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EASTERN COALFIELDS LIMITED

**ANNUAL REPORT & ACCOUNTS
2016-17**



EASTERN COALFIELDS LIMITED

(A Subsidiary of Coal India Limited)

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

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MANAGEMENT DURING 2016-17

FUNCTIONAL DIRECTORS:

Shri Rajiv Ranjan Mishra
Chairman-cum-Mg. Director (additional charge)
(w.e.f 23.11.2016)

Shri Chandan Kumar Dey
Chairman-cum-Mg. Director (additional charge)
(upto 22.11.2016)

Shri K.S. Patro
Director (Personnel) and Director [(Technical)
(additional charge) (upto 16.08.2016)]

Shri A.M. Marathe
Director (Finance) and Director [(Technical) (additional
charge) (upto 16.08.2016)]

Shri B.N. Shukla
Director (Technical) Operations (w.e.f. 17.08.2016)

Shri A.K. Singh
Director (Technical) Project & Planning
(w.e.f. 15.09.2016)

PART-TIME OFFICIAL DIRECTORS:

Shri V. Peddanna
Joint Secretary, MoC(upto 28.02.2017)

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 26TH JULY, 2017

FUNCTIONAL DIRECTORS:

Shri Subrata Chakravarty
Chairman-cum-Mg. Director

Shri K.S. Patro
Director (Personnel)

Shri A.M. Marathe
Director (Finance)

Shri B.N. Shukla
Director (Technical) Operations

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

PART-TIME OFFICIAL DIRECTORS:

Shri C.K. Dey
Director (Finance), CIL

Shri Vivek Bharadwaj
Joint Secretary, MoC

NON-OFFICIAL PART-TIME DIRECTORS:

Prof. (Dr.) Indira Chakravarty

COMPANY SECRETARY:

Shri V.R. Reddy

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BANKERS DURING 2016-17

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 2016-17

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

BRANCH AUDITORS:

2. M/s U S Saha & Co., 228 Kamalalaya Centre, 2nd Floor, 156 A Lenin Sarani, Kolkata-700013.
3. M/s D Jha & Associates, S. Madhuboni Purbapalli, Behind Sainik Bhawan, Baronilpur Road, P.O.: Sripalli, East Burdwan, Pin - 713103
4. M/s N Sarkar & Co., 21 Prafulla Sarkar Street, Kolkata-700072
5. M/s Virendra Surana & Co., Near Vivekananda College, Sripalli, Burdwan-713103
6. M/s Saraf & Chandra, 501, Ashoka House, 3A Hare Street, 5th Floor, Kokata-700001

COST AUDITORS DURING 2016-17

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 2016-17

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

INTERNAL AUDITORS DURING 2016-17

1. M/s Abhijit Dutta & Associates, 8/2 Kiran Sankar Roy Rd, Room-2&3, 2nd Floor, Kolkata-700001.
2. M/s D N Dokania & Associates, 103A, Shanti Bhawan, Bank More, Dhanbad-826001.
3. M/s S.K. Mallick & Co., Bikaner Bldg., 8-B Lal Bazar Street, 1st Floor, Room-2, Kolkata-700001.
4. M/s Mitra Ghosh & Roy, Room No.-5, 33/B, Lake Avenue, Kolkata-700026.
5. M/s K.L. Banerjee & Co., Hastings Chambers, 7C, Kiran Sankar Roy Rd., Kolkata-700001.
6. M/s S.K. Bhattachariya & Co., 4, Kiran Sankar Roy Rd., Raja Chambers, Kolkata-700001.
7. M/s Amit Ray & Co., 5-B Sardar Patel Marg, Allahabad-211001.
8. M/s A.J.S & Associates, 55-B, SP Mukherjee Rd., 1st Floor, Near Hazra Crossing., Kolkata-700026.
9. M/s N.C. Mittal & Co., Behl House, 13, Daryaganj, New Delhi-110002.
10. M/s H.P. Jhunjunwala & Co., 907, Marshal House, 33/1 NS Road, Kolkata-700001.
11. M/s P.D. Rungta & Co., 21, Hemanta Basu Sarani, 3rd Floor, Room No.-317, Kolkata-700001.
12. M/s SBA Associates, 27, Mirza Ghalib Street, 5th Floor, Kolkata-700016.
13. M/s K.N. Jain & Co., 2, Lal Bazar Street, 2nd Floor, Room No.-204, 205, Kolkata-700001.
14. M/s G G M & Co., 503, Parnasree, RIC More, Kolkata-700060.
15. M/s A.R. Maiti & Co., Centre Point, Room-442, 21 Old Court House Street, Kolkata-700001.

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.

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EASTERN COALFIELDS LIMITED

ईस्टर्न कोलफील्ड्स लिमिटेड
अध्यक्ष-सह-प्रबंध निदेशक का कार्यालय
सांकतोड़िया, पत्रालय - डिसेरगढ़,
जिला - पश्चिम बर्द्धमान, पश्चिम बंगाल -713333
कंपनी सचिवालय
सी.आइ.एन.-U10101WB1975GOI030295
वेबसाइट - www.easterncoal.gov.in



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

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

Ref.No. ECL:CS: 15(2017)/4782

24th July, 2017**NOTICE**

Notice is hereby given that the Forty Second (42nd) Annual General Meeting of the Shareholders of Eastern Coalfields Limited will be held on **Wednesday, the 26th July, 2017** at the Registered Office of the Company at Sanctoria, P.O. Disergarh-713333, Dist.-West Burdwan (West Bengal) **at 11:00 A.M. to** transact the following businesses.

ORDINARY BUSINESS :

- To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2017, Statement of Profit and Loss for the financial year ended 2016-17, Cash Flow Statement together with all Notes, Additional Notes on the Financial Statements and Significant Accounting Policy for the year 2016-17, the Reports of Statutory Auditor & Comptroller & Auditor General of India and Directors' Report.
- To appoint a Director in place of Shri K.S. Patro (DIN-06739224), 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 A.M. Marathe (DIN-07318418), 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 2016-17 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 2016-17 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.	6,91,032/-

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ANNUAL REPORT 2016-17

The appointment of the above firms as Cost Auditors of Eastern Coalfields Limited for the financial year 2016-17 shall be guided by the terms and conditions as mentioned in the Expression of Interest (EOI).”

By order of the Board
Eastern Coalfields Limited


(वी.आर. रेड्डी) / (V. R. Reddy)

महाप्रबंधक (वित्त) / कंपनी सचिव

General Manager (Finance) / Company Secretary

Dated: 24th July, 2017

Registered Office:

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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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 77th meeting held on 31st August, 2016 recommended and the Board of Directors of Eastern Coalfields Limited in its 292nd meeting held on 31st August, 2016 has approved the appointment of following Cost Accountants Firms as Cost Auditor for financial year 2016-17 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.	6,91,032/-

The appointment of the above firms as Cost Auditors of Eastern Coalfields Limited for the financial year 2016-17 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 2016-17.

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.

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CHAIRMAN'S STATEMENT



Friends,

I have immense pleasure in welcoming you to the 42nd Annual General Meeting of Eastern Coalfields Limited. The Boards' Report, audited accounts for the financial year 2016-17 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 40.517 MT with a growth of 0.77 % over last year. The Company has also achieved highest ever OB removal to the tune of 124.637 Million Cum with a substantial positive growth of 4.54% over last year. The UG production has also recorded a substantial growth of 10.89% over last year. 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.

ECL has also achieved highest ever coal offtake of 43.019 MT during 2016-17 with a substantial growth of 11.42% over last year.

In 2016-17, 4 (four) projects were approved by ECL Board, 3 (three) projects were approved by CIL Board and 1 (one) project was approved by ESC of CIL Board.

Highwall Mining Technology would be introduced in Sripur and Nimcha Project. Continuous efforts are being made to enhance the coal production from underground mines. As on 31.03.2017, 274 Nos. of SDLs and 30 Nos. of LHDs are in operation in different underground mines of ECL.

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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 2016-17, 63 Ha plantations have been carried out in internal and external OB dumps and 31 Ha plantation in subsided area.

We have 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 ₹ 21.62 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 Boards' Report and a Compliance Certificate has been obtained from the statutory auditors.

We are committed to produce more than 47 MT coal during 2017-18 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 and other stake holders for their unstinted support and relentless co-operation.



(Subrata Chakravarty)
Chairman

Place: Sanctoria
Date: 26.07.2017

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BOARDS' REPORT

To
The Shareholders,
Eastern Coalfields Limited

Gentlemen,

I, on behalf of the Board of Directors, have pleasure in presenting the 42nd Annual Report on the working of your Company together with audited accounts for the year ended 31st March, 2017, report of the Statutory 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:

- a. Even after the unfortunate incident at Rajmahal Area, ECL could register positive growth in all the three key parameters namely coal production, OB removal and Off-take.
- b. Due to effective marketing strategy, in spite of less coal production and reluctance of customers for accepting higher grade Raniganj coal, ECL registered a substantial positive growth in dispatch to the tune of 14.6% over last year.
- c. ECL is the only subsidiary of CIL which has achieved positive growth in underground coal production. ECL is registering positive growth in underground production since last five consecutive years and during 2016-17, ECL has achieved a remarkable growth of 11% in underground production.
- d. One of the continuous miner at Jhanjra Project produced 5050 tonnes on 31.03.2017 which is the highest ever coal production by a continuous miner on a single day in the country.
- e. Jhanjra Project has successfully commissioned the Powered Support Longwall face which started full-fledged production from October, 2016. The said Longwall face produced 8,500 tonnes on 20th December 2016 and the project as a whole touched 14000 tonnes which is the highest ever production achieved by the project. Jhanjra Project is the highest producing model underground mine of the country having state-of-art modern technologies including free steered vehicles for transportation of the workmen to the underground which has been introduced for the first time in the country. Jhanjra Project is going to be expanded to its peak capacity of 3.5 MTY.
- f. Proposal for introduction of Highwall mining at Nimcha (Satgram Area) and Taltore (Sripur Area) is under advanced stage of finalization.
- g. Three number of Mobile Application has been developed at ECL for Bill Tracking, Swachh Vidyalaya and Grievance Redressal (NIDAN).
- h. Connectivity with all Areas, Kolkata Sales Office and HQ along with all department of Area, Area Stores and all weighbridges has been established with high speed internet connectivity through M/s RailTel.
- i. On-line Leave Management System has been extended for all Executives of the Company.
- j. Auto refund of EMD has been implemented for all tenders.
- k. Reverse auction implemented for contracts, whose estimated value is more than ₹ 1 Crore.
- l. Solid Waste Management program for conversion of floral rejects to compost has been undertaken at Dakshineswar, Deoghar, Kalighat and Tarapith Temples.
- m. Similar to Gunjan Ecological Park, a number of other Ecological Parks at Jhanjra, Salanpur and Mugma has been planned.
- n. ECL Team became champion in CIL Inter-Company Cultural Meet 2016-17. ECL has also bagged championship in the CIL Inter-Company Athletics Meet and also won the CIL Inter-Company Bridge Tournament.
- o. ECL has established Football Academy which was inaugurated on 04.12.2016 to promote the young talents in and around the coalfield Area.
- p. WIPS Branch of ECL was conferred with 1st place for Best Enterprise Award for the 4th consecutive year in a row at a function held at Nagpur organized by SCOPE under Mini Ratna/other Category in recognition of the commendable work done for the development of women in the organization.

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1.0 PRODUCTION:

1.1 Production performance of the Company in 2016-17 against the target as well as compared to last year was as under:

Particulars	Unit	2016-17			2015-16	Growth Over last year	
		Target	Actual	Achieved (%)	Actual	Abso-lute	%
1. Production :	M.Te.						
i) Raw Coal - UG		8.646	8.127	93.99	7.329	0.798	10.89
- OC		38.294	32.391	84.58	32.880	-0.489	-1.49
Total		46.940	40.517	86.32	40.209	0.308	0.77
ii) Coking Coal :							
- Blendable		0.00	0.000	-	0.00	0.00	-
- Others		0.00	0.031	100.00	0.012	0.019	158.33
iii) Non-Coking :		46.940	40.486	86.25	40.197	0.289	0.72
2. O.B. Removal	MCuM	141.00	124.637	88.39	119.22	5.417	4.54
3. Productivity(OMS)	Tonnes						
- Underground		0.664	0.642	96.69	0.56	0.282	14.64
- Opencast		14.940	12.905	86.38	12.42	0.529	3.90
- Overall		3.010	2.672	88.77	2.56	0.114	4.38

1.2 CONSTRAINTS IN COAL PRODUCTION :

Sl. No.	Reason for loss in production	Quantity (MT)
1	Geological disturbances	0.143
2	Machine breakdown	0.009
3	Water logging due to rainfall	0.685
4	IR problem	0.320
5	Land acquisition	0.595
6	Others (Accident at Rajmahal Project on 29.12.2016, subsequent restrictions imposed by DGMS at other OC projects, Dispatch constraints, Rehabilitation issues, EC, FC, etc)	5.445
	Total	7.197

1.3 SYSTEM CAPACITY UTILISATION :

(Figures in %)

Particulars	2016-17			2015-16
	Target	Actual	Achieved (%)	Actual
a) UG	85.64	80.50	94.00	77.64
b) OC (Dept.) Excv.	93.52	68.05	72.77	92.59
c) OC (Hired) Excv.	100.90	93.75	92.91	133.67
d) OC (Dept.+ Hired) Excv.	98.97	87.02	87.93	117.95
e) Total [UG+OC(D)]	92.48	69.64	75.30	88.90
f) Overall (UG+OC) (Hired+Dept.)	98.47	86.78	88.13	116.04

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ANNUAL REPORT 2016-17**2.0 FINANCIAL RESULTS :**

- 2.1. Gross sales turnover for the year ending 31st March, 2017 was ₹14717.53 crore compared to ₹13514.18 crore in the previous year resulting in increase of 0.09 % over previous year. During the year under review, company had made a pre-tax total comprehensive income of ₹51.90 crore and a post-tax total comprehensive income of ₹ 20.77 crore compared to last year's pre-tax total comprehensive income of ₹ 1222.69 crore and post-tax total comprehensive income of ₹790.67 crore. Details were as under:

(₹ in Crore)

Particulars	2016-17	2015-16
Profit(+)/Loss(-) after charging all expenses but before PRP/ Executive Superannuation benefit interest, depreciation, Impairment, OBR, prior period adjustment.	614.18	1693.04
Less : Impact of PRP/Executive Superannuation Benefit	48.19	62.63
Less : Actuarial provision	239.57	101.28
Less : Interest	-	-
Less : Depreciation/Impairment	323.89	318.15
Less : OBR Adjustment	(49.37)	(11.71)
Total Comprehensive Income (TCI) for the year after charging interest and Depreciation, impairment and OBR Adjustment.	51.90	1222.69
Less: Prior Period Adjustment.	0.00	0.00
TCI after considering Prior Period Adjustment.	51.90	1222.69
Cash Profit	996.08	1585.27
Total Comprehensive Income after Tax	20.77	790.67

2.2 Capital Expenditure :

Total Capital Expenditure during the year under review was ₹827.80 crore (excluding exchange fluctuation) against the Capital Expenditure of ₹755.26 crore during 2015-16.

2.3 Capital Structure :

(₹ in Crore)

	2016-17	2015-16
A. SHARE CAPITAL		
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. LOAN FUNDS :		
i) Export Development Corporation, Canada	167.20	174.14
ii) Liability component of Compound Financial Instrument (6% Preference Share)	1423.30	1317.87

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2.4 Repayment of Foreign Loan :

(₹ in Crore)

Particulars	2016-17	2015-16
i) Repayment of foreign loan through CIL.	6.39	6.21

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

(₹ in Crore)

Particulars	2016-17				2015-16			
	West Bengal	Jharkhand	Central	Total	West Bengal	Jharkhand	Central	Total
i) Royalty on Coal	22.39	701.12	0.00	723.51	12.72	319.14	0.00	331.86
ii) RE & PE Cess	1637.14	0.00	0.00	1637.14	1540.66	0.00	0.00	1540.66
iii) AMBH Cess	2.04	0.00	0.00	2.04	1.78	0.00	0.00	1.78
iv) PW & Road Cess	1.97	0.00	0.00	1.97	1.87	0.00	0.00	1.87
v) Sales Tax (VAT/CST)	232.39	8.94	189.87	431.20	327.20	68.10	0.00	395.30
vi) Stowing Excise Duty	0.00	0.00	43.05	43.05	0.00	0.00	38.68	38.68
vii) Clean Energy Cess	0.00	0.00	1681.83	1681.83	0.00	0.00	720.91	720.91
viii) Excise Duty on Coal	0.00	0.00	332.64	332.64	0.00	0.00	436.70	436.70
ix) Entry Tax	2.42	0.00	0.00	2.42	-	-	-	-
TOTAL	1898.35	710.06	2247.39	4855.80	1884.23	387.24	1196.29	3467.76

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 2017, 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 number of operating areas with 87 number of working mines, 60 being underground mines, 19 opencast mines and 8 mixed mines.

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3.2 Target and Actual for 2016-17 and Target for 2017-18:

Sl. No.	Particulars	2016-17		2015-16	2017-18
		Target (BE)	Actual	Actual	Target
1	Production (MT)	46.94	40.517	40.209	51.70
2	Overall Productivity	3.01	2.672	2.56	3.41
3	Plan expenditure (₹ in Crore)	1150.00	827.80	755.26	1050.00

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 of Coal Industry:

In order to increase the level of modernization and mechanization in underground mines, intermediate technology deploying LHD/SDL was introduced in 62 no of mines of ECL till 2016-17. As on 31.3.2017, 274 no of SDLs and 30 no of LHDs were on roll in different underground mines of ECL. During 2016-17, production achieved from 274 no of SDLs was 4.44 Mt., from 30 no of LHDs was 0.88 Mt and from 1 no of Dosco is 0.10 Mt.

“Mass production technology” by deploying Continuous Miner combined with Shuttle car had been deployed at Jhanjra and Sarpi projects. Jhanjra Longwall panel commissioned in August, 2016. In addition to above the following steps are being taken for modernization of Coal Industry:

- Coal Bed Methane (CBM): PR is under preparation for exploration and exploitation of CBM in ECL mining lease hold areas.
- Excavation: To increase operational efficiency through 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 deployed in OC mines wherever technically possible.
- Highwall Mining: The highwall mining is being introduced in Nimcha and Sripur Colliery.
- Man riding system has been functional in Parasea and Jhanjra colliery.

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 XII Plan like Jhanjra Low height CM, Kumardihi B, Khottadih, Tilaboni, Shankarpur, Siduli apart from gradual phasing out of manual operations with the intermediate technology. Action has also been taken to

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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:

Sl. No.	Name of the project	Capacity (MTY)	Estimated Capital (₹ in crore)
1	Nakrakonda-Kumardih- B OCP	3.00	418.46
2	Mohanpur Expansion OCP(Phase-II)	2.50	389.19
3	Khottadih Expansion OCP	1.60	140.25
4	North Searsole OCP	2.00	348.89
5	Siduli OC + UG	OC:1.20 UG:1.55	507.72
6	Nabakajora-Madhabpur OC+UG	OC:1.25 UG:1.44	564.98*
7	Sarpi Expansion UG	1.41	196.45*
8	Tilaboni UG	1.86	762.98*
9	Narainkuri OCP	2.50	922.42*

* Project Report is under modification.

3.7 Details of Projects approved by Board of Directors of ECL during the year:

SL No.	Name of the Project	Capacity (MTY)	Approved Capital Investment (₹ Cr)	Date of Approval
1	Nakrakonda-Kumardih- B OCP	3.00	418.46	30.11.2016
2	Mohanpur Expansion OCP(Phase-II)	2.50	389.19	30.11.2016
3	Khottadih Expansion OCP	1.60	140.25	01.02.2017
4	North Searsole OCP	2.00	348.89	01.02.2017

3.8 Details of Projects approval and recommendation of ESC of CIL Board for seeking approval of CIL Board during 2016-17 :

SL No.	Name of the Project	Capacity (MTY)	Approved Capital Investment (₹ Cr)	Date of Approval
1	Khottadih Expansion OCP	1.60	140.25	31.03.2017

3.9 Details of Projects approved by Board of Directors of CIL during the year:

SL No.	Name of the Project	Capacity (MTY)	Approved Capital Investment (₹ Cr)	Date of Approval
1	Jhanjra Combined PR	3.50	602.86	03.05.2016
2	RCE of Khottadih-OCP	1.50	60.10	03.05.2016
3	Hura-C OC	3.00	359.69	20.07.2016

3.10 Capital Projects/Schemes:

- i. No. of new Projects: 1 (Hura-C OC)
- ii. Expansion/Revision/Foreclosure of Projects: 2 (Jhanjra Combined PR, REC of Khottadih-OC)
- iii. Others – 14
- iv. Total – 17

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3.11 New Initiatives and Future Programme:

Following initiative have been taken in 2016-17 for augmentation of production from underground and opencast operation:

- a. **Introduction of High-wall Mining:** The following patches/sites have been identified for introduction of Highwall Mining Technology in ECL:

SL No	Name of the Block/Seam	Estimated extractable reserve (MT) for maximum drivage length		Land required (Ha)
		300 Meter	250 Meter	
1	Sripur /Taltore (R-I)	0.86	0.81	81.61
2	Nimcha/(R-IXA)	1.84	1.66	120.90

- b. **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 been prepared respectively. The Project Report for rest of the mines is under preparation at CMPDIL, RI-I. More over, for enhancement of production, study has been undertaken by M/s ISM Consortium in 23 nos. of UG Mines. This is as per the MoC/CIL's directive. Interim Draft Report has been submitted in January-2017, which is under examination.
- c. **Introduction of Mass Production Technology [Continuous Miner (CM)]:** The following mines have been identified for introduction of CM:

Sl. 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	762.98
5	Sarpi Expansion UG: 2 nos LHCM	1.41	196.45
6	Siduli UG	OC:1.20 UG :1.55	507.72
7	Nabakajora-Madhabpur (OC+UG)	OC- 1.25 UG-1.44	564.98
8	Parasea-Belbaid UG	1.83	1064.85

- d. **Foreign collaboration/Technology Absorption-Adaptation and innovation:** LOA for supply of 2 numbers of LHCM on hiring basis has been issued on 29.08.2016. Commissioning is expected to be completed in December-2017. Contract for supply and operation of Jhanjra R-VI Seam has been signed on 8th January 2013. Commissioning has been done in August-2016 and production started from 18.08.2016.

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3.12 Details of OC Patches approved during 2016-17 :

Sl. No.	Name of OC Patches	Capacity (MTY)	Coal (MT)	OBR (Mcum)	Status
1	Gourandih Begunia OC Patch (Phase-1), Salanpur Area	0.189	0.189	0.69	Approved on 07.09.2016
2	RCE of Madhabpur OCP (Phase-I)Kajora Area.	0.5	1.6	7.78	Approved on 01.02.2017
3	Egra OC Patch, Kenda Area	0.2	0.388	0.974	Approved on 18.03.2017
4	Gourandih Begunia OC Patch, Salanpur Area.	1.5	14.00	46.16	Approved on 18.03.2017

3.13 Details of Major activities during 2016 - 17 :

Sl. No.	Name of Project	Mileston	Target for the year	Achievement
1.	Rajmahal Expansion OCP	Shifting of PAFs	150 Nos.	159 PAFs have been shifted.
2.	Sonepur Bazari Expansion OCP	Completion of Shifting of PAFs (Phase-II)	380 Nos.	402 PAFs in Phase-II have been shifted including 195 PAFs during 2016-17.
3.	Jhanjra Combined UG	Finalization of Global tender for supply of package on hiring basis.	Mar-2017	LOA for supply of LHCM on hiring basis issued on 29.08.2016.
4.	Jhanjra Combined UG	Commissioning of PSLW equipment & start of production	Apr-2016	Commissioned & Production from PSLW equipment started from 18.08.2016.
5.	Jhanjra Combined UG	Commissioning of 800 Tonne Bunker	Dec-2016	Commissioned in December-2016.
6.	Kumardih-B CM UG	Finalization of tender for incline drivage	Dec-2016	Work order for drivage of incline issued on 11.11.2016.

3.14 Project monitoring and Status of implementation:

Details given as Annexure – III (Separately)

4.0 MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

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

5.0 COAL MARKETING:**5.1 Demand vis-a-vis off-take:**

Actual off-take of coal in 2016-17 was 43.019 million tonne against the demand of 46.940 million tonne i.e. demand satisfaction of 93%. Sector-wise demand and off-take during the year 2016-17 compared to 2015-16 is as follows:

(Figures in Million Tonne)

Sector	Off-take 2016-17			Off-take 2015-16		
	Demand	Actual	% Satisfaction	Demand	Actual	%Satisfaction
POWER	40.556	40.121	99	37.750	35.775	95
CEMENT	0.106	0.050	47	0.089	0.090	101
CPP(ORS)	0.221	0.056	25	0.153	0.080	52
CPP (STEEL)	0.505	0.144	29	0.303	0.204	67
STEEL(BLEND)	-	0.003	-	-	0.000	-
SPONGE IRON	0.154	0.048	31	0.230	0.063	27
EXPORT	-	-	-	-	0.115	-
LOCO	-	-	-	-	0.002	-
DEFENCE	-	0.002	-	-	0.002	-
COLLY. CONS.	0.250	0.211	84	0.270	0.228	84
OTHERS	5.148	2.384	55	3.335	2.051	61
TOTAL	46.940	43.019	93	42.130	38.607	92

5.2 Average loading of Wagons per day :

Field-wise average loading of wagons for the year 2016-17 compared to previous year is as follows :

(Figures in Box/Day)

Field	Loading of wagons			
	2016-17		2015-16	
	Target	Actual	Target	Actual
Raniganj	895	855	808	758
Mugma/Salanpur	224	179	184	188
Adra	14	17	14	17
Pirpainti	101	50	97	32
Rajmahal (Wharf Wall)	138	181	121	128
Total	1372	1282	1224	1123

5.3 Mode-wise despatch :

Mode-wise despatch of coal in 2016-17 compared to previous year was as follows:

(Figures in Million Tonne)

Mode of Despatch	2016-17	2015-16
Rail	29.155	26.445
Road	1.464	1.679
Merry-Go-Round(MGR)	12.188	10.255
Total	42.807	38.379

5.4 Stock of Vendable Coal as on 31st March, 2017 is as follows :

(Figures in Lakh Tonne)

FIELD	As on 31.3.2017
Raniganj	12.528
Mugma/Salanpur	6.455
S.P. Mines	2.192
Rajmahal	4.374
Total	25.549

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

Mode	2016-17			2015-16		
	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
Spot 'e' auction						
Rail	8.875	40.45	14.26	3.819	24.65	18.91
Road	12.996	138.25	32.87	14.151	129.85	26.57
Total	21.871	178.70	25.37	17.970	154.50	24.95
Forward e-auction						
Road	0.028	0.043	4.34	0.299	0.15	1.36
Total	0.028	0.043	4.34	0.299	0.15	1.36
Grand Total	21.90	178.74	25.24	18.269	154.65	24.54

5.6 Sales Realisation :

(₹ in Crore)

Particulars	2016-17	2015-16
Sales Realisation	15558.95	12823.82

6.0 POPULATION OF EQUIPMENT (HEMM) :

6.1 Population of Equipment as on 31st March 2017 compared to 31st March 2016 :

Equipment	No. of Equipment as on	
	31.03.2017	31.03.2016
Dragline	1	1
Dumper	254	253
Dozer	86	83
Shovel	48	55
Drill	49	55

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6.2 Percentage availability & utilisation of each type of equipment against CMPDIL norms during the year 2016-17 compared to previous year is as follows :

Equipment	Percentage Availability				Percentage Utilisation			
	CMPDIL Norms	2016-17	2015-16	Variation over last year	CMPDIL Norms	2016-17	2015-16	Variation over last year
Dragline	85	39.83	91.44	-51.61	73	38.05	85.34	-47.29
Dumper	67	80.02	78.66	1.36	50	36.69	37.68	-0.99
Dozer	70	73.25	71.44	1.81	45	24.09	28.05	-3.96
Shovel	80	80.68	80.41	0.27	58	47.86	49.86	-2.00
Drill	78	84.74	82.25	2.49	40	19.08	25.52	-6.44

- The %age availability of Dumper, Dozer, Shovel 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.
- Utilisation of equipment suffered mainly because of land acquisition problems, watery face, marshy surface, crowding of equipments and other difficult geo mining conditions.

Steps taken to achieve CMPDIL norms of Dumper Utilisation:

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

6.3 New/Replacement equipment provided to OCPs in 2016-17 is as under:

Equipment	Nos.	Project
Dumper	20	Chitra-5, Baramuri-2, Dabor-2, Gopinathpur-1, Rajmahal-4, Mohanpur-3, Khottadih-1 and Bonjemehari-2
Dozer	6	Baramuri-1, Shankerpur-1, Mahabir-1, Dabor-1, Rajpura-1 and Rajmahal - 1.
Shovel	3	Sonepur Bazari-2 and Jambad-1.
Drill	3	Khottadih-1, Barmuri-1 and Jambad-1.

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

Sl. No.	Particulars	Unit	2016-17	2015-16
I	ELECTRICITY PURCHASED			
a.	Purchased Units	M.KWH	871.81	871.17
b.	Total amount paid to the supply agencies (Approx.)	₹ in crore	632.63	630.47
c.	Rate/Unit (Average)	₹/KWH	7.26	7.24
d.	Specific Consumption of Electricity (composite) (Apprx.)	KWH/Cum	5.74	5.96
II	OWN GENERATION (Through DG Sets)			
a.	Generated Units	Lakh KWH	6.60	6.41
b.	Unit generated per Ltr. of Diesel Oil	KWH/Ltr.	6.69	6.22
c.	Cost of Generation	₹/KWH	9.15	8.12
III	AVAILABILITY OF POWER			
a.	Average availability of power	MVA	185.27	181.57
b.	Power Demand	MVA	191.23	182.64
c.	% Availability	%	96.88	99.41

7.1.2 Progress of Power Generation from Chinakuri Power Plant:

Lease of Chinakuri Power Plant expired on 31.03.2012. Tender is in process for re-leasing the plant for operation and maintenance after repair and refurbishment.

7.2 Energy Conservation & Audit:

Retendering for energy Audit for the mines Nigha (Sripur Area) and Shyamsundarpur Colliery (Bankola Area) through outside agency has been approved and is in the final stage for order.

Energy cost per tonne of Coal Production in 2016-17 was ₹ 156.12 as compared to ₹ 156.75 in 2015-16. The specific consumption of Electricity for 2016-17 was ₹ 21.51 kwh/ Te as compared to ₹ 21.67 kwh/ Te in 2015-16.

7.3 Underground Machinery Performance:

The detail of Underground Machineries with productivity is given below:

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Equipment	2016-17		2015-16	Remarks
	On Roll	Productivity (TPD)	Productivity (TPD)	
SDL	274	60	62	Though the productivity of SDL has decreased compared to last year, there is a marginal increase of 1% in production from SDL due to introduction of new SDL machines.
LHD	30	98	105	Production from LHD at Satgram, Bankola and Pandaveswar has been reduced due to unavailability of coal face.
Road Header	1	284	128	Productivity has been increased by 121.87% compared to last financial year.
Powered Support Long Wall (PSLW)	1	5839	0	Powered Support Long Wall (PSLW) was commissioned on 18.08.2016 at Jhanjra Project.

7.4 Performance of CHPs:

As on 31st March 2017, the Major CHPs handled 12.47 MT and Mini CHPs handled 0.105 MT of coal.

7.5 Major achievements during 2016-17:

- a. For better availability and economy of Power, ECL is gradually switching its 123 nos of Supply points from M/s IPCL to M/s WBSEDCL. M/s WBSEDCL is providing competitive tariff for 11 KV Supply points in this region. As on 31.03.2017, 75 nos of points have been switched over to WBSEDCL. M/s WBSEDCL is also giving competitive tariff to the 42 nos. major old points. As on date, the total savings from competitive tariff is approximately ₹41.08 crore.
- b. Power factor has improved due to installation of Capacitor Banks at different areas/units and the company has gained ₹9.78 crore as power factor rebate in 2016-17, compared to ₹ 6.37 crore in 2015-16 i.e. an increase of 53.53 %.
- c. After a long legal fight with M/s IPCL, ECL has bagged order from the tribunal in its favour and succeeded to take-over the possession of the Chinakuri Thermal Power Plant, worth to a property value of ₹ 56 crore.
- d. Introduction of Man Riding Systems in ECL: Three Nos of Free Steered Vehicles (Man Riding System) are presently under operation at Jhanjra Project of ECL. Man Riding System has also been installed and is in operation at Parasea Colliery, Kunustoria Area and Chinakuri Mine III, Sodepur Area. Man Riding System for Sarpi, Dhemomain Incline and Nimcha colliery is under progress.
- e. Installation of Solar Power Plant: Area/ units are installing solar Power System to meet the Power Requirement of Office (mainly fan, light and computers) and somewhere for street lighting. Sodepur and Bankola have separately commissioned 5 KWP and 30 KWP Solar PV System at office respectively. ECL has also installed 50 numbers of Solar PV Panel with Lamp Set for street lighting at CH Kalla, Borachak House, ECL HQ, Seetalpur Guest House and Sanctoria Hospital with a capital investment of ₹ 5 Lakh.

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8.0 WELFARE AMENITIES:

Sl. No.	PARTICULARS	Cumulative position as on 31.3.2016	Achievement during 2016-17	Cumulative Position as on 31.03.2017
1	Co - Operative Societies			
	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	Banking Facilities -No. of Branches functioning	27	0	27
3	Canteen	82	0	82
4	Educational Facilities			
	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)	4901.07	374.00	5275.07
	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)	305.43	1.61	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)	421.39	47.85	469.24
6	Social & Cultural activities, amount spent (₹ in Lakhs)	75.78	4.70	80.48
7	CIL SCHOLARSHIP			
	a) No. of Scholarship & cash awarded	16490	909	17399
	b) Amount sanctioned (₹ in Lakh)	215.09	19.27	234.36
8	CIL scheme for Financial assistance to extend the Tuition Fees & Hostel Charges of the wards of Wage Board Employee studying in the Selected Engineering & Govt. Medical Colleges.			
	a) No. of wards of WBE sanctioned	418	89	507
	b) Amount sanctioned (₹ in Lakh)	88.03	22.97	111.00

9.1 MEDICAL AMENITIES :

2 Central Hospitals, 7 Area Hospitals with total bed capacity of 822 and 114 Dispensaries extended medical services to the employees and their dependants. 115 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	2016-17	2015-16
No. of patients referred outside:	2024	2095
Health & family welfare programme:		
- No of camps	211	76
- No of beneficiaries	18118	5192
Villagers covered by Mobile Dispensary:		
- No of camps	435	1704
- No of beneficiaries	17776	76096

The company also incurred a medical expenditure of ₹ 3.57 crore on the retired executives and ₹ 1.20 crore on the retired non-executives employees under the CPRMSE scheme of Coal India Limited.

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9.3 Major Achievements during 2016-17:

- a. Renovation work has been done at Pathology section, ICCU and new complex of Sanctoria Hospital. Procurement of USG Machine, Endovision Screen, Dental chair, Cell counter, Electrolyte analyser, Coagulometer and ABG machine has been made at Sanctoria Hospital.
- b. Renovation work of casualty block and canteen for hospital staff and patients in Kalla Hospital were taken up during the year. Renewal of affiliation of nursing school at Kalla hospital has also been obtained during the year. A team of Tata Medical Centre has given a satisfactory report for setting up a Satellite Cancer Care Centre at CH Kalla.
- c. Deaddiction programme on alcohol and drugs was conducted at Nimcha colliery of Satgram Area. Cardiac respiratory health check-up by doctors of Super Speciality Hospital (BP Poddar and Vivekananda Hospital) was conducted at Satgram Area Hospital and J.K. Nagar Dispensary.
- d. Procurement of various medical equipments such as Spirometer and Audiometer, fitting of oxygen cylinders in all the ambulances has been made for dispensaries of Pandaveswar Area. Training for paramedical staff was also provided in Pandaveswar Area.
- e. Upgradation of Bansra Hospital is under progress.

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 Director'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:

Construction of 04 unit C-Type, 12 unit B-Type and 08 units NHS Quarters at S.P. Mines was completed during the year 2016-17. Construction of 80 room hostel at Jhanjra Area was completed during the year 2016-17. The hostel has been constructed for providing accommodation facility to the outsourcing agency for Long Wall Mining at Jhanjra Area as per the agreement. Additionally, the works of construction 24 units C-Type Quarters at ECL HQ and 20 units of B- Type Quarters at Sonepur Bazari were awarded during year.

10.1.2 Welfare Buildings:

For the welfare of the workmen, there is tremendous improvement in the assets since nationalization, details as below-

- | | |
|--------------------------------|--------------------------------|
| a) Hospitals- 13 | b) Dispensaries- 115 |
| c) Canteens- 82 | d) Rest Shelters- 137 |
| e) Multipurpose Institutes- 12 | f) Adult Education Centers- 03 |
| g) Community Centers – 54 | |

10.1.3 Repairing of Company's quarter:

In the year 2016-17, against a target of repairing and upgradation of 19542 numbers of company's quarter only 7056 were completed and remaining are in progress. During 2017-18, in addition to the job in progress, additionally 21444 numbers of quarters would be taken up for repairing and upgradation.

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10.1.4 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. During the year 2016-17, total 5 sets of pressure filter and electro chlorinators with 30000 Gallons per hour capacity were commissioned in various area of ECL.

11.0 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. Detail description of some ongoing and new works is as below:-

- a. **Roads** - During the year 7 nos. of works for strengthening of coal transportation roads for a total length of 14.16 Km. (approx.) were completed for different Areas at a cost of ₹ 792.51 lakh.
- b. **Railway siding, wharf wall etc.**- During the year 2 nos. of works for development of Railway siding were completed at a cost of ₹ 121.86 lakh at Bankola and Satgram Area of ECL.
- c. **Mine Development works:** To achieve the increasing annual targets of coal production to meet the demand of coal for power and other sectors, various mine development activities have been taken up during the year 2016-17. Some of the major mine development activities completed during the year are as follows:

SI. No.	Name of Work	Work Order value (₹ Lakhs)
1	Construction of two fan drifts along with Evasees at 'C' shaft in 3&4 incline unit of Jhanjra Project Colliery, Jhanjra Area.	115.58
2.	Construction of fan drift and 02 no. Motor Houses along with inspection corridors at 1&2 incline (Shaft 'E'), at Jhanjra Area.	118.99
3.	Construction of 800 Te Strata Bunker at MIC Jhanjra Project Colliery, ECL in R-VI seam to R-V seam, Jhanjra Area.	178.26
	Total	412.83

- d. **Other works:** ECL is also providing funds to State Govt. and other District Board Authorities for maintaining and upgrading State/District Board roads which are being used for transportation of coal from mine to siding/coal depot. Details of roads completed during the year 2016-17 are as below –

SI. No.	Name of Work	Contribution by ECL (₹ Lakhs)
1	Repairing/Restoration of the Zilla Parishad road from Bankola rail gate to Ukhra village (Approximate length –6.30 KM) under Pandaveswar P.S in Burdwan District for Bankola Area, ECL.	466.38
2.	Strengthening of pavement from 5.50 km to NH-60 (Gaighata More), construction of Rigid Pavement length 255 metrea (Phase-1), placement of cement concrete block length 555 metres (Phase-2) and construction of roadside drain 450 metres (Phase - 3)	128.96

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 accident policy. To improve the safety standards, ECL has vigorously pursued several measures during the year.

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12.1 Accident Statistics for the year of 2016-17 :

YEAR	2016-17*	2015-16
i) Fatal Accidents (Nos.)	7	8
ii) Fatalities (Nos.)	24	8
iii) Serious Injuries (Nos.)	41	38
iv) Fatality/Million tonne output	0.592	0.199
v) Fatality/3 Lakh Man-shifts	0.475	0.153

(* Subject to reconciliation with DGMS)

12.2 Safety Measures

Jobs undertaken by ISO for enhancing safety in Mines of ECL

- a. A calendar is made for monthly inspection by Safety Board Bipartite members in all the 14 Areas, one in each month at ECL Head Quarter to discuss & implement the recommendations. This meeting is attended by all Functional Directors, all HoDs, all Safety Board Members, all Area CGM/GMs, all Area safety Officers, ISO and representatives of all Trade Unions.
- b. Mine wise Monsoon review was done by GM (Safety) & GM (E&M) with ASOs & Area Engineer (E&M) and is monitored at all levels from mine to ECL, HQ.
- c. Enquiring into accidents in order to know the root causes and taking corrective measures.
- d. Regular Monitoring of inflammable & noxious gases is done in ECL.
- e. 95% of working districts in underground mines have been converted to mechanized districts as per the recommendation of 10th conference on safety.
- f. Strata Control Monitoring Cell has been established in ECL HQ and subsequently Strata Control Monitoring Cell has been established in all areas to study the roof behavior and for improvement of roof support in UG mines. RMR is determined wherever required and Support Rules are framed accordingly.
- g. Safe Operating Procedures in respect of Mining and allied activities and operation of Mining Machinery/HEMM have been made and distributed to concerned work person.
- h. Efforts are being taken to prevent generation of dust at sources and its suppression to the level below the maximum permissible limit.
- i. Training for contractors' workers is regularly monitored.

12.3 Safety Monitoring Agencies in ECL:

Apart from statutory monitoring by DGMS, the status of safety is being monitored at various levels by the following agencies:

Level	Monitored by
Mine level	1. Workman inspectors: as per Mines Rule-1955 2. Safety committee: constituted as per Mines Rule-1955
Area level	1. Bipartite/Tripartite committee meeting 2. Safety officers' Coordination Meeting
HQ level	1. Bipartite/Tripartite committee meeting at HQ level 2. Area Safety Officers' Coordination Meeting 3. Inspection by ISO officials.

12.4 Safety Audit

Safety Audit conducted and completed by Multi-disciplinary inter-subsidary teams. We are in the process of conducting Safety Audit by external agencies also. A system study and Safety audit by inter area team of AGM,ASO/AMP(C&D), Engineer (E&M),Engineer(Excv), Survey Officer/Surveyor, for the purpose of eliminating the risk of accidents and dangerous occurrences was conducted during March 2016. The team was advised to review the earlier reports and submit the review report of safety audit of every mine of ECL. Accordingly safety audit of the mines of ECL was conducted by the inter area teams.

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Again, a system study and safety audit by inter area team of AGM, ASO/AMP(C&D), Area Engineer(E&M)/ Area Engineer (Excv) and Area Survey officer was conducted during the month of November, 2016 and December, 2016. During the month of January, February and March 2017, Safety Audit of all mines of Coal India Limited was conducted by an intersubsidiary multi-disciplinary teams consisting of members from Mining, E&M, Excavation and Survey. The Inter Subsidiary Safety Audit Team of CCL conducted the safety audit of all OCPs and Mixed mines of ECL. The Inter Subsidiary team of SECL conducted the Safety Audit of all underground mines of ECL. Thus, the safety audit of 56 underground mines, 16 Open cast mines and 11 mixed mines were conducted by the multi-disciplinary teams of SECL and CCL by March, 2017. The observation and recommendation given by the SECL and CCL teams for the mines of ECL is being monitored and the present status of implementation has been sent to CIL. For assessment of stability of O.B. Dumps and benches formed in opencast mines of ECL, the Regional Director CMPDI, RI-I, Asansol constituted three teams and the assessment has been done for the opencast mines of E.C.L.

12.5 Monsoon preparation

A Control Room was opened at Head Quarter, ECL from 10.06.2016 to 15.10.2016 on 24 X 7 basis which was manned by Executives for 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'. 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' for alerting the Areas to be affected by heavy Rain/ Thunder/ Shower.

12.6 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
2016-17	4	73	3	46
2015-16	4	108	3	41

12.7 Training for appearing in Statutory Exams :

Type of Exam	No. of employees trained	Training Institute
A. For appearing in		MTS, Dhadka
1st Class - Coal	10	
2nd class –Coal	21	
Mining Sirdar	28	
Surveyor	0	
Electrical Supervisor	32	
Winding Engine driver	07	MTI, Ratibatti
Gas Testing	25	MTS, Dhadka
B. Trade Course		
Surveyor	39	MTS, Dhadka
Mining Sirdar	81	
C. Diploma in Mining (Part time)	154	Raniganj Mining Institute

12.8 Vocational training (Statutory at VTC) 2016-17.

Type of training	2016-17	2015-16
Basic	864	1735
Refresher	10349	9491
Special Training	11874	7679
I.O.D.	33	116
Contractors workers	4954	2106

12.9 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.	Bahula	Kenda	02.11.2016 to 03.11.2016	Spontaneous heating at below ground panel NK-N
2.	Parascole (West)	Kajora	25.11.2016	Re-opening of sealed off area.
3.	Rajmahal Project (Mahalakshmi Patch)	Rajmahal	29.12.2016 to 12.02.2017	To rescue the victims from the slided OB Dump/Benches
4.	J K Nagar	Satgram	30.01.2017	Pillar fire.

12.9.2 Training:

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

Details	2016-17	2015-16
No. of Rescue personnel trained	614	644
No. of personnel freshly trained	32	42
No. of Refresher practices	5622	5696
No. of Emergencies	4	4

12.9.3 New apparatus/equipment purchased:

The following apparatus / equipments were purchased :

Sl. No.	Details	Numbers purchased
1	Multi-gas Detector	2
2	Purity of oxygen testing device	4
3	Portable gas chromatograph for analyzing the Mine air sample	1
4	Inflatable portable lighting system	2

12.9.4 Zonal Mines Rescue Competition:

Zonal Mines Rescue Competition, Eastern Zone, for the year 2016-17 was held on 4th October, 2016 in which 10 (ten) Nos. rescue teams took part.

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

47th All India Mines Rescue Competition (Coal & Metal) was conducted at Mines Rescue Station, Nagpur (WCL) from 14th to 17th December, 2016. Two teams from ECL took part in that competition and won the prizes in Recovery and Fresh Air Base events.

12.9.6 Budget Provision for Mines Rescue Station :

Particulars	Capital Budget (₹ in Lakh)		Revenue Budget (₹ in Lakh)	
	2016-17	2015-16	2016-17	2015-16
Sanctioned	204.80	234.02	1667.42	1902.96
Expenditure	132.73	222.98	1714.86	1561.92

13.0 QUALITY CONTROL**13.1 Weighment Status:**

In 2016-17, quantity weighed in EPS for supplies account Power houses & others compared to last year is given below:

Details	2016-17			2015-16		
	Power	Other Consumers	Total	Power	Other Consumers	Total
Qnty. Despatched (in L/T)	401.21	26.86	428.07	357.75	26.04	383.79
Qnty. Weighed under EPS (in L/T)	392.34	26.86	419.20	350.02	26.04	376.06
Weighment % under EPS	97.79	100.00	97.93	97.84	100.00	97.99

13.2 Sizing Status

The total despatch of coal in 2016-17 was 428.07 Lakh Tonne of which the despatch to the power sector was 401.21 Lakh 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.

Sizing of Coal	2016-17			2015-16		
	Power	Others	Total	Power	Others	Total
Qnty. Sized in CHP/ FB (L/T)	401.21	26.86	428.07	316.72	17.54	334.25
%	100.00	100.00	100.00	88.53	67.34	87.09
DZR/MNL	-	-	-	41.03	8.50	49.54
%	-	-	-	11.47	32.66	12.91
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 into consideration in last year to develop faith among various stake-holders of ECL. A huge number of complaint based investigation has been conducted by the Vigilance Department of ECL throughout the year and

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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. A large number of Intensive Examinations covering various departments have also been carried out to check lapses, if any and in many cases it has ended as "System Improvement". 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 2016-17 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	2016-17	2015-16
i	Number of Surprise check/Inspection conducted	64	61
ii	Vigilance awareness cum motivational programmes		
	a) Awareness programmes with internal faculties	19	18
	b) Stake Holders Meet	01	01
	c) Competitions, Essay/Debate/Painting/cultural Programme etc.	06	05
	d) Seminar/Workshop with external faculties	01	02
iii	Intensive examination along with one Rest Check	11	10

14.2 Measures taken for improvement:

The following Systemic Improvement measures have been undertaken during the year 2016-17:

- Implementation of proper dak-receipt and dispatch system in different areas and head quarter.
- Procurement of HEMM.
- Implementation of corrective measures to execute the repairing jobs to be undertaken at workshops of ECL.
- Management of different out-sourcing contracts.
- Introduction of Revised Service Book of employees of ECL.

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 31 (thirty one) officials were awarded various penalties.

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14.4 Leveraging Technology:

Following initiatives have been undertaken by the Vigilance Department towards leveraging technology for improving transparency as well as efficiency of the organization:-

Sl. No.	IT Initiatives	Status as on 31.03.17	Remarks
1	GPS/ GPRS based vehicle Tracking System	1479	Out of 1479 devices, 1448 GPS devices have been fitted in available Coal trucks. Control room operational in all fourteen areas and at HQ. Tracking of vehicle is going on.
2	Electronic Surveillance by CCTV	113	CCTV cameras installed in ECL: 832 nos.
3	RFID based Boom Barriers & Readers	77	Supplied: 77 nos., Installed (mechanical part): 77 nos., Seven (07) nos. of RFID systems have been commissioned at Bankola Area. Remaining is under commissioning.
4	Weigh Bridge Status	Road 101 & Rail 12	Completed
5	Wide Area Networking (WAN)	117 locations	Installation Completed
6	Coalnet Application	Online Material Management System	Implemented in ECL HQ, Kunustoria, Sonapur Bazari, Sodepur and Salanpur Areas.
		Financial Information System	Implemented in ECL HQ, Kolkata Sales Office, Sodepur and Sonapur Bazari Areas.
		Personal Information System	Implemented in ECL HQ
		Payroll	Implemented at ECL HQ, Kolkata Sales Office, Kunustoria and Sonapur Bazari Areas.
		Sales	Implemented in all areas except Rajmahal area
		VVIP Reference	Implemented at ECL HQ
7	Online Grievance Redressal System	Implemented	-
8	Online Leave Management System	Implemented	Implemented in all areas for executives.
9	Bill Tracking System	Implemented	Implemented in ECL, HQ.

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10	Geo Fencing of Mine Boundaries	Implement	Implemented in ECL, HQ.
11.	Biometric Attendance	Implemented in Jhanjra Area & Units, Satgram Area Office & Hospital, ect.,	Action is being taken for implementing at ECL HQ and other Areas.
12	Local Area Network (LAN)	Implementation almost completed	All areas of ECL connected with HQ and Kolkata Sales Office. Towers installation jobs are in process.
13	Auto Refund of EMD	Implemented	-
14	Reverse Auction	Implemented	Implemented for estimated Contract Value of more than ₹ 1.00 crore.
15.	3D TLS	Tender has been issued.	-

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:

Vigilance Awareness Week was observed in ECL from 31.10.2016 to 05.11.2016 as per directive of Central Vigilance Commission. The theme for the year was "Public Participation in promoting Integrity and eradicating Corruption." On 31.10.2016, 142nd Birth Anniversary of Sardar Vallabhai Patel was celebrated by garlanding the photograph of Sardar Patel and offering floral tribute by the Functional Directors of ECL and CVO, ECL at CMD's Conference Room, ECL, HQ. Ekta Diwas pledge was administered by Shri K.S. Patro, Director (Personnel), ECL and also by the respective G.Ms/HODs in each Area establishment/ Project to bring about integrity and transparency in various spheres of activities and also to work generously for eradication of corruption in all spheres of life. One Nukkad Natak was also presented by the students of DAV School, Nimcha. Various Awareness Programmes like Seminars, Workshop, Stakeholders' meet etc. were organized at ECL Headquarter as well as in different Areas/Units to enlighten the stakeholders and to spread the message of integrity amongst them. There was an immense participation of a significant number of students of different schools as well as colleges in the competitive events organized throughout the week. On this occasion, the Newsletter of 2016, "Sachetana" (next issue of Vigilance Magazine of ECL) and Compendium-October 2016" (w. e. f Nov, 2012) were released by the Functional Directors and CVO, ECL. An active link with the banner of Integrity Pledge (provided by CVC) has been provided in ECL website for taking e-pledge by any citizen of India.

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14.7 Important Achievements:

- a. Several IT initiatives and e-governance, initiated last year, became the pioneer in introducing discount bidding.
- b. 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.
- c. 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.

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 60.36% in Region 'A', 59.88% in Region 'B' and 56.91% 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 rule of writing the subject of the files in Hindi & English on the covers was fully implemented.
- d. The names of all the officers and employees are written in Hindi and English in all the attendance registers of all departments. Maximum number of employees put their signatures either in Hindi or in their mother language.
- e. The certificates being given as memento to the retired employees containing their name, designation length of service etc. were given in Hindi.
- f. The officers and employees of each department are being trained to work in Hindi in computers so that the growth in Hindi correspondence could be accelerated.
- g. The practice of sending online Quarterly Progressive Report regarding Official Language to Ministry of Home Affairs, Govt. of India is continuing.
- h. During the period under review, Hindi Pakhwara was organized from 1st September, 2016 to 14th September, 2016 in which Hindi Essay-writing competition, Hindi Letter-writing competition and Hindi Speech competition were organized for Hindi-speaking and Non-Hindi-speaking employees separately in which 84 competitors participated and all of them were awarded with various prizes along with certificates. The Areas and the Departments of HQ having better performance in the field of Official Language Implementation have also been awarded during the Pakhwara.

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- i. On the occasion of 'Hindi Pakhwara Samapan Ewam Puraskar Vitran Samaroh', on 14.09.2016, along with the senior officials of the company, Mr. Ravibhushan , renowned speaker & former HOD (Hindi), Ranchi University (Chief Speaker), Dr. Krishna Kumar Srivastava, HOD (Hindi), Asansol Girls' College (Special Speaker), Mr. T. N. Singh, Hindi Professor, Hindi Teaching Scheme (Judge for the competitions) and Mr. Rajiv Lochan Sinha, Asst. Teacher (Hindi), N. D. Rashtriya Vidyalaya (Judge for the competitions) were present.
- j. During the period under review, 08 workshops (on 02.06.2016, 09.06.2016, 29.06.2016, 08.09.2016, 15.09.2016, 30.12.2016, 30.01.2017 and 14.02.2017) were organized.
- k. Akhil Bharatiya Hindi Kavi Sammelan was organized on 07.12.2016 in which the poets of all India level addressed the audience. The sammelan was held at Dishergarh Club.
- l. An inspection regarding Official Language Policy and overall implementation of OL in ECL was conducted by Mr. Subodh Kumar, honorable Joint Director (Rajbhasa), Ministry of Coal, Govt. of India at Satgram Area Office & Central Hospital, Kalla (02.06.2016), Mugma Area Office, Sodepur Area Office & Salanpur Area Office (03.06.2016) and HQ (09.06.2016).
- m. Mr. Ajay Malik, Honorable Deputy Director (Rajbhasa), Ministry of Home Affairs, Govt. of India, Regional Implementation Office (East Region) visited ECL HQ on 07.09.2016 to inspect the status of Official Language Implementation in ECL.
- n. Two officers of ECL attended the meeting related with Official Language Implementation headed by Secretary (Official Language), Ministry of Home Affairs, GOI in New Delhi on 16.01.2017.
- o. A co-ordination meeting with all the employees of OL cadre and Nodal Officers (OL) was held under the headship of Director (Personnel) on 10.02.2017 at ECL HQ based upon the smooth implementation of OL in company.
- p. Two issues of 'JYOTSNA' were published during 2016-17.
- q. Hindi magazines called "URJA SHROT" from Salanpur Area and "URJA KAN" from Mugma Area was also published.
- r. Wall Poster "ECL SAMACHAR" in Hindi is were also published in which different news of ECL & achievements of the employees etc. along with photographs.
- s. 'ECL DARPAN' (Bimonthly bulletin, Bilingual - Hindi and Bengali) is also being published regularly and its 06 issues has been published during 2016-17.

17.0 COMPUTERISATION & I.T. ENABLED SERVICES:

17.1 Activities of e-Tendering Cell in ECL:

- a. During 2016-17, a total of 4047 tenders were published on ECL/CIL e-Tendering portal i.e. <https://coalindiatenders.nic.in> out of which a total of 1834 tenders were finalized, 307 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 programnme with 32 Nodal officers with respect to new amendment has been conducted at ECL, HQ.

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- d. Digital Signature Certificates (DSC) have been arranged for 94 officers of different areas and workshops including HQ during 2016-17.
- e. Average cycle period of completion of tender through e-Tendering portal has reduced from 94 days in 2015-16 to 49 days in 2016-17. Minimum cycle period of completion of tender through e-Tendering portal is 15 days.

17.2 Special Achievements:

- a. GPS based VTS: Total 1448 numbers of GPS devices have been fitted into coal transporting trucks for tracking of vehicle.
- b. Coal Net Implementation: Payroll module has been implemented in HQ, Sonapur Bazari, Kunustoria and Kolkata Sales office. Executive payroll has been implemented in Sodepur, Mugma, Salanpur, and Satgram Area. Trial run for executive payroll is under process in all areas except Rajmahal, Jhanjra and Pandaveswar area. Sales Module has been implemented in all areas except Rajmahal. Financial Accounting System (FAS) module has been implemented in ECL HQ, Kolkata Sales Office, Sonapur Bazari and Sodepur Area. Online Materail Management System (MMS) module has been implemented in ECL HQ, Sonapur Bazari, Kunustoria and Salanpur Area. Personal Information System (PIS) module has also been implemented in ECL HQ.
- c. Online Leave Management System for executives has been implemented in ECL HQ and all area/unit and Kolkata Sales Office.
- d. Mobile Application for Bill Tracking System, Swachh Vidyalaya and Online Grievance (NIDAN) has been developed in-house in ECL.

18.0 ELECTRONICS & TELECOMMUNICATION:

In order to keep pace with advancement of communication and information technology the following has been achieved in 2016-17:

- a. **Radio Communication:** For effective wireless communication, 156 numbers of Walkie-Talkies were procured and are in use at opencast mines of Pandaveswar Area, Kunustoria Area and CISF, ECL unit.
- b. **Underground Communication:** For effective underground communication, 40 numbers of Sound Powered Telephone sets were procured for use in underground mines.
- c. **IT initiatives:** 21 numbers of Secondary Network Connectivity (WAN) from Railtel for road weighbridges has been commissioned. Total WAN link of ECL effective at 117 locations including HQ, Areas and Weighbridges. Further, 4 MBPS lease internet service from Railtel has been commissioned at each area and 55 MBPS lease internet service from Railtel has been commissioned at ECL HQ. In addition to these, one new Audio Conferencing system has been commissioned at ECL HQ.

19.0 LAND ACQUISITION & LAND INFORMATION STATUS:

19.1 Status of Land Acquisition:

The status of land acquisition/possession under different modes for the year 2016-17 is given below:

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Mode of Acquisition	Acquired (in Ha)	Possession (in Ha)
Direct Purchase of Tenancy land	186.04	186.04
CBA Act	-	247.70
Transfer of Govt. Land	7.83	7.32
Total	193.87	441.06

19.2 Transfer of Government Land :

West Bengal:

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

- Bansra OCP, Kunustoria Area, Mouza Bansra, 2.96 acres– An amount of ₹ 1,26,81,051/- deposited on 9th March, 2016 for 2.44 acres land.
- 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. Rest of the land was recorded as Patta land.
- Parasea Ext. OC, Kunustoria Area, Mouza Sonachora, 2.49 acres- An amount of ₹ 1,29,40,908/- deposited on 9th March, 2016 for 2.49 acre land.
- 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.
- Bhanora W. Block, Sripur, Mouza Garparira- 6.84 Acres – ₹ 7.0172 crores for transfer of the said Govt. land was paid and possession Certificate obtained from State Govt. on 25th & 30th January, 2017 respectively.
- New Kenda, mouza Kenda, 2.81 acres –Application submitted for Long term settlement for Govt. land on 26th Dec 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) had requested to deposit ₹15.83 Crore for transfer of 77.75 acres (i.e. equivalent to 31.48 Ha) only including 72.07 acres in Sarath Block and 5.68 acres in Palajori Block. On verification it has been 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. So, there is a dispute if these lands can be acquired through this process. The matter has been uploaded on PMG portal. After ECL's request to DC, Deoghar, land schedule has been provided on 12.03.2016 for 27.65 acres Govt. land free from encumbrance. But it is observed that the encumbrance free land is scattered in small pieces over a large area in different plots. DC, Godda has been communicated by GM, S.P Mines to furnish details so that ECL can take decision regarding mode of acquisition. State Government has raised a demand through letter ref no. 559 dated 7th Apr 2016 of sum of ₹ 139175717/- (₹ 111340574/- as 80% of transfer value) for transfer of 28.05 acres undisputed Govt. land in favor of ECL. Vide letter No. 779 dated 31.08.2016 it was requested to DC, Deoghar, to take suitable action for transfer of total 61.79 HA (152.61 acres) Govt. land. No decision has been

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received from the State Government. However, an amount of ₹ 11.13 crores (80% of total demanded value) for transfer of 28.05 acres of undisputed Govt. land as per the demand of the State Government has already been deposited to DC, Deoghar on 2nd March 2017. Gram Sabha was conducted in Mouza Khoon, Churikanali, Jamua, Amdangal & Tarabad on 06.02.17 & 07.02.17 for transfer of Govt. Land by CO, Palojori.

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

SI.No.	Name of Project	Status
1	Lalmatia Coal Block Phase IX-4.047 Ha	a. Notification u/s 9 (1) published in Gazette of India vide S.O. No. 2550(E) dated 26th July, 2016. b. Notification u/s 11(1) for Acquisition of 4.047 HA vide S.O. No. 2370 dated 7th December, 2016 published in Gazette of India.
2	Lalmatia Coal Block Phase X-13.79 Ha	a. Notification u/s 7 (1) published in Gazette of India vide S.O. no. 868 dated 12th May, 2016. b. Application for Notification u/s 9 sent to MoC on 2nd September, 2016.
3	Lalmatia Coal Block Phase XI-2.91 Ha	a. Notification u/s 7 (1) published in Gazette of India vide S.O. no. 1641 dated 8th August 2016. b. Application for Notification u/s 9 sent to MoC on 13th January 2017.
4.	Jhanjra Combined Project-30 Ha	Online application for Draft notification u/s 4 (1) has been submitted to MOC New Delhi on 31st March 2017.

19.4 Status of Rehabilitation:

During the year 2016-17 following action has been taken in respect of Rehabilitation:

Name of Area	Plots Given	Monetary Compensation	Total PAPs/Household for which R&R benefits given	Actual household shifted
Sonepur Bazari	106	89	195	195
Salanpur	0	6	6	15
Jhanjra	0	1	1	0
Rajmahal	0	42	42	200
Total	106	138	244	410

19.5 Status of Mining Lease of Sand :

Sand Mining lease obtained for next 20 years and Possession certificate issued by the Government of West Bengal on 15th November 2016.

20.0 SECURITY MANAGEMENT:

The aim of Security Department is to protect men and materials of the company. Company is having 3(three) types of security.

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|----|----------------------|---|---------------|
| 1. | ECL Security | – | 1381 persons. |
| 2. | Contractual Security | – | 2229 persons. |
| 3. | CISF | – | 1250 persons. |

ECL Security:

The main duty of ECL Security is to guard the company's property and escorting of VIPs as and when required by the Management. Escorting of loaded Railway Rakes, Tipping Trucks/Dumpers from Coal Depot/Siding to Railway Weigh Bridges respectively till the weighment is done. The raids are also conducted throughout the year by our security personnel, CISF along with local police, accordingly seizure of coal along with involved trucks/vehicles, and apprehension of miscreants are also made during the course of raids and subsequently the same is handed over to the local police station/management. ECL Security Personnel were also deployed during the time of strike/gherao/ demonstration/ hunger strike and any type of law and order problem in ECL Area. Technical security monitoring / surveillance like CCTV, GPS based Vehicle Tracking Monitoring System (VTMS) is also being managed by ECL Security at all Areas / Unit of ECL.

Contractual Security:

The Contractual Security personnel engaged through DGR empanelled agencies are generally deployed for outsourcing patches and some collieries of ECL and also deployed for escorting of Railway Rakes, due to acute shortage of departmental security.

CISF:

CISF is deployed for static duty at Rajmahal, Sonepur Bazari and S.P. Mines areas of ECL only and other areas of ECL are having CISF Raid Camps for Raids/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 are being deployed during Strike/Gherao in the colliery/Area. Recently 210 additional CISF has been sanctioned by MHA and they are deployed at ECL for guarding of explosive magazines.

Steps taken for revamping of security at ECL:

- a. Presently 1040 CISF personnel has been sanctioned and deployed at ECL to curb and check coal theft & illegal mining. Additional, 210 CISF personnel has been sanctioned by Ministry of Home Affairs (MHA) and the same have been deployed at ECL for guarding of explosive magazines of ECL.
- b. New Recruitment of 106 Security Sub-Inspector has been completed and accordingly, posted at different areas of ECL post completion of SSI training.
- c. Installation of CCTV and other techno-gadgets are in progress at Explosive Magazine, Central Store and Railway Siding and other sensitive posts of respective areas of ECL.
- d. Arms Training by CISF Instructors have been imparted to Security Guards of ECL who will be deployed for guarding Explosive Magazines after inclusion of their name as Arms Retainer in the Arms Licenses held by ECL.

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- e. Basic training has been imparted to other category employees (both male & female) who will be deployed as Security Guards (SG) / Lady Security Guards (LSG) post completion of security training.
- f. Utilization of technical gadgets like GPS base Vehicle Tracking Monitoring System (VTMS) and CCTV Surveillance has been introduced in all areas of ECL to curb coal theft / pilferage and illegal mining.

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 area by departmental Pay Loaders/Dozers and sometimes contractually.
- c. Surprise checks /raids by CISF, ECL Security along with Police and seizure of illegal coal/illegal trafficking of coal along with involved vehicles and apprehension of miscreants and subsequently handed over to the same 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 and 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 representative and accordingly, meetings are held at Commandant, CISF Office regularly.
- g. The resolution has been taken for constitution of Security Co-ordination committee for Asansol Sub-division for reviewing the status of illegal mining.
- h. For logical conclusion of the cases which are pending in Court, ECL has engaged lawyer to follow up these cases.
- i. Discussion has also been made with Public Prosecutor in lower Court and Session Court of Asansol to take necessary steps for speedy trial of the case pending in the Court.

Steps taken to check/prevent theft of coal:

- a. Surprise checks/raids are conducted by ECL Security along with CISF personnel/Private Security to prevent theft of coal. During the course of checks/raids, they seized coal, apprehended miscreants and FIRs lodged to local Police Stations.
- b. Armed Security personnel escorting coal loaded rake from Siding to Railway Weighbridges.
- c. After setting up of Asansol-Durgapur Police Commissionerate there has been improvement in curbing of coal theft activities. Commissionerate Officers in co-operation with CISF and ECL Security has taken various steps which has resulted in reduction of coal theft activities in West Bengal Areas of ECL.
- d. ECL has engaged panel lawyers to pursue the case in the Court of Law, who in consultation with Public Prosecutor try for logical conclusion of all the cases.

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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
Seizure of Coal from illegal Traffcking						
2016-17	West Bengal	1176	7804.76	54	70	241
	Jharkhand	493	3500.66	02	06	35
	Total	1669	11305.42	56	76	276
2015-16	Total	917	7640.00	46	42	134
	Variation	752	3665.42	10	34	142
Seizure of Illegal Mined Coal by Security, CISF & Local Police :						
2016-17	West Bengal	573	973.90	7	-	8
	Jharkhand	107	285.50	-	-	6
	Total	680	1259.40	7	-	14
2015-16	Total	293	110.77	-	-	17
	Variation	387	1148.63	7	-	-3

B) 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 2016-17 following dozing / sealing are done to curb the illegal coal mining.

Year	State	Sites Dozed	Volume Used (L. Cum)	Expend (approx) (₹ in Lakh)	Fir/Info. Sent to Local PS
2016-17	West Bengal	550	193.05	31.45	08
	Jharkhand	106	-	-	08
	Total	656	193.05	31.45	16

The State administration is actively involved to curb the menace of illegal Coal Mining and Pilferage of Coal.

C) Theft/Recovery of other materials.

Year	2016-17	2015-16	Variation (Increase/decrease)
No. of Incidents	73	60	13
No. of FIRs/ Info.	24	60	-36
Property Stolen (in ₹)	709423.44	1858378	-1148954.56
Property recovered (in ₹)	281300	151155	130145
Person Apprehended	2	-	2

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21.0 OUTSOURCING OC PATCHES:

In 2016-17, company produced 238.38 LT of coal and raised 1005.62 L.Cum OB from 40 outsourced OC patches registering a growth of 39.30% in coal production and 13.99% in OB removal against previous year's figure of 171.12 LT of coal and OB removal of 882.20 L. Cum from 31 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 2017 is also placed at **ANNEXURE-VII** to this report.

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

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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) Extract of Annual Return in Form No. MGT-9 as on financial year ended 31.03.2017 pursuant to Section 92(3) of the Companies Act, 2013 (Annexure-IX).
- iv) Foreign exchange earnings and outgo (Annexure-X).
- v) Details about research and development activities of the company (Annexure-XI).
- vi) 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



(Subrata Chakravarty)
Chairman-cum-Mg. Director

Sanctoria,
Dated: 24.07.2017

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3.3.1. Status of On-going R & D Projects upto 31st March, 2017

Sl. No.	Name of the Project	Financial Outlay (₹ in Lakhs)	Date of Start	Revised / scheduled date of completion	Progressive Disbursement (₹ in Lakh)	Status
1	Underground Trapped Miner Location system. Project code - CIL/R&D /1/35/10 Implementing agency: TCS, CMC & CMPDIL (ME), Ranchi	489.70	15th Jan. 2010	March, 2015*	447.98	As per the advice of the Apex Committee, Project members from TCS/CMC and CMPDI met Director(S&T), DGMS, Dhanbad on 09.01.2015 and apprised him on latest status of the project. Regarding field trial of MF Repeater, Director (S&T), DGMS told that if TCS/CMC would submit the test report of recognised laboratory of originating country for IS, then DGMS may consider to provide permission for field trial on the basis of new guidelines of DGMS on approval policy (Clause No: 6.2), which came in to effect from 7th January 2015. TCS/CMC team assured DGMS that after consulting with the technology stakeholders (Kutta Drum 100R manufactures), they will get back to DGMS for amicable solutions for the project. Regarding field trial permission of other sub-system such as MCD (Wi-Fi Dongal), Wi-Fi Access point Antenna & VHF Motorola sets, Director (S&T), Director, DGMS told that they will discuss issues with concerned officers in DGMS and try to find out the appropriate solutions. TCS has received some documents from Kutta Drum 100R manufacturers, USA. After Compilation of documents, TCS/CMC, has submitted these to DGMS for getting field trial permission. Permission from DGMS is awaited. Team consisting of officials from CMPDI, ECL and TCS/CMC visited the Jhanjra mine and witnessed the successful working of MF radio in underground and signed documents is being provided in the Agenda. In the R&D Board meeting held on 03.10.2015, the Board was informed that DGMS is examining the documents submitted by

Sl. No.	Name of the Project	Financial Outlay (₹ in Lakhs)	Date of Start	Revised / scheduled date of completion	Progressive Disbursement (₹ in Lakh)	Status
42						<p>TCS and will provide field trial permission of MF Repeater shortly.</p> <p>A meeting was held on 23.11.2015 at DGMS, Dhanbad with CMPDI officials, participants from ISM, Dhanbad and CIMFR, Dhanbad to frame guidelines for issuing clearance for undertaking R&D projects to facilitate technological development in Indian mines. The fresh duly filled application form as per DGMS format along with necessary annexures have been submitted to DGMS in the last week of January 2016. Permission from DGMS is awaited. The project status was also reviewed at TCS office, Kolkata on 15.03.2016. In the meeting was held on 11.08.2016 at DGMS, Dhanbad, it was decided that some documents/papers like identification of safe zone on mine plan of Jhanjra, which is away from the normal route of carrying explosive, specification and line diagram of existing transformer supplying 110V in UG etc should be prepared by mine authority of Jhanjra mine, ECL for submission to DGMS. After preparation of the above documents, a meeting will be held at DGMS in presence of mine surveyor and electrical engineers regarding field trial permission of composite system developed under this project. Mine as required by DGMS has been prepared and sent to DGMS in the last week of December 2016 for granting permission. DGMS permission is awaited.</p>

Sl. No.	Name of the Project	Financial Outlay (₹ in Lakhs)	Date of Start	Revised / scheduled date of completion	Progressive Disbursement (₹ in Lakh)	Status
2	Research and development on efficient energy management pilot study and action plan. Project Code: CIL/R&D/1/55/13. Implementing Agencies: IISWBM, Kolkata & DFIC Management Consultants Pvt. Ltd., Kolkata	66.19	March, 2013	May, 2014*	64.70	Project completed. A computerized monitoring and reporting mechanism of energy efficiency key performance indicators has been developed. This system will be helpful in providing all necessary details about energy (both diesel and electricity) consumption and thereby key performance indicators associated with each and every process/equipment in use.
3.	Development of Rubber Compound and Repair Techniques for Trailing Cables of Under-ground Mining Machines Project Code : CIL/R&D /1/54/2013 Implementing Agency : IIT, Kharagpur and ECL	204.07	March, 2013	Feb. 2016*	202.65	Project has been completed and report is under preparation. Under this project, repair of one trailing cable of 25sq.mm dia and 70 meters length collected from Patmohana Colliery, ECL with rubber compound developed by IIT, Kharagpur has been completed and different tests were carried out on the cable before final delivery to the colliery. Another piece of damaged trailing cable, 55sq mm dia and 125 meters length collected from JK Ropeways has also been repaired with new developed rubber. High voltage testing of cable has been performed and weak and defective portions were removed and healthy segments having acceptable insulation resistance value have been spliced. In January 2015, IIT, KGP has received 561 m damaged trailing cables from ECL, which are required to rectified and sent back to ECL for field trial. After repairing the damaged cables, IIT, Kharagpur has sent them to mines of ECL for field trial. Performances of these cables are being monitored for achieving final conclusion.

Sl. No.	Name of the Project	Financial Outlay (₹ in Lakhs)	Date of Start	Revised / scheduled date of completion	Progressive Disbursement (₹ in Lakh)	Status
4	To find a methodology of safe liquidation in thick seams of Raniganj Coalfields: Design & Development & show-casing demonstrative trials at Khottadih colliery, ECL	41.066	July 2014	June 2016*	30.00 CIMFR-10.00 ECL-20.00	<p>Project has been completed and report is under preparation.</p> <p>i) Approval to extract two sub-panels; panel B2A and B2B in Khottadih, ECL was given by DGMS with the condition that strata monitoring with a suit of geo-technical and environmental monitoring to be undertaken by CIMFR.</p> <p>ii) A number of geotechnical instruments like remote convergence indicators, stress meters, load cell and instrumented rock bolts were installed in the panel B-2 (Sub-panel-A) during depillaring and observations were taken. The analysis shows 'no significant' change of 'stress' and 'deformation' that may be detrimental to safe depillaring operations except the temporary hassles related to the 'main fall'. Smooth and regular caving has been achieved in B2B panel after gaining experience and its implementation from the workings of B2A panel.</p> <p>iii) The tandem approach of extracting the panel including two pronged assessment - a) ground control aspects of a safe liquidation method with proper rib stability, controlled caving, strata monitoring & management and b) the aspect related to detecting early symptom of spontaneous heating/fire, followed by pro-active application of remedial measures in order to prevent it to fester.</p> <p>iv) fire ladder have been developed for the seam which aids in early detection of fire.</p>

Annexure - II

3.3.2. Status of On-going S & T Projects upto 31st March, 2017

Sl. No.	Name of the Project / With Code	Financial Outlay (₹ in Lakhs)	Date of Start	Scheduled / Revised date of completion	Progressive Disbursement (₹ in Lakhs)	Status
1	Development of tele robotics and remote operation technology for underground coal mines – MT (EoI)/162. Implementing Agency : CMERI, Durgapur, CIMFR, Dhanbad & CMPDIL, Ranchi	440.12 For CMERI - 251.57 For CIMFR - 125.55 For CMPDIL - 63.00	Sep. 2012	Aug. 2016*	373.00 CMERI-235.00 CIMFR - 75.00 CMPDIL-63.00	Draft project completion report submitted. The proposed model of the robot has already been developed by CMERI, Durgapur and lab-scale trials have been conducted. Field trial conducted at Khottadih mine of ECL after necessary modifications in the robot design
2	Blast design and fragmentation control- key to productivity - MT/164 Implementing agency: CIMFR, Dhanbad	303.86	Jan. 2013	June-2016*	250.00	Draft project completion report has been submitted by CIMFR. Field trials were carried out at Nigahi Project, NCL, Kusmunda OCP, SECL and Sonepur Bazari Project, ECL. The effect of blast design parameters on rock fragmentation, distribution pattern and scattering effect were studied for each blast. Fragment size analyses are being carried out using WIPFRAG software.
3	Shale gas potentiality evaluation of Damodar Basin of India-CE(EoI)/30 Implementing Agency : NGRI, Hyderabad, CIMFR, Dhanbad and CMPDIL, Ranchi	2038.09 For NGRI-813.84 For CIMFR-169.95 For CMPDIL -1054.30	Dec.- 2012	May-2017*	1166.87 NGRI-660.00 CIMFR-140.00 CMPDIL-366.87	Rangamati B Block at Raniganj coalfields and western Jharia coalfields has 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 samples. 3D seismic survey has been conducted by NGRI, Hyderabad for an area of 2.4 Sq. Km in Rangamati B block near Durgapur.

Note : * Under assessment of revision

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	Rajmahal Expansion OC	17.00	153.82	Sept-2009	March 2014	December 2017	Production achieved in: 2013-14 :14.34 MT 2014-15 :15.91 MT 2015-16 :15.55 MT 2016-17 :14.43 MT Completion Report is under process of approval.
2	Sonepur-Bazari Combined OC	8.00	1055.05	August 2012	March 2018	September 2018	Production achieved in: 2013-14 :6.40 MT, 2014-15 :6.41 MT 2015-16 :6.20 MT 2016-17 :8.92 MT Construction of Railway siding and diversion of NH -60 are under progress.
3	Hura-C OC	3.00	359.69	October 2015	March 2022	March 2022	Stage-II Forestry Clearance and land possession are under process.
4	Jhanjra Combined PR	3.50	602.86	November 2015	March 2022	March 2022	Production achieved in 2016-17: 2.44 MT.
5	New Kenda OCP	1.20	127.72	November 2014	March 2019	March 2019	Land possession and Rehabilitation are under process. OB removal has been started in November-2016.
6	Kumardih-B CM UG	1.02	117.91	May 2014	March 2023	March 2023	a. For drivage of Incline No. I & II: 102.40 mtr length out of 950m Excavation Completed. b. Substation building, Manager's & Store have been completed. c. 75% of construction of workshop is completed. d. Tender for CM Package opened on 24-11-2016. Scrutiny is in progress.
7	Chitra East OC	2.50	112.69	August 2007	March 2013	December 2017	Stage-II Forestry Clearance, land possession and R&R are in progress. RCE is under preparation

Sl. No.	Name of Project	Capacity (MTY)	Capital (₹ Cr.)	Date of Approval	Scheduled date of completion	Anticipated date of Completion	Status of Implementation
8	Mohanpur Expansion OC	1.00	14.23	June 2008	June 2013	June 2017	Production achieved in: 2010-11 : 0.98 MT 2011-12 : 1.39 MT 2012-13 : 1.07 MT 2013-14 : 0.84 MT 2014-15 : 0.30 MT 2015-16 : 0.81 MT 2016-17 : 0.99 MT Land possession and R&R activities are in progress.
9	Khottadih Continuous Miner UG	0.60	127.17	May 2015	March 2016	September 2018	Incline drivage completed. Other Mine development jobs are in progress. TCR for CM Package is under approval.
10	RCE of Khottadih OCP	1.50	60.10	February 2015	March 2017	September 2017	Production achieved in: 2012-13 : 1.50 MT 2013-14 : 1.70 MT 2014-15 : 2.04 MT 2015-16 : 1.80 MT 2016-17 : 0.84 MT Khottadih Expansion (1.60 Mty) is under process of approval.
11	Narainkuri UG	0.54	149.06	February 2009	March 2015	PR under Recast	PR under Recast
12	Siduli UG	0.30	54.99	December 2006	March 2015	PR under Recast	PR under Recast
13	Nabakajora-Madhabpur Block UG	0.30	56.14	December 2006	March 2014	PR under Recast	PR under Recast
14	Khandra NKJ	0.285	18.81	July 2003	March 2009	PR under Recast	PR under Recast
15	Parasea-Dobrana UG	0.16	11.89	February 2004	March 2009	PR under Recast	PR under Recast
16	Belbaid UG	0.36	69.01	February 2009	March 2014	PR under Recast	PR under Recast
17	Bankola R-VI	0.24	19.14	March 2003	March 2009	PR under Recast	PR under Recast

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MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT-2016-17

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. 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 2016, the geological resource of Indian coal was 308.80 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 87 number of working mines, 60 being underground mines, 19 opencast mines and 8 mixed mines. ECL is one of the best quality coal producing companies in India having a reserve of 31.52 Billion Tonne of Coal as on 1.4.2016 in the state of West Bengal and 18.56 Billion Tonne in the state of Jharkhand and 0.16 Billion Tonne thus the total is 50.24 Billion Tonne.

Strength and weakness:

Competitive Strength:

- a. Total geological reserve of 31.52 Billion Tonne of Coal, out of which 13.60 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 18.56 Billion Tonne of Coal down to a depth of 600 metre as on 01.04.2016 (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.

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- 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 50% of its 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 for the first time in ECL.
- f. Exploration and exploitation of Coal Bed Methane (CBM) under ECL lease hold area for the first time. Reservoir modelling and techno-economic feasibility studies are under progress.

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.

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PRODUCTION:

Particulars	2016-17	2015-16
OCP - Coal (MT)	32.391	32.880
Underground Coal (MT)	8.127	7.329
Total (MT)	40.517	40.209
Growth %	0.77	0.51
OBR- (MCUM)	124.53	119.22
Growth %	4.45	26.77

SEGMENT-WISE OR PRODUCT WISE PERFORMANCE:

(in Million Tonnes)

Particulars	2016-17	%	2015-16	%	Growth (%)
Despatch to Outsiders under FSA	38.283	88.99	34.470	89.28	7.85
E-auction	2.190	5.09	1.827	4.73	-3.30
Despatch under MoU-Premium Price	-	-	1.313	3.40	-69.11
Despatch under MoU-Notified Price	2.264	5.26	0.667	1.73	-
Others	0.071	0.17	0.102	0.27	-15.37
Own Consumption	0.211	0.49	0.228	0.59	-9.00
Total Off-take	43.019	100.00	38.607	100.00	0.36

Our Customers:

Most of coal produced in ECL is supplied to Thermal Power Plants. 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 dispatch points through rail, road or dedicated rail MGR system.

All consignments dispatched are weighed either at ECL owned weighbridges available at our dispatch points or to the nearest weighbridges owned by Railways. Our sales are either "free on rail" or "free on road" from the designated dispatch points. Customers may choose the mode of transport between rail and road. The cost of transportation of coal from the mines to designated dispatch points is borne by ECL provided such dispatch points are located within three kilometers from the mines. If the dispatch point from our mines is more than three kilometers but within 20 kilometers, the customers bear such transportation cost at specified rates as notified by CIL from time to time. In circumstances where the distance from the dispatch point is more than 20 kilometers from our mines, the customer bears the actual cost of transportation.

The following table shows information relating to various modes of transportation utilized for raw coal dispatch from our mines:

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(in Million Tonne)

Mode of Despatch	2016-17	2015-16
Rail	29.155	26.4446
Road	1.464	1.6790
Merry-Go-Round(MGR)	12.188	10.2557
Total	42.807	38.3793

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.
4. FSAs through linkage 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.

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

For every financial year ECL enters into a MoU with CIL and MoC to set various parameters for physical and financial performances. The achievements are graded on a scale of 1 to 5; excellent being the grade 1 and poor as 5. For the year 2015-16, ECL has obtained “Very Good” grading.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has a sound system of internal control for efficient running of its business as well as for complying with the different guidelines and procedures in the day to day operation.

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 the requisite checks and balances are in place & all 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 the expenditure and the Internal Control aspects are analysed in- depth. Observations, if any, pointed out in the Inspection Report of C&AG Office for justification and corrective action is taken by the management.

The Audit Committee of the company/CIL maintains a close watch on the internal control systems and significant observations of the Internal Auditors are placed before the Audit Committee for periodical review. After consideration thereof, the Audit Committee issues necessary directives, as deemed fit for compliance.

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

For 2016-17 an exercise on Internal Financial Control on operations of the company was undertaken by the different Audit Firms working as Internal Auditors of ECL and the Audit Firms have expressed satisfaction over Internal Financial Control in existence in different Areas.

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

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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-2015-16 was filed with the Central Government on 24th September, 2016.

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

(₹ in crore)

Particulars	2016 – 17	2015 – 16	Growth (%)
Gross Sales	14717.53	13514.18	8.90%
Less : Levies	4576.35	3294.73	38.90%
Net Sales	10141.18	10219.45	-0.77%
Other Income	787.13	787.66	-0.07%
Total Income	10928.31	11007.11	-0.72%

Income from Sale of Coal:

Sales is presented as gross sales net of (i) various statutory levies comprising royalty, cess on coal, central excise duty and stowing excise duty : and (ii) sales tax. 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	2016-17	2015-16	Growth	
			Absolute	% age
(Accretion)/Decretion in stock	157.37	-186.24	343.58	-184.48%
Stores & Spares	693.25	738.60	-45.35	-6.14%
Excise Duty	626.06	609.24	16.82	2.76%
Salary & Wages	6436.58	5709.95	726.63	12.73%
Power & Fuel	503.17	507.48	-4.31	-0.85%
Social Overhead	21.62	62.61	-40.99	-65.47%
Contractual Exp	1591.80	1367.92	223.88	16.37%
Repairs	156.94	134.41	22.53	16.76%
Other Expenditure	454.08	414.72	39.36	9.49%
OBR Adjustment	-49.37	-11.71	-37.66	321.61%
Depreciation/Impairment	323.89	318.15	5.74	1.80%
Provision	-144.91	48.04	-192.95	-401.64%
Total Comprehensive Income Before Tax	51.90	1222.69	-1170.79	-95.76%
Total Comprehensive Income After Tax	20.77	790.67	-769.90	-97.37%

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Cash Flows:

(₹ in crore)

Particulars	31.03.2017	31.03.2016
Opening Cash & Cash equivalents	591.08	538.77
Net cash from operating activities	485.73	(7.13)
Net cash from investing activities	(332.98)	65.65
Net cash used in financing activities	(6.39)	(6.21)
Change in Cash and cash equivalents	146.36	52.31
Closing cash & cash equivalents	737.44	591.08

HUMAN RESOURCE DEVELOPMENT:**Manpower:**

Category	Manpower as on		Increase (+)/ Decrease (-)
	31.3.2017	31.3.2016	
Executive	2276	2375	-99
Supervisor	4425	4439	-14
Ministerial / Clerical	2776	2806	-30
Highly Skilled / Skilled	21879	22571	-692
Semi-Skilled / Unskilled	32126	33301	-1175
Trainee (Non-Executive)	547	746	-199
Total	64029	66238	-2209

Reasons for variation in Manpower:

Particulars	Executive	Non-Executive	Total
INCREASE			
Fresh Appointment	82	389	471
Appointment against medically unfit cases.	0	21	21
Appointment against death cases.	0	434	434
Reinstatement/Re-joined.	0	10	10
Transfer in from other companies.	80	11	91
Appointment against Land Losers	0	316	316
Appointment against Special Female VRS	0	3	3
Total Increase (A)	162	1184	1346

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Particulars	Executive	Non-Executive	Total
DECREASE			
Retirement	161	2503	2664
Medical Unfit	0	21	21
Death	1	598	599
Resignation	20	14	34
Transfer to other companies	79	41	120
Dismissal/Termination	0	46	46
VR under GHS/EVRS	0	2	2
Special Female VRS	0	69	69
Total Decrease (B)	261	3294	3555
VARIATION (A – B)	-99	-2110	-2209

Industrial Relations :

The industrial relations in the company is by and large cordial. Even the nation wide strike called by different unions hardly made any impact in our company. Workers do not support extraneous issues now a days. The statistics relating to Industrial Relation and Law & Order is given below:

SI No	Subject	2016-17	2015-16
1	No. of strikes	1	1
2	Mandays lost (in lakh)	0.08	0.15
3	Production lost (in lakh tonnes)	0.45	0.37

Law and Order :

Subject	2016-17	2015-16
Law and order (Disturbance)	33	34
Production Lost (in Lakh Tonne)	1.58*	0.12

*The production loss for law and order was mainly due to the accident which occurred in Rajmahal Area on 29.12.2016.

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. The Trade Unions very actively participated in such committees.

Meetings	2016-17	2015-16
No. of JCC Meeting held at HQ level	04	05
No. of structured Meeting held at HQ level	19	21

Employment provided under NCWA, LLS, etc:

Employment provided under	2016-17	2015-16
NCWA	555	458
Land Losers Scheme	375	238
Direct Recruitment	471	276

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	%
31.03.2017	64029	17775	27.76	8231	12.85
31.03.2016	66238	18204	27.48	8727	13.18

A total of 308 candidates belonging to SC community and 144 candidates belonging to ST community were promoted during 2016-17 against 292 and 135 candidates respectively during 2015-16. As on 31.03.2017, on Roll OBC community employees are 16733 against 16611 employees in 2015-16.

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 2016-17, one complaint was received and the same is under process. 2 numbers of complaints which were pending during 2015-16 has been disposed-off and the recommendations were sent to the Disciplinary Authority.

Trade Unions:

The majority of our non-executive employees are members of several unions including INTUC, AITUC, HMS, BMS, UTUC, CITU 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 fall due from 01.07.2016. The wage revision of the executives is due from 1st January, 2017.

Training:

We aim to provide continuous training for our employees. Indian Institute of Coal Management (IICM) which was formed in 1994 by Coal India Limited (CIL) offers training programmes such as Advanced Management programme, Leadership Development programme, Advanced Maintenance practices, Management Development programme, Training and Coaching, Career Development for junior officers, etc. In addition, our company has arranged for a significant number of executives to attend external

training programmes and sent our employees for a number of international training sessions outside India. Apart from IICM, at ECL, we have our HRD centre, VTCs which provide various training to our employees. Induction programmes are also carried out regularly for newly recruited Management Trainees. HRD is also arranging industrial/vocational training on need basis for students of various Institutes. In 2016-17, company had imparted training to 4732 persons compared to 4049 persons in 2015-16. The details are given below:

1. Action Plan :

Year	No. of Course		No. of participants							
			Target				Actual			
	Target	Actual	Exe.	Supv.	Worker	Total	Exe.	Supv.	Worker	Total
2016-17	143	210	712	587	1740	3039	1075	777	2010	3862
2015-16	156	151	295	460	1050	1805	426	731	1092	2259

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

SI No.	Nature of Training	2016-17				2015-16			
		Exe.	Supv.	Worker	Total	Exe.	Supv.	Worker	Total
1	General/In-Company Training:								
1.i	3 days or more	968	764	2000	3732	426	731	1092	2259
1.ii	Less than 3 days	107	13	10	130	404	60	288	752
2	Training External (within India):								
2.i	At IICM:								
2.i.a	3 days or more	480	0	0	480	273	0	0	273
2.i.b	Seminar/Short course	59	0	0	59	117	0	0	117
2.ii	Out Company Training (Other than IICM):								
2.ii.a	Short duration	193	11	5	209	144	4	0	148
2.ii.b	Long duration	150	4	6	160	0	0	163	163
2.ii.c	3 days or more	84	15	0	99	70	10	13	93
3	External (abroad)	12	0	0	12	15	0	0	15
Total		2053	807	2021	4881	1449	805	1556	3820
4	Other Trainings and Seminars								
a	Trainees								
	VTC	0	0	438	438	0	0	392	392
	PDPT	0	0	197	197	0	0	80	80
b.	Seminar/Workshop excluding in-company	100	7	5	112	131	16	12	159

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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 selection in Clerical Cadre for SC/ST Gr.-III	245
2	Training program for newly recruited Security Sub Inspectors	65
3	Underground training to local youth to become mining sirdar	531
4	Workshop on UG Mine Mechanisation	38
5	Workshop on Slope Stability Analysis & Safety Open Cast Mines	78
6	Program on Internal Auditing Skill for ISO Certificate	24
	Total	981

4. Details of Training conducted under Recognition to Prior Learning (RPL):

Sl. No.	Details of Programme	Number of Participants
1	Fitter/Helper	1304
2	SDL/LHD Operator	351
3	Explosive Carrier	880
4	Electrician/Helper	638
5	Support Personnel	817
6	Dumper Operator	543
7	General Mazdoor	1972
	Total	6505

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 manifolds. 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.

ECL firmly believes in adhering to the concepts of Sustainable Development. Sustainable use of mine water and replenishment of groundwater is also prioritised on the forefront of environmental core issues. As a part of this we have initiated programs such as Rainwater Harvesting, utilization of mine water, installation of Solar Panels etc.

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Major Achievements during 2016-17:**1. Environment clearance:**

- a. **EC Amendment of Cluster:** EC capacity expansion of Cluster no. 2 & EC amendment of Cluster no. 9 and Cluster no. 11 have been accorded by the Ministry of Environment, Forests and Climate Change. The above mentioned ECs will enable production from Nimcha Highwall Project (0.5 MTPA), Amkola / Nimcha OC Patch (Mines under Cluster no.9); New Kenda OC (1.2 MTPA), Shankarpur OC patch (2.00 MTPA), Shankarpur UG (1.33 MTPA) and Siduli UG & OC (1.33 MTPA) under Cluster no. 11 and enhance production form Barmuri OC and Rajpura OC under Cluster no.2. In similar line, amendment has been planned for Cluster no. 1, 3, 4, & 10 which is currently under pipeline.

b. EC obtained during 2016-17:

SL No.	Name of Proposal	No.of Mines	EC Capacity (MT)	Date of Grant of EC
1	Cluster No. 2 - Expansion	3	1.1	16-06-2016
2	Cluster No. 11-Ammendment	11	8.2	29-11-2016
3	Cluster No. 09-Ammendment	15	8.0	23-03-2017
	Total	29	17.3	

- c. **EC for Sand Mining Proposals:** Sand mining proposals for the purpose of stowing in UG mines of ECL form Damodar and Ajoy River bed has been accorded EC. This is a major achievement and has enabled grant of permanent lease for the Sand Mining for the purpose of Stowing in UG mines.

SL No.	Name of Proposal	Capacity (M. Cum.)	Date of Grant of EC
1	Sand Mining for the purpose of Stowing in UG Coal Mines in the river bed of Ajoy River	2.0	26-05-2016
2	Sand Mining for the purpose of Stowing in UG Coal Mines in the river bed of Damodar River	1.5	26-05-2016

2. Forest Clearance:

The major achievements with regard to FC during 2016-17 are:

- a. Stage-II Clearance has been accorded for Renewal of Diversion 90.30 Ha of Forest Land for Jhanjra UGP has been accorded on 16.08.2016. This has enabled production through Power Support Longwall.
- b. Stage-II Clearance has been accorded for the Proposal for Diversion of 32.65 Ha forest land for Sonapur Bazari OCP on 28.03.2017. This will enable achievement of production of 12 MTY as per schedule production programme.
- c. Diversion of 81.71 Ha for Simlong OCP has been submitted online and accepted by nodal officer. The proposal is currently under consideration with DFO, Pakur for filling Part-II of Form A of the application.

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Progress of Forest Clearance during 2016-17 :

Sl. No	Status	No. of Proposals / Clusters
1	Stage-II Clearance Granted	2
2	Stage-I Clearance Granted	0
3	Proposals Forwarded to MoEFCC for Stage-II Clearance	3
4	Proposals Under consideration at State Govt. for Stage-II Clearance	1
5	New proposals for Stage-I Clearance Initiated	1

3. Plantation:

During 2016-17 onwards ECL has undertaken 3-tier plantation over 103 Ha of OB dump and Plain land and 8 Km Avenue plantation along the coal transportation road. With this Progressive plantation in ECL Command Area over an area of 3004.49 Ha of land has been completed till date. The major thrust of plantation has been reclamation of degraded and subsided land. During 2016-17, 63 Ha plantations have been carried out in internal and external OB dumps and 31 ha plantation in subsided area.

4. Sustainable Development initiatives:

In the year 2016-17, three rooftop rainwater harvesting projects have been successfully completed by ECL -two at Jhanjra Area and one at Sodepur Area. Initiative was started in the year 2012-13 and at present there are 12 rainwater harvesting projects in ECL command area.

5. Compliance Of EC Condition – Major Initiatives:

ECL has taken the following initiatives for better compliance of EC conditions :

- a. **Fixed Sprinklers at Railway Siding:** ECL has taken initiatives of installing fixed water sprinkler in railway siding in order to control dust pollution. Fixed sprinklers have been installed in railway siding in Mugma Area. In 2016-17, Fixed sprinklers were installed Purushottampur Railway Siding at Jhanjra Area and Bonjhemari Railway Siding at Salanpur.
- b. **Piezometer Installation:** ECL has taken initiative of monitoring Ground Water level through Piezometers. The study report for installation of piezometer at 61 locations, encompassing 12 Clusters and Stand alone EC mines, has been completed through CMPDIL
- c. **Preparation of Shape Files of Mines of ECL:** As per the directives of MoEF&CC Shape files and kml files of all the mines of ECL has been prepared for monitoring through DSS platform of MoEF&CC.

6. ISO Certification:

Company-wide ISO certification has been started through Integrated management System. In the current financial year selection of certification body has been completed. In order to make necessary preparation for the certification process Two (2) Basic Awareness program and One (1) Internal Auditor Course has been imparted through CMPDIL, Ranchi to executives of ECL.

7. Scientific Study:

“Mine site restoration by erosion prevention and soil dump stabilization” project at OB Dump of S.B. OCP has been taken up by IIT Kharagpur. The Work Order has been issued and a pilot scale study has been initiated by the IIT Kharagpur Team.

In compliance to EC condition of Cluster no.1 and Cluster No. 2, Wildlife Management Plan for Mugma Area has been prepared by Central Institute of Mining and Fuel Research (CIMFR).

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ANNEXURE-V

CSR Activities 2016-17

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 Dy.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.

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:

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ANNUAL REPORT 2016-17

Particulars	2013-14	2014-15	2015-16
Profit before Tax (₹ in crore)	1299.28	1782.41	1300.04
Less Profit on Sale of Assets (₹ in crore)	1.63	1.10	0.31
Profit u/s 198 (₹ in crore)	1297.65	1781.31	1299.73
Average net profit for three years (₹ in crore)	1459.56		

Therefore, 2% of Average Net Profit comes to ₹ 29.19 Crore.

Prescribed CSR Expenditure:

Fund provisioning by ECL is based on the CSR Policy of CIL which is 2% of Average Net Profit of ₹ 2/- per tonne of coal production of previous year whichever is higher. Production in 2015-16 was 40.21 MT. Hence CSR provision at the rate of ₹ 2/- per tonne of coal production would have been ₹ 8.04 crore, whereas @2% of Average Net Profit comes to ₹ 29.19 crore which is higher.

Details of CSR amount spent during the financial year :

- Total amount spent during the financial year : ₹ 21.62 crores
- Amount unspent : ₹ 7.57 crores
- List of activities undetaken by ECL under CSR is attached as Annexure A.

Reason for unspent amount for the year FY 2016-17 :

ECL has approved CSR Proposals of ₹ 42.95 crores against approved CSR Budget of ₹ 29.19 crores for FY 2016-17. The complexity involved in obtaining clearance from different stakeholders like Panchayat, District & State administration, intricacies involved in implementation of multilayer execution system took appreciable time which delayed the execution schedule of the major projects. The long terms projects approved in this financial year is commensurate with Budget provision and shall be gainfully utilized in the coming years as initial hurdles have been resolved. For the long term projects undertaken in FY 2016-17, partial payment has been made during FY 2016-17 and remaining payment shall be done in coming financial years.

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



(Subrata Chakravarty)
Chairman-cum-Mg. Director
Eastern Coalfields Limited



(Dr. Indira Chakravarty)
Chairperson
CSR and SD Committee, ECL

Date: 22.06.2017

Place: Kolkata

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ANNEXURE - A**CSR Activity for the Financial Year 2016-17**

(₹ in Lakh)

Sl. No.	Activity	Sector	Budget outlay	Amount Spent	Comulative Expenditure upto 31.03.2017	Amount Spent directly or through Implementing agency
1	Inter School Essay and Debate competition Swachh Bharat Abhiyan	Swachh Bharat	6.50	6.19	6.19	Directly
2	Construction of laboratory room at Sripur Girls High School, Sripur Area.	Education	5.68	5.10	5.10	Directly
3	Construction of Bituminous Road from Kalipahari/CM Ghusick Bauripara to Budhu Dhaurah	Infrastructure	26.86	27.04	27.04	Directly
4	Construction of Bituminous Road from Sripur Village to Shibdanga Area at Sripur	Infrastructure	26.89	26.25	26.25	Directly
5	Mega Health Camp (Sripur and ECL HQ)	Health	2.40	2.09	2.09	Directly
6	Medical Activities of all areas	Health	8.32	6.24	6.24	Directly
7	Hiring of Water Tanker for Supply of Domestic Water to neighboring Villages of Mohanpur Colliery, Salanpur	Water Supply	13.63	0.96	0.96	Directly
8	Construction of 4 rig bore wells with submersible pump at Four villages in Salanpur.	Water Supply	19.60	19.60	19.60	BDO Salanpur
9	Construction of Road from Achra village to Alkusha village in Salanpur Block.	Infrastructure	74.43	37.21	37.21	Directly
10	Construction of Toilet and Drinking Water arrangement at Hindi Primary School, Chapuikhas at Ratibati.	Swachh Bharat	3.03	2.83	2.83	Directly

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11	Black Topping of Road at Hansdiha Village.	Infrastructure	19.33	19.32	19.32	Directly
12	Construction of Pucca Road from Khottadih More to Chhattisgonda.	Infrastructure	77.08	16.79	16.79	Directly
13	Construction of Individual Household Latrine(IHHL) out of Baseline Survey at Amrasota Gram Panchayat, Kunustoria	Swachh Bharat	18.20	9.10	9.10	BDO Raniganj
14	Construction of Pucca Shed with Facility of lighting & drinking water at South Bank of Ajoy river Pandaveswar (Burning Ghat)	Infrastructure	8.87	7.94	7.94	Directly
15	Construction of Toilets and Drinking Water at Private Schools	Swachh Bharat	19.04	18.97	18.97	Directly
16	Construction of PCC Road at Madhaipur	Infrastructure	0.79	0.46	0.46	Directly
17	Construction of road inside Khottadih village	Infrastructure	57.48	57.60	57.60	Directly
18	Construction of Well of 2.10 M Dia at Old Kumardihi Railway Siding Under Kumardihi-A Colliery	Water Supply	2.15	2.15	2.15	Directly
19	Project Swabhimaan	Women Empowerment	3.87	1.94	1.94	Durgapur Sundram Welfare Society
20	Procurement of Offset Printing Machine	Livelihood Enhancement	8.80	8.80	8.80	Bidhan Chandra Pratibandhi Karma Kendra
21	Construction of Rest room and platform at the premises of old Muslimpara Kabristan Bankola	Infrastructure	4.89	4.84	4.84	Directly
22	Organisation of Sports for Physically Challenged Persons in Kenda	Sports promotion	0.50	0.50	0.50	Directly
23	Construction of cremation centre & RCC rest shed at Banbahal Village	Infrastructure	5.08	5.03	5.03	Directly

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24	Construction of PCC road from Rakshakita village to Gajartola	Infrastructure	23.08	23.01	23.01	Directly
25	Supply of drinking water through Water Tanker	Water Supply	156.00	156.55	156.55	Directly
26	Approval of payment of ₹70 lakhs to M/s JSPL towards operation & maintenance expenses of the institution for a period from 1st September 2016 to 31st Aug 2017	Skill Development	70.00	52.50	52.50	O P Jindal Gramin Jan Kalyan Sansthan
27	Construction of Cycle shed, Cultural stage and toilets (Boys & Girls) at High School Bagdaha, Palajori Block of Deoghar.	Education	19.91	5.79	5.79	Directly
28	Eye camp under medical CSR	Health	0.37	0.17	0.17	Directly
29	Renovation of Taal Pukur Tank at Sanctoria Village	Water Supply	4.29	2.14	4.28	Sanctoria Village Samity
30	CSR proposal for Skill Development training program by George Telegraph Training	Skill Development	24.31	14.58	14.58	George Telegraph Training Institute
31	Support of Computerized braille transcription system, Candle manufacturing unit, Sewing unit/machine with fashion maker unit & Solar power plant system for Asansol Braille Academy, a unit of Asansol Prevention of Blindness Society to Support the visually impaired children	Livelihood Enhancement	14.35	14.35	14.35	Asansol Prevention of Blindness Society
32	Renovation of abandoned well to solve the problem of drinking water at Nunia Basti, Sanctoria	Water Supply	0.69	0.69	0.69	Sanctoria Village Samity
33	Repairing of school building of Dishergarh AC institution at Sanctoria	Education	16.87	16.27	16.27	Directly
34	Purchase of 10 no. computers and 1 printer for Computer training school at Sitarampur Ramkrishna Sarda Sangha	Education	2.57	2.57	2.57	Sitarampur Ramkrishna Sarda Sangha

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35	Providing support to Durgapur Children's academy of Culture for repairing and remodeling of Rock climbing wall under CSR scheme of ECL	Sports promotion	2.60	2.60	2.60	Durgapur Children's academy of Culture
36	Renovation of the school hostel & Matri Bhawan (Kitchen & Dining hall) Buildings of Ramakrishna Mission Ashram, Asansol)	Education	16.00	16.00	16.00	Ramakrishna Mission Ashram, Asansol
37	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 the FY 2016-17 & 2017-18	Skill Development	48.80	24.40	24.40	CIPET
38	Solid Waste Management Project in Kalighat Temple	Environment	15.83	12.83	12.83	SSRDP
39	Financial Assistance for purchase and installation of 1). A-Scan Bio meter Model Echorule Pro 2) Slit Lamp AIA with 5 Steps instruments to punardristee Eye and General Hospital	Health	4.28	2.05	2.05	Punardristee Eye & General Hospital
40	Construction of Electric Crematorium at Dishergarh Burning Ghat	Environment	192.00	134.75	134.75	Asansol Municipal Corporation
41	Water Supply, installation of solar pump, open well , deep bore well etc for toilets constructed / repaired under SVA	Swachh Bharat	8293.00	377.87	5532.87	District Administration Purulia
				835.86	835.86	District Administration Sahibganj

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42	Installation of Organic Waste Converter (OWC) under the project of Solid Waste management at Tarapith Temple, Village Tarapur, Sahapur Gram Panchayat, Distt.- Birbhum, West Bengal	Environment	18.72	8.25	17.25	SSRDP
43	Installation of Organic Waste Converter(OWC) under the project Solid Waste Management at Baba Baidyanath Mandir at Deoghar, Jharkhand	Environment	11.51	2.59	11.50	Shivesta
44	Installation of Organic Waste Converter(OWC) under the project Solid Waste Management at Dakshineswar Temple, under the head Swachh Bharat Abhiyan, Kolkata	Environment	12.63	2.63	12.63	SSRDP
45	Training on Refrigeration & Air-conditioning and beautician course at VTC Salanpur	Skill Development	14.58	4.71	12.00	SSRDP
46	Skill development livelihood center for vocational training(Sambhav Foundation) at Kenda Area	Skill Development	22.93	11.46	22.93	Sambhav Foundation
47	Community Participation Model Project for Economic Development and Nutritional Health Management through Organic Farming, Education and Demonstrations by I.I.T., Kharagpur at Kenda Area	Livelihood Enhancement	49.60	14.88	42.16	IIT Kharagpur
48	Extension 2nd Year of Electrical Skill Training at VTC Salanpur	Skill Development	8.66	5.20	5.20	SSRDP
49	Project of Divyangjan residing around the command area of ECL	Health	24.40	7.32	7.32	ALIMCO
50	MMV services to be engaged for providing medical and health care services for the villagers in the surrounding villages of ECL Command Area	Health	23.50	23.50	47.00	Wockhardt, HMRI and RK HIV

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51	Construction of 04 Class rooms in Jawahar Navodaya Vidyalaya, Benagoria, Dhanbad under Mugma	Education	79.72	47.83	47.83	District Administration, Dhanbad
52	Construction of School at Mugma under ECL	Education	688.03	42.70	42.70	DAV Mugma
53	Providing and fitting of Pipeline for Drinking water at upper Kuhuka village	Water Supply	9.94	5.88	10.47	Mugma
54	Printing of CSR Magazine for FY-2014-15	Miscellaneous	0.87	0.87	0.87	Directly
55	CSR co-ordination Meeting	Miscellaneous	0.02	0.02	0.02	Directly
56	Purchase of Toner for Xerox Machine	Miscellaneous	0.05	0.07	0.05	Directly
57	Purchase of Toner and Spiral binding of books for Subcommittee of Board of ECL for CSR and Sustainability	Miscellaneous	0.03	0.03	0.03	Directly
58	Payment to TISS for human Resource for period of 6 months (October'2015 to March'2016)	Miscellaneous	1.80	1.80	1.80	TISS
	Total			2161.67		

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ANNEXURE-VI

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 2017, Board comprised 7 Directors, out of which 4 were whole-time Functional Directors, 1 Part Time Official Director, 1 Part Time Non-Official Director and CMD, WCL was holding the additional charge of CMD, ECL.

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

DIRECTORS:

During the year 2016-17, Shri C.K. Dey was the Chairman-cum-Managing Director (Additional charge) of the Company till 22.11.2016 and thereafter Shri R.R. Mishra, Chairman-cum-Mg. Director, WCL is holding the additional charge of Chairman cum-Mg Director of ECL w.e.f 23.11.2016.

The other Directors on the Board of the Company during 2015-16 were Shri V. Peddanna (upto 28.02.2017), Dr. Indira Chakravarty, Shri C.K. Dey, Shri K.S. Patro, Shri A.M. Marathe, Shri B.N. Shukla (w.e.f 17.08.2016) and Shri A.K. Singh (w.e.f 15.09.2016).

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 2017, 10 Board meetings were held as against the minimum requirement of 4 meetings. The details of the Board meetings are as follows:

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Date	Board of Directors							
	Functional		Part-time Official		Part Time Non-Official		Total	
	Strength	Present	Strength	Present	Strength	Present	Strength	Present
10.04.2016 11.04.2016	2	2	2	2	1	1	5	5
12.05.2016	2	2	2	2	1	1	5	5
26.05.2016	2	2	2	2	1	1	5	5
15.06.2016	2	2	2	2	1	1	5	5
29.07.2016 30.07.2016	2	2	2	2	1	1	5	5
31.08.2016	3	3	2	2	1	1	6	6
29.09.2016	4	3	2	2	1	1	7	6
30.11.2016	5	5	2	2	1	1	8	8
01.02.2017	5	5	2	2	1	1	8	8
18.03.2017	5	4	1	1	1	1	7	6

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	
	Functional Directors:			
1	Shri Rajiv Ranjan Mishra Chairman cum-Mg. Director, ECL (Additional Charge) (w.e.f 23.11.2016)	3	3	2
2	Shri K.S Patro Director (Personnel)	10	10	NIL
3	Shri A.M. Marathe Director (Finance)	10	10	NIL
4	Shri B.N. Shukla Director (Technical) Operations (w.e.f 17.08.2016)	5	4	NIL
5	Shri A.K. Singh Director (Technical) Project & Planning (w.e.f 15.09.2016)	4	3	NIL
	Part-time Official Directors:			
6	Shri V. Peddanna Joint Secretary, MoC	9	9	NIL
7	Shri Chandan Kumar Dey Director (Finance), CIL Additional Charge, CMD, ECL (upto 22.11.2016)	10	10	6
	Part Time Non-Official Director:			
8	Dr. Indira Chakravarty	10	10	NIL

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

Name	Designation	Remuneration for the year 2016-17 (Amount in ₹)		
		All elements of remuneration package (i.e. salary, pension, P.F., gratuity etc.)	Other benefits	Total
Shri K.S. Patro	Director (Personnel)	2967383.00	62770.00	3030153.00
Shri A.M. Marathe	Director (Finance)	2997426.00	20646.00	3018072.00
Shri B.N. Shukla (w.e.f 17.08.2016)	Director (Technical) Opn.	1556968.00	135040.00	1692008.00
Shri A.K. Singh (w.e.f 15.09.2016)	Director (Technical) P&P	1542760.00	63739.00	1606499.00

(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	1,50,000/-	2,85,000/-	4,35,000/-

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;

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- 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 V. Peddanna (upto 28.02.2017), 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 B.N. Shukla, Director (Technical) Operations (w.e.f 31.08.2016).

Shri V. Peddanna, part-time official director was Chairman of the Audit Committee; however, in his absence in the 80th Audit Committee Meeting held on 21.02.2017, Dr. Indira Chakravarty, part-time non-official director was elected the Chairperson of the Audit Committee.

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 2016-17. The details of the Audit Committee Meeting are as follows:

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Date	Members							
	Functional		Part-time Official		Part Time Non-Official		Total	
	Strength	Present	Strength	Present	Strength	Present	Strength	Present
10.04.2016	1	1	2	2	1	1	4	4
26.05.2016	1	1	2	2	1	1	4	4
31.08.2016	1	1	2	2	1	1	4	4
29.11.2016	2	1	2	2	1	1	5	4
01.02.2017	2	2	2	2	1	0	5	4
21.02.2017	2	2	2	0	1	1	5	3

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	Shri V. Peddanna	6	5
2	Shri C.K. Dey	6	5
3	Dr. Indira Chakravarty	6	5
4	Shri K.S. Patro	6	5
5	Shri B. N. Shukla	3	3

[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 V. Peddanna (upto 28.02.2017), 1 (one) part time non-official Director viz. Dr. Indira Chakravarty and three Functional Directors viz. Shri A.M Marathe, Director (Finance), Shri B.N. Shukla, Director (Technical) Operations (w.e.f 31.08.2016) and Shri A.K. Singh, Director (Technical) Project & Planning (w.e.f 29.09.2016).

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

Shri V. Peddanna, Part time Official Director was the Chairman of the committee for the first four meeting of the financial year 2016-17 and after his superannuation on 28.02.2017, Shri A.M. Marathe, Director (Finance) was the chairman of the meeting held on 18.03.2017.

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During the year 2016-17, 5 (five) meetings of the Committee for Evaluation, Appraisal and Approval of Projects were held i.e. on 15.06.2016, 31.08.2016, 30.11.2016, 31.01.2017 and 18.03.2017. 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 V. Peddanna	4	4
2	Dr. Indira Chakravarty	5	5
3	Shri A.M. Marathe	5	5
4	Shri B. N. Shukla (w.e.f. 31.08.2016)	3	2
5	Shri A. K. Singh (w.e.f. 29.09.2016)	3	2

[C] Committee on C.S.R. & Sustainability.

In the 261st meeting of the ECL Board, CSR & Sustainability Committee was constituted. The Committee consisted 1 (one) part time Official Director, viz. Shri V. Peddanna (upto 28.02.2017), 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, Director (Technical) Operations (w.e.f 31.08.2016) and Shri A.K. Singh, Director (Technical) Project & Planning (w.e.f 29.09.2016).

Company Secretary is Secretary to the Committee and HOD (CSR&W) is the Nodal Officer for this Committee

During the year 2016-17, 6 (six) meetings of the Committee on C.S.R. were held i.e. on 10.04.2016, 12.05.2016, 29.07.2016, 07.10.2016, 31.01.2017 and 21.02.2017. 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 V. Peddanna (upto 28.02.2017)	6	5
3	Shri K.S. Patro	6	6
4	Shri A.M. Marathe	6	5
5	Shri B. N. Shukla (w.e.f. 31.8.2016)	3	3
6	Shri A. K. Singh (w.e.f. 29.09.2016)	3	2

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[D] Committee on Performance Review.

In the 285th meeting of the ECL Board, Performance Review Committee was constituted. The Committee consisted 1 (one) part time Official Director, viz. Shri V. Peddanna (upto 28.02.2017), 1 (one) part time non-official Director viz. Dr. Indira Chakravarty and 2 (two) Functional Directors viz. Shri K.S. Patro, Director (Personnel) and Shri A.M Marathe, Director (Finance). During the year 2016-17, 1 (one) meeting of the Performance Review Committee was held i.e. on 10.04.2016.

Company Secretary is Secretary to the Committee and General Manager (P&P), General Manager (Excv.), General Manager (E&M) and General Manager (S&M) are the Permanent Invitees to the Committee.

Shri V. Peddanna, Part time Official Director was the Chairman of the committee. 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 V. Peddanna (Upto 28.02.2017)	1	1
2	Dr. Indira Chakravarty	1	1
3	Shri K.S. Patro	1	1
4	Shri A.M. Marathe	1	1

[E] Risk Management Committee.

In the 291st meeting of the ECL Board, Risk Management Committee was constituted. The Committee consisted 1 (one) part time Official Director, viz. Shri V. Peddanna (upto 28.02.2017), 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, Director (Technical) Operations (w.e.f 31.08.2016) and Shri A.K. Singh, Director (Technical) Project & Planning (w.e.f 29.09.2016). During the year 2016-17, 1 (one) meeting of the Risk Management Committee was held i.e. on 07.10.2016.

Company Secretary is Secretary to the Committee and Shri V. Peddanna, Part time Official Director was the Chairman of the committee. 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 V. Peddanna (upto 28.02.2017)	1	1
2	Dr. Indira Chakravarty	1	1
3	Shri K.S. Patro	1	1
4	Shri A.M. Marathe	1	-
5	Shri B. N. Shukla (w.e.f. 31.08.2016)	1	1
6	Shri A. K. Singh (w.e.f. 29.09.2016)	1	1

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ANNUAL REPORT 2016-17**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 2016-17:

Statutory Auditors:

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

Branch Auditors :

2. M/s. U S Saha & Co., 228 Kamalalaya Centre, 2nd Floor, 156 A Lenin Sarani, Kolkata-700013.
3. M/s D. Jha & Associates, S. Madhuboni Purbapalli, Behind Sainik Bhawan, Baronilpur Road, P.O.: Sripalli, East Burdwan, Pin - 713103
4. M/s N. Sarkar & Co., 21 Prafullya Sarkar Street, Kolkata-700072
5. M/s Virendra Surana & Co., Near Vivekananda College, Sripalli, Burdwan-713103
6. M/s. Saraf & Chandra, 501, Ashoka House, 3A Hare Street, 5th Floor, Kokata-700001

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
2013-14	14.06.2014 12:15 PM	Sanctoria	Shri Rakesh Sinha, CMD, ECL Shri S. Manna, Chief Manager(F), CIL, Representative of CIL, Chairman, CIL and Director (Finance), CIL Shri S.M. Sharma, Chairman, Audit Committee Shri K.K. Gautam, Special Director, BIFR Shri S. Chakravarty, D (T) Operation, ECL, (Member of audit committee) Shri C.K. Dey, D(F), ECL, Shri Ramesh Chandra, D (T) P&P, Shri K.S. Patro, D(P).	
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	

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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 *
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*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.

(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.

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(e) CEO/CFO Certification:

A certificate duly signed by Shri A.M. Marathe, Director (Finance) and Shri R.R. Mishra, Chairman-cum-Mg. Director (Additional Charge) was placed in the 298th Board Meeting is annexed to the Corporate Governance Report as **Annexure-C**.

(f) Compliance with applicable laws:

During the Financial Year 2016-17, 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.

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, 2017 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, 2017 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 2016-17, 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 05.09.2016.

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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 Subrata Chakravarty (59), is Chairman cum-Mg. Director of Eastern Coalfields Ltd. w.e.f 15.06.2017. He has also served as Director (Technical) Operations of Eastern Coalfields Limited in the past.

Having initial school education at Patha Bhawana, Santiniketan, he pursued his Graduation in Mining Engineering from Indian School of Mines in the year, 1979 presently known as IIT (ISM) Dhanbad. Thereafter, acquired Master of Computer Application from BIT, Mesra in the year 1997. He was awarded William Selkirk Scholarship and Haarlem-E-West Scholarship for Master's degree studies in Imperial College of Science & Technology, London, which remained unavailed.

Sri Chakravarty has a vast practical experience in Mining Industry for more than 35 years. He has worked in different capacities of Management Administration, Production, Planning Functions in underground as well as opencast mines of CCL, BCCL, NCL and ECL. Prior to joining as Chairman cum-Mg. Director, ECL, he worked in various capacities like Chief General Manager/Technical Secretary to Chairman, Coal India Ltd., Chief General Manager, Amlohri Project, Northern Coalfields Ltd and Director (Technical) Operations, ECL. He has an excellent track record of various performance indicators which has always been appreciated. He has a distinct role in turning around ECL from a perennially loss making to a profit making company as Director (Technical) of ECL. During his period, ECL has earned MoU Excellence Award consecutively for three years.

Sri Chakravarty has widely travelled foreign countries like U.S.A., Russia, Belarus, Germany, Switzerland, France, China, Singapore etc., as a part of Indian Delegation, U.N.D.P. and official tours. Sri Chakravarty is interested in reading books, singing and is a keen follower of all sports.

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 Part time Official Director on the Boards of Eastern Coalfields Limited, South Eastern Coalfields Limited, Central Mine Planning & Design Institute Limited and Vice-Chairman of Hindustan Urbarak and Rashayan Limited, a Joint Venture Company of CIL, NTPC, IOCL, FCIL & HPCL.

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.

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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 Vivek Bharadwaj (48 years), Joint Secretary, Ministry of Coal, Government of India, joined as Part-Time Official Director on the Board of ECL on 9th June 2017. He is also a Part Time Director on the Board of BCCL. Earlier Shri Bharadwaj was on the Board of Coal India Limited, Northern Coalfields Limited and South Eastern Coalfields Limited.

Shri Bharadwaj is an IAS Officer of West Bengal Cadre of 1990 Batch. Shri Bharadwaj is an alumni of Mayo College and Demonstration School, Ajmer and is graduate in Economics from Shri Ram College of Commerce, Delhi University & MBA in Public Policy from University of Ljubljana, Slovenia.

Shri Bharadwaj has wide experience spread across various administrative posts in the State of West Bengal including that of SDO Alipurduar; Additional Executive Officer, Malda Zilla Parishad; Additional District Magistrate, Darjeeling; District Magistrate & Collector, Nadia; Project Director, Kolkata Environmental Improvement Project (KEIP); Chief Executive Officer (CEO) of KMDA (Kolkata Metropolitan Development Authority) and Special Secretary, I.T. Department. He has also provided his services to various Ministries and Departments of Government of India including Deputy Secretary/Director, School Education (MHRD, GoI) where he formulated the flagship programme of the Government of India to support ICT in education, and as Deputy Secretary/Director, Higher Education (MHRD, GoI), he was instrumental in formulation of the draft policy for regulation of foreign Universities in India.

His valuable services were recognized with various honors and awards like 'The Skoch Award 2010' for providing computer-aided education to Scheduled Caste dominated schools in Bankura and Burdwan and the feat of being last 15 finalists in 'The Stockholm Challenge Award'.

He has authored various Books/Research Studies/Articles that include 'A study on ICT usage in Indian Schools', Thesis on- Efficiency & Management practices of select public examining bodies in India - Benchmarking Boards and their performance, "Grading the Boards" published in the Times of India and various other articles on Urban Issues published on a regular basis by the Times of India, Kolkata. He was covered by the Economic Times in the feature "Top View". Shri Bharadwaj is a frequent Speaker in Conferences on Infrastructure, I.T. and Education.

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 the Science College in Kolkata and was subsequently trained as a WHO fellow in several renowned organizations and universities in the U.S.

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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 K.S. Patro, born on 3rd April, 1958 comes from a learned family of Ganjam, Odisha. Sri Patro, a graduate from KSUB College, Bhanjanagar (Odisha) with Economics Honours and Post Graduate Degree in Labour & Social Welfare.

Sri Patro joined Coal India Limited in 1982 as trainee Welfare Officer and posted to Eastern Coalfields Limited (ECL), a subsidiary company of Coal India Limited. At ECL he worked in different capacities, heading the Personnel Department in Units & Area level dealing with the multifarious functions related to Industrial Relation, workers welfare, Personnel matters especially wages & Salary administration, promotion etc.. During his long tenure at ECL he confronted a lot of delicate situations especially during major mining accidents involving fatality at New Kenda mines (1994), Shyamsundarpur Colliery and Bankola Colliery and with his rich field knowledge handled them effectively. After serving ECL for more than 27 years (1982-2009), joined Central Coalfields Limited (CCL) in the capacity of Chief Manager (Personnel) in 2009.

On being promoted during 2011 as General Manager (Personnel & IR and Welfare) headed Personnel Department of CCL, Ranchi. CCL, a company with manpower of more than 50000, he established a harmonious liaison with Functional Trade Unions at Company level and maintained rapport with the nearby villages with the sole aim of Corporate Social Responsibility. With his innovative and positive approach the IR scenario of company was not only cordial but also positively contributed to the growth of the company in production, productivity, offtake, profitability and helped in creating high motivational environment among the workers, Project Affected People and villagers at large. Sri Patro always concerned about the welfare of the employees contributed towards improvement of the socio-economic condition of the people living in periphery of company with thrust toward weaker section of society under Community Development (CD) / corporate social Responsibility (CSR). At CCL he played a major role in adoption of 03 nos. of villages namely Lupungtoli, Seemartoli and Zari (The birth place of Martyr of 1971 Bangladesh war Sir Albert Ekka) under CSR, keeping a personal touch of all-round development of these villages

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with a special emphasis on health, education and welfare. He possesses a knack to visit workers colonies to know about their well-being.

With a vast experience in Coal industry and innovative positive approach towards the work his achievements were instrumental in his success story and on being selected as Director (Personnel) of ECL assumed charge from 01st November, 2013 with a determination to bring comprehensive improvement of standard of living of the employees their families and the larger family of ECL consisting of the villagers, the poor and the downtrodden.

On rejoining ECL he is instrumental in accelerating welfare and CSR activities. Opening of Nursing School at CH Kalla, procurement of latest medical appliances for Kalla and Sanctoria Hospital, upgradation of employees quarters, colonies, VT centres, Canteen with AC and other facilities, fast disposal of compassionate appointment cases and appointment against land looser cases, opening of school at Jhanjra & Mugma Area, opening of skill development centre at Salanpur, Kenda, Rajmahal, Bankola, construction of more than 3300 toilets in Primary Schools of Purulia, Deoghar & Sahebganj districts etc are amongst some of the achievements. Besides this, recruitment of paramedical staffs, statutory personnel and other essential manpower along with imparting skill development training to existing manpower and training to skilled manpower of the company to boost up production, productivity and safety are also notable. Under his leadership, ECL started football academy under the guidance of Sports Authority of India (SAI) to develop players of under 13 years of age from different areas.

He has been awarded Best CEO(HR) Award (2014), 100 Most Talented Global HR Leaders(2015), HR Leadership Award (PSU Focus) (2016), HR Leader in Gold Category (2016) and his outstanding performance enabled ECL to win corporate category awards of Indira Gandhi Rajbhasa Puraskar in 'C' Category (2014), 1st Prize to ECL WIPS as Best Enterprise in Mini Ratna Category for last two years (2015 & 2016) and 50 Top PSU organization with innovative HR Practices (2016).

Shri A.M. Marathe, Director (Finance), Eastern Coalfields Limited was born on 2nd March, 1958. Shri Marathe joined as Director (Finance) of Eastern Coalfields Limited on 29.09.2015. Shri Marathe is a Chartered Accountant and is a member of the Institute of Chartered Accountants of India.

Shri Marathe has wide experience of over 35 years and has served the Coal Industry in different capacities. Shri Marathe joined Western Coalfields Limited as an Accountant on 16.02.1981. He also served in various Areas of WCL as well as SECL. Prior to joining as Director (Finance) of Eastern Coalfields Limited, he worked as General Manager (Finance) at WCL HQ, Nagpur.

He has visited Sweden, Switzerland and Germany in the Year 2014 on Advance Management Programmes.

Sri B. N. Shukla (57), graduated in 1982 from I.I.T. BHU and did M. Tech in Opencast Mining from Indian School of Mines, Dhanbad in 1989. He is silver medalist at B. Tech and M. Tech level and was popular student leader.

Shri Shukla has joined the Board of Eastern Coalfields Limited as Director (Technical) w.e.f 17.08.2016. Prior to this he held the post of Director (Technical), (Coal Resource Development) at CMPDIL.

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He joined SECL in 1982, where he was instrumental in deploying SDL and Chain Conveyor for depillaring in 1983. He experimented cast blasting in Jamuna Opencast mines and brought back Amalai opencast mines into production which was stopped by DGMS for six months due to vertical faces merged with OB benches. He joined Churcha east underground mine in 1999, where he experimented Hydro fracturing for hard roof management and constructed strata bunkers which reduced the breakdowns of belt conveyors and saving of power.

He joined as Sub-area Manager of Behraband U/G mine having modified continuous miner with LHD and the mine was adjudged the overall best mine in group 'A' of SECL with 36% growth in production. He was posted as Project Officer, Balram OCP to sort out the R&R problem and poor geometry. The mine bagged 1st prize in overall annual safety for successive two years. He was posted as General Manager, Bharatpur area in 2007, where he could sort out R&R problem and brought the mine into desired shape with sufficient land possession in hand. Then he was posted in most difficult area of MCL, i.e. Hingula area where the daily production was 21000 tpd, when he left the area, the daily production was 62000 tpd.

Considering his vision, knowledge, strategy he was posted as General Manager, Corporate Planning and Projects at MCL HQ, where he was instrumental in diversification of MCL into pit head Super critical thermal power projects (2 x 800 MW) for which MBPL company was formed and he has appointed Director w.e.f. 9.04.2012, other diversification were into solar, port and power transmission business.

He was key person in translating Jharsugda Barapalli rail link on paper to ground fighting tooth and nail to complete it by 2016 June, which is life line for growth of MCL. He got projects approved with total capacity of 322 MT (peak) from a level of 122 MT. He planned and monitored various infrastructural activities like road network, rail network, CHP, silo and was actively involved in meetings with MoC, state Govt. to sort out forest, R&R and law & order problems.

He was posted as Director (Technical) (Coal Resource Development), CMPDIL on 1st October, 2015. Departmental Drilling during 2015-16 was an all-time high with highest ever growth in volume of about 52000 Meter. He was instrumental in getting CMPDIL notified under Sec-4(1) of MMDR 1957 for prospecting for any mineral which is a landmark in the history of CMPDIL. All the previous exploration work including regional, promotional and detailed was brought on digital platform having many layers like WGS-84, forest density map, survey of India toposheet, Google earth etc.

He visited China and presented many technical papers in seminars. He was very good sportsman and was captain of IT Boating club, BHU. He performed journey on cycle from BHU to Kathmandu, Nepal in 1981.

Shri Ajay Kumar Singh (57), Passed Intermediate in Science from St. Xavier's College, Ranchi. He acquired his B. Tech. degree in Mining from Banaras Hindu University (BHU), one of the oldest educational institution in the country, and M. Tech. in Mine Planning & Design from ISM, Dhanbad. Possessed 1st Class Mine Manager's Certificate of Competency in the year 1988.

Completing Graduation, he joined in Kathara Area of Central Coalfields Limited, a subsidiary of Coal India Limited as JET(Junior Executive Trainee) on 11-08-1983, and worked in different capacity viz., Manager, Project Officer, etc., in that Area and Bokaro & Kargali Area of CCL before being transferred to

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ANNUAL REPORT 2016-17

Eastern Coalfields Limited in August, 2001. Due to his varied and vast experience, he was posted as Agent in Amritnagar and Bansra Colliery of Kunustoria Area. During his tenure, due to sincere efforts, planning and timely execution of activities, the underground production of Bansra Colliery increased by more than 40% over a period of three years and it became a profit making underground mine. Over and above, the colliery bagged the National Safety Award from President of India. Thereafter, he worked as Additional General Manager in Kenda, Jhanjra and Mugma Area and took the charge of Area General Manager, Mugma Area on 1st. March, 2009. Due to his proper and timely planning of all activities, management ability and team building capacity, Mugma Area witnessed a massive growth of 24% in underground coal production. He was then transferred to Salanpur Area, which witnessed a record rise in production of 2.27 M.te in the year 2013-14 and profit of the Area was four times higher than that of previous year. The Dabor colliery of Salanpur Area became a profit making mine by converting it to a departmental opencast mine from underground colliery during his tenure. A lot of CSR (Corporate Social Responsibility) activities have been completed in time by him in Mugma and Salanpur Areas.

Thus, has more than 34 years of experience of operation, maintenance and management of both Underground and Opencast Mines.

Has visited France in the year 1986 to undergo a training programme in thick-seam mining for seven month conducted by CdF, France. In 2010 attended an Exhibition on Mining Equipment as a Member of Coal India delegation in Germany. In 2013, he visited Sweden and Germany for attending Advance Management Programme. As a Member of the Coal India delegation, he attended the Mine Expo 2016 held at Las Vegas, U.S.A. in September, 2016.

Due to his vast, wide and management experience, he was selected in the post of Director (Technical), ECL and assumed the charge with effect from 15th September, 2016.

Has keen interest in sports, yoga and different cultural activities.

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EASTERN COALFIELDS LIMITED

ANNEXURE - C

Eastern Coalfields Limited

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

Company Secretariat

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

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

ईस्टर्न कोलफील्ड्स लिमिटेड
अध्यक्ष-सह-प्रबंध निदेशक का कार्यालय
सांकतोड़िया, पत्रालय - डिसेरगढ़,
जिला - पश्चिम बर्द्धमान, पश्चिम बंगाल -713333
कंपनी सचिवालय
सी.आइ.एन.-U10101WB1975GOI030295
वेबसाइट - www.easterncoal.gov.in



CEO AND CFO CERTIFICATION

To
The Board of Directors
Eastern Coalfields Limited

Date: 25-05-2017

We, R. R. Mishra, Chairman-cum-Managing Director, Eastern Coalfields Limited and, A. M. Marathe, Director (Finance), Eastern Coalfields Limited, responsible for the finance function certify that:

- a. We have reviewed the Financial Statements of the Company for the year ending 31" March, 2017 together with Accounting Policies and Additional Notes thereon as well as Financial Results for the year ending 31st March, 2017 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 ending 31st March, 2017 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 year under reference;

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- ii. There has not been any significant change in accounting policies during the Period. However, there were changes in measurement and recognition of certain income/expenses and assets/liabilities necessitated by implementation / transition to Ind AS w.e.f 01.04.2015, which have been adequately disclosed in appropriate places in significant accounting policies and notes to the financial statements.

We also refer to notes to financial statements on "Transition to Indian Accounting Standards (Ind AS)"-para 1 and para 2 thereof; and

- 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.

Director (Finance)
Eastern Coalfields Limited

Chairman-cum-Managing Director
Eastern Coalfields Limited

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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

Auditors' Certificate on Compliance with the conditions of Corporate Governance

To
The Members of Eastern Coalfields Limited

We have examined the compliance of conditions of Corporate Governance by **Eastern Coalfields Limited** ("the Company") for the year ended 31st March, 2017.

The compliance of conditions of Corporate Governance is the responsibility of the management. The Company is the subsidiary of Coal India Limited, a Government Company which is listed. The shares of the Company are not listed in any stock exchange and our examination was carried out in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has generally complied with the conditions of Corporate Governance.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficacy with which the management has conducted the affairs of the Company.

Date : 25th May, 2017
Place : Kolkata

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



(D. Choudhury)
Partner
Membership No. 052066

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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 to the Report of the Board of Directors

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2017

[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, 2017, 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, 2017, 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.

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- (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 Company has not complied the directions of Ministry of Coal, Govt. of India, vide letter No-21/35/2005-ASO(2), dtd-06/06/2008 in respect of reconstitution of Board of directors of the Company.
- The available record shows that there is a shortfall/ unexpended amount of ₹ 7.57 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:

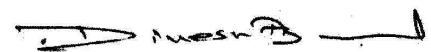
The Board of Directors of the Company is duly constituted as per the Companies Act, 2013 except appointment of independent director. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

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.

Place: Kolkata
Date: 30th June, 2017



(DINESH AGARWAL)

Company Secretary

C. P. No. 5881

Membership No. 6315

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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: 30th June, 2017

(DINESH AGARWAL)

Company Secretary

C. P. No. 5881

Membership No. 6315

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Management Reply to the observations in Secretarial Audit Report of ECL for FY-2016-17

Sl. No.	Observation by Secretarial Auditor	Management Reply
1.	As per available information, company is not having sufficient number of Independent Director as required u/s 149 of the Act.	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. Appointment of Directors in ECL is being done by Ministry of Coal, Govt of India.
2.	The company has not complied the directions of Ministry of Coal, Govt. of India, vide letter no.-21/35/2005-ASO(2) dated 06.06.2008 in respect of Board of Directors of the Company	
3.	As per section 177 of the Companies Act, 2013 Audit Committee is required to be constituted. It is not being properly constituted.	
4.	The available records show that there is shortfall/unexpended amount of ₹ 7.57 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-2016-17.

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Form No. MGT-9**EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31.03.2017**

[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

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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	
A. Promoters									
(1) Indian									
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....									
Sub-total (A) (1):-	Nil	22184500	22184500	100	Nil	22184500	22184500	100	Nil
(2) Foreign									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	Nil	22184500	22184500		Nil	22184500	22184500		
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt.									
d) State Govt.									
e) Venture Capital Funds									
f) Insurance Co.									
g) FIs									
h) Foreign									
Venture Capital Funds									
i) Others (specify)		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):-									
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									

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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)									
Sub-total (B)(2):- Total Public Shareholding (B)=(B)(1)+(B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	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
	TOTAL	22184497	99.99	Nil	22184497	99.99	Nil	Nil

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

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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	1	0.01	1	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	1	0.01	1	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
Indebtedness at the beginning of the financial year				
i) Principal Amount		1492.01		1492.01
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)		1492.01		1492.01
Change in Indebtedness during the financial year				
→Addition		105.43		105.43
→Reduction		6.94		6.94
Net Change		98.49		98.49

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Indebtedness at the end of the financial year				
i) Principal Amount			1590.50	1590.50
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)			1590.50	1590.50

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 K.S. Patro, Director (Personnel), (WTD)	Shri A.M. Marathe Director (Finance) (WTD)	Shri B. N. Shukla Director (Technical) Opn., (WTD)	Shri A. K. Singh Director (Technical) P&P, (WTD)	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	2298683.00	2327221.00	1330199.00	1332970.00	7289073.00
		346500.00	348005.00	226769.00	209790.00	1131064.00
		Nil	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4	Commission -as % of profit -others, specify	Nil	Nil	Nil	Nil	Nil
5	Others, please specify	384970.00	342846.00	135040.00	63739.00	926595.00
6	Total (A)	3030153.00	3018072.00	1692008.00	1606499.00	9346732.00
7	Ceiling as per the Act					2.17 crore

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a. Remuneration to other directors:

(Figures in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors	
		Dr. Indira Chakravarty	Total Amount
1	Independent Directors → Fee for attending board / committee meetings → Commission → Others, specify	453850.00 Nil Nil	453850.00 Nil Nil
	Total (1)	453850.00	453850.00
2	Other Non-Executive Directors → Fee for attending board / committee meetings → Commission → Others, specify		Nil Nil Nil
3	Total (2)		453850.00
4	Total (B)=(1+2)	453850.00	453850.00
5	Overall Ceiling as per the Act		0.22 crore
6	Total Managerial Remuneration (A+B)		9800582.00

a. 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	2277892.00	2277892.00
		394829.00	394829.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		Nil
	Stock Option	Nil	Nil
	Sweat Equity	Nil	Nil
	Commission		
	- as % of profit	Nil	Nil
	- Others, specify...		
	Others, please specify	15930.00	15930.00
	Total	2688651.00	2688651.00

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)
a. Company					
Penalty					
Punishment			NIL		
Compounding					
b. Directors					
Penalty					
Punishment			NIL		
Compounding					
c. Other officers in default					
Penalty					
Punishment			NIL		
Compounding					

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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	2016-17	2015-16
(A)	Foreign Exchange Used		
	1. CIF value of imports		
	(a) Raw materials	0.00	0.00
	(b) Components, stores & spares	475.00	1124.00
	(c) Capital goods.	15189.00	14908.00
	2. Travelling / Training Expenses	34.00	13.00
	3. Expenses on knowhow and Foreign Consultancy	0.00	0.00
	4. Pension to the Foreigners	0.00	0.00
	5. Others	424.00	220.00
	Total	16122.00	16265.00
(B)	Foreign Exchange Earned –	Nil	Nil

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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 |

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CONFIDENTIAL



सत्यमेव जयते

कार्यालय, प्रधान निदेशक वाणिज्यिक लेखापरीक्षा तथा पदेन सदस्य लेखापरीक्षा
बोर्ड-II कोलकाता
पुराना निजाम महल, आचार्य जगदीश चन्द्र बोस रोड,
कोलकाता - 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 14 June, 2017

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, 2017.**

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, 2017.

The receipt of this letter may please be acknowledged.

Encl. As stated.

Yours faithfully,

Kolkata
Dated : 14.06.2017

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

दु०भा०/Phones : 91-33-22875380/7165/2360/8838, 2281-0043/5654, फैक्स/Fax : 91-33-22800062
ई० मेल/E-mail : mabkolkata2@cag.gov.in, तार : “कोयलेखा” / Telegram : "COLADIT",

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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, 2017

The preparation of financial statements of Eastern Coalfields Limited for the year ended 31st March, 2017 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 25.05.2017

I, on the 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 31 March, 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report.

Place : Kolkata,
Dated : 14.06.2017

**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.

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**AUDITORS' REPORT TO THE MEMBERS OF
EASTERN COALFIELDS LIMITED**

Sl. No.	AUDITORS' REPORT	Management's Reply
	Report on the Ind AS financial statements	
1.	We have audited the accompanying Ind AS financial statements of EASTERN COALFIELDS LIMITED ("the Company") which comprise the Balance Sheet as at 31st March 2017, 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").	It is a statement of fact.
	Management's Responsibility for the Ind AS financial statements	
2.	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.	It is a statement of fact.
	Auditors' Responsibility	
3.	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.	It is a statement of fact.

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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 2017, its profit (financial performance 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. The comparative financial information for the year ended 31st March 2016 and the transition date opening Balance Sheet as at 1st April 2015, included in these Ind AS financial statements based on the previously issued statutory financial statements prepared in accordance with Accounting Standards specifies under Section 133 of the Act read with rule 7 of the Companies (Accounts) Rule 2014, were audited by us and our report for the year ended 31st March 2016 and 31st March 2015 dated 26th May 2016 and 26th May 2015 respectively expressed an unmodified opinion on those financial statements as adjusted for the impact of changes in It is a statement of fact.

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accounting policies and other changes to comply with Ind-AS (refer SL 4 (s) in Note-38).

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. |
| 10. | As required by Section 143 (3) of the Act, we report that: | |
| a. | We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the 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 2017 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 reporting of the Company and the operating effectiveness of such controls is given in Annexure 'III' attached. | It is a statement of fact. |
| j. | With respect to the other matters to be included in the Auditor's Report in | It is a statement of fact. |

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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:

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| 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; | It is a statement of fact. |
| 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; | It is a statement of fact. |
| iii. Transfer of funds to the Investor Education and Protection Fund was not applicable to the Company; | It is a statement of fact. |
| iv. The Company has provided requisite disclosures in its Ind AS financial statements, in Note No. 14, as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of account maintained by the Company. | It is a statement of fact. |

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ANNEXURE 'I' to the INDEPENDENT AUDITORS' REPORT
on EASTERN COALFIELDS LIMITED for the Year Ended 31st March 2017
(Referred to in Paragraph 8(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:	It is a statement of fact.
1.a.	The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.	
b.	All fixed assets procured during the last 3 financial years irrespective of their value and in respect of assets procured prior to the above period for assets valued at ₹1 Lakh and above have been physically verified by the management at the year end 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:	It is a statement of fact. However reconciliation of remaining 1672.93 Ha Land acquired under Direct purchase is in progress.

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	2587.59	2587.59	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	5648.09	3975.15	Compilation and reconciliation of documents/deeds in respect of the remaining 1672.94 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.
TOTAL	21406.54	19733.61	

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| 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. | Default in repayment of loans or borrowings to financial institutions, banks, government or 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. |

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| 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	Rs. In Crores	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.

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9	Central Sales Tax Act, 1956/ West Bengal VAT Act, 2003	WB VAT/CST	FY 2004-05	1.44	
10	Central Sales Tax Act, 1956/ West Bengal VAT Act, 2003	WB VAT/CST	FY 2010-11, FY 2011-12 & FY 2013-14	26.53	WBCT Appellate & Revisional Board
11	Central Sales Tax Act, 1956/ West Bengal VAT Act, 2003	WB VAT/CST	FY 2012-13	12.66	WBTT
12	Finance Act, 1994	Demand of Service Tax on Sizing charges	FY 2006-07 to 2010 - 11	36.54	CESTAT, Kolkata
13	Central Excise Act 1944	Central Excise Duty	March 2011 to March 2015	610.76	CESTAT, Kolkata
14	Central Excise Act 1944	Central Excise Duty	January 2012 to March 2015	0.21	CCE(Appeal), Kolkata
15	Income Tax Act, 1961	Income Tax	AY 1993-94, AY 2005-06 to AY 2009-10	264.76	ITAT, Kolkata
16	Income Tax Act, 1961	Income Tax	A.Y. 2010 -11 to A.Y. 2013-14	128.40	CIT(Appeal), Asansol
17	MMDR ACT, 1957	ROYALTY	Aprl 1986 to March 1996 & September '03	5.92	The Hon'ble Supreme Court
18	MMDR ACT, 1957	ROYALTY	from 24.09.03 to 31.12.05	0.17	The Hon'ble High Court,Ranchi
19	MMDR ACT, 1957	ROYALTY	2005-06	0.76	DCCT, Deoghar
20	CST Act, 1956 & JVAT Act, 2005	CST/JVAT	FY 1989-90 to FY 1995 - 98 & FY 2002-03	20.94	Jharkhand Taxation Tribunal
21	CST Act, 1956 & JVAT Act, 2005	CST/JVAT	FY 1997-98 to 2003-04 & 2008-09 to 2010-11	13.93	ACCT, Deoghar
22	CST Act, 1956 & JVAT Act, 2005	CST/JVAT	FY 2004-05 to FY 2007- 08	9.03	CCT, Ranchi
23	CST Act, 1956 & JVAT Act, 2005	CST/JVAT	FY 2011 -12 & FY 2012-13	3.69	DCCT, Deoghar
24	Central Excise Act 1944	Excise Act	FY 2016-17	1.23	CCE(Appeal), Dhanbad
25	Finance Act, 2010	Clean Energy Cess	FY 2016-17	1.37	CCE(Appeal), Dhanbad
26	CST Act, 1956 & JVAT Act, 2005	CST & VAT	FY 1989-90 to 1991-92 & FY 1997-98 to 2006-07	17.43	JCCT (Apeal) Dhanbad
27	CST Act, 1956 & JVAT Act, 2005	CST & VAT	FY 2007-08 FY 2013- 14	19.00	Dy C.C.T Chirkunda Circle
28	CST Act, 1956 & JVAT Act, 2005	CST & VAT	FY 2001-02	1.96	CCT, Ranchi
29	CST Act, 1956 & JVAT Act, 2005	CST & VAT	FY 2006 07 & 2008 09	3.50	ACCT, Godda

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30	CST Act, 1956 & JVAT Act, 2005	CST & VAT	FY 2008-09 to 2015-16	38.36	DCCT, Godda
31	Central Excise Act 1944	Central Excise Duty	March'11 to Feb.'13	2.52	CCE(Appeal), Ranchi
32	Central Excise Act 1944	Central Excise Duty	FY 2010-11 to 2014-15	7.69	CCE(Appeal), Dhanbad
33	Central Excise Act 1944	Central Excise Duty	FY 2014-15 & 2015-16	5.19	O/O the Principle Director of Audit, Ranchi
34	MMDR ACT, 1957	ROYALTY	FY 1990-91, 1996-97, 1997-98, 2007 - 08 to 2011 12	11.47	Certificate Officer, Dumka
35	MMDR ACT, 1957	ROYALTY	FY 1997-98	29.76	Hon'ble H.C., Ranchi
36	MMDR ACT, 1957	ROYALTY	FY 2006-07 to 2015-16	0.14	Dist. Mining Officer, Godda

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ANNEXURE 'II' to the INDEPENDENT AUDITORS' REPORT
on EASTERN COALFIELDS LIMITED for the Year Ended 31st March 2017
(Referred to in Paragraph 8(b) of our report of even date)

Annexure - A

Revised Directions under sub-section (5) of Section 143 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.	During the year the Company has not written off any debts.	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.	There is no such case during the year.	It is a statement of fact.

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ANNEXURE 'II' to the INDEPENDENT AUDITORS' REPORT
on EASTERN COALFIELDS LIMITED for the Year Ended 31st March 2017
(Referred to in Paragraph 8(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.	<p>Whether coal stock measurement was done keeping in view the contour map.</p> <p>Whether physical stock measurement reports are accompanied by contour map in all cases?</p> <p>Whether new heap, if any, created during the year has got the approval of the competent authority?</p>	<p>Coal Stock measurement was done keeping in view the contour map.</p> <p>The physical stock measurement reports are accompanied by contour maps.</p> <p>New heaps created during the year have the approval of the competent authority.</p>	It is a statement of fact.
2.	<p>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?</p>	<p>There is no such case during the year.</p>	It is a statement of fact.
3.	<p>Whether uniform treatment of land acquisition entries as well as interest on delayed payment of land compensation to the project affected persons (PAPs) across the subsidiaries have been considered during the preparation of Annual Accounts for the year 2016-17.</p>	<p>During the preparation of Annual Accounts for 2016-17, uniform treatment of land acquisition entries as well as interest on delayed payment of land acquisition have been considered by the Company.</p>	It is a statement of fact.
4.	<p>Whether disputes, if any, as to GCV ranges as a result of sampling have been duly examined. If, so, these are to be quantified and intimated to C&AG audit.</p>	<p>During 2016-17 there were 310 cases of disputes as to GCV ranges as a result of sampling for which adequate provision has been made by the Company.</p>	It is a statement of fact.

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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	2587.59	2587.59	Possession Certificates are available at mine offices under the respective areas of the Company as well as at the offices of the District LA Authorities.	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	5648.09	3975.15	Compilation and reconciliation of documents/deeds in respect of the remaining 1672.94 Ha of land is progress	It is a statement of fact. However reconciliation of remaining 1672.93 Ha Land acquired under Direct purchase 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.	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.
TOTAL	21406.54	19733.61		

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ANNEXURE 'III' to the INDEPENDENT AUDITORS' REPORT
on EASTERN COALFIELDS LIMITED for the Year Ended 31st March 2017
(Referred to in Paragraph 9(i) of our report of even date)

Independent Auditors' Report on the Internal Financial Controls under clause (i) of sub-section (3) of Section 143 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 2017 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	It is a statement of fact.
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such controls operated effectively in all material respects.

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| 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. | It is a statement of fact. |
| 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. | It is a statement of fact. |

Meaning of Internal Financial Controls over Financial Reporting

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|------|---|----------------------------|
| 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: | It is a statement of fact. |
| 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; | It is a statement of fact. |
| 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 | It is a statement of fact. |
| 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. | It is a statement of fact. |

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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 2017, 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.

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BALANCE SHEET AS AT 31ST. MARCH.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
PARTICULARS.										
SOURCES OF FUNDS :										
SHARE CAPITAL	2218.45	2218.45	2218.45	2218.45	2218.45	2218.45	2218.45	4269.42	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.	(6458.31)	(8567.40)	(8234.00)	(8127.43)	(7165.30)	(4677.05)	(3804.82)	(2716.00)	(1072.92)	(1052.15)
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.	656.23	689.26	665.52	656.24	670.18	674.17	681.29	164.33	1485.87	1584.31
OTHER NON CURRENT LIABILITIES				11.20	5.51	17.95	17.99	18.92	28.42	25.91
LONG TERM PROVISIONS	2324.70	3342.90	3634.76	4136.04	4731.93	4670.27	4042.55	3135.23	2948.25	2789.92
	-1258.93	-2316.79	-1715.27	-1105.50	460.77	2903.79	3155.46	4871.90	5608.07	5566.44
APPLICATION OF FUNDS :										
FIXED ASSETS :										
GROSS BLOCK.	5030.21	5217.34	5290.16	5197.08	5389.97	5535.55	5797.26	6618.71	2139.57	3074.95
LESS : DEPRECIATION.	3789.40	3983.67	4097.59	3988.28	4107.20	4280.72	4413.47	5053.31	163.58	452.86
NET BLOCK.	1240.81	1233.67	1192.57	1208.80	1282.77	1254.83	1383.79	1565.40	1975.99	2622.09
CAPITAL W.I.P.	41.34	39.85	64.80	36.91	51.28	61.32	106.87	265.86	561.01	382.78
INTANGIBLE ASSETS UNDER DEVELOPMENT				11.28	46.22	20.21	30.36	80.19	87.77	117.65
NON CURRENT INVESTMENTS.	0.34	0.31	0.28	0.21	0.18	0.15	0.13	0.08	0.08	0.08
DEFERRED TAX ASSETS						864.20	510.99	91.95	149.47	173.77
OTHER NON CURRENT ASSETS				18.34	17.68	17.43	16.33	17.41	0.36	0.15
OTHER LONG TERM LOANS AND ADVANCES				6.57	21.04	50.87	99.86	172.71	430.40	515.65
CURRENT ASSETS, LOANS & ADVANCES:										
CURRENT INVESTMENTS.				0.03	0.03	0.03	0.03	0.03	0.00	0.00
INVENTORIES.	331.42	323.83	453.36	568.72	622.93	442.33	450.52	551.02	764.21	603.30
SUNDRY DEBTORS.	269.84	338.11	746.79	959.20	2459.37	3582.13	1720.01	1426.88	1955.53	1607.49
CASH & BANK BALANCE	664.36	688.98	947.88	940.99	1248.74	1949.53	3852.00	4563.88	591.08	737.44
OTHER CURRENT ASSETS.	42.75	48.35	33.65	65.83	83.28	182.14	270.65	345.73	4022.62	4079.92
LOANS AND ADVANCES.	138.00	130.33	146.82	77.59	176.23	188.98	205.25	377.81	0.00	0.00
SUB-TOTAL.	1446.37	1529.60	2328.50	2612.36	4590.58	6345.14	6498.46	7265.35	7333.44	7028.15
LESS : CURRENT LIABILITIES	3987.79	5120.22	5301.42	4999.97	5548.98	5710.36	5491.33	4587.05	4930.45	5273.88
NET CURRENT ASSETS.	-2541.42	-3590.62	-2972.92	-2387.61	-958.40	634.78	1007.13	2678.30	2402.99	1754.27
MISC. EXPENDITURE.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL :	-1258.93	-2316.79	-1715.27	-1105.50	460.77	2903.79	3155.46	4871.90	5608.07	5566.44

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

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PROFIT AND LOSS.

(₹ in Crore)

PARTICULARS.	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
SALES (NET OF LEVIES).	3187.61	3837.40	5227.78	5882.60	8262.09	9191.91	8887.79	10,018.54	10219.45	10141.18
OTHER INCOME.	204.53	207.77	348.76	354.37	298.62	548.56	712.91	894.25	787.66	787.13
ACCRETION / DECRETION	-85.86	-11.90	123.26	112.35	44.32	(168.92)	(5.64)	84.84	186.24	(157.34)
WORKSHOP JOBS FOR OWN PURPOSE.	44.72	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	0.00	-	-	-
WAIVER OF APEX CHARGES.	0.00	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	0.00	-	-	-
COAL ISSUED FOR SUNDRY PURPOSES.	0.09	0.16	0.01	0.00	0.00	0.00	0.00	-	-	-
3351.09	4077.94	5750.29	6349.32	8605.03	9571.55	9595.06	10,997.63	11,193.35	10,770.97	
EMPLOYEES REMUNERATION & BENEFITS.	2597.87	3803.75	3364.35	4042.04	5217.06	5329.99	5495.74	5,850.50	5,709.95	6,436.58
ARREAR SALARY & WAGES	163.80	504.89	58.81	0.00	0.00	0.00	0.00	-	-	-
CONSUMPTION OF STORES & SPARES.	427.37	466.61	490.96	539.95	574.22	649.95	735.36	797.82	738.60	693.25
POWER & FUEL.	263.66	259.25	304.79	376.11	382.42	433.97	463.77	475.78	507.48	503.17
REPAIRS.	74.63	70.95	82.82	57.02	61.76	60.23	76.47	101.22	134.41	156.94
SOCIAL OVERHEAD.	229.89	268.09	296.40	180.52	79.33	117.12	92.98	24.85	62.61	21.62
CONTRACTUAL EXPENSES.	210.91	254.87	342.00	410.98	481.42	672.36	742.15	930.65	1,367.92	1,591.80
MISCELLANEOUS EXPENSES.	134.69	148.51	160.16	176.44	208.45	261.29	265.34	444.37	414.72	454.08
DEPRECIATION.	147.00	206.86	146.69	184.72	200.90	203.20	213.50	226.36	278.42	294.90
IMPAIRMENT	21.83	20.96	9.51	1.01	0.16	8.48	0.98	19.66	39.73	28.99
INTEREST & FINANCIAL CHARGES.	0.29	0.07	0.01	1.01	0.16	8.48	0.98	-	128.54	142.54
OVER BURDEN REMOVAL.	80.42	155.86	170.35	164.08	248.19	(324.59)	210.00	174.42	(11.71)	(49.37)
PROVISIONS.	12.47	17.43	-13.55	87.27	188.99	260.92	(131.57)	98.35	48.04	(144.91)
WRITE OFF.	0.00	2.76	1.97	22.61	0.00	0.00	127.70	73.42	42.21	-
4364.83	6180.86	5415.27	6242.75	7642.90	7672.92	8292.42	9,217.40	10,070.16	10,755.65	
PROFIT(+)/LOSS(-) FOR THE YEAR BEFORE PPA	-1013.74	-2102.92	335.02	106.57	962.13	1898.63	1302.64	1,780.23	1,123.19	15.32
PRIOR PERIOD ADJUSTMENT.	-12.92	-2.78	-1.62	0.00	0.00	(1.45)	(3.36)	2.18	-	-
FRINGE BENEFIT TAX.	-3.27	-3.39	0.00	0.00	0.00	0.00	0.00	-	-	-
TAX EXPENSES										
- CURRENT YEAR										
- MAT CREDIT ENTITLEMENT										
- DEFERRED TAX										
- EARLIER YEAR										
PROFIT(+)/LOSS (-) AFTER CPRA	-1029.93	-2109.09	333.40	106.57	962.13	1655.54	872.23	1,139.40	725.61	6.13
OTHER COMPREHENSIVE INCOME										
TAX ON OTHER COMPREHENSIVE INCOME										
OTHER COMPREHENSIVE INCOME										
TOTAL COMPREHENSIVE INCOME										
PROFIT & LOSS UPTO PREVIOUS YEAR	-5143.88	-6458.31	-8567.40	-8234.00	-8127.43	-7165.30	-5509.76	(4637.53)	(3548.71)	(2761.24)
TRANSITIONAL PROVISION	-284.50	0.00	0.00	0.00	0.00	0.00	0.00	-	-	-
RETAINED EARNINGS										
BALANCE CARRIED TO BALANCE SHEET	-6458.31	-8567.40	-8234.00	-8127.43	-7165.30	-5509.76	-4637.53	(3548.71)	(2761.24)	(2740.47)

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

PARTICULARS.	CAPITAL EMPLOYED, NET WORTH AND FINANCIAL RATIOS.											(₹ in Crores)	
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
CAPITAL EMPLOYED.	-2318.43	-3526.75	-3135.66	-1320.30	171.10	1971.14	2528.15	4589.75	5027.76	4876.79			
NET WORTH	-4239.86	-6348.95	-6015.55	-5908.98	-4946.85	-2458.60	-1586.37	1553.42	1145.53	1166.30			
LIQUIDITY RATIOS :													
i) Current Ratio (Current Assets/Current Liabilities).	0.36	0.30	0.44	0.52	0.83	1.11	1.18	1.58	1.49	1.33			
TURNOVER RATIOS :													
i) Capital Turnover Ratio (Net Sales / Capital Employed).	-1.37	-1.09	-1.67	-4.46	48.29	4.66	3.52	2.18	2.03	2.08			
ii) Sundry Debtors as Nos. of months :													
a). Gross Sales	1.33	1.25	1.61	1.76	2.99	3.93	2.15	1.69	2.20	1.61			
b). Net Sales.	1.70	1.58	1.93	2.13	3.87	5.20	2.89	2.26	2.90	2.34			
iii) Stock of coal as a No. of months' sale Value	0.80	0.62	0.74	0.84	0.66	0.37	0.38	0.43	0.60	0.45			
iv). Stock of Stores & Spares (Gross) as a No. of months' consumption (including Stock of Medicine at Central Hospital)	4.26	4.00	3.99	3.70	3.78	3.10	2.91	2.85	3.55	3.76			
STRUCTURAL RATIOS :													
i). Debt : Equity.	0.30	0.31	0.30	0.30	0.30	0.30	0.31	0.04	0.67	0.71			
ii). Debt : Net Worth.	-0.15	-0.11	-0.11	-0.11	-0.14	-0.27	-0.43	0.11	1.30	1.36			

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

OPERATIONAL STATISTICS

YEAR ENDING 31ST MARCH	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1 (a) PRODUCTION OF RAW COAL : (MILLION TONNE)										
UNDERGROUND	8.32	8.39	8.23	7.37	6.83	6.85	6.87	7.29	7.33	8.13
OPENCAST	15.74	19.74	21.83	23.43	23.73	27.05	29.18	32.72	32.88	32.39
TOTAL :	24.06	28.13	30.06	30.80	30.56	33.90	36.05	40.01	40.21	40.52
(b) OVERBURDEN REMOVAL (MILLION CU.MTR)	39.98	43.07	49.74	56.25	60.31	76.45	85.76	94.05	119.22	124.53
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	21.94	23.69	25.22	26.21	24.27	30.02	31.05	35.10	35.80	40.12
CEMENT	0.17	0.15	0.15	0.15	0.14	0.14	0.06	0.08	0.08	0.05
FERTILIZER	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
COLLIERY CONSUMPTION	0.42	0.41	0.40	0.38	0.34	0.30	0.28	0.25	0.23	0.21
OTHERS	2.91	4.01	3.45	3.00	6.08	5.38	4.86	3.04	2.50	2.64
TOTAL :	25.44	28.26	29.22	29.74	30.83	35.84	36.25	38.47	38.61	43.02
3. MANPOWER	94943	90470	85617	81128	78009	74276	71826	68681	66238	64029
4. PRODUCTIVITY (O.M.S) :										
UNDERGROUND	0.43	0.46	0.47	0.45	0.44	0.46	0.48	0.53	0.56	0.64
OPENCAST	5.04	6.42	7.29	8.14	8.64	10.17	10.96	12.12	12.42	12.90
OVERALL :	1.07	1.33	1.46	1.60	1.68	1.94	2.12	2.45	2.56	2.64

BALANCE SHEET

(₹ in Crore)

	Note No.	As at 31-03-2017	As at 31-03-2016 (Restated)	As at 01-04-2015 (Restated)
ASSETS				
Non-Current Assets				
a. Property, Plant & Equipments	3	2,622.09	1,975.99	1,842.00
b. Capital Work in Progress	4	382.78	561.01	313.32
c. Exploration and Evaluation Assets	5	117.65	87.77	32.73
d. Other Intangible Assets	6	-	-	-
e. Intangible Assets under Development				
f. Investment Property				
g. Financial Assets				
i. Investments	7	0.08	0.08	0.08
ii. Loans	8	0.15	0.36	0.58
iii. Other Financial Assets	9	393.30	274.40	165.47
h. Deferred Tax Assets (net)		173.77	149.47	91.95
i. Other non-current assets	10	122.35	156.00	172.13
Total Non-Current Assets (A)		3,812.17	3,205.08	2,618.26
Current Assets				
a. Inventories	12	603.30	764.21	551.02
b. Financial Assets				
i. Investments	7	-	-	0.03
ii. Trade Receivables	13	1,607.49	1,955.53	1,426.88
iii. Cash & Cash equivalents	14	737.44	591.08	538.77
iv. Other Bank Balances	15	3,228.64	3,432.06	3,877.05
v. Loans	8	-	-	-
vi. Other Financial Assets	9	350.51	305.18	283.05
d. Current Tax Assets (Net)		202.07	46.22	-
e. Other Current Assets	11	298.70	239.16	440.49
Total Current Assets (B)		7,028.15	7,333.44	7,117.29
Total Assets (A + B)		10,840.32	10,538.52	9,735.55
EQUITY AND LIABILITIES				
Equity				
a. Equity Share Capital	16	2,218.45	2,218.45	2,218.45
b. Other Equity	17	(1,052.15)	(1,072.92)	(1,863.59)
Equity attributable to equityholders of the company		1,166.30	1,145.53	354.86
Non-Controlling Interests		-	-	-
Total Equity (A)		1,166.30	1,145.53	354.86

BALANCE SHEET

(₹ in Crore)

	Note No.	As at 31-03-2017	As at 31-03-2016 (Restated)	As at 01-04-2015 (Restated)
Liabilities				
Non-Current Liabilities				
a. Financial Liabilities				
i. Borrowings	18	1,584.31	1,485.87	1,384.58
ii. Other Financial Liabilities	20	25.91	28.42	18.94
b. Provisions	21	2,789.92	2,948.25	2,985.31
c. Other Non-Current Liabilities	22	-	-	-
Total Non-Current Liabilities (B)		4,400.14	4,462.54	4,388.83
Current Liabilities				
a. Financial Liabilities				
i. Borrowings	18	-	-	-
ii. Trade payables	19	105.07	128.40	128.35
iii. Other Financial Liabilities	20	196.22	383.38	274.78
b. Other Current Liabilities	23	3,610.49	3,326.94	3,132.48
c. Provisions	21	1,362.10	1,091.73	1,239.64
d. Current Tax Liabilities (Net)		-	-	216.61
Total Current Liabilities (C)		5,273.88	4,930.45	4,991.86
Total Equity and Liabilities (A + B + C)		10,840.32	10,538.52	9,735.55

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)**(A. M. MARATHE)**
Director (Finance)
DIN - 07318418**(R. R. MISHRA)**
Chairman-cum-Managing Director
DIN - 05103300As per our report annexed
FOR M. CHOUDHURY & CO.
Chartered Accountants
Firm Regn. No. : 302186EDate: 25th May, 2017
Place: Kolkata**(CA. D. CHOUDHURY)**
Partner
Membership No. : 052066

STATEMENT OF PROFIT & LOSS

(₹ in Crore)

	Notes No.	For the Year Ended 31.03.2017	For the Year Ended 31.03.2016	
Revenue from Operations				
A	Sales (Net)	24	10,141.18	10,219.45
B	Other Operating Revenue (Net)	24	321.19	268.84
(I)	Revenue from Operations (A + B)		10,462.37	10,488.29
(II)	Other Income	25	465.94	518.82
(III)	Total Income (I + II)		10,928.31	11,007.11
(IV)	EXPENSES			
	Cost of Materials Consumed	26	693.25	738.60
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	27	157.34	(186.24)
	Excise Duty		626.06	609.24
	Employee Benefits Expense	28	6,436.58	5,709.95
	Power & Fuel		503.17	507.48
	Corporate Social Responsibility Expense	29	21.62	62.61
	Repairs	30	156.94	134.41
	Contractual Expense	31	1,591.80	1,367.92
	Finance Costs	32	142.54	128.54
	Depreciation/Amortization		323.89	318.15
	Provisions	33	(144.91)	48.04
	Write off	34	-	42.21
	Other Expenses	35	454.08	414.72
	Stripping Activity Adjustment		(49.37)	(11.71)
	Total Expenses (IV)		10,912.99	9,883.92
(V)	Profit before exceptional items and Tax (III-IV)		15.32	1,123.19
(VI)	Exceptional Items		-	-
(VII)	Profit before Tax (V - VI)		15.32	1,123.19
(VIII)	Tax expense	36	9.19	397.58
(IX)	Profit for the period from continuing operations (VII - VIII)		6.13	725.61
(X)	Profit/(Loss) from discontinued operations		-	-
(XI)	Tax exp of discontinued operations		-	-
(XII)	Profit/(Loss) from discontinued operations (after Tax) (X - XI)		-	-
(XIII)	Share in JV's/Associate's profit/(loss)		-	-
(XIV)	Profit for the Period (IX + XII + XIII)		6.13	725.61

STATEMENT OF PROFIT & LOSS

(₹ in Crore)

	Notes No.	For the Year Ended 31.03.2017	For the Year Ended 31.03.2016
Other Comprehensive Income	37		
i. Items that will not be reclassified to profit or loss		36.58	99.50
ii. Income tax relating to items that will not be reclassified to profit or loss		21.94	34.44
iii. Items that will be reclassified to profit or loss		-	-
iv. Income tax relating to items that will be reclassified to profit or loss		-	-
(XV) Total Other Comprehensive Income		14.64	65.06
(XVI) Total Comprehensive Income for the period (XIV + XV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		20.77	790.67
Earning per equity share (in ₹)			
(Face Value of ₹ 1000/- per share)			
1. Basic		2.76	327.08
2. Diluted		2.76	327.08

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)(A. M. MARATHE)
Director (Finance)
DIN - 07318418(R. R. MISHRA)
Chairman-cum-Managing Director
DIN - 05103300As per our report annexed
FOR M. CHOUDHURY & CO.
Chartered Accountants
Firm Regn. No. : 302186E

Date: 25th May, 2017

Place: Kolkata

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

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31-03-2017

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
	01-04-2015		31-03-2016	01.04.2016		31-03-2017
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
Total	2,218.45	-	2,218.45	2,218.45	-	2,218.45

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 of Other equity attributable to equityholders	Non-Controlling Interests	Total
Balance as at 01-04-2015	855.61	-	-	-	832.71	-	(3,548.71)	(1,860.39)	-	(1,860.39)
Changes in accounting policy	-	-	-	-	-	-	(3.20)	(3.20)	-	(3.20)
Prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance as at 01.04.2015	855.61	-	-	-	832.71	-	(3,551.91)	(1,863.59)	-	(1,863.59)
Total Comprehensive Income for the year	-	-	-	-	-	-	790.67	790.67	-	790.67
Dividends (including Dividend tax)	-	-	-	-	-	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-	-	-	-
Balance as at 31-03-2016	855.61	-	-	-	832.71	-	(2,761.24)	(1,072.92)	-	(1,072.92)
Balance as at 01.04.2016	855.61	-	-	-	832.71	-	(2,761.24)	(1,072.92)	-	(1,072.92)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance as at 01.04.2016	855.61	-	-	-	832.71	-	(2,761.24)	(1,072.92)	-	(1,072.92)
Total Comprehensive Income for the year	-	-	-	-	-	-	20.77	20.77	-	20.77
Dividends (including Dividend tax)	-	-	-	-	-	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-	-	-	-
Balance as at 31-03-2017	855.61	-	-	-	832.71	-	(2,740.47)	(1,052.15)	-	(1,052.15)

(V. R. REDDY)
Company Secretary(S. SARKAR)
G. M. (Finance)(A. M. MARATHE)
Director (Finance)
DIN - 07318418(R. R. MISHRA)
Chairman-cum-Managing Director
DIN - 05103300As per our report annexed
FOR M. CHOUDHURY & CO.
Chartered Accountants
Firm Regn. No. : 302186E

Date: 25th May, 2017

Place: Kolkata

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

CASH FLOW STATEMENT (Indirect Method)

(₹ in Crores)

	31.03.2017	31.03.2016
A. Cash Flow From Operating Activities :		
Total Comprehensive Income for the year	20.77	790.67
Adjustment for:		
Depreciation & Impairment	323.89	318.15
Interest Income	(285.22)	(375.19)
Profit on Sale of Assets (Net)	(0.02)	(0.31)
Provisions	(144.91)	48.04
Liability Written Back	(44.15)	(35.71)
Stripping Activity Adjustment	(49.37)	(11.71)
Central Excise Duty on Closing Stock of Coal	(22.19)	31.35
Unwinding of Discount	142.54	128.54
Loss/(Gain) on Exchange Rate Variance	(0.55)	11.21
	(79.98)	114.37
Operating Profit Before Current / Non Current Assets and Liabilities	(59.21)	905.04
Adjustments for :		
Trade Receivable	348.04	(528.65)
Inventories	183.10	(244.54)
Short/Long Term Liabilities and Provisions	558.86	408.36
Short/Long Term Loans/Advances & Other Current Assets	(370.06)	(17.12)
	719.94	(381.95)
Cash Generated from Operations	660.73	523.09
Income Tax paid	175.00	530.22
Net Cash Flow from Operating Activities (I)	485.73	(7.13)
B. Cash Flows From Investing Activities:		
Purchase of Fixed Assets	(827.80)	(755.26)
Adjustment in Value of Fixed Assets	6.16	0.39
Profit on Sale of Assets (Net)	0.02	0.31
Proceeds/(Purchase) of Investments	203.42	444.99
Redemption of Power Bonds	-	0.03
Interest Pertaining to Investments	285.22	375.19
	65.65	
Net Cash Flow from Investing Activities (II)	(332.98)	65.65

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EASTERN COALFIELDS LIMITED

	For the Year ended 31.03.2017		For the Year ended 31.03.2016	
C. Cash Flows From Financing Activities:				
Repayment of Borrowings	(6.39)	(6.39)	(6.21)	(6.21)
Net Cash used in Financing Activities (III)		(6.39)		(6.21)
Net Increase/Decrease in Cash & Bank Balances (I + II + III)		146.36		52.31
Cash and Cash Equivalent (Opening Balance) (IV)	591.08		538.77	
Cash and Cash Equivalent (Closing Balance) (V)	737.44	146.36	591.08	52.31

(V. R. REDDY)
Company Secretary

(S. SARKAR)
G. M. (Finance)

(A. M. MARATHE)
Director (Finance)
DIN - 07318418

(R. R. MISHRA)
Chairman-cum-Managing Director
DIN - 05103300

As per our report annexed
FOR M. CHOUDHURY & CO.
Chartered Accountants
Firm Regn. No. : 302186E

Date: 25th May, 2017
Place: Kolkata

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

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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.

For all periods up to and including the year ended 31st March 2016, the Company prepared its financial statements in accordance with Accounting Standards (AS) notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and in accordance with companies (Accounting Standards), Rules 2006. These financial statements for the year ended 31st March 2017 are the first financial statements of the Company prepared in accordance with Ind AS. Refer to Note no. 38.6 for information on first time adoption of Ind AS.

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.

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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.

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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.

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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.

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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.

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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.

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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.

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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:

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- (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.

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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)

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- 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.

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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.

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Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2.14.2.7 Impairment of financial assets (other than fair value)

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

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

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

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

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

2.14.3 Financial liabilities

2.14.3.1 Initial recognition and measurement

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

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

2.14.3.2 Subsequent measurement

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

2.14.3.3 Financial liabilities at fair value through profit or loss

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

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

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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.

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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.

2.15 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.

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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.

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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

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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:-

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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.

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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.

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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

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