



**EASTERN  
COALFIELDS  
LIMITED**

(A Subsidiary of  
Coal India Limited)

**ANNUAL REPORT & ACCOUNTS  
2017-18**



**EMPOWERING INDIA...ENABLING LIFE**

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EASTERN COALFIELDS LIMITED

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## ANNUAL REPORT & ACCOUNTS 2017-18



**EASTERN COALFIELDS LIMITED**

*( A Subsidiary of Coal India Limited )*

**SANCTORIA , P.O. DISHERGARH, DIST. WEST BURDWAN**

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**MANAGEMENT DURING 2017-18****FUNCTIONAL DIRECTORS:**

Shri Subrata Chakravarty  
Chairman-cum-Mg. Director  
(w.e.f. 15.06.2017)

Shri Rajiv Ranjan Mishra  
Chairman-cum-Mg. Director  
(additional charge) (up to 14.06.2017)

Shri K.S. Patro  
Director (Personnel)

Shri A.M. Marathe  
Director (Finance)

Shri B.N. Shukla  
Director (Technical) Operations  
(up to 16.08.2017)

Shri A.K. Singh  
Director (Technical) Project & Planning  
(up to 25.09.2017)

Shri S.K. Jha  
Director (Technical) Operations and Project & Planning  
(w.e.f. 19.12.2017)

**PART-TIME OFFICIAL DIRECTORS:**

Shri N.K. Sudhansu  
Joint Secretary, MoC  
(w.e.f. 30.10.2017)

Shri Vivek Bharadwaj  
Joint Secretary, MoC  
(w.e.f. 09.06.2017 to 30.10.2017)

Shri Chandan Kumar Dey  
Director (Finance), CIL

**NON-OFFICIAL PART-TIME DIRECTORS:**

Prof. (Dr.) Indira Chakravarty

**COMPANY SECRETARY:**

Shri V.R. Reddy

**MANAGEMENT AS ON 9TH JULY, 2018****FUNCTIONAL DIRECTORS:**

Shri S.K. Jha  
Chairman-cum-Mg. Director and  
Director (Technical) Operations

Shri Jaiprakash Gupta  
Director (Technical) Project & Planning

Shri Sanjiv Soni  
Director (Finance)

**PART-TIME OFFICIAL DIRECTORS:**

Shri N.K. Sudhansu  
Joint Secretary, MoC

Shri Chandan Kumar Dey  
Director (Finance), CIL

**NON-OFFICIAL PART-TIME DIRECTORS:**

Prof. (Dr.) Indira Chakravarty

**COMPANY SECRETARY:**

Shri Rambabu Pathak


**BANKERS DURING 2017-18**

State Bank of India	United Commercial Bank	Axis Bank	Oriental Bank of Commerce
Allahabad Bank	Bank of Baroda	Punjab National Bank	Union Bank of India
United Bank of India	Bank of India	Corporation Bank	ICICI Bank
Canara Bank	Syndicate Bank		

**STATUTORY AUDITOR DURING 2017-18**

1. M/s M Choudhury & Co., 162, Jodhpur Park, Kolkata-700068.

**BRANCH AUDITORS :**

2. M/s Ray & Co., 21A, Shakespeare Sarani, Flat No.-8C, 8th Floor, Kolkata-700017
3. M/s. Saraf & Chandra, 501, Ashoka House, 3A Hare Street, 5th Floor, Kolkata-700001
4. M/s ADD & Associates, P-168, Sector-B, Metropolitan Co-Operative Housing Society Ltd., Kolkata-700105
5. M/s Virendra Surana & Co., Near Vivekananda College, Sripalli, Burdwan-713103
6. M/s D Jha & Associates, S. Madhuboni Purbapalli, Behind Sainik Bhawan, Baronilpur Road, PO-Sripalli, Burdwan, Pin-713103

**COST AUDITORS DURING 2017-18**

1. M/s Mou Banerjee & Co., Baikuntha Apartment, Gr. Floor, Gopalpur, G. T. Road (W), Asansol-713304, West Bengal.
2. M/s K.K. Das & Associates, Meh-17, Kanishka Road, Durgapur-713204, West Bengal.
3. M/s BCD & Associates, Flat-4A, 382, Jodhpur Park, Kolkata-700068, West Bengal.
4. M/s B. Ray & Associates, 27, Gopal Jew Mandir Road, Birati, Kolkata-700051, West Bengal.
5. M/s Subhadra Dutta & Associates, Puspak Apartment, 5, Parnashree Pally, Banamali Naskar Road, Kolkata-700060, West Bengal.
6. M/s Asutosh & Associates, Plot No.-N-4/232, IRC Village, Nayapalli, Bhubaneshwar-751015, Odisha.

**SECRETARIAL AUDITOR DURING 2017-18**

1. M/s Agarwalla Dinesh & Co. 16/1A, Abdul Hamid Street, 4th Floor, Room - 4B, Kolkata - 700069

**INTERNAL AUDITORS DURING 2017-18**

1. M/s Nirupam & Associates, Raskhola Para, Khardah, Dist. 24Pgs. (N), Kolkata - 700117
2. M/s D. K. Chhajer & Co, Nilhat House, 11, R. N. Mukherjee Road, Ground Floor, Kolkata-700001
3. M/s Dinesh K.Yadav & Associates, M-4, Narayan Place, Fraser Road, Patna - 1
4. M/s S. N. Mukherjee & Co, Emerald House, 1B, Old Post Office Street, 3rd Floor, Kolkata-700001
5. M/s P. K. Gutgutia & Co, J J Complex (2nd Floor), Bank Road, Dhanbad – 826001, Jharkhand
6. M/s Sen & Co., 1/13, Chittaranjan Colony, Jadavpur, Kolkata-700032.
7. M/s R. N. Goyal & Co. Mangtaram Road, Siliguri-734005
8. M/s R. K. Deepak & Co, 303-B, Apra Plaza, Plot No. 28, Road No.44; Pitampura, Delhi-110034.
9. M/s D. P. Sen & Co., 22, Ashutosh Chowdhury Avenue, 2nd Floor, Flat No. 22, Kolkata - 700019
10. M/s A. N. Chatterjee & Co., 41A, Townshend Road, Kolkata-700025
11. M/s Chatterjee & Co., 21/2, Gariahat Road (West), Kolkata - 700068.
12. M/s S. Mallick & Co, 11, Old Post Office Street, Block-B, 3rd Floor, Kolkata-700001.
13. M/s Chunder Khator & Associates., 10A, British Indian Street, Kolkata - 700069
14. M/s Bhattacharya Das & Co., 2, Garstin Place (Ground Floor), Kolkata-700001
15. M/s N. N. Das & Co., Piyali Apartment, 660, Rajdanga Main Road, Kolkata-700107

**REGISTERED OFFICE OF THE COMPANY**

CMDs Office, Sanctoria, Post-Dishergarh, District- West Burdwan, Pin-713333

**Mission Statement**

To produce and market the planned quantity of coal and coal products efficiently and economically in an eco-friendly manner with due regard to safety, conservation and quality.

**Vision Statement**

To emerge as a global player in the primary energy sector committed to provide energy security to the country by attaining environmentally & socially sustainable growth through best practices from mine to market.



इस्टन कोलफील्ड्स लिमिटेड  
अध्यक्ष-सह-प्रबंध निदेशक का कार्यालय  
सांकताड़िया, पत्रालय - डिसरगढ़,  
जिला - पश्चिम बङ्गाल, पश्चिम बंगाल -713333  
कंपन सचिवालय  
स .आइ.एन. -U10101WB1975GOI030295  
वबसाइट - www.easterncoal.gov.in



**Eastern Coalfields Limited**  
Office of the Chairman-cum-Managing Director  
Sanctoria, P.O. Disergarh- 713333,  
Dist. Paschim Bardhaman ( W.B.)  
**Company Secretariat**  
CIN: U10101WB1975GOI030295  
Website : www.easterncoal.gov.in

Telefax : 0341-2520546  
E-mail: eclcos17a@gmail.com

Ref.No. ECL:CS: 15(2018)/5584

6<sup>th</sup> July, 2018

### NOTICE

Notice is hereby given that the Forty Third (43<sup>rd</sup>) Annual General Meeting of the Shareholders of Eastern Coalfields Limited will be held on **Monday, the 9<sup>th</sup> July, 2018** at the Coal Bhavan, Coal India Limited, Premises - 4 MAR, Plot No. AF-III Action Area - 1A, New Town, Rajarhat, Kolkata - 700156 (West Bengal) **at 10:00 A.M. to** transact the following businesses.

#### **ORDINARY BUSINESS :**

- To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2018, Statement of Profit and Loss for the financial year ended 2017-18, 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 & Comptroller & Auditor General of India and Boards 'Report for the financial year 2017-18.
- To appoint a Director in place of Shri Chandan Kumar Dey (DIN-03204505), Director and who retires by rotation in terms of Section 152(6) of the Companies Act 2013 and being eligible, offer himself for reappointment.
- To appoint a Director in place of Shri Niranjana Kumar Sudhansu (DIN-02682438), Director who retires by rotation in terms of Section 152(6) of the Companies Act 2013 and being eligible, offer himself for reappointment.

#### **SPECIAL BUSINESS:**

- To ratify the Remuneration of Cost Auditors for the financial year 2017-18 and to consider and if thought fit pass with or without modification, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** Cost Auditors appointed by the Board of Directors for the financial year 2017-18 for undertaking Cost Audit work of the company be and are hereby paid the following remuneration pursuant to Section 148(3) of the Companies Act 2013:

Sl.No.	Name of Cost Auditors	Remuneration for Cost Audit for the year 2016-17 (in ₹ )
1	M/s Mou Banerjee & Co.	2,17,547/-
2	M/s K.K. Das & Associates	1,24,414/-
3	M/s BCD & Associates.	1,10,907/-
4	M/s B. Ray & Associates.	88,867/-
5	M/s Subhadra Dutta & Associates	82,469/-
6	M/s Asutosh & Associates	66,828/-
	Total: Rupees Six Lakh ninety one thousand thirty two only.	<b>6,91,032/-</b>



The appointment of the above firms as Cost Auditors of Eastern Coalfields Limited for the financial year 2017-18 shall be guided by the terms and conditions as mentioned in the Expression of Interest (EOI).”

By order of the Board  
**Eastern Coalfields Limited**

*Rathak*  
 (रामबाबू पा क) / (Rambabu Pathak)

उप-प्रबंधक (वित्त) / कंपनी सचिव

Deputy Manager (Finance) / Company Secretary

Dated: 6th July, 2018

**Registered Office:**

CIN : U10101WB1975GOI030295  
 Eastern Coalfields Limited,  
 Sanctoria, P.O. Dishergarh,  
 Distt. West Burdwan (West Bengal),  
 PIN: 713333.

**Notes :**

- (i) A member entitled to attend and vote at the Annual General 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. In order to be effective, the Proxy form duly completed should be deposited at the registered office of the company not less than forty-eight hours before the scheduled time of the Annual General Meeting.
- (ii) Pursuant to Section 139(5) of the Companies Act, 2013, the Auditors of a Government Company are to be appointed or re-appointed by the Comptroller and Auditor General of India (C&AG) and in terms Section 142(1) of the Companies Act, 2013, their remuneration has to be fixed by the Company in the Annual General Meeting or in such manner as the Company in General Meeting may determine. The Members of your Company in its 8th Extra Ordinary General Meeting held on 30th July, 2001 authorised the Board of Directors to fix the remuneration of Statutory Auditors.

**Copy to :**

- a. M/s M. Choudhury & Co., Chartered Accountants, Statutory Auditors, 162, Jodhpur Park, Kolkata-700068
- b. M/s. Agarwalla Dinesh & Co., Company Secretaries, 16/1A, Abdul Hamid Street, 4th Floor, Room-4B, Kolkata-69
- c. M/s Mou Banerjee & Co., Baikuntha Apartment, Gr. Floor, Gopalpur, GT Road (W), Asansol-713304, West Bengal.
- d. All Directors, Eastern Coalfields Limited.



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कंपन सचिवालय  
स .आइ.एन.-U10101WB1975GOI030295  
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### Eastern Coalfields Limited

Office of the Chairman-cum-Managing Director  
Sanctoria, P.O. Disergarh- 713333,  
Distt. Paschim Bardhaman ( W.B.)

### Company Secretariat

CIN: U10101WB1975GOI030295  
Website : www.easterncoal.gov.in

Telefax : 0341-2520546  
E-mail: eclcos17a@gmail.com

## STATEMENT PURSUANT TO SECTION 102 (i) OF COMPANIES ACT-2013

### SPECIAL BUSINESS

#### Item No.-4

As per section 148 (3) of the Companies Act 2013 read with Rule 14(a) (ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors is to be ratified subsequently by the shareholders.

The Audit Committee of Eastern Coalfields Limited in its 83rd meeting held on 22nd September, 2017 recommended and the Board of Directors of Eastern Coalfields Limited in its 302nd meeting held on 23rd September, 2017 has approved the appointment of following Cost Accountants Firms as Cost Auditor for financial year 2017-18 along with the following remuneration which is to be ratified in the ensuing AGM:

Sl.No.	Name of Cost Auditors	Remuneration for Cost Audit for the year 2016-17 (in ₹ )
1	M/s Mou Banerjee & Co.	2,17,547/-
2	M/s K.K. Das & Associates	1,24,414/-
3	M/s BCD & Associates.	1,10,907/-
4	M/s B. Ray & Associates.	88,867/-
5	M/s Subhadra Dutta & Associates	82,469/-
6	M/s Asutosh & Associates	66,828/-
	Total: Rupees Six Lakh ninety one thousand thirty two only.	<b>6,91,032/-</b>

The appointment of the above firms as Cost Auditors of Eastern Coalfields Limited for the financial year 2017-18 shall be guided by the terms and conditions as mentioned in the Expression of Interest (EOI).

Hence it is proposed to ratify the remuneration of Cost Auditors by the shareholders for financial year 2017-18.

No Director, Key Managerial Personnel or their relatives, is interested or concerned in the resolution. The Board recommends the resolution set forth in Item No.-4 for the approval of the members.





## CHAIRMAN'S STATEMENT



Friends,

I have immense pleasure in welcoming you to the 43rd Annual General Meeting of Eastern Coalfields Limited. The Boards' Report, audited accounts for the financial year 2017-18 together with the report of Statutory Auditors and the report and review of the Comptroller and Auditor General of India, are already with you.

Energy is one of the major inputs for economic development of any country, and coal dominates the energy mix in India, contributing over 52% of the country's energy need. Today the Indian economy is in acute need of energy. Our company produces one of the best qualities of Non-Coking Coal which caters to the needs of various power plants, cement factories etc.

The strategic vision of the company is to emerge as a global player in the primary energy sector committed to provide energy security to the country by attaining environmentally & socially sustainable growth through best practices from mine to market.

ECL has achieved the highest ever coal production of 43.568 MT with a growth of 7.53% over last year. ECL has also achieved highest ever coal offtake of 43.629 MT during 2017-18 with a growth of 1.42% over last year. The UG production has recorded a substantial growth of 5.86% over last year. ECL is the only subsidiary of CIL which had growth in underground coal production for last six consecutive years. With the introduction of mass production technology by deploying Continuous Miner and Power Support Longwall etc in Jhanjra and other mines, the underground coal production will continue to improve in the coming years.

In 2017-18, 3 (three) projects were approved by ECL Board, 1 (one) project of Eastern Coalfields Limited was approved by CIL Board.

Thrust is given towards modernization and mechanization of underground mines in ECL. In this regard it is worth mentioning that 3 numbers of Continuous Miner are already in operation in ECL. One Low height continuous miner has been commissioned at Jhanjra for the first time in the country. Highwall



Mining Technology is also proposed to be introduced in Sripur and Nimcha Project. Continuous efforts are being made to enhance the coal production from underground mines. As on 31.03.2018, 274 Nos. of SDLs and 31 Nos. of LHDs are in operation in different underground mines of ECL.

The impact on the environment due to extraction of coal is being monitored constantly by our Company and adequate measures are undertaken for control of Air, Water & Noise Pollution, Land degradation, Deforestation etc. These measures are being undertaken in accordance with the provisions of all statutory norms, Acts and Rules on a regular basis. During 2017-18, 130.43 Ha plantations have been carried out in internal and external OB dumps and in subsided area.

We are also committed for sustainable development and CSR activities in villages around ECL command area by providing drinking water, improving educational facilities and health care etc. During the year ₹12.69 crore was spent on CSR activities.

We have always given the highest priority towards safety, which is considered as a part of core production process in ECL. To improve the safety standards, ECL has vigorously pursued several measures during the year.

As required under Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises, Government of India a separate section on Corporate Governance has been added in the Directors' Report and a Compliance Certificate has been obtained from the statutory auditors.

We are committed to produce more than 50 MT coal during 2018-19 and confident that ECL will march ahead in the times to come.

I express my sincere thanks to Coal India Limited, Ministry of Coal, other Central Government Ministries and Departments, State Governments, Railways, Bankers, all employees, Trade Unions, consumers, suppliers other stake holders for their unstinted support and relentless co-operation.

Place: Kolkata

Date : 9th July, 2018

(Sunil Kumar Jha)

Chairman-cum-Mg. Director

DIN-08039292



## BOARDS' REPORT

To  
**The Shareholders,**  
 Eastern Coalfields Limited  
**Gentlemen,**

I, on behalf of the Board of Directors, have pleasure in presenting the 43rd Annual Report on the working of your Company together with audited accounts for the year ended 31st March, 2018, report of the Statutory Auditors, Secretarial Auditors and Management's reply thereon as well as the comments of the Comptroller and Auditor General of India on the audited accounts.

### Special Achievements:

- In spite of acute land acquisition problem at Rajmahal Project, ECL achieved 43.569 M.Te of Coal Production which is 92.7% of AAP target with a substantial positive growth of 7.53% over 2016-17. During 2017-18, ECL has achieved an off take of 43.62 MT which is 92.81% of AAP target and has also registered a growth of 1.40% as compared to last year. Both these achievements are ever highest since inception of the company.
- In consonance for last six years, during 2017-18 also, ECL registered a positive growth of 5.86% in underground coal production.
- On 31st March, 2018, ECL despatched 45 railway rakes which is highest ever rail despatch since inception of the company.
- ECL achieved 2.13 L Te. of coal production and 2.12 L.Te of coal despatch on 31st March, 2018 which are highest ever coal production and despatch on a single day since inception of the company.
- ECL achieved coal production of 6.016 MT during March, 2018 which is highest ever production for a month since inception of the company.
- Online leave management system has been extended for all executives of the company.
- Biometric attendance system has been introduced in all the establishments of the company.
- ECL was the winner in CIL inter-company cricket, football and athletic tournament held during 2017-18.

### 1.0 PRODUCTION

1.1 Production performance of the Company in 2017-18 against the target as well as compared to last year was as under:

Particulars	Unit	2017-18			2016-17	Growth Over last year	
		Target	Actual	Achieved (%)	Actual	Absolute	%
<b>1. Production :</b>	M.Te.						
i) Raw Coal - UG		8.700	8.603	98.89	8.127	0.476	5.86
- OC		38.300	34.965	91.29	32.391	2.574	7.95
<b>Total</b>		<b>47.000</b>	<b>43.568</b>	<b>92.70</b>	<b>40.517</b>	<b>3.050</b>	<b>7.53</b>
ii) Coking Coal :							
- Blendable		0.00	0.000	-	0.00	0.00	-
- Others		0.00	0.034	100.00	0.031	0.003	10.23
iii) Non-Coking :		47.000	43.534	92.63	40.486	3.048	7.53
<b>2. O.B. Removal</b>	MCuM	136.00	118.895	87.42	124.637	-5.742	-4.61
<b>3. Productivity(OMS)</b>	Tonnes						
- Underground		0.703	0.716	101.84	0.642	0.074	11.53
- Opencast		15.525	14.318	92.23	12.905	1.413	10.95
- Overall		3.168	3.013	95.11	2.672	0.341	12.76

## 1.2 CONSTRAINTS IN COAL PRODUCTION :

Sl. No.	Reason for loss in production	Quantity (MT)
1	Geological disturbances	0.030
2	Machine breakdown	0.072
3	Water logging due to rainfall	1.160
4	IR problem	1.300
5	Land acquisition	2.640
6	Others	0.810
	<b>Total</b>	<b>6.012</b>

## 1.3 SYSTEM CAPACITY UTILISATION :

(Figures in %)

Particulars	2017-18			2016-17
	Target	Actual	Achieved (%)	Actual
a) UG	86.67	86.71	100.05	80.50
b) OC (Dept.) Excv.	73.88	71.61	96.93	68.05
c) OC (Hired) Excv.	79.87	68.94	86.32	93.75
d) OC (Dept.+ Hired) Excv.	78.69	69.47	88.29	87.02
e) Total [UG+OC(D)]	75.64	73.67	97.39	69.64
f) Overall (UG+OC) (Hired+Dept.)	78.93	69.99	88.67	86.78

## 2.0 FINANCIAL RESULTS :

- 2.1. Gross sales turnover for the year ending 31st March, 2018 was ₹15250.11 crore compared to ₹14717.53 crore in the previous year resulting in increase of 3.62% over previous year. During the financial year 2017-18 the company had made a pre-tax total comprehensive loss of ₹ 1303.10 crore and a post-tax total comprehensive loss of ₹ 824.17 crore compared to last year's pre-tax total comprehensive income of ₹ 51.90 crore and post-tax total comprehensive income of ₹20.77 crore. Details were as under:

(₹ in Crore)

Particulars	2017-18	2016-17
Profit(+)/Loss(-) after charging all expenses but before PRP/ Executive Superannuation benefit interest, depreciation, Impairment, OBR, prior period adjustment.	865.12	614.18
Less : Impact of PRP/Executive Superannuation Benefit	41.08	48.19
Less : Actuarial provision	1409.11	239.57
Less : Interest	-	-
Less : Depreciation/Impairment	443.99	323.89
Less : OBR Adjustment	274.04	-49.37
Total Comprehensive Income (TCI) for the year after charging interest and Depreciation, impairment and OBR Adjustment.	-1303.10	51.90
Less: Prior Period Adjustment.	0.00	0.00
Total Comprehensive Income after considering Prior Period Adjustment.	-1303.10	51.90
Cash Profit	1524.53	996.08
Total Comprehensive Income after Tax	-824.17	20.77



## 2.2 Capital Expenditure :

Total Capital Expenditure during the financial year 2017-18 was ₹ 959.99 crore (excluding exchange fluctuation) against the Capital Expenditure of ₹ 827.80 crore during 2016-17.

## 2.3 Capital Structure :

(₹ in Crore)

Particulars	2017-18	2016-17
<b>A. SHARE CAPITAL</b>		
i) Authorized Share Capital (2,50,00,000 Eq. shares of ₹ 1000 each and 2,10,00,000 Preference Shares of ₹ 1000 each).	4600.00	4600.00
ii) Paid up Equity Share Capital (2,21,84,500 shares of ₹ 1000 each)	2218.45	2218.45
iii) Other Equity [Equity portion of Paid up 6% Non-convertible, cumulative, redeemable Preference Shares, fully paid up (20509700 shares of ₹ 1000 each)]	855.61	855.61
<b>B. LOAN FUNDS :</b>		
i) Export Development Corporation, Canada	161.20	167.20
ii) Liability component of Compound Financial Instrument (6% Preference Share)	1537.15	1423.30

## 2.4 Repayment of Foreign Loan :

(₹ in Crore)

Particulars	2017-18	2016-17
Repayment of foreign loan through CIL.	6.04	6.39

## 2.5 Payment / Adjustment of Royalty, Cess, Stowing excise duty & Sales Tax during the year:

(₹ in Crore)

Particulars	2017-18				2016-17			
	West Bengal	Jharkhand	Central	Total	West Bengal	Jharkhand	Central	Total
i) GST in respect of W.B.								
a. IGST	0.00	0.00	78.70	78.70	0.00	0.00	0.00	0.00
b. CGST	0.00	0.00	31.48	31.48	0.00	0.00	0.00	0.00
c. SGST	0.00	0.00	32.91	32.91	0.00	0.00	0.00	0.00
d. Compensation Cess	0.00	0.00	684.65	684.65	0.00	0.00	0.00	0.00
ii) In respect of Jharkhand								
a. IGST	0.00	0.00	15.05	15.05	0.00	0.00	0.00	0.00
b. CGST	0.00	0.00	25.01	25.01	0.00	0.00	0.00	0.00
c. SGST	0.00	0.00	25.01	25.01	0.00	0.00	0.00	0.00
d. Compensation Cess	0.00	0.00	477.46	477.46	0.00	0.00	0.00	0.00
iii) Royalty on Coal	18.87	440.88	0.00	459.75	22.39	701.12	0.00	723.51
iv) RE & PE Cess	1510.55	0.00	0.00	1510.55	1637.14	0.00	0.00	1637.14
v) AMBH Cess	2.15	0.00	0.00	2.15	2.04	0.00	0.00	2.04
vi) PW & Road Cess	2.12	0.00	0.00	2.12	1.97	0.00	0.00	1.97
vii) Sales Tax (VAT/CST)	104.90	11.99	0.00	116.89	232.39	8.94	189.87	431.20
viii) Stowing Excise Duty	0.00	0.00	20.79	20.79	0.00	0.00	43.05	43.05
ix) Clean Energy Cess	0.00	0.00	622.25	622.25	0.00	0.00	1681.83	1681.83
x) Excise Duty on Coal	0.00	0.00	72.43	72.43	0.00	0.00	332.64	332.64
xi) Entry Tax	0.00	0.00	1.76	1.76	2.42	0.00	0.00	2.42
<b>TOTAL</b>	<b>1638.59</b>	<b>452.87</b>	<b>2087.50</b>	<b>4178.96</b>	<b>1898.35</b>	<b>710.06</b>	<b>2247.39</b>	<b>4855.80</b>

## 2.6 Directors' Responsibility Statement :

Pursuant to sub-section (5) of Section 134 of the Companies Act, 2013 the Board of Directors of the Company hereby state and confirm that:-

- in the preparation of the annual accounts for the year ended 31st March, 2018, all the applicable Indian Accounting Standards were followed with proper explanation relating to material departures;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit/Loss of the company for that period;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the Directors had prepared the annual accounts on a going concern basis;
- the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 3.0 PLANNING :

### 3.1 Command Area of Operations:

There are 14 numbers of operating areas with 84 numbers of working mines, 55 being underground mines, 19 opencast mines and 10 mixed mines.

### 3.2 Target and Actual for 2017-18 and Target for 2018-19:

Sl. No.	Particulars	2017-18		2016-17	2018-19
		Target (BE)	Actual	Actual	Target
1	Production (MT)	47.000	43.568	40.517	50.500
2	Overall Productivity	3.168	3.013	2.672	3.60
3	Plan expenditure (₹ in Crore)	1050.00	959.99	827.80	1090.00

### 3.3. Research and Development :

#### 3.3.1 CIL R&D Project :

Detailed status of implementation of ongoing R&D Projects funded under R&D grant of CIL is enclosed as **Annexure –I**.

#### 3.3.2 S&T Projects :

Detailed status of implementation of ongoing S&T Research Projects funded under S&T grant of MoC is enclosed as **Annexure –II**.

### 3.4 Modernization and Mechanisation of underground Mines :

In order to increase the level of modernization and mechanization in underground mines, intermediate technology deploying LHD/SDL was introduced in 63 no. of mines of ECL till 2017-18. As on 31.3.2018, 274 no of SDLs, 31 no of LHDs and 70 nos of UDMs were on roll (inclusive initial Survey-off equipments)



in different underground mines of ECL. During 2017-18, production achieved from 274 no of SDLs was 4.24 MT., from 31 no of LHDs was 0.87 MT and from 2 no of Road header (Part of Longwall Package) was 0.16 MT.

“Mass production technology” by deploying Continuous Miner combined with Shuttle car had been deployed at Jhanjra and Sarpi projects. The production achieved during 2017-18 from 3 Nos. of CM was 1.72 MT. Jhanjra Longwall panel commissioned in Aug-2016 & production during 2017-18 was 1.48 MT (Excluding Road header).

In addition to above the following steps are being taken for modernization of Mines in ECL :

- a. Coal Bed Methane (CBM): Draft PFR prepared. Clarification sought from MoP&NG related to applicability of ORD Act and P&G Rules within Coal mining Lease hold areas.
- b. Excavation: To increase operational efficiency though ergonomics, it has been made mandatory for all the HEMMs to come fitted with AC cabins for the operators. The process is on for replacement of rope shovels with the hydraulic shovels. Latest technology is being increasingly used to enhance safety aspects in HEMMs. Surface Miners are also being used in OC Mines wherever technically possible.
- c. Highwall Mining: The highwall mining is proposed to be introduced in Nimcha and Sripur Colliery.
- d. Man Riding System: Man riding system has been functional in three mines viz. Jhanjra, Parasea and Chinakuri Mine III. Man Riding Systems are under installation at four mines, viz. Shyamsundarpur, Nimcha, Dhemomain and Bansra.

### 3.5 Steps taken to improve underground production:

Considering the various operational constraints, liquidation of upper seam, delay in availability of land for caving etc. action has been taken to improve underground production mainly by introduction of mass production technology deploying Continuous Miner with Shuttle Car in more number of underground mines in like Jhanjra Low height CM, Kumardihi B, Khottadih, Tilaboni, Sidhuli apart from gradual phasing out of manual operations with the intermediate technology. Action has been taken to introduce more UDMs keeping in view of shortage of Drilling gang due to superannuation and the dual purpose of availability of more coal at face and supporting as well.

### 3.6 Details of Project Formulation during the year 2017-18 :

Sl. No.	Name of the project	Capacity (MTY)	Estimated Capital (₹ in crore)
1	Nakrakonda-Kumardihi- B OCP	3.00	Departmental : 1184.66 Outsourcing : 351.13 Partial Outsourcing : 487.82
2	Parasea -Belbaid Re-organization UG	2.07	1267.36 (Risk-Gain) 845.15 (Equipment Hiring).
3	Siduli OC + UG UG: 1.63 Mty	OC:1.20 Mty.	907.22 (Risk-Gain) 552.42 (Equipment Hiring)
4	Tilaboni UG	1.86	1416.25 (Risk-Gain) 941.85 (Equipment Hiring).
5	Lakhimata OCP	1.50	Departmental: 880.22, Outsourcing: 415.71, Partial Outsourcing: 516.43.

### 3.7 Details of Projects approved & Recommendation of Board of Directors of ECL for seeking approval of CIL Board during the year 2017-18 :

SL No.	Name of the Project	Capacity (MTY)	Approved Capital Investment (₹ Cr)	Date of Approval
1	Nakrakonda-Kumardih- B OCP	3.00	487.82	17.07.2017
2	Siduli OC + UG	OC:1.20 Mty/ UG: 1.63 Mty	552.42 (Equipment Hiring)	01.09.2017
3	RCE of Chitra OCP	2.50	513.99 (additional)	01.09.2017

### 3.8 Final approval of Projects by the Board CIL during the year 2017-18 :

SL No.	Name of the Project	Capacity (MTY)	Approved Capital Investment (₹ Cr)	Date of Approval
1	Khottadih Expansion OCP	1.60	140.25	02.05.2017

### 3.9 Final approval of Completion Report of Project by the Board of Directors of CIL during the year 2017-18 :

SL No.	Name of the Project	Capacity (MTY)	Approved Capital Investment (₹ Cr)	Date of Approval
1	Rajmahal Expansion OCP	17.00	153.82	25.11.2017

### 3.10 Capital Projects/Schemes:

- i. No. of new Projects (Greenfield): 1 (Hura-C OC)
- ii. Expansion/Revision/Foreclosure of Projects: 5 nos. (Jhanjra Comb. PR, RCE of Khottadih Expansion-OCP, Mohanpur Expansion, Sonapur-Bazari Comb. OCP & Chitra East OCP)
- iii. Others – 10 nos.
- iv. Total – 16 nos.

### 3.11 New Initiatives and Future Programme:

Following initiatives have been taken in 2017-18 for augmentation of production from underground :

- a. **Technological up-gradation and Modernization of existing UG mines:** The existing underground mines which have been identified for Technological up-gradation and Modernization are Badjna, Shyampur B, Siduli, Ghusick and Nimcha. Project Report and Draft Project Report for Siduli and Ghusick have already been prepared respectively.

Apart from above, 23 nos. of UG Mines were undertaken for study of enhancement of production by Consortium of M/s ISM, M/s SCCL and M/s PWC. This is as per the MoC/CIL's directive. Report has been submitted in January, 2018.

- b) **Introduction of mass production technology Continuous Miner (CM):** The following mines have been identified for introduction of CM:





SI. No.	Name of the mine/project	Capacity (MTY)	Estimated Capital Expenditure (₹ in crore)
1	Khottadih CM	0.60	127.17
2	Kumardih-B CM	1.02	117.90
3	Jhanjra LHCM	0.72	Capital included in Combined PR
4	Tilaboni UG	1.86	Risk Gain - 1416.25 Equipment Hiring - 941.85
5	Sarpi Expansion UG: 2 nos LHCM	1.41	Risk Gain - 552.97 Equipment Hiring - 319.48
6	Siduli UG / UC	OC:1.20 MTY/ UG :1.63 MTY	552.42
7	Nabakajora-Madhabpur (OC+UG)	Cap:OC-1.25 MTY UG-1.44 MTY.	Risk Gain - 1035.57 Equipment Hiring - 573.78
8	Parasea-Belbaid UG	2.07	Risk Gain - 1267.36 Equipment Hiring - 845.15

c. **Foreign collaboration/Technology Absorption-Adaptation and innovation:**

- i. **Introduction of 2 nos. Low Height Continuous Miner (LHCM) at Jhanjra UG Mine:** LOA for supply of LHCM on hiring basis issued on 29-8-16. Two sets of LHCM were transported up to Mine site and one set has been assembled on surface in March-2018. First package is being transported to underground. Commissioning of first LHCM is expected in April-2018 and that of second LHCM is expected in May-2018.
- ii. **Introduction of One No. Low Height Continuous Miner at Kumardih-B UG Mine:** LOA for supply of LHCM on hiring basis issued on 06-03-18. Commissioning of same is expected in 2019-20.
- iii. **Introduction of 1 no Continuous Miner at Khottadih UG Mine:** LOA issued on 26-04-2017. Commissioning of same is expected in 2019-20.
- iv. Successful run of Powered Support Longwall Panel at Jhanjra R-VI Seam producing 1.48 MT in 2017-18.

3.12 **Details of OC Patches approved during 2017-18**

SI. No.	Name of OC Patches	Capacity (MTY)	Coal (MT)	OBR (Mcum)	Stripping Ratio	Capital (₹ in crore)	Status
1	RCE for Revised Scheme of Bonbahal OC Patch.	0.306	0.526	4.570	1:8.69	16.94	Approved on 25.05.17
2	Revised Scheme for Nirsa OC Patch.	0.4	2.80	10.42	1:3.72	6.86	Approved on 25.05.17
3	Scheme for Itapara OC Patch	1.0	2.95	3.63	1:1.23	39.10	Approved on 25.05.17
4	2nd RCE of Revised Scheme for Bonbahal OC Patch	0.36	0.6745	4.308	1:6.39	99.95	Approved on 10.01.18

**3.13 Status of achievement of MoU Target for the year 2017-18 :**

Sl. No.	Name of Project	Unit of Measurement	Target for the year	Achievement
1.	Percentage of value of CAPEX contracts/projects running completed during the year without time/cost overrun to total value of CAPEX contracts running/completed during the year	Percentage (%)	90%	Achieved 100%
2.	Fresh coal seam exposure	Ha	228 Ha	Achieved. 276.21 Ha
3.	Commissioning of Continuous Miner-1 No.	Date	07.03.2018	Commissioned on 28.02.2018
4.	Commissioning of Surface Miner-1 No.	Date	07.03.2018	Commissioned on 28.02.2018
5.	Submission of draft report for CBM/CMM in Raniganj Coalfield	Date	31.01.2018	Submitted on 31.12.2017.

**3.14 Major activities other than MoU milestones for the year 2017-18 :**

Sl. No.	Name of Project	Activities / Milestones	Target for the year	Achievement
1.	Sonepur-Bazari Expansion OCP	Possession of land (Phase-V & VI) - 350 Ha.	Mar-2018	So far 149.38 Ha possessed.
		Railway Siding	Mar-2018	All formation and track linking works completed except NH-60 portion. About 40 % of OHE work completed further work under progress. Tender for S & T canceled in Aug-17 due to high price. NIT re-floated. Bid opened on 06-3-18. TCR for first part finalized. Award for S&T is expected in May-18. SIP has been cleared by DRM, Asansol as well as ER, Kolkata.
2.	Jhanjra Combined UGP	Commissioning of one set LHCM package	Mar-18	Commissioning of one set of LHCM is expected in Apr-18
		Possession of tenancy land	65 Ha	Completed. 65.58 Ha possessed during 2017-18.
3.	Kumardih-B CM UG	Finalization of tender for hiring of one set LHCM	Mar-18	Completed and LOA issued on 6-3-2018.
4.	Hura-C OC	Possession of land (80 Ha)	Mar-18	So far, 47.75 Ha tenancy land possessed.
		Finalization of tender for Approach Road	Mar-18	Work order for Approach road/Access Road of 2.6 Km issued on 09.02.18.
5.	Khottadih CM	Drivage of Drift from R-IV to R-V seam (290 m)	Mar-18	So far 285.00 m drivage out of 290 m has been done.
		Finalization of tender for supply of one no. CM	Sep-17	LOA issued on 26-04-17. Contract agreement with M/s CMATL-SXTD-CMML consortium is expected to be signed in Apr-18.



#### 4.0 MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

Management's Discussion and Analysis Report is presented in a separate section forming part of the Boards' Report (**ANNEXURE - IV**).

#### 5.0 COAL MARKETING:

##### 5.1 Demand vis-a-vis off-take:

Actual off-take of coal in 2017-18 was 43.629 million tonne against the demand of 47.00 million tonne i.e. demand satisfaction of 93%. Sector-wise demand and off-take during the year 2017-18 compared to 2016-17 is as follows:

(Figures in Million Tonne)

Sector	Off-take 2017-18			Off-take 2016-17		
	Demand	Actual	% Satisfaction	Demand	Actual	%Satisfaction
POWER	40.756	39.768	98	40.556	40.121	99
CEMENT	0.098	0.069	70	0.106	0.050	47
CPP(ORS)	0.190	0.066	35	0.221	0.056	25
CPP (STEEL)	0.490	0.121	25	0.505	0.145	29
STEEL(BLEND)	-	0.002	-	-	0.003	-
SPONGE IRON	0.143	0.146	102	0.154	0.048	31
EXPORT	-	-	-	-	-	-
LOCO	-	0.002	-	-	-	-
DEFENCE	-	-	-	-	0.002	-
COLLY. CONS.	0.200	0.195	100	0.250	0.211	84
OTHERS	5.123	3.260	64	5.148	2.384	46
<b>TOTAL</b>	<b>47.000</b>	<b>43.629</b>	<b>93</b>	<b>46.940</b>	<b>43.019</b>	<b>92</b>

##### 5.2 Average loading of Wagons per day :

Field-wise average loading of wagons for the year 2017-18 compared to previous year is as follows :

(Figures in Box/Day)

Field	Loading of wagons			
	2017-18		2016-17	
	Target	Actual	Target	Actual
Raniganj	963	934	895	855
Mugma/Salanpur	227	239	224	179
Adra	15	15	14	17
Pirpainti	-	-	101	50
Rajmahal (Wharf Wall)	189	148	138	181
<b>Total</b>	<b>1394</b>	<b>1336</b>	<b>1372</b>	<b>1282</b>

**5.3 Mode-wise despatch :** Mode-wise despatch of coal in 2017-18 compared to previous year was as follows:

(Figures in Million Tonne)

Mode of Despatch	2017-18	2016-17
Rail	30.430	29.155
Road	1.814	1.464
Merry-Go-Round(MGR)	11.191	12.188
<b>Total</b>	<b>43.435</b>	<b>42.807</b>

**5.4 Stock of Vendable Coal as on 31st March, 2018 is as follows :** (Figures in Lakh Tonne)

FIELD	As on 31.3.2018
Raniganj	11.416
Mugma/Salanpur	0.780
S.P. Mines	3.100
Rajmahal	9.664
<b>Total</b>	<b>24.960</b>

**5.5 Spot 'e' auction forward e-auction :**

Mode	2017-18			2016-17		
	Despatched Qty. (in lakh tonne)	Gain over notified price (₹ in Cr.)	% age Gain	Despatched Qty. (in lakh tonne)	Gain over notified price (₹ in Cr.)	% age Gain
<b>Spot 'e' auction</b>						
Rail	15.253	136.080	27.366	8.875	40.45	14.26
Road	15.332	238.720	48.581	12.996	138.25	32.87
<b>Total</b>	<b>30.585</b>	<b>374.800</b>	<b>37.910</b>	<b>21.871</b>	<b>178.70</b>	<b>25.37</b>
<b>Forward e-auction</b>						
Road	-	-	-	0.028	0.043	4.34
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.028</b>	<b>0.043</b>	<b>4.34</b>
<b>Grand Total</b>	<b>30.585</b>	<b>374.800</b>	<b>37.910</b>	<b>21.899</b>	<b>178.74</b>	<b>25.24</b>

**5.6 Sales Realisation :** (₹ in Crore)

Particulars	2017-18	2016-17
Sales Realisation	16433.58	15558.95

**5.7 MoU Target vis-a-vis achievements up to 31st March, 2018**

SI No.	Parameters	Unit	Target for the year 2017-18	Actual Achievement
1	Item Codification as per 11 digit CIL scheme	% age	80%	Achieved 99.09%
2	Customer Codification (Master data preparation)	% age	80%	Achieved 100%



## 6.0 POPULATION OF EQUIPMENT (HEMM) :

### 6.1 Population of Equipment as on 31st March, 2018 compared to 31st March, 2017 :

Equipment	No. of Equipment as on	
	31.03.2018	31.03.2017
Dragline	1	1
Dumper	252	254
Dozer	82	86
Shovel	54	48
Drill	48	49

### 6.2 Percentage availability & utilisation of each type of equipment against CMPDIL norms during the year 2017-18 compared to previous year is as follows :

Equipment	Percentage Availability				Percentage Utilisation			
	CMPDIL Norms	2017-18	2016-17	Variation over last year	CMPDIL Norms	2017-18	2016-17	Variation over last year
Dragline	85	74.08	39.83	34.25	73	57.45	38.05	19.40
Dumper	67	83.56	80.02	3.54	50	31.83	36.69	-4.86
Dozer	70	74.47	73.25	1.22	45	23.53	24.09	-0.56
Shovel	80	79.16	80.68	-1.52	58	47.00	47.86	-0.86
Drill	78	84.87	84.74	0.13	40	20.52	19.08	1.44

### 6.3 Availability of equipment suffered mainly because:

The %age availability of Dumper, Dozer and Drill is more than CMPDIL norms. The %age availability of Dragline is less than CMPDIL norms due to failure of propel crank shift since June-2016. At present the machine is in operating condition from 21st December, 2017. The %age availability of shovel is marginally less than the CMPDI norms and also less than the previous year because of failure of rack pinion in EKG shovel, failure of under carriage and final drive in BE1000 shovel and failure of hydraulic pump in Demag shovel.

### 6.4 Utilisation of equipment suffered mainly because :

Project	Constraints
Rajmahal	Land problem, crowding of equipment, poor reliability of 170T dumpers and delay in procurement of 190T dumpers and 20cum shovel
Sonepur Bazari	Failure of LHS propel shaft of Dragline since June, 2016. The machine is in operation since 21 <sup>st</sup> December, 2017. Further there was less availability of surveyed off 10cum shovel.
Shankarpur	Underground galleries, fiery face and difficult mining conditions.
Mohanpur	Land problem.
Jambad	Land acquisition problem and watery face.

**6.5 Steps taken to achieve CMPDIL norms of Dumper Utilisation:**

Reviews of HEMM performance of projects are being done at regular intervals and subsequently necessary assistance/help was provided from HQ to reduce breakdown hours of equipment.

**6.6 New/Replacement equipment provided to OCPs in 2017-18 is as under:**

Equipment	Nos.	Project
Dumper	16	Bansra-2, Khottadih-1, Baramuri-1, Chitra-1, Shankarpur-5 and Sonepur-6.
Dozer	8	Jambad-1, Khottadih-3, Shankarpur-3 and Sonepur-1.
Shovel	10	Sonepur-4, Shankarpur-1, Rajmahal-1, Baramuri-3 and Bansra-1.
Drill	2	Shankarpur-1 and Jambad-1.

**7.0 ENERGY CONSERVATION :****7.1.1 Power and Fuel Consumption**

Sl. No.	Particulars	Unit	2017-18	2016-17
<b>I</b>	<b>ELECTRICITY PURCHASED</b>			
a.	Purchased Units	M.KWH	868.97	871.81
b.	Total amount paid to the supply agencies (Approx.)	₹ in crore	647.22	632.63
c.	Rate/Unit (Average)	₹/KWH	7.45	7.26
d.	Specific Consumption of Electricity (composite) (Apprx.)	KWH/Cum	5.85	5.74
<b>II</b>	<b>OWN GENERATION (Through DG Sets)</b>			
a.	Generated Units	Lakh KWH	6.79	6.60
b.	Unit generated per Ltr. of Diesel Oil	KWH/Ltr.	7.16	6.69
c.	Cost of Generation	₹/KWH	7.94	9.15
<b>III</b>	<b>DEMAND OF POWER</b>			
a.	Average Demand of power	MVA	165.96	185.27
b.	Power Demand	MVA	189.40	191.23
c.	% Utilisation	%	87.63	96.88

**7.1.2 Progress of Power Generation from Chinakuri Power Plant:**

Tender has been floated on 10.04.2018 for Leasing of 3x10 MW Chinakuri Thermal Power Plant of ECL for 20 years. Pre-BID meeting has been held on 14.04.2018. Scheduled date of Bid Opening is 14.05.2018. The tender is expected to be awarded by June, 2018. As per the NIT, the successful bidder has to bring back the plant in operating condition and erect 33 kV O/H lines for power evacuation up to WBSETCL grid at Kanyapur, Asansol within 9 months from the issue of LOA and operate and maintain the plant for 20 years thereafter.



## 7.2 Energy Conservation & Audit :

Energy Audit has been conducted by M/s MCJ Energy Engineers for 2 mines at Nigha, Sripur Area and Shyamsundarpur, Bankola Area. Report has been submitted and Areas are in the process of implementation of the recommendations in phases.

## 7.3 Underground Machinery Performance:

The detail of Underground Machineries with productivity is given below:

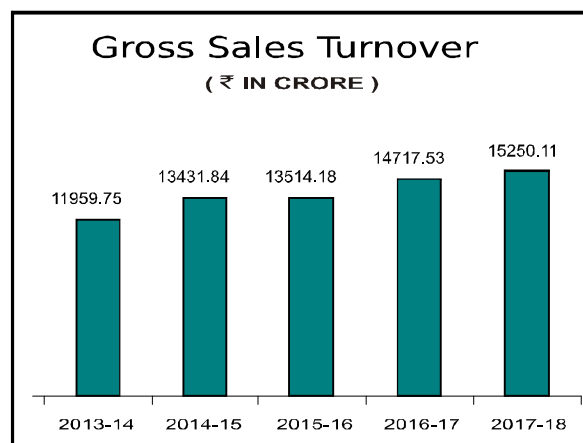
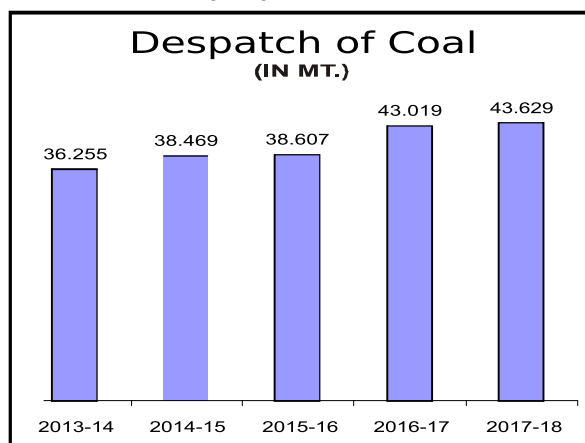
Equipment	2017-18		2016-17	Remarks
	On Roll	Productivity (TPD)	Productivity (TPD)	
SDL	274	60	60	There is 8% Growth in underground mechanized production compared to last year.
LHD	31	101	98	
Continuous Miner	3	1610	1409	
Road Header	1	461	284	
Longwall	1	6026	5839	

## 7.4 Performance of CHPs:

As on 31st March 2018, the Major CHPs handled 14.50 MT and Mini CHPs handled 2.50 MT of coal.

## 7.5 Major achievements during 2017-18:

- Average power factor of ECL for 2017-18 was 0.95. Net Gain from Power Factor Rebate has increased by 25.78%.
- Specific Consumption of Coal has been reduced by 7.31%.
- ECL has saved approximately ₹ 60.99 Crore during the year by switching over supply points from M/s IPCL to M/s WBSEDCL and availing the competitive tariff for the new as well as old consumer points.
- ECL is in the process to disconnect the existing domestic supply (fed through ECL line) to the households under Nituria Block, Sodepur Area. WBSEDCL is gradually replacing the existing supply network of ECL and re-connecting it simultaneously with their own supply network. ECL shall pay the monthly electricity bill as per the rules of the company only for those consumers, who are on role of company service and staying in company's quarter. Till date, 691 nos connections have been provided by WBSEDCL and meter has been installed. By this means, unauthorized connection is being avoided as well as ECL is saving in electricity charges.
- The company is in the process of replacing the old and outdated steam winders by electrical winder. Work order has been issued for replacement of one such winder at Khas Kajora mine, Pit no-10 of Kajora Area, ECL and work is going on.



**8.0 WELFARE AMENITIES:**

Sl. No.	PARTICULARS	Cumulative position as on 31.3.2017	Achievement during 2017-18	Cumulative Position as on 31.03.2018
1	<b>Co - Operative Societies</b>			
	a) Co-operative Credit Societies	74	0	74
	b) Primary Consumer Co- operative Stores	30	0	30
	c) Central Co-operative	4	0	4
	d) Loan & Investment to Co-operative Societies (₹ in Lakh)	63.80	0	63.80
2	<b>Banking Facilities</b> -No. of Branches functioning	27	0	27
3	Canteen	82	0	82
4	<b>Educational Facilities</b>			
	a) DAV School	6	0	6
	b.i) No. of Schools receiving Recurring Grant – in- aid	162	0	162
	b.ii) Amount of Recurring grant - in-aid (₹ in Lakh)	5275.07	273.06	5548.13
	c. i) No. of Schools receiving Non-Recurring Grant - in - aid	387	0	387
	c.ii) Amount of Non-Recurring -grant-in-aid (₹ in Lakh)	307.04	0	307.04
	d.i) No. of School sanctioned Ad-hoc grant	79	0	79
	d.ii) No. of ad-hoc grant sanctioned (₹ in Lakhs)	69.60	0	69.60
	e) No. of School Buses engaged	156	0	156
5	Games & Sports amount spent (₹ in Lakhs)	469.24	59.92	529.16
6	Social & Cultural activities, amount spent (₹ in Lakhs)	80.48	3.29	83.77
7	<b>CIL SCHOLARSHIP</b>			
	a) No. of Scholarship & cash awarded	17399	888	18287
	b) Amount sanctioned (₹ in Lakh)	234.36	19.27	253.63
8	<b>CIL scheme for Financial assistance to extend the Tuition Fees &amp; Hostel Charges of the wards of Wage Board Employee studying in the Selected Engineering &amp; Govt. Medical Colleges.</b>			
	a) No. of wards of WBE sanctioned	507	108	615
	b) Amount sanctioned (₹ in Lakh)	111.00	40.48	151.48

**9.1 MEDICAL AMENITIES :**

2 Central Hospitals, 7 Area Hospitals with total bed capacity of 822 and 112 Dispensaries extended medical services to the employees and their dependants. 110 Nos. of Ambulances were in service in these hospitals.

**9.2 No. of persons referred to outside for treatment & expenditure incurred for their treatment and Villagers covered by Mobile Dispensary:**

Particulars	2017-18	2016-17
No. of patients referred outside:	2474	2024
Health & family welfare programme:		
- No of camps	175	211
- No of beneficiaries	19320	18118
Villagers covered by Mobile Dispensary:		
- No of camps	48	435
- No of beneficiaries	4000	17776
PME of Company Worker	11888	13319
PME of Contractual Worker	978	429
IME of Company Worker	769	788
IME of Contractual Worker	2280	1011





The company incurred an amount of ₹ 34.70 crore on account of medical referral outside the company hospital as against ₹ 28.19 crore incurred during last financial year.

### 9.3 Major Achievements during 2017-18:

- a. Up-gradation of operation theatre of Sanctoria Hospital to 02 (two) numbers of Modular OT, with all modern gadgets. Anaesthesia workstation also commissioned with most modern machine for better delivery of anaesthesia.
- b. Family welfare programmes for non-entitled BPL patients are carried out routinely in Sanctoria Hospital OT as part of CSR programme.
- c. 220 numbers of major and 208 numbers of minor surgeries were conducted during 2017-18 at Sanctoria Hospital.
- d. As per National Immunisation Program Schedule, Pulse Polio program are being held regularly and during 2017-18, program was conducted for 288 numbers of beneficiaries.
- e. Various pollution control, heart check-up, AIDS awareness, eye check-up camps were organised in various areas of ECL.

### 10.0 CORPORATE SOCIAL RESPONSIBILITY:

Report on Corporate Social Responsibility pursuant to Section 135(2) of Companies Act, 2013 is presented in a separate section forming part of the Board's Report (**ANNEXURE-V**).

### 10.1 SOCIAL AMENITIES:

Since the inception, Eastern Coalfields Limited has taken up various activities for the welfare of its workers as well as development of people/communities living in the surrounding areas of the mines. In addition, lot of activities have been attended for the development of infrastructure, industrial structure, roads and railway sidings, residential building, water supply and other welfare activities etc. Brief description is as below:-

#### 10.1.1 Residential Building:

The works of construction 24 units C-Type Quarters at HQ, 20 Unit B-Type and 36 units of C-Type quarters at Sonapur Bazari are under progress. For improvement of living conditions of the residents of the colonies, thorough repairing and upgradation of quarters is being taken up. During the year 2017-18, thorough repairing and upgradation of total 7847 residential quarters has been completed in different areas of ECL.

#### 10.1.2 Water Supply:

ECL has always given special attention for the improvement of potable water supply to the occupants of our residential houses as well as to the people of nearby communities. In the year 2017-18, total 04 nos. sets of pressure filter and electro chlorinators were commissioned at Satgram, Salanpur, Sonapur Bazari and Kajora Area.

For gainful utilisation of surplus mine discharged water, 03 nos. R.O. filter plants each of capacity 5000 liter per hour were commissioned at Sripur, Mugma and Bankola Area. The treated water caters drinking water demands of the residents of nearby ECL colonies and also nearby villagers.

### 11.1 INFRASTRUCTURE DEVELOPMENT:

Dispatch of coal is one of the prime activities of ECL and it is being done effectively and efficiently. Coal is being dispatched mainly by the mode of roads and railways. ECL has taken proper steps in this regard. Detailed description of some works is as below:-

- a. **Roads-** Some of the major coal transportation road works completed during the year 2017-18 are as under:-

Sl. No.	Name of Work	Value of Work (₹ Lakh)
1	Strengthening and Black Topping of coal transportation road from Railway Siding of Madhabpur Colliery to G.T. Road (N.H. 2) Tubline under Kajora Area. (Length - 3950 meter)	167.72
2	Strengthening of coal transport road from Naba Kajora Dispensary to Parascole (W) Railway Siding under Jambad OCP, Kajora Area. (Length - 1300 meter)	52.68
3	Strengthening and Black Topping of coal transportation road from Parascole West Rail Gate to Mukundapur Rail Gate, Kajora Area. (Length of Road 1230 meter)	38.08
4	Strengthening of road from Old Kajora Office More to New Colony at Jambad Colliery under Jambad OCP, Kajora Area. (Length 1700 meter)	53.75
5	Construction of bituminous coal transportation road from Sonachora OCP to Parasea Railway Siding along with construction of one no. R.C.C. Box culvert of Parasea Colliery under Kunustoria Area. (Length - 2260 meter)	394.02
6	Strengthening and widening of sand and coal transportation road from railway crossing to sand bunker at Kalidaspur Project under Satgram Area, ECL (length 2100 meter).	102.37

- b. **Railway siding infrastructure:** Some of the major railway siding infrastructure development works completed during the year 2017-18 are as follows:-

Sl.	Name of Work	Value of Work (₹ Lakh)
1	Construction of approach road to Central Pool Railway Siding under Mugma Area.	93.17
2.	Construction of R.C.C. wharf wall (pile foundation) at POCP –II Private Siding at Purushyampur under Kumardihi 'B' Colliery under Bankola Area.	152.40
3	Construction of R.C.C. boundary wall surrounding no. 2 Railway Siding of Bankola Colliery under Bankola Area.	86.02
4	Construction of wharf wall (length 750 m) at No. II Siding of Bankola Colliery under Bankola Area.	115.66
5	Construction of PCC Road including widening of existing WBM road at Central Pool Railway Siding under Mugma Area.	100.20

#### 11.2 MoU Target vis-à-vis achievements up to 31st March, 2018:

Sl No.	Parameters	Unit	Target for the year 2017-18	Actual Achievement
1	Preparation of RO water with a capacity of 2 lakhs litre/day	Lakh litre/day	1.9 Lakh litre/day	Achieved 1.5 lakh litre/day



## 12.0 SAFETY :

In ECL, highest priority is given towards safety, which is considered as a part of core production process. ECL is aiming to achieve zero harm policy. To improve the safety standards, ECL has vigorously pursued several measures during the year 2017-18.

### 12.1 Accident Statistics for the year of 2017-18 :

YEAR	2017-18*	2016-17
i) Fatal Accidents (Nos.)	09	07
ii) Fatalities (Nos.)	09	29
iii) Serious Injuries (Nos.)	22	40
iv) Fatality/Million tonne output	0.207	0.716
v) Fatality/3 Lakh Man-shifts	0.187	0.574

(\* Subject to reconciliation with DGMS)

### 12.2 Safety Measures

Jobs undertaken by ISO for enhancing safety in Mines of ECL

- Safety Board at Corporate Level has been constituted for inspecting the Mines and removing deficiencies observed. Monthly Meeting of Safety Board is regularly held for reviewing status of safety in Mines. The Safety board Comprises of amongst others, Five Members nominated by the Operating Trade Unions.
- Mine wise Monsoon review was done by GM (Safety) and GM (E&M) and is monitored at all levels from mine to ECL, HQ.
- Mobile water tankers are being used for Haul roads, Transport roads and Railway sidings. Mist type spray arrangement provided at transfer point of belt conveyors in mines and in CHPs. Pipeline has been laid out in UG mines for dust suppression at working face. In-built dust suppression system has been incorporated in equipment like CM, PSLW, Road Header, Drills, and Surface Miners etc.
- Regular cleaning is done of fallen coal from Under Ground galleries. Construction of sectionalization stoppings is also done. Regular air sampling and analysis is being conducted from sealed off areas. One Gas Chromatograph is installed at MRS, Sitarampur and four nos. are in procurement stage. There is also use of Fire Sealant. Procurement of one portable Nitrogen Plant has been approved. Demonstration of Thermal Image Camera has been given at Kajora Area. ETMS are installed and working at Kalidaspur, Narsamuda and Sodepur collieries and four nos. are under procurement. Mock rehearsal has been done with NDRF at Kenda Area. PHMP (Principal Hazards Management Plan) and TARP (Trigger Action Response Plan) has been prepared for each mine. AFSS (Automatic Fire Suppression System) for HEMMs is under procurement. Arrangement for Nitrogen Flushing has been made in Caving Districts at Jhanjra and Khottadih underground mines.
- Geo Technical Cell has been constituted along with two nos. Geologists at corporate Headquarter. All the Dump Yards of the OC Projects have been inspected by the committee and scientific study in respect of vulnerable dumps are in progress. Workshop was conducted by CIMFR at ECL HQ. Four nos. of Slope Stability monitoring RADAR are under procurement. Presently monitoring is being done by Total Station.
- All the manual loading mines shall be converted to mechanized loading mines in 2018-19. Nakrakonda is going to be converted to OC and mechanization of Bejdih Colliery is not possible due to high gradient, which is more than 1 in 5.

- g. Conversion from Manual drilling to Mechanized drilling: 70 UDMs are presently in use.
- h. Cold Rolled Threaded Roof - Bolt Machine: 13 Nos of Bolt Machine has been installed and being used presently. It is proposed to install another 13 Nos. in 2018-19.
- i. Conversion from Steam to Electric Winder: One proposal of Kajora Area is under process for approval.
- j. Structural Stability of Headgear: CMPDI Ranchi was engaged for Kumardihi A, C.L. Jambad and Nabkajora colliery for which report was submitted but as per observations of DGMS, CMPDI is not being considered as third party for which other suitable agencies are being explored.
- k. Special Dewatering of UG mines: For Chinakuri Mine No. 1, two new sets of series pumps of 400m head have been provided to replace the old ineffective pump sets. For Ningha R colliery, one new 400m head pump set has been provided to enhance the dewatering.
- l. Innovation / New initiative: In shaft Radio communication has been proposed for trial at Jhanjra & Khottadih. Fiber optic based underground communication for Jhanjra colliery is under procurement. This communication system has been approved by DGMS and it is in vogue in Australia.
- m. Other Initiatives towards Safety:
- Safety talk continued.
  - "Permit to Work" started.
  - PSC meeting as per Mines Rule implemented.
  - COP/SOP given to all category of workmen in Hindi/local language.
  - Use of breadth analyzer implemented.
  - Family counseling is continued.
  - Sensitization program for front line supervisors conducted at Bankola, Pandaveswar, Satgram, Salanpur and Kajora Areas.
- n. Devising Safe Operating Procedures (SOP) for different activities, general or mine- specific and enforcing.

### 12.3 Safety Audit

Safety audit conducted and completed by Multi-disciplinary inter-subsidiary teams. We are in the process of conducting Safety Audit by external agencies also.

### 12.4 Monsoon preparation

Special drive in respect to Monsoon Preparedness had been done in the month of June, 2017 by the Nodal Officers / In-charge of Areas of safety department along with the Colliery Management and status of implementation had been monitored at regular interval during the year 2017-18. A Control Room opened at Head Quarter, ECL from 10.06.2017 to 15.10.2017 on 24X7 basis which was manned by Executives provided with telephone & vehicle for their movement keeping close liaison with Area Control Rooms operating in all Areas. Close liaison is maintained with the Chief Engineer (Hydel), DVC, Maithon, for getting 'Flood Warning Message' whenever Panchet and Maithon dams release flood water to cause rise



of HFL of rivers. Close liaison is also maintained with the Director, Indian Meteorological Department, Alipur, Kolkata and the Director, Area Cyclone Warning Centre, Alipur, Kolkata for obtaining 'Weather Forecast Report' over Telephone & FAX for alerting the Areas to be affected by heavy Rain/ Thunder/ Shower.

## 12.5 Safety Training

Year	Two Weeks Structured Training for			
	Front line supervisors		Workmen's Inspector	
	No. of Programme	No. of Participant	No. of Programme	No. of Participant
2017-18	4	86	3	84
2016-17	4	73	3	46

## 12.6 Training for appearing in Statutory Exams in 2017-18:

Type of Exam	No. of employees trained	Training Institute
<b>A. For appearing in</b>		
1st Class - Coal	0	MTS, Dhadka
2nd class –Coal	07	
Mining Sirdar	10	
Surveyor	0	
Electrical Supervisor	51	
Winding Engine driver	11	MTI, Ratibatti
Gas Testing	13	MTS, Dhadka
<b>B. Trade Course</b>		
Surveyor	26	MTS, Dhadka
Mining Sirdar	52	
<b>C. Diploma in Mining (Part time)</b>	154	Raniganj Mining Institute

## 12.7 Vocational training (Statutory at VTC) 2017-18.

Type of training	2017	2016
Basic	723	954
Refresher	10234	10220
Special Training	9232	9809
I.O.D.	40	42
Contractors workers	4892	2450

## 12.8 Rescue Services in ECL:

Rescue Services have been rendered to all collieries of ECL, Chanch Victoria Area of BCCL, Ramnagar Colliery of IISCO as well as to Civil Administration and Public Authorities (as and when required) through Mines Rescue Station, Sitarampur, Rescue Room with Refresher Training (RRRT) Kenda and Rescue Rooms operating at Jhanjra, Mugma & Kalidaspur.

**12.9.1 During the year Emergency Attended/Rescue Services dealt fire/spontaneous heating in the following Mines successfully:**

Sl. No	Colliery/place of occurrence	Area	Date	Nature of occurrence/job
1	Shyamsundarpur	Bankola	13.07.2017 to 24.07.2017	Spontaneous heating
2	Kuardih Colliery	Satgram	25.07.2017 to 26.07.2017	To rescue one missing person due to sudden inrush of water from surface.
3	Gopinathpur OCP	Mugma	16.08.2017	Open fire in Excavator
4	Barka Seal Incline	CCL	17.08.2017 to 23.08.2017	Inundation
5	Moirā	Bankola	31.01.2018 to 22.02.2018	Spontaneous heating
6	Shyamsundarpur	Bankola	21.02.2018 to 01.03.2018	Dealing with Fire
7	Parascole (West)	Kajora	20.03.2018 to 27.03.2018	Spontaneous heating

**12.9.2 Training:**

Refresher as well as initial training was imparted at Mines Rescue Station regularly, details are as follows:

Details	2017-18	2016-17
No. of active Rescue trained personnel	595	614
No. of personnel freshly trained	48 (9 members from NEC, Assam) (7 members from IMFA, Orissa)	32 (7 members from UCIL)
No. of Refresher practices	5209	5622
No. of Emergencies	07	04

**12.9.3 New apparatus/equipment purchased:**

Sl. No.	Details	Numbers purchased
1	Multi-gas Detector	04
2	Power operated Oxygen Booster Pump	03
3	Hydraulic cutter and Spreader	01
4	Modern SCBA	24
5	125 KVA DG Set	01

**12.9.4 Zonal Mines Rescue Competition:**

Zonal Mines Rescue Competition, Eastern Zone, for the year 2017-18 was held on 14th and 15th November, 2017 in which 10 (ten) Nos. rescue teams took part.

**12.9.5 All India Mines Rescue Competition (Coal & Metal):**

48th All India Mines Rescue Competition (Coal & Metal) was conducted at Jamadoba Colliery (TISCO) from 12th to 15th December, 2017. Two teams from ECL took part in that competition and won the prizes in Fresh Air Base events.



### 12.9.6 Budget Provision for Mines Rescue Station :

Particulars	Capital Budget (₹ in Lakh)		Revenue Budget (₹ in Lakh)	
	2017-18	2016-17	2017-18	2016-17
Sanctioned	341.56	204.80	1678.38	1667.42
Expenditure	86.32	132.73	1602.83	1714.86

### 13.0 QUALITY CONTROL

#### 13.1 Weighment Status:

In 2017-18, quantity weighed in EPS for supplies account Power houses & others compared to last year is given below: (Figures in Million Tonnes)

Details	2017-18			2016-17		
	Power	Other Consumers	Total	Power	Other Consumers	Total
Quantity Despatched	39.768	3.666	43.434	40.121	2.687	42.808
Quantity Weighed under EPS	38.905	3.666	42.571	39.234	2.687	41.921
Weighment % under EPS	97.83	100	98.01	97.79	100.00	97.93

#### 13.2 Sizing Status

The total despatch of coal in 2017-18 was 43.434 Million Tonne of which the despatch to the power sector was 39.768 Million Tonne. In despatches from sidings other than CHP/FB facility, sizing was done by dozer and thus 100% mechanically crushed coal was supplied to power stations. There have been 100% sized coal dispatches through alternative methods. The details are given below.

(Figures in Million Tonnes)

Sizing of Coal	2017-18			2016-17		
	Power	Others	Total	Power	Others	Total
Qty. Sized in CHP/ FB (L/T)	39.768	3.666	43.434	40.121	2.687	42.808
%	100	100	100	100	100	100
Total	100	100	100	100	100	100

100% Crushed coal of size - 100 mm is being dispatched from ECL.

### 14.0 VIGILANCE ACTIVITIES

Vigilance Department assists to ensure transparency, non-discrimination, accountability and efficiency of the management function in ECL. Numerous Vigilance activities throughout the year have got the prime role to reflect the 'Transparent and Rational' image of the functioning of the Organisation. Several bold and innovative ideas have been taken in last year. A huge number of complaint based investigation has been conducted by the Vigilance Department of ECL throughout the year and as a result various lapses / irregularities have been pointed out. To combat those lapses/irregularities, a significant number of improvements of the prevailing systems have been implemented. Moreover, to bring more clarity in accountability, transparency and rationality of the functioning of company, several instances of irregularities /lapses, committed purposefully with mala-fide intention were considered very seriously and in numerous

cases, it ended in awarding penalty to the delinquent officials. Modern I.T. initiatives and e-governance have been implemented in different areas of ECL by regular supervision and monitoring of the Vigilance Department.

#### 14.1 Preventive Vigilance:

A significant number of surprise inspections in different Areas/Units of ECL were conducted by the Vigilance Department, during 2017-18 to cover-up the entire spectrum of the functioning of the company. Moreover, a large number of Vigilance awareness-cum-motivational programmes have been organized throughout the year among various Stake-Holders covering a significant number of beneficiaries. In majority of cases, prevailing systems have been studied thoroughly and whenever necessary, different "System Improvement" measures have been implemented to improve the existing system and at the same time to plug the lapses of the existing system- as a part of 'Preventive vigilance'. Such sincere effort has been reflected remarkably on the work culture of the Organisation.

SI No	Subject	2017-18	2016-17
i	Number of Surprise check/Inspection conducted along with periodical check	65	64
ii	Vigilance awareness cum motivational programmes		
	a) Awareness programmes with internal faculties	21	19
	b) Stake Holders Meet	02	01
	c) Competitions, Essay/Debate/Painting/Nukkad Natak / cultural Programme etc.	07	06
	d) Seminar/Workshop with external or internal faculties	01	01
	e) Awareness Gram Sabhas	02	0
	f) Motor Cyclathon Rally	01	0
iii	Intensive examination	08	11

#### 14.2 Measures taken for improvement:

The following Systemic Improvement measures have been undertaken during the year 2017-18:

- System improvement regarding SOP for Diesel dispensing unit for receipt, issue and consumption.
- System improvement regarding DOP (Delegation of Power) manipulation and Splitting of tender.
- System improvement regarding nature of similar work in Civil Department.
- System improvement for prevention of Irregularities and Misuse in granting LLTC.

#### 14.3 Punitive Vigilance:

To establish as well as to maintain the fair and transparent image of the functioning of the Organisation the instances of irregularities committed purposefully with mala-fide intention were considered very seriously and dealt with firm and exemplary punitive measures taken under the relevant Conduct Rule. As a result total 14 (Fourteen) officials were awarded various penalties.

#### 14.4 Leveraging Technology:

Following initiatives have been undertaken by the Vigilance Department towards leveraging technology for improvement of transparency and capability of the organization:-





Sl. No.	IT Initiatives	Status as on 31.03.18	Remarks
1	GPS / GPRS based vehicle Tracking System	1479	Out of 1479 devices, 1458 GPS devices have been fitted in available Coal trucks. Operational in all fourteen areas and in HQ. Tracking of vehicle is going on.
2	Electronic Surveillance by CCTV	1167	CCTV cameras installed in ECL: 1167 nos.
3	RFID based Boom Barriers & Readers	77	Supplied: 77 nos., Installed (mechanical part): 77 nos., 26 nos. of RFID systems have been commissioned at Satgram, Kajora, Bankora and Sonapur Bazari Area. (Stand Alone System). Remaining commissioning is under progress.
4	Weigh Bridge Status	Road - 96 & Rail 11	Installation Completed. One Railway weigh-bridge at Parbelia is surveyed off.
5	Wide Area Networking (WAN)	Link Established in 118 Locations	Installation Completed. For new 5 nos. of Road weigh Bridges, for installation of 'Railtel networking' Work Order Placed to M/s Railtel. Work is under Progress.
6	Coalnet Application	Online Material Management System	Implemented in all stores except S P Mines and Rajmahal Area.
		Financial Information System	Implemented in ECL HQ, Kolkata Sales Office, Sodepur Area, Sonapur Bazari Area, Kunustoria, Sripur, Satgram and S P Mines Area.
		Personal Information System	Implemented in ECL HQ,
		Payroll	Non-executive payroll implemented in ECL HQ, Kolkata Sales Office, Kunustoria Area and Sonapur Bazari Area. Parallel run in Jhanjra Area is under progress. Executive payroll implemented in all areas.
		Sales	Rail sales Module Implemented in all areas. Road Sales GST compliant Tax Invoices are being generated from Coalnet.
		VVIP Reference	Implemented at ECL HQ
7	Online Leave Management System	Implemented	Implemented in all areas for executives.

8	Mobile Apps : 1. Bill Tracking System 2. Online Grievance (NIDAN) 3. Swachha Vidyalaya, 4. Road Sales (Grahak Sadak Koyla Vitran)	Implemented	Implemented.
9	Geo Fencing of Mine Boundaries	Implemented	Implemented in all Areas of ECL
10.	Inter Area Network Connectivity (LAN / WAN)	Implemented	All area of ECL connected with HQ and Kolkata Sales Office.
11.	Biometric Attendance	Under the process of implementation.	Payroll link established in ECL HQ for Company employee. However Biometric Attendance has been implemented and Linked to Payroll for company employee in seven areas. For other areas, hardware has been installed but is yet to be implemented.
12.	Auto Refund of EMD	Implemented	Implemented.
13.	Reverse Auction	Implemented	Implemented for estimated Contract Value of more than ₹ 1.00 crore.
14.	3D TLS	Implemented	Implemented

A new Pilot Project at Sonapur Bazari Area has been taken up where 87 CCTVs will be installed and commissioned at different vulnerable points (Coal Heap, Siding and other Sensitive locations) and feed from all 87 cameras will be stored and displayed at Area Control Room through Wi Fi Connectivity.

#### 14.5 Implementation of Integrity Pact Programme:

Integrity Pact has already been implemented in ECL and it is in vogue.

#### 14.6 Observance of Vigilance Awareness Week:

ECL celebrated Vigilance Awareness Week from 30th October, 2017 to 4th November, 2017 as per directives of Central Vigilance Commission. This year the theme of observing Vigilance Awareness Week was "My Vision-Corruption Free India". Integrity Pledge was administered to bring about integrity and transparency in all spheres of activities and also to work unstintingly for eradication of corruption in all spheres of life. Pledge was also administered by the respective GMs/HODs in the Area establishments / Project and Unit levels on 30.10.2017. A Nukkad Natak was performed by the students of D.A.V. School, Nimcha and at ECL, HQ. On 31.10.17, a ceremony to reverently remember Sardar Vallabbhai Patel on the occasion of his 142nd birth anniversary was organized at ECL HQ. During the week long celebrations, banners and posters with anti-corruption slogans were displayed at strategic points in ECL HQ and all the areas / units / establishments. On 31.10.2017 a Motor Cyclathon was organized. The Cyclathon rally covered



various important public areas and roads of Asansol starting from Main Bus Stand to State Bank of India, Main Branch, Asansol spreading the message of Corruption Free India. On 01.11.2017, Awareness Gram Sabha was organized at Sonepur Bazari Area for dissemination of awareness in Gram Panchayats (Bhaluka and Arsola & Kuchibera) sensitizing citizens on the ill effects of corruption through Nukkad Natak performed by students of DAV, Nimcha. On 02.11.2017 a Seminar was organized in the Conference Hall of ECL HQ on "My Vision-Corruption Free India" where Sri Bijendra Kumar, Technical Examiner, CVC was the Guest Speaker. The seminar witnessed fruitful discussions and live interactions on the subjects. On this occasion, the Vigilance Newsletter of 2017, "Sachetana" was released. On 01.11.2017 & 03.11.2017, Essay writing competition / Slogan competition / Poster competition / Skit etc. were organized by Vigilance Department & different Areas of ECL at various Colleges & Schools.

#### 14.7 Important Achievements:

- Several IT initiatives and e-governance, initiated last year, became the pioneer in introducing discount bidding.
- By integrating vigilance activities with normal management functioning, the Company has gained in terms of morale boosting of employees and other stake holders by regular interaction in awareness cum motivation programme. This has been reflected remarkably in production and productivity.
- Regular monitoring by Vigilance Department has helped to check over-reporting and also in recovering a large quantum of monetary gain as penalty from the defaulters.

#### 14.8 Special Achievements

Integrity Index Development Project of CVC undertaken by IIM, Ahmedabad: Initially a set of questionnaires consisting of Unique Business Process, different system of procurement, details of sale, system improvement, IT initiatives, Preventive vigilance, Participative vigilance, punitive vigilance etc was distributed. M/S Eastern Coalfields Limited (ECL) and M/S Western Coalfields Limited (WCL) are from Coal India Limited (CIL). Different set of questions are forwarded to different group of stakeholders like Employees, Senior level officers, Officers & Employees of Vigilance department, Board level officers, Shareholders, important personalities of the Society in and around the Coalfield, Customers, Suppliers etc. During the meeting at CVC held on 28-02-2018 along with IIM faculties, it is learnt that the ranking of ECL has come within top ten companies.

#### 14.9 MoU Target vis-à-vis achievements up to 31st March, 2018

Sl No.	Parameters	Unit	Target for the year 2017-18	Actual Achievement
1	Online Quarterly vigilance clearance updation for senior executives (AGM and above).	% of number of senior executives	100%	Achieved 100%

#### 15.0 PARTICULARS OF EMPLOYEES:

None of the employees received remuneration in excess of limits prescribed under Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 under Chapter XIII of the Companies Act, 2013.

## 16.0 OFFICIAL LANGUAGE IMPLEMENTATION:

ECL HQ and its 11 Areas are situated in 'C' region (West Bengal) where 86% employees are posted. Only 03 Areas are situated in 'A' region (Jharkhand). During the period under review, the following steps have been taken to implement Official Language in our company:

- a. During the period under review, Hindi correspondence has been recorded as 59.27% in Region 'A', 56.72% in Region 'B' and 55.75% in Region 'C'.
- b. All the computers of HQ, as well as Areas have been activated with Unicode and thus made able to work in Hindi.
- c. The certificates being given as memento to the retired employees containing their name, designation length of service etc. were given in Hindi.
- d. The officers and employees of each department were trained to work in Hindi in computers so that the growth in Hindi correspondence could be accelerated.
- e. The practice of sending online Quarterly Progressive Report regarding Official Language to Ministry of Home Affairs, Govt. of India is continuing.
- f. During the period under review, Hindi Pakhwara was organized from 1st September to 14th September, 2017 in HQ as well as Areas also in various competitions were organized for Hindi-speaking and Non-Hindi speaking employees separately. The participants of the competition were awarded with various prizes & certificates. On this occasion, the provisions regarding OL implementation were displayed through display boards in HQ premises.
- g. On the occasion of 'Hindi Pakhwara Samapan Ewam Puraskar Vitran Samaroh', on 21.09.2017, along with the senior officials of the company, Mrs. Alpana Nayak, Asstt. Professor, Shri Shikshayatan College, Kolkata, was present. The Areas and the Departments of HQ having better performance in the field of Official Language Implementation have also been awarded during the Pakhwara.
- h. During the period under review, 11 workshops (on 06.05.2017, 16.06.2017, 05.07.2017, 11.09.2017, 14.09.2017, 15.09.2017, 13.12.2017, 11.01.2018, 30.01.2018, 03.02.2018 and 16.02.2018) were organized.
- i. Akhil Bharatiya Hindi Kavi Sammelan was organized on 18.11.2017 in which the poets of all India level (Mr. Suryakumar Pandey, Dr. Kirti Kale, Dr. Vishnu Saxena, Mr. Prakhyat Mishra and Mr. Sushil 'Sahil') addressed the audience.
- j. Mr. Nirmal kumar Dubey, Honorable Research Officer (Implementation) & Office Head, Regional Implementation Office (East Region), Ministry of Home Affairs, Govt. of India, has visited ECL HQ on 24.11.2017 to inspect the status of Official Language Implementation in ECL. Mr. Dubey praised the activities done and accorded some valuable suggestions to make it better.
- k. The Company ensured the presence in the meetings of Hindi Salahkar Samity of MOC, Gol held on 30.08.2017 & 26.03.2017, Rajbhasha Sammelan for East and North East Regions on 10.03.2018, organized by Official Language Department, Ministry of Home Affairs, Gol, Technical Seminar regarding Official Language on 10.11.2017, organized by Official Language Department, Ministry of Home Affairs, Gol.



- l. Two issues of 'JYOTSNA' (Company's Hindi home magazine) was published during the period under review.
- m. The publication of a Wall Poster "ECL SAMACHAR" in Hindi is still continuing in which different news of ECL & achievements of the employees etc. along with photographs were published.
- n. ECL DARPAN (Bimonthly bulletin, Bilingual - Hindi and Bengali) is being published regularly and its 06 issues have been published during the period under review.
- o. Team ECL won the Third Position amongst 39 teams in quiz competition organized by TOLIC Head Office for its members.
- p. Vishwa Hindi Diwas was organized in ECL HQ. On this occasion, a high level workshop was also organized. Mr. Sanjay Mishra, Honorable Astt. Director (OL), BSNL addressed the same.
- q. The classes of Hindi Praveen & Pragya are running smoothly under Hindi Teaching Scheme.

## **17.0 COMPUTERISATION & I.T. ENABLED SERVICES:**

### **17.1 Activities of e-Tendering Cell in ECL:**

- a. During 2017-18, a total of 4672 tenders were published on ECL/CIL e-Tendering portal out of which a total of 2812 tenders were finalized, 649 were cancelled and the rest are at different stages of finalization.
- b. In-house & remote training/assistance were imparted to areas/workshops using different modern software tools like hangouts, Team Viewer, Ammay Admin, any desk pertaining to processes involved in e-Tendering.
- c. Interaction programme with 96 Nodal officers with respect to new amendment has been conducted at ECL, HQ.
- d. Digital Signature Certificates (DSC) have been arranged for 142 officers of different areas and workshops including HQ during 2017-18.
- e. Average cycle period of completion of tender through e-Tendering portal has been maintained at an average of 50 days in 2017-18. Minimum cycle period of completion of tender through e-Tendering portal is 15 days.

### **17.2 Special Achievements:**

- a. GPS based VTS: GPS based monitoring of Coal Trucks is successfully running in ECL.
- b. E-Office: All ECL HQ officers and staffs are logged in regularly and 100% log in status achieved.
- c. Mobile Apps: Koyla Grahak Seva apps has been developed and are being used by all concerned.
- d. Coal Net: Coal Net software is being used in all areas of ECL. Sales module fully implemented in ECL, Sales Bill with GST is being generated from weigh bridges. Online Material Management module has been implemented in all areas of ECL. Executive salary of all areas is being done through Coal Net. Financial Accounting module of Coal Net implemented in nine areas, HQ and Kolkata Sales Office.

- e. Bio-metric Attendance: Aadhaar based Bio-metric Attendance System has been implemented in ECL, HQ. In all areas of ECL, Bio-metric Attendance System has been implemented.
- f. Asset Portal: ECL Asset data uploaded in CIL Asset Portal developed by WCL.

### 17.3 MoU Target vis-à-vis achievements up to 31st March, 2018:

Sl No.	Parameters	Unit	Target for the year 2017-18	Actual Achievement
1	Login in E-office by Feb-2018 in HQ	% age	70%	Achieved 69.79%

### 18.0 ELECTRONICS & TELECOMMUNICATION:

In order to keep pace with advancement of communication and information technology the following has been achieved in 2017-18:

- a. Wide Area Network in MPLS cloud are spread across HQ (Bandwidth-100 MBPS), all area offices (Bandwidth-10 MBPS), Kolkata Sales Office (Bandwidth-10 MBPS) and all weighbridges (Bandwidth-2 MBPS) totaling to 122 locations.
- b. Lease Internet Lines are provided in HQ and all Area offices with Bandwidth of 55 MBPS and 10 MBPS respectively.
- c. Underground mines are provided with communication system through Auto-cum-manual dial communication system and Central Despatch System.
- d. Open Cast Mines are provided with VHF radio communication system.
- e. 05 Nos. new additional Wide Area Network connections are included to new Road Weighbridges.

### 19.0 LAND ACQUISITION & LAND INFORMATION STATUS:

#### 19.1 i) Status of Land Acquisition:

The status of land acquisition / possession under different modes for the year 2017-18 is as under :

Mode of Acquisition	Acquired (in Ha)	Possession (in Ha)
Direct Purchase of Tenancy land	98.02	98.02
CBA Act	16.7	173.28
Transfer of Govt. Land	12.46	5.44
<b>Total</b>	<b>127.18</b>	<b>276.74</b>

#### 19.2 Transfer of Government Land :

##### West Bengal:

Following cases of transfer of Govt. land are pending for approval from State Govt:

- a. North Searsole OCP, Kunustoria Area, Mouza Bijpur 4.41 acres- An amount of ₹ 2,44,91,447/- deposited at ADM (LR), Burdwan office on 30th November, 2016 for 1.25 acres land. 2.76 acres



of land has been recorded as Patta land. Process for cancellation of pattas and acquisition of Patta land through State Government has started.

- b. Khottadih OCP, Pandaveswar Area, Mouza Bijpur & Balanpur, 17.35 acres- Approval of State Govt. obtained against Govt. land transfer of 7.02 Ha and ₹ 10,49,32,800/- has been paid to the State Govt. as per demand on 29th December, 2016.
- c. New Kenda, mouza Kenda, 2.81 acres –Application submitted for Long term settlement for Govt. land on 26th December, 2016 at DL&LRO.

#### **Jharkhand:**

Transfer of 61.79 Ha Govt. Land for SP Mines Chitra: Application for transfer of 61.79 Ha of Govt. Land was submitted in the year 2010. DC (Deoghar) requested General Manager, S.P Mines to deposit ₹ 15.83 Crore for transfer of 77.75 acres only including 72.07 acres in Sarath Block and 5.68 acres in Palajori Block. On verification, it was revealed that large area of land (approximately 34 acres or more) within 72.07 acres in Sarath Block has already been settled against various Rayati owners. In a meeting held with DC, Deoghar in October, 2016, GM, S.P Mines requested to furnish the details of ownership of the total 61.79 Ha of land for which ECL applied for transfer so that ECL can take decision regarding mode of acquisition. The payment of ₹ 111340574/- as 80% of transfer value has been made by ECL on 2nd March, 2017 but possession from the state Govt. for 28.05 acres of undisputed Govt. land has not been obtained yet. A meeting was held at Ranchi under the Chairmanship of Director (Mining, Industry & Geology), Jharkhand on 20th February, 2018 wherein the matter was discussed and it was decided that necessary directions would be issued by the State Authority to the District Administration for taking immediate necessary action for resolving the issue at the earliest.

#### **19.3 Progress under CBA (A & D) Act, 1957:**

Sl.No.	Name of Project	Status
1	Lalmatia Coal Block Phase X	Notification u/s 11 (1) published in Gazette of India vide S.O. no. 750 Dated 24th March, 2017.
2	Lalmatia Coal Block Phase XI	Notification u/s 11 (1) published in Gazette of India vide S.O. no. 2213 Dated 19th Sept., 2017.
3	Jhanjra Combined Project	<ol style="list-style-type: none"> <li>a. Notification u/s 4 (1) published in Gazette of India vide S.O. no. 1254 dated 19th May, 2017.</li> <li>b. Notification u/s 7 (1) published in Gazette of India vide S.O. no. 1103(E) dated 9th March, 2018.</li> </ol>

#### 19.4 Status of Rehabilitation:

During the year 2017-18 following action has been taken in respect of Rehabilitation:

Name of Area	Plots Given	Monetary Compensation in Lieu of Plot	Total PAPs/Household for which R&R benefits given	Actual PAFs shifted
Salanpur	31	0	0	0
Jhanjra	0	1	1	1
Rajmahal	0	96	96	683
Total	31	97	97	684

#### 19.5 Special Achievements:

- Collection of Land Records for 18.44 acres land at Sidhabari Mouza- The land records were collected from the villagers after rigorous searching in the village and also requisite Calcutta Gazette notifications were found from National Library, Kolkata.
- Collection of Land Records for 17.90 acres land at Regional Hospital, Salanpur, Nekrajuria Mouza- The land records were collected through the same process.
- Collection of Land Records for 10.57 acres land at Chora mouza, Kenda Area- The land records were collected through the same process.
- Collection of Land Records for 23.55 acres land at Central Hospital, Kalla Mouza, Asansol. The land records were collected through the same process.

#### 20.0 SECURITY MANAGEMENT:

The aim of Security Department is to protect men and materials of the company and to curb coal theft & illegal mining activities. Company is having 03 (three) type of security set-up :

- ECL Security – 1323 persons.
- CISF – 1250 persons.
- Home Guard – 170 persons.

##### ECL Security:

The main duty of ECL Security is to guard the company's property i.e. Offices, Stores, Explosive Magazines, Coal Depots, Sidings, Establishments and escorting of VIPs as and when required by the Management. Escorting of Loaded Railway Rakes, Tipping Trucks/Dumpers from coal depots/sidings to railway Weigh Bridges respectively till the weighment is done. The raids are also conducted throughout the year by security personnel and CISF in conjunction with local Police. Accordingly seizure of coal, vehicles and apprehension of miscreants are also done during the course of raids and subsequently the same is handed over to the local Police Station. ECL Security personnel are also been deployed during the time of strike/gherao/demonstration/hunger strike and any type of law and order problem in ECL Areas/Unit /collieries. Technical security monitoring/surveillance like CCTV, GPS based Vehicle Tracking Monitoring System (VTMS) are also managed by ECL Security at all Areas/units of ECL.




**CISF:**

CISF is deployed for static duty at Rajmahal, Sonepur Bazari, S.P. Mines area of ECL only and other areas of ECL have CISF raid camps for raid/surveillance duty. They remain on mobile duty to conduct raids against illegal mining, illegal trafficking of coal and illegal coal depots and also CISF personnel deployed strike/gherao/demonstration/hunger strike and any type of law and order problem in ECL area/units. Recently 210 additional CISF has been sanctioned by Ministry of Home Affairs (MHA) and have been deployed for guarding of explosive magazines at respective areas of ECL.

**Basic Problems of Security:**

- a. Acute Shortage of Security Executives & other ranks of Security Personnel which are required to get fulfilled for smooth security operation. More manpower is specially required for constituting Quick Reaction Teams (QRTs) in all Areas as well as in Headquarters.
- b. QRT/Surveillance vehicles need to be equipped with Security Gadgets like PTT Motorola Communication Set. Siren/Amber light is required at all areas of ECL for smooth patrolling and raid duties.

**Steps taken for revamping of security at ECL:**

- a. Installation of CCTV and other techno-gadgets are in progress at Explosive Magazines, Central Stores and Railway sidings and other sensitive posts of respective Areas of ECL.
- b. Arms training by CISF Instructor have been imparted to Security Guards of ECL who will be deployed for guarding Explosive Magazines after inclusion of their name as Armed Retainer in the Arm's licenses held by ECL.
- c. Basic training has been imparted to other category employees (both male and female) who will be deployed as Security Guard (SG)/ Lady Security Guard (LSG) post completion of Security Training.
- d. Utilisation of Technical-gadgets like GPS based Vehicle Tracking Monitoring System (VTMS) and CCTV surveillance has been introduced in all Areas of ECL to curb Coal theft/pilferage.

**Steps being taken to check/prevent the illegal mining/transportation of coal:**

- a. Intelligence collection
- b. Dozing off / filling up / sealing the illegal coal mining sites and subsidence areas by departmental Pay-loaders/dozers and sometime contractually.
- c. Surprise checks/raids by CISF, ECL Security along with Police and seizure of illegal coal along with involved vehicles and apprehension of miscreants and subsequently handing over them to the local Police Station.
- d. Regular meeting of Central level on illegal mining, State level meeting with State Authorities of WB and Jharkhand State and District level meeting (Burdwan, Bankura, Purulia and Birbhum of West Bengal and combined District level meeting of Jharkhand) with District Authorities.

- e. The concerned Police Stations are advised by District Authority or Sub-Divisional Authority to increase their vigil check to stop re-opening of the dozed illegal mining spots.
- f. Frequent inspection of illegal mining sites under leasehold area of ECL by Team consisting of General Manager, Area Survey Officer, Area Security Officer along with CISF Rep. and accordingly meeting are held at Commandant, CISF office regularly.
- g. Steps have been taken for constitution of Security Co-ordination Committee for Asansol Subdivision for reviewing the status of illegal mining.

#### Steps taken to check/prevent theft of coal:

- a. Surprise checks/raids are conducted by ECL-Security along with CISF Personnel to prevent theft of Coal. During the course of checks/raids they seized coal, apprehended miscreants and lodged FIRs/Complaint at local Police Station.
- b. Armed Security Personnel escorting Coal loaded Rakes from siding to Railway weigh-bridge.
- c. After setting up of Commissionerate from 1st September, 2011 onwards at Asansol Durgapur, there has been improvement in curbing of Coal theft activities. Commissionerate Officers in co-operation with CISF and ECL Security have taken various steps which resulted in reduction in Coal theft activities in West Bengal areas of ECL.
- d. GPS based Vehicle monitoring system introduced at all Areas is a step to curb theft of coal.
- e. GPS Vehicle Tracking Monitoring System (VTMS) has been commissioned and installed successfully at all the Areas of ECL which was working satisfactorily.

#### A) Details of Seizure of Illegal Trafficking Coal and Illegal Mined Coal by CISF, ECL Security, DGR sponsored security personnel and Local Police:

Year	State	No. of Raids	Coal seized (tonne)	Vehicles seized	Person Apprehended	FIRs Lodged
<b>Seizure of Coal from illegal Trafficking</b>						
2017-18	West Bengal	1042	8667.24	47	35	153
	Jharkhand	422	2346.53	02	01	22
	Total	1464	11013.77	49	36	175
2016-17	Total	1669	11305.42	56	76	276
	Variation	-205	-291.65	-7	-40	-101
<b>Seizure of Illegal Mined Coal by ECL Security, CISF &amp; Local Police :</b>						
2017-18	West Bengal	629	115.29	-	3	72
	Jharkhand	58	-	-	-	12
	Total	687	115.29	-	3	84
2016-17	Total	680	1259.40	7	-	14
	Variation	7	-1144.11	-7	3	70



The data given above is the seizure made by CISF, ECL Security along with Police, outside the Colliery premises. The above coal was being carried by Trucks either from illegal mining sites or illegal trafficking/illegal coal stocks.

During the course of dozing off/sealing/filling up of the illegal mining sites the ECL security along with CISF and local Police are also deployed at the dozing points within leasehold and outside the leasehold areas. In the year 2017-18, 642 sites were dozed/sealed to curb the illegal coal mining. The State administration is actively involved to curb the menace of illegal Coal Mining and Pilferage of Coal.

#### B) Theft/Recovery of other materials.

Year	2017-18	2016-17	Variation (Increase/decrease)
No. of Incidents	107	73	34
No. of FIRs/ Info.	61	24	37
Property Stolen (in ₹ )	16,94,808.18	7,09,423.44	9,85,384.74
Property recovered (in ₹ )	1,43,540.20	281300	-1,37,759.80
Person Apprehended	07	2	05

#### 21.0 OUTSOURCING OC PATCHES:

In 2017-18, company produced 251.99 LT of coal and raised 898.45 L.Cum OB from 32 outsourced OC patches registering a growth of 5.71% in coal production and shortfall of 11.93% in OB removal against previous year's figure of 238.38 LT of coal and OB removal of 1005.62 L. Cum from 40 outsourcing OC Patches.

#### 22.0 CORPORATE GOVERNANCE:

Corporate Governance is a process that aims to meet shareholders aspirations and societal expectations. It is a commitment that is backed by the fundamental belief of maximizing shareholders value, transparency in functioning, values and mutual trust amongst all the constituents of organisation. Corporate Governance is a culture that guides the Board, management and employees to function towards the best interest of shareholders. It involves essentially a creative, generative and positive thinking activity that adds value to the various stakeholders that are served as end customers of the corporate entity.

ECL is committed to achieving highest level of transparency, openness and accountability and fairness in all areas of operation, meeting the aspirations of all its stakeholders with primary objective of enhancing shareholders value, timely and balanced disclosure of all material information to all the stakeholders and protection of their interest. The Company has put in place a sound system of internal control to mitigate the risks and comply with the laws of land, rules & regulations in true letter and spirit with a view to provide oversight and guidance to management in strategy implementation.

In our Company, Corporate Governance philosophy stems from our belief that corporate governance is a key element in improving efficiency and growth as well as enhancing investor confidence and accordingly the Corporate Governance philosophy has been scripted as under:

“As a good corporate citizen, the Company is committed to sound corporate practices, based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long term success.”

A report on Corporate Governance of your company is placed at **ANNEXURE-VI** and a certification from Auditors regarding compliance of conditions of Corporate Governance by your company for the year ended 31st March, 2018 is also placed at **ANNEXURE-VII** to this report.

The annual return of the company for the financial year 2017-18 pursuant to section-92 of the Companies Act, 2013 is available on our website - [www.easterncoal.gov.in](http://www.easterncoal.gov.in) (**Annexure - IX**)

### 23.0 ACKNOWLEDGEMENT:

Your Directors express their sincere gratitude to Govt. of India in general, Ministry of Coal, Govt. of West Bengal, Govt. of Jharkhand and Coal India Limited in particular for their valuable guidance and co-operation throughout the year towards attainment of the objectives of the company. Your Directors also thank all the operating Trade Unions for their co-operation and to the employees of the Company at all level for their sincere and dedicated services rendered by them in the functioning of the Company. They are fully confident that the employees of all ranks would continue to strive hard to improve the performance of the company in the coming years.

Your Directors acknowledge with thanks the assistance and guidance received from Statutory Auditors, Cost Auditors, Secretarial Auditors, Tax Auditor, Concurrent Auditor, Bankers, Registrar of Companies, West Bengal and Comptroller and Auditor General of India. Your Directors also wish to place on record their sincere thanks to the valued customers and consumers for their patronage to the company.

#### The following papers are annexed to the Report:

- i) Comments of the Comptroller and Auditor General of India under Section 143(6) of the Companies Act, 2013.
- ii) Secretarial Audit Report in Form No.-MR-3, given by Company Secretary in Practice pursuant to Section 204(1) of the Companies Act, 2013 (**Annexure-VIII**).
- iii) Foreign exchange earnings and outgo (**Annexure-X**).
- iv) Details about research and development activities of the company (**Annexure-XI**).
- v) Addendum to the Director's Report under Sec. 134(2) and 134(3)(f) of the Companies Act, 2013 stating Statutory Auditor's Report, Secretarial Audit Report and Management's reply thereon.

For and on behalf of the Board of Directors



(Sunil Kumar Jha)

Chairman-cum-Mg. Director

DIN : 08039292

Sanctoria,

Dated: 6th July, 2018

## Status of CIL R&D Projects being implemented in command area of ECL upto 31st March, 2018

Name of the Project	Financial Outlay (₹ in Lakh)	Date of Start	Revised / scheduled date of completion	Progressive Disbursement (₹ in Lakh)	Status
Underground Trapped ner Location system. Project code - CIL/R&D 35/10 Implementing agency: TCS, CMC & CMPDIL (E), Ranchi	489.70	15th January, 2010	March, 2015	447.86	Successful field trial of MF System completed Jhanjra UG mine, ECL. Applied to DGMS to g permission for field trials of composite system last week of January, 2016 on R&D basis. DGM vide letter no.S-29023/481/2016/S&T(HQ)/894 date 25.08.2017 desired project proponents to ma detailed discussion/presentation before issuance field trial permission of the composite syste developed under the above project by TCS/CM Kolkata. CMPDI has requested TCS/CMC, Kolka to prepare necessary technical documents an finalize the appropriate suitable date with DGM Dhanbad for detailed discussion /presentation f seeking field trial permission of the composi system developed under the above project.
Development of Rubber Compound and Repair Techniques for Trailing Cables of Under- ground Mining Machines Project Code : CIL/R&D 54/2013 Implementing Agency : Kharagpur and ECL	204.07	March, 2013	Feb. 2016	202.65	The project has been completed and final completio report is under preparation. Under this project, repa of one trailing cable of 25sq.mm dia. and 70 mete length collected from Patmohana Colliery, ECL wi rubber compound developed by IIT, Kharagpur ha been completed and different tests were carried o on the cable before final delivery to the collier Another piece of damaged trailing cable, 55sq m dia and 125 meters length collected from J Ropeways has also been repaired with ne developed rubber. High voltage testing of cable ha been performed and weak and defective portio were removed and healthy segments havin acceptable insulation resistance value have bee spliced. In January2015, IIT, KGP has received 561

Name of the Project	Financial Outlay (₹ in Lakhs)	Date of Start	Revised / scheduled date of completion	Progressive Disbursement (₹ in Lakh)	Status
					damaged trailing cables from ECL, which are required to be rectified and sent back to ECL for field trial. After repairing the damaged cables, IIT, Kharagpur will send them to mines of ECL for field trial. Performances of these cables are being monitored for achieving final conclusion.
To find a methodology of safe liquidation in thick seams of Raniganj coalfields: Design & development & showcasing demonstrative trials at Khottadih colliery, ECL. Project Code: CIL/ R&D/1/3/2014. Implementing agencies: CIMFR, Dhanbad & ECL.	41.066	July, 2014	June, 2016	30.00 CIMFR-10.00 ECL-20.00	Project has been completed and final project completion report is under preparation at CIMFR, Dhanbad.
High ash coal gasification and associated upstream and downstream processes (Coal to Chemicals, etc). Project Code: CIL/R&D/03/2076. Implementing agencies: IIT-ISM, Dhanbad, IIT-Roorkee, CMPDI, Ranchi, ECL, Sambalpur, ECL, Jharkhand and CCL, Ranchi. Technical collaboration of IIT-ISM, Dhanbad with Australian universities: i) Curtin	2160.721 For IIT -ISM- 1872.007 For IIT, Roorkee - 131.804 For CMPDI, Ranchi - 156.910	-	-	-	Literature survey completed. Specification of all the equipment required for the project is in progress. In addition to this design indigenous equipment are in progress. Detailed discussion with experts regarding design and fabrication of some equipment is in progress. A meeting was convened at CMPDI, Ranchi, involving IIT-ISM, Dhanbad, CMPDI, CCL, MCL and CIL (HQ), Kolkata regarding identification of mines/seams at MCL, CCL and ECL for collection of coal having high ash % required for this project.

Name of the Project	Financial Outlay (₹ in Lakhs)	Date of Start	Revised / scheduled date of completion	Progressive Disbursement (₹ in Lakh)	Status
University, Western Australia, Perth-6102, ii) The University of Melbourne, Melbourne, Victoria 3010, Australia and iii) Monash University, Clayton, Victoria 3800, Australia.					
Assessment of applicability and performance of Ground based Interferometry Synthetic Aperture Radar (GblnSAR) in safety zoning of surface mining slopes. Implementing agencies: IIT, Kharagpur and ECL, Sanctoria. Project Code No: CIL/R&D/01/65/2017	478.27 For IIT, KGP-478.27 For ECL- Nil	1 <sup>st</sup> Aug, 2017	31 <sup>st</sup> July, 2019	430.00	Preliminary literature survey completed. Equipment procurement is in progress. IIT, Kharagpur applied to WPC for permission to use the land which is awaited.
Optical fiber based solar illumination of pit bottom and underground mine roadways and working face. Implementing agencies: IIT, Kharagpur and ECL, Sanctoria. Project Code No: CIL/R&D/01/66/2017	155.53 For IIT, KGP-155.53 For ECL- Nil	1 <sup>st</sup> Aug., 2017	31 <sup>st</sup> July, 2020	120.00	Preliminary literature survey completed. Equipment procurement is in progress.

Name of the Project	Financial Outlay (₹ in Lakhs)	Date of Start	Revised / scheduled date of completion	Progressive Disbursement (₹ in Lakh)	Status
Requirement of air in mine for Mass Production Technology. Project Code: CIL/R&D/01/63/2016 Implementing Agency: JMD, CMPDI(HQ), Ranchi	491.27	1 <sup>st</sup> November, 2016	31 <sup>st</sup> October, 2019	-	Literature survey completed. Specification of all equipment required for the project has been completed.
Development of guidelines for prevention & mitigation of explosion hazard by risk assessment and determination of explosibility of Indian coal incorporating risk based mine emergency evacuation and re-entry protocol. Project code: CIL/R&D/1/60/2016. Implementing agencies: CIMFR, Dhanbad, ISM, Dhanbad, S&R Division, CIL (HQ), Kolkata and SIMTARS, Australia.	1629.71 For IIT-ISM-833.57 For CIMFR-796.14	15 <sup>th</sup> April, 2016	14 <sup>th</sup> April, 2019	1167.76 ISM-410.00 CIMFR-757.76	<p><b>CIMFR, Dhanbad:</b> Electromagnetic sieve shaker, Programmable furnace and Electronic balance, bomb calorimeter, programmable air oven up to 2000°C, particle size analyzer has been procured. Procurement for procurement of 20L explosion chamber along with some other required equipment is in progress at CIMFR, Dhanbad. Sample collection from 25 mines of BCCL, MCL and CCL has been completed. Samples collection from remaining mines is under progress. Proximate analysis, DSC &amp; Critical oxidation analysis of samples collected from BCCL and CCL have been completed. CFD simulation work of dispersion modeling in 20L explosion chamber is under process at CIMFR, Dhanbad.</p> <p><b>IIT-ISM, Dhanbad:</b> Design of experimental set up is being done in consultation with SIMTARS. Equipment procurement is in progress at IIT, Dhanbad. All documents related to equipment procurement have been prepared and will be placed shortly in the IIT, Dhanbad Board for permission. After getting approval from IIT, Dhanbad Board, order will be placed for procurement of equipment.</p>



**Status of Coal S&T Projects funded by MoC being implemented in command area of ECL upto 31st March, 2018**

Name of the Project / With Code	Financial Outlay (₹ in Lakhs)	Date of Start	Scheduled / Revised date of completion	Progressive Disbursement (₹ in Lakhs)	Status
<p>Development of tele-robotics and remote operation technology for underground coal mines (EoI)/162. Implementing Agency : CMERI, Durgapur, CIMFR, Dhanbad &amp; CMPDIL, Ranchi</p>	<p>440.12 For CMERI - 251.57 For CIMFR - 125.55 For CMPDIL - 63.00</p>	<p>Sept., 2012</p>	<p>June, 2018</p>	<p>373.00 CMERI-235.00 CIMFR - 75.00 CMPDIL-63.00</p>	<p>Under the project, tele-robot has been developed and field trial conducted at Khottadih mine of ECL. The developed robot is capable of monitoring environmental parameters viz. percentage of CO<sub>2</sub>, CH<sub>4</sub>, O<sub>2</sub>, and also humidity &amp; temperature. The real time graphical-user-interphase (GUI) based navigational camera is capable of displaying the status of robot and 3D representation of operational environment of the underground mines from sensor data. Long range communication with the robot through multiple wireless routers was also established. Completed project report was discussed in the 17<sup>th</sup> meeting of the Technical Sub-Committee of SSRC held on 22.12.2017. The committee deliberations, advised project proponents to conduct further field trial after getting approval from DGMS to fine tuning the above developed robot. The Committee also recommended time extension of the project up to June, 2018 to complete the field trial.</p>
<p>Blast design and fragmentation control- key to productivity - MT/164 Implementing agency: CIMFR, Dhanbad</p>	<p>303.86</p>	<p>Jan., 2013</p>	<p>September 2016</p>	<p>250.00</p>	<p>Project completion report has been submitted by CIMFR:  <ul style="list-style-type: none"> <li>• Blast design parameters have significant influence on rock fragmentation by blasting. The experimental trials with variation in burden and spacing with constant charge factor reveal that the mean fragment size decreases with decreasing burden and spacing.</li> <li>• Experimental trial with constant burden and spacing and variable charge factor imply that there is decrease in mean fragment size with increasing charge factor.</li> <li>• The scattering in delay detonators affects the firing sequence of the blast holes and subsequently the explosive weight per delay has been got changed. These changes are mainly due to the malfunctioning of the detonators and had influence the desired fragmentation level with increased level of blast.</li> </ul> </p>

Name of the Project / With Code	Financial Outlay (₹ in Lakhs)	Date of Start	Scheduled / Revised date of completion	Progressive Disbursement (₹ in Lakhs)	Status
					<p>variation. Thus, there is significant impact of de timing and firing sequence on rock fragmentation which influence the blast performance.</p> <ul style="list-style-type: none"> <li>It is observed that stiffness ratio plays an important role in terms of blast fragmentation output and best optimum value come around 3. Change in burden or spacing has significant effect on rock fragmentation. In case of high stiffness value, it is easy to displace and deform rock especially at the center of the bench but in other hand, there can be a problem relating to blast hole deviation. Thus, to get better results the stiffness ratio should be more than 2.</li> <li>The outcome of the project was deliberated in the 17<sup>th</sup> meeting of the Technical Sub-Committee of SSRC held on 22.12.2017. The Committee after detailed deliberations, advised CIMFR, Dhanbad to submit the certificates from mine management where field trial under this project were undertaken. Certificate from concerned mine are yet to be submitted by CIMFR</li> </ul>
<p>methane gas potentiality evaluation of Damodar basin of India-CE(EoI)/30 Implementing Agency : NGRI, Hyderabad, CIMFR, Dhanbad and CMPDIL, Ranchi</p>	<p>2038.09 For NGRI-813.84 For CIMFR-169.95 For CMPDIL -1054.30</p>	<p>Dec.-2012</p>	<p>May-2017</p>	<p>1166.87 NGRI-660.00 CIMFR-140.00 CMPDIL-366.87</p>	<ul style="list-style-type: none"> <li>All the equipment has been procured under this project. Rangamati B Block at Raniganj coalfield and Radha Nagar Piparatand block in Jharia coalfields have been selected as suitable site for conducting 3D seismic survey. Petrographic analysis, adsorption isotherm test, proximate analysis etc. have been carried out at CIMFR, Dhanbad and NGRI, Hyderabad from the collected shale samples. 3D seismic survey has been carried out by NGRI, Hyderabad for an area of 2.4 Sq. Km out of 3.2 Sq. Km in Rangamati B block. Analysis of procured data is being carried on.</li> <li>3D seismic survey at Radha Nagar Piparatand block of Jharia coalfields is in progress.</li> </ul>



## Annexure - III

## 3.14 Project Monitoring and Status of Implementation of Ongoing Projects :

Sl. No.	Name of Project	Capacity (MTY)	Capital (₹ Cr.)	Date of Approval	Scheduled date of completion	Anticipated date of Completion	Status of Implementation
1	Sonepur-Bazari Combined OC	8.00	1055.05	August, 2012	March, 2018	March, 2020	Production achieved in 2016-17: 8.92 Mty 2017-18: 9.72 Mty Construction of Railway siding is under progress. Possession of land and R&R are under progress.
2	Hura-C OC	3.00	359.69	October, 2015	March, 2022	March, 2022	Stage-II Forestry Clearance and land possession are under process.
3	Jhanjra Combined PR	3.50	602.86	November, 2015	March, 2022	March, 2022	Production achieved in 2016-17: 2.44 MTY. 2017-18: 3.17 Mty Production from LHCM sets are expected in 2018-19.
4.	New Kenda OCP	1.20	127.72	November, 2014	March, 2019	March, 2020	Land possession and Rehabilitation are under process. OB removal started on 22-11-16. Work was suspended by order of Hon'ble HC. NGT on 3-10-17 recommended for the start of work. Dewatering has been completed. Production is likely to be started by April-2018.
5	Kumardih-B CM UG	1.02	117.91	May, 2014	March, 2023	March, 2023	(i) Progress of Incline No. I.: Drivage upto 213.80 m from RCC Wall. (Total: 317.00 m). Progress of Incline-II: 103.20 m length Excavation Completed. (ii) Tender for CM Package opened on 24-11-2016. LOA for supply of LHCM on hiring basis issued on 06-03-18.
6	Chitra East OC	2.50	112.69	August, 2007	March, 2013	March, 2020	2016-17:1.18 Mty 2017-18:1.56 Mty Stage-II Forestry Clearance, land possession and R&R are in progress.

Sl. No.	Name of Project	Capacity (MTY)	Capital (₹ Cr.)	Date of Approval	Scheduled date of completion	Anticipated date of Completion	Status of Implementation
7	Mohanpur Expansion OC	1.00	14.23	June, 2008	June, 2013	June, 2018	Production achieved in 2016-17: 0.999 Mty 2017-18: 0.999 Mty Land possession and R&R activities are in progress.
8	Khottadih Continuous Miner UG	0.60	127.17	May, 2015	March, 2016	December, 2019	Incline drivage completed. Other Mine development jobs are in progress. LOA for supply of CM issued on 26-04-17. Agreement is expected to be signed in April-2018
9.	Khottadih Expansion OCP	1.60	140.25	May, 2017	March, 2020	March, 2020	Production achieved in 2017-18: 1.28 Mty Possession of land and R&R are under progress.
10	Narainkuri UG	0.54	149.06	February, 2009	March, 2015	PR under Recast	PR under Recast
11	Siduli UG	0.30	54.99	December, 2006	March, 2015	PR under Recast	Recast PR has been approved by ECL Board on 1-9-2017. It has been sent to CIL for final approval.
12	Nabakajora-Madhabpur Block UG	0.30	56.14	December, 2006	March, 2014	PR under Recast	PR under Recast
13	Khandra NKJ	0.285	18.81	July, 2003	March, 2009	PR under Recast	PR under Recast
14	Parasea-Dobrana UG	0.16	11.89	February, 2004	March, 2009	PR under Recast	PR under Recast
15	Belbaid UG	0.36	69.01	February, 2009	March, 2014	PR under Recast	PR under Recast
16	Bankola R-VI	0.24	19.14	March, 2003	March, 2009	PR under Recast	PR under Recast



## MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT-2017-18

### **Overview of the Indian economy:**

With estimated GDP, on a purchasing power parity basis, India is the 3rd largest economy in the world after the United States and China. India has emerged as the fastest growing major economy in the world as per Central Statistics Organisation (CSO) and International Monetary Fund (IMF). The ministry has laid stress on the coal sector achieving cost effectiveness, improving viability of mines by effective and efficient mining, ensuring safety measures, continuing the quality thrust and foremost on customer satisfaction. Coal is one of the prime fuels in India and will continue to be crucial to India's future energy security.

### **Indian coal industry and reserves:**

As on April, 2017, the geological resource of Indian coal was 315.14 BT up to a depth of 1200 m. (Source: GSI, Gol). In India, coal is the prime fuel used to fire thermal power plants due to its availability and affordability.

### **OUTLOOK:**

#### **Overview of Eastern Coalfields Limited:**

Eastern Coalfields Limited (ECL) a subsidiary of Coal India Limited was incorporated on 1st November 1975 by taking over 414 mines vested with Eastern Division of Coal Mines Authority Limited (CMAL) and the company commenced its commercial operation from that date. It operates in the states of West Bengal and Jharkhand. There are 14 number of operating areas with 84 number of working mines, 55 being underground mines, 19 opencast mines and 10 mixed mines. ECL is one of the best quality coal producing companies in India having a reserve of 31.64 Billion Tonne of Coal as on 1.4.2017 in the state of West Bengal and 18.55 Billion Tonne in the state of Jharkhand and thus the total is 50.19 Billion Tonne.

### **Strength and weakness:**

#### **Competitive Strength:**

- a) Total geological reserve of 31.64 Billion Tonne of Coal, out of which 13.72 Billion Tonne is in the proven category. ECL has premium grade of coal with average ash content less than 20% at Raniganj Coalfields. This coal can be blended with high ash coal from other subsidiaries to satisfy MoEF stipulations.
- b) Reserves of 18.55 Billion Tonne of Coal down to a depth of 600 metre as on 01.04.2017 (as per GSI) in the state of Jharkhand out of which 5.07 BT is proven reserve, where scope for comparatively easy extraction of coal by open cast mining exists.
- c) Workmen capable of working in difficult conditions.
- d) Mines are located along National Highway and Railway Corridor facilitates easy evacuation.
- e) ECL is blessed with coal having wide range of GCV i.e. 6700 kcal/kg to 3401 kcal/kg (G3-G13) thereby making it accessible to wide range of consumers.

**Weakness:**

- a) The coal mining in the Raniganj coalfield had started about 150 years back. Hence the company is loaded with old legacy of small mines, old steam winders working at much below of its rated capacity.
- b) Difficult geo-mining condition.
- c) Dense population impedes acquisition of land.
- d) Huge infrastructure built on coal bearing areas hinder open cast mining.
- e) Huge pumping and sand stowing cost.
- f) Upper water-logged seams impede introduction of Mass Production Technology in lower seams.

**Opportunities and Threats:****Opportunities:**

- a) Realisation of better value for coal through e-marketing.
- b) Recourse working small OC patches to curb illegal mining.
- c) Positive response from Central Trade Unions to issues involving production and productivity.
- d) Increasing co-operation from State Governments/local authorities in solving the problems.
- e) Introduction of Highwall Mining Technology.
- f) Exploration and exploitation of Coal Bed Methane (CBM) under ECL lease hold area.

**Threats:**

- a) Opposition to acquisition of land by villagers and putting demand beyond the Company's norm.
- b) Opposition to closure of unviable underground mines.
- c) Land constraints in introduction of mass production technology in large scale owing to waterlogging of upper horizon & expansion of OC.

**Business Strategies:**

- a. Continue to increase production, productivity and capitalize on the significant demand-supply gap for coal in India.
- b. Improve realization through increased sale of higher quality coal, and e-auction of coal.
- c. Enhance profitability and maintain competitiveness by improving operating and cost efficiencies.
- d. Continue to increase our reserve base by detailed exploration.
- e. Continue to focus on developing environmentally and socially sustainable operations.
- f. Exploration and exploitation of Coal Bed Methane (CBM), Coal Mine Methane (CMM) and gasification for additional revenue generation.
- g. Closure of unviable mines.
- h. Rationalisation of manpower.

**PRODUCTION:**

Particulars	2017-18	2016-17
OCP - Coal (MT)	34.965	32.391
Underground Coal (MT)	8.603	8.127
Total (MT)	43.568	40.517
Growth %	7.53	0.77
OBR- (MCUM)	118.895	124.637
Growth %	-4.61	4.45

**SEGMENT-WISE OR PRODUCT WISE PERFORMANCE:**

(in Million Tonnes)

Particulars	2017-18	%	2016-17	%	Growth (%)
Despatch to Outsiders under FSA	39.093	89.60	38.283	88.99	2.12
E-auction	3.059	7.01	2.190	5.09	39.66
Despatch under MoU	1.192	2.73	2.264	5.26	-47.35
Others	0.090	0.21	0.071	0.17	26.76
Own Consumption	0.195	0.45	0.211	0.49	-7.58
Total Off-take	43.629	100.00	43.019	100.00	1.42

**Our Customers:**

Majority of coal produced in ECL is supplied to Thermal Power Plants. In addition coal is also supplied to various industries that include Steel, Cement, Sponge Iron, Defence & others.

**Transportation, Infrastructure and Logistics:**

Following the extraction of coal from a mine/working face, coal is transported to despatch points through tipping trucks and conveyor belts. Coal is delivered to the customers from the despatch points through rail, road or dedicated rail MGR system. All consignments dispatched are weighed either at ECL owned weighbridges available at our despatch points or to the nearest weighbridges owned by Railways. Our sales are either "free on rail" or "free on road" from the designated despatch points. Customers may choose the mode of transport between rail and road. The cost of transportation of coal from the mines to designated despatch points is borne by the customers. The following table shows information relating to various modes of transportation utilized for raw coal despatch from our mines:

(in Million Tonne)

Mode of Despatch	2017-18	2016-17
Rail	30.430	29.155
Road	1.814	1.464
Merry-Go-Round(MGR)	11.191	12.188
<b>Total</b>	<b>43.435</b>	<b>42.807</b>

### **Pricing of Coal:**

The pricing of Non-Coking Coal is presently based on its Gross Calorific Value w.e.f. 01.01.2012 and that of Coking Coal & Washery Grade Coal is set on the basis of ash level content. Pricing of coal for Semi Coking Coal is set on the basis of ash & moisture content level. The coal price is revised considering the escalation in input cost, inflation and landed cost of imported coal. The final customer price includes basic price and other charges (Cess, Royalties, Excise, Sales Tax and others). Around 90% of Coal is sold under the long-term fuel supply agreements (“FSAs”) executed between ECL and the linked customers. In addition, coal is also sold under E-auction scheme.

### **Distribution and Marketing Policy:**

NCDP has been issued on October 18, 2007 with an objective to meet the demand of coal from consumers of different sectors of the economy, both on short term and long term basis, in an assured, sustained, transparent and efficient manner with built-in commercial discipline.

### **E-Auction Scheme:**

The E-Auction scheme of coal has been introduced to provide access to coal for customers who are not able to source their coal requirement through the available institutional mechanisms under the NCDP. The quantity of coal to be offered under E-Auction is reviewed from time to time by the MoC. The E-auction scheme provides an avenue for additional coal procurement by customers.

### **Fuel Supply Agreements:**

In accordance with the terms of the NCDP, Coal Company has entered into legally enforceable FSAs directly with the customers or with State Nominated Agencies that in turn enters into appropriate distribution arrangements with end customers. Our FSAs can be broadly categorized into:

1. FSAs with customers in the power utilities sector, including State power utilities, private power utilities (“PPUs”) and independent power producers (“IPPs”);
2. FSAs with customers in non-power industries (including captive power plants (“CPPs”))
3. FSAs with State Nominated Agencies and
4. FSAs through linkage auction route.

### **RESEARCH AND DEVELOPMENT**

For research and development needs ECL engaged CMPDIL, which is one of the subsidiary of CIL. CMPDIL acts as a nodal agency for coordination of the research activities, disbursement of funds as well as monitoring the progress of our research and development activities.

### **MEMORANDUM OF UNDERSTANDING BETWEEN EASTERN COALFIELDS LIMITED AND COAL INDIA LIMITED AND MINISTRY OF COAL:**

ECL entered into a MoU with CIL to set various parameters for physical and financial performances. For the year 2016-17, ECL has obtained “Good” grading.





## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has in place, a sound Internal control system in its' day to day operation for the efficient running of business through necessary compliance with different guidelines and procedures.

There are different Manuals in operation (e.g. Manuals for Purchase, Civil, Finance, Contract Management etc.) with detailed laid down procedures, which are required to be followed in the day to day functioning. At times the Manuals are supplemented by circulars which are issued from time to time by the competent authority as and when deemed fit, in furtherance of the objective of the organization. The Manuals/ Circulars not only provide requisite checks and balances at different stages in the system, but also provides extensive guidance in minimizing errors, omission or commission and thereby render the system more effective.

The Delegation of power (DOP) is comprehensive and it percolates down to the colliery/unit level to ensure that the decisions are taken promptly at various levels in terms of DOP depending upon materiality & importance. Thus there is a smooth decision making process which ensures timely decisions on all important issues at the different levels. In order to ensure that requisite checks and balances are in place & related internal control systems are in order, regular and exhaustive Internal Audit is being carried out by experienced firms of Chartered / Cost Accountants throughout the year. C&AG also conducts transaction audit throughout the year in which justification in support of expenditure incurred and related Internal Control aspects are analysed in- depth. Observations, if any, pointed out in the Inspection Report of C&AG Office are appropriately appraised in detail by the management. Proper justifications in accordance with laid down procedural norms are offered and / or corrective actions are taken as and wherever applicable.

The Audit Committee of the Company / CIL maintains a close watch on the internal control systems and related procedural applications in existence. Significant observations of Internal Auditors are placed before the Audit Committee for periodical review. The Directives (if any) issued by the Audit Committee upon consideration of such observations are duly noted for necessary compliance and implementation.

The Internal Audit Department also undertakes special audit assignments on specific issues as and when required by the Management. While conducting such special audit/enquiry, the Internal Control system in operation is also examined in-depth vis-à-vis the resultant lapses, if any, and the matter is reported to the competent Authority for taking necessary remedial action.

Regular appraisal by the Internal Auditors of Internal Financial Control on operations of the company, have been incorporated in the regular scope of work assigned to the newly appointed Internal Audit firms with effect from October, 2017 and for subsequent years.

The different Audit firms working as Internal Auditors of ECL during the period under audit in FY 2017-18 accordingly, have expressed satisfaction over the Internal Financial Controls in existence in different area and units of the company.

Thus the company has a sound system of Internal Control having regard to the size of the company and the nature of business transactions carried out by it.

**COST AUDIT:**

Pursuant to Section 148(6) of the Companies Act, 2013 and rule 6(6) of the Companies (Cost Records and Audit) Rules, 2014, Cost Audit Report in Form-CRA-4 for FY-2016-17 was filed with the Central Government on 21st October, 2017.

**DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE****Results of Operations:**

(₹ in crore)

Particulars	2017-18	2016-17	Growth (%)
Gross Sales	15250.11	14717.53	3.62%
Less : Levies	4624.10	4576.35	1.04%
Net Sales	10626.01	10141.18	4.78%
Other Income	841.65	787.13	6.92%
Total Income	11467.66	10928.31	4.94%

**Income from Sale of Coal:**

Sales is presented as gross sales net of various statutory levies comprising royalty, cess on coal, GST and stowing excise duty. The Income from sale of coal is mainly dependent on the pricing and production of coal and distribution thereof.

**Expenditure:****Break up of Major Heads:**

(₹ in crore)

Particulars	2017-18	2016-17	Growth	
			Absolute	% age
(Accretion)/Decretion in stock	33.53	157.37	-123.84	-78.69%
Stores & Spares	656.99	693.25	-36.26	-5.23%
Excise Duty	146.14	626.06	-479.92	-76.66%
Salary & Wages	8415.89	6436.58	1979.31	30.75%
Power & Fuel	506.06	503.17	2.89	-0.06%
Social Overhead	12.69	21.62	-8.93	-41.30%
Contractual Exp	1587.39	1591.80	-4.41	-0.28%
Repairs	153.41	156.94	-3.53	-2.25%
Other Expenditure	551.12	454.08	97.04	9.49%
OBR Adjustment	274.04	-49.37	323.41	655.07%
Depreciation/Impairment	443.99	323.89	120.10	37.08%
Provision	-1.24	-144.91	143.67	99.14%
Total Comprehensive Income Before Tax	-1303.10	51.90	-1355.00	-2610.79%
Total Comprehensive Income After Tax	-824.17	20.77	-844.94	-4068.08%

**Cash Flows:**

(₹ in crore)

Particulars	31.03.2018	31.03.2017
Opening Cash & Cash equivalents	737.44	591.08
Net cash from operating activities	1328.76	485.73
Net cash from investing activities	-1276.77	-332.98
Net cash used in financing activities	-6.04	-6.39
Change in Cash and cash equivalents	45.95	146.36
Closing cash & cash equivalents	793.39	737.44

**MoU Target Vis-a-vis achievements upto 31st March, 2018**

SI No.	Parameters	Unit	Target for the year 2017-18	Actual Achievement
1.	Revenue from operations	₹ crore	₹10488.02 crore	₹10795.11 crore
2.	Operating profit as a percentage of Revenue from operations (net)	%age	-9%	1.15%
3.	PAT/Average Net Worth	%age	-67.72%	42.12%
4.	Inventory of finished goods and work in progress to Revenue from operations (Net)	No. of days	15 days	11.29 days
5.	Trade Receivables (Net) as number of days of Revenue from Operations (Gross)	No. of days	43 days	27.05 days
6.	Reduction in claims against the company not acknowledged as debt in CPSE & others	%age	4%	Achieved 1.84%

**HUMAN RESOURCE DEVELOPMENT:****Manpower:**

Category	Manpower as on		Increase (+)/ Decrease (-)
	31.3.2018	31.3.2017	
Executive	2217	2276	59
Supervisor	4197	4425	-228
Ministerial / Clerical	2559	2776	-217
Highly Skilled / Skilled	21090	21879	-789
Semi-Skilled / Unskilled	30978	32126	-1148
Trainee (Non-Executive)	755	547	208
<b>Total</b>	<b>61796</b>	<b>64029</b>	<b>-2233</b>

**Reasons for variation in Manpower:**

Particulars	Executive	Non-Executive	Total
<b>INCREASE</b>			
Fresh Appointment	120	57	177
Appointment against medically unfit cases.	0	11	11
Appointment against death cases.	0	373	373
Reinstatement/Re-joined.	0	4	4
Transfer in from other companies.	82	10	92
Appointment against Land Losers	0	422	422
Appointment against Special Female VRS	0	0	0
<b>Total Increase (A)</b>	<b>202</b>	<b>877</b>	<b>1079</b>
<b>DECREASE</b>			
Retirement	147	2252	2397
Medical Unfit	0	0	0
Death	8	632	640
Resignation	13	28	41
Transfer to other companies	92	27	119
Dismissal/Termination	1	48	49
VR under GHS/EVRS	0	66	66
Special Female VRS	0	0	0
<b>Total Decrease (B)</b>	<b>261</b>	<b>3051</b>	<b>3312</b>
<b>VARIATION (A – B)</b>	<b>-59</b>	<b>-2174</b>	<b>-2233</b>

**Industrial Relations :**

The industrial relations in the company is by and large cordial. Workers do not support extraneous issues now a days. The statistics relating to Industrial Relation and Law & Order is given below:

SI No	Subject	2017-18	2016-17
1	No. of strikes	0	1
2	Mandays lost (in lakh)	0	0.08
3	Production lost (in lakh tonnes)	0	0.45

**Law and Order :**

Subject	2017-18	2016-17
Law and order (Disturbance)	24	33
Production Lost (in Lakh Tonne)	0.02	1.58

**Workers' Participation in Management:**

The workers participation in management is in vogue at different levels in the company. The Joint Consultative Committees are operating at Corporate, Area and Project/Unit levels. In the JCC meeting important issues are discussed thread bear viz. production, productivity, etc. Besides other committee/



boards, Bipartite Safety Board, Welfare Board, etc are also functioning in our company. Major Trade Unions participate in such committee and brings about transparency, accountability apart from reinforcing trust and goodwill between management and the employee.

Meetings	2017-18	2016-17
No. of JCC Meeting held at HQ level	04	04
No. of structured Meeting held at HQ level	26	19

#### Employment provided under NCWA, LLS, etc:

Employment provided under	2017-18	2016-17
NCWA	369	555
Land Losers Scheme	298	375
Direct Recruitment	177	471

#### Reservation for Scheduled Caste (SC)/Scheduled Tribe (ST) and Other Backward Class (OBC) in recruitment and promotion:

The Presidential Directives in the matter of recruitment of Scheduled Caste (SC), Scheduled Tribe (ST) and Other Backward Class (OBC) have been implemented in ECL. The representation of SC and ST candidates in total manpower is as under:

As on	Total Manpower	SC Candidates		ST Candidates	
		Number	%	Number	%
31.03.2018	61796	16987	27.48	8065	13.05
31.03.2017	64029	17775	27.76	8231	12.85

A total of 205 candidates belonging to SC community and 115 candidates belonging to ST community were promoted during 2017-18 against 308 and 144 candidates respectively during 2016-17. As on 31.03.2018, on Roll OBC community employees are 16407 against 16733 employees in 2016-17.

#### Disclosure under Sexual Harassment of women at Workplace (Prevention and Redressal) Act, 2013:

The Internal Complaint Committee (ICC) of ECL under section-2 (h) of Sexual Harassment of women at Workplace (Prevention and Redressal) Act, 2013 has been constituted on 23.05.2014. During the year 2017-18, there was no complaint regarding sexual harassment. One complaint received during 2016-17 was enquired into and disposed-off.

#### MoU Target Vis-a-vis achievements upto 31st March, 2018

SI No.	Parameters	Unit	Target for the year 2017-18	Actual Achievement
1	Online submission of ACR/APAR in respect of all executives (E0 & above) along with compliance of prescribed timelines w.r.t. writing of ACR/APAR	%age of number of executives	95%	Achieved 96.11%

### Trade Unions:

The majority of our non-executive employees are members of several unions including INTUC, AITUC, HMS, BMS, UTUC, CITU, INTTUC etc. The executives are members of CMOAI. The wage revision and other conditions of service of non-executives employees are governed by the National Coal Wage Agreement (NCWA) formulated by JBCCI, certified standing orders and government directives. Wage revision of the non-executive employees through NCWA-X has been implemented. The wage revision of the executives is due from 1st January, 2017.

### Training:

We aim to provide continuous training for all categories of employees throughout the year. Indian Institute of Coal Management (IICM) which was formed in 1994 by Coal India Limited (CIL) offers training programmes to executives such as Advanced Management programmes, Leadership Development programmes, General Management programmes, Young Managers programmes, Advanced Maintenance practices, Management Development programme, Training for trainers, ethical governance, Career Development for junior officers and Communication skills. In addition, our company has arranged for a significant number of executives to attend external training programmes at center of excellence like IIT, ISM and also send our employees (including Directors, senior executives and non executive employees) for a number of international training sessions outside India. Apart from IICM, at ECL, we have our four HRD training centers, fourteen area VTC which provide various training to our staffs and executives. Induction programmes are also carried out regularly for newly recruited Management Trainees.

HRD also arrange for industrial/vocational training on need basis for students of various Institutes. In 2017-18, company had imparted training to 1278 persons compared to 488 persons in 2016-17 as per new guideline. ECL also provides training to 2911 contractual workers in 2017-18. The details are given below:

#### 1. Action Plan : HRD Performance Report as per Action Plan (In Company) :

Year	No. of Course		No. of participants							
			Target				Actual			
	Target	Actual	Exe.	Supv.	Worker	Total	Exe.	Supv.	Worker	Total
2017-18	227	229	643	607	1538	2788	851	853	1501	3215
2016-17	143	210	712	587	1740	3039	1075	777	2010	3862

#### 2. Details of various training provided during the year 2016-17 as compared to 2015-16

SI No.	Nature of Training	2017-18				2016-17			
		Exe.	Supv.	Worker	Total	Exe.	Supv.	Worker	Total
1	<b>General/In-Company Training:</b>								
1.i	3 days or more	251	667	1034	1952	968	764	2000	3732
1.ii	Less than 3 days	610	186	467	1263	107	13	10	130



<b>2</b>	<b>Training External (within India):</b>								
2.i	<b>At IICM:</b>								
2.i.a	3 days or more	343	0	0	343	480	0	0	480
2.i.b	Short course	130	0	0	130	59	0	0	59
2.ii	<b>Out Company Training (Other than IICM):</b>								
2.ii.a	Short duration	77	18	0	95	193	11	5	209
2.ii.b	Long duration	113	03	07	123	150	4	6	160
2.ii.c	3 days or more	95	0	0	95	84	15	0	99
<b>3</b>	<b>External (abroad)</b>	<b>02</b>	<b>0</b>	<b>0</b>	<b>02</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>12</b>
	<b>Total</b>	<b>1621</b>	<b>874</b>	<b>1508</b>	<b>4003</b>	<b>2053</b>	<b>807</b>	<b>2021</b>	<b>4881</b>
<b>4</b>	<b>Other Trainings and Seminars</b>								
<b>a</b>	<b>Trainees</b>								
4.a.i	Individual	0	0	1278	1278	0	0	438	438
4.a.ii	PDPT	0	302	0	302	0	0	197	197
4.a.iii	PGPT	0	35	0	35	0	0	0	0
4.a.iv	Apprentice (Skill dev)	0	0	68	68	0	0	0	0
b.	Seminar/Workshop excluding in-company	55	06	0	61	100	7	5	112
4.c.	<b>Simulator Training</b>	0	0	47	47	0	0	0	0
	<b>TOTAL</b>	<b>1676</b>	<b>1217</b>	<b>2901</b>	<b>5794</b>	<b>2153</b>	<b>814</b>	<b>2661</b>	<b>5628</b>

### 3. Details of Special Training Programmes conducted to meet the requirement of Skilled Manpower:

Sl. No.	Details of Programme	Number of Participants
1	Coaching class for Electrical supervisors	52
2	Coaching classes for Mining Sirdar	62 (10 short term & 52 long term)
3	Workshop on Slope Stability Analysis by RADAR & Safety Open Cast Mines	13
4	Program on Internal Auditing Skill for ISO Certification	32
5	Simulator training of Dumper operators at NCL	49
6	Management Trainees at IICM training (Induction & MSDP/TSDP)	183
	<b>Total</b>	<b>391</b>

#### 4. MoU Target Vis-a-vis achievements upto 31st March, 2018

SI No.	Parameters	Unit	Target for the year 2017-18	Actual Achievement
1	Talent Management and career progression by imparting at least one week training in centre of excellence eg. IITs, IIMs, NITs, ICAI, IICM, ASCI etc.	% of number of executives	4.5%	Achieved 9.40%

#### ENVIRONMENTAL PROTECTION AND CONSERVATION:

The impact on Environment due to Coal mining activity is being monitored constantly by the company. Adequate environment protection measures for control of Air, Water & Noise Pollution, Land degradation, deforestation etc. are being undertaken in accordance with the provisions of statutory norms, Acts and Rules. The importance of land reclamation, proper mine closure activity, better air, water and land management and addressing public concerns on environment has increased manifold. This has been reflected in the conditions stipulated in EC and FC accorded to various projects of the company. Accordingly, ECL has initiated many steps for better adherence of EC & FC conditions and providing holistic environment. Steps are being taken for better adherence of Environment Clearance & Forest Clearance. The company has taken green initiatives like Solar Power projects, rain water harvesting etc. towards Sustainable Development. This has culminated into a Company-wide Certification with ISO 9001:2015, ISO 14001:2015 & OHSAS 18001:2007.

#### Major Achievements during 2017-18:

##### a. Environment clearance:

Amendment in Environment Clearance of Cluster No. 1 was obtained which will facilitate production from Lakhimata UG & OC; Nirsa OC; Kapasra UG & OC; Shampur A OC and Badjna UG of Mugma Area.

SI No.	Name of Mine	Earlier EC Capacity (MTPA)	Amendment in EC Capacity (MTPA)
1.	Lakhimata UG & OC	0.5	0.95
2.	Nirsa OC	0.1	0.4
3.	Kapasra UG & OC	0.38	0.4
4.	Shampur A OC	0.12	0.2
5.	Badjna UG	0.10	0.15
	<b>TOTAL</b>	<b>1.2</b>	<b>2.1</b>

##### b. Forest Clearance:

The major achievement with regard to FC in the current Fiscal are:

##### i) Stage-I FC Proposal

Company is in process of obtaining Stage-I FC for Chuperbhita OCP. FAC agreed for OC mining.





ii) **Stage-II FC Proposal**

Observations of MoEF&CC for Stage-II FC proposals of Chitra (East) OCP & Hurra C OCP have been complied. In case of Hurra C OCP compliance of the proposal has been forwarded by the DFO, Godda to CF, Dumka. In case of Chitra (East) OCP. The proposal was considered in FAC and recommendations of FAC are being complied with.

iii) **Damin-i-Koh Forest Land**

Significant advancement at the level of Division, Circle & Region of State forest Department was made by the company in respect of this long pending issue in co-ordination with State Govt. of Jharkhand which will facilitate Stage-II FC proposal of Hurra "C" OC and Stage-I FC proposal of Simlong OC and Chuperbhita OC. The company is in process of inclusion of Damin-i-koh forest land in these proposals.

iv) **Site handover of Forest Land**

Site handover for 32.65 Ha forest land in respect of Sonepur Bazari OCP has been completed.

c. **Plantation & Reclamation:**

ECL has undertaken 3-tier plantation in 130.43 Ha of External OB dump, Backfilled Area, other Plain land and along the coal transportation road. The details of plantation done in 2017-18 are given as under:

Area	Mine	Plantation Area	Details
Jhanjra	Jhanjra UG	14.43 Ha	Plantation of Mixed Species over 5 Ha, Orchard Plantation over 7 Ha in Plain Land & development of Eco-park over 2.43 Ha.
Sonepur Bazari	Sonepur Bazari OCP	45 Ha	Plantation of Mixed Species over 34 Ha Backfilled Area, 09 Ha Plain Land & 2 Ha Mine site restoration by IIT Kharagpur.
	Parascole West OC	5.5 Ha	Plantation of Mixed Species in Backfilled Area
	Madhabpur OC	7 Ha	Plantation of Mixed Species in External OB Dump
	Madhusudhanpur UG	13 Ha	Plantation of Mixed Species in Plain Land
Pandaveswar	Khottadih OC	16 Ha	Plantation of Mixed Species in Backfilled Area.
Mugma	Hariajam OC	4.5 Ha	
	Rajpura OC	5 Ha	
Rajmahal	Barahat to Pirpainti	20 Ha	Avenue Plantation along Coal Transportation road (10 Km both side)

d. **ISO Certification:**

ECL as a whole has been awarded certificates for ISO 9001:2008; ISO 14001:2004 & OHSAS 18001:2007 w.e.f. 15.07.2017. Upgraded Integrated Management System (IMS) Manual (i.e. Management Manual, Operational Manual & Maintenance manual) as per requirements of ISO 9001:2015, ISO 14001:2015 & OHSAS 18001:2007 was duly signed and released by CMD ECL.

Certificate has been upgraded to the latest system standards i.e. ISO 9001:2015, ISO 14001:2015 & OHSAS 18001:2007.

**e. Environment Audit:**

Third party audit on EC compliance of Rajmahal OCP and Sonapur Bazari OCP by ICFRE from 30.06.2017 to 10.07.2017 was successfully completed. Draft audit report has been submitted & final audit report is awaited.

**f. Dust suppression measures:**

- i) Work order for installation of 21 numbers of fixed type sprinklers at railway siding of Kenda Area and 10 numbers of fixed type sprinklers at railway siding of Sodepur Area has been awarded.
- ii) Two numbers of additional mobile tankers (new) have been provided in Chitra OCP for dust suppression.
- iii) 5 numbers of fixed type sprinklers have been provided at tippler points in Mugma Area.

**g. Solar power projects of ECL:**

During FY 2017-18, 141 kWp of roof top Solar power project has been installed in ECL command Area. Area wise details are given below:

SL No.	Area	Installed Capacity (kWp)
1	Jhanjra Area	45
2	JK Ropeways	30
3	Kenda	20
4	Pandaveswar	16
5	Bankola	30
	<b>Total</b>	<b>141</b>

**h. Scientific Study:**

Work order has been issued for Study of Carbon and Water Foot print of Sonapur Bazari OCP to NEERI, Kolkata centre. The work includes measurement of carbon sequestration over 100 Ha of plantation done in Sonapur Bazari OCP.

**i. Dumps to Natural Forest in Mugma Area:**

Providing natural forest is a sustainable way of giving back land to local populace. ECL has made endeavours in this regard to provide for a holistic environment in the post mining scenario. Plantation done in Mugma Area is an exquisite example of such endeavours.

**MoU Target vis-à-vis achievements up to 31st March, 2018**

SI No.	Parameters	Unit	Target for the year 2017-18	Actual Achievement
1	Biological Reclamation	Ha	143 Ha	Achieved 130.43 Ha

**CSR Activities 2017-18****Brief outline of the company's CSR Policy:**

Eastern Coalfields Limited is a subsidiary company of CIL and CIL has formulated its CSR policy which is applicable to all subsidiary companies of CIL including ECL. ECL has adopted and implemented Modified CIL CSR Policy in consonance with amendment of Companies Act, 2013 and CSR Rules, 2014 approved by CIL Board. The DPE Guidelines on CSR vide F.No.-15(13)/2013-DPE(GM) dated 21st October, 2014 effective from 01.04.2014 is also adhered to. It integrates our business with social processes by making welfare measure focused primarily on underprivileged, land oustees and Project Affected People (PAPs) staying in the radius of 25 KM of ECL. As per the provision under CIL CSR policy, 80% of the fund should be utilised within the radius of 25 km of ECL HQ/Area/Project and remaining 20% would be spent within the State/States of operation. It ensures that poor and needy section of the society derives the maximum benefit to support their development and sustainability. The Projects and Programs have been directed in the following priority areas at ECL:

1. Swachh Bharat Abhiyan
2. Skill Development.
3. Drinking water facility
4. Women Empowerment
5. Promotion of Education
6. Sanitation and Public health.
7. Infrastructure development such as construction/repair of Community Centers/ Buildings/ construction of roads, pathways etc.
8. Promotion of Sports & Games.
9. Supplementing Development Programs of the Govt.
10. Ensuring Environmental and Ecological Balance.

**Composition of CSR Committee:**

In order to steer the CSR & Sustainability agenda of the company the two-tier structure, comprising of a Board level committee, headed by Independent Director and a below Board level committee headed by GM(Welfare & CSR) were constituted for planning, implementation, monitoring and evaluation of CSR and Sustainability activities of ECL. Below Board level CSR committee constituted at ECL HQ as specified in CIL CSR Policy co-ordinates CSR activities from concept to conclusion. At the Area Level, a CSR Committee of multi-disciplinary executives has also been constituted for implementing CSR Activities.

Details of CSR project approved: A total of 70 projects got implemented during 2017-18 out of which 15 projects were approved by Board of Directors of ECL on recommendation of sub-committee of Board on CSR and 52 projects were approved by Director (Personnel) / CMD of ECL on recommendation of below Board level Committee of CSR.

**Average Net Profit of the Company for last three financial years:**

The determination of the amount as 2% of Average Net Profit/Profit before Tax of previous three years as per section 198 of the Companies Act, 2013 is as follows:

Particulars	2016-17	2015-16	2014-15
Profit before Tax (₹ in lakh)	178241.00	130004.00	1532.00
Less Profit on Sale of Assets (₹ in lakh)	110.00	31.00	2.00
Profit u/s 198 (₹ in lakh)	178131.00	129973.00	1530.00
Average net profit for three years (₹ in lakh)	103211.00		

Therefore, 2% of Average Net Profit comes to ₹ 2064.00 Lakh.

#### Prescribed CSR Expenditure:

Fund provisioning by ECL is based on the CSR Policy of CIL which is 2% of Average Net Profit of previous three year or ₹ 2/- per tonne of coal production of previous year whichever is higher. Production in 2016-17 was 40.52 MT. Hence CSR provision at the rate of ₹2/- per tonne of coal production would have been ₹ 810 lakh, whereas @ 2% of Average Net Profit comes to ₹ 2064 lakh which is higher. The amount unspent during FY 2016-17 has been ₹7.57 Crore. Therefore, the Prescribed CSR Expenditure for FY 2017-18 is the sum of @ 2% of Average Net Profit i.e., ₹ 2064 lakh and unspent amount ₹ 757 lakh, which comes to ₹ 2821 lakh.

#### Details of CSR amount spent during the financial year :

- Total amount spent during the financial year 2017-18 : ₹ 1268.81 lakh
- Amount unspent : ₹ 1552.19 lakh
- List of activities undertaken by ECL under CSR is attached as **Annexure A**.

#### Reason for unspent amount out of prescribed amount for the year FY 2017-18 :

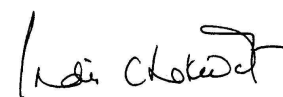
Commensurate planned actions had been initiated on the onset of new financial year 2017-18 but the introduction of GST from 1st July, 2017 created various issues for the associated works of CSR. There was no specific exemption like the earlier service tax rules and there had been absence of clarity for implementation with respect to CSR works. As most of the works of the CSR are in the nature of works contract/service, the structure and operational clarity in the associated aspects of estimation of the items and awarding of contracts took considerable time. This impacted adversely the Schedule of activities of CSR. Further, complexity involved in obtaining clearance from different stakeholders like Panchayat, District and State Administration has also slowed down the pace of work. The issues with respect to GST were stabilized by almost end of last Calendar year. Still CSR works valuing approximately ₹ 30.00 crore were under implementation at the end of FY-2017-18 which shall be meaningfully utilized in the subsequent year.

It is hereby confirmed that the implementation and monitoring of CSR Policy of ECL is in compliance with CIL CSR Policy, in line with Companies Act, 2013 and DPE Guidelines effective from 01.04.2014



(Sunil Kr. Jha)

Chairman cum Managing Director  
Eastern Coalfields Limited



(Dr. Indira Chakravarty)

Chairperson  
CSR Committee, ECL

Date: 02.07.2018

Place: Sanctoria



## ANNEXURE - A

**CSR Activity for the Financial Year 2017-18**

( ₹ in Lakh)

Sl. No.	Activity	Sector	Budget outlay	Amount Spent	Comulative Expenditure upto 31.03.2018	Amount Spent directly or through Implementing agency
1	Swabhimaan Project	Skill Development	1.94	1.94	1.94	Durgapur Sundram Welfare Society
2	Construction of spacious hall and connecting road at Nabagram Panchayat	Rural Development	19.73	16.84	16.84	Direct
3	Unnati - A Micro-enterprise of Handicraft run by women entrepreneurs under CSR.	Women Empowerment	24.91	12.23	12.23	SRREOSHI, Durgapur
4	Renovation of Workshop for Educating 50 tribal children of Ramakrishna Math, Jamtara	Education	19.26	19.26	19.26	Ramakrishna Math, Jamtara
5	Engaging IIT (ISM) Dhanbad for their consultancy service for surveying the entire gamut of taking of ITI Godda	Education	9.20	9.20	9.20	IIT (ISM), Dhanbad
6	Construction of Four Rooms, Four Urinals and One Laboratory on 2nd Floor of School- Bramhachari Jyotirmoy Saraswati Sishumandir at Dwarhatta, Haripal, Hooghly	Education	22.20	22.20	22.20	Bramhachari Jyotirmoy Saraswati Sishumandir
7	Purchase and installation of a scan bio-meter model eco rule pro, slit lamp at Punardristee Eye and General Hospital, Asansol.	Healthcare	2.23	2.23	2.23	Asansol Prevention of Blindness Society (Punardristee Eye & General Hospital, Asansol)
8	Promotion of sports through Sub - Divisional Sports committee, office of the S.I., Kulti Circle Level Resource centre	Sports	1.10	1.10	1.10	Sub-Divisional Sports committee.

9	Renewal of skill development training programme (Plumbing, Welding and Automobile), Kenda Area	Skill Development	23.86	23.86	23.86	Sambhav Foundation
10	Purchase of 10 mini Tippers for west management through Asansol Municipal Corporation	Sanitation	45.83	41.25	41.25	Asansol Municipal Corporation
11	Certification program of Beautician course running at Dishergarh AC Institution.	Skill Development	0.15	0.15	0.15	Direct
12	Installation of 22 Nos of Solar Street Lamps at Sanctoria Village	Environment	0.70	0.70	0.70	Sanctoria Village Samity
13	Skill development training program by George Telegraph Training	Skill Development	9.73	5.44	5.44	George Telegraph
14	Renewal of Conducting Residential Employable Skill Development Training program for SC, ST, OBC, Gen & Minority youths of West Bengal on Plastic Engineering & Technology under CSR scheme during FY-2016-17 & 2017-18	Skill Development	24.40	24.40	24.40	CIPET, Bhubaneswar
15	Construction of Ladies and Gents toilets of Rani Hiranmayee Balika Home	Education	6.48	6.48	6.48	Motherchak Navodaya Kislaya Sangh, Paschim Medinipur
16	Improvement of Drinking water supply by installment of seven nos. of UV water treatment plants under Asansol Railway Division	Water Supply	58.67	58.67	58.67	Asansol Railway Division
17	Community Participation Model Project for Economic Development and Nutritional Health Management through Organic Farming, Education and Demonstrations by IIT, Kharagpur at Kenda Area	Skill Development	7.44	7.44	7.44	IIT, Kharagpur



18	Installation of Organic Waste Converter (OWC) under the Project of Solid Waste Management at Tarapith Temple, West Bengal	Environment	1.47	1.47	1.47	SSRDP
19	Extension of 2nd year of electric skill training at VTC Salanpur under CSR	Skill Development	3.47	3.47	3.47	SSRDP
20	Training on Refrigeration & Air-Conditioning and beautician course at VTC Salanpur	Skill Development	2.92	2.92	2.92	SSRDP
21	Skill Training in Hospitality & Travel Tourism and Health Care Trades by Seba Sangha	Skill Development	23.65	7.10	7.10	Seba Sangha
22	Distribution of aids and appliances to Divyangjan in the surrounding villages of ECL through ALIMCO	Healthcare	17.08	17.08	17.08	ALIMCO
23	Renewal of 3rd year electrical skill training at VTC Salanpur.	Skill Development	17.78	14.22	14.22	SSRDP
24	Cancer Awareness Camp in surrounding areas of Sanctoria Hospital and ECL-HQ	Healthcare	0.19	0.19	0.19	Direct
25	Construction of Bathing Ghat with a boundary wall along the side of a pond at Shetalpur Colliery, Supol Dhawrah under ward no. 105 by Barjora Samaj Kalyan Kendra	Rural Development	1.98	0.99	0.99	Barjora Samaj Kalyan Kendra
26	Sanction of additional 80 candidates for SC, ST, OBC, Gen & Minority youths of West Bengal on Plastic Engineering & Technology at CIPET, Bhubaneswar.	Skill Development	48.80	24.40	24.40	CIPET, Bhubaneswar
27	Rainbow Project by Asansol Anandam	Education	7.83	3.92	3.92	Anandam, Asansol

28	Construction of Twin electric crematorium at Dishergarh Burning Ghat	Environment	57.75	25.76	25.76	Asansol Municipal Corporation
29	Training of mining sirdar to SC/ST candidates	Skill Development	7.00	7.00	7.00	Direct
30	Construction of PCC Road with Drain at Jamgora Village	Rural Development	42.22	42.22	42.22	Direct
31	Construction of PCC Road at Rangamati Village	Rural Development	50.93	50.93	50.93	Direct
32	Construction of PCC Road from Kulbuni to Maheshpur Village	Rural Development	48.34	48.34	48.34	Direct
33	Yoga Training at Lachipur and Progressive Cultural Association, Kajora Gram	Healthcare	0.78	0.78	0.78	Direct
34	Skill Development Programme through ATDC at Kunustoria Area.	Skill Development	9.40	7.57	7.57	ATDC, Ranchi
35	Construction of 4 nos. class rooms in Jawahar Navodaya Vidyalaya, Benagoria, Dhanbad.	Education	31.89	23.92	23.92	CPWD, Dhanbad
36	Construction of School building at Mugma Area.	Education	737.34	163.26	163.26	Direct
37	Construction of community hall at Sarbari Bauripara and construction of community hall at Basuli Mela at Nadiha village.	Rural Development	17.13	14.52	14.52	Direct
38	Construction of Bituminous Road from Bhamuria Vivekananda Statue to Hirakund Village (2.20km)	Rural Development	43.74	36.52	36.52	Direct
39	Repairing and Maintenance of Bindudih Primary School including provision of furniture and water purifier under Digha GP of Purulia District.	Rural Development	2.13	2.13	2.13	Direct





40	Providing Solar Street Light at Laskarbandh Village.	Environment	3.38	2.73	2.73	Direct
41	Construction of boundary wall around Urdu Middle School at Kasba village.	Rural Development	13.68	11.56	11.56	Direct
42	Construction of PCC at Dakaita village.	Rural Development	25.50	21.52	21.52	Direct
43	Operation and maintenance of (ITI, Sikatia, Godda) for academic session 2016-2017.	Education	17.50	17.50	17.50	OPJCC, wing of JPSL
44	Operation and maintenance of (ITI, Sikatia, Godda) for academic session 2017-2018.	Education	70.00	46.66	46.66	OPJCC, wing of JPSL
45	Rainwater Harvesting for Irrigation at Bhuradanga Village.	Water Supply	4.01	0.63	0.63	Direct
46	Supply of Drinking Water through Water tankers in Salanpur Block.	Water Supply	9.25	8.62	8.62	BDO, Salanpur
47	Supply of domestic water to nearby villages through water from Mohanpur water filter Plant.	Water Supply	12.68	12.68	12.68	Direct
48	Installation of Rig Bore Wells at 12 Schools of Salanpur Block.	Water Supply	11.64	11.14	11.14	BDO, Salanpur
49	Installation of Rig Bore Wells at 3 Villages of Salanpur Block under CSR Salanpur Area.	Water Supply	14.70	14.64	14.64	BDO, Salanpur
50	Installation of Two bore tube wells at Bhagran Village.	Water Supply	2.45	1.23	1.23	Direct
51	Construction of PCC Road from Achra to Alkusha Village.	Rural Development	35.68	35.68	35.68	BDO, Salanpur
52	Extension of supply of domestic water to nearby villages from Mohanpur water filter.	Water Supply	1.13	1.13	1.13	Direct

53	Construction of 1374 nos. of household toilets under CSR program in the Jemhari GP, Ratibati GP and Tirat GP.	Sanitation	137.40	109.92	109.92	BDO Raniganj/ Executive Officer, Raniganj Panchayat
54	Installation of Solar Road Light for illumination under CSR of Satgram.	Environment	17.25	12.00	12.00	BDO Raniganj/ Executive Officer, Raniganj Panchayat
55	Construction of Pucca Road from Khottadih More to Chhattisgonda.	Infrastructure	58.01	58.01	58.01	Direct
56	Construction of Community centre for Vivekananda Society at New Egara Village under SB Area.	Infrastructure	7.10	6.99	6.99	Direct
57	Eye Operation Camp in Collaboration with Punardristee Eye & General Hospital, Asansol.	Healthcare	0.52	0.52	0.52	Asansol Prevention of Blindness Society (Punardristee Eye & General Hospital)
58	Construction of cultural stage, cycle shed and 4 no. of Toilets at Sidho Kano High School, Bagadaha Palajori.	Rural Development	14.52	14.52	14.52	Direct
59	Construction of 4 no. classrooms, cultural stage, cycle shed, 4 no. of toilets at Saraswati Shishu Vidya Mandir School, Khaga, Palajori.	Education	33.13	33.13	33.13	Direct
60	Construction of 4 no. classrooms, cultural stage, cycle shed, 4 no. of toilets inside Campus at Babandiha High School in Sarath Block	Education	39.99	39.92	39.92	Direct
61	Construction of 4 no. classrooms, cultural stage, cycle shed, 4 no. of toilets and PCC road inside Campus of High school at Gopibandh in Sarath Block	Education	41.25	33.56	33.56	Direct



62	Providing Cricket bowling Machine to the District Authority, Deoghar	Sports	1.90	1.90	1.90	District Administration, Deoghar
63	Construction of two nos. additional Class rooms with drinking water arrangement through rig bore well and furniture at Sripur High School	Education	18.67	1.84	1.84	Direct
64	Medical Camp in nearby villages of ECL's operational Areas	Healthcare	10.00	6.81	6.81	Direct
65	Payment to the Programme Officer of TISS for assisting ECL in CSR activities	Others	5.70	5.70	5.70	TISS, Mumbai
66	Seminar on CSR on 30.3.2018	Others	4.61	4.61	4.61	Direct
67	Expenditure on repair of Photocopier machine used for CSR Works	Others	0.13	0.13	0.13	Direct
68	Programme on High impact CSR, Need identification to Impact Assessment	Others	0.64	0.64	0.64	ASCI, Hyderabad
69	Printing of CSR Magazine	Others	0.83	0.81	0.81	Direct
70	Supply of six copies of ATR for Welfare & CSR Department	Others	0.02	0.02	0.02	Diffusion Advertising and Publicity Inc.
	<b>Total</b>		<b>2064.87</b>	<b>1268.81</b>	<b>1268.81</b>	

**CSR Activities continued from previous year for which no expenditure booked in F.Y. 2017-18 :**

Sl. No.	Name of Activity	Sector	Project Location	Budget outlay	Expenditure	Status of Project	Amount spent directly or through implementing agency
1.	Operation and maintenance of toilets constructed / repaired under Swachh Vidyalaya Abhiyan in Purulia, Deoghar & Sahibganj District	Swachh Bharat	Purulia, WB, Deoghar, Sahibganj, Jharkhand	₹ 377.87 lakh	—	Ongoing	District Administration, Purulia, Deoghar, Saahibganj

**REPORT ON CORPORATE GOVERNANCE:****(1) Philosophy:**

Corporate Governance may be defined as a set of systems, processes and principles which ensure that a company is governed in the best interest of all stakeholders. ECL firmly believes that Corporate Governance is a culture under which an organization is nurtured and flourishes by using its core values and the means by which it fulfills the public trust and its stakeholders' expectations. At ECL, it is not just a compliance with laws and ethical standards instead it is an important business investment which is not only necessary to preserve our reputation but also crucial for obtaining and retaining our business.

Transparency, accountability and integrity are the main ingredients of good corporate governance. Your company as a good corporate citizen believes in adhering to the highest standards of corporate governance. ECL provides appropriate access to information to the citizens of India under the provisions of Right to Information (RTI) Act, 2005.

**(2) Board of Directors:****(A) Composition of the Board:**

We are a Government company within the meaning of section 2(45) of the Companies Act, 2013 as Coal India Limited holds entire paid-up share capital. As per Articles of Association the power to appoint Directors rests with the President of India.

In terms of Articles of Association of the company strength of our Board shall not be less than 2 Directors and not more than 15 Directors. These Directors may be either whole-time Functional Directors or part-time Directors. The Directors are not required to hold any qualification share.

As on 31st March, 2018, Board comprised 7 Directors, out of which 4 were whole-time Functional Directors, 2 Part Time Official Director and 1 Part Time Non-Official Director.

The Directors bring to Board wide range of experience and skills.

**DIRECTORS:**

During the year 2017-18, Shri R.R. Mishra, Chairman-cum-Mg. Director, WCL was holding the additional charge of Chairman cum-Mg Director of ECL till 14.06.2017, thereafter Shri S. Chakravarty was the Chairman cum-Mg Director of ECL w.e.f. 15.06.2017 to 31.03.2018.

The other Directors on the Board of the Company during 2017-18 were Shri Vivek Bharadwaj (from 09.06.2017 to 30.10.2017), Shri N.K. Sudhansu (w.e.f. 30.10.2017), Dr. Indira Chakravarty, Shri C.K. Dey, Shri K.S. Patro, Shri A.M. Marathe (up to 31.03.2018), Shri B.N. Shukla (up to 06.08.2017), Shri A.K. Singh (up to 25.09.2017) and Shri S.K. Jha (w.e.f. 19.12.2017).

Brief profile of Directors is enclosed as **Annexure - B**.

**Service Contract:**

Directors of the company are appointed by the President of India. The terms and conditions of appointment of Whole-time Functional Directors are decided by the President of India in terms of Articles of Association of the Company. The terms and condition of non-official part time directors are laid down by the Ministry of Coal.

**(B) Board Meetings:**

Meetings of Board of Directors are normally held at Sanctoria/Kolkata for the convenience of Directors. Company has well defined procedures for meetings of Board of Directors and Committees thereof so as to facilitate decision making in an informed and efficient manner.

During the financial year ended 31st March, 2018, 13 Board meetings were held as against the minimum requirement of 4 meetings. The details of the Board meetings are as follows:



Date	Board of Directors							
	Functional		Part-time Official		Part Time Non-Official		Total	
	Strength	Present	Strength	Present	Strength	Present	Strength	Present
17.04.2017	5	4	1	1	1	1	7	6
25.05.2017	5	5	1	1	1	1	7	7
14.07.2017	5	5	2	2	1	1	8	8
31.07.2017	5	5	2	1	1	1	8	7
01.09.2017	4	4	2	2	1	1	7	7
22.09.2017	4	4	2	1	1	1	7	6
23.09.2017								
23.10.2017	3	3	2	1	1	0	6	4
02.11.2017	3	3	2	0	1	1	6	4
08.12.2017	3	3	2	2	1	1	6	6
10.01.2018	4	4	2	1	1	1	7	6
30.01.2018	4	4	2	2	1	1	7	7
27.02.2018	4	4	2	1	1	0	7	5
22.03.2018	4	4	2	2	1	1	7	7

Details of number of Board meetings attended by each of the Directors are given below:

Sl. No.	Directors	Board Meetings		No. of other Directorships
		Held during the tenure	Attended	
	<b>Functional Directors</b>			
1	Shri Rajiv Ranjan Mishra Chairman cum-Mg. Director, ECL (Additional Charge) (up to 14.06.2017)	2	2	2
2	Shri Subrata Chakravarty Chairman cum-Mg. Director, ECL (from 15.06.2017 to 31.03.2018)	11	11	NIL
3	Shri K.S Patro, Director (Personnel)	13	13	NIL
4	Shri A.M. Marathe, Director (Finance) (up to 31.03.2018)	13	13	NIL
5	Shri B.N. Shukla, Director (Technical) Operations (up to 16.08.2017)	4	3	NIL
6	Shri A.K. Singh, Director (Technical) Project & Planning (up to 25.09.2017)	6	6	NIL
7	Shri Sunil Kumar Jha, Director (Technical) Operations and Project & Planning (w.e.f. 19.12.2017)	4	4	NIL
	<b>Part-time Official Directors:</b>			
8	Shri Vivek Bharadwaj, Joint Secretary, MoC	5	2	NIL
9	Shri Niranjana Kumar Sudhansu, Joint Secretary, MoC	6	3	1
10	Shri Chandan Kumar Dey, Director (Finance), CIL	13	12	8
	<b>Part Time Non-Official Director:</b>			
11	Dr. Indira Chakravarty	13	11	NIL

**(C) Remuneration of the Director:****(i) Functional Directors:**

Name	Designation	Remuneration for the year 2017-18 (Amount in ₹)		
		All elements of remuneration package (i.e. salary, pension, P.F., gratuity etc.)	Other benefits	Total
Shri S. Chakravarty	Chairman cum Managing Director (upto 31.03.2018)	4879863.22	-	4879863.22
Shri K.S. Patro	Director (Personnel)	3054815.50	210507.00	3265322.50
Shri A.M. Marathe	Director (Finance) (upto 31.03.2018)	5096465.00	-	5096465.00
Shri B.N. Shukla	Director (Technical) Opn. (upto 16.08.2017)	1477814.90	41506.00	1519320.90
Shri A.K. Singh	Director (Technical) P&P (upto 25.09.2017)	1674120.00	9475.00	1683595.00
Shri S.K. Jha	Director (Technical) Opn./P&P (w.e.f. 19.12.2017)	1383751.00	-	1383751.00

**(ii) Part-time official Directors:**

No remuneration is paid to the Part-time official Directors by the Company.

**(iii) Part-time Non-official Directors:**

No remuneration is being paid to Part-time Non-official Directors except sitting fee. Details of sitting fee paid for attending Board / Committee Meetings are shown below.

Sl. No.	Name of the Director	Sitting Fee for Board Meeting	Sitting Fee for Committee Meetings	Total
1.	Dr. Indira Chakravarty	1,65,000/-	2,25,000/-	3,90,000/-

**3. Board Committee:****[A] Audit Committee:**

Your Company has an independent Audit Committee. The composition, procedures, powers and role/ functions of the Audit Committee, constituted by the Company is to comply with the requirements of the Companies Act.

**Scope of Audit Committee:**

The scope of Audit Committee is as follows:-

1. Overseeing of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board the fixation of audit fees.



3. Recommendation to the Board for fixation of fees to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing with the management and ensuring that the annual financial statements are in compliance with applicable laws before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the Directors Responsibility Statement to be included in the Board's report in terms of section 134 (5) of the Companies Act, 2013;
  - b) Changes, if any, in accounting policies and practices;
  - c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with legal requirements relating to financial statements;
  - f) Disclosure of any related party transactions;
  - g) Qualifications in the draft audit report; and
  - h) The management discussion and analysis of financial condition and results of operations.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing with the management, performance of internal auditors and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit and the information regarding appointment and / or removal of Internal Auditor.
8. Discussion with internal auditor and / or auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors / auditors / agencies into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the Board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. Looking into the reasons for substantial default in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
12. Reviewing the functioning of the Whistle Blower Mechanism.
13. Reviewing the follow up action on the audit observations of the C&A G audit.
14. Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.
15. Reviewing the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.

**Composition:**

Audit Committee comprised of 2 (Two) part-time official directors viz. Shri N. K. Sudhansu (w.e.f. 02.11.2017), and Shri C.K. Dey, 1 (one) part-time non-official director viz. Dr. Indira Chakravarty and 2 (two) Functional

Director viz. Shri K.S. Patro, Director (Personnel) and Shri Sunil Kumar Jha, Director (Technical) Operations and Project & Planning (w.e.f 10.01.2018). Shri B.N. Shukla, Director (Technical) Operations was also member of the Audit Committee till 16.08.2017.

Dr. Indira Chakravarty, part-time non-official director was the Chairperson of the Audit Committee for the financial year 2017-18.

Director (Finance) and General Manager (Finance) Internal Audit are the permanent invitees to the Audit Committee and Company Secretary is Secretary to the Committee.

6 (six) meetings of the Audit Committee were held during the financial year 2017-18. The details of the Audit Committee Meeting are as follows:

Date	Members							
	Functional		Part-time Official		Part Time Non-Official		Total	
	Strength	Present	Strength	Present	Strength	Present	Strength	Present
25.05.2017	2	2	1	1	1	1	4	4
31.07.2017	2	2	2	1	1	1	5	4
22.09.2017	1	1	2	1	1	1	4	3
02.11.2017	1	1	1	0	1	1	3	2
07.12.2017	1	1	2	2	1	1	4	4
30.01.2018	2	2	2	1	1	1	5	4

#### Audit Committee Attendance:

Details of number of Audit Committee meetings attended by each of the members are given below:-

Sl. No.	Members	Meeting held during respective tenure of members	No. of Meetings attended
1	Dr. Indira Chakravarty	6	6
2	Shri C.K. Dey	6	5
3	Shri Vivek Bharadwaj	2	0
4	Shri Niranjana Kumar Sudhansu	2	1
5	Shri K.S. Patro	6	6
6	Shri B.N. Shukla	2	2
7	Shri Sunil Kumar Jha	1	1

#### [B] Committee for Evaluation, Appraisal and Approval of Projects

In the 246th meeting of the Board, a Committee for Evaluation, Appraisal and Approval of projects was constituted. The Committee for Evaluation, Appraisal and Approval of Projects consisted of





1 (one) part time Official Director, viz. Shri Vivek Bharadwaj (from 14.07.2017 to 30.10.2017), Shri Niranjana Kumar Sudhansu (w.e.f. 02.11.2017), 1 (one) part time non-official Director viz. Dr. Indira Chakravarty and three Functional Directors viz. Shri A.M Marathe, Director (Finance), Shri K. S. Patro, Director (Personnel) (w.e.f 10.01.2018), Shri B.N. Shukla, Director (Technical) Operations (up to 16.08.2017), Shri A.K. Singh, Director (Technical) Project & Planning (up to 25.09.2017) and Shri S. K. Jha, Director (Technical) Operations and Project & Planning (w.e.f 10.01.2018).

Company Secretary is Secretary to the Committee and General Manager (P&P) is the Nodal Officer for this Committee.

Shri A.M. Marathe, Director (Finance) was the chairman of the committee for the first two meetings held on 24.05.2017 and 14.07.2017. Thereafter, Shri Vivek Bharadwaj, Joint Secretary, MoC, Part time official Director was the chairman of the committee for the meeting held on 01.09.2017 and Shri K. S. Patro, Director (Personnel) was the chairman of the committee for the meeting held on 22.03.2018.

During the year 2017-18, 4 (four) meetings of the Committee for Evaluation, Appraisal and Approval of Projects were held i.e. on 24.05.2017, 14.07.2017, 01.09.2017 and 22.03.2018. The details of members and their attendance at meetings are given below:

Sl. No.	Members	Meeting held during respective tenure of members	No. of Meetings attended.
1	Shri Vivek Bharadwaj (from 14.7.2017 to 30.10.2017)	1	1
2	Shri N.K. Sudhansu (w.e.f 02.11.2017)	1	0
3	Shri A.M. Marathe	4	4
4	Dr. Indira Chakravarty	4	3
5	Shri B.N. Shukla (up to 16.08.2017)	2	2
6	Shri A.K. Singh (up to 25.09.2017)	3	3
7	Shri K.S. Patro (w.e.f 10.01.2018)	1	1
8	Shri S.K. Jha (w.e.f 10.01.2018)	1	1

#### [C] Committee on C.S.R.

In the 261st meeting of the ECL Board, CSR & Sustainability Committee was constituted. The Committee consisted 1 (one) part time Official Director, viz. Shri Vivek Bharadwaj (from 14.08.2017 to 30.10.2017), Shri N.K. Sudhansu (w.e.f. 02.11.2017), 1 (one) part time non-official Director viz. Dr. Indira Chakravarty and (4) four Functional Directors viz. Shri K.S. Patro, Director (Personnel), Shri A.M. Marathe, Director (Finance), Shri B.N. Shukla (up to 16.08.2017), Shri A.K. Singh (up to 25.09.2017) and Shri S.K. Jha, Director (Technical) Operations and Project & Planning (w.e.f 10.01.2018).

Company Secretary is Secretary to the Committee and GM (W/CSR) is the Nodal Officer for this Committee.

During the year 2017-18, 6 (six) meetings of the Committee on C.S.R. were held i.e. on 21.04.2017, 22.06.2017, 05.12.2017, 17.01.2018, 31.01.2018 and 21.03.2018. Dr. Indira Chakravarty, Part time non-official director was Chairman of the Committee throughout the year. The details of members and their attendance at meetings are given below:

Sl. No.	Members	Meeting held during respective tenure of members	No. of Meetings attended.
1	Dr. Indira Chakravarty	6	6
2	Shri Vivek Bharadwaj (from 14.07.2017 to 30.10.2017)	0	0
3	Shri N.K. Sudhansu (w.e.f 02.11.2017)	4	0
4	Shri K.S. Patro	6	6
5	Shri A.M. Marathe	6	5
6	Shri B.N. Shukla (up to 16.08.2017)	2	1
7	Shri A.K. Singh (up to 25.09.2017)	2	1
8	Shri S.K. Jha (w.e.f 10.01.2018)	3	3

#### 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 conducting audit of the financial accounts of the company for the year 2017-18:

#### Statutory Auditors:

1. M/s. M Choudhury & Co., 162, Jodhpur Park, Kolkata-700068.

#### Branch Auditors :

2. M/s Ray & Co., 21A, Shakespeare Sarani, Flat No.-8C, 8th Floor, Kolkata-700017
3. M/s. Saraf & Chandra, 501, Ashoka House, 3A Hare Street, 5th Floor, Kolkata-700001
4. M/s ADD & Associates, P-168, Sector-B, Metropolitan Co-Operative Housing Society Ltd., Kolkata-700105
5. M/s Virendra Surana & Co., Near Vivekananda College, Sripalli, Burdwan-713103
6. M/s D Jha & Associates, S. Madhuboni Purbapalli, Behind Sainik Bhawan, Baronilpur Road, PO-Sripalli, Burdwan, Pin-713103

#### Annual General Meeting:

Particulars of Annual General Meeting of Shareholders of the company held during last 3 years were as under:-



Year	Date & Time	Place	Attendance	Special Resolution, if any
2014-15	27.06.2015 11:00 AM	Sanctoria	Shri C.K. Dey, Director (Finance), CIL, Chairman cum-Mg Director (Additional Charge), ECL Shri S. Mukherjee, Chief Manager(F), CIL, Representative of CIL, Chairman, CIL Shri S. Chakravarty, D (T) Operation, ECL (member of audit committee) Shri K.S. Patro, D (P) Shri B.R. Reddy, D(T) P&P	
2015-16	16.07.2016 11:00 AM	Sanctoria	Shri C.K. Dey, Director (Finance), CIL, Chairman cum-Mg Director (Additional Charge), ECL Shri D. Sett, Chief Manager(F), CIL, Representative of CIL and Chairman, CIL Shri K.S. Patro, D (P), ECL, (Member Audit Committee) Shri A.M. Marathe, D(F), ECL	Yes *
2016-17	26.07.2017 11.00 AM	Sanctoria	Shri S. Chakravarty, Chairman cum-Mg Director, ECL Shri B. Sharma, Dy. Mgr.(F), CIL, as representative of CIL and Proxy for Shri S. Bhattacharyya, Chairman, CIL and Shri C.K. Dey, Director (Finance), CIL Shri K.S. Patro, D (P), ECL, (Member Audit Committee) Shri A.M. Marathe, D(F), ECL Shri B.N. Shukla, D (T) Opn., (Member of Audit Committee.)	

\*Special Resolution was passed in the 41st AGM of ECL for amendment of clause 32(a) of Articles of Association of ECL. The extract of special resolution is reproduced below:

**“RESOLVED THAT** the proposed amendments in Clause 32(a) of Articles of Association of Eastern Coalfields Limited be and is hereby approved:

*“...Without prejudice to the generality of the above provision, the Board shall reserve for the decision of the President/CIL any matter relating to:*

a) Any programme of capital expenditure for an amount exceeding the limits, if any contained in the Govt. guidelines issued from time to time.”

No Special Resolution was passed through postal ballot at any of the General Meetings of the members held during the above three years.

#### 4. **DISCLOSURES:**

##### **(a) Related Party Transactions:**

As per the disclosures given by the Directors of the company there were no related party transactions that have potential conflict with the interest of the company at large.

##### **(b) Code of Conduct for Directors and Senior Executives:**

The Code of Conduct for Directors and Senior Executives was approved by the Board of Directors of the company in its 214th Meeting held on 15th October, 2007. This was circulated to the Directors and senior executives and obtained their affirmation. It was also uploaded in the website of the company [www.easterncoal.gov.in](http://www.easterncoal.gov.in).

##### **(c) Accounting Treatment:**

The financial statements are prepared in accordance with applicable mandatory Accounting Standards and relevant presentational requirements of the Companies Act, 2013.

##### **(d) Risk Management, Fraud Prevention and Identification:**

Risk Assessment and Mitigation Policy has been approved by the ECL Board in its 257th Meeting held on 05.11.2012.

##### **(e) CEO/CFO Certification:**

A certificate duly signed by Shri S. Sarkar, GM (Finance) IC and Shri A.K. Singh, Chairman-cum-Mg. Director (Additional Charge) was placed in the 312th Board Meeting is annexed to the Corporate Governance Report as **Annexure-C**.

##### **(f) Compliance with applicable laws:**

During the Financial Year 2017-18, all the laws applicable to the company has been complied.

#### 5. **Means of Communications:**

Annual Report, Operational and financial performance of the company is uploaded in company's website [www.easterncoal.gov.in](http://www.easterncoal.gov.in).

Apart from Annual Accounts, quarterly review of accounts is also conducted by the statutory auditors of the company.

#### 6. **Audit Qualifications:**

It is always the company's endeavour to present an unqualified financial statement. Management reply to the statutory auditors' observations on the accounts of the company for the year ended 31st March, 2018 are furnished as an Annexure to Directors' Report. Comments of the Comptroller and Auditor General of India under section 143(6) of the Companies Act, 2013 on the accounts of Eastern Coalfields Limited for the year ended 31st March, 2018 are also enclosed.

**7. Training of Board Members:**

The Functional Directors are the heads of the respective functional areas by virtue of their possessing the requisite expertise and experience. They are aware of the business model of the company as well as the risk profile of the company's business. The Part-time Directors are also fully aware of the company's business model.

**8. Shareholding pattern of the Company:**

100% shares of the company are held by Coal India Ltd.

**9. Whistle Blower Policy:**

The company promotes ethical behavior in all its business activities. The Board has put in place mechanism of reporting illegal or unethical behavior. Employees are free to report violation of laws, rules, fraud or unethical conduct to the Competent Authority. The reports received from any employee will be reviewed by the Screening Committee. The management personnel are obligated to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practices.

The Board of your company had accorded its approval in its 218th Meeting held on 27th March, 2008 to sign a MoU with M/s. Transparency International in line with the MoU entered into by CIL for implementation of Integrity Pact and the same was carried out.

**10.** During 2017-18, no person has been prevented from direct access to the Chairperson of the Audit Committee.

**11.** The actual date of submission to DPE of completed data-sheet for PE Survey was 05.09.2017.

## PROFILE OF DIRECTORS

Brief resume of all Directors, nature of their expertise in specific functional areas and names of companies in which they hold Chairmanships, Directorships, and Memberships of Board/Committees are given below.

**Sri Sunil Kumar Jha** (58) is holding the additional charge of Chairman-cum-Mg. Director of Eastern Coalfields Limited. He took over the charge as Director (Technical) of ECL on 19th December, 2017. Sri Jha passed B. Tech in Mining from ISM, Dhanbad in the year 1984. He obtained M. Tech in Opencast Mining from ISM, Dhanbad in the year 1989.

He started his career in Coal industry from Central Coalfields Ltd. in the year 1984. He has acquired a vast knowledge in UG and Opencast Mining as ACM in different mines of CCL. From 2001 to 2017 he played a vital role in coal production at Large opencast mines Nigahi and Dudhichua, NCL. In the year 2007 he became General Manager and took over the charge as Area General Manager in different Areas of Northern Coalfields Ltd. Before taking over the charge as Director (Technical) of ECL he has gained rich experience in ECL as General Manager (Incharge).

Sri Jha has visited different foreign countries like Germany and Switzerland. He attended a symposium on mass production Technology on UG mining in Aachen, Germany. He has participated in advanced Management Programme at IIM Kolkata and Administrative Staff College, Hyderabad. He has been a good sportsman in his college life in different fields like Athletics, Badminton, Hockey, and Football.

**Shri Chandan Kumar Dey**, Director (Finance), Coal India Limited was born in Kolkata on 10th September, 1958. Prior to joining Coal India Limited on 1st March, 2015, Shri Dey served Eastern Coalfields Limited as Director (Finance) from 01.02.2013 to 28.02.2015. Presently Shri Chandan Kumar Dey is also Director on the Boards of Eastern Coalfields Limited, South Eastern Coalfields Limited and Hindustan Uruvarak & Rasayan Limited.

Shri Dey completed his schooling from Kendriya Vidyalaya in 1975 and graduated from Calcutta University in Commerce with Honours in Accountancy in the year 1978. Shri Dey is a Chartered Accountant and Cost Accountant.

Shri Dey has wide experience of over 35 years and served in different organizations of repute including Lovelock & Lewes, Dunlop India Limited, NICCO Group, Balmer Lawrie & Co. Limited and Oil India Limited.

During his professional career Shri Dey headed the Accounts, Treasury, Taxation and Internal Audit functions and served as Chief Finance Officer. Shri Dey also headed the operations of Balmer Lawrie (UK) Limited for 3 years as Chief Operating officer based in United Kingdom. Shri Dey has travelled extensively within India and Foreign countries like UK, France, Germany, Switzerland, USA, Canada, Hong Kong, UAE, New Zealand and the Central Asian Republic on official assignments.

Shri Dey is interested in reading books and loves music.

**Shri N.K. Sudhansu**: Born in 1975, in Hazaribag District of Jharkhand. N. K Sudhansu completed 12th from St. Columba College, Hazaribag and after that did B. Tech in Petroleum Engineering from Indian



School of Mines, Dhanbad in the year 1997. He is an Indian Administrative Service Officer of Maharashtra Cadre. He has worked in various districts of Maharashtra including Aurangabad, Hingoli, Gondia, Gadchiroli and Jalgaon.

He worked in transport sector as General Manager of Pune Municipal Transport under Pune Municipal Corporation. He also has experience in the Mining field as Managing Director of Maharashtra State Mining Corporation. For about 3 years, he worked as Chief Officer in the Maharashtra Housing and Area Development Authority in Mumbai.

He is currently joint Secretary in the Ministry of Coal. He is also Part time Director on the Board of Eastern Coalfields Limited and Bharat Coking Coal Limited. He also holds a PG Diploma in Public Policy Management from Indian Institute of Management, Bangalore.

**Prof. (Dr.) Indira Chakravarty** is a renowned academician and her entire efforts have been targeted towards using scientific evidence for improving basics of public health viz. Nutrition and Food Security; Food safety; Water, Sanitation and Hygiene. Prof. Indira Chakravarty has the highest degrees in academics which are Ph.D and D.Sc in Science. She studied at the Presidency College and then the Science College in Kolkata and was subsequently trained as a WHO fellow in several renowned organizations and universities in the U.S.

Prof. Indira Chakravarty received Padma award for her lifelong achievements. She is recipient of the prestigious Eduardo Sauma Award from FAO of the United Nations, in the 50th year of the United Nations (1995) for the best Global Project; Presidents Global Leadership award in Public Health, United States of America from USF in 2009; Indira Gandhi National Priyadarshini Award; Uday award for life time achievement, Rotary International and many more.

She has held most senior and responsible positions viz. at the level of Additional Director General of Health Services, was Director, All India Institute of Hygiene and Public Health, GOI and Director, Chittaranjan National Cancer Institute, GOI, Regional Director, South Asia, MI, IDRC (Canada) and Regional Advisor Nutrition-act, WHO, South East Asia Region.

At present she is Chief Advisor, WSSO, PHED. She is a Member of Core Committee, WASH (Swachh Bharat Mission), MDWS, Govt. of India; Member of Board of Advisers, United Nations University – IIGH; Chairman of Water and Beverage Scientific Panel, FSSAI, MOH&FW, Govt. of India; Chairman of Regional Medical Centre (Bhubaneswar); ICMR, MOH&FW, Govt. of India; Chairman, Stop Diarrhea TAG, Save the Children; Chairman, Schevaran Innovation Centre; Member, Advisory committee on Hygiene Index, Reckitt Benckiser and Independent Director on the Board of Eastern Coalfields Limited.

**Shri Jaiprakash Gupta** (56) took over the charge of Director (Technical) Project & Planning of Eastern Coalfields Limited on 18.06.2018.

Shri Gupta, a 1983 graduate, B. Tech in Mining Engineering from Banaras Hindu University (BHU/IIT) joined South Eastern Coalfields Limited as Junior Executive Trainee. He served nearly 23 years in SECL in different post and was then transferred to Bharat Coking Coal Limited as Chief Manager (Mining) in the year 2006. He served in BCCL for 12 years as Project Officer and General Manager in different areas.

He was awarded with Engineering and Technology award in the year 1998 from Council of Scientific and Industrial Research for developing cable bolt support system in thick seam working. For this development he was also honoured in SECL. As project officer he had deployed continuous miner in NCPH Colliery of Chirimiri, SECL in R-V virgin seam successfully completing all major development activities in schedule time enhancing mine capacity to more than 01 MT from underground. The first pilot project on Ecological Restoration at Tetulmari, Project of Sijua Area, BCCL led by Shri Gupta was taken up under the technical guidance of Forest Research Institute, Dehradun. The project has won first prize on CIL Foundation Day in 2014. Shri Gupta has keen interest in CSR activities. Under his leadership and technical support by Govt. of Jharkhand more than 50 ladies of Garadia, Mahulidih village got training on handloom weaving and cloth manufacturing which are taken by Jharcraft, a firm of Jharkhand Govt. giving some remuneration.

He had visited China in the year 2011 on Advance Management programme. He has having vast experience both in underground mechanization and opencast mining.

**Shri Sanjiv Soni**, Director (Finance), Eastern Coalfields Limited was born on 18<sup>th</sup> June, 1961. Shri Soni joined as Director (Finance) of Eastern Coalfields Limited on 19.06.2018. Shri Soni graduated from St. Xavier's College, Kolkata and is a member of the Institute of Chartered Accountants of India and the Institute of Cost Accountant of India and Shri Soni has wide experience of over 32 years and has served the Coal Industry in different capacities.

Shri Soni joined CMPDI on 27.05.1986. Prior to joining as Director (Finance) of Eastern Coalfields Limited, he worked as General Manager (Finance), IAD at WCL HQ, Nagpur.

During his professional career Shri Soni worked in different capacities at CMPDI. He was in-charge of finance function for UNDP/GEF/GOI- Coal Bed Methane Recovery & Utilization project implemented jointly by CMPDI/BCCL/GOI/UNDP. Shri Soni, while head of Internal Audit Department, at WCL, took various initiatives towards building-up robust internal controls.

He has visited Vienna, Austria in the Year 2004 on account of CBM project implementation.





## CEO AND CFO CERTIFICATION

To  
The Board of Directors  
Eastern Coalfields Limited

Date: 26-05-2018

We, A. K. Singh, Chairman-cum-Managing Director, Eastern Coalfields Limited and S. Sarkar General Manager (Finance)/IC, Eastern Coalfields Limited, responsible for the finance function certify that:

- a. We have reviewed the Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2018 together with Accounting Policies and Additional Notes thereon as well as Financial Results for the year ended 31<sup>st</sup> March, 2018 as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year ended 31<sup>st</sup> March, 2018 as are fraudulent, illegal or violative of the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee that:
  - i. There has not been any significant changes in internal control over financial reporting during the period under reference;
  - ii. There has not been any significant change in accounting policies during the period.
  - iii. We have not become aware of any instance of significant fraud with involvement therein of the management or an employee having a significant role in the company's internal control system over financial reporting.

General Manager (Finance) / IC  
Eastern Coalfields Limited

Chairman-cum-Managing Director  
Eastern Coalfields Limited

**ANNEXURE - VII**

**M. CHOUDHURY & CO.**  
**CHARTERED ACCOUNTANTS**

162, Jodhpur Park, Kolkata - 700 068  
 Email : emcee\_162@hotmail.com,  
 Ph.: (033) 2429-2417

**INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE  
 To the Members of  
 EASTERN COALFIELDS LIMITED**

1. We, M Choudhury & Co., Chartered Accountants, the Statutory Auditors of Eastern Coalfields Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company for the year ended on 31st March, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

**Managements' Responsibility**

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

**Auditor's Responsibility**

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.



6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

**Opinion**

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2018.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the company.

Date : 26.5.2018

Place : Dhanbad

**M. CHOUDHURY & CO.**  
Chartered Accountants  
FR No. 302186E

(D. Choudhury)  
Partner  
Membership No. 052066



***Dinesh Agarwal, ACMA, FCS***

*Practicing Company Secretary*



16/1A, Abdul Hamid Street (British Indian Street),  
4th Floor, Room No.4B, Kolkata-700069(W.B.)  
Mobile: +91 9339740007 || E-Mail: agarwaldcs@gmail.com

## **SECRETARIAL AUDIT REPORT**

### **For the Financial Year ended 31st 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]

To,  
The Members  
**M/s. Eastern Coalfields Limited**  
P.O. Dishergarh, Sanctoria,  
Burdwan-713333  
West Bengal, India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Eastern Coalfields Limited (CIN: U10101WB1975GOI030295)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Eastern Coalfields Limited (“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) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'),
- (vi) Other laws specifically applicable to the Company.

**Note: The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder and The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder are not applicable to the Company.**

**I have also examined compliance with the applicable clauses of the following:**

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Guidelines on Corporate Governance of CPSE, 2010.

During the financial year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc., mentioned above subject to the following observations:

- As per available information, company is not having sufficient number of Independent Director as required under Section 149 of the Act.
- The available record shows that there is a shortfall/ unexpended amount of ₹ 15.52 Crore in the Corporate Social Responsibility activity.
- As per Section 177 of Companies Act, 2013 audit committee is required to be constituted. It is not being properly constituted.

**I further report that:**

The Board of Directors of the Company is duly constituted as per the Companies Act, 2013 except appointment of Independent Director. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

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.

During the audit period under review, all decisions at Board Meetings were carried out unanimously.

**I 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 as observed below :



- The company has complied with all applicable Environmental laws as per undertaking provided by the General Manager (Environment & Forest) Department of the Company vide Ref No. ECL/ENV/18/223 dated 07/06/2018.
- District Mining Officers (DMOs) in the state of Jharkhand had served demand notice to 11 coal mines of Eastern Coalfields Limited for alleged violation of Environmental Clearance (EC) capacity from 2000-01 to 2016-17 under Section 21(5) of the MMDR Act, 1957. The total amount of demand raised for 11 mines (Mugma Area-8 mines, Rajmahal Area-2 mines and S.P. Mines Area-1 mine) for the period mentioned above is about ₹ 2178.14 crore. ECL has filed revision petition to Single Bench Revisional Authority, Ministry of Coal, New Delhi under Section 30 of the Mines & Minerals (Development & Regulation) Act, 1957 on 16.01.2018 and got the stay on 22.01.2018. Now the matter is under sub-judice.

**Place: Kolkata**  
**Date: 25th June, 2018**

**(DINESH AGARWAL)**

*Company Secretary*

**C. P. No. 5881**

**Membership No. 6315**



***Dinesh Agarwal, ACMA, FCS***

*Practicing Company Secretary*



16/1A, Abdul Hamid Street (British Indian Street),  
4th Floor, Room No.4B, Kolkata-700069(W.B.)  
Mobile: +91 9339740007 || E-Mail: agarwaldcs@gmail.com

**“ANNEXURE A”**

To,  
The Members  
**M/s. Eastern Coalfields Limited**  
P.O. Dishergarh, Sanctoria,  
Burdwan-713333  
West Bengal, India

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. 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 the 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 have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the 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 efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Place: Kolkata**  
**Date: 25th June, 2018**

**(DINESH AGARWAL)**

*Company Secretary*

**C. P. No. 5881**

**Membership No. 6315**

### **Management Reply to the observations in Secretarial Audit Report of ECL for FY-2017-18**

<b>Sl. No.</b>	<b>Observation by Secretarial Auditor</b>	<b>Management Reply</b>
1.	As per available information, company is not having sufficient number of Independent Director as required u/s 149 of the Act.	It is a statement of fact. ECL is having only one Independent Director in the form of Prof. (Dr.) Indira Chakravarty who was appointed on the Board of ECL w.e.f 17.11.2015.
2.	As per section 177 of the Companies Act, 2013 Audit Committee is required to be constituted. It is not being properly constituted.	Audit Committee is constituted, but there is only one independent director as stated above. Appointment of Directors in ECL is being done by Ministry of Coal, Govt of India.
3.	The available records show that there is shortfall/unexpended amount of ₹ 15.52 crore in Corporate Social Responsibility activity.	It is a statement of fact. Adequate disclosure in this regard has been made in the Board's Report-2017-18.
4.	District Mining Officers (DMOs) in the state of Jharkhand had served demand notice to 11 coal mines of Eastern Coalfields Limited for alleged violation of Environmental Clearance (EC) capacity from 2000-01 to 2016-17 under Section 21(5) of the MMDR Act, 1957. The total amount of demand raised for 11 mines (Mugma Area-8 mines, Rajmahal Area-2 mines and S.P. Mines Area-1 mine) for the period mentioned above is about ₹ 2178.14 crore. ECL has filed revision petition to Single Bench Revisional Authority, Ministry of Coal, New Delhi under Section 30 of the 'Mines & Minerals (Development & Regulation) Act, 1957 on 16.01.2018 and got the stay on 22.01.2018. Now the matter is under sub-judice.	It is a statement of fact.





**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

**as on the 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) CIN:-U10101WB1975GOI030295
- ii) Registration Date:- 01.11.1975
- iii) Name of the Company:- Eastern Coalfields Limited
- iv) Category/Sub-Category of the Company:- Public Limited Company u/s 2(71) of Companies Act-2013
- v) Address of the Registered office and contact details:- CMD's Office, Sanctoria, Post-Dishergarh, Dist.- West Burdwan, PIN-713333, West Bengal.
- vi) Whether listed company Yes / No: No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: NA

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

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Coal	0510	100%

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

Sl. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section of Companies Act, 2013
1	Coal India Limited, CIN-L23109WB1973GOI028844 Coal Bhavan Premises-04 MAR, Plot No.-AF-III Action Area-1A, New Town Rajarhat, Kolkata-7000156, West Bengal		Holding Company	100%	2(46)

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

(a) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	De-mat	Physical	Total	% of Total Shares	De-mat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF		3	3	0.01		3	3	0.01	Nil
b) Central Govt.									
c) State Govt.									
d) Bodies Corp.		22184497	22184497	99.99		22184497	22184497	99.99	Nil
e) Banks/FI									
f) Any Other....									
<b>Sub-total (A) (1):-</b>	Nil	22184500	22184500	100	Nil	22184500	22184500	100	Nil
<b>(2) Foreign</b>									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (A) (2):-</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	Nil	22184500	22184500		Nil	22184500	22184500		
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt.									
d) State Govt.									
e) Venture Capital Funds									
f) Insurance Co.									
g) FIs									
h) Foreign									
<b>Venture Capital Funds</b>									
<b>i) Others (specify)</b>		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (B)(1):-</b>		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	De-mat	Physical	Total	% of Total Shares	De-mat	Physical	Total	% of Total Shares	
i) Individual shareholders holding nominal share capital upto ₹1 lakh ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh c) Others (specify)									
<b>Sub-total (B)(2)- Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Grand Total (A+B+C)</b>	Nil	22184500	22184500	100	Nil	22184500	22184500	100	Nil

### b. Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Coal India Limited	22184497	99.99	Nil	22184497	99.99	Nil	Nil
	<b>TOTAL</b>	<b>22184497</b>	<b>99.99</b>	<b>Nil</b>	<b>22184497</b>	<b>99.99</b>	<b>Nil</b>	<b>Nil</b>

c. Change in Promoters' Shareholding (please specify, if there is no change): There is no change in Promoters' Shareholding during the year. The details are given below:

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	22184497	99.99	22184497	99.99
2	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
3	At the End of the year	22184497	99.99	22184497	99.99

- d. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	NIL			
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
3	At the End of the year ( or on the date of separation, if separated during the year)				

- e. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	2	0.01	2	0.01
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
3	At the End of the year	2	0.01	2	0.01

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment  
(₹ in crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount		1590.50		1590.50
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>		<b>1590.50</b>		<b>1590.50</b>
<b>Change in Indebtedness during the financial year</b>				
→Addition		113.86		113.86
→Reduction		6.00		6.00
<b>Net Change</b>		<b>107.86</b>		<b>107.86</b>



<b>Indebtedness at the end of the financial year</b>			
i) Principal Amount		1698.36	1698.36
ii) Interest due but not paid			
iii) Interest accrued but not due			
<b>Total (i+ii+iii)</b>		<b>1698.36</b>	<b>1698.36</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Figures in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager						Total Amount
		Shri S. Chakravarty CMD upto 31.03.2018	Shri K. S. Patro, Director (Personnel), (WTD)	Shri A.M. Marathe, Director (Finance) (WTD)	Shri S.K. Jha Director (Technical) Opn. (WTD) w.e.f. 19.12.2017	Shri B. N. Shukla Director, (Technical) Opn., (WTD) upto 1608.2017	Shri A.K. Singh Director (Technical) P&P, (WTD) upto 25.09.2017	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2535116.57	2914492.00	2749965.00	1190573.00	1355784.60	1510345.00	12256276.17
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	344746.65	350830.50	346500.00	193178.00	163536.30	173250.00	1572041.45
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4	Commission -as % of profit -others, specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil
5	Others, please specify	2000000.00		2000000.00				4000000.00
6	Total (A)	4879863.22	3265322.50	5096565.00	1383751.00	1519320.90	1683595.00	17828317.62

## b. Remuneration to other directors:

(Figures in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount
		Dr. Indira Chakravarty	
1	Independent Directors		
	→ Fee for attending board / committee meetings	401250.00	401250.00
	→ Commission	Nil	Nil
	→ Others, specify	Nil	Nil
	<b>Total (1)</b>	<b>401250.00</b>	<b>401250.00</b>
2	Other Non-Executive Directors		
	→ Fee for attending board / committee meetings		Nil
	→ Commission		Nil
	→ Others, specify		Nil
3	<b>Total (2)</b>		<b>401250.00</b>
4	<b>Total (B)=(1+2)</b>	<b>401250.00</b>	<b>401250.00</b>

## c. Remuneration to key managerial personnel other than MD/Manager/WTD

Sl.No.	Particulars of Remuneration	Company Secretary	Total
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	2771935.00	2771935.00
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	410536.00	410536.00
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Nil	Nil
	Stock Option	Nil	Nil
	Sweat Equity	Nil	Nil
	Commission - as % of profit - Others, specify...	Nil	Nil
	Others, please specify	7849.00	7849.00
	<b>Total</b>	<b>3190320.00</b>	<b>3190320.00</b>

## Vii. Penalties / punishment/ compounding of offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>a. Company</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>b. Directors</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>c. Other officers in default</b>					
Penalty			NIL		
Punishment					
Compounding					



## ANNEXURE - X

**FOREIGN EXCHANGE EARNING & OUTGO**

(i) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products, services and export plans. : Company is not engaged in export activities.

(ii) **Total Foreign Exchange used and earned:**

(₹ in Lakh)

Sl.No.	Description	2017-18	2016-17
<b>(A)</b>	<b>Foreign Exchange Used</b>		
	1. CIF value of imports		
	(a) Raw materials	0.00	0.00
	(b) Components, stores & spares	0.00	475.00
	(c) Capital goods.	0.00	15189.00
	2. Travelling / Training Expenses	13.00	34.00
	3. Expenses on knowhow and Foreign Consultancy	0.00	0.00
	4. Pension to the Foreigners	0.00	0.00
	5. Others	0.00	220.00
	<b>Total</b>	<b>13.00</b>	<b>15918.00</b>
<b>(B)</b>	<b>Foreign Exchange Earned</b>	<b>Nil</b>	<b>Nil</b>

## ANNEXURE - XI

## FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

### RESEARCH AND DEVELOPMENT (R&D)

- |  |   |  |
|--|---|--|
| 1. Specific area in which R&D carried out by the Company | : | Company does not have its own Research & Development (R&D) set up. CMPDIL, a Subsidiary of Coal India Limited (CIL) does the R&D work centrally for all the Subsidiaries of CIL. |
| 2. Benefits derived as a result of the above R&D         | : | NA   |
| 3. Future Plan of action                                 | : | NA   |
| 4. Expenditure on R&D                                    | : | NA   |
| (a) Capital  |   | —  |
| (b) Recurring  |   | —  |
| (c) Total  |   | —  |
| Total R&D expenditure as a percentage of total turnover. | : | NA   |

### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- |  |   |     |
|--|---|-----|
| 1. Efforts, in brief, made towards technology absorption, adaptation and innovation.   | : | Nil |
| 2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.                    | : | Nil |
| 3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished : | : | Nil |
| (i) Technology imported  | : | Nil |
| (ii) Year of Import  | : | Nil |
| (iii) Has technology been fully absorbed?  | : | Nil |
| (iv) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.  | : | Nil |





No. 69/CA/LA-1 / Accounts / ECL / 2017-18

**CONFIDENTIAL**

कायालय, प्रधान निदेशक वाणिज्यिक लखापर क्षा तथा पदन सदस्य लखापर क्षा  
बाड-II कालकाता

पुराना निजाम महल, आचाय जगद श चन्द्र बास राड,

कालकाता - 700 020

OFFICE OF THE

PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT & EX-OFFICIO  
MEMBER AUDIT BOARD-II, KOLKATA

Old Nizam Palace, 234/4, Acharya Jagadish Chandra Bose Road,  
Kolkata -700 020

Dated : 11th June, 2018

To  
The Chairman-cum-Managing Director,  
Eastern Coalfields Limited,  
Sanctoria,  
West Bengal

**Sub. : Comments of the Comptroller & Auditor General of India under  
Section 143(6)(b) of the Companies Act, 2013 on the Accounts of  
Eastern Coalfields Limited for the year ended 31st March, 2018.**

Sir,

I forward herewith the Comments of the Comptroller & Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the Accounts of Eastern Coalfields Limited for the year ended 31st March, 2018.

The receipt of this letter may please be acknowledged.

Encl. As stated.

Yours faithfully,

Kolkata  
Dated : 11.06.2018

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

दुंभा० /Phones : 91-33-22875380/7165/2360/8838, 2281-0043/5654, फैक्स /Fax : 91-33-22800062  
इ० मल /E-mail : pdca2cal@cal3.vsnl.net.in, तार “कायलखा / Telegram : "COLADIT",

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

The preparation of financial statements of Eastern Coalfields Limited for the year ended 31st 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 are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 26.05.2018 and revised Audit Report dated 06.06.2018.

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 Eastern Coalfields Limited for the year ended 31st 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. In view of the revision made to include details of statutory dues deposited under protest in Appendix 'A' referred to in 7(b) of Annexure I to the Independent Auditors' Report as a result of my audit observations highlighted during supplementary audit, I have no further comments to offer upon or supplement to the Statutory Auditors' Report under section 143(6)(b) of the Act.

Place : Kolkata,  
Dated : 11.06.2018

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

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



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EASTERN COALFIELDS LIMITED

Sl. No.	AUDITORS' REPORT	Management's Reply
	<b>Report on the Ind AS financial statements</b>	
1.	<p>We have audited the accompanying Ind AS financial statements of EASTERN COALFIELDS LIMITED ("the Company") which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows, the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS Financial Statements") in which are incorporated the accounts of: (a) Head Office and 7 Areas/Units audited by us and (b) 19 Areas/Units audited by the Branch Auditors appointed under Section 139 of the Companies Act, 2013 (the "Act").</p>	It is a statement of fact.
	<b>Management's Responsibility for the Ind AS financial statements</b>	
2.	<p>The Company's Management is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Act, read with the relevant Rules issued thereunder. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of 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 Ind AS financial statements that give a true and fair view and are free of material misstatement, whether due to fraud or error.</p>	It is a statement of fact.
	<b>Auditors' Responsibility</b>	
3.	<p>Our responsibility is to express an opinion on these Ind AS 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.</p>	It is a statement of fact.

4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. These standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement. It is a statement of fact.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the Ind AS 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 Ind AS 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 estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. It is a statement of fact.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements. It is a statement of fact.

### Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, its financial performance (loss) including other comprehensive income, its cash flows and the changes in equity for the year ended on that date. It is a statement of fact.

### Other Matters

8. We had issued our Audit Report dated 26th May, 2018 ("The Original Report") at Dhanbad on the financial statements as approved by the Board of Directors of the Company on even date. Pursuant to the observations of the Comptroller and Auditor General of India under Section 143(6)(a) of the Act, we have revised the said Original Report. This revised Audit Report has no impact on the reported figures in the financial statements of the Company. This audit report, which has been suitably revised to consider the observations of the Comptroller and Auditor General of India and amendment made to point no. 7 (b) in "Annexure-I" to the Independent



Auditors' Report, supersedes the Original Report.

Our audit procedure on events subsequent to the date of the original report is restricted solely to the amendment made to point no 7(b) of Annexure-I to the Independent Auditors' Report under Companies (Auditor's Report) Order, 2016.

### Report on Other Legal and Regulatory Requirements

- |            |   |                            |
|------------|---|----------------------------|
| 9.a.       | As required by the Companies (Auditor's Report) Order, 2016 issued by the Government of India in terms of Section 143 (11) of the Act, we give in Annexure 'I' to this report, a statement on the matters specified in paragraphs 3 and 4 of the said order.  | It is a statement of fact. |
| b.         | As required under Section 143 (5) of the Act, we give in ANNEXURE 'II' to this report, a statement on the directions, issued by the Comptroller and Auditor General of India after complying the suggested methodology of audit, the actions taken thereon and its impact on the accounts and Ind AS financial statements of the Company. | It is a statement of fact. |
| <br>       |   |                            |
| <b>10.</b> | <b>As required by Section 143 (3) of the Act, we report that:</b>   |                            |
| a.         | We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.   | It is a statement of fact. |
| 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.   | It is a statement of fact. |
| c.         | The reports on the accounts of the Areas/Units of the Company audited under Section 143 (8) of the Act by the Area/Unit Auditors have been sent to us under the proviso to that sub-section and have been dealt with by us in preparing this report.  | It is a statement of fact. |
| d.         | The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account and returns.   | It is a statement of fact. |
| e.         | In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified in Section 133 of the Act read with the relevant rules issued thereunder.  | It is a statement of fact. |
| f.         | There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the Company.   | It is a statement of fact. |
| g.         | On the basis of written representations received from the Directors none of the Directors is disqualified as on 31st March, 2018 from being appointed as a Director in terms of Section 164 (2) of the Act.   | It is a statement of fact. |
| h.         | There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.   | It is a statement of fact. |
| i.         | Our report on the adequacy of the internal financial controls over financial  |                            |

- |  |                                   |
|--|-----------------------------------|
| <p>reporting of the Company and the operating effectiveness of such controls is given in Annexure 'III' attached.</p>  | <p>It is a statement of fact.</p> |
| <p>j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:</p> | <p>It is a statement of fact.</p> |
| <p>i. The Company has disclosed the contingent liabilities under Item No.4 (a) in Note 38 to the Ind AS financial statements. We have not come across any other pending litigation which would impact its financial position;</p>                                | <p>It is a statement of fact.</p> |
| <p>ii. The Company was not required to make provision under the applicable laws or accounting standards for material foreseeable losses on long term contracts including derivative contracts;</p>   | <p>It is a statement of fact.</p> |
| <p>iii. Transfer of funds to the Investor Education and Protection Fund was not applicable to the Company;</p>   | <p>It is a statement of fact.</p> |



**ANNEXURE 'I' to the INDEPENDENT AUDITORS' REPORT**  
**on EASTERN COALFIELDS LIMITED for the Year Ended 31st March, 2018**  
**(Referred to in Paragraph 9(a) of our report of even date)**

Sl.  
No.

**AUDITORS' REPORT**

**Management's  
Reply**

**In our opinion and to the best of our information and according to the explanations given to us, we state that:**

- |      |   |                            |
|------|---|----------------------------|
| 1.a. | The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.                     | It is a statement of fact. |
| b.   | Fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification. | It is a statement of fact. |
| c.   | The position of title deeds of immovable properties held in the name of the Company is given below:   |                            |

Description of Land	Total Land In possession of the Company (in HA)	Land for which Documents are held (in HA)	Remarks
Land under Coal Mines Nationalisation Act 1973	8711.00	8711.00	These lands are now vested in the name of the Company.
Land under Land Acquisition Act 1894	2802.84	2802.84	Possession Certificates are available at mine offices under the respective areas of the Company.
Land Acquired under CBA (A&D) Act, 1957	3772.23	3772.23	The relevant details are available at mine offices under the respective areas of the Company.
Land acquired under Direct Purchase	5432.83	4704.69	Compilation and reconciliation of documents/deeds in respect of the remaining 728.14 Ha of land is in progress.
Government Land Transferred	311.25	311.25	The possession certificates thereof are available at the mine offices of the respective areas of the Company.
Forest Land (under Coal Bearing Act)	275.77	275.77	The relevant details are available at mine offices under the respective areas of the Company.
Forest Land under non Coal Bearing Act	100.62	100.62	Records of Stage I and Stage II clearances are available at the mine offices of the respective areas of the Company.
<b>TOTAL</b>	<b>21406.54</b>	<b>20678.40</b>	

It is a statement of fact.

- |      |   |                            |
|------|---|----------------------------|
| 2.   | Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such verification.  | It is a statement of fact. |
| 3.   | The Company has not granted loans, secured or unsecured, to Companies, Firms, LLPs or other parties covered in the register maintained under Section 189 of the Act.  | It is a statement of fact. |
| 4.   | The Company does not have loans, investments, guarantee and security involving the provisions of Section 185 and Section 186 of the Act.  | It is a statement of fact. |
| 5.   | The Company has not accepted deposits attracting the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. No 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 requiring compliance.  | It is a statement of fact. |
| 6.   | In respect of cost records specified by the Central Government under Section 148 (1) of the Act, the Company has made and maintained such accounts and records.   | It is a statement of fact. |
| 7.a. | The Company is generally regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and other statutory dues, as applicable, to the appropriate authorities. There is no arrear of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable. | It is a statement of fact. |
| b.   | The amounts involved and the forum where dispute is pending in respect of dues of income tax or sales tax or wealth tax or service tax or customs duty or excise duty or value added tax that have not been deposited on account of any dispute are given in Appendix 'A' attached.   | It is a statement of fact. |
| 8.   | The Company has bit defaulted in repayment of loans or borrowings to financial institutions, banks, government. Repayment to debenture holders was not applicable to the Company.   | It is a statement of fact. |
| 9.   | Moneys raised by way of initial public offer or further public offer (including debt instruments) was not applicable to the Company. Term Loans were applied for the purpose for which they were obtained.  | It is a statement of fact. |





10. No fraud by the Company or any fraud on the Company by its officers/ employees has been noticed or reported during the year. It is a statement of fact.
11. Managerial Remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. It is a statement of fact.
12. This clause is not applicable to the Company since it is not a Nidhi Company. It is a statement of fact.
13. All transactions with related parties are in compliance with Sections 177 and 178 of the Act and the details have been disclosed in the Ind AS financial statements as required by the applicable standards. It is a statement of fact.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. It is a statement of fact.
15. The Company has not entered into any non-cash transactions with directors or persons connected with them. It is a statement of fact.
16. The Company was not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934. It is a statement of fact.

#### Appendix 'A'

#### Disputes pending, of ₹1 lakh and above, that have not been deposited

Sl. No.	Name of Statute	Nature of Dues	Period to which the amount relates	₹ In Crore	Forum where dispute is pending
1	West Bengal Rural Employment and Production Act, 1976	West Bengal Rural Employment Cess	FY 1997-98	142.03	Remanded to JCCT, Asansol
2	West Bengal Rural Employment and Production Act, 1976	West Bengal Rural Employment Cess	FY 1998-99 to FY 2000-01	149.78	WBTT
3	West Bengal Rural Employment and Production Act, 1976	West Bengal Rural Employment Cess	FY 2001-02 to FY 2008-09	117.60	SPL.COMM WB COM TAX
4	West Bengal Rural Employment and Production Act, 1976	West Bengal Rural Employment Cess	FY 2009-10 to FY 2012-13	294.84	Sr. JCCT, Asansol Circle
5	West Bengal Primary Education Act, 1973	West Bengal Primary Education Cess	FY 1997-98	27.04	Remanded to JCCT, Asansol
6	West Bengal Primary Education Act, 1973	West Bengal Primary Education Cess	FY 1998-99 to FY 2000-01	82.92	WBTT
7	West Bengal Primary Education Act, 1973	West Bengal Primary Education Cess	FY 2001-02 to FY 2008-09	29.40	SPL.COMM WB COM TAX
8	West Bengal Primary Education Act, 1973	West Bengal Primary Education Cess	FY 2009-10 to FY 2012 13	55.63	Sr. JCCT, Asansol Circle

It is a statement of fact. However, these disputed dues are included in contingent liability (claim against the company not acknowledged as debts) shown in Additional Notes to Accounts under clause no. 4. (a) Un-recognized Items.

9	Central Sales Tax Act, 1956/ West Bengal VAT Act, 2003	WB VAT/CST	FY 2014-15	14.13	Addl. CCT, WBCT
10	Central Sales Tax Act, 1956/ West Bengal VAT Act, 2003	WB VAT/CST	FY 2010-11 & FY 2013-14	9.05	WBCT Appellate & Revisional Board
11	Central Sales Tax Act, 1956/ West Bengal VAT Act, 2003	WB VAT/CST	FY 2012-13 & FY 2013-14	25.55	WBTT
12	Central Excise Act 1944	Central Excise Duty	March 2011 to Sept 2016	760.84	CESTAT, Kolkata
13	Finance Act, 1994	Demand of Service Tax on Penalty /LD charged/recovered from supplier/contractor/ Coal customers	FY 2012-13 to FY 2015-16	51.47	CESTAT, Kolkata
14	Central Excise Act 1944	Central Excise Duty	January 2012 to March 2015	0.16	CCE(Appeal), Kolkata
15	Income Tax Act, 1961	Income Tax	AY 93-94, AY 06- 07 to AY 2009-10	219.18	ITAT, Kolkata
16	Income Tax Act, 1961	Income Tax	A.Y. 03-04 to A.Y. 08-09 & A.Y. 10-11 to A.Y. 14-15	320.26	CIT(Appeal), Asansol
17	Income Tax Act, 1961	Income Tax	A.Y. 2003-04 to A.Y. 2005-06	264.75	Hon'ble High Court Calcutta
18	MMDR ACT, 1957	Royalty	April 86 to March 1996 & Sept '03	5.92	The Hon'ble Supreme Court
19	MMDR ACT, 1957	Royalty	from 24.09.03 to 31.12.05	0.17	The Hon'ble High Court, Ranchi
20	MMDR ACT, 1957	Royalty	FY 03-04 & FY 05-06	0.76	DCCT, Deoghar
21	CST Act, 1956 & JVAT Act, 2005	CST/JVAT	FY 89-90 to FY 95-96 & FY 02-03	20.94	Jharkhand Taxation Tribunal
22	CST Act, 1956 & JVAT Act, 2005	CST/JVAT	FY 97-98 to 03- 04 & FY 08-09 to 09-10	9.62	ACCT, Deoghar
23	CST Act, 1956 & JVAT Act, 2005	CST/JVAT	FY 2004-05 to FY 2007-08	9.03	CCT, Ranchi
24	CST Act, 1956 & JVAT Act, 2005	CST/JVAT	FY 2011-12 & FY 2012-13	3.37	DCCT, Deoghar
25	Central Excise Act 1944	Excise Act	FY 2016-17	1.15	CCE(Appeal), Dhanbad
26	MMDR ACT, 1957	Royalty	FY 1999-00	0.40	Dist. Mining Officer
27	CST Act, 1956 & JVAT Act, 2005	CST & VAT	FY 89-90 to FY 91-92 & FY 97-98 to FY 06-07	17.43	JCCT (Appeal), Dhanbad
28	CST Act, 1956 & JVAT Act, 2005	CST & VAT	FY 07-08 FY 13-14	19.49	Dy C.C.T., Chirkunda Circle
29	CST Act, 1956 & JVAT Act, 2005	CST & VAT	FY 2001-02	1.96	CCT, Ranchi
30	CST Act, 1956 & JVAT Act, 2005	CST & VAT	FY 06-07 & FY-08-09	1.27	ACCT, Godda



31	CST Act, 1956 & JVAT Act, 2005	CST & VAT	FY 08 - 09 to FY 15-16	37.07	DCCT, Godda
32	CST Act, 1956 & JVAT Act, 2005	CST & VAT	FY 2008-09 to FY 2015-16	0.92	Com Taxes Tribunal, Ranchi
33	Central Excise Act 1944	Central Excise Duty	Mar'11 to Feb'13	2.52	CCE(Appeal), Ranchi
34	Central Excise Act 1944	Central Excise Duty	FY 10 -11 to FY 14-15	7.69	CCE(Appeal), Dhanbad
35	Central Excise Act 1944	Central Excise Duty	FY 2014-15 & FY 2015-16	5.19	Office of the Principal Director of Audit, Ranchi
36	MMDR ACT, 1957	Royalty	FY 90 -91, FY 96 97, FY 97 -98, FY 07-08 to FY 11-12	14.71	Certificate Officer, Dumka
37	MMDR ACT, 1957	Royalty	FY 1997-98	29.76	High Court, Ranchi
38	MMDR ACT, 1957	Royalty	FY 2006-07 to FY 2015-16	0.14	Dist. Mining Officer, Godda

Out of the above the under mentioned statutory dues have been deposited under protest:

Sl. No	Nature of Dues	Deposit made under protest (₹ in Crore)
1.	Income Tax	37.01
2.	Value Added Tax	0.50
3.	Central Sales Tax	6.86
4.	Jharkhand Sales Tax	0.18
5.	Central Excise Duty	41.64
	<b>Total</b>	<b>86.19</b>

**ANNEXURE 'II' to the INDEPENDENT AUDITORS' REPORT**  
**on EASTERN COALFIELDS LIMITED for the Year Ended 31st March, 2018**  
**(Referred to in Paragraph 9(b) of our report of even date)**

**Annexure - A**

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

Sl. No.	Auditors' Report	Auditors' Comment	Management Reply
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?	The details are given in Appendix 'B' attached	It is a statement of fact.
2.	Whether there are any cases of waiver/write off of debts / loans / interest etc. If yes, the reasons there for and amount involved.	The Company has not written off any debts during the year.	It is a statement of fact.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from the Govt. or other authorities.	We did not come across any such case during the year.	It is a statement of fact.



**ANNEXURE 'II' to the INDEPENDENT AUDITORS' REPORT**  
**on EASTERN COALFIELDS LIMITED for the Year Ended 31st March, 2018**  
**(Referred to in Paragraph 9(b) of our report of even date)**

Annexure - B

**Additional Directions under section 143(5) of Companies Act, 2013**

Sl. No.	Auditor's Report	Auditor's Comment	Management Reply
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, created during the year has got the approval of the competent authority?	Coal Stock measurement was done keeping in view the contour map. The physical stock measurement reports are accompanied by contour maps. New heaps created during the year have the approval of the competent authority.	It is a statement of fact.
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?	There is no such case during the year.	It is a statement of fact.
3.	Whether separate Escrow Accounts for each mine has been maintained in CIL and its subsidiary companies?  Also examine the utilisation of the fund of the account.	Separate escrow account for each mine is being maintained at the designated bank, i.e. Union Bank of India, Asansol branch.  No amount has been disbursed upto 31.03.2018 by the designated authority, i.e. the Coal Controller, and consequently utilization of fund is not applicable during the year.	It is a statement of fact.
4.	Whether the impact of penalty for illegal mining as imposed by the Hon'ble Supreme Court has been duly considered and accounted for?	According to the records examined by us and information and explanations furnished to us there is a demand notice of ₹2178.14 Crore from Government of Jharkhand for producing coal in excess of the maximum production capacity in respect of Rajmahal, Mugma and S P Mines areas. The Ministry of Coal has, however, stayed the execution of the said demand notice.	It is a statement of fact.

## Deeds for Land

## Appendix 'B'

Description of Land	Total Land In possession of the Company (in HA)	Land for which Documents are held (in HA)	Remarks	Management Reply
Land under Coal Mines Nationalisation Act, 1973	8711.00	8711.00	These lands are now vested in the name of the Company.	It is a statement of fact.
Land under Land Acquisition Act, 1894	2802.84	2802.84	Possession Certificates are available at mine offices under the respective areas of the Company.	It is a statement of fact.
Land Acquired under CBA (A&D) Act, 1957	3772.23	3772.23	The relevant details are available at mine offices under the respective areas of the Company.	It is a statement of fact.
Land acquired under Direct Purchase	5432.83	4704.69	Compilation and reconciliation of documents/ deeds in respect of the remaining 728.14 Ha of land is in progress.	It is a statement of fact.
Government Land Transferred	311.25	311.25	The possession certificates thereof are available at the mine offices of the respective areas of the Company.	It is a statement of fact.
Forest Land (under Coal Bearing Act)	275.77	275.77	The relevant details are available at mine offices under the respective areas of the Company.	It is a statement of fact.
Forest Land under non Coal Bearing Act	100.62	100.62	Records of Stage I and Stage II clearances are available at the mine offices of the respective areas of the Company.	It is a statement of fact.
<b>TOTAL</b>	<b>21406.54</b>	<b>20678.40</b>		



**ANNEXURE 'III' to the INDEPENDENT AUDITORS' REPORT**  
**on EASTERN COALFIELDS LIMITED for the Year Ended 31st March, 2018**  
**(Referred to in Paragraph 10(i) of our report of even date)**

**Independent Auditors' Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013.**

Sl. No.	Auditor's Report	Management Reply
1.	We have audited the internal financial controls over financial reporting of Eastern Coalfields Limited ("the Company"), in which are incorporated the reports of: (a) Head Office and 7 Areas/Units audited by us and (b) 19 Areas/Units audited by the Branch Auditors appointed under Section 139 of the Companies Act, 2013 ("the Act"), as of 31st March, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.	It is a statement of fact.

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

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

3.	Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ("the Standards"), issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.	It is a statement of fact.
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- |  |                                   |
|--|-----------------------------------|
| <p>4. 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 includes obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.</p> | <p>It is a statement of fact.</p> |
| <p>5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.</p>   | <p>It is a statement of fact.</p> |

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

- |   |                                   |
|---|-----------------------------------|
| <p>6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:</p> | <p>It is a statement of fact.</p> |
| <p>i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;</p>   | <p>It is a statement of fact.</p> |
| <p>ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and</p>   | <p>It is a statement of fact.</p> |
| <p>iii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.</p>  | <p>It is a statement of fact.</p> |





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

7. 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.

It is a statement of fact.

### **Opinion**

8. In our opinion the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, 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 issued by the ICAI.

It is a statement of fact.

**BALANCE SHEET AS AT 31ST. MARCH.**

(₹ in Crores)

PARTICULARS.	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>SOURCES OF FUNDS :</b>										
SHARE CAPITAL	2218.45	2218.45	2218.45	2218.45	2218.45	2218.45	4269.42	2218.45	2218.45	2218.45
CONVERSION OF LOAN INTO EQUITY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
RESERVE AND SURPLUS.	(8567.40)	(8234.00)	(8127.43)	(7165.30)	(4677.05)	(3804.82)	(2716.00)	(1072.92)	(1052.15)	(1876.32)
INTEREST ACCRUED AND DUE.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LOAN FUNDS.	689.26	665.52	656.24	670.18	674.17	681.29	164.33	1485.87	1584.31	1692.17
OTHER NON CURRENT LIABILITIES			11.20	5.51	17.95	17.99	18.92	28.42	25.91	18.11
LONG TERM PROVISIONS	3342.90	3634.76	4136.04	4731.93	4670.27	4042.55	3135.23	2948.25	2789.92	3705.31
	<b>-2316.79</b>	<b>-1715.27</b>	<b>-1105.50</b>	<b>460.77</b>	<b>2903.79</b>	<b>3155.46</b>	<b>4871.90</b>	<b>5608.07</b>	<b>5566.44</b>	<b>5757.72</b>
<b>APPLICATION OF FUNDS :</b>										
FIXED ASSETS :										
GROSS BLOCK.	5217.34	5290.16	5197.08	5389.97	5535.55	5797.26	6618.71	2139.57	3074.95	3605.69
LESS : DEPRECIATION.	3983.67	4097.59	3988.28	4107.20	4280.72	4413.47	5053.31	163.58	452.86	901.07
NET BLOCK.	1233.67	1192.57	1208.80	1282.77	1254.83	1383.79	1565.40	1975.99	2622.09	2704.62
CAPITAL W.I.P.	39.85	64.80	36.91	51.28	61.32	106.87	265.86	561.01	382.78	352.67
INTANGIBLE ASSETS UNDER DEVELOPMENT			11.28	46.22	20.21	30.36	80.19	87.77	117.65	528.08
NON CURRENT INVESTMENTS.	0.31	0.28	0.21	0.18	0.15	0.13	0.08	0.08	0.08	0.08
DEFERRED TAX ASSETS			18.34	17.68	17.43	16.33	91.95	149.47	173.77	696.83
OTHER NON CURRENT ASSETS			6.57	21.04	50.87	99.86	17.41	0.36	122.35	159.19
OTHER LONG TERM LOANS AND ADVANCES							172.71	430.40	393.45	504.43
<b>CURRENT ASSETS, LOANS &amp; ADVANCES:</b>										
CURRENT INVESTMENTS.			0.03	0.03	0.03	0.03	0.03	0.00	0.00	0.00
INVENTORIES.	323.63	453.36	568.72	622.93	442.33	450.52	551.02	764.21	603.30	544.53
SUNDRY DEBTORS.	338.11	746.79	959.20	2459.37	3582.13	1720.01	1426.88	1955.53	1607.49	1154.47
CASH & BANK BALANCE	688.98	947.88	940.99	1248.74	1949.53	3852.00	4563.88	591.08	737.44	783.39
OTHER CURRENT ASSETS.	48.35	33.65	65.83	83.28	182.14	270.65	345.73	4022.62	4079.92	5396.11
LOANS AND ADVANCES.	130.33	146.82	77.59	176.23	188.98	205.25	377.81	0.00	0.00	0.00
SUB-TOTAL.	1529.60	2328.50	2612.36	4590.58	6345.14	6498.46	7265.35	7333.44	7028.15	7878.50
LESS : CURRENT LIABILITIES	5120.22	5301.42	4999.97	5548.98	5710.36	5491.33	4587.05	4930.45	5273.88	7066.68
NET CURRENT ASSETS.	-3590.62	-2972.92	-2387.61	-958.40	634.78	1007.13	2678.30	2402.99	1754.27	811.82
MISC. EXPENDITURE.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL :</b>	<b>-2316.79</b>	<b>-1715.27</b>	<b>-1105.50</b>	<b>460.77</b>	<b>2903.79</b>	<b>3155.46</b>	<b>4871.90</b>	<b>5608.07</b>	<b>5566.44</b>	<b>5757.72</b>



## PROFIT AND LOSS.

(₹ in Crore)

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>PARTICULARS.</b>										
SALES (NET OF LEVIES).	3837.40	5227.78	5882.60	8262.09	9191.91	8887.79	10,018.54	10219.45	10141.18	10,626.01
OTHER INCOME.	207.77	348.76	354.37	298.62	548.56	712.91	894.25	787.66	787.13	841.65
ACCRETION / DECRETION	-11.90	123.26	112.35	44.32	(168.92)	(5.64)	84.84	186.24	(157.34)	(33.53)
WORKSHOP JOBS FOR OWN PURPOSE.	44.51	50.48	0.00	0.00	0.00	0.00	-	-	-	-
WAIVER OF INTEREST.	0.00	0.00	0.00	0.00	0.00	0.00	-	-	-	-
WAIVER OF APEX CHARGES.	0.00	0.00	0.00	0.00	0.00	0.00	-	-	-	-
WAIVER OF ELECTRICITY DUTY	0.00	0.00	0.00	0.00	0.00	0.00	-	-	-	-
COAL ISSUED FOR SUNDRY PURPOSES.	0.16	0.01	0.00	0.00	0.00	0.00	-	-	-	-
	<b>4077.94</b>	<b>5750.29</b>	<b>6349.32</b>	<b>8605.03</b>	<b>9571.55</b>	<b>9595.06</b>	<b>10,997.63</b>	<b>11,193.35</b>	<b>10,770.97</b>	<b>11,434.13</b>
EMPLOYEES REMUNERATION & BENEFITS.	3803.75	3364.35	4042.04	5217.06	5329.99	5495.74	5,850.50	5,709.95	6,436.58	8,415.89
ARREAR SALARY & WAGES	504.89	58.81	0.00	0.00	0.00	0.00	-	-	-	-
EXCISE DUTY	466.61	490.96	539.95	574.22	649.95	735.36	797.82	609.24	626.06	146.14
CONSUMPTION OF STORES & SPARES.	259.25	304.79	376.11	382.42	433.97	463.77	475.78	738.60	693.25	656.99
POWER & FUEL.	70.95	82.82	57.02	61.76	60.23	76.47	101.22	134.41	156.94	506.06
REPAIRS.	268.09	296.40	180.52	79.33	117.12	92.98	24.85	62.61	21.62	12.69
CORPORATE SOCIAL RESPONSIBILITY EXPENSES	254.87	342.00	410.98	481.42	672.36	742.15	930.65	1,367.92	1,591.80	1,587.39
CONTRACTUAL EXPENSES.	148.51	160.16	176.44	208.45	261.29	265.34	444.37	414.72	454.08	551.12
MISCELLANEOUS EXPENSES.	206.86	146.69	184.72	200.90	203.20	213.50	226.36	278.42	294.90	380.27
DEPRECIATION.	20.96	9.51	1.01	0.16	8.48	0.98	19.66	39.73	28.99	63.72
IMPAIRMENT	0.07	0.01	1.01	0.16	8.48	0.98	-	128.54	142.54	154.38
INTEREST & FINANCIAL CHARGES.	155.86	170.35	164.08	248.19	(324.59)	210.00	174.42	(11.71)	(49.37)	274.04
OVER BURDEN REMOVAL.	17.43	-13.55	87.27	188.99	260.92	(131.57)	98.35	48.04	(144.91)	(1.24)
PROVISIONS.	2.76	1.97	22.61	0.00	0.00	127.70	73.42	42.21	-	-
WRITE OFF.	<b>6180.86</b>	<b>5415.27</b>	<b>6242.75</b>	<b>7642.90</b>	<b>7672.92</b>	<b>8292.42</b>	<b>9,217.40</b>	<b>10,070.16</b>	<b>10,755.65</b>	<b>12,900.86</b>
PROFIT(+)/LOSS(-) FOR THE YEAR BEFORE PPA	-2102.92	335.02	106.57	962.13	1898.63	1302.64	1,780.23	1,123.19	15.32	(1466.73)
PRIOR PERIOD ADJUSTMENT.	-2.78	-1.62	0.00	0.00	(1.45)	(3.36)	2.18	-	-	-
FRINGE BENEFIT TAX.	-3.39	0.00	0.00	0.00	0.00	0.00	-	-	-	-
TAX EXPENSES	-	-	-	-	-	-	-	-	-	-
- CURRENT YEAR	-	-	-	-	273.13	73.84	398.59	497.93	45.58	(12.96)
- MAT CREDIT ENTITLEMENT	-	-	-	-	-	-	(174.62)	(38.71)	(8.66)	0.00
- DEFERRED TAX	-	-	-	-	(31.49)	353.21	419.04	(57.52)	(24.30)	(523.06)
- EARLY YEAR	-	-	-	-	-	-	-	(4.12)	(3.43)	0.46
PROFIT(+)/LOSS (-) AFTER CPRA	-2109.09	333.40	106.57	962.13	1655.54	872.23	1,139.40	725.61	6.13	(931.17)
OTHER COMPREHENSIVE INCOME	-	-	-	-	-	-	-	99.50	36.58	163.63
TAX ON OTHER COMPREHENSIVE INCOME	-	-	-	-	-	-	-	34.44	21.94	56.63
OTHER COMPREHENSIVE INCOME NET OF TAX	-	-	-	-	-	-	-	65.06	14.64	107.00
TOTAL COMPREHENSIVE INCOME	-6458.31	-8567.40	-8234.00	-8127.43	-7165.30	-5509.76	(4637.53)	(3548.71)	(2761.24)	(2740.47)
PROFIT & LOSS UPTO PREVIOUS YEAR	0.00	0.00	0.00	0.00	0.00	0.00	-	-	-	-
TRANSITIONAL PROVISION	-	-	-	-	-	-	50.58	(3.20)	-	-
RETAINED EARNINGS	-	-	-	-	-	-	-	-	-	-
BALANCE CARRIED TO BALANCE SHEET	<b>-8567.40</b>	<b>-8234.00</b>	<b>-8127.43</b>	<b>-7165.30</b>	<b>-5509.76</b>	<b>-4637.53</b>	<b>(3548.71)</b>	<b>(2761.24)</b>	<b>(2740.47)</b>	<b>(3564.64)</b>



## CAPITAL EMPLOYED, NET WORTH AND FINANCIAL RATIOS.

(₹ in Crores)

PARTICULARS.	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>CAPITAL EMPLOYED.</b>										
NET WORTH	-3526.75	-3135.66	-1320.30	171.10	1971.14	2528.15	4589.75	5027.76	4876.79	4397.19
	-6348.95	-6015.55	-5908.98	-4946.85	-2458.60	-1586.37	1553.42	1145.53	1166.30	342.13
<b>LIQUIDITY RATIOS :</b>										
i) Current Ratio (Current Assets/Current Liabilities).	0.30	0.44	0.52	0.83	1.11	1.18	1.58	1.49	1.33	1.11
<b>TURNOVER RATIOS :</b>										
i) Capital Turnover Ratio (Net Sales / Capital Employed).	-1.09	-1.67	-4.46	48.29	4.66	3.52	2.18	2.03	2.08	2.42
ii) Sundry Debtors as Nos. of months :										
a). Gross Sales	1.25	1.61	1.76	2.99	3.93	2.15	1.69	2.20	1.61	1.16
b). Net Sales.	1.58	1.93	2.13	3.87	5.20	2.89	2.26	2.90	2.34	1.67
iii) Stock of coal as a No. of months' sale Value	0.62	0.74	0.84	0.66	0.37	0.38	0.43	0.60	0.45	0.38
iv) Stock of Stores & Spares (Gross) as a No. of months' consumption (including Stock of Medicine at Central Hospital)	4.00	3.99	3.70	3.78	3.10	2.91	2.85	3.55	3.76	4.19
<b>STRUCTURAL RATIOS :</b>										
i). Debt : Equity.	0.31	0.30	0.30	0.30	0.30	0.31	0.04	0.67	0.71	0.76
ii). Debt : Net Worth.	-0.11	-0.11	-0.11	-0.14	-0.27	-0.43	0.11	1.30	1.36	4.95

**Note :** Financial figures as on 31.03.2016 and 31.03.2017 are as per Ind AS.



## OPERATIONAL STATISTICS

YEAR ENDING 31ST MARCH	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
1 (a) PRODUCTION OF RAW COAL : (MILLION TONNE)										
UNDERGROUND	8.39	8.23	7.37	6.83	6.85	6.87	7.29	7.33	8.13	8.60
OPENCAST	19.74	21.83	23.43	23.73	27.05	29.18	32.72	32.88	32.39	34.97
<b>TOTAL :</b>	<b>28.13</b>	<b>30.06</b>	<b>30.80</b>	<b>30.56</b>	<b>33.90</b>	<b>36.05</b>	<b>40.01</b>	<b>40.21</b>	<b>40.52</b>	<b>43.57</b>
(b) OVERBURDEN REMOVAL (MILLION CU.MTR)	43.07	49.74	56.25	60.31	76.45	85.76	94.05	119.22	124.53	118.90
2. OFFTAKE (RAW COAL) : (MILLION TONNE)										
LOCO	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
POWER	23.69	25.22	26.21	24.27	30.02	31.05	35.10	35.80	40.12	40.04
CEMENT	0.15	0.15	0.15	0.14	0.14	0.06	0.08	0.08	0.05	0.06
FERTILIZER	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
COLLIERY CONSUMPTION	0.41	0.40	0.38	0.34	0.30	0.28	0.25	0.23	0.21	0.20
OTHERS	4.01	3.45	3.00	6.08	5.38	4.86	3.04	2.50	2.64	3.33
<b>TOTAL :</b>	<b>28.26</b>	<b>29.22</b>	<b>29.74</b>	<b>30.83</b>	<b>35.84</b>	<b>36.25</b>	<b>38.47</b>	<b>38.61</b>	<b>43.02</b>	<b>43.63</b>
3. MANPOWER	90470	85617	81128	78009	74276	71826	68681	66238	64029	61796
4. PRODUCTIVITY (O.M.S) :										
UNDERGROUND	0.46	0.47	0.45	0.44	0.46	0.48	0.53	0.56	0.64	0.72
OPENCAST	6.42	7.29	8.14	8.64	10.17	10.96	12.12	12.42	12.90	14.32
OVERALL :	1.33	1.46	1.60	1.68	1.94	2.12	2.45	2.56	2.64	3.01

## BALANCE SHEET

(₹ in Crore)

	Note No.	As at 31-03-2018	As at 31-03-2017
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
a. Property, Plant & Equipments	3	2,704.62	2,622.09
b. Capital Work in Progress	4	352.67	382.78
c. Exploration and Evaluation Assets	5	528.08	117.65
d. Other Intangible Assets	6	-	-
e. Intangible Assets under Development			
f. Investment Property			
g. Financial Assets			
i. Investments	7	0.08	0.08
ii. Loans	8	0.13	0.15
iii. Other Financial Assets	9	504.30	393.30
h. Deferred Tax Assets (net)		696.83	173.77
i. Other non-current assets	10	159.19	122.35
<b>Total Non-Current Assets ( A )</b>		<b><u>4,945.90</u></b>	<b><u>3,812.17</u></b>
<b>Current Assets</b>			
a. Inventories	12	544.53	603.30
b. Financial Assets			
i. Investments	7	-	-
ii. Trade Receivables	13	1,154.47	1,673.69
iii. Cash & Cash equivalents	14	783.39	737.44
iv. Other Bank Balances	15	3,870.36	3,228.64
v. Loans	8	-	-
vi. Other Financial Assets	9	730.07	350.51
d. Current Tax Assets (Net)		285.57	202.07
e. Other Current Assets	11	510.11	298.70
<b>Total Current Assets ( B )</b>		<b><u>7,878.50</u></b>	<b><u>7,094.35</u></b>
<b>Total Assets ( A + B )</b>		<b><u><u>12,824.40</u></u></b>	<b><u><u>10,906.52</u></u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a. Equity Share Capital	16	2,218.45	2,218.45
b. Other Equity	17	(1,876.32)	(1,052.15)
<b>Equity attributable to equityholders of the company</b>		<b><u>342.13</u></b>	<b><u>1,166.30</u></b>
Non-Controlling Interests		-	-
<b>Total Equity ( A )</b>		<b><u>342.13</u></b>	<b><u>1,166.30</u></b>



## BALANCE SHEET

(₹ in Crore)

	Note No.	As at 31-03-2018	As at 31-03-2017
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
a. Financial Liabilities			
i. Borrowings	18	1,692.17	1,584.31
ii. Other Financial Liabilities	20	18.11	25.91
b. Provisions	21	3,705.31	2,789.92
c. Other Non-Current Liabilities	22	-	-
<b>Total Non-Current Liabilities ( B )</b>		<b>5,415.59</b>	<b>4,400.14</b>
<b>Current Liabilities</b>			
a. Financial Liabilities			
i. Borrowings	18	-	-
ii. Trade payables	19	91.17	105.07
iii. Other Financial Liabilities	20	653.45	538.94
b. Other Current Liabilities	23	3,994.01	3,267.77
c. Provisions	21	2,328.05	1,428.30
d. Current Tax Liabilities (Net)		-	-
<b>Total Current Liabilities ( C )</b>		<b>7,066.68</b>	<b>5,340.08</b>
<b>Total Equity and Liabilities ( A + B + C )</b>		<b>12,824.40</b>	<b>10,906.52</b>

Significant Accounting Policies 2

Additional Notes on Accounts 38

The Accompanying Notes form an integral part of Financial Statements.

(V. R. REDDY)  
Company Secretary(S. SARKAR)  
G. M. (Finance)(S. K. JHA)  
Director (Technical)  
DIN - 08039292(A. K. SINGH)  
Chairman-cum-Managing Director  
DIN - 07618723As per our report annexed  
**FOR M. CHOUDHURY & CO.**  
Chartered Accountants  
Firm Regn. No. : 302186E

Date: 26th May, 2018

Place: Dhanbad

(CA. D. CHOUDHURY)  
Partner  
Membership No. : 052066

## STATEMENT OF PROFIT & LOSS

(₹ in Crore)

	Note No.	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
<b>Revenue from Operations</b>			
A	24	10,626.01	10,141.18
B	24	315.24	321.19
<b>(I)</b>		<b>10,941.25</b>	<b>10,462.37</b>
(II)	25	526.41	465.94
<b>(III)</b>		<b>11,467.66</b>	<b>10,928.31</b>
<b>(IV)</b>			
<b>EXPENSES</b>			
	26	656.99	693.25
	27	33.53	157.11
	28	146.14	626.06
	28	8,415.89	6,436.58
		506.06	503.17
	29	12.69	21.62
	30	153.41	156.94
	31	1,587.39	1,591.80
	32	154.38	142.54
		443.99	323.89
	33	(1.24)	(144.91)
	34	-	-
	35	551.12	454.31
		274.04	(49.37)
		<b>12,934.39</b>	<b>10,912.99</b>
<b>(V)</b>		<b>(1,466.73)</b>	<b>15.32</b>
(VI)		-	-
<b>(VII)</b>		<b>(1,466.73)</b>	<b>15.32</b>
(VIII)	36	(535.56)	9.19
<b>(IX)</b>		<b>(931.17)</b>	<b>6.13</b>
(X)		-	-
(XI)		-	-
(XII)		-	-
(XIII)		-	-
<b>(XIV)</b>		<b>(931.17)</b>	<b>6.13</b>





## STATEMENT OF PROFIT & LOSS

(₹ in Crore)

	Note No.	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
<b>Other Comprehensive Income</b>	37		
i. Items that will not be reclassified to profit or loss		163.63	36.58
ii. Income tax relating to items that will not be reclassified to profit or loss		56.63	21.94
iii. Items that will be reclassified to profit or loss		-	-
iv. Income tax relating to items that will be reclassified to profit or loss		-	-
<b>(XV) Total Other Comprehensive Income</b>		<b>107.00</b>	<b>14.64</b>
<b>(XVI) Total Comprehensive Income for the period (XIV + XV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>(824.17)</b>	<b>20.77</b>
<b>Earning per equity share (in ₹ )</b>			
<b>(Face Value of ₹ 1000/- per share)</b>			
<b>1. Basic</b>		<b>(419.74)</b>	<b>2.76</b>
<b>2. Diluted</b>		<b>(419.74)</b>	<b>2.76</b>

Significant Accounting Policies

2

Additional Notes on Accounts

38

The Accompanying Notes form an integral part of Financial Statements.

**(V. R. REDDY)**  
Company Secretary

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Partner  
Membership No. : 052066

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31-03-2018

## A. EQUITY SHARE CAPITAL

(₹ in Crore)

Particulars	Balance as at	Changes in Equity Share Capital During the Year	Balance as at	Balance as at	Changes in Equity Share Capital During the year	Balance as at
	01-04-2016		31-03-2017	01-04-2017		31-03-2018
10390000 Equity Shares of ₹ 1000/- each fully paid in cash	1,039.00	-	1,039.00	1,039.00	-	1,039.00
11794500 Equity Shares of ₹ 1000/- each allotted as fully paid up for consideration received other than cash	1,179.45	-	1,179.45	1,179.45	-	1,179.45
<b>Total</b>	<b>2,218.45</b>	<b>-</b>	<b>2,218.45</b>	<b>2,218.45</b>	<b>-</b>	<b>2,218.45</b>

## B. OTHER EQUITY

(₹ in Crore)

	Equity Portion of Preference Share Capital	Capital Redemption reserve	CSR Reserve	Sustainable Development Reserve	General Reserve	Other Reserves	Retained Earnings	Total other Comprehensive Income	Total of Other equity attributable to equityholders	Non-Controlling Interests	Total
<b>Balance as at 01-04-2016</b>	855.61	-	-	-	832.71	-	(2,826.30)	65.06	(1,072.92)	-	(1,072.92)
Changes in accounting policy	-	-	-	-	-	-	-	-	-	-	-
Prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 01.04.2016	<b>855.61</b>	-	-	-	<b>832.71</b>	-	<b>(2,826.30)</b>	<b>(65.06)</b>	<b>(1,072.92)</b>	-	<b>(1,072.92)</b>
Profit for the period	-	-	-	-	-	-	6.13	14.64	20.77	-	20.77
Dividends (including Dividend tax)	-	-	-	-	-	-	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31-03-2017</b>	<b>855.61</b>	-	-	-	<b>832.71</b>	-	<b>(2,820.17)</b>	<b>79.70</b>	<b>(1,052.15)</b>	-	<b>(1,052.15)</b>
<b>Balance as at 01.04.2017</b>	<b>855.61</b>	-	-	-	<b>832.71</b>	-	<b>(2,820.17)</b>	<b>79.70</b>	<b>(1,052.15)</b>	-	<b>(1,052.15)</b>
Total Comprehensive Income for the year	-	-	-	-	-	-	(931.17)	107.00	(824.17)	-	(824.17)
Dividends (including Dividend tax)	-	-	-	-	-	-	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31-03-2018</b>	<b>855.61</b>	-	-	-	<b>832.71</b>	-	<b>(3,751.34)</b>	<b>186.70</b>	<b>(1,876.32)</b>	-	<b>(1,876.32)</b>

(V. R. REDDY)  
Company Secretary

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As per our report annexed  
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Chartered Accountants  
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Date: 26th May, 2018  
Place: Dhanbad

(CA. D. CHOUDHURY)  
Partner  
Membership No. : 052066



## CASH FLOW STATEMENT (Indirect Method)

(₹ in Crores)

	31.03.2018	31.03.2017
<b>A. Cash Flow From Operating Activities :</b>		
<b>Total Comprehensive Income for the year</b>	<b>(824.17)</b>	<b>20.77</b>
<b>Adjustment for:</b>		
Depreciation & Impairment	443.99	323.89
Interest Income	(271.30)	(285.22)
Profit on Sale of Assets (Net)	(0.49)	(0.02)
Provisions	(1.24)	(144.91)
Liability Written Back	(99.63)	(44.15)
Stripping Activity Adjustment	274.04	(49.37)
Central Excise Duty on Closing Stock of Coal	-	(22.19)
Unwinding of Discount	154.38	142.54
Loss/(Gain) on Exchange Rate Variance	0.04	499.79
	<u>(324.38)</u>	<u>(0.55)</u>
<b>Operating Profit Before Current / Non Current Assets and Liabilities</b>	<b>(324.38)</b>	<b>(59.21)</b>
<b>Adjustments for :</b>		
Trade Receivable	519.22	348.04
Inventories	58.77	183.10
Short/Long Term Liabilities and Provisions	2,520.50	558.86
Short/Long Term Loans/Advances & Other Current Assets	(1,345.35)	1,753.14
	<u>1,428.76</u>	<u>(370.06)</u>
<b>Cash Generated from Operations</b>	<b>1,428.76</b>	<b>660.73</b>
Income Tax paid	100.00	175.00
<b>Net Cash Flow from Operating Activities ( I )</b>	<b><u>1,328.76</u></b>	<b><u>485.73</u></b>
<b>B. Cash Flows From Investing Activities:</b>		
Purchase of Fixed Assets	(911.09)	(827.80)
Adjustment in Value of Fixed Assets	4.25	6.16
Profit on Sale of Assets (Net)	0.49	0.02
Proceeds/(Purchase) of Investments	(641.72)	203.42
Interest Pertaining to Investments	271.30	(1276.77)
	<u>(1,276.77)</u>	<u>285.22</u>
<b>Net Cash Flow from Investing Activities ( II )</b>	<b><u>(1,276.77)</u></b>	<b><u>(332.98)</u></b>



(₹ in Crores)

	For the Year ended 31.03.2018		For the Year ended 31.03.2017	
<b>C. Cash Flows From Financing Activities:</b>				
Repayment of Borrowings	(6.04)	(6.04)	(6.39)	(6.39)
<b>Net Cash used in Financing Activities ( III )</b>		<b>(6.04)</b>		<b>(6.39)</b>
<b>Net Increase/Decrease in Cash &amp; Bank Balances ( I + II + III )</b>		<b>45.95</b>		<b>146.36</b>
<b>Cash and Cash Equivalent (Opening Balance) ( IV )</b>	737.44		591.08	
<b>Cash and Cash Equivalent (Closing Balance) ( V )</b>	783.39	<b>45.95</b>	737.44	<b>146.36</b>

**Notes to the Cash Flow Statement:**

	31-03-2018	31-03-2017
<b>1. Cash and Cash Equivalents</b>		
Cash on hand and balances with banks	38.44	153.65
Short-Term investemnts	744.95	583.79
Cash and cash equivalents	783.39	737.44
Effect of exchange rate changes	-	-
<b>Cash and cash equivalents as restated</b>	<b>783.39</b>	<b>737.44</b>

2. Total tax paid during the year (including tax deducted at source on dividend received) amounts to ₹ 100 Crore.

**(V. R. REDDY)**  
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Date: 26th May, 2018  
Place: Dhanbad

**(CA. D. CHOUDHURY)**  
Partner  
Membership No. : 052066



## Note: 1 CORPORATE INFORMATION

Eastern Coalfields Limited (The Company) was incorporated as a private Limited Company on 1st November, 1975 as a 100% Subsidiary of Coal India Limited (CIL) upon taking over assets and liabilities vested with the Eastern Division of Coal Mines Authority Limited (former name of Coal India Limited). The Company is primarily engaged in business of production and sale of coal.

## Note 2: SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation of financial statements

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

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

- certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments in para 2.15);
- Defined benefit plans- plan assets measured at fair value;
- Inventories at Cost or NRV whichever is lower (refer accounting policy in para no. 2.21).

#### 2.1.1 Rounding of amounts

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

### 2.2 Current and non-current Classification

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

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

A liability is treated as current by the Company when:

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

All other liabilities are classified as non-current.

## **2.3 Revenue recognition**

### **2.3.1 Revenue from sale of goods**

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

- (a) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the Company; and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

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

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

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

### **2.3.2 Interest**

Interest income is recognised using the Effective Interest Method.

### **2.3.3 Dividend**

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

### **2.3.4 Other Claims**

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

### **2.3.5 Rendering of Services**

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



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

## 2.4 Grants from Government

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

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

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

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

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

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

## 2.5 Leases

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

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

### 2.5.1 Company as a lessee

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

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

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

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

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

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

## 2.5.2 Company as a lessor

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

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

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

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

## 2.6 Non-current assets held for sale

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





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

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

## 2.7 Property, Plant and Equipment (PPE)

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

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

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

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

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

Subsequent cost of replacing parts significant in relation to the total cost of an item of property, plant and equipment are recognised in the carrying amount of the item, if it is probable that future

economic benefits associated with the item will flow to the Company; and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is derecognised in accordance with the derecognition policy mentioned below.

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

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

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

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

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

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

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

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

Value of "Other Land" includes land acquired under Coal Bearing Area (Acquisition & Development) (CBA) Act, 1957, Land Acquisition Act, 1894, Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (RFCTLAAR) Act, 2013, Long term transfer of



government land etc., which is amortised on the basis of the balance life of the project; and in case of Leasehold land such amortisation is based on lease period or balance life of the project whichever is lower.

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

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

### **Transition to Ind AS**

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

## **2.8 Mine Closure, Site Restoration and Decommissioning Obligation**

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

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

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

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

## 2.9 Exploration and Evaluation Assets

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

- researching and analysing historical exploration data;
- gathering exploration data through topographical, geo chemical and geo physical studies;
- exploratory drilling, trenching and sampling;
- determining and examining the volume and grade of the resource;
- surveying transportation and infrastructure requirements;
- Conducting market and finance studies.

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

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

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

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

## 2.10 Development Expenditure

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

### Commercial Operation

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

- (a) From beginning of the financial year immediately after the year in which the project achieves physical output of 25% of rated capacity as per approved project report, or
- (b) 2 years of touching of coal, or



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

Whichever event occurs first;

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

## 2.11 Intangible Assets

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

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

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

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

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

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

## 2.12 Impairment of Assets (other than financial assets)

The Company assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable

amount of the asset. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. Company considers individual mines as separate cash generating units for the purpose of test of impairment.

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

### 2.13 Investment Property

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

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

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

### 2.14 Financial Instruments

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

#### 2.14.1 Financial assets

##### 2.14.1 Initial recognition and measurement

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

##### 2.14.2 Subsequent measurement

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

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



#### 2.14.2.1 Debt instruments at amortised cost

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

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

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

#### 2.14.2.2 Debt instrument at FVTOCI

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

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

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

#### 2.14.2.3 Debt instrument at FVTPL

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

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

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

#### 2.14.2.4 Equity investments in subsidiaries, associates and Joint Ventures

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

In case of consolidated financial statement, Equity investments in associates and joint ventures are accounted as per equity method as prescribed in para 10 of Ind AS 28.

#### 2.14.2.5 Other Equity Investment

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

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

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

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

#### 2.14.2.6 Derecognition

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

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

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





#### 2.14.2.7 Impairment of financial assets (other than fair value)

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

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

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

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

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

#### 2.14.3 Financial liabilities

##### 2.14.3.1 Initial recognition and measurement

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

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

##### 2.14.3.2 Subsequent measurement

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

##### 2.14.3.3 Financial liabilities at fair value through profit or loss

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

Gains or losses on liabilities held for trading are recognised in the Profit & Loss.

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

#### **2.14.3.4 Financial liabilities at amortised cost**

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

#### **2.14.3.5 Derecognition**

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

#### **2.14.4 Reclassification of financial assets**

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



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

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

#### 2.14.5 Offsetting of financial instruments

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

#### 2.14.6 Cash and cash equivalent

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 Group's cash management.

## 2.15 Borrowing Costs

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

## 2.16 Taxation

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

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

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

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

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

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



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

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

## **2.17 Employee Benefits**

### **2.17.1 Short-term Benefits**

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

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

#### **2.17.2.1 Defined contributions plans**

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

#### **2.17.2.2 Defined benefits plans**

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

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

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

### 2.17.3 Other Employee benefits

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

### 2.18 Foreign Currency

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

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

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

### 2.19 Stripping Activity Expense/Adjustment

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

Therefore, as a policy, in the mines with rated capacity of one million tonnes per annum and above, cost of Stripping is charged on technically evaluated average stripping ratio (OB: COAL)



at each mine with due adjustment for stripping activity asset and ratio-variance account after the mines are brought to revenue.

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

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

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

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

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

## 2.20 Inventories

### 2.20.1 Stock of Coal

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

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

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

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

### 2.20.2 Stores & Spares

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

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

### 2.20.3 Other Inventories

Workshop jobs including work-in-progress are valued at cost. Stock of press jobs (including work in progress) and stationary at printing press and medicines at central hospital are valued at cost. However, Stock of stationery (other than lying at printing press), bricks, sand, medicine (except at Central Hospitals), aircraft spares and scraps are not considered in inventory considering their value not being significant.

### 2.21 Provisions, Contingent Liabilities & Contingent Assets

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

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

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

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

### 2.22 Earnings per share

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





## 2.23 Judgements, Estimates and Assumptions

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

### 2.23.1 Judgements

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

#### 2.23.1.1 Formulation of Accounting Policies

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

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

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

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

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

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

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

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

### **2.23.1.2 Materiality**

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

### **2.23.1.3 Operating lease**

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

### **2.23.2 Estimates and assumptions**

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

#### **2.23.2.1 Impairment of non-financial assets**

There is an indication of impairment if, the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its



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

#### 2.23.2.2 Taxes

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

#### 2.23.2.3 Defined benefit plans

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

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

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

#### 2.23.2.4 Fair value measurement of financial instruments

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

### 2.23.2.5 Intangible asset under development

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

### 2.23.2.6 Provision for Mine Closure, Site Restoration and Decommissioning Obligation

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

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

### 2.24 Abbreviation used:

a.	CGU	Cash generating unit
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
k.	EIR	Effective Interest Rate



## NOTES TO THE FINANCIAL STATEMENTS

**Note : 3 : Property, Plant and Equipments** (₹ in Crore)

	Freehold Land	Building (including water supply, roads and culverts)	Other Land	Plant and Equipments	Telecommunication	Railway Sidings	Land Reclamation Site Restoration Costs	Furniture and Fixtures	Office Equipments	Vehicles	Aircraft	Other Mining Infrastructure	Others	Surveyed Off Assets	Total
<b>Carrying Amount:</b>															
As at 01-04-2016	84.40	362.19	281.85	844.88	14.87	9.56	276.61	50.33	14.39	2.46	-	198.03	-	-	2,139.57
Additions	32.86	158.05	65.15	503.29	3.63	9.81	50.86	33.71	0.42	0.21	-	121.91	-	1.78	981.68
Deletions/Adjustments	6.07	(1.43)	-	(42.47)	(0.06)	-	(0.22)	-	-	(0.16)	-	(8.02)	-	(0.01)	(46.30)
<b>As at 31-03-2017</b>	<b>123.33</b>	<b>518.81</b>	<b>347.00</b>	<b>1,305.70</b>	<b>18.44</b>	<b>19.37</b>	<b>327.47</b>	<b>83.82</b>	<b>14.81</b>	<b>2.51</b>	<b>-</b>	<b>311.92</b>	<b>-</b>	<b>1.77</b>	<b>3,074.95</b>
As at 01-04-2017	123.33	518.81	347.00	1,305.70	18.44	19.37	327.47	83.82	14.81	2.51	-	311.92	-	1.77	3,074.95
Additions	53.60	34.50	37.40	254.30	1.81	5.64	5.42	17.97	8.54	-	-	102.90	-	4.22	526.30
Deletions/Adjustments	(10.66)	10.66	31.84	(77.11)	0.34	-	-	47.37	2.52	-	-	-	-	(0.52)	4.44
<b>As at 31-03-2018</b>	<b>166.27</b>	<b>563.97</b>	<b>416.24</b>	<b>1,482.89</b>	<b>20.59</b>	<b>25.01</b>	<b>332.89</b>	<b>149.16</b>	<b>25.87</b>	<b>2.51</b>	<b>-</b>	<b>414.82</b>	<b>-</b>	<b>5.47</b>	<b>3,605.69</b>
<b>Accumulated Depreciation and Impairment</b>															
As at 01-04-2016	-	26.23	17.42	20.46	1.59	0.98	27.38	6.38	1.29	-	-	61.85	-	-	163.58
Charge for the year	-	35.28	20.09	172.37	2.19	2.13	38.36	10.92	0.40	0.56	-	12.60	-	-	294.90
Impairment	-	-	-	-	-	-	-	-	-	-	-	31.53	-	1.78	33.31
Deletions/Adjustments	-	(0.03)	(0.03)	(38.58)	(0.05)	-	(0.08)	-	-	(0.15)	-	(0.03)	-	(0.01)	(38.93)
<b>As at 31-03-2017</b>	<b>-</b>	<b>61.51</b>	<b>37.48</b>	<b>154.25</b>	<b>3.73</b>	<b>3.11</b>	<b>65.74</b>	<b>17.22</b>	<b>1.69</b>	<b>0.41</b>	<b>-</b>	<b>105.95</b>	<b>-</b>	<b>1.77</b>	<b>452.86</b>
As at 01-04-2017	-	61.51	37.48	154.25	3.73	3.11	65.74	17.22	1.69	0.41	-	105.95	-	1.77	452.86
Charge for the year	-	46.24	22.24	211.43	3.15	1.60	39.71	15.90	2.47	0.27	-	37.26	-	-	380.27
Impairment	-	-	-	15.99	-	-	-	-	-	-	-	38.81	-	4.22	59.02
Deletions/Adjustments	-	(0.66)	22.56	(51.77)	-	-	-	38.77	0.79	-	-	(0.25)	-	(0.52)	8.92
<b>As at 31-03-2018</b>	<b>-</b>	<b>107.09</b>	<b>82.28</b>	<b>329.90</b>	<b>6.88</b>	<b>4.71</b>	<b>105.45</b>	<b>71.89</b>	<b>4.95</b>	<b>0.68</b>	<b>-</b>	<b>181.77</b>	<b>-</b>	<b>5.47</b>	<b>901.07</b>
<b>Net Carrying Amount</b>															
As at 31-03-2018	166.27	456.88	333.96	1,152.99	13.71	20.30	227.44	77.27	20.92	1.83	-	233.05	-	-	2,704.62
As at 31-03-2017	123.33	457.30	309.52	1,151.45	14.71	16.26	281.73	66.60	13.12	2.10	-	205.97	-	-	2,622.09
As at 01-04-2016	84.40	335.96	264.43	824.42	13.28	8.58	249.23	43.95	13.10	2.46	-	136.18	-	-	1,975.99

## Note:

1. Title deeds for land acquired, in some cases, have not been executed in favour of the company and mutation in certain cases are yet to be executed.
2. Land- Others also includes Land acquired under Coal Bearing Areas (Acquisition and Development) Act, 1957 and Land Acquisition Act, 1894.
3. The assets and liabilities taken over from Coal Mines Labour Welfare Organisation and Coal Mines Rescue Organisation, for which no quantitative details are available, have not been incorporated in the accounts pending determination of value thereof. The formal Transfer Deeds Agreement for Assets & Liabilities transferred and taken over by the Company in respect of Coal Mines Labour Welfare Organisation, Kalla & Central hospital along with 4 other Hospitals/Dispensaries, Mines Rescue Station, Barakar Engineering & Foundry Works are yet to be finalised and executed in favour of the Company.
4. Depreciation has been provided on the basis of useful life determined as per technical estimate.
5. Plant, Property and Equipment: Building includes Roads & Culverts situated in the residential office/mining areas.
6. Pending completion of legal formalities for transfer of assets and liabilities to the Company certain Assets including Mining Rights etc. continue to be in the name of CL.

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE 4 : CAPITAL WIP

(₹ in Crore)

	Building (including water supply, roads and culverts)	Plant and Equipments	Railway Sidings	Development	Others	Total
<b>Carrying Amount :</b>						
As at 01-04-2016	37.59	421.98	52.74	49.89	4.98	567.18
Additions	50.51	242.67	36.12	122.73	18.27	470.30
Capitalisation/ Deletions	(67.09)	(442.03)	(8.91)	(115.60)	(20.43)	(654.06)
<b>As at 31-03-2017</b>	<b>21.01</b>	<b>222.62</b>	<b>79.95</b>	<b>57.02</b>	<b>2.82</b>	<b>383.42</b>
As at 01-04-2017	21.01	222.62	79.95	57.02	2.82	383.42
Additions	62.89	130.45	16.85	131.12	10.38	351.69
Capitalisation/ Deletions	(38.14)	(225.75)	(7.69)	(95.31)	(10.44)	(377.33)
<b>As at 31-03-2018</b>	<b>45.76</b>	<b>127.32</b>	<b>89.11</b>	<b>92.83</b>	<b>2.76</b>	<b>357.78</b>
<b>Provision and Impairment</b>						
As at 01-04-2016	(0.15)	0.96	(0.07)	5.46	(0.03)	6.17
Charge for the year	-	0.04	-	-	-	0.04
Impairment	-	0.20	-	(4.52)	-	(4.32)
Deletions/Adjustments	(0.02)	(0.38)	(0.83)	(0.04)	0.02	(1.25)
<b>As at 31-03-2017</b>	<b>(0.17)</b>	<b>0.82</b>	<b>(0.90)</b>	<b>0.90</b>	<b>(0.01)</b>	<b>0.64</b>
As at 01-04-2017	(0.17)	0.82	(0.90)	0.90	(0.01)	0.64
Charge for the year	0.02	-	-	-	-	0.02
Impairment	-	-	-	4.70	-	4.70
Deletions/Adjustments	-	(0.25)	-	-	-	(0.25)
<b>As at 31-03-2018</b>	<b>(0.15)</b>	<b>0.57</b>	<b>(0.90)</b>	<b>5.60</b>	<b>(0.01)</b>	<b>5.11</b>
<b>Net Carrying Amount</b>						
<b>As at 31-03-2018</b>	<b>45.91</b>	<b>126.75</b>	<b>90.01</b>	<b>87.23</b>	<b>2.77</b>	<b>352.67</b>
<b>As at 31-03-2017</b>	<b>21.18</b>	<b>221.80</b>	<b>80.85</b>	<b>56.12</b>	<b>2.83</b>	<b>382.78</b>
<b>As at 01-04-2016</b>	<b>37.74</b>	<b>421.02</b>	<b>52.81</b>	<b>44.43</b>	<b>5.01</b>	<b>561.01</b>



## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 5 : Exploration and Evaluation Assets**

(₹ in Crore)

**Exploration and Evaluation Costs****Carrying Amount:**

As at 01-04-2016	87.77
Additions	34.25
Deletions/Adjustments	(4.37)
<b>As at 31-03-2017</b>	<b>117.65</b>

As at 01-04-2017	117.65
Additions	412.25
Deletions/Adjustments	(1.82)
<b>As at 31-03-2018</b>	<b>528.08</b>

**Provision and Impairment**

As at 01-04-2016	-
Charge for the year	-
Impairment	-
Deletions/Adjustments	-
<b>As at 31-03-2017</b>	<b>-</b>

As at 01-04-2017	-
Charge for the year	-
Impairment	-
Deletions/Adjustments	-
<b>As at 31-03-2018</b>	<b>-</b>

**Net Carrying Amount**

<b>As at 31-03-2018</b>	<b>528.08</b>
<b>As at 31-03-2017</b>	<b>117.65</b>
<b>As at 01-04-2016</b>	<b>87.77</b>

**Note:**

1. Addition during the year includes ₹ 11.53 Crore incurred towards exploration and drilling within ECL command area by CMPDIL on land not having mining lease.
2. Addition during the year includes deposit of upfront payment of ₹ 125.00 Crore for each block initially, for allotment of three (3) nos. of coal blocks namely Amrakonda-Murgadangal, Brahamini and Chichri-Patsimal in the state of Jharkhand by Ministry of Coal, Government of India and total amount of such deposit comes to ₹ 375.00 Crore.

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE 6 : OTHER INTANGIBLE ASSETS

(₹ in Crore)

	Computer Software	Others	Total
<b>Carrying Amount:</b>			
As at 01-04-2016	-	-	-
Additions	-	-	-
Deletions/Adjustments	-	-	-
<b>As at 31-03-2017</b>	<b>-</b>	<b>-</b>	<b>-</b>
As at 01-04-2017	-	-	-
Additions	-	-	-
Deletions/Adjustments	-	-	-
<b>As at 31-03-2018</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Amortisation and Impairment</b>			
As at 01-04-2016	-	-	-
Charge for the year	-	-	-
Impairment	-	-	-
Deletions/Adjustments	-	-	-
<b>As at 31-03-2017</b>	<b>-</b>	<b>-</b>	<b>-</b>
As at 01-04-2017	-	-	-
Charge for the year	-	-	-
Impairment	-	-	-
Deletions/Adjustments	-	-	-
<b>As at 31-03-2018</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Carrying Amount</b>			
<b>As at 31-03-2018</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at 31-03-2017</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at 01-04-2016</b>	<b>-</b>	<b>-</b>	<b>-</b>





## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 7 : INVESTMENTS

(₹ in Crore)

	Percentage (%) holding	Number of shares current year/(previous year)	Face value per share current year/(previous year)	As at 31-03-2018	As at 31-03-2017
<b>Non Current</b>					
<b>Others (in Co-operative Shares)</b>					
i) "B" class shares in Coal Mines Officers Co operative credit Society Ltd.		500	1000	0.05	0.05
ii) 1000 "D" class shares in Dishergarh colly Worker's central co-opt store Ltd.		1000	100	0.01	0.01
iii) 4000 shares of ₹ 25/- each in the Mugma coalfield colly Worker's central co-opt store Ltd		4000	25	0.01	0.01
iv) "B" class shares in Sodepur colly Employee's co-opt credit society Ltd.		500	100	0.005	0.005
v) "B" class shares in Dhemomain colly. Employees' co-opt credit society Ltd.		500	100	0.005	0.005
<b>Total</b>				<u>0.08</u>	<u>0.08</u>
Aggregate amount of unquoted investments				<u>0.08</u>	<u>0.08</u>
Aggregate amount of quoted investments				-	-
Market value of quoted investments				-	-
Aggregate amount of impairment in value of investments				-	-

Note : 1. Shares of employees co-operative societies considered at amortized cost.

## NOTE - 7 : INVESTMENTS (Contd.)

(₹ in Crore)

	Number of units current year/ (previous year)	NAV (In ₹ )	As at 31-03-2018	As at 31-03-2017
<b>Current</b>				
<b>Mutual Fund Investment</b>				
UTI Mutual Fund			-	-
LIC Mutual Fund			-	-
SBI Mutual Fund			-	-
Canara Robeco Mutual Fund			-	-
Union KBC Mutual Fund			-	-
BOI AXA Mutual Fund			-	-
<b>8.5% Tax Free Special Bonds (Fully Paid up) :</b>				
UP			-	-
<b>Total</b>			<u>-</u>	<u>-</u>
Aggregate of Quoted Investment			-	-
Aggregate of unquoted investments			-	-
Market value of Quoted Investment			-	-
Aggregate amount of impairment in value of investments			-	-



## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 8 : LOANS

(₹ in Crore)

	As at 31-03-2018	As at 31-03-2017
<b>Non-Current</b>		
<b>Loans to Related parties</b>		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
	<u>-</u>	<u>-</u>
Less: Allowance for doubtful loans	-	-
	<u>-</u>	<u>-</u>
<b>Loans to Employees</b>		
Secured, considered good	-	-
Unsecured, considered good	0.13	0.15
Doubtful	-	-
	<u>0.13</u>	<u>0.15</u>
Less: Allowance for doubtful loans	-	-
	<u>0.13</u>	<u>0.15</u>
<b>Other Loans</b>		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
	<u>-</u>	<u>-</u>
Less: Allowance for doubtful loans	-	-
	<u>-</u>	<u>-</u>
<b>Total</b>	<u><u>0.13</u></u>	<u><u>0.15</u></u>

**CLASSIFICATION :**

Secured, considered good	-	-
Unsecured, Considered good	0.13	0.15
Doubtful	-	-

31-03-201831-03-2017**Note 1:****Due by the Companies in which directors of the company is also a director/member**

Closing Balance	NIL	NIL
Maximum Amount Due at Any Time	NIL	NIL

**Due by the parties in which the Director(s) of company is /are interested**

Closing Balance	NIL	NIL
Maximum Amount Due at Any Time	NIL	NIL



(₹ in Crore)

	As at 31-03-2018	As at 31-03-2017
<b>Current</b>		
<b>Loans to Related parties</b>		
- Secured, considered good	-	-
- Unsecured, considered good	-	-
- Doubtful	-	-
Less: Allowance for doubtful loans	-	-
<b>Loans to Employees</b>		
- Secured, considered good	-	-
- Unsecured, considered good	-	-
- Doubtful	-	-
Less: Allowance for doubtful loans	-	-
<b>Other Loans</b>		
- Secured, considered good	-	-
- Unsecured, considered good	-	-
- Doubtful	-	-
Less: Allowance for doubtful loans	-	-
<b>Total</b>	-	-
<b>CLASSIFICATION</b>		
Secured, considered good	-	-
Unsecured, Considered good	-	-
Doubtful	-	-
	<b>31-03-2018</b>	<b>31-03-2017</b>

**Note 1:****Due by the Companies in which directors of the company is also a director/member**

Closing Balance	NIL	NIL
Maximum Amount Due at Any Time	NIL	NIL

**Due by the parties in which the Director(s) of company is /are interested**

Closing Balance	NIL	NIL
Maximum Amount Due at Any Time	NIL	NIL

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 9 : OTHER FINANCIAL ASSETS

(₹ in Crore)

	As at 31-03-2018	As at 31-03-2017
<b>Non Current</b>		
Bank deposits*	24.83	24.83
Deposits with bank under Mine Closure Plan**	426.87	327.24
Shifting & Rehabilitation Fund scheme	-	-
Receivable from Escrow Account for Mine Closure Expenses	35.98	24.56
Other deposits	-	-
Less : Allowance for doubtful deposits	-	-
Other Receivables***	21.49	21.54
Less: Allowance	4.87	4.87
<b>Total</b>	<b>504.30</b>	<b>393.30</b>

**Notes:**

- \*1. Bank Deposits consists of deposits with bank with initial maturity of more than 12 months.
- \*\*2. ₹ 80.35 Crore (₹ 83.17 Crores) has been deposited with Union Bank of India towards Mine closure Escrow a/c during the period.
- \*\*3. ₹ 19.28 Crores (₹ 17.58 Crore) has been credited by Union Bank of India as Interest towards Mine Closure Escrow Account during the period
- \*\*\*4. Other Receivable are refund of electricity duty receivables from Government of West Bengal.



## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 9 : OTHER FINANCIAL ASSETS

(₹ in Crore)

	As at 31-03-2018	As at 31-03-2017
<b>Current</b>		
Surplus Fund with CIL	-	-
Balance with Coal India Ltd.	504.39	73.30
Current Account with		
Subsidiaries	-	-
IICM	-	-
Interest accrued on		
Investments	-	-
Bank Deposits	165.28	171.52
Others	-	-
	<u>165.28</u>	<u>171.52</u>
Other Deposits	22.18	22.18
Less : Allowance for doubtful deposits	-	-
	<u>22.18</u>	<u>22.18</u>
Claims receivables	-	-
Less : Allowance for doubtful claims	-	-
	<u>-</u>	<u>-</u>
Other Receivable	41.38	83.51
Less : Allowance for doubtful claims	3.26	-
	<u>38.12</u>	<u>83.51</u>
<b>Total</b>	<u><u>730.07</u></u>	<u><u>350.51</u></u>

## Notes:

	31-03-2018	31-03-2017
<b>1. Other Deposit includes:</b>		
Deposit for Customs Duty, Port Charges etc.	-	-
Deposit with Coal India Limited	-	-
Deposit for Royalty, Cess & Sales Tax	-	-
Others	22.28	22.18
Less: Allowance	-	-
	<u>22.28</u>	<u>22.18</u>
<b>2. Other Receivables includes:</b>		
Subsidy Receivable	35.53	79.44
Misc. Receivable	5.85	4.07
Less : Allowance for doubtful claims	3.26	-
	<u>38.12</u>	<u>83.51</u>

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 10 : OTHER NON-CURRENT ASSETS

(₹ in Crore)

	As at 31-03-2018		As at 31-03-2017	
<b>i. Capital Advances</b>				
Secured considered good	-		-	
Unsecured considered good	156.55		119.78	
Doubtful	<u>1.48</u>		<u>1.48</u>	
	158.03		121.26	
Less : Provision for doubtful advances	<u>1.48</u>	156.55	<u>1.48</u>	119.78
<b>ii. Advances other than capital advances</b>				
<b>a. Security Deposit for utilities</b>				
Secured considered good	-		-	
Unsecured considered good	2.22		2.22	
Doubtful	<u>1.52</u>		<u>1.52</u>	
	3.74		3.74	
Less :Provision for doubtful deposits	<u>1.52</u>	2.22	<u>1.52</u>	2.22
<b>b. Other Deposits</b>				
Secured considered good	-		-	
Unsecured considered good	0.42		0.35	
Doubtful	<u>0.13</u>		<u>0.13</u>	
	0.55		0.48	
Less :Provision for doubtful deposits	<u>0.13</u>	0.42	<u>0.13</u>	0.35
<b>c. Advances to related parties</b>		-		-
<b>d. Advance for Revenue</b>				
Secured considered good	-		-	
Unsecured considered good	-		-	
Doubtful	<u>-</u>		<u>-</u>	
	-		-	
Less :Provision for doubtful advances	<u>-</u>	-	<u>-</u>	-
<b>f. Exploratory drilling work</b>				
Less: Provision	-		-	
<b>Total</b>		<u><u>159.19</u></u>		<u><u>122.35</u></u>

Note:

- ₹ 2.22 Crore deposited to Ministry of Internal Affairs towards security deposit to augment CISF wing strength.
- Other deposit are deposit for P&T and electricity.



## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 11 : OTHER CURRENT ASSETS

(₹ in Crore)

	As at 31-03-2018		As at 31-03-2017	
<b>Advance for Revenue</b>				
Secured considered goods	-		-	
Unsecured considered goods	66.15		67.53	
Doubtful	-		-	
66.15	66.15		67.53	
Less : Provision for doubtful advances	-	66.15	-	67.53
Advance payment of statutory dues	275.70		172.18	
Less : Provision for doubtful advances	-	275.70	-	172.18
Advance to Related Parties		-		-
Advance to Employees	7.66		6.78	
Less : Provision for doubtful advances	0.15	7.51	0.15	6.63
Advance- Others	8.21		3.89	
Less : Provision for doubtful claims	0.30	7.91	0.30	3.59
Deposit for utilities	-		-	
Less: Provision	-	-	-	-
Deposits- Others	-		-	
Less: Provision	-	-	-	-
CENVAT Credit Receivable		-		46.13
Input Tax Credit Receivable		149.62		-
MAT Credit Entitlement		-		-
Prepaid Expenses		3.22		2.64
<b>Total</b>		<b>510.11</b>		<b>298.70</b>

## Notes:

	31-03-2018	31-03-2017
<b>1. Due by the Companies in which directors of the company is also a director/member</b>		
Closing Balance	NIL	NIL
Maximum Amount Due at Any Time	NIL	NIL
<b>2. Due by the parties in which the Director(s) of company is /are interested</b>		
Closing Balance	NIL	NIL
Maximum Amount Due at Any Time	NIL	NIL

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE - 12 : INVENTORIES**  
(As taken, valued and certified by the Management) (₹ in Crore)

	As at 31-03-2018	As at 31-03-2017
Stock of Coal	334.96	414.79
Less : Provision	1.08	1.76
Stock of Coal (Net) ( A )	<u>333.88</u>	<u>413.03</u>
Stock of Stores & Spares (at cost)	226.95	207.58
Add: Stores-in-transit	1.78	8.94
Less : Provision	44.49	42.84
Net Stock of Stores & Spares (at cost) ( B )	<u>184.24</u>	<u>173.68</u>
Stock of Medicine at Central Hospital ( C )	0.77	0.90
Workshop Jobs:		
Work-in-progress and Finished Goods	25.75	15.80
Less: Provision	0.11	0.11
Net Stock of Workshop Jobs ( D )	<u>25.64</u>	<u>15.69</u>
Press Jobs:		
Work-in-progress and Finished Goods ( E )	-	-
<b>Total ( A +B + C + D + E )</b>	<b><u><u>544.53</u></u></b>	<b><u><u>603.30</u></u></b>

**Notes:****1. Method of valuation :**

- A. Stock of Coal:** Inventories of coal/coke are stated at lower of cost and net realisable value. Cost of inventories are calculated using the First in First out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.
- B. Stores & Spares:** The Stock of stores & spare parts (which also includes loose tools) at central & area stores are considered as per balances appearing in priced stores ledger and are valued at cost calculated on the basis of weighted average method.
- C. Other Inventories:** Workshop jobs including work-in-progress are valued at cost. Stock of press jobs (including work in progress) and stationary at printing press and medicines at central hospital are valued at cost.
2. Closing Stock of stores at Central and Area Stores have been valued at weighted average cost. Provision at the end of the period for ₹ 44.49 Crore ( ₹ 42.84 Crore) consists of the following:
- Provision for unserviceable, damaged and obsolete stores:- ₹ 10.47 Crore ( ₹ 10.47 Crore).
  - Provision for non-moving stores & spares:- ₹ 34.02 Crores ( ₹ 32.37 Crores).
3. The enquiry proceedings by CBI, Dhanbad for shortage of coal at Rajmahal OCP of 19.54 Lakhs tonne valued at ₹ 63.58 Crore in 2007-08 has been completed in 2010-2011. The report on the same has been forwarded to Chairman, CIL for information and to advice the Vigilance department for taking action against the charged officers as per CBI order. The outcome of the order is still to be received. Since the outcome of the order has not yet been communicated, there has not been any change in the status of the instant matter during this year. The shortage of coal of 19.54 lakh tonne and corresponding value of ₹ 63.58 Crore was reduced from the inventory in the accounts for the year ended 2007-08.



**NOTES TO THE FINANCIAL STATEMENTS**

Reconciliation of Closing Stock of Coal adopted in Accounts with Book Stock as on 31.03.2018

**ANNEXURE TO NOTE - 12(1)**  
**RECONCILIATION OF BOOK STOCK & MEASURED STOCK**

(Qty. in Lakh Tonnes) (Value in ₹ Crore)

	OVERALL STOCK		NON-VENDABLE STOCK		VENDABLE STOCK	
	Qty.	Value	Qty.	Value	Qty.	Value
Opening stock on 01.04.2017	25.55	414.79	-	-	25.55	414.79
Add. (Less) : Adjustment in Opening Stock	-	-	-	-	-	-
Adjusted Opening Stock as on 01.04.2017	<b>25.55</b>	<b>414.79</b>	-	-	<b>25.55</b>	<b>414.79</b>
<b>2. Production for the Period</b>	435.68	-	-	-	435.68	-
<b>3. Sub-Total ( 1 + 2 )</b>	<b>461.23</b>	<b>414.79</b>	-	-	<b>461.23</b>	<b>414.79</b>
<b>4. Off-Take for the Period :</b>						
A. Outside Despatch	434.34	10,626.01	-	-	434.34	10,626.01
B. Coal feed to Washeries	-	-	-	-	-	-
C. Own Consumption	1.95	58.05	-	-	1.95	58.05
<b>Total</b>	<b>436.29</b>	<b>10,684.06</b>	-	-	<b>436.29</b>	<b>10,684.06</b>
<b>5. Derived Stock</b>	24.94	334.96	-	-	24.94	334.96
<b>6. Measured Stock</b>	24.28	326.47	-	-	24.28	326.47
<b>7. Difference ( 5 - 6 )</b>	0.66	8.49	-	-	0.66	8.49
<b>8. Break-up of Difference:</b>						
a. Excess within 5%	-	0.03	-	-	-	0.03
b. Shortage within 5%	0.66	8.52	-	-	0.66	8.52
c. Excess beyond 5%	-	-	-	-	-	-
d. Shortage beyond 5%	-	-	-	-	-	-
<b>9. Closing stock adopted in Accounts [6 - 8a + 8b]</b>	<b>24.94</b>	<b>334.96</b>	-	-	<b>24.94</b>	<b>334.96</b>



**Summary of Closing Stock of Coal**  
(Qty. in Lakh Tonnes)

	Raw Coal				Washed / Deshaled Coal				Other Products		Total	
	Coking		Non-Coking		Coking		Non-Coking		Qty	Value	Qty	Value
	Qty	Value	Qty	Value	Qty	Value	Qty	Value				
<b>Opening Stock (Audited)</b>	-	-	25.55	414.79	-	-	-	-	-	-	25.55	414.79
Less: Non-vendable Coal	-	-	-	-	-	-	-	-	-	-	-	-
Adj. Opening Stock (Vendable)	-	-	25.55	414.79	-	-	-	-	-	-	25.55	414.79
<b>Production</b>	-	-	435.68	-	-	-	-	-	-	-	435.68	-
<b>Offtake</b>												
a. Outside Despatch	-	-	434.34	10626.01	-	-	-	-	-	-	434.34	10626.01
b. Coal feed to Washeries	-	-	-	-	-	-	-	-	-	-	-	-
c. Own Consumption	-	-	1.95	58.05	-	-	-	-	-	-	1.95	58.05
<b>Closing Stock</b>	-	-	24.94	334.96	-	-	-	-	-	-	24.94	334.96
Less: Shortage	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing Stock as on 31-03-2018 ( Note - 12 )</b>	-	-	<b>24.94</b>	<b>334.96</b>	-	-	-	-	-	-	<b>24.94</b>	<b>334.96</b>
Less: Seized Coal	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing Stock as on 31-03-2018 (Note - 27)</b>	-	-	<b>24.94</b>	<b>334.96</b>	-	-	-	-	-	-	<b>24.94</b>	<b>334.96</b>



## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 13 : TRADE RECEIVABLES

(₹ in Crore)

	As at 31-03-2018		As at 31-03-2017	
<b>Current</b>				
Trade receivables				
Secured, considered good	-		-	
Unsecured, considered good	1,109.89		1,607.49	
Doubtful	<u>366.00</u>		<u>371.10</u>	
	1,475.89		1,978.59	
Less : Allowance for bad & doubtful debts	<u>321.42</u>	1,154.47	<u>304.90</u>	1,673.69
<b>Total</b>		<b><u>1,154.47</u></b>		<b><u>1,673.69</u></b>

## Notes:

	31-03-2018	31-03-2017
1. Due by the Companies in which directors of the company is also a director/member		
Closing Balance	NIL	NIL
Maximum Amount Due at Any Time	NIL	NIL
2. Due by the parties in which the Director(s) of company is /are interested		
Closing Balance	NIL	NIL
Maximum Amount Due at Any Time	NIL	NIL
3. The details of allowance are as under :-		
Opening Balance	371.10	518.17
Less:- Settled/Written off/adjusted against opening debtors	-	-
Add:- New provision during the year	72.47	40.09
Less:- Written back from opening provision	<u>77.57</u>	<u>187.16</u>
<b>Closing Balance</b>	<b><u>366.00</u></b>	<b><u>371.10</u></b>
Less : Coal Quality Variance	44.58	66.20
<b>Closing Balance after adjustment of Quality Variance</b>	<b><u>321.42</u></b>	<b><u>304.90</u></b>
4. Allowance for Sundry Debtors is made on Expected Credit Loss Model.		
5. Adjustment of an amount of ₹ 261.16 Crores (₹ 257.44 Crores) for grade slippage has been made after reconciliation, settlement and issuing credit notes to parties during the period.		
6. A provision of ₹ 44.58 Crores (₹ 66.20 Crores) has been recognized as Coal Quality Variance for sampling results awaited from referee samplers and disclosed separately in Note 21 Provisions.		



## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 14 : CASH AND CASH EQUIVALENTS

(₹ in Crore)

	As at 31-03-2018	As at 31-03-2017
Balances with Banks		
i) in Deposit Accounts	-	-
ii) in Current Accounts		
a) Interest Bearing (CLTD Accounts etc.)*	744.95	583.79
b) Non-interest Bearing	38.44	153.65
iii) in Cash Credit Accounts	-	-
Bank Balances outside India	-	-
Cheques, Drafts and Stamps in hand	-	-
Cash on hand	-	-
Cash on hand outside India	-	-
Others	-	-
<b>Total Cash and Cash Equivalents</b>	<b>783.39</b>	<b>737.44</b>
Less: Bank Overdraft	-	-
<b>Total Cash and Cash Equivalents(net of Bank Overdraft)</b>	<b>783.39</b>	<b>737.44</b>

Note : 1: Current account interest bearing comprise of CLTD, Sweep Account, RLTD etc.

## NOTE - 15 : OTHER BANK BALANCES

(₹ in Crore)

	As at 31-03-2018	As at 31-03-2017
Balances with Banks		
Deposit accounts	3,870.36	3,228.64
Mine Closure Plan	-	-
Shifting and Rehabilitation Fund scheme	-	-
Unpaid dividend accounts	-	-
Dividend accounts	-	-
<b>Total</b>	<b>3,870.36</b>	<b>3,228.64</b>

**Note:**

1. Bank deposits are for more than 3 months but less than 12 months maturity.



## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 16 : EQUITY SHARE CAPITAL

(₹ in Crore)

	As at 31-03-2018	As at 31-03-2017
<b>Authorised</b>		
25000000 Equity Shares of ₹ 1000/- each	2,500.00	2,500.00
	<u><u>2,500.00</u></u>	<u><u>2,500.00</u></u>
<b>Issued, Subscribed and Paid-up</b>		
10390000 Equity Shares of ₹ 1000/- each fully paid in cash	1,039.00	1,039.00
11794500 Equity Shares of ₹ 1000/- each allotted as fully paid up for consideration received other than cash	1,179.45	1,179.45
	<u><u>2,218.45</u></u>	<u><u>2,218.45</u></u>

**Notes:**

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

**Name of Shareholder**

**No. of Shares Held**  
**(Face value of ₹ 1000 each)**

COAL INDIA LIMITED - Holding Company (Equity Share)

22184500

2. There was no change in the Number of Equity Shares during the year.



## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 17 : OTHER EQUITY

(₹ in Crore)

	Equity Portion of Preference Share Capital	Other Reserves				General Reserve	Retained Earnings	Total Other Comprehensive Income	Total
		Capital Redemption Reserve	Capital Reserve	CSR Reserve	Sustainable Development				
<b>Balance as at 01-04-2016</b>	<b>855.61</b>	-	-	-	-	<b>832.71</b>	<b>(2,826.30)</b>	<b>65.06</b>	<b>(1,072.92)</b>
Changes in accounting policy	-	-	-	-	-	-	-	-	-
Prior period errors	-	-	-	-	-	-	-	-	-
Restated balance as at 01.04.2016	<b>855.61</b>	-	-	-	-	<b>832.71</b>	<b>(2,826.30)</b>	<b>65.06</b>	<b>(1,072.92)</b>
Transfer to Retained Earnings	-	-	-	-	-	-	-	-	-
Transfer from Other reserves/Retained earnings	-	-	-	-	-	-	-	-	-
Total comprehensive income during the year	-	-	-	-	-	-	6.13	14.64	20.77
Appropriations									
Transfer to General reserve	-	-	-	-	-	-	-	-	-
Transfer to Other reserves	-	-	-	-	-	-	-	-	-
Interim Dividend	-	-	-	-	-	-	-	-	-
Final Dividend	-	-	-	-	-	-	-	-	-
Corporate Dividend tax	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-
<b>Balance as at 31-03-2017</b>	<b>855.61</b>	-	-	-	-	<b>832.71</b>	<b>(2,820.17)</b>	<b>79.70</b>	<b>(1,052.15)</b>
<b>Balance as at 01.04.2017</b>	<b>855.61</b>	-	-	-	-	<b>832.71</b>	<b>(2,820.17)</b>	<b>79.70</b>	<b>(1,052.15)</b>
Additions during the year	-	-	-	-	-	-	-	-	-
Adjustments during the year	-	-	-	-	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-	-	-	-	-
Transfer from Other reserves/Retained earnings	-	-	-	-	-	-	-	-	-
Total comprehensive income during the year	-	-	-	-	-	-	(931.17)	107.00	(824.17)
Appropriations									
Transfer to General reserve	-	-	-	-	-	-	-	-	-
Transfer to Other reserves	-	-	-	-	-	-	-	-	-
Interim Dividend	-	-	-	-	-	-	-	-	-
Final Dividend	-	-	-	-	-	-	-	-	-
Corporate Dividend tax	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-
<b>Balance as at 31-03-2018</b>	<b>855.61</b>	-	-	-	-	<b>832.71</b>	<b>(3,751.34)</b>	<b>186.70</b>	<b>(1,876.32)</b>

## Notes:

- |  | <u>31-03-2018</u> | <u>31-03-2017</u> | <u>01-04-2016</u> |
|--|-------------------|-------------------|-------------------|
| 1. Authorised Share Capital of Preference Share Capital  |                   |                   |                   |
| 21000000 6% Non Convertible Cumulative, Redeemable Preference Shares of ₹1000/- each   | 2,100.00          | 2,100.00          | 2,100.00          |
| 2. There was no change in the Number of Preference Shares during the year.   |                   |                   |                   |
| 3. Preference Shares were issued to the Coal India Limited (Holding Company) in the financial year 2014-15.  |                   |                   |                   |
| 4. Preference Share is a compound financial instrument and dividend is cumulative and discretionary. As per Ind AS 109 this compound instrument has been segregated into Equity and Long Term Borrowing. The Present value of preference share capital cash flow has been calculated by applying discounting rate of 8% p.a. The present value of cash flow calculated has been considered as Long Term Borrowing (₹ 1195.36 Crore as on 26.12.2014) and balance amount i.e. the difference between the existing Preference Shares value and Long Term Borrowing (₹ 2050.97 Crore - ₹ 1195.36 Crores = ₹ 855.61 Crores) has been considered as new Preference Shares as on 26.12.2014. |                   |                   |                   |



## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 18 : BORROWINGS

(₹ in Crore)

	As at 31-03-2018	As at 31-03-2017
<b>Non-Current</b>		
Term Loans		
From Banks	-	-
From Other Parties		
Export Development Corporation, Canada	155.01	161.01
Liability Component of Compound Financial Instrument (Preference Shares)	1,537.16	1,423.30
Other Loans	-	-
<b>Total</b>	<u>1,692.17</u>	<u>1,584.31</u>
<b>CLASSIFICATION 1</b>		
Secured	-	-
Unsecured	1,692.17	1,584.31
<b>CLASSIFICATION 2</b>		
<b>Loan Guaranteed by directors &amp; others</b>		
<b>Particulars of Loan</b>	<b>Amount in (₹ Crores)</b>	<b>Nature of Guarantee</b>
Export Development Corporation, Canada	155.01	GOI
<b>Notes:</b>		
1. Loss on Exchange Rate Variance of ₹0.04 Crores (₹ -0.55 Crores) in respect of unsecured loan from Export Development Corporation, Canada has been adjusted in the value of the unsecured loan and corresponding effect in Other Expenses(Note - 35).		
2. Repayment Schedule- Repayment of instalment of Loan from EDC Canada is made semiannually i.e. on January 31 and on July 31.		
3. During the period repayment of foreign loan of ₹ 6.04 Crores (₹ 6.39 Crores) has been made through CIL.		
4. Preference Share is a compound financial instrument and dividend is cumulative and discretionary. As per Ind AS 109 this compound instrument has been segregated into Equity and Long Term Borrowing. The Present value of preference share capital cash flow has been calculated by applying discounting rate of 8% p.a. The present value of cash flow calculated has been considered as Long Term Borrowing (₹ 1195.36 Crore as on 26.12.2014) and balance amount i.e. the difference between the existing Preference Shares value and Long Term Borrowing (₹ 2050.97 Crores - ₹ 1195.36 Crores = ₹ 855.61 Crores) has been considered as new Preference Shares as on 26.12.2014. Value of the liability component of Compound Financial Instrument (Preference Shares) has been derived after adjusting the unwinding of amortization cost of ₹113.86 Crores (105.43 Crores)		
<b>Current</b>		
Loans repayable on demand		
From Banks	-	-
From Other Parties	-	-
Other Loans	-	-
<b>Total</b>	-	-
<b>CLASSIFICATION</b>		
Secured	-	-
Unsecured	-	-

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 19 : TRADE PAYABLES

(₹ in Crore)

	As at 31-03-2018	As at 31-03-2017
<b>Current</b>		
Trade Payables for Micro, Small and Medium Enterprises	-	-
Other Trade Payables for:		
Stores and Spares	64.17	70.79
Power and Fuel	27.00	34.28
Others	-	-
<b>Total</b>	<b>91.17</b>	<b>105.07</b>

## NOTE - 20 : OTHER FINANCIAL LIABILITIES

(₹ in Crore)

	As at 31-03-2018	As at 31-03-2017
<b>Non Current</b>		
Security Deposits	16.73	24.53
Earnest Money	-	-
Others	1.38	1.38
<b>Total</b>	<b>18.11</b>	<b>25.91</b>
<b>Notes :</b>		
1. Others includes:	<b>31-03-2018</b>	<b>31-03-2017</b>
Deposit From Govt. Fund	0.25	0.25
Retention Money from DPSC (India Power Limited)	1.13	1.13
	<b>1.38</b>	<b>1.38</b>
<b>Current</b>		
Surplus fund from Subsidiaries	-	-
Current Account with:		
CIL	-	-
IICM	-	-
Current maturities of long-term debt	6.19	6.19
Unpaid dividends	-	-
Security Deposits	179.55	126.73
Earnest Money	85.39	63.30
Liability for Salary, Wages and Allowances	382.32	342.72
Others	-	-
<b>Total</b>	<b>653.45</b>	<b>538.94</b>





## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 21 : PROVISIONS

(₹ in Crore)

	As at 31-03-2018	As at 31-03-2017
<b>Non Current</b>		
Employee Benefits		
Gratuity	783.44	-
Leave Encashment	94.11	258.29
Other Employee Benefits	135.95	142.79
Site Restoration Provision	567.80	521.87
Stripping Activity Adjustment	1,998.13	1,724.09
Others (Post Retirement Medical Benefit)	125.88	142.88
<b>Total</b>	<b><u>3,705.31</u></b>	<b><u>2,789.92</u></b>

**Notes:**

- The period end liability of Gratuity, Leave encashment, post retirement medical benefit for employee and benefits like Group Personal Accident Insurance, Leave Travel Concession, compensation to dependents in case of mine accidental death etc. are valued on actuarial basis.
- Provisions of long term gratuity is after adjustment of Gratuity Trust Fund balance of ₹ 2867.07 Crores (₹ 2354.55 Crores).
- Provisions of long term leave encashment is after adjustment of Leave Encashment Fund balance with LIC of ₹ 491.73 Crores (₹ 378.62 Crores).
- Provision of Others (Post Retirement Medical Benefit) is after adjustment of CPRMSE Trust Fund balance of ₹ 19.01 Crores (NIL)
- Other Employee Benefit includes:

Life Cover Scheme	16.78	18.11
LTC/LLTC	44.84	44.64
Settlement Allowance	36.94	39.55
Group Accidental Insurance	0.12	0.14
Fatal Mine Accident Benefit	37.27	40.35
	<b><u>135.95</u></b>	<b><u>142.79</u></b>

(₹ in Crore)

	As at 31-03-2018	As at 31-03-2017
<b>Current</b>		
Employee Benefits		
Gratuity	514.17	9.83
Leave Encashment	79.58	81.58
Ex- Gratia	351.75	354.28
Performance Related Pay	39.77	144.26
Other Employee Benefits	326.67	269.84
NCWA-X	844.42	453.04
Executive Pay Revision	126.03	12.51
Excise Duty on Closing Stock of Coal	-	35.29
Provision for Coal Quality Variance	44.58	66.20
Provision for Others (Sized Coal)	1.08	1.47
<b>Total</b>	<b><u>2,328.05</u></b>	<b><u>1,428.30</u></b>

**Notes:**

1. Provision for short term gratuity is after adjustment of gratuity trust fund balance of ₹ NIL (₹ 310.70 Crores)
2. Other Employee Benefit includes:

Executive Pension (3%)	70.38	63.12
Executive Superannuation Benefit (6.84%)	160.46	143.92
Coal Mines Bonus.	74.37	50.70
Incentive	0.36	0.35
Life Cover Scheme.	9.28	7.69
Terminal Benefits.	0.09	0.09
Outstanding Liability for LTC/LLTC	3.09	2.92
Others	8.64	1.05
	<b>326.67</b>	<b>269.84</b>
3. National Coal Wage Agreement (NCWA)-X for non-executive employees effective from 01.07.2016 was finalized on 10th October, 2017. Pending full and final implementation of the said agreement, additional provision for impact on an estimated basis in this account for the period covering 01.07.2016 to 30.09.2017 for ₹ 524.46 Crores were made during the half year ended 30.09.2017. This is over and above the adhoc provision of ₹ 601.56 Crores already made/kept in financial statements upto 30.06.2017. For the period October 2017- March 2018, wages to non-executives have been paid as per NCWA-X.
4. Department of Public Enterprises (DPE) vide Office memorandum (OM) no. W-02/0028/2017-DPE(WC)-GL-XIII/17 dated 3rd August, 2017 has circulated the approval of the Government of India regarding the guidelines of the revision of pay and allowances of Board level and below Board level executives and non-unionized supervisors of Central Public Sector Enterprises (CPSEs) w.e.f. 01-01-2017.  
Pending finalization of these guidelines, the provision for executive pay revision of ₹ 126.03 Crore considering estimated impact of increase in all elements of executive salary (including the employer's PF contribution), other employee benefits and all superannuation benefits as per DPE guidelines, covering the period 01-01-2017 to 31-03-2018, has been made/kept in the financial statements
5. A provision as Coal Quality Variance of ₹ 44.58 Crores (₹ 66.20 Crores) is recognized for sampling results awaited from referee samplers.
6. Provision for NCWA-X is after adjustment of ₹ 281.60 Crore of lumpsum recoverable advance paid to non-executives due to finalization of NCWA-X.

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

(₹ in Crore)

	As at 31-03-2018	As at 31-03-2017
<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	-	-
	-	-
Deferred Income	-	-
<b>Total</b>	-	-



## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 23 : OTHER CURRENT LIABILITIES

(₹ in Crore)

	As at 31-03-2018	As at 31-03-2017
Liability for Capital Expenditure	19.29	61.29
<b>Statutory Dues:</b>		
Goods and Service Tax	118.42	-
GST Compensation Cess	192.32	-
Provident Fund & Others	88.04	79.16
Central Excise Duty	2.49	6.08
Royalty & Cess on Coal	5.86	5.94
National Mineral Exploration Trust	0.32	0.52
District Mineral Foundation	5.15	4.38
Stowing Excise Duty	0.03	11.14
Clean Energy Cess	-	264.01
Other Statutory Levies	46.40	39.71
Income Tax deducted/collected at Source	20.78	22.73
Advance from Customers / Others	764.69	342.68
Cess Equalization Account	1,879.01	1,627.86
Others liabilities	851.21	802.27
<b>Total</b>	<b><u>3,994.01</u></b>	<b><u>3,267.77</u></b>

**Note 1:-** In the process of making payment of Cess on the annual value of coal bearing land based on the average production of preceding two years valuing at a rate prevailing as on 1st April of each year and realisation made from customers on the value of despatches of Coal considering the sale price prevailing on 31st March of the previous financial year, there remains a balance payable amounting to ₹ 1879.01 Crores ( ₹ 1627.86 Crores ) which has been shown under Cess Equilisation Account.

**Note 3. Details of Others**

Demurrage	0.04	1.53
Workmen Compensation	0.29	0.20
Auditor Remuneration	1.65	1.56
Security Expenses	9.80	11.67
Other Payroll Deduction	36.44	33.44
Outstanding Liability for Expenses	195.89	154.29
Liability of Payment to Contractor	318.49	303.75
Liability of Repair	87.54	92.29
Outstanding Liability for Capital	113.37	110.55
Unutilized Grants: Capital	28.15	27.83
Deposits	2.34	1.95
Liability for CISPA	1.01	1.01
Others	56.20	62.20
<b>Total</b>	<b><u>851.21</u></b>	<b><u>802.27</u></b>

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 24 : REVENUE FROM OPERATIONS

(₹ in Crore)

	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
I. Sales of Coal	15,250.11	14,717.53
<b>Less :Other Statutory Levies</b>		
Goods and Service Tax	513.14	-
GST Compensation Cess	1,355.43	-
Royalty	371.91	376.88
Cess on Coal	1,744.55	1,756.02
Stowing Excise Duty	9.54	42.80
Central Sales Tax	35.99	189.56
Clean Energy Cess	381.92	1,712.31
State Sales Tax/VAT	74.98	242.48
National Mineral Exploration Trust	7.46	7.52
District Mineral Foundation	111.55	234.79
Other Levies	17.63	13.99
<b>Total Levies</b>	<b>4,624.10</b>	<b>4,576.35</b>
<b>Sales (Net) (A)</b>	<b>10,626.01</b>	<b>10,141.18</b>
II. <b>Other Operating Revenue</b>		
Facilitation charges for coal import	-	-
Subsidy for Sand Stowing & Protective Works	23.93	91.41
Loading and Additional Transportation Charges	245.03	236.90
Less : Other Statutory Levies	11.15	7.12
Evacuation facilitating Charges	60.30	-
Less: Levies	2.87	-
<b>Other Operating Revenue (Net) (B)</b>	<b>315.24</b>	<b>321.19</b>
<b>Revenue from Operations (A+B)</b>	<b>10,941.25</b>	<b>10,462.37</b>

## Notes:

1. Sale is net of deduction for grade slippage of ₹ 261.16 Crores (₹ 257.44 Crores) due to credit note issued/being issued to the parties for grade slippage.
2. Sales includes e-auction quantity of 30.58 LT(21.90 LT) and e-auction gain of ₹ 374.86 Crores (₹ 178.73 Crores).
3. Sale includes MOU quantity of 11.92 LT (16.97 LT) and MOU gain of ₹ 15.14 Crores (₹ 14.15 Crores).
4. Subsidy for Sand Stowing & Protective Works of ₹ 23.93 Crore (₹ 91.41 Crore) received from Ministry of Coal, Government of India in terms of Coal Mines (Conservation & Development) Act, 1974 towards reimbursement of expenditure incurred for the Sand Stowing & Protective Works during the period.
5. Sales of coal includes excise duty of ₹ 146.14 Crores (₹ 626.06 Crore). Sales of Coal (Net) exclusive of excise duty is ₹ 10479.87 Crore (₹ 9515.12 Crore)



## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 25 : OTHER INCOME

(₹ in Crore)

	For the Year Ended 31-03-2018	For the Year Ended 31-03-2017
<b>Interest Income</b>		
<b>Income From Others</b>		
From Deposit with Banks	252.01	267.49
Loans	0.01	0.07
Funds parked within Group	8.61	-
Others	19.28	17.66
<b>Other Non-Operating Income</b>		
Profit on Sale of Assets	0.49	0.02
Gain on Foreign exchange Transactions	-	0.55
Lease Rent	0.04	-
Liability / Provision Write Backs	99.63	44.15
Excise Duty on Decrease in Stock	-	28.67
Miscellaneous Income	146.34	107.33
<b>Total</b>	<b>526.41</b>	<b>465.94</b>
<b>Notes:</b>		
1. <b>Details of Miscellaneous Income</b>		
Recovery from employees others	0.42	0.39
Rent Received from employees	1.38	2.76
Discount Received.	0.41	0.52
Rent Received from outsiders	0.80	0.77
Tender Fees	0.12	0.26
Sale of Scrap	0.91	0.57
School Bus Recovery	0.33	0.52
Liquidity Damage	5.14	5.95
Penalty	5.81	6.48
Compensation under FSA	84.01	50.78
Others	15.68	6.72
Silo Charges	31.33	31.61
<b>Total</b>	<b>146.34</b>	<b>107.33</b>

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 26 : COST OF MATERIALS CONSUMED

(₹ in Crore)

	For the Year Ended 31-03-2018	For the Year Ended 31-03-2017
Explosives	181.71	169.64
Timber	5.43	5.96
Oil & Lubricants	229.40	228.62
HEMM Spares	82.04	108.19
Other Consumable Stores & Spares	158.41	180.84
<b>Total</b>	<b>656.99</b>	<b>693.25</b>

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

(₹ in Crore)

	For the Year Ended 31-03-2018	For the Year Ended 31-03-2017
Opening Stock of Coal	414.79	570.74
Less : Excise Duty on Decrease in Stock	35.29	-
Less: Deterioration of Coal	3.23	3.55
<b>Total ( A )</b>	<b>376.27</b>	<b>567.19</b>
Closing Stock of Coal	334.96	414.79
Less: Deterioration of Coal	2.16	3.23
<b>Total ( B )</b>	<b>332.80</b>	<b>411.56</b>
<b>Change in Inventory of Coal ( C = A - B )</b>	<b>43.47</b>	<b>155.63</b>
Opening Stock of Workshop made finished goods and WIP	15.81	17.29
Add: Adjustment of Opening Stock	-	-
Less: Provision	0.11	0.11
<b>Total ( D )</b>	<b>15.70</b>	<b>17.18</b>
Closing Stock of Workshop made finished goods and WIP	25.75	15.81
Less: Provision	0.11	0.11
<b>Total ( E )</b>	<b>25.64</b>	<b>15.70</b>
<b>Change in Inventory of Workshop made finished goods and WIP ( F = D - E )</b>	<b>(9.94)</b>	<b>1.48</b>
<b>Change in Inventory of Closing Stock of Press Job (G)</b>	<b>-</b>	<b>-</b>
<b>Total Change in Inventory of Stock of Coal and Workshop made Finished Goods &amp; WIP ( C + F + G )</b>	<b>33.53</b>	<b>157.11</b>



## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 28 : EMPLOYEE BENEFITS EXPENSES

(₹ in Crore)

	For the Year Ended 31-03-2018	For the Year Ended 31-03-2017
Salary, Wages, Allowances, Bonus etc.	4,594.66	4,306.92
Ex-Gratia	333.51	362.56
Performance Related Pay	17.30	22.47
NCWA-X	672.98	453.04
Executive Pay Revision	113.52	12.51
Contribution to P.F. & Other Funds	533.74	503.49
Gratuity	1,739.37	180.29
Leave Encashment	73.70	274.36
Workman Compensation	4.55	5.64
Medical Expenses for existing employees	53.95	51.01
Medical Expenses for retired employees	2.53	18.62
Grants to Schools & Institutions	9.79	7.18
Sports & Recreation	1.87	1.48
Canteen & Creche	0.21	0.42
Power - Township	141.57	119.30
Hire Charges of Bus, Ambulance etc.	8.40	7.70
Other Employee Benefits	114.24	109.59
<b>Total</b>	<b>8,415.89</b>	<b>6,436.58</b>

**Notes:**

## 1. Details of Other Employee Benefit

## LTC/LLTC:

a. Executive	2.53	3.13
b. Non-Executive	40.79	16.45
Life Cover Scheme	7.70	6.66
Actuarial Settlement, LTC/LLTC, LCS, GPAIS & Fatal Mine Accident Benefit	(6.84)	4.75
Conveyance Allowance	10.60	11.45
Incentive - cash	1.26	4.74
Other Allowance	58.20	62.41
	<b>114.24</b>	<b>109.59</b>

2. Salary, Wages, Allowances & Benefits includes provision of ₹ 23.78 Crores (₹ 25.72 Crores) made for superannuation Benefit to Executive.

3. National Coal Wage Agreement (NCWA)-X for non-executive employees effective from 01.07.2016 was finalized on 10th October 2017. Pending full and final implementation of the said agreement, additional provision for impact on an estimated basis in this

**NOTES TO THE FINANCIAL STATEMENTS****NOTE - 28 : EMPLOYEE BENEFITS EXPENSES**

account for the period covering 01.07.2016 to 30.09.2017 for ₹ 524.46 Crores were made during the half year ended 30.09.2017. This is over and above the adhoc provision of ₹ 601.56 Crores already made/kept in financial statements upto 30.06.2017. For the period October 2017-March 2018, wages to non-executives have been paid as per NCWA-X.

4. The NCWA-X for the year ended 31.03.2018 above includes ₹ 222.57 Crore relating to the period 01.07.2016 to 31.03.2017.
5. As per the payment of Gratuity (Amendment) Act, 2018 and the notification issued thereafter, the ceiling for maximum gratuity has been increased from ₹ 10 Lakh to ₹ 20 Lakh w.e.f. 29.03.2018. Gratuity for the year ended 31.03.2018 above includes ₹ 1534.76 Crore for impact of change in gratuity ceiling.
6. Department of Public Enterprises (DPE) vide Office memorandum (OM) no. W-02/0028/2017-DPE(WC)-GL-XIII/17 dated 3rd August, 2017 has circulated the approval of the Government of India regarding the guidelines of the revision of pay and allowances of Board level and below Board level executives and non-unionized supervisors of Central Public Sector Enterprises (CPSEs) w.e.f. 01-01-2017.

Pending finalization of these guidelines, the provision for executive pay revision of ₹ 113.52 Crore considering estimated impact of increase in all elements of executive salary (including the employer's PF contribution), other employee benefits and all superannuation benefits as per DPE guidelines, covering the year 01-04-2017 to 31-03-2018, has been made/kept in the financial statements.





## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 29 : CORPORATE SOCIAL RESPONSIBILITY EXPENSE

(₹ in Crore)

	For the Year Ended 31-03-2018	For the Year Ended 31-03-2017
CSR Expenses	12.69	21.62
<b>Total</b>	<b>12.69</b>	<b>21.62</b>

**Note-1:** According to Section 135 of the Companies Act, 2013 CSR Expenses should be 2% of the average net profit of the company made during the three immediately preceding financial years.

	31-03-2018	31-03-2017
Average Net Profit of 3 Years	1,044.31	1,459.56
2% of the Average Net Profit	20.89	29.19

## NOTE 30 : REPAIRS

(₹ in Crore)

	For the Year Ended 31-03-2018	For the Year Ended 31-03-2017
Building	7.93	9.09
Plant & Machinery	143.68	145.83
Others	1.80	2.02
<b>Total</b>	<b>153.41</b>	<b>156.94</b>

**Notes:**

	31-03-2018	31-03-2017
1. <b>Others includes :</b>		
Vehicles	0.58	0.70
Office furniture & equipment	0.32	0.35
Others	0.90	0.97
	<b>1.80</b>	<b>2.02</b>



## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 31 : CONTRACTUAL EXPENSES

(₹ in Crore)

	For the Year Ended 31-03-2018	For the Year Ended 31-03-2017
<b>Transportation Charges :</b>		
Sand	52.56	53.07
Coal	134.00	123.24
Stores & Others	49.50	56.40
Wagon Loading	26.06	22.23
Hiring of Plant and Equipments	1,232.09	1,236.84
Other Contractual Work	93.18	100.02
<b>Total</b>	<b><u>1,587.39</u></b>	<b><u>1,591.80</u></b>

## NOTE 32 : FINANCE COSTS

(₹ in Crore)

	For the Year Ended 31-03-2018	For the Year Ended 31-03-2017
<b>Interest Expenses</b>		
Borrowings	-	-
Unwinding of discounts	154.38	142.54
Funds parked within Group	-	-
Others	-	-
Other Borrowing Costs	-	-
<b>Total</b>	<b><u>154.38</u></b>	<b><u>142.54</u></b>
<b>Note:</b>	<b><u>31-03-2018</u></b>	<b><u>31-03-2017</u></b>
<b>1. Unwinding of discount includes:</b>		
i. Unwinding of discount on Land Reclamation/Site Restoration Costs	40.52	37.11
ii. Unwinding of discount on Liability Component of Compound Financial Instrument (Preference Shares)	113.86	105.43
<b>Total</b>	<b><u>154.38</u></b>	<b><u>142.54</u></b>



## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 33 : PROVISIONS (NET OF REVERSAL)

(₹ in Crore)

	For the Year Ended 31-03-2018	For the Year Ended 31-03-2017
<b>(A) Allowance / Provision made for</b>		
Doubtful debts	41.75	40.09
Coal Quality Variance	30.72	-
Doubtful Advances & Claims	3.26	0.37
Stores & Spares	1.93	2.76
Others	0.02	0.04
<b>Total ( A )</b>	<b>77.68</b>	<b>43.26</b>
<b>(B) Allowance / Provision Reversal</b>		
Doubtful debts	25.23	120.96
Coal Quality Variance	52.34	66.20
Doubtful Advances & Claims	-	-
Stores & Spares	0.28	0.32
Others	1.07	0.69
<b>Total ( B )</b>	<b>78.92</b>	<b>188.17</b>
<b>Total ( A - B )</b>	<b>(1.24)</b>	<b>(144.91)</b>
<b>Notes:</b>	<b>31-03-2018</b>	<b>31-03-2017</b>
1. Other Provision made includes:		
Foreign exchange Transaction	-	-
Provision for Capital WIP	0.02	0.04
Current Assets.	-	-
Loss of Assets.	-	-
	<b>0.02</b>	<b>0.04</b>
2. Other Provision Reversal includes:		
Foreign exchange Transaction	-	-
Provision for Capital WIP	0.05	0.46
Current Assets.	-	0.23
Loss of Assets.	-	-
Others	1.02	-
	<b>1.07</b>	<b>0.69</b>

3. A provision of Coal Quality Variance of ₹30.72 Crore (NIL) is recognized for sampling results awaited from referee samplers.

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 34 : WRITE OFF (Net of Past Provisions)

(₹ in Crore)

	For the Year Ended 31-03-2018	For the Year Ended 31-03-2017
Doubtful debts	-	-
Less :- Provided earlier	-	-
<b>Sub-total ( A )</b>	-	-
Doubtful advances	-	-
Less :- Provided earlier	-	-
<b>Sub-total ( B )</b>	-	-
Stock of Coal	-	-
Less :- Provided earlier	-	-
<b>Sub-total ( C )</b>	-	-
Others	-	-
Less :- Provided earlier	-	-
<b>Sub-total ( D )</b>	-	-
<b>Total ( A + B + C + D )</b>	-	-



## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 35 : OTHER EXPENSES

(₹ in Crore)

	For the Year Ended 31-03-2018	For the Year Ended 31-03-2017
Travelling expenses		
a. Domestic	9.11	9.60
b. Foreign	0.13	0.34
Training Expenses	3.55	3.07
Telephone & Postage	1.66	1.77
Advertisement & Publicity	2.84	2.91
Demurrage	0.61	2.19
Donation/Subscription	0.03	0.07
Security Expenses	88.17	98.43
Service Charges of CIL	43.61	20.46
Hire Charges	32.20	29.67
CMPDI Charges	31.36	14.70
Legal Expenses	1.99	2.35
Bank Charges	0.21	0.16
Guest House Expenses	2.76	2.86
Consultancy Charges	9.97	1.62
Under Loading Charges	47.03	26.21
Auditor's Remuneration & Expenses		
a. For Audit Fees	0.41	0.57
b. For Taxation Matters	0.05	0.05
c. For Other Services	-	0.02
d. For Reimbursement of Expenses	0.11	0.21
Internal Audit Fees & Expenses	2.32	2.28
Rehabilitation Charges	26.17	25.79
Royalty & Cess	4.32	4.42
Central Excise Duty	-	6.48
Rates & Taxes	3.61	6.10
Insurance	0.03	0.11
Loss on Exchange Rate Variance	0.04	-
Rescue/Safety Expenses	4.40	2.19
Dead Rent/Surface Rent	9.03	4.25
Siding Maintenance Charges	3.48	3.81
Land/Crops Compensation	0.09	0.03
R & D expenses	0.23	0.14
Environmental & Tree Plantation Expenses	4.38	1.90
Miscellaneous Expenses	217.22	179.55
<b>Total</b>	<b><u>551.12</u></b>	<b><u>454.31</u></b>



## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 35 : OTHER EXPENSES

(₹ in Crore)

	For the Year Ended 31-03-2018	For the Year Ended 31-03-2017
<b>Notes:</b>		
<b>1. Details of Miscellaneous Expenses</b>		
Office Contingent	0.84	0.75
Printing & Stationery	3.36	3.48
Pension	0.05	0.08
Weigh Bridge Expense	0.75	0.73
Maintenance of Cars & Jeeps:		
a. Petrol & Diesel	11.66	10.54
b. Repairs	0.14	0.22
c. Road Tax	0.35	0.45
d. Insurance	0.26	0.32
Conference & Seminar	0.54	0.57
Books & Periodicals	0.05	0.07
Analysis & Testing Charges	18.25	4.56
Selling Expenses.	15.19	8.65
Clean Energy Cess	0.02	0.33
Central Excise Duty on Internal Consumption	0.04	0.11
Festival Expenses	0.02	0.01
Scholarship	0.49	0.30
Repair and Maintenance:		
a. Township	125.95	109.99
b. Other Welfare Buildings	6.09	6.74
c. Plant & Machinery	0.38	0.29
d. Others	6.25	5.94
Maintenance of Welfare Vehicles:		
a. Petrol & Diesel	6.06	6.30
b. Repairs	0.10	0.12
c. Stores & Spares	0.17	0.12
d. Road Tax	0.05	0.08
e. Insurance	0.04	0.04
Uniform and/or Sticking Charges	0.87	0.87
Purchase of Water	2.88	1.47
Educational Allowance & Expenses	1.33	1.90
Donation to Employee Club	0.38	0.52
Miscellaneous Expenses	14.66	14.00
	<b><u>217.22</u></b>	<b><u>179.55</u></b>



## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 36 : TAX EXPENSE

(₹ in Crore)

	For the Year Ended 31-03-2018	For the Year Ended 31-03-2017
Current Year	(12.96)	45.58
Deferred tax	(523.06)	(24.30)
MAT Credit Entitlement	-	(8.66)
Earlier Years	0.46	(3.43)
<b>Total</b>	<b><u>(535.56)</u></b>	<b><u>9.19</u></b>

Note 1: Provision for Income Tax is after adjustment of Income tax on Other Comprehensive Income.

Total Provision for Income Tax	43.67	67.52
Less: Transferred to Tax on Other Comprehensive Income (Note 37)	56.63	21.94
<b>Net Provision for Income Tax</b>	<b><u>(12.96)</u></b>	<b><u>45.58</u></b>

2. Deferred tax assets/(liability) relates to following:

**Deferred Tax Liability**

Related to Property, Plant and Equipment

(13.79) 7.10

**Total Deferred Tax Liability ( A )**

**(13.79)** **7.10**

**Deferred Tax Assets**

Related to Doubtful Advance claim & Trade Receivables

- -

Employee Benefit

28.85 71.65

Others

654.19 109.22

**Total Deferred Tax Assets ( B )**

**683.04** **180.87**

**Net Deferred Tax Assets / (Liability) [ B - A ]**

**696.83** **173.77**

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 37 : OTHER COMPREHENSIVE INCOME

(₹ in Crore)

	For the Year Ended 31-03-2018	For the Year Ended 31-03-2017
<b>I. (i) Items that will not be reclassified to profit or loss</b>		
Changes in revaluation surplus	-	-
Remeasurement of defined benefit plans	163.63	36.58
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>Sub-total ( A )</b>	<b><u>163.63</u></b>	<b><u>36.58</u></b>
<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	56.63	21.94
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>Sub-total ( B )</b>	<b><u>56.63</u></b>	<b><u>21.94</u></b>
<b>Total ( C = A - B )</b>	<b><u>107.00</u></b>	<b><u>14.64</u></b>
<b>II. (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>Sub-total ( D )</b>	<b><u>-</u></b>	<b><u>-</u></b>
<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>Sub-total ( E )</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Total ( F = D - E )</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Grand Total ( C + F )</b>	<b><u>107.00</u></b>	<b><u>14.64</u></b>





**NOTE – 38:**  
**ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31st MARCH, 2018**

**1. Fair Value Measurement**

**(a) Financial Instruments by Category**

(₹ in Crore)

	31st March, 2018			31st March, 2017		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>						
<b>Investments :</b>						
Co-Operative Share	-	-	0.08	-	-	0.08
Loans	-	-	0.13	-	-	0.15
Trade receivables	-	-	1154.47	-	-	1673.69
Cash & cash equivalents	-	-	783.39	-	-	737.44
Other Bank Balances	-	-	3870.36	-	-	3228.64
Other Financial Assets	-	-	730.07	-	-	350.51
<b>Total</b>	-	-	<b>6538.50</b>	-	-	<b>5990.51</b>
<b>Financial Liabilities</b>						
<b>Borrowings :</b>						
EDC Loan	-	-	161.20	-	-	167.20
Long term Borrowing (Pref. Share)	-	-	1537.16	-	-	1423.30
Trade Payables	-	-	91.17	-	-	105.07
Security Deposit	-	-	196.28	-	-	151.26
Earnest Money	-	-	85.39	-	-	63.30
Other Financial Liabilities	-	-	383.70	-	-	344.10
<b>Total</b>	-	-	<b>2454.90</b>	-	-	<b>2254.23</b>

**1.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.

**1.C) Financial Assets and Liabilities Measured at****(I) Fair value – Recurring Fair value measurement**

(₹ in Crore)

	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 :						
Co-Operative Share	-	-	-	-	-	-
<b>Financial Liabilities</b>						
If any item	-	-	-	-	-	-

**1.D) Financial Assets and Liabilities Measured at****(II) Amortised cost for which fair values are disclosed at 31st March, 2018**

(₹ in Crore)

	31st March, 2018			31st March, 2017		
	Level I	Level II	Level III	Level I	Level II	Level III
<b>Financial Assets at FVTPL</b>						
<b>Investments :</b>						
Co-Operative Share	-	-	0.08	-	-	0.08
Loans	-	-	0.13	-	-	0.15
Trade receivables	-	-	1154.47	-	-	1673.69
Cash & cash equivalents	-	-	783.39	-	-	737.44
Other Bank Balances	-	-	3870.36	-	-	3228.64
Other Financial Assets	-	-	730.07	-	-	350.51
<b>Total</b>	-	-	<b>6538.50</b>	-	-	<b>5990.51</b>
<b>Financial Liabilities</b>						
<b>Borrowings :</b>						
EDC Loan	-	-	161.20	-	-	167.20
Long term Borrowing (Pref. Share)	-	-	1537.16	-	-	1423.30
Trade Payables	-	-	91.17	-	-	105.07
Security Deposit	-	-	196.28	-	-	151.26
Earnest Money	-	-	85.39	-	-	63.30
Other Financial Liabilities	-	-	383.70	-	-	344.10
<b>Total</b>	-	-	<b>2454.90</b>	-	-	<b>2254.23</b>

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.

**1.E). Valuation technique used in determining fair value**

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

**1.F). Fair value measurements using significant unobservable inputs**

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

**1.G). Fair values of financial assets and liabilities measured at amortised cost**

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

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

## 2. Financial Risk Management

### Financial risk management objectives and policies

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

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a risk committee that advises, inter alia, on financial risks and the appropriate financial risk governance framework for the Company. The risk committee provides assurance to the Board of Directors that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are

identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

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

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

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

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

**2.A.a) Credit risk management:**

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

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

**2.A.b) Fuel Supply Agreements (FSAs)**

As contemplated in and in accordance with the terms of the New Coal Distribution Policy (NCDP), the company enters into legally enforceable FSAs with customers or with State Nominated Agencies that in turn enters into appropriate distribution arrangements with end use customers. Our FSAs can be broadly categorized into:

- FSAs with customers in the power utilities sector, including State power utilities, private power utilities ("PPUs") and independent power producers ("IPPs");



- FSAs with customers in non-power industries (including captive power plants (“CPPs”); and
- FSAs with State Nominated Agencies.

### 2.A.c) E-Auction Scheme

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

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

Expected Credit losses for trade receivables under simplified approach

#### i) Expected Credit losses for trade receivables under simplified approach As on 31-03-2018.

(₹ in Crore)

Ageing	Due for 2 months	Due for 6 months	Due for 1 year	Due for 2 years	Due for 3 years	Due for more than 3 years	Total
Gross carrying amount	480.31	129.46	92.79	219.77	275.65	277.92	1475.90
Expected loss rate (%)	1.17%	2.24%	3.39%	4.74%	14.11%	93.70%	21.78%
Expected credit losses (Loss allowance Provision)	5.64	2.90	3.15	10.42	38.89	260.42	321.42

#### ii) Expected Credit losses for trade receivables under simplified approach As on 31-03-2017.

(₹ in Crore)

Ageing	Due for 2 months	Due for 6 months	Due for 1 year	Due for 2 years	Due for 3 years	Due for more than 3 years	Total
Gross carrying amount	360.96	148.40	402.56	685.46	158.48	222.73	1978.59
Expected loss rate (%)	1.72%	3.61%	6.60%	3.66%	22.87%	92.26%	15.41%
Expected credit losses (Loss allowance provision)	6.20	5.35	26.57	25.06	36.24	205.48	304.90

**iii) Reconciliation of Loss Allowance Provision – Trade Receivables (₹ in Crore)**

<b>Loss allowance on 31-03-2017</b>	304.90
Change in loss allowance	16.52
<b>Loss allowance on 31-03-2018</b>	321.42

	<b>31.03.2018</b>	<b>31.03.2017</b>
Gross Carrying Amount (₹ in Crore)	1475.90	1978.59
Expected Loss Rate	21.78%	15.41%
Expected Credit Loss allowance (₹ in Crore)	321.42	304.90

**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.

**2.B). Liquidity Risk**

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

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

**2.C). Market risk**
**a) Foreign currency risk**

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

**b) Cash flow and fair value interest rate risk**

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

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



### Capital management

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

Capital Structure of the Company is as follows :

(₹ in Crore)

Sl.	Particulars / Details	31.03.2018	31.03.2017	31.03.2016	01.04.2015
i)	Equity Share capital	2218.45	2218.45	2218.45	2218.45
ii)	Preference share capital	855.61	855.61	855.61	855.61
iii)	Long term debt :				
	EDC Loan - Non-Current	155.01	161.01	168.00	164.33
	EDC Loan - Current	6.19	6.19	6.14	5.88
	Long Term Borrowing [ Pref. Share ]	1537.16	1423.30	1317.87	1220.25

As per Para 49 of Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors

Particulars	Period to which Error is related	Quarter (for which Profit has been adjusted for PPA) (₹ in Crore)	For Period (for which Profit has been adjusted for PPA) (₹ in Crore)	For Year (for which retained earning/profit has been adjusted for PPA) (₹ in Crores)
Total Comprehensive Income attributable to owners of the company reported earlier	0.00	0.00	0.00	0.00
Adjustment for prior period items	0.00	0.00	0.00	0.00
Each individual Head of expenditure adjusted for PPA (Prefer Name as written on face of P&L)	0.00	0.00	0.00	0.00
Total Comprehensive income attributable to owners of the company(Restated)	0.00	0.00	0.00	0.00

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

**3.A) Provident Fund:** Company pays fixed contribution towards Provident Fund and Pension Fund at pre-determined rates to a separate trust named Coal Mines Provident Fund (CMPF), which invests the fund in permitted securities. The contribution towards the fund during the period is ₹ 389.00 Crore (₹ 375.02 Crore) has been recognized in the Statement of Profit & Loss (Note 28).

**3.B)** The Company operates some defined benefit plans as follows which are valued on actuarial basis: **Funded :**

➤ Gratuity

➤ Leave Encashment

**Unfunded :**

➤ Life Cover Scheme

➤ Settlement Allowance

➤ Group Personal Accident Insurance

➤ Medical Benefits

➤ Compensation to dependent on Mine Accident Benefits

➤ Leave Travel Concession

Total liability as on 31-03-2018 based on valuation made by the Actuary, details of which are mentioned below, is ₹ **5016.88 Crore**.

**The actuarial liability as on 31-03-2018:****(₹ in Crore)**

SL	Head	Opening Actuarial Liability as on 01-04-2017	Incremental Liability during the Year	Closing Actuarial Liability as on 31-03-2018
i)	Gratuity	2622.02	1467.20	4089.22
ii)	Earned Leave	621.19	-26.05	595.14
iii)	Half Pay Leave	76.90	-25.21	51.69
iv)	Leave Travel Concession - Executive	17.79	-0.14	17.65
v)	Leave Travel Concession – Non-Executive	26.84	0.34	27.18
vi)	Life Cover Scheme- Executive	0.53	-0.06	0.47
vii)	Life Cover Scheme - Non-Executive	17.58	-1.27	16.31
viii)	Settlement Allowance Executives	8.84	-1.27	7.57
ix)	Settlement Allowance Non-Executives	30.71	-1.33	29.38
x)	Fatal Mine Accident	40.35	-3.09	37.26
xi)	Group Personal Accident Insurance Scheme	0.14	-0.02	0.12
xii)	Post-Retirement Medical Benefit for Executives	133.52	-3.91	129.61
xiii)	Post-Retirement Medical Benefit for non-executives	9.36	5.91	15.27
	<b>Total</b>	<b>3605.77</b>	<b>1411.11</b>	<b>5016.88</b>

**3.C) Disclosure as per Actuary's Certificate**

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





**ACTUARIAL VALUATION OF GRATUITY LIABILITY AS AT 31-03-2017  
CERTIFICATES AS PER IND AS 19 (2015)**

**Table 1: Disclosure Item****(₹ in Crore)**

SL	Changes in Present Value of Obligation as at	31-03-2018	31-03-2017
1	Present value of obligation as on last valuation	2,622.02	2,559.37
2	Current Service Cost	161.53	180.86
3	Interest Cost	192.15	175.03
4	Participant Contribution	-	-
5	Plan Amendments: Vested portion at end of period (Past Service)	1,534.76	-
6	Plan Amendments: Non-Vested portion at end of period (Past Service)	-	-
7	Actuarial gain/loss on obligations due to Change in Financial Assumption	(180.27)	143.26
8	Actuarial gain/loss on obligations due to Change in Demographic assumption	-	-
9	Actuarial gain/loss on obligations due to Unexpected Experience	18.69	(146.24)
10	Actuarial gain/loss on obligations due to Other reason	-	-
11	The effect of change in Foreign exchange rates	-	-
12	Benefits Paid	259.66	290.26
13	Acquisition Adjustment	-	-
14	Disposal/Transfer of Obligation	-	-
15	Curtailment cost	-	-
16	Settlement Cost	-	-
17	Other(Unsettled Liability at the end of the valuation date)	-	-
18	Present value of obligation as on valuation date	4,089.22	2,622.02

**Table 2: Disclosure Item****(₹ in Crore)**

SL	Changes in Fair Value of Plan Assets as at	31-03-2018	31-03-2017
1	Fair value of Plan Assets at Beginning of period	2,665.25	2,570.54
2	Interest Income	205.49	186.36
3	Employer Contributions	253.93	165.00
4	Participant Contributions	-	-
5	Acquisition/Business Combination	-	-
6	Settlement Cost	-	-
7	Benefits Paid	259.66	290.26
8	The effect of asset ceiling	-	-
9	The effect of change in Foreign Exchange Rates	-	-
10	Administrative Expenses and Insurance Premium	-	-
11	Return on Plan Assets excluding Interest Income	2.06	33.61
12	Fair value of Plan Assets at End of measurement period	2,867.07	2,665.25

Table 3: Disclosure Item

(₹ in Crore)

SL	Table Showing Reconciliation to Balance Sheet	31-03-2018	31-03-2017
1	Funded Status	(1,222.15)	(43.23)
2	Unrecognized Past Service Cost	-	-
3	Unrecognized Actuarial gain/loss at end of the period	-	-
4	Post Measurement Date Employer Contribution(Expected)	-	-
5	Unfunded Accrued/Prepaid Pension cost	N/A	-
6	Fund Asset	2,867.07	2,665.25
7	Fund Liability	4,089.22	2,622.02

Table 4: Disclosure Item

Sl.	Table Showing Plan Assumptions	31-03-2018	31-03-2017
1.	Discount Rate	7.71%	7.25 %
2.	Expected Return on Plan Asset	7.71%	7.25 %
3.	Rate of Compensation Increase(Salary Inflation)	9.00% for Executives	
		6.25% for Non-Executives	6.50% for Non-Executives
4.	Pension Increase Rate	N/A	N/A
5.	Average expected future service (Remaining working Life)	12	12
6.	Average Duration of Liabilities	12	12
7.	Mortality Table	IALM 2006-2008 ULTIMATE	
8.	Superannuation at age-Male	60	60
9.	Superannuation at age-Female	60	60
10.	Early Retirement & Disablement (All Causes Combined)	0.30%	1.00 %

Table 5: Disclosure Item

(₹ in Crore)

SL	Expense Recognized in statement of Profit/Loss as at	31-03-2018	31-03-2017
1	Current Service Cost	161.53	180.86
2	Past Service Cost (vested)	1534.76	-
3	Past Service Cost (Non-Vested)		- -
4	Net Interest Cost	(13.34)	(11.33)
5	Cost (Loss / Gain) on settlement	-	-
6	Cost (Loss / Gain) on curtailment	-	-
7	Actuarial Gain loss Applicable only for last year	-	-
8	Employee Expected Contribution	-	-
9	Net Effect of changes in Foreign Exchange Rates	-	-
10	Benefit Cost (Expense Recognized in Statement of Profit/loss)	1,682.94	169.53

**Table 6: Disclosure Item****(₹ in Crore)**

SL	Other Comprehensive Income	31-03-2018	31-03-2017
1	Actuarial gain/loss on obligations due to Change in Financial Assumption	(180.27)	143.26
2	Actuarial gain/loss on obligations due to Change in Demographic assumption	-	-
3	Actuarial gain/loss on obligations due to Unexpected Experience	18.69	(146.24)
4	Actuarial gain/loss on obligations due to Other reason	-	-
5	Total Actuarial gain / losses	(161.57)	(2.98)
6	Return on Plan Asset, Excluding Interest Income	2.06	33.61
7	The effect of asset ceiling	-	-
8	Balance at the end of the Period	(163.63)	(36.58)
9	Net(Income)/Expense for the Period Recognized in OCI	(163.63)	(36.58)

**Table 7: Disclosure Item****(₹ in Crore)**

SL	Table Showing Allocation of Plan Asset at end Measurement Period	31-03-2018	31-03-2017
1	Cash & Cash Equivalents	-	-
2	Investment Funds	-	-
3	Derivatives	-	-
4	Asset-Backed Securities	-	-
5	Structured Debt	-	-
6	Real Estates	-	-
7	Special Deposit Scheme	-	-
8	State Government Securities	-	-
9	Government of India Assets	-	-
10	Corporate Bonds	-	-
11	Debt Securities	-	-
12	Annuity Contracts/Insurance Fund	-	-
13	Other	-	-
	Total	-	-

**Table 8: Disclosure Item****(₹ in Crore)**

SL	Table Showing Total Allocation in % of Plan Asset at end Measurement Period	31-03-2018	31-03-2017
1	Cash & Cash Equivalents	-	-
2	Investment Funds	-	-
3	Derivatives	-	-
4	Asset-Backed Securities	-	-
5	Structured Debt	-	-
6	Real Estates	-	-
7	Special Deposit Scheme	-	-
8	State Government Securities	-	-
9	Government of India Assets	-	-
10	Corporate Bonds	-	-
11	Debt Securities	-	-
12	Annuity Contracts/Insurance Fund	-	-
13	Other	-	-
	Total	-	-

Table 9: Disclosure Item

Mortality Table	
Age	Mortality (Per Annum)
25	0.0009840
30	0.0010560
35	0.0012820
40	0.0018030
45	0.0028740
50	0.0049460
55	0.0078880
60	0.0115340
65	0.0170085
70	0.0258545

Table 10: Disclosure Item

(₹ in Crore)

31-03-2017			31-03-2018	
Increase	Decrease	Sensitivity Analysis	Increase	Decrease
2,522.65	2,722.18	Discount Rate (-/+ 0.5%)	3,953.50	4,232.96
-3.79%	3.82%	%Change Compared to base due to sensitivity	-3.319%	3.515%
2,646.67	2,598.69	Salary Growth (-/+ 0.5%)	4,182.37	3,987.65
0.94%	-0.89%	%Change Compared to base due to sensitivity	2.278%	-2.484%
2,629.62	2,613.63	Attrition Rate (-/+ 0.5%)	4,092.49	4,085.95
0.29%	-0.32%	%Change Compared to base due to sensitivity	0.080%	-0.080%
2,642.74	2,602.62	Mortality Rate (-/+ 10%)	4,113.35	4,065.10
0.79%	-0.74%	%Change Compared to base due to sensitivity	0.590%	-0.590%

Table 11: Disclosure Item

Table Showing Cash Flow Information

	(₹ in crore)
Next Year Total (Expected)	4158.06
Minimum Funding Requirements	1518.06
Company's Discretion	NIL



Table 12: Disclosure Item

SL	Table Showing Benefit Information Estimated Future payments (Past Service)	
	Year	(₹ in crore)
1	1	454.01
2	2	465.05
3	3	452.30
4	4	444.37
5	5	429.02
6	6 to 10	2,209.91
7	More than 10 years	3,350.84
8	Total Undiscounted Payments Past and Future Service	-
9	Total Undiscounted Payments related to Past Service	7,805.51
10	Less Discount For Interest	3,716.29
11	Projected Benefit Obligation	4,089.22

Table 13: Disclosure Item

Table Showing Outlook Next Year Components of Net Periodic benefit Cost Next Period

SL	Particulars	(₹ in crore)
1	Current service Cost(Employer portion Only) Next period	163.75
2	Interest Cost next period	297.78
3	Expected Return on Plan Asset	315.28
4	Unrecognized past service Cost	-
5	Unrecognized actuarial gain / loss at the end of the period	-
6	Settlement Cost	-
7	Curtailment Cost	-
8	Other ( Actuarial Gain/loss)	-
9	Benefit Cost	146.24

Table 14: Bifurcation of Net liability

Table Showing expected return on Plan Asset at end Measurement Period (₹ in crore)

SL	Particulars	31-03-2018	31-03-2017
1	Current liability	438.71	267.48
2	Non-Current Liability	3,803.72	2,354.55
3	Net Liability	4,089.22	2,622.02

**ACTUARIAL VALUATION OF LEAVE ENCASHMENT BENEFIT (EL/HPL)  
AS AT 31-03-2018  
CERTIFICATES AS PER IND AS 19 (2015)**

The valuation at a glance based on best estimate assumption as on current valuation date is as provided below:

**Table 1: Disclosure Item**

(₹ in Crore)

SL	Changes in Present Value of Obligation as at	31-03-2018	31-03-2017
1	Present value of obligation as on last valuation	698.09	541.50
2	Current Service Cost	70.25	103.26
3	Interest Cost	50.73	35.43
4	Participant Contribution	-	-
5	Plan Amendments: Vested portion at end of period(Past Service)	-	-
6	Plan Amendments: Non-Vested portion at end of period(Past Service)	-	-
7	Actuarial gain/loss on obligations due to Change in Financial Assumption	(33.87)	68.60
8	Actuarial gain/loss on obligations due to Change in Demographic assumption	-	-
9	Actuarial gain/loss on obligations due to Unexpected Experience	(58.10)	54.96
10	Actuarial gain/loss on obligations due to Other reason	-	-
11	The effect of change in Foreign exchange rates	-	-
12	Benefits Paid	80.27	105.66
13	Acquisition Adjustment	-	-
14	Disposal/Transfer of Obligation	-	-
15	Curtailment cost	-	-
16	Settlement Cost	-	-
17	Other(Unsettled Liability at the end of the valuation date)	-	-
18	Present value of obligation as on valuation date	646.83	698.09

**Table 2: Disclosure Item**

(₹ in Crore)

SL	Changes in Fair Value of Plan Assets as at	31-03-2018	31-03-2017
1	Fair value of Plan Assets at Beginning of period	378.62	-
2	Interest Income	29.19	15.17
3	Employer Contributions	160.02	470.02
4	Participant Contributions	-	-
5	Acquisition/Business Combination	-	-
6	Settlement Cost	-	-
7	Benefits Paid	80.27	105.66
8	The effect of asset ceiling	-	-
9	The effect of change in Foreign Exchange Rates	-	-
10	Administrative Expenses and Insurance Premium	-	-
11	Return on Plan Assets excluding Interest Income	4.17	(0.91)
12	Fair value of Plan Assets at End of measurement period	491.73	378.62



Table 3: Disclosure Item

(₹ in Crore)

SL	Table Showing Reconciliation to Balance Sheet	31-03-2018	31-03-2017
1	Funded Status	(155.10)	(319.47)
2	Unrecognized Past Service Cost	-	-
3	Unrecognized Actuarial gain/loss at end of the period	-	-
4	Post Measurement Date Employer Contribution(Expected)	-	-
5	Unfunded Accrued/Prepaid Pension cost	N/A	-
6	Fund Asset	491.73	378.62
7	Fund Liability	646.83	698.09

Table 4: Disclosure Item

(₹ in Crore)

SL	Table Showing Plan Assumptions	31-03-2018	31-03-2017
1	Discount Rate	7.71%	7.25%
2	Expected Return on Plan Asset	7.71%	7.25%
3	Rate of Compensation Increase p.a. (Salary Inflation)	9.00% for Executives	
		6.25% for Non-Executives	6.50% for Non-Executives
4	Pension Increase Rate	N/A	N/A
5	Average expected future service (Remaining working Life)	12	12
6	Average Duration of Liabilities	12	12
7	Mortality Table	IALM 2006-08 Ultimate	
8	Superannuation at age-Male	60	60
9	Superannuation at age-Female	60	60
10	Early Retirement & Disablement (All Causes Combined)	0.30% p.a.	1 % p.a.
11	Voluntary Retirement	Ignored	Ignored

Table 5: Disclosure Item

(₹ in Crore)

SL	Expense Recognized in statement of Profit/Loss as at	31-03-2018	31-03-2017
1	Current Service Cost	70.25	103.26
2	Past Service Cost(vested)	-	-
3	Past Service Cost(Non-Vested)	-	-
4	Net Interest Cost	21.54	20.25
5	Cost (Loss / Gain) on settlement	-	-
6	Cost (Loss / Gain) on curtailment	-	-
7	Actuarial Gain/loss	(96.14)	124.47
8	Employee Expected Contribution	-	-
9	Net Effect of changes in Foreign Exchange Rates	-	-
10	Benefit Cost(Expense Recognized in Statement of Profit/loss)	(4.35)	247.99

Table 6: Disclosure Item

(₹ in Crore)

SL	Other Comprehensive Income	31-03-2018	31-03-2017
1	Actuarial gain/loss on obligations due to Change in Financial Assumption	-	-
2	Actuarial gain/loss on obligations due to Change in Demographic assumption	-	-
3	Actuarial gain/loss on obligations due to Unexpected Experience	-	-
4	Actuarial gain/loss on obligations due to Other reason	-	-
	Total Actuarial gain / losses	-	-
5	Return on Plan Asset, Excluding Interest Income	-	-
6	The effect of asset ceiling	-	-
7	Balance at the end of the Period	-	-
8	Net Income / Expense for the Period Recognized in OCI	-	-

Table 7: Disclosure Item

## Mortality Table

Age	Mortality (Per Annum)
25	0.0009840
30	0.0010560
35	0.0012820
40	0.0018030
45	0.0028740
50	0.0049460
55	0.0078880
60	0.0115340
65	0.0170085
70	0.0258545

Table 8: Disclosure Item

(₹ in Crore)

31-03-2017		Sensitivity Analysis	31-03-2018	
Increase	Decrease		Increase	Decrease
672.82	723.78	Discount Rate (-/+ 0.5%)	622.54	672.83
-3.62%	3.68%	%Change Compared to base due to sensitivity	-3.755%	4.021%
723.64	675.12	Salary Growth (-/+ 0.5%)	672.78	622.37
3.66%	-3.29%	%Change Compared to base due to sensitivity	4.013%	-3.781%
698.64	697.53	Attrition Rate (-/+ 0.5%)	647.47	646.18
0.08%	-0.08%	%Change Compared to base due to sensitivity	0.100%	-0.100%
701.02	695.22	Mortality Rate (-/+ 10%)	650.67	642.98
0.42%	-0.41%	%Change Compared to base due to sensitivity	0.595%	-0.595%



**Table 9: Disclosure Item****Table Showing Benefit Information Estimated Future payments**

SL	Year	(₹ in crore)
1	1	63.11
2	2	67.74
3	3	63.75
4	4	65.91
5	5	64.73
6	6 to 10	342.02
7	More than 10 years	741.53
8	Total Undiscounted Payments Past and Future Service	-
9	Total Undiscounted Payments related to Past Service	1,408.79
10	Less Discount For Interest	761.97
11	Projected Benefit Obligation	646.83

**Table 10: Bifurcation of Net liability****Table Showing expected return on Plan Asset at end Measurement Period** (₹ in Crore)

SL	Particulars	31-03-2018	31-03-2017
1	Current liability	60.99	61.18
2	Non-Current Liability	585.84	636.91
3	Net Liability	646.83	698.09

#### 4. Unrecognised Items

**Contingent Liabilities : Claims against the company not acknowledged as debt.**

Claims against the Company not acknowledged as debts (including interest, wherever applicable)

**4.A) Table :** (₹ in Crore)

	31-03-2018	31-03-2017
<b>1. Central Govt.</b>		
Royalty	-	-
Central Excise	777.55	652.36
Income Tax	804.19	393.18
Service Tax	51.47	36.54
<b>2. State Govt. and Local authorities</b>		
Sales Tax, RE Cess, PE Cess, other matters	3347.72	1205.06
<b>3. Central Public Sector Enterprises</b>		
Suit against the company under litigation	-	-
<b>4. Others: (Employees or Contractor related etc)</b>	713.29	705.29
<b>TOTAL</b>	<b>5694.22</b>	<b>2992.43</b>

## 4.B) Table :

(₹ in Crore)

Sl.	Particulars	Central Govt.	State Govt. & Other localities	CPSE	Others	Total
1	Opening as on 01-04-2017	1082.08	1205.06	0.00	705.29	2992.43
2	Addition during the year	587.67	2147.25	0.00	21.00	2755.92
3	Claims settled during the year:					
	a. From opening balance	-36.54	-4.59	0.00	-13.00	-54.13
	b. Out of addition during the year	0.00	0.00	0.00	0.00	0.00
4	Closing as on 31-03-2018	1633.21	3347.72	0.00	713.29	5694.22

## 4.C) Table :

Courts	As on 31-03-2018 No. of cases	As on 31-03-2017 No. of cases
Supreme Court	23	22
High Court	548	480
District Courts	402	377
CGIT	279	234
Other Forums	359	291

## 4.D) Table :

(₹ in Crore)

SL	Particulars	As on 31-03-2018	As on 31-03-2017
1	Income Tax – appeals filed by the Income Tax Deptt. before the ITAT.	435.31	214.88
2	Income Tax – appeals filed before the CIT (Appeals).	320.26	129.69
3	Income Tax – appeals filed before the ITAT.	48.62	48.62
4	Service Tax – appeals filed before the CESTAT, on various issues.	51.47	36.54
5	Central Excise – appeals filed before CESTAT, Kolkata related to excise duty on royalty & other.	760.85	610.76
6	Central Excise – appeals filed before CCE.	16.71	41.60
7	Entry Tax, Sales Tax, CST, VAT- appeals filed before Tribunal/ High Court.	84.24	128.80
8	Suits against the Company filed by Contractors / Employees & others pending before Arbitration, ALC, RLC and at various Courts.	692.47	678.16
9	Forest Deptt. & other land matters- demands raised but not acknowledged as debts.	20.81	20.86
10	Others ( VAT,CST, RE, PE Cess, etc.)	1083.47	1082.52
11*	Demand of State of Jharkhand and District Mining Officer, Dhanbad as penalty for illegal on unlawful Mined Mineral under MMDR Act, 1957 on the basis of judgment of Hon'ble Supreme Court in August, 2017.	2178.14	0.00
12	Additional demand charges claimed by JBVNL (including Principal amount of Rs. 0.69 crore and interest) - Rajmahal Area.	1.87	0.00
	<b>TOTAL</b>	<b>5694.22</b>	<b>2992.43</b>



\* **Demand of State of Jharkhand and District Mining Officer Dhanbad as penalty for illegal on unlawful Mined Mineral under MMDR Act, 1957 on the basis judgment Hon'ble Supreme Court** :Government of Jharkhand has raised a demand under Mines and Minerals (Development and Regulation) Act, 1957 as a penalty for illegally or unlawfully mined mineral of ₹ 2,178.14 crore. State of Jharkhand and District Mining Officer, Dhanbad had issued 11 Demand notices to Rajmahal area, S.P Mines and Mugma area claiming the penalty mentioned above. CGM (GM I/C), Rajmahal, SP Mine, Mugma Area of ECL have filed 11 Revision Application challenging the Demand notices issued by the State of Jharkhand regarding alleged violation before the Revisional Authority, Ministry of Coal, Government of India.

The above Revision Applications are admitted by MOC by staying the execution of the 11 notices as mentioned above in the exercise of power under rule 55(v) of Mineral Concession Rules, 1960 read with section 30 of MMDR Act. MOC had also directed that no coercive action will be taken against the applicants by the respondents pursuant to the impugned Demand notices. Government of Jharkhand was directed to file a reply to the revision applications within the prescribed time of 3months from the date of service of copy revision applications. The reply to the Revision Applications by the Government of Jharkhand has not yet been forwarded to the applicant i.e. Rajmahal Area, ECL for filing Rejoinders. In view of above Rajmahal, S. P. Mines and Mugma area of ECL have made a prima facie case and the balance of convenience is in their favour subject to decision of revision petition.

#### 4.E). Provisions

The position and movement of various provisions except those relating to employee benefits which are valued actuarially, as on 31-03-2018 are given below:

(₹ in Crore)

Provisions	Opening Balance as on 01-04-2017	Addition during the year	Write back/Adj. during the	Unwinding of discounts	Closing Balance as on 31-03-2018
<b>Note 3:-Property, Plant and Equipment:</b>					
Depreciation of Assets	419.55	380.27	8.92	-	808.74
Impairment of Assets	33.31	59.02	-	-	92.33
<b>Note 4- Capital Work in Progress :</b>					
Against CWIP	0.64	4.70	(0.25)	-	5.09
<b>Note 5:- Exploration And Evaluation Assets</b>					
Provision and Impairment:	-	-	-	-	-
<b>Note 8:- Loans :</b>					
Other Loans	-	-	-	-	-
<b>Note 9:- Other Financial Assets:Current Account with Subsidiaries :</b>					
Claim receivables	-	-	-	-	-
Other Receivables	-	3.26	-	-	3.26
<b>Note 10: Other Non-Current Assets :</b>					
Exploratory Drilling Work	-	-	-	-	-
Against Security Deposit for Utilities	1.52	-	-	-	1.52

<b>Note 11: Other Current Assets :Advances for Revenue :</b>					
Advance Payment Against Statutory Dues	-	-	-	-	-
Advance to Employees	0.15	-	-	-	0.15
Other Deposits	-	-	-	-	-
Other Receivables	0.30	-	-	-	0.30
<b>Note 12: Inventories :</b>					
Stock of Coal	1.76	-	(0.68)	-	1.08
Stock of Stores & Spares	42.84	1.65	-	-	44.49
<b>Note 13: Trade Receivables :</b>					
Provision for bad & doubtful debts :	304.90	16.52	-	-	321.42
<b>Note 21 :- Non-Current &amp; Current Provision</b>					
Performance related pay	144.26	-	(104.49)	-	39.77
NCWA-X	453.04	391.38	-	-	844.42
Site Restoration	521.87	45.93	-	-	567.80
Others	3099.05	1482.32	-	-	4581.37

#### 4.F). Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for:

- The amount remaining to be executed on capital account not provided for is ₹ 250.57 Crore (₹ 254.07 Crore).
- The amount remaining to be executed on revenue account not provided for is ₹ 1257.31 crore (₹ 3081.96 Crore).

#### 4.G) Letter of Credit :

As on 31-03-2018 outstanding Letters of Credit (LoC) is ₹ 25.88 Crore (₹ 131.39 Crore) and Bank Guarantee issued is ₹ 37.64 Crore (₹ 40.97 Crore).

#### 4.H) Government Assistance

Ind As-20 "Accounting for Government Grants and Disclosure of Government Assistance" : Subsidy from appropriate authority for stowing and protective work undertaken during the year ended 31<sup>st</sup> March, 2018 amounting to ₹23.93 crore (₹ 91.41 crore) has been shown under the head Other Operating Revenue in Note-24 "Revenue From Operations". Subsidy receivable out of the same amounting to ₹ 35.53 crore (₹ 79.44 crore) has been shown in Note - 9 "Other Financial Assets" under the head Subsidy Receivables.

## 5. Other Information

#### 5.A) Segment Reporting

In accordance with the provisions of Ind AS 108 'operating segment', the operating segment used for presenting segment information are identified based on internal reports used by Board of Directors (BoD) to allocate resources to the segments and assess their performance. The BOD is the Chief operating



decision maker of the Company within the meaning of Ind AS 108.

The BOD consider a business from a prospect of significant product offerings and have decided that presently there is one single reportable segment being sale of Coal.

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 (₹ in Crore)	-931.17	6.13
ii)	Weighted Average no. of Equity Shares Outstanding	22184500	22184500
iii)	Basic and Diluted Earnings per Share in Rupees (Face value ₹ 1000/- per share) (₹)	-419.74	2.76

**e) Related Party Disclosures**

**Key Managerial Personnel**

**Whole time Functional Directors:**

1)	Shri A. K. Singh	CMD (Additional charge) (w.e.f. 01-04-2018) Director (Technical) P&P (from 15-09-2016 to 25-09-2017)
2)	Shri S. Chakravarty	CMD (w.e.f. 15-06-2017 to 31-03-2018)
3)	Shri R. R. Mishra	CMD (Additional charge) (from 23-11-2016 to 14-06-2017)
4)	Shri K. S. Patro	Director (Personnel)
5)	Shri A. M. Marathe	Director (Finance) (upto 31-03-2018)
6)	Shri B. N. Shukla	Director (Technical) OP (from 17-08-2016 to 16-08-2017)
7)	Shri S.K. Jha	Director (Technical) Opn. / P&P (w.e.f 19-12-2017)
<b>Part-time Official Director:</b>		
1)	Shri C. K. Dey	Director (Finance), CIL
2)	Shri Vivek Bharadwaj	Joint Secretary, MoC (from 09-06-2017 to 30-10-2017)
3)	Shri N.K. Sudhansu	Joint Secretary, MoC (w.e.f 30-10-2017)
<b>Independent Directors:</b>		
1)	Dr. (Prof.) Indira Chakravarty	
<b>Company Secretary:</b>		
1)	Shri V. R. Reddy	

## Remuneration of Key Managerial Personnel

(₹ in Crore)

Sl. No.	Payment to CMD, Whole Time Directors and Company Secretary	For the year ended 31-03-2018	For the year ended 31-03-2017
i)	<b>Short Term Employee Benefits :</b> Gross Salary	1.08	0.85
	Medical Benefits	0.02	0.00
	Perquisites and Other Benefits	0.45	0.18
ii)	<b>Post-Employment Benefits :</b> Contribution to P.F. & other fund	0.15	0.15
iii)	<b>Termination Benefits(Paid at the time of separation) :</b> Leave Encashment	0.33	0.00
	Gratuity	0.40	0.00
<b>TOTAL</b>		<b>2.43</b>	<b>1.18</b>
<b>Actuarial Gtatuity &amp; Leave</b>		<b>0.96</b>	<b>1.37</b>

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

## 5.B.iii) Independent Directors sitting fees

(₹ in Crore)

SL	Payment to Independent Directors	For the year ended 31-03-2018	For the year ended 31-03-2017
i)	Sitting Fees	0.04	0.05

## 5.B.iv) Balances Outstanding as on 31-03-2018

(₹ in Crore)

SL	Particulars	As on 31-03-2018	As on 31-03-2017
i)	Amount Payable	Nil	Nil
ii)	Amount Receivable	Nil	Nil

5.B.v) **Related Party Transactions** : Balance with Coal India Limited (Holding Company) as on 31.03.2018 is ₹ 5,04,39,25,069.98 (Debit).

5.B.vi). **Nature of transaction with Related Party:** Nature of transactions with CIL are Apex charges, R&D expenses, Rehabilitation Expenses, Subsidy, EDC Loan repayment, C&F Charges and Employees related expenses.

## 5.C). Taxation

Calculation of Deferred Tax

1. Explanation of changes in applicable tax rates compared to previous accounting period
2. Relationship between tax expense (income) and accounting profit



**Deferred Tax Asset / (Liability) as at 31st March, 2018 is given below :** (₹ in Crore)

	As at 31-03-2018	As at 31-03-2017
Deferred Tax Liability:		
Related to Fixed Assets	-13.79	7.10
Deferred Tax Asset:		
Provision for doubtful Debts, claims, etc.		
Employee Benefit	28.85	71.65
Others	654.19	109.22
Total Deferred Tax Asset	683.04	180.87
Net Deferred Tax Asset / (Deferred Tax Liability) :	696.83	173.77

**5.D). 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.

**5.E). Current Assets, Loans and Advances etc.**

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

**5.F). Current Liabilities**

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

**5.G). 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.

**5.H). Value of imports on CIF basis** (₹ in Crore)

SL	Particulars	For the year ended 31-03-2018	For the year ended 31-03-2017
i)	Raw Material	0.00	0.00
ii)	Capital Goods	0.00	2.30
iii)	Stores, Spares & Components	0.00	2.82

**5.I) Expenditure incurred in Foreign Currency** (₹ in Crore)

SL	Particulars	For the year ended 31-03-2018	For the year ended 31-03-2017
i)	Travelling Expenses	0.13	0.34
ii)	Training Expenses	0.00	0.00
iii)	Consultancy Charges	0.00	0.00
iv)	Interest	0.00	0.00
v)	Stores and Spares	0.00	4.75
vi)	Capital Goods	0.00	151.89
vii)	Others	0.00	0.00

**5.J) Earning in Foreign Exchange:**

(₹ in Crore)

SL	Particulars	For the year ended 31-03-2018	For the year ended 31-03-2017
i)	Travelling Expenses	NIL	NIL
ii)	Training Expenses	NIL	NIL
iii)	Consultancy Charges	NIL	NIL

**5.K) Total Consumption of Stores and Spares**

(₹ in Crore)

SL	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	6.35	0.97%	3.15	0.45%
ii)	Indigenous	650.64	99.03%	690.10	99.55%
	<b>Total</b>	<b>656.99</b>	<b>100.00%</b>	<b>693.25</b>	<b>100.00%</b>

**5.L) Statement of Opening Stock, Production, Purchases, Turnover and Closing Stock of Coal**

(₹ in Crore and Quantity in Lakh Tonne)

Particulars	For the year ended 31-03-2018		For the year ended 31-03-2017	
	Quantity	Value	Quantity	Value
<b>Opening Stock</b>	<b>25.55</b>	<b>414.79</b>	<b>50.54</b>	<b>570.74</b>
Production	435.68	–	405.17	–
Sales	434.34	10626.01	428.08	9515.12
Own Consumption	1.95	58.05	2.08	63.34
Write Off	0.00	0.00	0.00	0.00
<b>Closing Stock</b>	<b>24.94</b>	<b>334.96</b>	<b>25.55</b>	<b>414.79</b>

**5.Q). Significant accounting policy**

Significant Accounting Policy (Note-2) are 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.

## 6. Resettlement & Rehabilitation Policy of CIL

With changing aspirations of Project Affected Persons (PAPs) and for faster acquisition of land, Resettlement & Rehabilitation Policy of CIL was revised in 2012 making it liberal and PAP friendly with more flexibility to the Board of Subsidiary Companies. The Policy provides for conducting baseline socio economic survey to identify PAPs enlisted to receive R&R benefits as well as to formulate Rehabilitation Action Plan (RAP) in consultation with PAPs and State Govt. The R&R Policy of Coal India Ltd., provides for payment of land compensation and solatium, employment or lump sum monetary compensation and annuity, compensation for home-stead, lump sum payment in lieu of alternate house site, subsistence allowance to each affected displaced family etc.





## 7. Environmental Impact Assessment (EIA)/Environmental Management Plan (EMP)

**7.A).** EIA/EMPs for all the new and expansion projects as per EIA Notification SO 1533 dated 14<sup>th</sup> September, 2006 of MoEF are prepared for peak and normative capacities and environmental clearance is obtained. For the year ended 31-03-2018, CMPDI has prepared a total of 4 (four) Form-1 and formulated 4 (four) EC Amendment Proposals along with Revised Mining Plans for Clusters 1, 4, 9 & 10. 1 (one) Environmental clearance was also obtained from MoEF for Cluster No. 1 comprising 11 mines of ECL for the year ended 31-03-2018 (granted on 18-12-2017). Remaining 3 clusters were presented before 26<sup>th</sup> EAC held on 15<sup>th</sup> & 16<sup>th</sup> February, 2018 for EC amendment but the same was deferred for reconsideration (now recommended for EC amendment in the 28<sup>th</sup> EAC meeting held on 17<sup>th</sup> & 18<sup>th</sup> April, 2018)

### 7.B). CSR expenditure :

(a) Gross amount required to be spent by the Company during the Financial Year 2017-18 is ₹20.89 crore (₹ 29.19 crore).

(b) Amount spent during the year on : (₹ in crore )

SL	Year Ended	31.03.2018			31.03.2017		
		in Cash/Bank	Yet to be paid in Cash/Bank	TOTAL	in Cash/Bank	Yet to be paid in Cash/Bank	TOTAL
1	Construction / Acquisition of any Assets	0.00	0.00	0.00	0.00	0.00	0.00
2	On purposes other than above (1)	11.81	0.88	12.69	20.56	1.06	21.62

### 7.C). Others

- Previous year's figures have been restated as per Ind AS and regrouped and rearranged wherever considered necessary.
- Previous year's figures in Note No. 3 to 38 are in brackets.
- Note- 1 and 2 represents Corporate information and Significant Accounting Policies respectively, Note 3 to 23 form part of the Balance Sheet as at 31st March, 2018 and 24 to 37 form part of Statement of Profit & Loss for the year ended 31-03-2018 on that date. Note – 38 represents Additional Notes to the Financial Statements.

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EASTERN COALFIELDS LIMITED

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## ANNUAL REPORT & ACCOUNTS 2017-18



**EASTERN COALFIELDS LIMITED**

*( A Subsidiary of Coal India Limited )*

**SANCTORIA , P.O. DISHERGARH, DIST. WEST BURDWAN**

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