Expenses	-	22,475.00
Bank Charges	-	288.00
Guest House Expenses	-	-
Consultancy Charges	-	-
Under Loading Charges	-	-
Loss on Sale/Discard/Surveyed of Assets	-	-
Auditor's Remuneration & Expenses	-	-
For Audit Fees	40,000.00	40,000.00
For Taxation Matters	-	-
For Other Services	-	-
For Reimbursement of Exps.	-	-
Internal & Other Audit Expenses	-	-
Rehabilitation Charges	-	-
Royalty & Cess	-	-
Central Excise Duty	-	-
GST	-	-
Rent	-	-
Rates & Taxes (Stat. Charges-MCA Challan)	1,74,24,998.00	74,13,063.00
Insurance	-	-
Loss on Foreign Exchange Transactions	-	-
Loss on Exchange rate variance	-	-
Lease Rent	-	-
Rescue/Safety Expenses	-	-
Dead Rent/Surface Rent	-	-
Siding Maintenance Charges	-	-
Land/Crops Compensation	-	-
R & D expenses	-	-
Environmental & Tree Plantation Expenses	-	-
Expenses on Buyback of shares	-	-
Miscellaneous expenses	40,197.00	5,000.00
<b>Total</b>	<b>1,75,05,195.00</b>	<b>74,80,826.00</b>

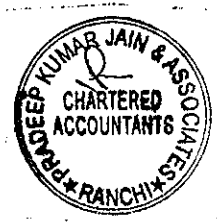


**JHARKHAND CENTRAL RAILWAY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH' 2018**

**NOTE 36 : TAX EXPENSE**

	(₹)	
	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Current Year	-	-
Deferred tax	-	-
MAT Credit Entitlement	-	-
Earlier Years	-	-
<b>Total</b>	-	-

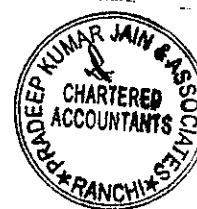



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**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH' 2018**

**NOTE 37 : OTHER COMPREHENSIVE INCOME**

	(₹)	
	For the Year ended 31.03.2018	For the Year ended 31.03.2017
<b>(A) (i) Items that will not be reclassified to profit or loss</b>		
Changes in revaluation surplus	-	-
Remeasurement of defined benefit plans	-	-
Equity instrument through OCI	-	-
Fair value changes relating to own credit risk of financial liabilities designated at FVTPL	-	-
Share of OCI in Joint ventures	-	-
	-	-
<b>(ii) Income tax relating to items that will not be reclassified to profit or loss</b>		
Changes in revaluation surplus	-	-
Remeasurement of defined benefit plans	-	-
Equity instrument through OCI	-	-
Fair value changes relating to own credit risk of financial liabilities designated at FVTPL	-	-
Share of OCI in Joint ventures	-	-
	-	-
<b>Total (A)</b>	-	-
<b>(B) (i) Items that will be reclassified to profit or loss</b>		
Exchange differences in translating the financial statements of a foreign operation	-	-
Debt instrument through OCI	-	-
The effective portion of gains and loss on hedging instruments in a cash flow hedge	-	-
Share of OCI in Joint ventures	-	-
	-	-
<b>(ii) Income tax relating to items that will be reclassified to profit or loss</b>		
Exchange differences in translating the financial statements of a foreign operation	-	-
Debt instrument through OCI	-	-
The effective portion of gains and loss on hedging instruments in a cash flow hedge	-	-
Share of OCI in Joint ventures	-	-
	-	-
<b>Total (B)</b>	-	-
<b>Total (A+B)</b>	-	-

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**NOTE – 38: ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> March, 2018**

**1. Fair Value measurement**

(a) Financial Instruments by Category

(₹)

	31 <sup>st</sup> March, 2018			31 <sup>st</sup> March 2017		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial Assets</b>						
Investments :	-	-	-	-	-	-
Secured Bonds	-	-	-	-	-	-
Co-Operative Share	-	-	-	-	-	-
Mutual Fund	-	-	-	-	-	-
Other Investments	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Deposits & receivable	-	-	-	-	-	-
Trade receivables	-	-	-	-	-	-
Cash & cash equivalents	-	-	36,33,720	-	-	-
Other Bank Balances	-	-	39,50,50,000	-	-	-
<b>Financial Liabilities</b>						
Borrowings	-	-	-	-	-	-
Trade payables	-	-	-	-	-	-
Security Deposit and Earnest money	-	-	-	-	-	-
Other Liabilities	-	-	-	-	-	28,294

(b) Fair value hierarchy

Table below shows Judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.



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

Financial assets and liabilities measured at amortised cost for which fair values are disclosed at 31st March, 2018	31st March, 2018			31st March 2017		
	Level I	Level II	Level III	Level I	Level II	Level III
<b>Financial Assets at FVTPL</b>						
Investments :	-	-	-	-	-	-
Equity Shares in JV	-	-	-	-	-	-
Mutual Fund	-	-	-	-	-	-
<b>Financial Liabilities</b>						
Preference Share	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-
Trade payables	-	-	-	-	-	-
Security Deposit and Earnest money	-	-	-	-	-	-
Other Liabilities	-	-	-	-	-	28,294

The Company uses the judgments and estimates in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is given below.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices.

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

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




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**(c) Valuation technique used in determining fair value**

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

**(d) Fair value measurements using significant unobservable inputs**

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

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

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

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

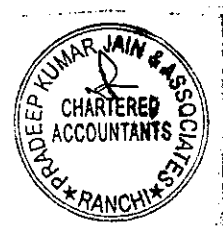
## 2. Financial Risk Management

**Financial risk management objectives and policies**

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

**Significant estimates and judgments for Impairment of financial assets**

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

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**A. Liquidity Risk**

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

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

**B. Market risk****a) Cash flow and fair value interest rate risk**

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

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

**Capital management**

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

**Capital Structure of the company is as follows:**

	31.03.2018	31.03.2017
<b>Equity Share capital (₹)</b>	50,00,00,000	33,30,50,000
<b>Long term debt (₹)</b>	-	-

**3. Unrecognized items****a) Contingent Liabilities****I. Claims against the company not acknowledged as debt**

Claims against the company not acknowledged as debt			
		31.03.2018	31.03.2017
1	<b>Central Govt.</b>	NIL	NIL
2	<b>State Govt. and Local authorities</b>	NIL	NIL
3	<b>Central Public Sector Enterprises</b>	NIL	NIL
4	<b>Others</b>	NIL	NIL
	<b>Total</b>	NIL	NIL

**II. Guarantee**

As on 31.03.2018 Bank guarantee issued is Nil.





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**III. Letter of Credit :**

As on 31.03.2018 outstanding letters of credit is Nil.

**b) Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for: Rs. 6,12,05,243/-.

Other Commitments: Nil.

**4. Group Information**

Name	Principal activities	Country of Incorporation	% Equity Interest	
			31 <sup>st</sup> March, 2018	31 <sup>st</sup> March 2017
Central Coalfields Ltd.	Production & sale of coal	India	64	71.03
IRCON Intl. Ltd.	Railway Infrastructure	India	26	28.86
Govt. of Jharkhand	State Government	India	10	0.11

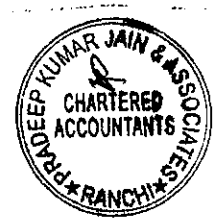
**5. Other Information**

**a) Authorised Share Capital**

	As on 31.03.2018	As on 31.03.17
10,00,00,000 Equity Shares of ₹10/- each	-	100,00,00,000
50,00,00,000 Equity Shares of ₹10/- each	500,00,00,000	-

**b) Earnings per share**

Sl. No.	Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
i)	Net profit after tax attributable to Equity Share Holders (Rs.)	(2,67,355)	(58,02,983)
ii)	Weighted Average no. of Equity Shares Outstanding	5,00,00,000	45,05,000
iii)	Basic and Diluted Earnings per Share in Rupees (Face value ₹10/- per share)	(0.005)	(1.29)

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**e) Related Party Disclosures**

**Remuneration of Key Managerial Personnel**

(₹)

Sl. No.	Payment to CMD, Whole Time Directors and Company Secretary	For the year ended 31.03.2018	For the year ended 31.03.2017
i)	<b>Short Term Employee Benefits</b> Gross Salary Medical Benefits Perquisites and other benefits	NIL	NIL
ii)	<b>Post-Employment Benefits</b> Contribution to P.F. & other fund	NIL	NIL
iii)	<b>Termination Benefits</b>	NIL	NIL
	<b>TOTAL</b>		

**Payment to Independent Directors**

(₹)

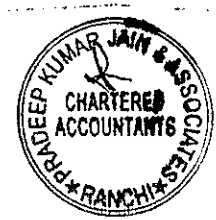
Sl. No.	Payment to Independent Directors	For the year ended 31.03.2018	For the year ended 31.03.2017
i)	Sitting Fees	NIL	NIL

**Balances Outstanding with Key Managerial Personnel as on 31.12.2017**

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

**d) Deferred Tax Asset/Liability:**

- i) Deferred Tax Assets and Liability are being offset as they relate to taxes on income levied by the same governing taxation laws.

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ii) Deferred Tax Asset / (Liability) as at 31<sup>st</sup> March, 2018 is given below:

(₹)

	As at 31.03.2018	As at 31.03.2017
<b>Deferred Tax Liability:</b>	NIL	NIL
Related to Fixed Assets		
Others		
<b>Total Deferred Tax Liability</b>		
<b>Deferred Tax Asset:</b>	NIL	NIL
Provision for Doubtful Advances, Claims & Debts	NIL	NIL
Provision for Employee Benefits		
Others	NIL	NIL
<b>Total Deferred Tax Assets</b>	NIL	NIL
<b>Net Deferred Tax Asset/ (Deferred Tax Liability)</b>	NIL	NIL

**e) Insurance and escalation claims**

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

**f) Provisions made in the Accounts**

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

**g) Current Assets, Loans and Advances etc.**

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

**h) Current Liabilities**

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

**i) Balance Confirmations**

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




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**j) Value of imports on CIF basis**

(₹)

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

**r) Expenditure incurred in Foreign Currency**

(₹)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Travelling Expenses	NIL	NIL
Training Expenses	NIL	NIL
Consultancy Charges	NIL	NIL
Interest	NIL	NIL
Others	NIL	NIL

**s) Earning in Foreign Exchange: Nil**

**t) Total Consumption of Stores and Spares**

(₹)

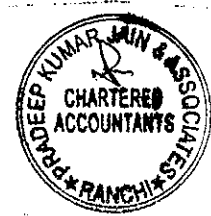
Particulars	For the year ended 31.03.2018		For the year ended 31.03.2017	
	Amount	% of total consumption	Amount	% of total consumption
(i) Imported Materials	NIL	NIL	NIL	NIL
(ii) Indigenous	NIL	NIL	NIL	NIL

**u) Significant accounting policy**

Significant accounting policy (Note-2) has been suitably modified / re-drafted over previous period, as found necessary to elucidate the accounting policies adopted by the Company in accordance with Indian Accounting Standards (Ind ASs) notified by Ministry of Corporate Affairs (MCA) under the Companies (Indian Accounting Standards) Rules, 2015.

**w) Others**

i. Previous period's figures have been restated as per Ind AS and regrouped and rearranged wherever considered necessary.




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

  
**(RAVI PRAKASH)**  
COMPANY SECY.

  
**(M.K. SINHA)**  
C.F.O

  
**(SURESH KR. SINHA)**  
DIRECTOR  
DIN:07911628

  
**(A.K. MISHRA)**  
CHAIRMAN  
DIN:07646542

  
In terms of our Report of even date  
For Pradeep Kumar Jain & Associates  
Chartered Accountant  
(Firm Reg. No. 039937C)

Dated : 8<sup>th</sup> May, 2018  
Place : Ranchi

Partner:  
Membership No. 072978



**JHARKHAND CENTRAL RAILWAY LIMITED**  
**(A JV BETWEEN CCL, IRCON & GOVT. OF JHARKHAND)**

**Note: 1 CORPORATE INFORMATION**

Jharkhand Central Railway Limited (JCRL), CCL Darbhanga House, Ranchi, has been formed on 31-08-2015 as a Joint Venture Company between Central Coalfields Limited (CCL), IRCON International Limited and Government of Jharkhand. The shareholding pattern of the Company is as under:

Name of the Promoter Entities	Share Holding Pattern
Central Coalfields Limited	64%
IRCON International Limited	26%
Government of Jharkhand	10%

The basic objective of the Company is to build, construct, operate and maintain identified Rail Corridor Projects that are critical for evacuation of coal from mines in the State of Jharkhand which shall be used for both freight and passenger services and to develop required rail infrastructure including construction of railway lines together with all related facilities etc.

**Note 2: SIGNIFICANT ACCOUNTING POLICIES**

Jharkhand Central Railway Limited (JCRL), CCL Darbhanga House, Ranchi, has adopted significant Accounting policies of CIL to the extent applicable.

Accordingly, the accounts of JCRL has been prepared as per IND AS.

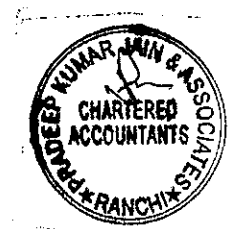
**2.1 Basis of preparation**

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

The financial statements have been prepared on historical cost basis, except for certain financial assets and liabilities measured at fair value.

**2.1.1 Rounding of amounts**

Amounts in these financial statements, unless otherwise indicated, have been rounded off to 'rupees'.

**JHARKHAND CENTRAL RAILWAY LIMITED**  
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**2.2 Current and non-current Classification**

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

- (a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- (b) it holds the asset primarily for the purpose of trading;
- (c) it expects to realise the asset within twelve months after the reporting period; or
- (d) the asset is cash or a cash equivalent (as defined in Ind AS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

An entity shall classify a liability as current when:

- (a) it expects to settle the liability in its normal operating cycle;
- (b) it holds the liability primarily for the purpose of trading;
- (c) the liability is due to be settled within twelve months after the reporting period; or
- (d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

**2.3 Revenue recognition**

**2.3.1 Interest**

Interest income is recognised using the Effective Interest Method.

**2.3.2 Dividend**

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

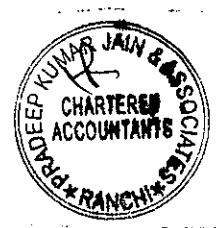
**2.3.3 Other Claims**

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

**2.3.4 Rendering of Services**

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

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits associated with the transaction will flow to the entity;
- (c) the stage of completion of the transaction at the end of the reporting period can be measured reliably; and

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(d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

#### **2.4 Grants from Government**

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

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

Government Grants related to assets are presented in the balance sheet by setting up the grant as deferred income.

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

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

#### **2.5 Leases**

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

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

##### **2.5.1 Company as a lessee**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

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

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

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

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





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

### 2.5.2 Company as a lessor

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

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

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

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

### 2.6 Non-current assets held for sale

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

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

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

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**2.7 Property, Plant and Equipment (PPE)**

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

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

- (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- (b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- (c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

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

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

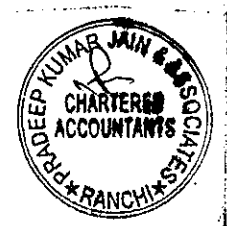
Subsequent cost of replacing parts of an item of property, plant and equipment are recognised in the carrying amount of the item, if it is probable that future economic benefits associated with the item will flow to the company; and the cost of the item can be measured reliably. The carrying amount of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

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

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

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

Other Land (incl. Leasehold Land)	: Life of the project or lease term whichever is lower
Building	: 3-60 years
Roads	: 3-10 years
Telecommunication	: 3-9 years
Railway Sidings	: 15 years

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Plant and Equipment	: 5-15 years
Computers and Laptops	: 3 Years
Office equipment	: 3-6 years
Furniture and Fixtures	: 10 years
Vehicles	: 8-10 years

The residual value of Property, plant and equipment is considered as 5% of the original cost of the asset except some items of assets.

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

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

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

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

## 2.8 Intangible Assets

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

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

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

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

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



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## 2.9 Impairment of Assets

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

## 2.10 Investment Property

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

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

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

## 2.11 Financial Instruments

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

### 2.11.1 Financial assets -

#### 2.11.1 Initial recognition and measurement

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

#### 2.11.2 Subsequent measurement

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

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




### **2.11.2.1 Debt instruments at amortised cost**

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

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

### **2.11.2.2 Debt instrument at FVTOCI**

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

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

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

### **2.11.2.3 Debt instrument at FVTPL**

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

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

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

### **2.11.2.4 Other Equity Investment**

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

For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes



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such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

#### **2.11.2.5 Derecognition**

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

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

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

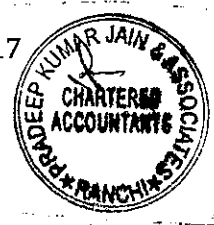
#### **2.11.2.6 Impairment of financial assets**

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) Financial assets that are debt instruments and are measured as at FVTOCI.
- c) Lease receivables under Ind AS 17.
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

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

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



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

### **2.11.3 Financial liabilities**

#### **2.11.3.1 Initial recognition and measurement**

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

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

#### **2.11.3.2 Subsequent measurement**

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

##### **2.11.3.3 Financial liabilities at fair value through profit or loss**

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

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

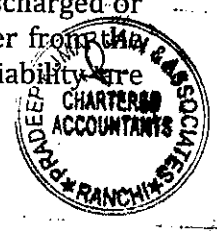
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own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

##### **2.11.3.4 Financial liabilities at amortised cost**

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

##### **2.11.3.5 Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are



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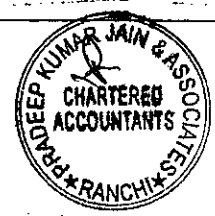
substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in profit or loss.

**2.11.4 Reclassification of financial assets**

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

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

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





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**2.11.5 Offsetting of financial instruments**

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

**2.11.6 Cash & Cash equivalents**

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

**2.12. Borrowing Costs**

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

**2.13 Taxation**

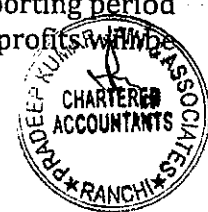
Income tax expense represents the sum of the tax currently payable and deferred tax.

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

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

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits

available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are reassessed at the end of each reporting year and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

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

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

## **2.14 Employee Benefits**

### **2.14.1 Short-term Benefits**

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

### **2.14.2 Post-employment benefits and other long term employee benefits**

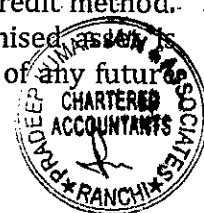
#### **2.14.2.1 Defined contributions plans**

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

#### **2.14.2.2 Defined benefits plans**

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

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



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refunds from the plan or reduction in future contributions to the plan. An economic benefit is available to the company if it is realisable during the life of the plan, or on settlement of plan liabilities.

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

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

#### **2.14.3 Other Employee benefits**

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

#### **2.15 Foreign Currency**

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

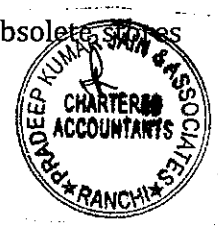
Transactions in foreign currencies are converted into the reported currency of the company using the exchange rate prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies outstanding at the end of the reporting period are translated at the exchange rates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

Non-monetary items denominated in foreign currency are valued at the exchange rates prevailing on the date of transactions.

#### **2.16 Inventories**

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

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



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### 2.17 Provisions, Contingent Liabilities & Contingent Assets

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

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

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

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

### 2.18 Earnings per share

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

### 2.19 Judgements, Estimates and Assumptions

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

#### 2.19.1 Judgements

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




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**2.19.1.1 Formulation of Accounting Policies**

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

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

- a) relevant to the economic decision-making needs of users and
- b) reliable in that financial statements:
  - (i) represent faithfully the financial position, financial performance and cash flows of the entity; (ii) reflect the economic substance of transactions, other events and conditions, and not merely the legal form; (iii) are neutral, i.e. free from bias; (iv) are prudent; and (v) are complete in all material respects on a consistent basis

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

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

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

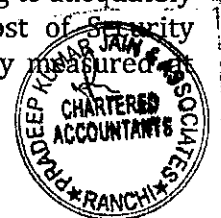
The company operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geo-mining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved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

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

**Security Deposits:-**

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

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**2.19.1.2 Materiality**

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

**2.19.2 Estimates and assumptions**

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

**2.19.2.1 Impairment of non-financial assets**

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

**2.19.2.2 Taxes**

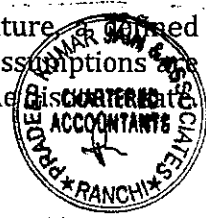
Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details on taxes are disclosed in Note 38.

**2.19.2.3 Defined benefit plans**

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

Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the

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In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

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

**2.19.2.4 Fair value measurement of financial instruments**

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

**2.20 Abbreviation used:**

a.	CGU	Cash generating unit
b.	DCF	Discounted Cash Flow
c.	FVTOCI	Fair value through Other Comprehensive Income
d.	FVTPL	Fair value through Profit & Loss
e.	GAAP	Generally accepted accounting principal
f.	Ind AS	Indian Accounting Standards
g.	OCI	Other Comprehensive Income
h.	P&L	Profit and Loss
i.	PPE	Property, Plant and Equipment
j.	SPPI	Solely Payment of Principal and Interest

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