



# SOUTH EASTERN COALFIELDS LIMITED

(A Mini Ratna PSU)



30<sup>th</sup> ANNUAL REPORT  
2015-16



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# **VISION**

**The vision of South Eastern Coalfields Limited (SECL) is to be one of the leading energy suppliers in the country, by adopting the best practices and leading technology from mine to market.**

# **MISSION**

**The mission of South Eastern Coalfields Limited (SECL) is 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.**

# SECL at a Glance

South Eastern Coalfields Limited (SECL) is single largest Coal producing Company of India, with **137.93 Million Tonnes** of coal production in 2015-16.

Coal reserves of SECL are spread over the States of **Chhattisgarh & Madhya Pradesh** and the Company is operating **86 Mines** (52 Mines in CG & 34 in MP).

**7.52%**

Growth in Production

**12.60%**

Growth in Coal Dispatch

₹ **24,900.03** Crore

Gross Sales

₹ **5,173.46** Crore

Profit before Tax

₹ **17,765.68**

Dividend Per Share for FY 2015-16

₹ **9,029.47**

Basic EPS for FY 2015-16





## Corporate Information

Corporate Identification Number (CIN): U10102CT1985GOI003161

REGISTERED OFFICE	LOCATION OF MINES
South Eastern Coalfields Limited	<b>State: Chhattisgarh</b>
Seepat Road,	Districts: Korba
Bilaspur (Chhattisgarh) - 495 006	Raigarh
Tel: 07752 246379-399	Surguja
Fax: 07752 246451	Koriya
Website: www.secl-cil.in	Surajpur
	Balrampur
DIRECTORS & KEY MANAGERIAL PERSONNEL	<b>State: Madhya Pradesh</b>
<b>Whole-Time Directors</b>	Districts: Shahdol
Shri B. R. Reddy, CMD & CEO	Anuppur
Shri A. P. Panda, D(F) & CFO	Umaria
Dr. R. S. Jha, D(P)	
Shri Kuldip Prasad, D(T)O/D(T)P&P	
<b>Govt. Nominee Directors</b>	BANKERS
Shri Vivek Bharadwaj, Jt. Secy, MOC	State Bank of India
Shri C. K. Dey, D(F), CIL	ICICI Bank
<b>Independent Directors</b>	HDFC Bank
Shri Sunil Kumar, (Retd. IAS),	Union Bank of India
Vice Chairman (CG State Planning Commission)	UCO Bank
Prof. B. S. Sahay, Director (IIM Raipur)	Punjab National Bank
<b>Company Secretary</b>	Bank of Baroda
Shri S. M. Yunus	Axis Bank Limited
	Canara Bank
STATUTORY AUDITORS	IDBI Bank
M/s. J. N. Mital & Co., Jashpur Nagar	United Bank of India
	Bank of India
BRANCH AUDITORS	Bank of Maharashtra
M/s. M. Raghunath & Co., Kolkata	Oriental Bank of Commerce
M/s. G. Basu & Co., Kolkata	Allahabad Bank
M/s. HEM Sandeep & Co., Bhopal	Andhra Bank
	Corporation Bank
COST AUDITORS	Syndicate Bank
M/s. S. C. Mohanty & Associates, Bhubaneswar	
M/s. ABK & Associates, Mumbai	
M/s. R. S. Tiwari & Co., Bilaspur	
M/s. P. A. N. Murty & Co., Bilaspur	
SECRETARIAL AUDITOR	
M/s. AGR Reddy & Co., Hyderabad	
SUBSIDIARIES	
Chhattisgarh East Railway Ltd., Raipur	
Chhattisgarh East-West Railway Ltd., Raipur	

## Board of Directors

### BOARD OF DIRECTORS (During 2015-16)

#### Chairman-cum-Managing Director/CEO

Shri B. R. Reddy (w.e.f. 01.03.2016)

Shri Om Prakash (upto 29.02.2016)

#### Whole-Time Directors

Shri A. P. Panda, Director (Finance)/CFO  
(w.e.f. 01.08.2013)

Shri R. P. Thakur, Director (Tech) Oprn  
(Upto 31.05.2016)

Dr. R. S. Jha, Director (Personnel)  
(w.e.f. 29.09.2014)

Shri Kuldip Prasad, Director (Tech) P&P  
(w.e.f. 10.02.2016)

#### Govt. Nominee Directors

Shri A.K. Bhalla (Up to 13.04.2015)  
Joint Secretary (Coal), Ministry of Coal,  
Govt. of India, New Delhi

Shri Vivek Bharadwaj (w.e.f. 20.04.2015)  
Joint Secretary, Ministry of Coal,  
Govt. of India, New Delhi

Shri C. K. Dey (w.e.f. 19.03.2015)  
Director (Finance), Coal India Limited

#### Independent Directors

Shri Sunil Kumar (w.e.f. 17.11.2015)  
Retd. IAS,  
Vice Chairman, CG State Planning Commission

Prof. B. S. Sahay (w.e.f. 17.11.2015)  
Director, IIM Raipur

#### Permanent Invitee

Shri S. K. Das (From 28.08.2015 to 11.02.2016)  
Chief Operations Manager  
South East Central Railway (SECR)  
Bilaspur (CG)

### BOARD OF DIRECTORS (As on 09.07.2016)

#### Chairman-cum-Managing Director/CEO

Shri B. R. Reddy

#### Whole-Time Directors

Shri A. P. Panda, Director (Finance)/CFO

Dr. R. S. Jha, Director (Personnel),

Shri Kuldip Prasad, Director (Tech) Oprn/P&P

#### Govt. Nominee Directors

Shri Vivek Bharadwaj,  
Joint Secretary, Ministry of Coal,  
Govt. of India, New Delhi

Shri C. K. Dey  
Director (Finance), Coal India Limited

#### Independent Directors

Shri Sunil Kumar  
Retd. IAS,  
Vice Chairman, CG State Planning Commission

Prof. B. S. Sahay  
Director, IIM Raipur

#### Permanent Invitee

Shri J. N. Jha (w.e.f. 04.04.2016)  
Chief Operations Manager  
South East Central Railway (SECR)  
Bilaspur (CG)

**Company Secretary**

Shri S. M. Yunus



## The year at a Glance

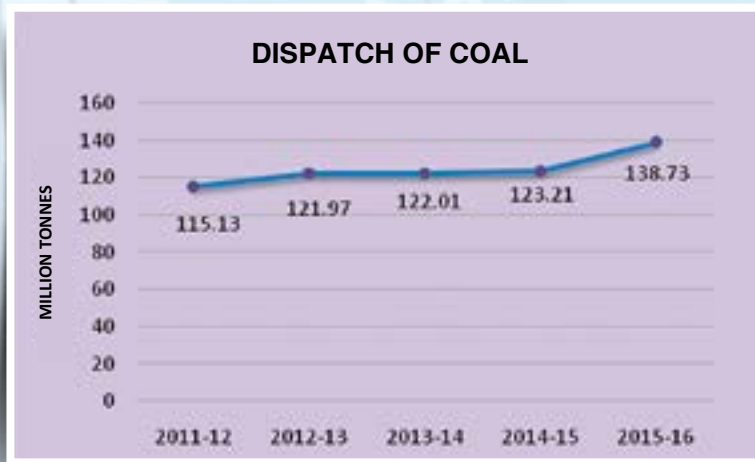
Particulars	Unit	2015-16	2014-15
<b>Production of Raw Coal:</b>			
i. Coal Production from Opencast Mines	Million Tonnes	<b>122.42</b>	112.24
ii. Coal Production from Underground Mines	Million Tonnes	<b>15.51</b>	16.04
<b>Total Coal Production</b>	Million Tonnes	<b>137.93</b>	128.28
Dispatch of Coal	Million Tonnes	<b>138.73</b>	123.21
Sale of Coal	₹ in Crore	<b>24,900.03</b>	22,004.53
Profit before Tax (PBT)	₹ in Crore	<b>5,173.46</b>	5,659.54
Profit after Tax (PAT)	₹ in Crore	<b>3,247.90</b>	3,659.93
Dividend	₹ in Crore	<b>6,390.32</b>	3,380.77
Dividend Distribution Tax	₹ in Crore	<b>1,300.94</b>	645.80
Retained Profit	₹ in Crore	<b>967.06</b>	5,572.82
Net Fixed Asset	₹ in Crore	<b>4,028.84</b>	3,908.82
Net Worth	₹ in Crore	<b>5,100.75</b>	9,544.11
Long-term Loans	₹ in Crore	<b>0.00</b>	0.00
Capital Employed	₹ in Crore	<b>11,123.33</b>	15,839.81
Value Added	₹ in Crore	<b>14,602.78</b>	14,044.70
Average Manpower Employed during the year	Number	<b>66,153</b>	69,355
Value Added per Employee	₹ in Crore	<b>0.22</b>	0.20
Debt to Net Worth	Ratio	<b>0.00</b>	0.00
Return on Capital Employed (ROCE)	%	<b>46.51</b>	35.73
Face value per Share	₹	<b>1,000.00</b>	1,000.00
Dividend per Share (DPS)	₹	<b>17,765.68</b>	9,398.86
Book Value per Share	₹	<b>14,180.57</b>	26,533.53
Earnings per Share (EPS)	₹	<b>9,029.47</b>	10,174.95

## Performance Trend

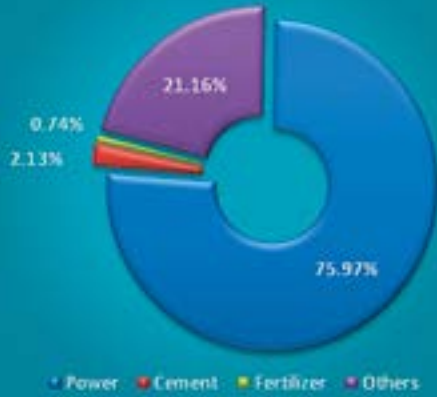
CORPORATE OVERVIEW

STATUTORY REPORTS

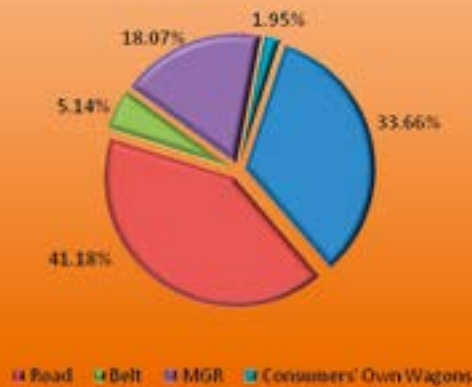
FINANCIAL STATEMENTS



### SECTOR-WISE COAL DISPATCH 2015-16

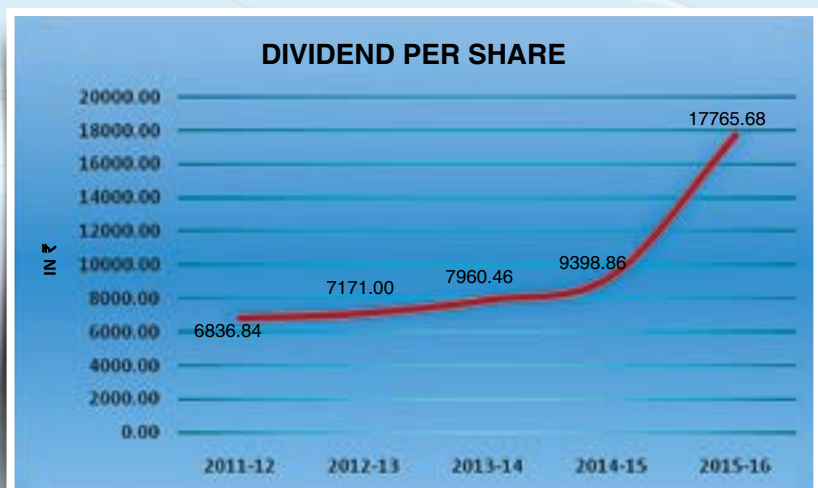
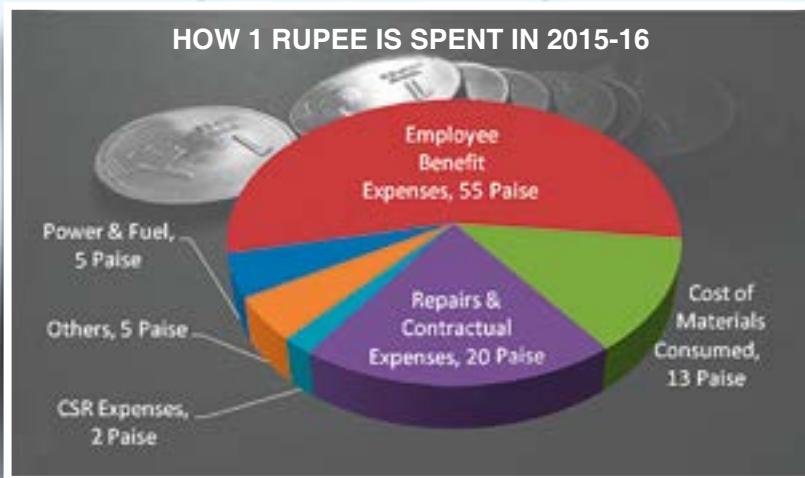


### MODE-WISE COAL DISPATCH 2015-16



### PROFIT BEFORE TAX

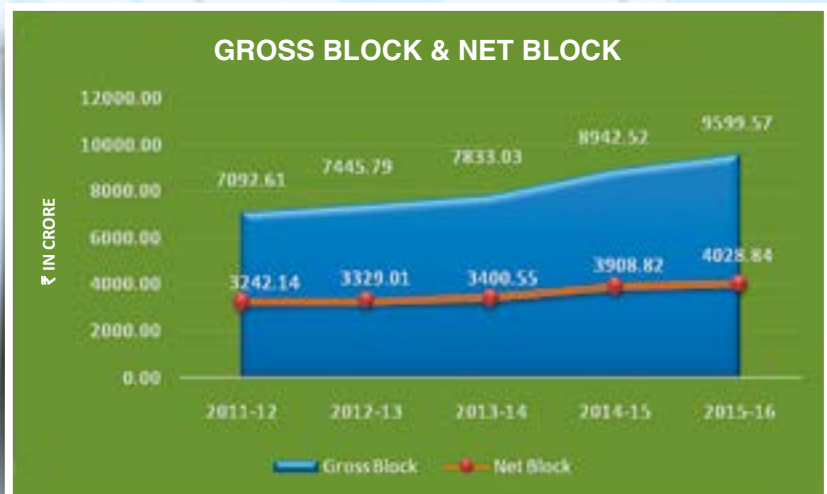
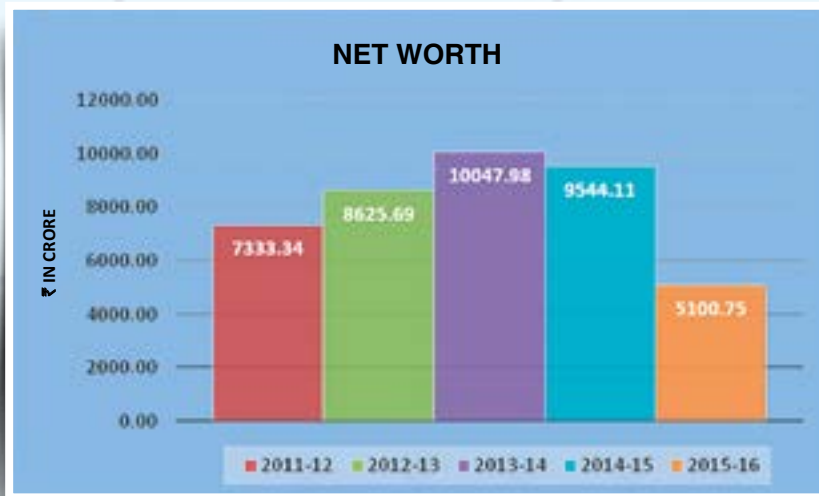




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## Chairman's Letter



### Dear Stakeholder,

With enormous contentment and pride, I would like to inform that your Company has passed through a challenging year by displaying operational excellence with a stronger commitment towards corporate governance and scaled new heights in the reporting fiscal year 2015-16. The Board's Report and the Audited Financial Statements of your Company for the year ended 31<sup>st</sup> March, 2016 have already been provided to all the shareholders of the Company. With your permission, I take them as read.

The fiscal year has witnessed an unprecedented record production of 137.93 Million Tonnes by your Company, which accounts for more than 23% of the total coal production of the country. It is my privilege to inform that your Company has received 'Excellent' rating in Performance against MOU for the year 2014-15. In recognition of the outstanding achievement, your Company has been awarded with 'Excellent MOU Award', 'Excellence in Rehabilitation & Resettlement Award' and 'Quality Awareness Award', at 41<sup>st</sup> CIL Foundation Day Award ceremony.

### The Economic Scenario

World Economic Outlook (WEO-April 2016) captioned 'Too Slow for Too Long', estimates the trendy global growth at a sluggish pace that leaves the world economy more exposed to risks of weaker growth scenarios. The global recovery has weakened towards end of 2015 due to softening of activities in advanced economies amid increasing financial turbulence

and stresses in emerging economies apart from balancing the over-heated economy of china. The base line projections put global growth at 3.2 percent in 2016 and 3.5 percent in 2017, a tad lower as compared to earlier estimates. It is expected that the emerging markets and developing economies will drive the recovery projections supported by the expected normalisation in stressed economies.

This forecast reflects a variety of factors behind the sluggishness like Slowing growth in oil exporters, modest slowdown in China, deep recessions in Brazil and Russia, diminished growth prospects in many African and low-income nations and weak growth in some Latin America and Middle East countries, particularly those hit hard by the oil price decline and intensifying conflicts and security risks. On the positive side, India remains a bright spot—with strong growth and rising income. The ASEAN-5 economies—Indonesia, Malaysia, Philippines, Thailand, and Vietnam—are also performing well whereas Mexico, Central America, and the Caribbean are beneficiaries of the U.S. recovery and in most cases, lower oil prices. IMF forecasts India's GDP to grow at 7.5 percent in consecutive years, which is the highest growth rate amongst Advanced as well as Developing economies.

### Coal Scenario in India

With a proven coal reserves of 131 Billion Tonnes (as on 01.04.2015), India has the 4<sup>th</sup> largest coal reserves in the world. Out of the total reserves, nearly 85% are non-coking coal and balance is coking-coal. Performance of the coal



sector is of utmost importance to the country's economy as it plays a critical role in the value chains of all major industrial segments, namely electricity, steel, cement, etc. The major challenge is demand satisfaction of Power sector of the country which is predominantly 'Coal-fired/ Thermal Power' and dependent on coal. The IEA has projected that the fleet of coal-fired Power plants will increase by around 2.5 times, reaching almost 440 GW in 2040, by which time India will have the second largest coal-fired power plants fleet in the world (after China), overtaking USA in early 2020. It shows that coal will continue to play a critical role in the industrial growth of the country, and will remain the major contributor to their performance.

SECL along with other subsidiaries of state owned CIL is gearing up to meet the challenge of making India a thermal coal import free nation by producing about 1 Billion Tonne coal per annum by 2020. Achievement of such a huge coal Production target will help to realise the key government Policy initiatives including the 'Make in India' campaign to promote manufacturing and the '24x7 Power for All' drive for round-the-clock electricity supply, which would in turn, give further thrust to India's economic and social development.

### Highlights of Performance

SECL's performance for the year under operational and financial parameters is summarized below:

#### Operational Parameters:

- Highest coal production of 137.93 Million Tonnes (MT), registering a growth of 7.52% over the previous year.
- Highest coal Off-take of 138.73 Million tonnes, registering a growth of 12.60% over the previous year.
- Productivity in terms of Overall Output per Manshift (OMS) of SECL was 8.46Te, showing an improvement of 7.63% as compared to previous year.
- Overburden Removal (OBR) from Opencast Mines was 175.37 Million Cubic Meters, registering a growth of 10.80% over the previous year.

#### Financial Parameters:

- Clocked highest Gross Turnover of ₹ 24,900.03 Crore.
- Profit before Tax (PBT) during the year was ₹ 5,173.46 Crore.

- Profit after Tax (PAT) during the year was ₹ 3,247.90 Crore.
- Net-worth as on 31.03.2016 stood at ₹ 5,100.75 Crore.
- Book value per share was ₹ 14,180.57 as on 31.03.2016.
- Total dividend of 1776.57% (i.e. ₹ 17765.68 per share) amounting to ₹ 6,390.32 Crore was paid.

### Upcoming Projects and Expansion Plans

At present, there are 34 ongoing projects under implementation with rated capacity of 203.24 MT. Production from these projects during 2015-16 was 137.93 MT. To augment the production and achieve the targeted production in the ensuing year, 04 new projects are in the pipeline for approval.

As per CIL's Roadmap for 1 Billion Tonne Coal production by 2019-20, SECL's coal production target has been projected as 239.60 MT envisaging an incremental production of 101.67MT over actual production in 2015-16. The incremental production from ongoing projects will be 97.84 MT and the Future projects will contribute 9.00 MT, while production is expected to decline from existing/ completed projects.

The major contributors in ongoing projects will be Gevra (70 MTY), Kasmunda (50 MTY), Pelma (15 MTY), Jagannathpur (3 MTY), Kartali East OC (2.5 MTY), Jampali OC (2 MTY), Chhal OC Seam-III (6 MTY), Bijari OC (1.5 MTY), Madan Nagar OC (12 MTY), Amritdhara OC (2 MTY), Rampur Batura OC (4 MTY), Saraipali OC (1.4 MTY), Malachua (3.0 MTY) OCPs. The major Future projects contributing 9.00 MT in 2019-20 will be Batura West OC (1.5 MTY), Baroud Expn OC (15 MTY), Chirimiri OC Expn. (2 MTY) and Vijay West OC (3 MTY).

### Corporate Social Responsibility (CSR)

SECL has always been a frontrunner to assume its responsibility towards society for sustainable development and inclusive growth in the surrounding areas of mining Projects. It aims at making CSR an inherent part of the business processes for sustainable development across the Society. CSR initiatives supplement the acts of a State in enhancing welfare measures of the society by engaging with community and working towards overall development, which forms an integral part of our operations. Such projects are spread over broad sectors viz. Rural Development,

*Promoting Healthcare, Promoting Education, Conservation of Natural resources, Environmental sustainability, Livelihood enhancement, Safe Drinking water, Promotion of Sports, Protection of local Art & Culture, etc. During the year, it has taken a lead role under the 'Swachh Vidyalaya Abhiyan' by undertaking the Construction/Repair of 11,515 Nos. toilets in different Schools across states of Chhattisgarh, Madhya Pradesh and Odisha to ensure that these schools provide adequate sanitation facilities and maintain hygiene to improve health, school enrolment, attendance and retention of children. A Report on CSR activities forms part of the Board's Report.*

### **Corporate Governance**

*It has been our endeavour to bring growth in performance of the Company without compromising on the conformance to the standards of Corporate Governance. Therefore, applicable conditions under the Companies Act as well as stringent norms of listing Agreement of CIL on the subject were complied with as a material Subsidiary. Further, Guidelines on Corporate Governance for CPSEs issued by Department of Public Enterprises (DPE), Ministry of Heavy Industries & Public Enterprises, Government of India, have also been implemented. A separate report on Corporate Governance forms part of the Board's Report.*

### **Unqualified Audit Report**

*In order to reinforce our commitment to the shareholders, we ensure that Financial Statements are prepared in conformity with accounting policies of the Company and Accounting Standards to represent the true and fair view of the state of affairs of the Company while acknowledging the existence of an effective internal control system. The Statutory Auditors have given unqualified Audit Report on the Accounts of the Company for the year ended 31<sup>st</sup> March, 2016. Further, the Comptroller & Auditor General of India (CAG) has issued 'NIL comment' on the Accounts of the Company for the year 2015-16.*

### **Human Resource Management**

*Your Company values its human capital the most and thus, has taken several initiatives for continuous investment in training and development of all-round competence of its people. The Company has taken several HR initiatives viz., Aagman, KAVA, Guru, Shikhar, K-Mining, Manthan, Mentoring, Quality Circles, etc.*

### **Environment Management**

*At SECL, each one of us is conscious of our role for sustainable development by safeguarding the environment to maintain ecological balance with conservation of flora and fauna. Your Company has taken several steps to provide clean environment in and around coal mines with implementation of Environment Management Plans (EMP). Environmental conservation measures are embedded as an integrated sub-system of Mine Management at the time of approval of project plan. It has introduced Integrated Management System Certification for 23 Nos. Projects in first phase. Coal is being transported by closed conveyors and loaded into wagons through SILOs at mega opencast mines. Approx. 114 mobile water sprinklers have been deployed for dust suppression and fixed water sprinklers covering a distance of 38 KMs are functioning in the vicinity of coal handling plants, coal stock yards and transportation roads for dust suppression. Further, 04 nos. of Continuous Ambient Air Quality Monitoring System (CAAQMS) have been installed in 04 OCPs. As a part of multi-species plantation for bio-diversity conservation, your Company has planted 7,43,175 saplings during the year, totalling over 02 Crore since inception. Your Company is also undertaking road side plantations, grass-bedding/ plantation on the overburden slopes in order to ensure clean environment and minimize pollution besides top-soil management.*

### **Future outlook**

*SECL has set the coal production target of 152.06 Million Tonnes in 2016-17 in line with the planned target of 239.60 Million Tonnes by FY'20 as per 'Mission-1 Billion Tonne Coal of CIL'. Due to steep rise in production, evacuation of coal from mines and environment friendly transportation to consumption units will become a major challenge. In this regard, Railways play a major role in timely evacuation of coal and commensurate infrastructure for faster movement has been persistently addressed by taking new initiatives. Many activities with respect to constructions of new sidings are being taken up considering the increase in production of coal in different Areas of Korba and CIC Coalfields. At present, there are 33 Nos. Railway Sidings for dispatch of coal. Rapid Loading System (RLS), very high capacity SILOs with Merry-Go-Round (MGR) are in operation at Gevra Expn OC & Dipka Expn OC Projects and further planned additionally in other mega OCPs viz., in Kusmunda, Gevra, Chhal OC & Pelma OC.*



According to the projections made in the Roadmap for 1 Billion Tonne Coal production by CIL in 2019-20, it is apparent that in SECL, the quantum jump in coal production will arise from Raigarh and Korba coalfields through commissioning of new projects and implementation of expansion projects. Evacuation from these coalfields will be heavily dependent on two upcoming rail corridors namely East Corridor in Raigarh Coalfield and East-West Corridor in Korba Coalfield under implementation through Joint Venture projects viz. Chhattisgarh East Railway Limited (CERL) & Chhattisgarh East-West Railway Limited (CEWRL), involving JV partners IRCON International Ltd. and Chhattisgarh State Industrial Development Corporation (CSIDC) representing Govt. of Chhattisgarh. Both the projects have been notified by Ministry of Railways as 'Special Railway Project' to provide national infrastructure for a public purpose.

CERL has been developing the rail network to facilitate coal traffic movement from Kharsia to Dharamjaygarh upto Korba with a Spur from Gharghora to Donga Mahua for about 104 KMs to connect Mines of Gare Pelma Block in Northern Chhattisgarh and 03 additional feeder lines at Chhal, Baroud at Korichhapar of approximate length of about 29.2 KMs right up to the mine boundaries to meet the logistic challenges foreseen on account of coal evacuation.

CEWRL, another Joint Venture Company of SECL, has been developing the rail network to facilitate coal traffic movement from Gevra, Dipka and Kusmunda Mines of SECL via alternate route from Gevra Road to Pendra Road in Northern Chhattisgarh for about 135.30 KMs to meet the logistic challenges foreseen on account of coal evacuation. The rail alignment for the project has been crystallized and it has been decided that about 35 KMs of Feeder lines to connect Kartali, Ambica, Saraipali and Vijay West Mines of SECL shall be integrated with the East-West Rail Corridor along with connectivity to Kusmunda, Junadih and Dipka Sidings.

With timely expansion of mega mines, commencement of production from Future projects, along with adequate logistics infrastructure of rail & road, modernization and introduction of new technology in the mines viz., Surface Miner, Continuous Miner, Short wall Mining, High wall Mining Technology, use of high capacity HEMMs like 42 Cubic Metre Shovel and 240 Tonne Dumper, the production will go up in line with the vision and mission of

the Company duly supported by creation of new transport infrastructure will improve the top line, ensure cost reduction resulting in better bottom line.

Although the business environment continues to remain tough in the year ahead, I am confident that we will continue to deliver with our strong commitment and perseverance the desired growth that is consistent and sustainable in line with the expectations.

### Acknowledgement

To conclude, I acknowledge that all these achievements have been possible only due to inexorable and determined efforts made by the employees of the Company and dynamic support of Trade Unions.

I would like to express my earnest gratitude on behalf of the Board of Directors and the management of the Company for the co-operation received from the Government of India, in particular the Ministry of Coal, Ministry of Environment, Forest and Climate Change, Ministry of Corporate Affairs, Department of Public Enterprises, Government of Chhattisgarh & Government of Madhya Pradesh, various regulatory and statutory authorities from time to time.

I would further like to acknowledge the shareholders (Coal India Limited with its nominees) for continued confidence in the Company. It is our unwavering commitment to deliver enduring value to enrich our shareholders. I candidly thank all our Customers, Vendors and Business Associates for their continued support and trust.

I am very optimistic that in the years ahead, SECL will be the forerunner in service to the nation and its people amplifying prosperity, development and growth for all.

Thanking You,

(B. R. Reddy)

Chairman-cum-Managing Director  
DIN: 07001710

## Awards & Accolades



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## Operational Statistics

### Production Performance

For the Financial Year	2015-16	2014-15	2013-14	2012-13
<b>1 PRODUCTION [RAW COAL] [MT]</b>				
Underground	15.51	16.04	16.42	16.87
Opencast	122.42	112.24	107.84	101.35
<b>Total</b>	<b>137.93</b>	<b>128.28</b>	<b>124.26</b>	<b>118.22</b>
<b>2 OVERBURDEN REMOVAL [M. CuM]</b>	<b>175.37</b>	158.27	144.88	118.20
<b>3 OFF-TAKE [RAW COAL] [MT]</b>				
Power	105.40	98.13	86.01	86.49
Cement	2.96	3.58	3.55	4.39
Colliery Consumption	0.01	0.01	0.02	0.02
Others	30.37	21.50	32.45	31.09
<b>Total</b>	<b>138.74</b>	<b>123.22</b>	<b>122.03</b>	<b>121.99</b>
<b>4 PRODUCTIVITY: Output per Manshift [OMS]</b>				
Underground [Tonnes]	1.40	1.39	1.35	1.37
Opencast [Tonnes]	23.45	23.60	21.45	19.26
<b>Overall [Tonnes]</b>	<b>8.46</b>	7.86	7.23	6.72
<b>5 MANPOWER [Nos.]</b>	<b>64,505</b>	67,800	70,910	73,718

## Financial Position

As per revised Schedule VI  
₹ in Crore

For the Financial Year	2015-16	2014-15	2013-14	2012-13
<b>A] What is owned</b>				
Gross Fixed Assets	<b>9,599.57</b>	8,942.52	7,833.03	7,445.79
Less: Depreciation & Impairment	<b>5,570.73</b>	5,033.70	4,432.48	4,116.78
1) Net Fixed Assets	<b>4,028.84</b>	3,908.82	3,400.55	3,329.01
2) Capital Work-in-progress	<b>1,244.22</b>	1,219.04	1,429.99	1,034.75
3) Non-Current Investment	<b>101.76</b>	5.76	123.22	246.32
4) Deferred Tax Asset	<b>430.79</b>	272.16	39.88	160.58
5) Long-term Loans & Advances	<b>428.91</b>	382.82	273.09	211.40
6) Other Non-Current Assets	<b>1,066.61</b>	809.15	56.22	56.72
7) Current Assets				
i. a) Inventory of coal coke etc.	<b>1,442.15</b>	903.67	565.61	445.55
b) Inventory of Stores and Spares etc.	<b>255.72</b>	272.82	262.91	238.49
c) Other Inventories	<b>141.82</b>	155.60	176.61	136.80
ii. Trade Receivables	<b>2,650.61</b>	2,277.71	1,336.78	1,350.29
iii. Cash and Bank Balance	<b>4,693.87</b>	9,373.26	10,941.86	10,280.65
iv. Current Investments	<b>95.72</b>	123.16	178.21	183.16
v. Short-term Loans & Advances	<b>2,941.49</b>	2,920.59	2,164.11	1,514.95
vi. Other Current Assets	<b>742.87</b>	715.27	1,269.04	1,422.29
<b>Total Current Assets</b>	<b>12,964.25</b>	<b>16,742.08</b>	<b>16,895.13</b>	<b>15,572.18</b>
<b>8) Less: Current Liabilities &amp; Provisions</b>				
a) Short-term Borrowings	<b>0.00</b>	0.00	0.00	0.00
b) Trade Payables	<b>97.83</b>	107.27	96.65	96.17
c) Other Current Liabilities	<b>4,173.19</b>	4,144.21	3,026.10	3,054.28
d) Short-term Provisions	<b>1,598.74</b>	1,290.39	1,665.99	2,249.73
<b>Net Current Assets (7-8)</b>	<b>7,094.49</b>	<b>11,200.21</b>	<b>12,106.39</b>	<b>10,172.00</b>
<b>TOTAL (A)</b>	<b>14,395.62</b>	<b>17,797.96</b>	<b>17,429.34</b>	<b>15,210.78</b>
<b>B] What is Owed</b>				
a) Long-term Borrowing	<b>0.00</b>	0.00	0.00	194.64
b) Deferred Tax Liability	<b>0.00</b>	0.00	0.00	0.00
c) Other Long-term Liabilities	<b>873.89</b>	828.06	757.65	599.31
d) Long-term Provisions	<b>8,420.98</b>	7,425.79	6,623.71	5,791.14
<b>TOTAL (B)</b>	<b>9,294.87</b>	<b>8,253.85</b>	<b>7,381.36</b>	<b>6,585.09</b>
<b>NET WORTH (A-B)</b>	<b>5,100.75</b>	<b>9,544.11</b>	<b>10,047.98</b>	<b>8,625.69</b>
<b>Represented by :</b>				
1) Equity Capital	<b>359.70</b>	359.70	359.70	359.70
2) Reserves	<b>3,773.99</b>	3,611.59	3,245.60	2,699.75
3) Profit/Loss	<b>967.06</b>	5,572.82	6,442.68	5,566.24
4) Misc. Expenditure	<b>0.00</b>	0.00	0.00	0.00
<b>Net Worth (1 to 4)</b>	<b>5,100.75</b>	<b>9,544.11</b>	<b>10,047.98</b>	<b>8,625.69</b>
<b>Capital Employed</b>	<b>11,123.33</b>	<b>15,109.03</b>	<b>15,506.94</b>	<b>13,501.01</b>

Note: Previous years' figures have been re-grouped and re-arranged wherever considered necessary.



## Income and Expenditure

As per revised Schedule VI  
₹ in Crore

For the Financial Year	2015-16	2014-15	2013-14	2012-13
<b>A] EARNED FROM</b>				
1) Gross Sales	<b>24,900.03</b>	22,004.53	22,204.14	21,408.13
Less: Statutory Levies	<b>8,154.36</b>	5,709.55	5,347.54	5,119.74
<b>Net Sales</b>	<b>16,745.67</b>	<b>16,294.98</b>	<b>16,856.60</b>	<b>16,288.39</b>
2) Other Operating Revenue				
a) Subsidy for Sand Stowing & Protective Works	<b>13.80</b>	4.75	16.35	5.74
b) Net of Loading & Additional transport charges	<b>377.38</b>	331.74	251.79	223.50
<b>Other Operating Revenue</b>	<b>391.18</b>	<b>336.49</b>	<b>268.14</b>	<b>229.24</b>
<b>Revenue from Operations (1+2)</b>	<b>17,136.85</b>	<b>16,631.47</b>	<b>17,124.74</b>	<b>16,517.63</b>
3) Other Income				
a) Interest on Deposits etc.	<b>896.99</b>	1,281.21	1,096.95	1,071.32
b) Other Non-operating Income	<b>186.80</b>	166.43	372.56	59.13
<b>Total (A)</b>	<b>18,220.64</b>	<b>18,079.11</b>	<b>18,594.25</b>	<b>17,648.08</b>
<b>B] PAID TO/PROVIDED FOR</b>				
1) Employee Remuneration & Benefits (a to e)				
a) Salary, Wages, Allowances, Bonus etc.	<b>4,586.01</b>	4,490.89	4,379.03	3,987.71
b) Contribution to P.F. & Other Funds	<b>545.37</b>	535.34	520.90	413.40
c) Gratuity	<b>95.58</b>	301.82	10.08	247.44
d) Leave Encashment	<b>175.90</b>	188.03	89.39	131.06
e) Others	<b>1,001.88</b>	995.51	899.59	959.92
2) Accretion/Decretion in Stock	<b>(524.70)</b>	(316.95)	(160.02)	94.29
3) CSR Expenses	<b>270.85</b>	40.43	44.54	50.57
4) Stores & Spares	<b>1,522.08</b>	1,669.34	1,595.64	1,328.73
5) Power & Fuel	<b>620.81</b>	580.94	539.26	506.11
6) Contractors (including Transportation & Repairs)	<b>2,304.73</b>	2,078.97	1,752.35	1,513.06
7) Finance Cost	<b>0.65</b>	0.55	6.40	8.15
8) Depreciation/Amortisation/impairment	<b>680.22</b>	616.47	429.33	428.48
9) Provisions & Write off	<b>326.24</b>	54.48	(85.82)	200.04
10) Overburden Removal Adjustment	<b>816.60</b>	605.55	714.83	870.08
11) Other Expenses	<b>628.12</b>	580.18	655.92	619.42
12) Prior Period Adj/Exceptional Items/Extraordinary Items	<b>(3.16)</b>	(1.98)	0.15	(0.75)
<b>Total (B)</b>	<b>13,047.18</b>	<b>12,419.57</b>	<b>11,391.57</b>	<b>11,357.71</b>
<b>Profit for the year (A-B)</b>	<b>5,173.46</b>	5,659.54	7,202.68	6,290.37
Tax on Profit	<b>1,925.56</b>	1,999.61	2,430.38	1,991.34
Dividend	<b>6,390.32</b>	3,380.77	2,863.38	2,579.41
Tax on Dividend	<b>1,300.94</b>	645.80	486.63	427.27
Transfer to General Reserve	<b>162.40</b>	365.99	477.23	429.90
Transfer to CSR Reserve	<b>0.00</b>	0.00	63.92	60.09
Transfer to Sustainable Development Reserve	<b>0.00</b>	0.00	4.70	4.50
Profit Carried to Balance Sheet	<b>(4,605.76)</b>	<b>(732.63)</b>	<b>876.44</b>	<b>797.86</b>
Accumulated Profit from Previous Years	<b>5,572.82</b>	6,305.45	5,566.24	4,768.38

## Important Financial Information

₹ in Crore

For the Financial Year	2015-16	2014-15	2013-14	2012-13
<b>[A] Related to Assets &amp; Liabilities</b>				
(1) (i) No. of Equity Shares of ₹ 1000 each	<b>35,97,000</b>	35,97,000	35,97,000	35,97,000
(ii) Shareholder's Funds				
a) Equity	<b>359.70</b>	359.70	359.70	359.70
b) Reserves	<b>3,773.99</b>	3,611.59	3,245.60	2,699.75
c) Accumulated Profit/Loss	<b>967.06</b>	5,572.82	6,442.68	5,566.24
d) Misc. Expenditure	<b>0.00</b>	0.00	0.00	0.00
(2) Long-term Borrowings	<b>0.00</b>	0.00	0.00	194.64
(3) Capital Employed	<b>11,123.33</b>	15,109.03	15,506.94	13,501.01
(4) (i) Net Fixed Assets	<b>4,028.84</b>	3,908.82	3,400.55	3,329.01
(ii) Current Assets	<b>12,964.25</b>	16,742.08	16,895.13	15,572.18
(iii) Current Liabilities	<b>5,869.76</b>	5,541.87	4,788.74	5,400.18
(5) (a) Trade Receivables (Net)	<b>2,650.61</b>	2,277.71	1,336.78	1,350.29
(b) Cash & Bank	<b>4,693.87</b>	9,373.26	10,941.86	10,280.65
(6) Closing Stock of :-				
(a) Stores & Spares (Net)	<b>255.72</b>	272.82	262.91	238.49
(b) Coal, Coke etc. (Net)	<b>1,442.15</b>	903.67	565.61	445.55
(7) Average Stock of Stores & Spares (Net)	<b>264.27</b>	267.87	250.70	231.40
<b>[B] Related to Profit/Loss</b>				
(1) (a) Gross Margin	<b>5,854.33</b>	6,276.56	7,638.41	6,727.00
(b) Gross Profit	<b>5,174.11</b>	5,660.09	7,209.08	6,298.52
(c) Profit before Tax	<b>5,173.46</b>	5,659.54	7,202.68	6,290.37
(d) Net Profit (after Tax)	<b>3,247.90</b>	3,659.93	4,772.30	4,299.03
(e) Net Profit (after Tax & Dividend)	<b>(4,443.36)</b>	(366.64)	1,422.29	1,292.35
(2) (a) Gross Sales	<b>24,900.03</b>	22,004.53	22,204.14	21,408.13
(b) Net Sales (after levies)	<b>16,745.67</b>	16,294.98	16,856.60	16,288.39
(c) Sales Value of Production	<b>17,270.37</b>	16,611.93	17,016.62	16,194.10
(3) Cost of Sales (Sales - Profit)	<b>11,572.21</b>	10,635.44	9,653.92	9,998.02
(4) (a) Total Expenditure	<b>13,047.18</b>	12,419.57	11,391.57	11,357.71
(b) Salaries and Wages	<b>6,404.74</b>	6,511.59	5,898.99	5,739.53
(c) Stores and Spares	<b>1,522.08</b>	1,669.34	1,595.64	1,328.73
(d) Power and Fuel	<b>620.81</b>	580.94	539.26	506.11
(e) Finance cost & Depreciation	<b>680.87</b>	617.02	435.73	436.63
(5) Average Consumption of Stores & Spares per Month	<b>126.84</b>	139.11	132.97	110.73
(6) Average Manpower employed during the year	<b>66,153</b>	69,355	72,314	74,898
(7) (a) Value Added	<b>14,602.78</b>	14,044.70	14,721.70	14,453.55
(b) Value Added per Employee	<b>0.22</b>	0.20	0.20	0.19

Note: Previous years' figures have been re-grouped and re-arranged wherever considered necessary.



## Important Financial Relative Ratios

₹ in Crore

For the Financial Year	2015-16	2014-15	2013-14	2012-13
<b>[A] PROFITABILITY RATIOS</b>				
(1) As % Net Sales				
(a) Gross Margin	<b>34.96</b>	38.52	45.31	41.30
(b) Gross Profit	<b>30.90</b>	34.74	42.77	38.67
(c) Net Profit	<b>19.40</b>	22.46	28.31	26.39
(2) As % Total Expenditures				
(a) Salary & Wages	<b>49.09</b>	52.43	51.78	50.53
(b) Stores and Spares	<b>11.67</b>	13.44	14.01	11.70
(c) Power and Fuel	<b>4.76</b>	4.68	4.73	4.46
(d) Interest & Depreciation	<b>5.22</b>	4.97	3.83	3.84
(3) As % Capital Employed				
(a) Gross Margin	<b>52.63</b>	41.54	49.26	49.83
(b) Gross Profit	<b>46.52</b>	37.46	46.49	46.65
(c) Profit after Tax	<b>29.20</b>	24.22	30.78	31.84
(4) Operating Ratio [(Sales - Profit)/Sales]	<b>0.69</b>	0.65	0.57	0.61
<b>[B] LIQUIDITY RATIOS</b>				
(1) Current Ratio (Current Asset /Current Liability)	<b>2.21</b>	3.02	3.53	2.88
(2) Quick Ratio (Quick Asset / Current Liability)	<b>1.25</b>	2.10	2.56	2.15
<b>[C] TURNOVER RATIOS</b>				
(1) Capital Turnover Ratio (Net Sales/Capital Employed)	<b>1.51</b>	1.08	1.09	1.21
(2) Trade Receivables (Net) as No. of Months				
(a) Gross Sales	<b>1.28</b>	1.24	0.72	0.76
(b) Net Sales	<b>1.90</b>	1.68	0.95	0.99
(3) As Ratio of Net Sales				
(a) Trade Receivables	<b>0.16</b>	0.14	0.08	0.08
(b) Coal Stock	<b>0.09</b>	0.06	0.03	0.03
(4) Stock of Stores and Spares				
(a) Average Stock/Annual Consumption	<b>0.17</b>	0.16	0.16	0.17
(b) Closing Stock in terms of No. of month Consumption	<b>2.02</b>	1.96	1.98	2.15
(5) Stock of Coal, Coke, etc.				
(a) As a no. of month Value of Production	<b>1.00</b>	0.65	0.40	0.33
(b) As a no. of month Cost of Sales	<b>1.50</b>	1.02	0.70	0.53
(c) As a no. of month Net Sales	<b>1.03</b>	0.67	0.40	0.33
<b>[D] STRUCTURAL RATIOS</b>				
(1) Debt : Equity	<b>0.00</b>	0.00	0.00	0.54
(2) Debt : Net Worth	<b>0.00</b>	0.00	0.00	0.02
(3) Net Worth : Equity	<b>14.18</b>	26.53	27.93	23.98
(4) Net Fixed Assets : Net Worth	<b>0.79</b>	0.41	0.34	0.39
<b>[E] SHAREHOLDER'S INTEREST</b>				
(1) Book Value Per Share [₹] (Net Worth/No. of Equity Shares)	<b>14,180.57</b>	26,533.53	27,934.33	23,980.23
(2) Dividend Per Share [₹]	<b>17,765.69</b>	9,398.86	7,960.47	7,171.00

Note: Previous years' figures have been re-grouped and re-arranged wherever considered necessary.

## Directors' Profile

### Chairman-cum-Managing Director & CEO

**Shri B.R. Reddy** (w.e.f. 01.03.2016)

*Chairman-cum-Managing Director & Chief Executive Officer*



**Shri B.R. Reddy** (58 years) has taken over charge as Chairman-cum-Managing Director, South Eastern Coalfields Limited on 01.03.2016. Shri B.R. Reddy, graduated in Mining Engineering from Kothagudem School of Mines, Andhra Pradesh in the year 1981 and did his M.Tech in Opencast Mining in the year 1992 from Indian School of Mines (ISM), Dhanbad, and is a Gold Medallist. He obtained 1<sup>st</sup> Class Mine Manager's Certificate of Competency (Coal) and he has also obtained Diploma in Industrial Relation and Personnel Management (DIRPM) from Nagpur University. Shri Reddy is a distinguished and experienced Mining Engineer.

Shri Reddy joined Coal India Limited on 05.09.1981 and worked in different capacities in various mines of Western Coalfields Limited (WCL) & Central Coalfields Limited (CCL). As General Manager of Dhori, Argada, N.K. Area of CCL, he has contributed a lot in opening New Opencast Mines and in solving many IR problems and due to his sincere efforts, the Purandih Greenfield OC of CCL could be reopened after a gap of nearly 10 years.

He was selected as Director (Tech) (Project & Planning) of Eastern Coalfields Limited (ECL) due to his proven managerial skills, sheer administrative capacity and took over the charge on 30.09.2014. Shri B.R. Reddy is recognised as a visionary, strategist and tactician and has consistent record of delivering extraordinary results in growth, revenue, operational performance and profitability in various capacities in Western Coalfields Limited, Central Coalfields Limited & Eastern Coalfields Limited. He motivates work force as mentor and lead talented professionals by directing across functional teams by providing interactive and motivational leadership that spurs people to willingly give best efforts and loyalty.

He has presented Paper on Dragline working at the National Seminar on Opencast Mine, which was well appreciated. He visited China in the year 2009 to attend Coal-Trans Seminar and also visited Sweden, Switzerland, Germany in the year 2014 on Advance Management Programme.

## Government Nominee Directors

### Shri Vivek Bharadwaj (w.e.f. 20.04.2015)

*Joint Secretary, Ministry of Coal*



**Shri Vivek Bharadwaj** (49 years), Joint Secretary, Ministry of Coal, Government of India, joined as Part-Time Official Director on the Board of SECL on 20.04.2015. 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, IT 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 recognised 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 finalist 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, Information Technology and Education.

### Shri Chandan Kumar Dey

*Director (Finance), Coal India Limited*



**Shri Chandan Kumar Dey** (57 Years), Director (Finance), Coal India Limited joined as Part-Time Official Director on the Board of SECL on 19.03.2015. Prior to joining Coal India Limited on 01.03.2015, Shri Dey served Eastern Coalfields Limited as Director (Finance) from 01.02.2013 to 28.02.2015. 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 34 years and served in different organisations of repute including Lovelock & Lewes, Dunlop India Limited, NICCO Group, Balmer Lawrie & Co. Limited and Oil India Limited. During his professional career Shri Dey headed the Accounts, Treasury, Taxation and Internal Audit functions and served as Chief Finance Officer. Shri Dey also headed the operations of Balmer Lawrie (UK) Limited for 3 years as Chief Operating Officer based in United

Kingdom. Shri Dey has travelled extensively within India and Foreign Countries like UK, France, Germany, Switzerland, USA, Hong Kong, UAE and the Central Asian Republic on official assignments.

## Functional Directors

### Shri Ambika Prasad Panda

Director (Finance) & Chief Financial Officer



**Shri Ambika Prasad Panda** (48 years), assumed the charge of Director (Finance), SECL on 01.08.2013. Shri Panda is a Fellow member of the Institute of Cost Accountants of India (ICAI) and Post Graduate in Business Administration. He is a keen business analyst and a committed management professional.

Prior to his present assignment, he worked in various capacities at Rashtriya Ispat Nigam Limited, Vishakhapatnam Steel Plant, Vishakhapatnam. During a career span of more than two decades, he could garner experience in the field of Financial Planning and Control, Accounts & Audit, Costing & Budgeting, Treasury and Forex Management, Commercial and Tax matters, etc. The organization was immensely benefitted by his Negotiation skills, Co-ordination abilities and Relationship management. His contribution in the areas of Forex Management, Internal Control, Cost reductions, Contract management, etc. has resulted in adding value to functional areas of the organization.

In addition to his present assignment as Director (Finance), SECL, Shri Panda is also the Chairman of the Board of Directors of the Joint Venture Companies and Subsidiaries of SECL viz. Chhattisgarh East Railway Limited (CERL) and Chhattisgarh East-West Railway Limited (CEWRL). Both JV Companies have been formed to develop Rail Corridors in the Mining Areas of SECL for facilitating evacuation of coal along with carrying out other rail operations.

Shri A. P. Panda has been conferred with the 'Most Influential CFOs of India' Award by the Chartered Institute of Management Accountants (CIMA).

### Dr. Rama Shankar Jha

Director (Personnel)



**Dr. Rama Shankar Jha** (55 years), joined as Director (Personnel) in SECL on 30.09.2014. Dr. Jha holds Degree in MA in Labour & Social Welfare (Topper), LLB and Ph.D. The Organizations in which he has contributed so far includes Bihar State Sugar Corporation, Hindustan Zinc Limited (Schedule-A CPSU), Vedanta/Sterlite Group of Companies, NMDC (a Navaratna Company) in the States of Bihar, Jharkhand, Orissa, Maharashtra and Chhattisgarh, in different capacities starting from Labour Welfare Officer, Personnel Officer to General Manager. He joined Coal India on 21.06.2011 at Western Coalfields Limited (Headquarter), Nagpur as General Manager (Personnel) and further worked as General Manager (Personnel/Admn) at Mahanadi Coalfields Limited, Sambalpur, from December, 2011 where he headed departments like Manpower, Recruitment, Executive Establishment, Skill Development, General Administration, etc. He has also worked as CPIO/Grievance Officer.

He is a versatile human resource executive with hands-on-experience in diverse industries in all facets of personnel functions. He has proved to be a strategic professional who displays participative management style in fast-paced diverse work force. He has been instrumental in Manpower Rationalization, Skill Development initiatives and other challenging assignments of HR Department. He has also attended Advanced Management Programme for General Managers of CIL at Indian Institute of Management, Kolkata; Frankfurt School of Finance & Management, Germany and Stockholm School of Economics, Sweden.

Dr. Jha is also a member on the Board of two subsidiaries of SECL, viz. Chhattisgarh East Railway Ltd. (CERL) and Chhattisgarh East-West Railway Ltd. (CEWRL). He is also Board of Trustee (BOT) member of Coal Mines Provident Fund Organization (CMPFO).

Dr. Jha received the award for '50 Most Influential HR Professionals in Asia' from Asia Pacific HRM Congress in September, 2015 and the award for '100 Most Influential HR Leaders in India' from World HRD Congress in February, 2016.

## Shri Kuldip Prasad (w.e.f. 10.02.2016)

Director (Technical) Operations, Director (Technical) P&P-Addnl. Charge



**Shri Kuldip Prasad** (57 years), has joined as Director (Technical)/Project & Planning in South Eastern Coalfields Ltd. on 10<sup>th</sup> February, 2016. He has assumed the charge of Director (Technical) (Operations) with Additional Charge of Director (Technical)/Project & Planning on 01.06.2016. He has graduated in Mining Engineering (B.Tech. Mining) from India's renowned Mining Institute, the Indian School of Mines, Dhanbad in the year 1982 and holds 1<sup>st</sup> Class Mine Manager's Certificate of Competency.

He started his career as a Junior Executive Trainee (Mining) in Central Coalfields Ltd., Ranchi in the year 1982. He worked in different capacities at various Areas/Fields of Subsidiaries of CIL like CCL & SECL. Before assuming the charge as Director (Technical)/P&P, he was discharging his duties as General Manager of Dipka Area, the second biggest Opencast coal producing Area of SECL having a production capacity of 31.00 Million Tonnes. He has the experience of working with all kinds of mechanization in Underground and Opencast mines of SECL. Shri Prasad has rich and varied experience in the field of Mining Industry with special focus on Underground mechanization. During his tenure, SECL may be able to touch new heights in the fields of Planning, Production & Productivity with utmost priority in Modernisation, Infrastructural Development and Cutting edge technology. Shri Prasad is a great lover of Books, Cricket, Reading and Writing. Shri Prasad has attended Advance Management Course at China and presented various Papers on different subjects in Mining Industry.

Shri Prasad is also a member on the Board of two subsidiaries of SECL, viz. Chhattisgarh East Railway Ltd. (CERL) and Chhattisgarh East-West Railway Ltd. (CEWRL). He is also a Nominee Director of SECL on the Board of Andhra Pradesh Heavy Machinery & Engineering Ltd. (APHMEL), a subsidiary of The Singareni Collieries Co. Ltd.

## Independent Directors

### Shri Sunil Kumar (w.e.f. 17.11.2015)

Retd. IAS, Vice-Chairman of Chhattisgarh State Planning Commission



**Shri Sunil Kumar** (62 Years), joined as Independent Director on the Board of SECL on 17.11.2015 on being appointed by Ministry of Coal, Govt. of India. Shri Kumar was educated at the Universities of Kerala, Cochin and Harvard and holds Bachelors' degree in Physics, Masters' degrees in Management and Public Administration. He was a member of the Indian Administrative Service (1979-2014) and superannuated from the service on 28.02.2014. At present, he is the Vice Chairman, Chhattisgarh State Planning Commission in the rank and status of a Cabinet Minister in the State Government. Shri Kumar held a variety of Civil Administrative positions viz. Chief Secretary and Additional Chief Secretary in the State Government of Chhattisgarh; Additional Secretary, Joint Secretary and Deputy Secretary in the Government of India in the Ministry of Human Resource Development (Department of Higher Education) and the Ministry of Food Processing Industries; Principal Secretary and Secretary in the State Governments of Madhya Pradesh and Chhattisgarh, handling a variety of public policies in Information Technology, Information and public relations, Panchayats, Social welfare, apart from field assignments at the District and Sub-Divisional levels.

Panchayats, Social welfare, apart from field assignments at the District and Sub-Divisional levels.

Shri Kumar has wide ranging managerial experience at the Board level while in the IAS as Managing Director in various Companies viz. EdCIL India Ltd. (Ministry of Human Resources Development); Modern Foods Ltd. (Ministry of Food Processing Industries); MP State Civil Supplies Corporation; MP Madhyam and as Additional MD, MP State Cooperative Marketing Federation. Prior to joining the IAS, Shri Kumar has managerial experience in line functions as Dy. Zonal Manager, Hyderabad Alwyn Ltd. and in Staff functions as Executive Assistant to CMD, Scooters India Ltd. He held Membership in the Boards of IIM-Indore, IIT-Chennai, IIT-Kharagpur, AIIMS-Raipur and IIM-Raipur and has membership of Professional Institutions and clubs viz. Indian Institute of Public Administration, India International Centre, India Habitat Centre, Delhi Gymkhana Club, Civil Services Officers' Institute and is a Founder Member of Police Foundation and Institute, New Delhi.

Shri Sunil Kumar has visited various Countries viz. USA, UK, Japan, France, Sweden, Switzerland, Netherlands, Germany, Norway, Sri Lanka, Pakistan, Bangladesh, Nepal, Thailand, Singapore, Malaysia, PR of China, Mauritius, Australia, Hungary, Mexico and Canada.

**Prof. B.S. Sahay** (w.e.f. 17.11.2015)*Director, IIM (Raipur)*

**Prof. B.S. Sahay** (57 Years), joined as Independent Director on the Board of SECL on 17.11.2015 on being appointed by Ministry of Coal, Govt. of India. He is the Founder Director of Indian Institute of Management (IIM), Raipur. Prior to joining IIM, Raipur, he was Director of the Management Development Institute (MDI), Gurgaon and Institute of Management Technology (IMT), Ghaziabad. Prof. Sahay was also responsible for setting up IMT, Dubai and providing strategic guidance to IMT, Nagpur.

Prof. Sahay did his B. Tech. from BIT, Sindri, M.Tech. & Ph.D. in Industrial Engineering from Indian Institute of Technology (IIT), Delhi. He went to Germany and Japan under Fellowship Programmes. He has over 30 years of experience in teaching, research, consultancy, executive education and industries. His teaching, research and consulting interests include logistics and supply chain management, production and operations management, project management, productivity

management and business modelling.

Prof. Sahay has carried out 20 sponsored research projects and 35 consulting assignments and organized six major International Conferences. He has published and presented more than 150 papers in international/national journals and conferences. He has authored six books in the area of Supply Chain Management, World Class Manufacturing, Total Quality Management and Productivity Management besides editing 13 books. Prof. Sahay serves on the Editorial Board of four international journals and many national journals. He was the Founding Editor of International Journal of Value Chain Management.

Prof. Sahay has received numerous awards for his significant research contributions, teaching and academic administration which includes Escorts Book Award, ISTD National Book Award, Best paper awards, Fellow of IIIE, Best Director Award, Best Teacher Award, Award of Excellence in Research and Nurturer of Talent Award.

Prof. Sahay has been honoured with "IIT Delhi Alumni Association Award for Outstanding Contribution to National Development", "Distinguished Alumnus award" by BIT, Sindri, CSR Eminent Directors of Leading Institutes Award and Amity Academic Excellence Award by Amity University. He has also been facilitated with Honorary Fellowship of Indian Institute of Material Management.

Prof. Sahay is on the Board of Indian Institute of Corporate Affairs, AIIMS-Raipur; Guru Ghashidas Central University, Bilaspur; National Board of Accreditation; BIT Sindri; Chhattisgarh Infotech & Biotech Promotion Society and IIM Raipur. He is also on the expert committee of Ministry of Human Resource Development, All India Council of Technical Education, National Task Force of CII on Skill Development, many other Universities and Organisations. Prof. Sahay was also on the Board of Decision Science Institute (DSI), USA (2008); Production and Operations Management Society (POMS), USA (2008); INFORMS, USA (2008).

## Permanent Invitee

**Shri J.N. Jha** (w.e.f. 04.04.2016)

*Chief Operations Manager, South East Central Railway*



**Shri J.N. Jha** joined as Permanent Invitee on the Board of SECL on 04.04.2016. Shri Jha, Chief Operations Manager, South East Central Railway (SECR), is an Indian Railway Traffic Service Officer of 1981 batch. He is a Gold medallist in B.E.(Mechanical) from Government Engineering College, Raipur. In his continuing illustrious career, he has worked in various capacities. As Chief Operations Manager of South Central Railway (SCR), he was In-charge of freight and coaching operations. SCR is serving Singareni Coalfield, two Ports i.e. Krishnapatnam and Kakinada and large number of Cement plants. Shri Jha was instrumental for Turnaround in freight operation of SCR. Earlier, Shri Jha as Chief Commercial Manager of South Eastern Railway, dealt with Coalfields of BCCL, CCL, Port, Steel Plants and Iron ore mines. While working as Divisional Railway Manager of Asansol Division, he received 'Overall Efficiency Shield' for Asansol Division in the year 2012. He has co-ordinated with Eastern Coalfields Ltd. among others and freight loading

of Asansol Division increased from 29.7 MT to 31.9 MT during the period. Shri Jha was Chief Freight Traffic Manager of South East Central Railways, the highest freight loading zone for six years. During this period, the originating freight loading increased from 78.2 MT to 132.3 MT. Shri Jha hold rich experience in dealing with coal sector with companies like SECL, CCL, ECL, BCCL and MCL, supplying coal to Major Power Houses and Industry. He has the experience of setting up Freight Operations Wing of new Zonal Railway (SECR) Headquarters from scratch. Shri Jha was Chief Freight Traffic Manager (Iron & Steel) and CFTM/II of undivided South Eastern Railways and worked as Sr. Divisional Operations Manager, Khurda Road and Bilaspur (highest loading division). Coal loading from Talcher (MCL) had a quantum jump during that period.

In recognition of his outstanding performance, he has been bestowed with the "Railway Minister's Award" and many other shields, which included Railway Board Award in 1991, Operating Efficiency Shield (as Sr. DOM, Khurda Road) in 1992, Operating Efficiency Shield (as Sr. DOM, Bilaspur) in 1996 and Overall Efficiency Shield, Asansol Division in 2012.

## Chief Vigilance Officer

**Shri A. P. Labhane** (w.e.f. 01.06.2016)

*IRSEE Officer*



**Shri A.P. Labhane**, an Indian Railway Service of Electrical Engineers (IRSEE) officer, took charge of Chief Vigilance Officer of SECL on 01.06.2016 as additional charge to his existing charge of CVO, Western Coalfields Limited. Before joining WCL, Shri Labhane was posted in Indian Railway Institute of Electrical Engineering (IRIEEN), Nasik, as Professor. Shri Labhane has done M. Tech from IIT, Bombay and graduated from VNIT, Nagpur. He has served South Eastern Railway, South East Central Railway and Central Railway in different capacities in the field of Electrical Engineering. His core expertise area is Head equipments of Railway traction. He has visited Malaysia & Singapore for high level management training in the past.

## Former Board Members/Officials

### Shri Om Prakash (Up to 29.02.2016)

*Former Chairman-cum-Managing Director & Chief Executive Officer*



**Shri Om Prakash (60 Years)** had taken the charge as Chairman-cum-Managing Director of South Eastern Coalfields Limited on 09.10.2014 and relinquished the charge on 29.02.2016 upon superannuation. Shri Om Prakash is a distinguished and experienced Mining Engineer. He has completed his B. Tech from Indian School of Mines, Dhanbad in the year 1981 (Gold Medalist). He obtained First Class Mine Manager's Certificate of Competency (Coal) in the year 1984. He has been awarded W.H. Pickering Medal from MGMI in the year 1981. He has also completed M. Tech in Mine Planning & Design from Indian School of Mines, Dhanbad in the year 1990.

He has served the coal industry for more than 3 decades. Prior to his elevation as Chairman-cum-Managing Director, he has served in Western Coalfields Limited as Director (Technical); Central Coalfields Limited and South Eastern Coalfields Limited in various capacities. He has strong orientations in operation and finance and imbibed with high level operational initiatives starting from project conception, formulation upto implementation and reorganization both for underground and opencast mines. He motivates workforce as mentor and has been recognised as CEO with HR Orientation.

He has visited Australia in November 2007 for getting first-hand knowledge of global scenario in underground and opencast mining. Shri Om Prakash has participated in the Fifth International Symposium held on 3<sup>rd</sup> and 4<sup>th</sup> June, 2009 organized by Aachen University, Germany on the subject "High Performance Mining" especially in difficult mining situations. Shri Om Prakash has also participated in 23<sup>rd</sup> World Mining Congress held in Montreal, Canada in the month of August, 2013 for acquiring exposure in latest development in mining and allied activities. Shri Om Prakash has presented various technical papers in several National Seminars.

### Shri Ajay Kumar Bhalla (Up to 13.04.2015)

*Former Govt. Nominee Director,*

*Ex-Joint Secretary (Coal), Ministry of Coal*



**Shri Ajay Kumar Bhalla (55 years)**, Joint Secretary, Ministry of Coal, Government of India, a Part-Time Official Director on the Board of SECL since 6<sup>th</sup> July, 2010 has ceased to be a Director on SECL Board w.e.f. 13.04.2015 on demitting the office from Ministry of Coal. Shri Bhalla is an IAS Officer of Assam and Meghalaya Cadre of 1984 Batch. He holds Masters Degree in Botany from University of Delhi, M. Phil (Social Sciences) from University of Punjab & MBA from University of Queensland, Brisbane, Australia. Prior to his current assignment as Joint Secretary, Ministry of Coal, Shri Bhalla was Principal Resident Commissioner, Government of Meghalaya. Shri Bhalla has wide experience spread across various Ministries and Departments of Government of India and he held various administrative posts in the State of Assam and Meghalaya including that of Commissioner & Secretary, Government of Meghalaya, Principal Secretary in Public Health Engineering Department, Industries Development, Soil & Water Conservation Department,

Chairman of Board of Revenue. He also worked as Deputy Secretary/ Director, Government of India, Department of Mines, Ministry of Steel & Mines, as well as worked as Director (Ports) & Joint Secretary (Ports) in the Department of Shipping, Government of India. He was Private Secretary to the Union Minister of State for Health & Family Welfare and Union Minister of State for External Affairs.

## Shri Ram Prabesh Thakur (Up to 31.05.2016)

*Former Director (Technical) Operations*



**Shri Ram Prabesh Thakur (60 years)** took charge as Director (Technical) Operations, SECL, on 01.12.2013 and relinquished the charge on 31.05.2016 upon superannuation. Shri Thakur is a Graduate Mining Engineer from Indian School of Mines, Dhanbad and holds MBA in Finance and Marketing from BIT, Mesra and also holds Post Graduate Diploma in Computer Applications from XISS, Ranchi. He started his career as a Junior Executive Trainee (Mining) in CCL in the year 1977. He has worked in different capacities in the fields as well as in corporate offices and finally relieved of from CCL as Chief General Manager (Operations-Coordination) in November, 2013. Shri Thakur has about 37 years of experience in the mining industry. His able guidance and leadership has helped SECL to reach new heights in the field of production, productivity and profitability with top most priority on Safety, Infrastructure development and Corporate Social Responsibility.

Shri Thakur was also a member on the Board of the two subsidiaries of SECL viz. Chhattisgarh East Railway Ltd. (CERL) and Chhattisgarh East-West Railway Ltd. (CEWRL). He was also a Nominee Director of SECL on the Board of Andhra Pradesh Heavy Machinery & Engineering Ltd., a subsidiary of The Singareni Collieries Co. Ltd.

## Shri S.K. Das (Up to 11.02.2016)

*Former Permanent Invitee on SECL Board*

*Ex-COM, South East Central Railway*



**Shri S.K. Das** joined as Permanent Invitee on the Board of SECL on 27.08.2015 and ceased to be the Permanent Invitee w.e.f. 12.02.2016 upon relinquishing the charge of Chief Operations Manager (COM), South East Central Railway (SECR). Shri Das was the COM, SECR, which is the highest loading zone amongst all the 17 zones of the Indian Railways.

## Shri G. Janardhan (Up to 30.05.2016)

*Former Chief Vigilance Officer, SECL*

*IPS Officer*



**Shri G. Janardhan**, an IPS officer of 1992 batch, took charge of Chief Vigilance Officer of SECL on 30.05.2011 and relinquished the charge on 30.05.2016 on completion of tenure of deputation. He has served as Superintendent of Police (SP) of Harda, Anuppur, Jabalpur and Ujjain Districts of Madhya Pradesh. He has also rendered services overseas in Kosovo, Yugoslavia on United Nations Peace Mission. He has been awarded many Police medals such as Durgam Seva Padak from Govt. of Madhya Pradesh and Internal Security Medal and President's Police Medal for Meritorious Services from Govt. of India.

He is presently of the rank of Inspector General of Police (IGP).

## Our Management Team (As on 31.03.2016)

S.No.	EIS No.	Name	Date of Birth	Designation	Discipline
1	90009572	Pawan Kumar Agarwal	02-May-1956	Chief General Manager	Mining
2	90277567	Raj Kishor Manjhi	02-Apr-1958	Chief General Manager	Mining
3	90151200	A K Udenia	25-Apr-1959	General Manager	Mining
4	90113689	A Surendra Babu	21-Dec-1964	General Manager	Mining
5	90166141	Arun Kumar Sinha	21-Aug-1956	General Manager	E&M
6	90072851	Arvind Kumar	01-Jan-1961	General Manager	Mining
7	90069857	Asit Kumar Pandey	07-Jun-1959	General Manager	Mining
8	90026329	Asoke Kumar Goswami	01-Aug-1957	General Manager	Mining
9	90107244	B Choudhury	14-Nov-1961	General Manager	Mining
10	90159989	B P Singh	20-Jan-1964	General Manager	Mining
11	90132903	B R Patel	01-Jan-1957	General Manager	Excavation
12	90176298	Baban Singh	14-Nov-1961	General Manager	Mining
13	90179607	Bivekanand Dawn	31-Jul-1956	General Manager	E&M
14	90110883	D D Shrikhande	27-Apr-1957	General Manager	Telecommunication
15	90112475	D K Chandrakar	23-Nov-1962	General Manager	Mining
16	90097445	D K Sharma	03-Dec-1956	General Manager	Coal Preparation
17	90112855	D P Tiwari	07-Nov-1958	General Manager	Mining
18	90112459	D Srinath	20-Aug-1963	General Manager	Mining
19	90117862	Dr. Kavita Ganjre	09-Feb-1963	Chief of Medical Services	Medical
20	90122110	Dr. Madhukar T Tikas	06-Jul-1962	Chief of Medical Services	Medical
21	90117656	Dr. Meenakshi Deb	19-Aug-1960	Chief of Medical Services	Medical
22	90117664	Dr. N Ansingkar	19-Sep-1961	Chief of Medical Services	Medical
23	90038449	Dr. Pranav Deva	20-Sep-1956	Chief of Medical Services	Medical
24	90118167	Dr. Sujata Sharma	03-Dec-1958	Chief of Medical Services	Medical
25	90119033	Dr. Umesh S.sathe	30-Nov-1964	Chief of Medical Services	Medical
26	90111717	Dr. S .Tamaskar	05-Oct-1956	Chief of Medical Services	Medical
27	90081092	E R K Patro	21-Jul-1959	General Manager	Finance & Accounts
28	90176264	Ghanshyam Singh	08-Dec-1962	General Manager	Mining
29	90179227	J K Singh	20-Jun-1956	General Manager	E&M
30	90125725	J P Dwivedi	15-Jan-1966	General Manager	Mining
31	90175480	Jai Govind Singh	15-Dec-1960	General Manager	Mining
32	90074816	Jayanta Bhattacharjee	02-Nov-1957	General Manager	System & EDP
33	90154287	K K Gupta	02-May-1961	General Manager	E&M
34	90130204	K K Shukla	02-Feb-1960	General Manager	E&M
35	90084047	K Samal	11-May-1959	General Manager	Mining
36	90110743	Kosana Ravindra Reddy	07-Jun-1956	General Manager	E&M
37	90181801	Krishana Kumar Singh	03-Jan-1957	General Manager	Civil
38	90093493	Krishna Kumar	30-May-1959	General Manager	Civil
39	90073966	M S Ahluwalia	06-Jan-1957	General Manager	Civil
40	90042995	Manas Kumar Mallik	01-Jan-1960	General Manager	System & EDP
41	90186446	Manoj Kumar Agarwal	29-Jul-1963	General Manager	Mining
42	90125253	N P Sahu	05-Aug-1956	General Manager	Mining
43	90114315	N R Holkar	01-Jun-1959	General Manager	Mining
44	90087867	N Rajasekhar	24-Oct-1959	General Manager	Finance & Accounts



S.No.	EIS No.	Name	Date of Birth	Designation	Discipline
45	90043001	N B Bhattacharya	19-Sep-1956	General Manager	System & EDP
46	90113036	O P Katare	05-Aug-1958	General Manager	Mining
47	90151291	O P Singh	23-Oct-1963	General Manager	Mining
48	90087008	P C Das	01-Nov-1957	General Manager	Excav
49	90027517	Pradip Kumar Poddar	10-Jan-1961	General Manager	Mining
50	90185901	Prakash Chandra	15-Nov-1964	General Manager	Mining
51	90152893	Prakash Chandra Singh	22-Aug-1956	General Manager	Personnel
52	90093873	Pramod Kr Singh	05-Feb-1959	General Manager	Civil
53	90130808	Pramod Kumar	05-Jan-1957	General Manager	E&M
54	90085127	R N Prasad	06-Oct-1956	General Manager	E&M
55	90083403	R P Sah	03-May-1963	General Manager	Mining
56	90125402	R P Singh	07-Dec-1963	General Manager	Mining
57	90087933	R R Rajan	02-May-1958	General Manager	Finance & Accounts
58	90091612	R S Mahapatra	01-Jun-1960	General Manager	Personnel
59	90109562	R Ulaganathan	01-Jun-1956	General Manager	Industrial Engg
60	90111360	R K Mishra	14-Dec-1957	General Manager	Materials Management
61	90165275	Rajendra Pd. Hajarika	18-Mar-1956	General Manager	Mining
62	90074790	Rajesh Nath Jha	25-Sep-1957	General Manager	System & EDP
63	90176470	Rakesh Kumar	15-Mar-1961	General Manager	Mining
64	90006313	Ramesh Behari Raizada	25-Jul-1956	General Manager	Mining
65	90154816	Rameshwar Prasad	15-Jan-1957	General Manager	Excavation
66	90186453	Ravikesh Kumar Raju	28-Jul-1964	General Manager	Mining
67	90009622	Ravindra Kumar Nigam	02-Oct-1960	General Manager	Mining
68	90025974	S K Neogi	15-Aug-1957	General Manager	Mining
69	90084039	S K Pal	15-Sep-1963	General Manager	Mining
70	90154139	S K Rai	23-May-1957	General Manager	E&M
71	90132796	S K Rai	26-Dec-1956	General Manager	Excavation
72	90083981	S K Ranu	29-Mar-1960	General Manager	Mining
73	90128125	S N Kapri	01-Jan-1965	General Manager	Mining
74	90113960	S Nagachari	22-Feb-1966	General Manager	Mining
75	90132887	S S Dubey	10-Dec-1959	General Manager	Excavation
76	90266867	Sanjeev Kumar	17-Aug-1962	General Manager	Personnel
77	90027939	Somnath Baksi	17-Nov-1959	General Manager	Mining
78	90125584	Subodh Shrivastava	13-Sep-1958	General Manager	Mining
79	90175498	Subrata Shekhar Sinha	28-Sep-1962	General Manager	Mining
80	90110578	Sunil Kr Gupta	25-Dec-1957	General Manager	E&M
81	90193855	U K Singh	05-Feb-1959	General Manager	Mining
82	90112426	U T Kanzarkar	09-May-1963	General Manager	Mining
83	90174335	Umesh Choudhury	09-Feb-1960	General Manager	Mining
84	90107947	V K Jaitak	04-Dec-1957	General Manager	Excavation
85	90034810	V N Choubey	26-Feb-1959	General Manager	Excavation
86	90008996	V S Seth	30-Jun-1956	General Manager	Mining
87	90058652	Vani Bhushan Upadyay	13-Jul-1958	General Manager	Personnel
88	90172107	Vijay Prakash Singh	22-Oct-1959	General Manager	Materials Management
89	90173733	Y V S Prasad	10-Jun-1956	General Manager	Sales & Marketing
90	90110347	Y V Subba Rao	29-Jun-1958	General Manager	Finance & Accounts
91	90009499	Zahurul Haque Khan	04-Jun-1956	General Manager	Mining

## Our Presence (Coal Mines)



*Gevra Opencast Coal Mine of SECL, Asia's Biggest Mine*







## Board's Report

Dear Members,

On behalf of the Board of Directors of your Company, it gives me immense pleasure to present before you the **Board's Report** on the business and operations of the Company along with the Audited Financial Statements for the year ended **March 31, 2016**, together with the Auditors' Report and Comments on the Accounts by the Comptroller & Auditor General (CAG) of India.

### 1.0 HIGHLIGHTS OF PERFORMANCE:

The fiscal 2015-16 has been yet another year of sustained performance, success and growth for your Company, which excelled in its endeavours and scaled new heights. The significant milestones achieved by your Company during the year are:

- Highest ever Coal Production of 137.93 Million Tonnes (MT), registering a growth of 7.52% over the previous year.
- Highest ever Coal dispatch of 138.73 MT registering a growth of 12.60% over the previous year.
- Highest ever Gross Sales value of ₹ 24,900.03 Crore.
- Profit Before Tax (PBT) of ₹ 5,173.46 Crore.
- Highest ever Dividend payout @ 1776.57% (i.e. ₹ 17,765.68 per share) amounting to ₹ 6,390.32 Crore.
- Your Company received 'Excellent' MoU performance rating for the year 2014-15.

These achievements reflect your Company's proven commitment towards sustained growth and performance excellence. Consistently driven by well-defined growth strategies, performance of your Company improves every year surpassing its own previous record. You will appreciate the fact that your Company is imparting a major thrust to the growth of the energy sector and delivering consistently excellent performance.

### 2.0 ORGANIZATION:

The coal reserves of SECL are spread over two states, viz., Chhattisgarh (CG) and Madhya Pradesh (MP) and the Company is currently operating 86 mines with 52 mines situated in the State of Chhattisgarh and 34 mines situated in Madhya Pradesh. These 86 mines comprises of 63 Underground mines, 22 Opencast mines and 1 Mixed mine.

The Company also operates a Coal Carbonization Plant, namely, Dankuni Coal Complex (DCC) at Dankuni, Hooghly District in the State of West Bengal on lease basis from Coal India Limited.

For effective administrative control & operations, the mines have been grouped into three coalfields, namely, 'Central India Coalfields' (CIC), 'Korba Coalfields' and 'Mand-Raigarh Coalfields' with a total of 13 Operating Areas, viz.

- |                   |                |              |
|-------------------|----------------|--------------|
| 1. Sohagpur       | 5. Chirimiri   | 9. Korba     |
| 2. Johilla        | 6. Baikunthpur | 10. Kusmunda |
| 3. Jamuna & Kotma | 7. Bistrampur  | 11. Gevra    |
| 4. Hasdeo         | 8. Bhatgaon    | 12. Dipka    |
|                   |                | 13. Raigarh  |

The Area-wise details of Underground, Opencast and Mixed mines of SECL as on 31<sup>st</sup> March, 2016 are as under:  
(Figures represent No. of mines)

S.N.	Areas of SECL	Underground		Opencast		Mixed	
		CG	MP	CG	MP	CG	MP
<b>A. CENTRAL INDIA COALFIELDS (CIC):</b>							
1	Sohagpur		6		2		
2	Johilla		7		1		
3	Jamuna & Kotma		7		2		
4	Hasdeo	4	8		1		
5	Chirimiri	6		2		1	
6	Baikunthpur	5					
7	Bisrampur	5		3			
8	Bhatgaon	5		3			
	<b>Sub-Total (CIC)</b>	<b>25</b>	<b>28</b>	<b>8</b>	<b>6</b>	<b>1</b>	
<b>B. KORBA COALFIELDS:</b>							
9	Korba	9		2			
10	Kusmunda			1			
11	Gevra			1			
12	Dipka			1			
	<b>Sub-Total (Korba Coalfields)</b>	<b>9</b>		<b>5</b>			
<b>C. MAND-RAIGARH COALFIELDS:</b>							
13	Raigarh	1		3			
	<b>Sub-Total (Mand-Raigarh Coalfields)</b>	<b>1</b>		<b>3</b>			
	<b>TOTAL (A+B+C)</b>	<b>35</b>	<b>28</b>	<b>16</b>	<b>6</b>	<b>1</b>	<b>0</b>
	<b>GRAND TOTAL</b>		<b>63</b>		<b>22</b>		<b>1</b>

## 2.1 Capital Structure

During the year under review, there was no change in the Authorized and Paid-up Share Capital of the Company, which stood at ₹ 1,300.00 Crore and ₹ 359.70 Crore, respectively. The entire Paid-up Share Capital is held by Coal India Limited and its nominees.

## 3.0 SUBSIDIARIES:

Two (02) Subsidiary Companies of SECL have been formed by incorporation under the Companies Act, 1956 in the form of Joint Venture Companies, viz. Chhattisgarh East Railway Limited (CERL) and Chhattisgarh East-West Railway Limited (CEWRL) with equity shareholding pattern of the promoter entities in each of the Company envisaged as under:

Name of the Promoter entities	Shareholding Pattern
South Eastern Coalfields Limited (SECL)	64%
IRCON International Limited (IRCON)	26%
Chhattisgarh State Industrial Development Corporation Limited (CSIDCL) representing Govt. of Chhattisgarh	Value of land provided by State Govt. or 10%, whichever is more.

A Report on the Performance and Financial position of each of the Subsidiaries, Associates & Joint Venture Companies, pursuant to Section 134(3)(q) of the Companies Act, 2013 read with Rule 8(1) of the Companies (Accounts) Rules, 2014, is attached to this report as [Annexure-I](#).



### 3.1 CHHATTISGARH EAST RAILWAY LIMITED (CERL)

The Company being a Joint venture Company of SECL, IRCON International Limited and Government of Chhattisgarh (represented by CSIDC) was incorporated on 12.03.2013 for developing the rail network and to facilitate coal traffic movement from Kharsia to Dharamjaygarh upto Korba with a spur from Gare-Pelma Block in Northern part of Chhattisgarh to meet the logistic challenges foreseen on account of coal evacuation and to meet the growing coal needs of the country. Ministry of Railways (Government of India) has notified the East Rail Corridor in the State of Chhattisgarh as a 'Special Railway Project' to provide national infrastructure for a public purpose and directed for acquisition of land under the Railways Act, 1989.

#### 3.1.1 Capital Structure

During the year under review, the Authorised Capital of CERL has been enhanced from ₹ 5.00 Crore to ₹ 400.00 Crore. During the year under review, the subscribed and paid-up capital of the Company has been enhanced from ₹ 4,05,50,000.00 to ₹ 139,05,50,000.00 by way of Rights Issue of 13,50,00,000 Nos. of Equity Shares of ₹ 10/- each, to promoter companies SECL & IRCON on 07.11.2015 in their shareholding proportion of 64% and 26% respectively. The equity shareholding pattern of the promoters companies on 31.03.2016 vis-à-vis 31.03.2015 are as under:

Name of the Company	Shareholding as on 31.03.2016	Shareholding as on 31.03.2015
South Eastern Coalfields Limited	71.1086%	71.02%
IRCON International Limited	28.8879%	28.85%
CSIDC (representing Govt. of Chhattisgarh)	0.0035%	0.13%

#### 3.1.2 Performance Highlights

The year 2015-16 has witnessed the beginning of construction of the East Corridor Phase-I. The rail alignment for the first phase of the project now includes additional feeder lines of about 29.2 KMs right upto the mine boundaries. The significant milestones achieved by CERL during the year are briefly mentioned below:

1. Revised Detailed Project Report (DPR) for Phase-I of the Project from Kharsia – Chhal – Gharghoda – Korichhapar - Dharamjaigarh up to Korba with a Spur from Gharghoda to Donga Mahua for about 104 KMs to connect Mines of Gare Pelma Block and three feeder lines at Chhal, Baroud at Korichhapar of approximate length of about 29.2 KMs has been approved at a revised total Project Cost of ₹ 3,055.15 Crore. The said DPR has been approved by SECL and CIL Board.
2. Private land in 0-10 KM and 10-74 KM has been transferred in the name of South East Central Railway (SECR). The award of land for Spur (0-28 KM) is under preparation.
3. Transfer of 49.032 Hectares of Government Land for 43 villages for 0-10 KM, 10-74 KM and Spur 0-28 KM has been approved by the Government of Chhattisgarh.
4. Stage-II Forest Clearance for 76.099 Hectares (10-74 KM) for diversion of Forest Land has been obtained and the process of tree felling has been completed.
5. Proposal for diversion of Forest land for 12 Villages in 0-10 KM and Spur 0-28 KM has been submitted and is under consideration for approval.
6. Tenders amounting to ₹ 520.21 Crore has already been issued for construction of Major Bridges, Minor Bridges, Rail Bed and Road Bed in 0-10 KM, 10-74 KM and 0-28 KM spur.

### 3.2 CHHATTISGARH EAST-WEST RAILWAY LIMITED (CEWRL)

The Company being a joint venture Company of SECL, IRCON International Limited and Government of Chhattisgarh (represented by CSIDC) was incorporated on 25.03.2013 for developing the rail network and to facilitate coal traffic movement from Gevra, Dipka and Kusmunda Mines of SECL via alternate route from Gevra Road to Pendra Road in Northern Region of Chhattisgarh to meet the logistic challenges foreseen on account of coal evacuation and to meet the growing coal needs of the country. Ministry of Railways (Government of India) had notified the East-West Rail Corridor in the State of Chhattisgarh as a 'Special Railway Project' to provide national infrastructure for a public purpose and directed for acquisition of land under the Railways Act, 1989.

### 3.2.1 Capital Structure

During the year under review, there was no change in the Authorised Capital of the Company which stood at ₹ 5.00 Crore. The Subscribed and Paid-up Capital also stood unchanged at ₹ 4,05,50,000.00. The equity shareholding pattern of the promoters companies on 31.03.2016 vis-à-vis 31.03.2015 are as under:

Name of the Company	Shareholding Pattern as on 31.03.2016	Shareholding Pattern as on 31.03.2015
South Eastern Coalfields Limited	71.02%	71.02%
IRCON International Limited	28.85%	28.85%
CSIDC (representing Government of Chhattisgarh)	0.13%	0.13%

### 3.2.2 Performance Highlights

The East-West Rail Corridor project of the Company is spread in Bilaspur and Korba District of Chhattisgarh. The rail alignment for the project has been crystallized and it has been decided that about 35 KMs of Feeder lines to connect Kartali, Ambica, Saraipali and Vijay West Mines of SECL shall be integrated with the East-West Rail Corridor along with connectivity to Kusmunda, Junadih and Dipka Sidings. The significant milestones achieved by CEWRL during the year are briefly mentioned below:

- Detailed Project Report (DPR) of East-West Rail Corridor Project from Gevra Road to Pendra Road via Dipka, Katghora, Sindurgarh, Pasan, approximately 135.30 KMs in length with connectivity to Kusmunda, Junadih and Dipka Sidings along with a provision to construct and integrate with the East West Rail Corridor for about 35 KMs of Feeder lines to connect Kartali, Ambica, Saraipali and Vijay West Mines of SECL prepared and submitted by M/s. IRCON and duly financially appraised by M/s CARE Kalypto Risk Technologies & Advisory Services Pvt. Ltd., Mumbai has been approved at a total Project Cost of ₹ 5,543.37 Crore.
- The Award for transfer of Private land in Bilaspur District has been issued and CERL has deposited a sum of ₹ 29.14 Crore for payment of land compensation to the land losers. 20E Notification for 45 out of 52 villages has been published and preparation of award is under process. The process of acquisition of balance land is also in advanced stage. No Objection Certificate (NoC) for construction of Rail Corridor on land owned by South East Central Railway are being obtained.
- No Objection Certificate (NoC) for transfer of Govt. Land in Bilaspur District has been obtained. While NoC for transfer of Govt. Land for 27 villages in Korba Dist. has been obtained, the same is under process for the remaining 11 villages.
- The proposal for diversion of Forest land for construction has already been submitted and is under process. The preparation of 'Wild Life Conservation Plan' has been entrusted to TFRI, Jabalpur.
- In anticipation of acquisition of land for the project, tender for construction of a part of the corridor has already been issued.

## 4.0 PRODUCTION PERFORMANCE:

### 4.1 Production of Coking Coal & Non-Coking Coal

Production performance of SECL for the financial year 2015-16 as compared to the target and achievement of the previous year is given below:

(Fig. in Million Tonnes)

Raw Coal Production	2015-16		2014-15	Achievement against Target	Growth over previous year
	Target	Actual	Actual		
Coking Coal	0.14	0.14	0.13	100.00 %	7.69 %
Non-Coking Coal	136.86	137.79	128.15	100.68 %	7.52 %
<b>Total</b>	<b>137.00</b>	<b>137.93</b>	<b>128.28</b>	<b>100.68 %</b>	<b>7.52 %</b>

**Note:**

- Saraipali OC could not be started due to delay in Stage II Forestry Clearance.
- Coal production was restricted at some of the mines i.e. Kusmunda OCP and Amera OCP for want of Environmental Clearance.
- Restricted working space at Dhanpuri OCM and Amlai OCP due to non-availability of Forest Land.
- Coal production in CIC field was adversely affected due to lack of demand for higher grade coal (G5 and above).



#### 4.2 Production from Underground and Opencast Mines

The production of Coal from Underground Mines and Opencast Mines during the year 2015-16 vis-a-vis 2014-15 is tabulated below:

(Fig. in Million Tonnes)

Raw Coal Production	2015-16		2014-15	Achievement against Target	Growth over previous year
	Target	Actual	Actual		
Underground Mines	17.45	15.51	16.04	88.88 %	-3.30 %
Opencast Mines	119.55	122.42	112.24	102.40 %	9.07 %
<b>Total</b>	<b>137.00</b>	<b>137.93</b>	<b>128.28</b>	<b>100.68 %</b>	<b>7.52 %</b>

#### 4.3 Overburden Removal from Opencast Mines

The Overburden removal from Opencast Mines during the year 2015-16 vis-a-vis 2014-15 is tabulated below:

(Fig. in Million Cu. Mtrs.)

Parameter	2015-16		2014-15	Achievement against target	Growth over previous year
	Target	Actual	Actual		
Overburden Removal	170.00	175.37	158.27	103.16 %	10.80 %

#### 4.4 Mechanized Underground Coal Production

The Mechanized Coal Production from Underground Mines during the year 2015-16 was 15.51 Million Tonnes as compared to last year's 15.95 Million Tonnes.

#### 4.5 Productivity

The productivity in terms of Output per Manshift (OMS) is given hereunder:

Productivity	2015-16		2014-15	Achievement against target	Growth over previous year
	AAP Target (in te)	Actual (in te)	Actual (in te)		
Underground Mines	1.53	1.40	1.39	91.50 %	0.72 %
Opencast Mines	23.83	23.45	23.60	98.41 %	-0.64 %
Overall	8.35	8.46	7.86	100.32 %	7.63 %

#### 4.6 Coal Stock

The Stock of Raw Coal as on 31.03.2016 was 12.006 Million Tonnes as compared to stock of 12.816 Million Tonnes as on 31.03.2015.

#### 4.7 Performance against MOU Target

The assigned MoU target of 'Study of Man productivity by National Productivity Council' by 01.02.2016 for Excellent Rating has been achieved by completing the said Study on 16.12.2015.

**5.0 FINANCIAL PERFORMANCE:****5.1 Financial Results**

The working results for the year 2015-16 as compared to the previous year are given below:

(₹ in Crore)

<b>PARTICULARS</b>	<b>2015-16</b>	<b>2014-15</b>
Gross Turnover	24,900.03	22,004.53
Less: Levies	8,154.36	5,709.55
<b>Net Sales</b>	<b>16,745.67</b>	<b>16,294.98</b>
Less : Expenditure - Net of Income	10,891.34	10,018.42
Gross Margin	5,854.33	6,276.56
Less : Depreciation & Impairment	680.22	616.47
<b>Gross Profit</b>	<b>5,174.11</b>	<b>5,660.09</b>
Less: Interest & Financial Charges	0.65	0.55
Profit before Exceptional, Extraordinary items and Tax	5,173.46	5,659.54
Less : Extraordinary Items	-	-
<b>Profit Before Tax (PBT)</b>	<b>5,173.46</b>	<b>5,659.54</b>
Less : Provision for Taxation		
(a) Income Tax	2,084.19	2,121.41
(b) Deferred Tax	(158.63)	(232.28)
Less : Adjustment of Provision for Income Tax of earlier years	-	110.48
<b>Profit After Tax (PAT)</b>	<b>3,247.90</b>	<b>3,659.93</b>
Profit brought forward from previous year	5,572.82	6,442.68
Adjustment in Retained earnings	-	(137.23)
<b>Distributable Surplus</b>	<b>8,820.72</b>	<b>9,965.38</b>
<b>Appropriations</b>	<b>2015-16</b>	<b>2014-15</b>
General Reserve	162.40	365.99
CSR Reserve	257.65	0.00
Sustainable Development Reserve	0.00	0.00
Interim Dividend	6,390.32	3,380.77
Final Dividend on Equity share	0.00	0.00
Tax on Dividend	1,300.94	645.80
<b>Total</b>	<b>8,111.31</b>	<b>4,392.56</b>
<b>Balance carried to Balance Sheet</b>	<b>709.41</b>	<b>5,572.82</b>



## 5.2 Factors contributing to Increase/Decrease in Profit

The Company has earned a 'Profit before Tax' (PBT) of ₹ 5173.46 Crore in the year 2015-16. The Factors contributing to Increase/Decrease in Profit for the year 2015-16 vis-a-vis 2014-15 is furnished below:

(₹ in Crore)

S.N.	Particulars	Amount	Amount
<b>1</b>	<b>Profit Before Tax for the Financial Year 2014-15</b>		<b>5,659.54</b>
<b>2</b>	<b>Factors contributing to decrease in Profit:</b>		
i	Decrease in e-auction premium, FSA and other sales due to grade mix, incentives and DCC sales (from ₹ 72.17 Crore to ₹ 25.60 Crore)	1,021.82	
ii	Decrease in dividend/interest from Mutual fund, Deposits with banks, CIL & others and decrease in other Non-operative income	403.38	
iii	Increase in Salaries and wages expenses due to increase in salary, Ex-gratia and Township Power consumption	382.07	
iv	Increase in CSR Expenses, Power & Fuel, Depreciation, Contractual Expense, Repairs, Provisions, OBR Adjustment and Others	1,087.34	<b>2,894.61</b>
<b>3</b>	<b>Factors contributing to increase in Profit:</b>		
i	Increase in e-Auction Sales (Basic value), increase in Sales due to improved despatch, increase in crushing charges and SILO charges	1,472.51	
ii	Gratuity liability written back and Increase in Other operating income	91.15	
iii	Saving in PRP provision, Manpower reduction, Actuarial valuation of Gratuity & Leave encashment and other Retirement benefit expenses	488.92	
iv	Stock adjustment and decrease in consumption of material	354.77	<b>2,407.35</b>
v	Changes in Prior-Period Adjustments		1.18
	<b>Profit Before Tax for the Financial Year 2015-16</b>		<b>5,173.46</b>

## 5.3 Dividend

First Interim dividend of 188.75% (₹ 1,887.50 per share) on the paid-up Equity Share Capital of ₹ 359,70,00,000 (Rupees Three Hundred Fifty Nine Crore and Seventy Lakh) consisting of 35,97,000 (Thirty Five Lakh Ninety Seven Thousand) Equity Shares of ₹ 1,000.00 (Rupees One Thousand) each fully paid-up, was declared for the Financial Year 2015-16, thus absorbing ₹ 678,93,37,500.00 as Interim Dividend and ₹ 138,21,73,328.00 as Dividend Tax (including Surcharge & Education Cess) thereon.

Further, Second Interim Dividend of 1079.65% (₹ 10,796.50 per share) on the paid-up Equity Share Capital of ₹ 359,70,00,000 consisting of 35,97,000 Equity Shares of ₹ 1,000.00 each fully paid-up, was declared for the Financial Year 2015-16, thus absorbing ₹ 3883,50,10,500.00 as Interim Dividend and ₹ 790,60,31,438.00 as Dividend Tax (including Surcharge & Education Cess) thereon.

Further, Third Interim Dividend of 508.17% (₹ 5,081.68 per share) on the paid-up Equity Share Capital of ₹ 359,70,00,000 consisting of 35,97,000 Equity Shares of ₹ 1,000.00 each fully paid-up, was declared for the Financial Year 2015-16, thus absorbing ₹ 1827,88,02,960.00 as Interim Dividend and ₹ 372,11,98,707.00 as Dividend Tax (including Surcharge & Education Cess) thereon.

Hence, a total dividend of 1776.57% (i.e. 17,765.68 per share) amounting in aggregate ₹ 6390,31,50,960.00 as dividend and ₹ 1300,94,03,473.00 as dividend tax thereon has been declared and paid during the Financial Year 2015-16.

The details of the dividend paid for the year 2015-16 vis-a-vis 2014-15 is tabulated below:

Particulars	2015-16	2014-15
Rate of Dividend	1776.57%	939.89%
Dividend per Share	₹ 17,765.68	₹ 9,398.86
Total Dividend	₹ 6390.32 Crore	₹ 3380.77 Crore
Dividend Tax	₹ 1300.94 Crore	₹ 645.80 Crore

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

#### 5.4 Capital Expenditure

During the year under report, ₹ 890.98 Crore was incurred as capital expenditure on the Projects under construction as well as on the existing Mines/Units for augmenting and maintenance of production.

#### 5.5 Unsecured Loan

During the year under review, the balance of the Unsecured loan remained NIL.

#### 5.6 Particulars of loans, guarantees or investments made under Section 186 of the Companies Act, 2013

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

#### 5.7 Deposits

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

#### 5.8 Sundry Debtors

The position of Sundry Debtors (Gross), Debtor turnover and the Provision for doubtful debts as on 31<sup>st</sup> March, 2016 vis-a-vis 31<sup>st</sup> March, 2015 is as under:

Particulars	Unit	31.03.2016	31.03.2015
Sundry Debtors (Gross)	₹ in Crore	2984.93	2529.85
Debtor Turnover	No. of months	1.46	1.38
Provision for Doubtful debts	₹ in Crore	334.32	252.14

#### 5.9 Particulars of Contracts or Arrangements made with Related Parties under Section 188 of the Companies Act, 2013

There was no contract or arrangements made with related parties which would come under the purview of Section 188 of the Companies Act, 2013 during the year under review.

#### 5.10 Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year to which the Financial Statements relate and the date of the report

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



### 5.11 Contribution to the Government Exchequer

The Company has contributed to the Exchequer a total of ₹ 10,983.30 Crore during the financial year 2015-16. During the year under report, the Company has paid ₹ 7,743.67 Crore to the exchequer both Central and State by way of Royalty, Sales Tax, Excise Duty, Cess, etc., as per details given below:

(₹ in Crore)

Sr.N.	Mode of Contribution to Exchequer	2015-16	2014-15
<b>A</b>	<b>Royalty:</b>		
	- Chhattisgarh	1,794.20	1,595.73
	- Madhya Pradesh	409.00	479.24
	<b>Total</b>	<b>2,203.20</b>	<b>2,074.97</b>
<b>B</b>	<b>State -Sales Tax / VAT /Entry Tax/Commercial Tax:</b>		
	- Chhattisgarh	640.77	483.90
	- Madhya Pradesh	105.78	116.71
	- West Bengal	0.06	0.06
	<b>Total</b>	<b>746.61</b>	<b>600.67</b>
<b>C</b>	<b>Central Sales Tax:</b>		
	- Chhattisgarh	198.50	178.76
	- Madhya Pradesh	52.35	49.22
	- West Bengal	0.00	0.00
	<b>Total</b>	<b>250.85</b>	<b>227.98</b>
<b>D</b>	<b>Central Excise Duty:</b>		
	- Chhattisgarh	760.78	745.16
	- Madhya Pradesh	76.16	90.18
	- West Bengal	0.96	0.96
	<b>Total</b>	<b>837.90</b>	<b>836.30</b>
<b>E</b>	<b>Cess/Other Taxes:</b>	3,705.11	1,907.40
	<b>Grand Total</b>	<b>7,743.67</b>	<b>5,647.32</b>

Further, the Company has also paid Direct Corporate Tax of ₹ 3,239.63 Crore during the year, including the Dividend tax of ₹ 1,300.94 Crore.

## 6.0 COAL MARKETING:

### 6.1 Demand Satisfaction

The demand of coal during the year under report from various sectors was 137.00 Million Tonnes and the Off-take against the demand was 138.74 Million Tonnes, thereby registering a demand satisfaction of 101.27%. The details of the sector-wise demand and off-take are tabulated below:

(Fig. in Million Tonnes)

Sector	2015-16			2014-15	Growth over previous year
	Demand	Off-take	Demand Satisfaction	Off-take	
Power	106.58	105.40	98.89 %	98.13	7.41 %
Fertilizer	1.25	1.02	81.60 %	1.07	-4.67 %
Cement	4.25	2.96	69.65 %	3.58	-17.32 %
Others	24.90	29.35	117.87 %	20.43	43.66 %
Colliery Consumption	0.02	0.01	50.00 %	0.01	0.00 %
<b>Total</b>	<b>137.00</b>	<b>138.74</b>	<b>101.27 %</b>	<b>123.22</b>	<b>12.60 %</b>

*Note: AAP Target has been taken as Demand.*

105.40 Million Tonnes of coal has been dispatched to Power Sector during the year under report as compared to 98.13 Million Tonnes during 2014-15, thereby registering a growth of 7.41%. The total Off-take has registered a growth of 12.60% reaching a record 138.74 Million Tonnes. The demand satisfaction of Cement sector has been low mainly due to depressed demand of higher grade coal from SECL mines on account of availability of cheaper imported coal and usage of low cost substitute i.e. pet-coke, by Cement consumers.

## 6.2 Dispatches by Various Modes of Transport

The dispatches of coal by various modes of transport during the year 2015-16 were 138.73 Million Tonnes as compared to 123.21 Million Tonnes during 2014-15, thereby registering a growth of 12.60%. Barring through "Consumers' own Wagons" mode dispatch, all other modes have shown positive growth in dispatches. The details of the mode-wise target and dispatches are tabulated below:

(Fig. in Million Tonnes)

Mode of transport of dispatch	2015-16			2014-15	Growth over previous year
	Target	Actual	% Achievement against target	Actual	
Rail	54.24	46.69	86.08 %	43.64	6.99 %
Road	44.55	57.13	128.24 %	45.21	26.37 %
Belt	6.66	7.13	107.06 %	6.54	9.02 %
MGR	27.75	25.07	90.34 %	24.82	1.01 %
Consumers' own Wagons	3.78	2.71	71.69 %	3.00	-9.67 %
<b>Total</b>	<b>136.98</b>	<b>138.73</b>	<b>101.28 %</b>	<b>123.21</b>	<b>12.60 %</b>



### 6.3 Supply and Loading of Wagons

The details regarding supply and loading of wagons during the year 2015-16 are given below:

(Fig. in Rakes/Day)

Supply & Loading of Wagons	2015-16	2014-15	Growth
Daily Average Target	39.00	39.29	-0.74 %
Daily Average Offer	38.54	40.47	-4.77 %
Daily Average Supply	34.02	31.80	6.98 %
Daily Average Loading (Raw Coal)	34.02	31.80	6.98 %



### 6.4 New Coal Distribution Policy (NCDP)

The New Coal Distribution Policy (NCDP) was pronounced and circulated by the Ministry of Coal, Government of India vide O.M. No. 23011/4/2007-CPD dated 18.10.2007. As per the NCDP, previous 'Linkage System' of distribution of coal has been replaced with the system of distribution of Coal through 'Fuel Supply Agreement' (FSA) as executed between Coal Companies and the erstwhile valid linked consumers. The details of FSAs entered between SECL and consumers are as under:

(Fig. in Nos.)

FSAs entered with consumers	FSAs existed/valid during the year		FSAs Renewed during the year		New FSAs entered during the year	
	Pre-NCDP	Post-NCDP	Pre-NCDP	Post-NCDP	Pre-NCDP	Post-NCDP
Power Sector	21*	39**	0	0	0	6
Non-Power Sector	231#	66#	2	10	1	4

**Note:**

\*01 Pre-NCDP IPP (Lanco Amarkantak Power Ltd.) has been signed through LOA route and not included in table above.

\*\*39 Post-NCDP FSAs include 26 FSAs which are effective and exclude 8 FSAs which stands null and void in pursuance of MoC OM dtd. 30.06.2015, upon completion of Tapering period.

#100 Nos. Pre-NCDP FSAs and 29 Nos. Post-NCDP FSAs did not remain valid during the year 2015-16 due to various reasons, such as, FSA expired due to completion of tapering period, FSA stands null & void in pursuance of MoC OM dtd. 01.07.2015, FSA terminated due to booking of coal less than 30%, Documents not submitted for renewal of FSA, etc.

### 6.5 e-Marketing of Coal

In accordance with the NCDP as approved by the Ministry of Coal, Govt. of India, CIL communicated 'e-Auction Scheme 2007' (Spot e-Auction) for sale of coal under the scheme to the extent of around 10% of the planned production. Forward e-Auction for consumers is also in vogue in SECL, wherein coal distribution is aimed at providing access to coal for such consumers who wish to have an assured supply over a long period, say, one year.

SECL has successfully offered 320.97 Lakh Tonnes of coal for sale through e-Auctions. Performance of the Spot e-Auction and Forward e-Auction during the period 2015-16, is as under:

Scheme	Offered Qnty (Lakh tes)	Booked Qnty (Lakh tes)	Gain over notified price (₹ in Crore)	% Gain over notified price
Spot e-Auction	262.12	175.21	684.87	32.12 %
Forward e-Auction	58.85	10.29	66.92	55.14 %

In addition to the above, two new e-Auction schemes have been introduced by MoC/CIL, details of which are hereunder:

Scheme	Offered Qnty (Lakh tes)	Booked Qnty (Lakh tes)
Special Forward e-Auction for Power producers (including IPP's)	55.52	36.00
Exclusive e-Auction scheme for Non-power (including CPPs)	15.02	3.04

## 6.6 Consumer Satisfaction

The availability of imported coal and other alternative sources of coal and fuel is now a competitive reality. In this changed scenario, coal quality and consumer satisfaction has become all the more relevant than ever before. The Company has adopted itself to the changed environment, which is evident from the fact that there has not been any major complaint recorded against the total dispatch of 138.73 Million Tonnes of coal. Thus, the Company maintained full consumer satisfaction during the year 2015-16.

In order to ensure complaint free status on quantity front also, the Company has taken action to install 'Electronic Weighbridges' at all the sidings/loading points and the Company has achieved 100% compliance in respect of installation of Weighbridges at the sidings and ensured supply of 100% weighed coal. The Company has also made arrangements to ensure 100% supply of (-)100mm sized coal to the Power houses from 01.01.2016.

The dispatch to Power houses are covered under 3<sup>rd</sup> party sampling at loading end by the Independent 3<sup>rd</sup> party Sampler appointed by the Power Producers/Power Utilities as per directives issued by Director (OM), CEA and as per the provisions of Fuel Supply Agreement (FSA). All analysis is done with the help of Bomb Calorimeter to ascertain the Gross Calorific Value (GCV) of coal being supplied to the consumers. 100% sampled coal was dispatched to Power houses covered under FSA.

SECL is following the fully variable Gross Calorific Value (GCV) based system for grading and pricing of Non-Coking Coal which has been adopted w.e.f. 01.01.2012 as per Gazette Notification No. 2440 dated 30.12.2011 of the Ministry of Coal and bills are raised and realized accordingly. The GCV based system for coal grading is an International practice for trading of coal, which was recommended for adoption by a number of High Level Committees including the Integrated Energy Policy Committee. This system ensures a high degree of consistency in quality of coal supplies resulting in consumer satisfaction. The determination of GCV is being ensured through Bomb Calorimeter in order to have optimum accuracy to gain the consumer confidence in this system. Further, this has also resulted into high degree of Consumer Satisfaction so far as sampling and analysis is concerned because the Bomb Calorimeter is automatic and results are being communicated by BCM directly, once the Bomb Calorimeter is charged with sample.

## 6.7 Performance against MoU Target relating to Customer Satisfaction

The assigned MoU targets relating to 'Customer Satisfaction & Redress of Customer Grievances' vis-à-vis achievement for the year 2015-16 are given below:

S.No.	Parameters related to Customer Satisfaction & Redress of Customer grievances	Target for Excellent Rating	Actual Performance
1	Dispatches of sized coal to Power sector by Rail	100%	100%

## 7.0 PERFORMANCE OF MAJOR EQUIPMENTS:

### 7.1 Population and Performance of HEMMs

#### (A) Performance of HEMM under CMPDIL Norms:

Availability and Utilization of HEMM (in %) against Central Mine Planning & Design Institute Limited (CMPDIL) norms during the year 2015-16, is shown as under:

Name of HEMM	Population (in Nos.)		Availability (in %)			Utilization (in %)		
	2015-16	2014-15	Norms	2015-16	2014-15	Norms	2015-16	2014-15
Dragline	9	9	85	88	87	73	41	44
Shovel	71	76	80	72	74	58	47	50
Dumper	361	367	67	75	75	50	42	44
Dozer	169	161	70	67	68	45	30	29
Drill	107	114	78	85	86	40	25	25



Percentage availability of Dragline, Dumper and Drill during the year 2015-16 is higher than the CMPDIL norms. The availability of Shovel and Dozer has been 90% and 96% of the CMPDIL norms respectively. The availability of Shovels is less due to ageing of some of the equipment and unreliability of 10 CuM Shovels due to frequent breakdown. Scarcity of imported spares of P&H Shovels and non-availability of indigenous sources of supply have also contributed to less availability of Shovels.

The Utilization of Dragline, Shovel & Dumper are 56%, 81% and 84% of CMPDIL norms respectively. This is acute shortage of land for operation of Draglines at Jamuna, Rajnagar, Bistrampur & Dhanpuri OCMs which has affected utilization of Draglines. The utilization of HEMMs is also low due to old and depleting OC mines like Rajnagar, Kurasia, Manikpur and difficult geo-mining condition at Mahan OCM.



**(B) Performance of HEMM under MARC:**

The availability and utilization of HEMMs under MARC against guaranteed availability during the year 2015-16 is shown as under:

Name of HEMM	Population (in Nos.)		Guaranteed Availability in MARC (%)	Availability (in %)		Utilization (in %)	
	2015-16	2014-15		2015-16	2014-15	2015-16	2014-15
42.0 M <sup>3</sup> 495 HD Shovel	3	3	85	90	88	62	62
42.0 M <sup>3</sup> 4100C Shovel	2	2	85	94	93	64	57
15.0 M <sup>3</sup> RH120 (HS) Excavator	2	2	85	87	85	62	56
240 Te CAT 793D Dumper	22	22	85	87	92	59	47
850 HP D475A-5 Dozer	7	7	80	75	68	48	44
850 HP CAT D11T Dozer	2	2	80	77	76	39	46

**(C) System Capacity Utilization of Opencast Mines:**

The System Capacity Utilization of Opencast Mines during the year 2015-16 vis-a-vis 2014-15 is tabulated below:

Capacity Utilization (in %)	2015-16	2014-15
Departmental Capacity Utilization	76.72	84.22
System Capacity Utilization (including Contractual capacity)	84.60*	85.37

\*Excluding mines of Gare Pelma.

The System Capacity of Opencast mines (including Contractual Capacity) assessed by the CMPDIL as on 01.04.2015 was 295.72 Million Cubic Mtrs. The System Capacity Utilization of Opencast mines (inclusive of Contractual capacity) for the year 2015-16 has been 84.60%. The Capacity Utilization has been affected by lower utilization of Draglines which has been only 45% due to non-availability of suitable patches for operation of Draglines.

## 7.2 Coal Handling Plants (CHP)

The Company has a total of 29 Nos. of Coal Handling Plants (CHP) which include 14 Major CHPs and 15 Minor CHPs. The capacity and utilization of Major and Minor CHPs during the year 2015-16 vis-a-vis 2014-15 are given below:

CHP	2015-16				2014-15			
	Nos.	Annual capacity (MT)	Coal Handled (MT)	Capacity Utilization (%)	Nos.	Annual capacity (MT)	Coal Handled (MT)	Capacity Utilization (%)
Major CHPs	14	64.40	69.59	108.06	14	64.40	62.18	97.54
Minor CHPs	15	3.39	3.34	98.53	15	3.39	3.13	92.19
<b>Total</b>	<b>29</b>	<b>67.79</b>	<b>72.93</b>	<b>107.58</b>	<b>29</b>	<b>67.79</b>	<b>65.94</b>	<b>97.28</b>



## 8.0 PLANNING & PROJECT MONITORING:

### 8.1 Project formulation/Capital projects/Schemes

#### A. Approval of Projects/Major Schemes during the year under review by SECL Board/CIL Board:

Sr. No.	Name of the Project	Capacity (MTY)	Capital outlay (₹ Crore)	Date of Sanction by	
				SECL Board	CIL Board
1	Batura Highwall	0.50	231.92	25-Jul-2015	
2	Amgaon OC RCE	1.00	316.11	25-Jul-2015	
3	Rampur-Batura OC	4.00	1,186.64		12-Aug-2015
4	Madannagar OC	12.00	1,875.32		15-Oct-2015
5	Malachua OC	3.00	488.33	28-Oct-2015	
6	Ambika OC RCE	1.00	140.51	30-Nov-2015	
7	Gevra OC Expansion	70.00	11,816.40		05-Mar-2016
8	Amadand OC RPR	4.00	869.44		05-Mar-2016

#### B. Completion of Projects:

Sr. No.	Name of the Project	Capacity (MTY)	Month of Completion	Date of Approval	Sanctioned Capital (₹ Crore)	Completion Cost (₹ Crore)
1	Churcha UG RO	1.35	Sept-2015	30.11.2015	462.35	497.01
2	Haldibari UG	0.42	Mar-2015	28.10.2015	47.59	54.62
3	Dipka OC Expansion	25.00	Dec-2015	27.02.2016	1,943.66	2,121.76

C. Projects Dropped/Closed/Frozen during the year : NIL

D. Commissioning of Projects during the year : NIL

## 8.2 Project Monitoring and Status of Implementation

In SECL, 118 major coal projects (80 Underground Projects and 38 Opencast Projects) have been approved for a total ultimate capacity of 260.08 MTY with sanctioned capital of ₹ 35,693.22 Crore (excluding pre-nationalized mines and dropped/shelved projects). Out of the 118 projects, 34 projects (09 UG & 25 OC) are On-going Projects, 58 projects (47 UG & 11 OC) are completed projects as on 31.03.2016, 11 UG & 01 OC Mines are Existing Mines and 14 projects were dropped/shelved till date.

The following table exhibit Investment-wise/Technology-wise implementation status of 104 coal projects comprising of On-going projects, Completed mines and Existing mines as on 31<sup>st</sup> March, 2016:



Category	Total No. of Projects	Capacity (MTY)	Sanctioned Capital (₹ Crs)	Implementation Status of Projects			
				Completed Mine	Existing Mine	On-going Projects	
						On Sch.	Delayed
<b>A. On Investment basis :</b>							
i) ₹ 100 Crore & above	27	224.66	33,436.83	02	-	19	6
ii) ₹ 50 Crore & above but less than ₹ 100 Crore	13	11.47	1,008.22	09	-	01	4
iii) ₹ 20 Crore & above but less than ₹ 50 Crore	27	14.99	935.58	23	-	03	1
iv) Less than ₹ 20 Crore	37	8.96	312.59	24	12	-	-
<b>TOTAL*</b>	<b>104</b>	<b>260.08</b>	<b>35,693.22</b>	<b>58</b>	<b>12</b>	<b>23</b>	<b>11</b>
<i>*It includes 6.07 MTY capacity of 12 closed/exhausted mines and 58.68 MTY capacity of 15 projects which are under construction period.</i>							
<b>B. On Technology basis :</b>							
i) Opencast	37	235.76	33,006.00	11	1	18	7
ii) Underground	67	24.32	2,687.22	47	11	5	4
<b>TOTAL</b>	<b>104</b>	<b>260.08</b>	<b>35,693.22</b>	<b>58</b>	<b>12</b>	<b>23</b>	<b>11</b>

## 8.3 Delayed Projects/ Schemes

### i) Vindhya UG AUG: (0.705 MTY)

Project is delayed due to non-finalization of tender for Continuous Miner (CM) Package. Project completion could not be ascertained at this stage as production criteria can only be achieved after CM package deployment. CM package is proposed to be shifted from Pinoura UG after exhaustion of reserve thereat which is expected in 2017-18.

### ii) Mahan OC RPR: (0.36 MTY)

Project is delayed due to delay in land acquisition/ possession and disbursement of compensation as villagers were demanding employment beyond norms. However, the matter has now been resolved and the RCE approved by SECL Board on 30.01.2013. The Project is expected to be completed in 2016-17.

### iii) Amera OC: (2.00 MTY)

The Project is delayed due to delay in land acquisition/ possession of land. The coal production started from March, 2011. The RCE has been approved on 04.02.2015. EC for 2.0 MTY has been obtained in December, 2015 under Clause 7(ii) of EIA Notification, 2006. The project is expected to be completed in 2017-18.

**iv) Rani Atari UG: (0.48 MTY)**

Project is delayed due to delay in construction of residential colony, deployment of CM package and EMP Clearance. LCCM started in June, 2008 and EMP for 0.48 MTY was obtained in April, 2010. Land acquisition for construction of residential colony is in progress.

**v) Amadand OC: (4.00 MTY)**

Project has already achieved its rated production capacity. However, it is delayed due to R&R issues resulting in delay in possession of land. Part possession of land was obtained in 2009. Land oustees were demanding employment beyond norms and hence the matter was sub-judice in different courts. Supreme Court has now given final judgement regarding employment. Accordingly, the RPR for 4 MTY project has been approved by CIL Board on 05.03.2016.

**vi) Khairaha UG: (0.585 MTY)**

Project is delayed due to delay in land acquisition, getting consent to operate from the State Govt. & deployment of CM package. Land has been acquired and Consent to operate has been obtained on 12.10.2011. Contract for Deployment of CM on Hiring basis has now been signed on 14.12.2015.

**vii) Mahan-II OC RCE: (1.00 MTY)**

Rated production capacity has been achieved, however the Project is delayed due to delay in physical possession of land, construction of coal transportation road and construction of residential colony. RCE has been approved by the SECL Board on 26.05.2014. Enhanced EC under clause 7(ii) of EIA has been obtained on 30.01.2015. The project is expected to be completed in 2016-17.

**viii) Manikpur OC Expn: (3.50 MTY)**

The Rated production capacity has been achieved, however the Project is delayed because of delay in Environmental clearance due to CEPI Moratorium. EC has been obtained on 22.08.2014. Project construction activities like in-pit crushing and transporting by belt conveyor and ROB etc. got delayed due to delay in getting possession of the forest land.

**ix) Kartali East OC: (2.50 MTY)**

Project is delayed due to delay in land acquisition and forestry clearance. Zero date has not yet commenced. Verified Statement V & VI is yet to be obtained from State Authority. Tree enumeration for forestry clearance is to be done by the State Forest Department. The Collectors' NOC under FRA has been obtained on 15.06.2015 and DGPS Survey has also been completed.

**x) Vijay West UG (Addm): (0.50 MTY)**

Project is delayed due to delay in land acquisition, construction of CHP, coal transportation road & getting 'Consent to Operate' from Environment Pollution Control Board, CG. Land has now been acquired and CHP has also been constructed. The 'Consent to Operate' was obtained in September, 2012. Coal production has started from CM package in May, 2015.

**xi) Gevra OC Expn: (70.00 MTY)**

Mine produced 41.0 MTY in the year 2015-16. However, the Project is delayed due to delay in finalization of R&R policy, procurement of major HEMM and construction of CHP and In-pit conveyor transport system. Tendering for procurement of HEMM is under process at CIL. Construction of CHP & In-pit conveyor is under progress. Expansion PR of 70 MTY has been approved by CIL Board on 05.03.2016.



#### 8.4 Performance against the MoU target

The details of the MoU performance parameters relating to 'Initiatives for Growth/ Project Management & Implementation' and its target vis-a-vis achievement for the year 2015-16 are given below:

Sr. No.	Performance Parameters	Unit	MoU Target for Excellent rating	Actual Achievement
1	Land Acquisition			
1.1	Acquisition of land u/s 9(i) of CBA	Ha	2750	3637.372
1.2	Acquisition of land u/s 11(i) of CBA	Ha	2650	4674.140
1.3	Possession of Land (incl. Forest Land)	Ha	740	1387.547
2	Approval of Projects			
2.1	Gevra OCP (35-70MTY)	Date	23-Feb'16	05-Mar'16
2.2	Madannagar OCP (12MTY)	Date	31-Jan'16	15-Oct'15
2.3	Rampur-Batura OCP (4MTY)	Date	31-Dec'15	12-Aug'15
4	Completion of On-going projects during the year- Chucha UG RO	Date	31-Jan'16	30-Nov'15
5	Major capacity Building/ Infrastructure development Activities of On-going projects			
5.1	Commissioning of Workshop at Dipka OC Expansion Project for HEMM	Month	Sept'15	Sept'15
5.2	Award of work & signing of agreement for construction of 20,000T RCC Bunker at Kusmunda OC Expansion project	Date	15-May'15	LOI issued on 29.05.2015. Contract Agreement signed in Feb '16
5.3	Commissioning of CM package of 0.25 MTY at Vijay West UG Mine	Month	Aug'15	May'15
5.4	Commissioning of 2 CM packages at Churcha UG Mine of 1.02 MTY capacity	Month	Nov'15	Nov'15
5.5	Issuance of LOI for introduction of CM Package for Khairaha UG Mine	Month	Sept'15	Nov'15
5.6	Taking possession of land where payment has already been made for Pelma OCP	Date	1-Feb'16	Statement V & VI submitted to State Authority for verification
5.7	Disbursement of compensation and physical possession of land for Baroud OCP	Date	15-Jan'16	An amount of ₹ 81.07 Crore sanctioned for 395.542Ha Land. Out of that ₹ 38.736 Crore Compensation disbursed involving 202.956 Ha land till March'16.
5.8	Obtaining Stage-I FC for Amlai OC Expansion "Sec-B"	Month	Aug'15	Stage-I FC issued by MoEF on 1 <sup>st</sup> April, 2016.
5.9	Submission of Feasibility Report for ROB by RITES for Manikpur OCP	Month	Nov'15	Draft Feasibility Report submitted in Sept'15
6	Capital Expenditure (CAPEX)	₹ in Crore	1,030.00	890.98

#### 9.0 EXPLORATION:

During the year under report, the status of exploration is as follows:

- 4,00,820.28 Mtrs drilling was undertaken through CMPDI in SECL/CIL blocks.
- Geological Reports for Syang Combined Block, Chira Combined Block of Mand-Raigarh Coalfield and Renki Block of Korba Coalfield were prepared thereby proving 907.2 Million Tonnes coal reserves.

## 10.0 RESEARCH & DEVELOPMENT:

The Research & Development (R&D) activities in the Coal sector are undertaken through Science & Technology (S&T) activities administered through an Apex scientific body known as 'Standing Scientific Research Committee (SSRC)'. This high level committee is entrusted with the vital task of planning, programming, budgeting and overseeing the implementation of the S&T programs in Coal Sector.

CMPDIL acts as nodal agency and co-ordinates S&T activities in Coal/lignite sectors. In addition to the above, R&D Board of Coal India Ltd. is also approving certain R&D projects/schemes for the Coal Sector. SECL also has R&D Cell of its own, which is undertaking small R&D projects/ Schemes.

### 10.1 Specific Areas in which R&D is being carried out by the Company

One R&D Project was undertaken by SECL during the year 2015-16, for study on "Suitability and feasibility of mixing of fly ash in the overburden of Kusmunda opencast mine of SECL with regard to stability of dump and effect on the ground water and other safety, environmental aspects".

## 11.0 EMBRACING MODERNISATION & TECHNOLOGY ABSORPTION IN MINING:

### 11.1 Surface Miner

Surface Miners have been deployed on hiring basis for coal production at Gevra OC Expansion, Dipka OC Expansion projects, Kusmunda OC Expansion, Chhal OC and Baroud OC. The total coal production from Surface Miners in the year 2015-16 was 87.76 Million Tonnes.

Mine wise production from surface miners is enumerated below:



(Fig. in MT)

Sr.No.	Mine	2015-16	2014-15
1	Gevra OC Expn	36.52	36.83
2	Dipka OC Expn	27.72	26.27
3	Kusmunda OC Expn	17.41	14.13
4	Chhal OC	2.97	2.06
5	Baroud OC	3.14	0.04
<b>Total</b>		<b>87.76</b>	<b>79.33</b>

### 11.2 Continuous Miner

The efforts of the Company to modernize its underground mining operations resulted in successful introduction of a Continuous Miner (CM) at NCPH mine of Chirimiri Area, Kurja-Sheetaldhara mine and Kapildhara mine of Hasdeo Area, Pinoura UG mine of Johilla Area and a Low Capacity Continuous Miner at Rani Atari UG mine of Chirimiri Area. Recently, CM has also been deployed in Churcha UG, Vijay West UG and Haldibari UG. The total coal production from Continuous Miner in the year 2015-16 is 1828170 Te.



Mine-wise production from Continuous Miner is enumerated below:

(Fig. in Tes)

Sr.No.	Mine	2015-16	2014-15
1	NCPH (Old)	-	42500
2	Rani Atari LCCM	175400	158230
3	Pinoura CM	500000	372929
4	Kurja CM	306928	471445
5	Kapildhara CM	394067	132090
6	Vijay west CM	251600	-
7	Haldibari CM	97600	-
8	Churcha UG	102575	-
<b>Total</b>		<b>1828170</b>	<b>1177194</b>

The Company has taken steps for introduction of Continuous Miner at other Underground mines, namely Khairaha UG and Ketki UG. Gayatri UG, Rehar UG, Shivani UG and Pandavpara UG have also been identified for introduction of Continuous Miner in future.

### 11.3 Highwall Mining Technology

This method is a remotely operated system to extract coal from thin seams or coal from underlying coal seams in the highwall of an Opencast mine which has reached the final highwall position due to un-economic stripping ratio or due to surface constraints which limits further mining operations. Highwall Technology has been successfully commissioned in April, 2011 at Sharda mine of Sohagpur Area of SECL, for the first time in Coal India Ltd.

During the year 2015-16, this technology produced 0.547 MT of coal at Sharda mine. Another New project namely Batura highwall has been approved by the Company on 25.07.2015.



### 11.4 Man-riding System

In underground specified mines where long or arduous travel is involved, arrangement for transport of men has been introduced. The Man-riding System is operating in the Company at Churcha, Singhali, Bagdeva, Beheraband, Pinoura, Sheetaladhara-Kurja, Kapildhara and Bangawar mines of SECL. Two (02) Nos. of Man-riding Systems have been commissioned during the year under report at Shivani mine and Nawapara mine and commissioning of another 02 Man-riding Systems at Jhiria mine & Churcha mine is under process.



## 12.0 SAFETY & RESCUE:

The Company believes that good safety performance is an integral part of efficient & profitable business management and is fully committed to total safety in all aspects of its operations. The Company attaches prime importance to safety of the employees which will not be compromised for any other considerations.

### 12.1 Safety Measures

During the year under report, the following steps were taken to improve the safety standards in the mines of SECL:

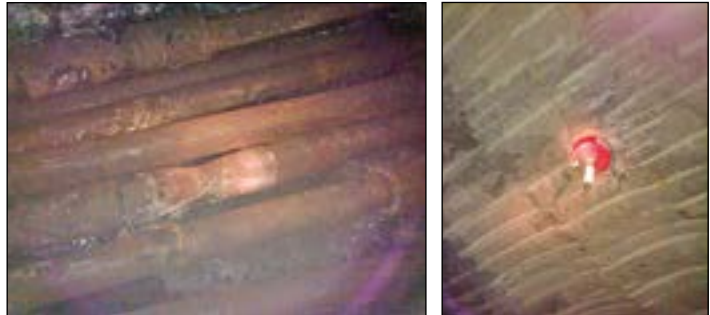
1. Special attention were given to all possible measures being adopted to ensure safety of mines as well as the persons employed thereat with due consideration to the implementation of recommendations of findings of the enquiries and deliberations of the Safety Committee Meeting & at pit top.

2. All the provisions of the Mines Act & Rules, Coal Mines Regulations, etc. and the Circulars issued thereunder in this regard were being complied with to ensure occupational safety for the employees/workers at their workplaces.
3. All the recommendations/suggestions made by the Standing Committee on Safety in coal mines, National Safety Conference, Court of Inquiries, Safety Boards, Tripartite, Bipartite & Pit Safety Committees were implemented.
4. Thrust were given on publicity & demonstration at pit top in addition to training at training centres & on-the-job training on various practical aspects to generate a safe, effective & productive working environment in mines.
5. All the operational hazards and safe operating procedures with due consideration to statutory provisions laid therein were made afresh well acquainted to all concern through public address system at the starting of shifts at pit top to avoid any slackness in their compliance with a view to ensure occupational safety at their workplaces with a feeling of responsibility and fear of accountability.
6. Awareness program were organized at each mine to pin-point the cause of accidents with a view to achieve zero accident potentiality. All persons were made aware of Safe Operating Practices for activities performed in mines to avoid inadvertent unsafe act & practice or any supervisory lapses.
7. Workers including contractor's workers were being re-trained at VTC and on job as per need to make them aware with the changing new technologies and method of workings with due consideration to the safety norms.
8. Safety Forums such as, Workmen Inspectors and Pit Safety Committee at Unit level, Safety Committee/Board at Area level, Bipartite and Tripartite Safety Committee at Area and Corporate level have been activated with responsibility to enhance & ensure safety standards for the workers employed in mines.



9. In addition to the Mine & Area Management, rigorous inspections of the mines were being done by Senior Management officials, ISO officials, Union Representatives & Pit Safety Committee to check & review safety status. Frequency of inspection has been increased for timely highlighting and rectification of deficiencies, mal practices & inadvertent mistakes performed, if any.

10. All operators of HEMM & other machineries are being trained afresh on safe operating issues.
11. Safe Operating Procedures for each activities prepared in SMP have been implemented in all working mines. Regular monitoring, review and updating of SMP were being done.
12. Awareness on scientific strata monitoring activities were developed amongst all concerned in addition to traditional practices to closely monitor the strata behavior in underground mines.
13. Thrust was given on reduction of deployment in areas of high risk with regard to danger of roof and side falls through mechanization by introducing (i) Short-wall Mining to work under protective roof, (ii) Continuous Miner & High Wall Mining to reduce exposure of persons to risk areas.
14. The major areas of risk were assessed for each mine and preventive actions were also provided to educate workers. DO's and DON'Ts with posters publicity and propaganda was adopted. All the accident affected persons were called before the Pit Safety Committee Meeting and the cause of accident as well as the mistake / defect in the system was analysed to avoid such accidents. All the resources were made available at the worksite with its know-how to avert accidents in future.
15. Before monsoon, the high level review was done to assess the status of monsoon preparation with apprehended danger due to UG / surface waters and accordingly action plan was prepared for implementation & monitoring.
16. All the accidents / incidents were inquired into by the Unit/Area & ISO officials and based on their findings corrective measures were taken and with the approval of competent authority the disciplinary action was taken against the persons found responsible for the accident. Also based on the findings of enquiry report, ISO circulars were issued for taking immediate corrective measures.
17. Departmental Dumper Operators (125 Nos.) were trained afresh on safe operating issues.
18. Fully equipped and well established Rescue Station / Rooms were available for round-the-clock Emergency Services.



## 12.2 Safety Training

1. To enhance and maintain the safety awareness among workers, Safety Fortnights and Special Safety drives were observed in mines of SECL. Awareness and Safety talks in each shift were practiced on regular basis to develop a safety culture in accordance of "Code of Safe Practices" for various operations.
2. The initial training was imparted to all new entrants and refresher training was given to all employees as per statute. Thrust on training and retraining of Supervisors, Support Personnel, HEMM operators and contractor's workers was maintained as a strategy to reduce accidents due to slackness in awareness in Underground & Opencast mines as well as at surface of mines.

## 12.3 Accidents Statistics

The accidents statistics for the year under report are tabulated as under:

Particulars	2015-16	2014-15
Fatal Accidents	9	10
Fatalities	9	11
Serious Accidents	33	36
Serious Injuries	35	36
Fatality rate per MT Output	0.065	0.085
Fatality rate per 3 Lakh Manshift	0.168	0.197
Serious injury rate per MT Output	0.254	0.281
Serious injury rate per 3 Lakh Manshift	0.652	0.646

Note: Figs. for the year 2015-16 are subject to reconciliation with DGMS.

## 12.4 Status of Rescue Services

The Company has teams of active rescue trained personnel (Field Volunteers) as per statute to serve in emergency calls for rescue & recovery operations. Initial trainings for rescue and recovery work were imparted at the MRS, Manendragarh to employees of mines, who voluntarily applied for and found physically fit. During the year 2015-16 initial training was imparted to 53 persons. Regular refresher trainings in rescue & recovery work were imparted to Rescue Trained Persons (RTPs) at the Mines Rescue Station (MRS), Manendragarh of Hasdeo Area and five other RRRTs of different Areas.

The Company is also maintaining five Rescue Rooms with Refresher Training facilities (RRRT), one each at Johilla, Sohagpur, Bistrampur, Baikunthpur and Kusmunda Areas, to impart refresher training. In addition, five Rescue Rooms one each at Chirimiri, Bhatgaon, Jamuna-Kotma, Raigarh and Korba are also in operation. The Rescue Station/ Rescue Rooms are situated within 35 KMs. of every underground mine as per statute to facilitate rescue & recovery work as early as possible in emergency situations.

Rescue Apparatus like Self Contained Breathing Apparatus (SCBA) namely BG-174, BG-4, P-30, Reviving apparatus like Maxaman, and Short Duration Breathing apparatus are maintained in the Company as per statute. Self-Contained Self Rescuers (SCSR) have also been provided for safe escape of persons in case of irrespirable atmosphere caused due to sudden irruption of noxious gases or outburst of fire in mines. CPR mankins are available at MRS for providing initial and practical demonstrations on Cardio-Pulmonary Resuscitation.

The services of the Mines Rescue Station, Manendragarh and other Rescue Units of SECL were utilized not only for mining related activities but also for the rescue activities involving the general public and other Government & Private properties. Rescue services of SECL also performed other jobs such as Ventilation Pressure Quantity Survey / Mine Gas Survey, Inspection of mines and Training of mine personnel in firefighting, First Aid, Gas testing, use of Self Contained Self Rescuer & Mine Air Analysis (by Gas Chromatograph at MRS) on regular basis.

During the year 2015-16, the rescue services of SECL has successfully reopened the sealed off areas of underground workings of Kurasia Colliery & NCPH (R-6) mine of Chirimiri Area and Surakachhar 3&4 of Korba Area, thereby recovering 4.4 MT of coal and started production. Inter-Area Rescue Competitions are conducted every year to maintain the rescue preparedness of rescue brigades and to motivate new entrants into rescue services. The rescue team of SECL won the overall championship in the All India Mines Rescue Competition-2015 conducted by SECL at MRS, Manendragarh.

## 12.5 Performance against the MoU Target

The assigned MoU target relating to safety has been achieved with "Excellent" performance rating. The details of MoU performance parameters on safety and its target vis-a-vis achievement for the year 2015-16 are given below:

Sl. No.	Parameters related to Safety Management	MoU Target for Excellent rating	Actual Achievement
1	Reduction in Fatality rate (Fatality/MM <sup>3</sup> of Total material excavated) w.r.t. previous FY	5.0%	25.42%

## 13.0 ENVIRONMENTAL MANAGEMENT: CONSERVATION & SUSTAINABILITY:

Clean environment for sustainable development is the prime concern of SECL and it is achieved by every employee's contribution and responsibility towards environmental performance. To achieve this objective, various participative initiatives are being practised and promoted. A three-tier system for environmental monitoring and audit is followed in compliance with the environmental protection statutes, from planning to production and mine closure. SECL takes pride in having excellent track record in implementing the Environmental Management Plans (EMPs). At the time of project planning itself, environmental measures are embedded as an integrated sub-system of Mine Management.



Coal is transported by closed conveyors and loaded into wagons through Silos at its mega mines namely Gevra & Dipka OC Projects. The same has been proposed for Kusmunda OCP. Moreover, massive multi-species plantation for bio-diversity conservation, top soil management, rain water harvesting, introduction of new mining technologies like high wall mining, surface miner, etc., have been undertaken by SECL.

SECL has introduced Integrated Management System Certification for 23 projects, 04 Workshops, 04 Hospitals and CETI Gevra in First Phase.

Considering the importance of clean air for all its stakeholders, SECL has undertaken several measures to mitigate the aspect of dust in its mining Areas.

More than 114 mobile water sprinklers have been deployed for dust suppression. About 38 KMs of the fixed water sprinklers are functioning in and around the coal handling plants, coal stock yards and transportation roads for dust suppression. In first phase, 04 nos. of Continuous Ambient Air Quality Monitoring Systems (CAAQMS) have been installed in four opencast projects for constant monitoring of ambient air quality.



### 13.1 Afforestation/ Plantation

The Company has undertaken road side plantation and grass bedding/ Plantations on overburden dump slopes to ensure clean environment and minimize pollution in and around Coal Mines.

In order to minimise pollution and to ensure clean environment, the Company has planted 7,43,175 Nos. of saplings during the year 2015-16 and more than 2 Crore no. of saplings have been planted since inception of SECL in 1985.



SECL has entered into a MoU with Chhattisgarh Rajya Van Vikas Nigam (CGRVNN) Limited, Raipur and Madhya Pradesh Rajya Van Vikas Nigam (MPRVVN) Limited, Bhopal for afforestation works for five years, i.e. from the year 2013-14 to 2017-18.

### 13.2 Functions/ Seminars for awareness of Environment Conservation

The Company, through its Environment Department organized functions to celebrate World Environment Week (2-7 June, 2015) at SECL Hqrs and other administrative Areas also. The function at Bilaspur was attended by the Directors, HoDs, Officers and Staffs.

The Officials present administered the oath to ensure 'the beauty of the planet Earth is not affected by our mining activities especially with regard to air, water and other environmental attributes'.



In pursuance of the oath, Plantations & Environmental awareness programmes were held across the Company. The Company constantly sensitizes the decision makers/ project officials, exclusively as an aspect of compliance to the statutory provisions relating to the environment. Nodal Officers (Environment) and other Officers have attended quarterly meetings in order to ensure statutory compliances.

### 13.3 Water Conservation

To conserve the scarce resource of water, SECL has undertaken water conservation and Rain water harvesting in its mines and colonies. Company proactively implemented steps to augment the ground water levels by commissioning rain water harvesting schemes. For treatment of mine effluent, SECL has commissioned sedimentation tanks /settling ponds in all the opencast mines, which act as water recharge basins. To reduce the biological contamination of streams, SECL has commissioned six number of Domestic Effluent Treatment Plants (DETP) having a capacity of 8.63 MLD and covering a population of 48,900.

### 13.4 Energy Saving

Energy saved is energy generated. Recommendations given by Energy Audit regarding measures to save energy are being implemented, considering practical needs. Assessment of scope for energy savings has been given due importance by the Company. In line of implementing measures to save energy, installation of timers in street lights in main colonies and office premises have been completed in all the Areas of SECL. The replacement of HPSV/HPMV/Metal Halide Lamps with LED/CFL Lamps in Street Lights of residential areas of SECL are under process.



**Performance against the MoU Parameters**

The details of MoU performance parameters related to electric power/Diesel consumption and its target vis-a-vis achievement for the year 2015-16 are given below:

Sr.No.	Parameters	MoU Target for Excellent rating	Actual Achievement
1.	Implementation of recommendations of the Study on Specific power consumption in Dipka OCP - % gap between recommended value and actual value to be reduced in 1 <sup>st</sup> year	52%	103%
2.	Specific Power Consumption – Study in two mega OC mines (Gevra & Kusmunda)	1 Feb '16	29 Jan '16
3.	Specific Diesel Consumption – Study in two mega OC mines (Gevra & Kusmunda)	1 Feb '16	22 Jan '16 & 30 Jan '16

**14.0 ENVIRONMENTAL & FORESTRY CLEARANCES:****14.1 Environmental Clearance (EC)**

Environment Impact Assessment and its management is a priority subject for the Company. The EMPs are comprehensive action plans with requisite inputs of technology, manpower, equipment, capital outlay and organizational structure for implementation of abatement measures. Environmental Clearance from the Union Ministry of Environment, Forests & Climate Change (MoEFCC) has been secured for 112 numbers of Environment Management Plans. Environmental clearances by way of approved EMPs are for production of 164.136 MTY. For projects which pre-dated the stipulations of securing environmental clearance operating Consents under Water & Air acts exist for a production capacity of 5.751 MTY.

During the year under report, EMPs for 01 Greenfield and 03 Expansion projects have been approved by the Ministry of Environment, Forests & Climate Change (MoEFCC), Government of India. Enhanced availability of ECs acts as a bank and helps in achieving the set target in times when some projects under perform due to constraints like geological disturbances, land acquisition, Industrial Relation problems etc.

**14.2 Forestry Clearance**

During the year 2015-16, following Forestry Clearances have been obtained:

- Forestry clearance (Stage-II) has been accorded by MoEF & CC, New Delhi for diversion of 46.198 Ha. of Forest land for Gevra OC vide no. 8-81/2006-FC Dtd. 20.04.2015.
- Forestry clearance (Stage-II) has been accorded by MoEF & CC, New Delhi for diversion of 192.046 Ha. of Forest land for Gevra OC vide no. 8-77/2006-FC Dtd. 20.04.2015.
- Forestry clearance (Stage-II) has been accorded by MoEF & CC, New Delhi for diversion of 564.855 Ha. of Forest land for Gevra OC vide no. 8-79/2006-FC Dtd. 20.04.2015.
- Forestry clearance (Stage-II) has been accorded by MoEF & CC, New Delhi for diversion of 33.266 Ha. of Forest land for Saraipali OC vide no. 8-18/2006-FC Dtd. 23.03.2016.
- Forestry clearance (Stage-I) has been accorded by MoEF & CC, New Delhi for diversion of 18.611 Ha. of Forest land for Sharda OC vide no. 6-MPC026/2015-BHO/1160 Dtd. 24.09.2015.
- Forestry clearance (Stage-I) has been accorded by MoEF & CC, New Delhi for diversion of 166.920 Ha. of Forest land for Amlai OC vide no. 8-12/2015-FC Dtd. 01.04.2016.

**15.0 TELECOMMUNICATION:**

Telecommunication plays a pivotal role in today's business environment, assisting in globalizing markets, reducing transaction costs, expanding productivity and directly increasing economic well-being. The use of telecommunications is vital in the production and dispatch of coal. SECL endorses the significance of telecommunications in today's scenario and its likely importance in the future by equipping itself with requisite new technologies. Steps undertaken by the Company during the year under report are as under:

- Electronic Road Weighbridges – 30 Nos., Electronic Portable Road Weighbridges-04 Nos. and Rail In-motion Weighbridges – 03 Nos. have been installed & commissioned against replacement, additional and new requirement of different Areas.

2. Walkie-Talkies Sets – 155 Nos. have been provided in different Areas of SECL to strengthen the wireless communication in mines.
3. 05 Nos. CDS Exchanges have been installed for surface to UG Communication in UG Mines.
4. Procurement of 75 Nos. New IP Based Telephone Exchanges for improvement in inter/ intra communication is in progress.
5. For monitoring of Tippers engaged in internal coal transportation, GPS/GPRS based Vehicle Tracking System has been installed and commissioned at Sohagpur Area (for 91 Tippers), J&K Area (for 65 Tippers) & Hasdeo Area (for 24 Tippers) on rental basis for a period of one year and further extended for one year.
6. Implementation of GPS-GPRS based Integrated Vehicle Tracking System along with Boom Barrier, RFID, CCTV, Weighbridge Centering System and Weighbridge Integration on Rental Basis for one year for 04 Nos. OCMs of Chhal & Baroud of Raigarh Area, Mahan-II of Bhatgaon Area and Amagaon OCM of Bishrampur Area and further extended for one year.

### 15.1 Performance against MOU Target

The assigned MoU target of 'GPS based Truck Dispatch System' to cover 500 Nos. Tippers for Excellent Rating has been achieved by covering a total no. of 1251 Tippers.

### 16.0 INFORMATION TECHNOLOGY:

SECL has strived to put its best efforts with regard to adoption, deployment and integration of Information Technology (IT) in the organization, with special reference to its needs in order to establish the vital links across the Company's many locations and varied workforce. The IT infrastructure and services 'Implemented' in SECL and those 'Under Implementation' are mentioned below:

#### 16.1 Implemented

##### ➤ LAN at HQs:

A structured Local Area Network is being established at HQs connecting 500 PCs in the corporate Building, annexe building and HRD campus along with Network security and management features, for which work order has been placed and work is in progress.

##### ➤ Local Area Networks at all Areas/ Regional Stores:

LAN has been established at all Area, Central Store, Regional Stores and Workshops for extending COALNET application to respective places.

##### ➤ Centralised Data Processing:

Work order has been issued for establishing New Main Data Centre (MDC) at HQs and Near Data Centre (NDC) at Korba. The present hardware across the organization shall be replaced with centralized data processing by establishing Main Data Centre (MDC) at HQs and Near Data Centre (NDC) at Korba. These Data Centres will be equipped with HP servers and latest Oracle database for migrating present legacy system working in COBOL at Areas to Oracle based COALNET ERP software.

##### ➤ Digital Database of Executives of SECL:

As part of creating Digital database, the details of email-id, mobile number of all executives of SECL have been consolidated into a single database. All executives of SECL are being provided e-mail IDs with **Coalindia.in** domain.

#### 16.2 To be Implemented

##### ➤ COALNET at Areas:

Presently, major modules of COALNET have been implemented at HQ. It is being planned to connect to the Areas/ Regional Stores by providing suitable hardware, Oracle Database ensuring data connectivity. Now, with the issuance of work orders for LAN at HQs, Hardware & Oracle database at MDC & NDC, COALNET shall be implemented at all Areas and Regional Stores.



➤ **LAN at HQs:**

With the implementation of LAN, all concerned users will be able to share information on network and use e-services like internet, e-mail through LAN. The COALNET application shall also be extended to many departments and new value added services like file tracking, bill tracking, and employee intranet services shall also be started.

➤ **Establishing New Main Data Centre (MDC) and Near Data Centre (NDC) at Korba:**

The present hardware across the organization shall be replaced with centralized data processing by establishing Main Data Centre (MDC) at Hqs and Near Data Centre (NDC) at Korba. The new Hardware and the Oracle Database to be supplied shall be installed at MDC & NDC, in the process SECL will take its first big leap towards centralized processing through its own private cloud computing with the help of LAN and WAN operated through MPLS-VPN connecting all its Area offices, Workshops and Stores.

➤ **Mobile Apps:**

As part of technology empowered citizen services, Mobile Apps shall be developed in house to provide suitable information to stakeholders.

**17.0 MANPOWER:**

Your Company takes pride in its highly motivated and competent Human Resource (HR) that has contributed its best to bring the Company to its present elevated position. The Company has always believed that human resource is its most important asset and continues to work for its development and realization of its potential. To achieve growth and to foster motivational climate, several initiatives were undertaken in the HR Area during the year. The thrust on optimal utilization of manpower with focus on improvement in productivity continued. The Manpower of SECL as on 31<sup>st</sup> March, 2016 is 64,505. Category-wise status is indicated below:

S.No.	Category	Manpower (in Nos.) as on	
		31.03.2016	31.03.2015
i.	Executives	3,323	3,433
ii.	Supervisory Staff	7,744	7,729
iii.	Highly skilled & skilled	31,948	33,682
iv.	Semi-skilled & unskilled	17,689	18,725
v.	Clerks	1,972	2,232
vi.	Piece Rated	1,366	1,515
vii.	Trainee	463	484
<b>Total</b>		<b>64,505</b>	<b>67,800</b>

**17.1 Employment of SC/ ST/ OBC**

The policies and directives of the Central Government on recruitment and promotional schemes of Scheduled Castes/ Scheduled Tribes and Other Backward Classes (OBC) are being strictly implemented by the Company. The manpower strength of SC/ST/OBC as on 31<sup>st</sup> March, 2016 vis-a-vis 31<sup>st</sup> March, 2015 is tabulated below:

Category	Manpower Strength (In Nos.)		%age to Total Manpower	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
SC	11,850	13,559	18.37%	20.00%
ST	13,279	15,115	20.59%	22.29%
OBC	13,985	16,213	21.68%	23.91%
OTHERS	25,391	22,913	39.36%	33.80%
<b>TOTAL</b>	<b>64,505</b>	<b>67,800</b>	<b>100.00%</b>	<b>100.00%</b>

## 17.2 Employment of Female

Employment of Female (in Nos.) as on 31.03.2016 is detailed as under:

Executive	Monthly Rated	Daily Rated	Piece Rated	Company Trainee	Total
141	937	2102	26	31	3767

## 17.3 Employment of Project Affected Persons, Compassionate employment & Fresh Recruitment

Status of sanction of employment of Project Affected Persons, Compassionate Employment, Fresh recruitment & against Special Female VRS Scheme during the year 2015-16 is as under:

Particulars	Nos.
Project Affected Persons	253
Compassionate Employment	478
Fresh Recruitment	265
Employment under Special Female Voluntary Retirement Scheme, 2014	465
<b>Total</b>	<b>996</b>

## 17.4 Compensation

Particulars	Nos.
Monetary Compensation in lieu of Employment (Compassionate ground)	35

## 18.0 HUMAN RESOURCE DEVELOPMENT (HRD):

Your Company has a policy of continuously investing in training and development of its employees. The Company facilitates the development of all-round competence of its employees by providing practical and theoretical knowledge, skills and behaviour and values to improve the overall performance of the Company. The Company has four primary Training Institutes where various programmes are organized.

- 1) Management Development Institute (MDI) : Bilaspur
- 2) Central Excavation Training Institute (CETI) : Gevra
- 3) Basic Engineering Training Institute (BETI) : Korba
- 4) Regional Training Institute (RTI) : Bistrampur

Apart from the above, 17 Nos. Vocational Training Centres are situated in the Areas where Statutory Training as per VT Rules are imparted besides conducting other need based special training programmes.

## 18.1 Training Programmes for the Executives

Initiatives were taken to organise and provide opportunities to different class of Executives in different training programmes at Area Training Centres/ MDI/ IICM besides Outside training programmes. The total no. of executives who were provided training are as under:

S.No.	Category	5-days & above	1-4 days	Total
1	General	882	421	1303
2	OBC	133	49	182
3	SC	157	57	214
4	ST	61	29	90
5	Not mentioned	125	15	140
	<b>TOTAL</b>	<b>1358</b>	<b>571</b>	<b>1929</b>
	* Participation of Women Executives (included in Total)	53	29	82



SECL has taken adequate steps to bring improvement in the quality of training to executives at all levels. 'National Productivity Council, Hyderabad', IMME Kolkata, Pioneer A.D. Corporation, Bilaspur have been roped in for imparting quality training to executives at MDI, Bilaspur, so as to train more number of executives at Company level.

● **NPC, Hyderabad conducted following in-House programmes at MDI, Bilaspur**

S.No.	Name of Programme (Duration)	No. of Programmes	No. of Executives benefitted
1	Developing Critical mass of Leaders through a system of career planning & development (6-days)	4	162
2	Analytical Ability (3-days)	5	212
3	Result Orientation (3-days)	2	82
4	Interpersonal Effectiveness (3-days)	4	162
5	Team Building (3-days)	1	33
6	Business Acumen (3-days)	1	44
7	Strategic Orientation (3-days)	4	164

**18.2 Career development Programmes**

With a view to develop necessary competency among potential employees for required categories in higher/supervisory levels, following career development programmes were carried out for employees (No. of employees benefitted shown in bracket):

- 1) Coaching Classes for Mining Sirdar Examination (154 Nos.)
- 2) Coaching Classes for Mining 2<sup>nd</sup> Class Examination (77 Nos.)
- 3) Coaching Classes for Non-Executive to Executive Departmental Examination (1346 Nos.)
- 4) Coaching Classes for Clerical Grade Examination (938 Nos.)
- 5) Leadership Development Training for Frontline Supervisors who have obtained 2<sup>nd</sup> Class Mine Managers Certificate (141 Nos.)

**18.3 Skill Development Programmes**

To enhance the skill of the employees, various Skill Development Programmes were conducted during the year under report, as indicated below (No. of Employees benefitted shown in bracket):

- 1) Skill /Knowledge Upgrade on Strata Management (54 Nos.)
- 2) Computer Awareness (998 Nos.)
- 3) MS Access (27)
- 4) Powerpoint & Troubleshooting (33 Nos.)
- 5) Auto Plotter (41)
- 6) Unicode (Hindi) (45 Nos.)

The above Skill Development Programmes had Women participation of 119 Nos. in total.

**18.4 Supervisory Development Programmes**

Training Programmes on Supervisory Development were conducted in each Area keeping in order to improve knowledge and skill of Supervisors (Mining, Electrical and Mechanical). During the training programme, they were made aware about the Legal status and obligations of Supervisor in a mine, Role of Supervisors, Role of specialists like Surveyors and Role of others for better working. A total of 244 employees benefitted at the Area level and a total of 492 employees benefitted by Programme conducted at MDI, Bilaspur by IMME, Kolkata.

### 18.5 Special Training Programme

Special training programme for up-gradation of Knowledge & Skill and Technical Update for Executives/Supervisors and Workers were organized, as under (No. of Employees benefitted shown in bracket):

- 1) 1-Day Programme on Women Empowerment and Development (83 Nos.)
- 2) 2-Day Training on SC/ST/OBC Reservation Policy (78 Nos.)
- 3) Special Workshop on Vigilance Awareness & Personality Development (407 Nos.)
- 4) Training Programme for Contractors workers (7587 Nos.)
- 5) Refresher Course for Security Guards (65 Nos.)
- 6) Training on Firefighting (38 Nos.)
- 7) Planning for Retirement (55 Nos.)
- 8) 12-Day Orientation Course for Workmen Inspectors': Mining, Electrical and Mechanical Supervisors (Mining: 38 Nos., Electrical: 30 Nos. and Mechanical: 24 Nos.)
- 9) 6-Days Training for Pit Safety Committee Members (380 Nos.)
- 10) In SA 8000, a total 360 Departmental and 422 Contractual persons were benefitted in different areas of SECL.

### 18.6 Knowledge and Skill Upgradation of Doctors & Para Medical Staff

Following Training Programmes were conducted for Medical Discipline to make them aware about the latest development in medical field (No. of Employees benefitted shown in bracket):

- 1) 3-Days CME for Doctors (30 Nos.)
- 2) 2-Days SEMECON & Recent Advances in Medical Sciences (20 Nos.)
- 3) 1-Day Refresher Course for X-Ray & Lab. Technician (14 Nos.)
- 4) Refresher Course for Pharmacists & Observance of World Pharmacist Day (46 Nos.)
- 5) 1-Day Master Training Programme on HIV/AIDS (59 Nos.)

### 18.7 Training imparted to Women Employees

Women employees participated and benefitted in various training programmes at MDI, Bilaspur as under:

S.No.	Name of Training Programme	Participants
1	Women Empowerment	83
2	Refresher course for Female Security Guards.	18
3	C.M.E. for Doctors	09
4	Knowledge up-gradation in Computer	119
5	Rajbhasha Karyashala	03
6	Pharmacist Day	01

Female employees were also nominated to attend outside training programmes wherein a total 46 women employees were benefitted.

### 18.8 Training imparted at Institutions outside SECL/CIL

488 Executives and 75 Non-Executive were provided training during the year at Institutions outside SECL/CIL.

### 18.9 Performance against MoU Parameters

HRD Department has achieved the target for Excellent rating by conducting "Skill Upgradation Programme of 5-days duration" for 24140 Nos. employees, i.e. 36.49% of total employees.

## 19.0 HUMAN RESOURCE MANAGEMENT (HRM) INITIATIVES:

Human Resource Strategies seek to manage the human capital in order to achieve the organizational goals. It focuses on what the organization intends to do in relation to its Human Resource policies and practices. Hence, the way human resource is deployed, motivated, managed and retained impacts the Business Strategy implementation. Human Resource Strategies play an implementation role and are valuable means of forming operational linkages to fit Human Resource Management with the strategic thrust of the organization.

Your Company launched its HR Vision 2020 Roadmap, which is blueprint of HR Strategies and corresponding plan and activities to strengthen HR as a strategic business partner inclining with the business goal of attaining production level of 240 MT by the year 2020 for your Company. The HR function intends to focus on uniquely configuring processes and practices and deliver a setup conducive to attainment of organizational goals. Our HR Strategy and Initiatives flow from our Organizational Vision and Goal.

Your Company values its human capital the most and thus, has taken several initiatives for all round development and benefit of the employees. Key HRM initiatives of your Company include:

- **AAGMAN:** SECL has launched this project for smooth introduction of new SECL members into the family and facilitation of the joining process for smooth inclusion.
- **KAVA with HR:** SECL has launched this project for developing psychological contract with fresh/young managers wherein informal chats with Directors/Area Heads are organized.
- **MENTORING:** Mentor provides professional guidance, shares practical knowledge, skills and supports the new entrants to assimilate them into the organizational culture and system.
- **K-MINING:** K-Mining (Knowledge-Mining) is a Knowledge Management System to manage scattered knowledge in the Company. It involves integration of islands of information and best practices for sharing across the organization, to cultivate a culture of continuous learning & improvement.
- **QUALITY CIRCLE:** Quality Circle initiative has been successfully implemented across the Company for continuous improvement in the business process through employee involvement. SECL is life member of "Quality Circle Forum of India" (QCFI). 150 nos. QCs are operational in SECL. 3 teams of SECL won in 'Excellent' category at National Convention and qualified for International QC Convention for the year 2014-15. Out the 3 qualified teams, one team from SECL was nominated for International Quality Circle competition held in South Korea in October, 2015. The team won in 'Gold' category at International level. For the year 2015-16, 4 teams from SECL won in 'Gold' category at chapter convention and have qualified for National convention.
- **GURU:** Guru is an Employee Suggestion Scheme which involves generation of ideas from Employees for improving Productivity, Safety, Quality, Work-Life Balance, Cost Saving Measures etc.
- **MANTHAN:** Manthan is a project, which involves managing expectations through open discussions. It consists of a session wherein young managers get an opportunity to interact directly with Top Management.
- **SHIKHAR:** Shikhar is a formal Employee Reward & Recognition Program of the organization, wherein all key operations of all units have been benchmarked and award functions are organized at unit, area and Headquarter level.



## 20.0 WOMEN EMPOWERMENT THROUGH WIPS-SECL:

Forum of Women in Public Sector (WIPS) was created under the aegis of Standing Conference of Public Enterprises (SCOPE) in the year 1990 having a Central Apex Forum in Delhi and four regional Forums in Mumbai (Western Region), Chennai (Southern Region), Kolkata (Eastern Region) and Delhi (Northern Region) respectively. The formation of WIPS represents the first ever initiative made by the single largest organized sector in focusing the issues related to advancement of women.

## 20.1 WIPS-SECL

SECL is a Corporate Life Member of WIPS. The women workforce of SECL during the year 2015-16 was 3391 constituting 145 Executives and 3246 Non-Executives. WIPS-SECL is committed towards Women empowerment, maintaining health & hygiene and Skill development in the Company as well as in nearby rural areas. Smt. Kirti Tiwari, Sr. Manager (Civil), SECL has been acting as General Secretary, WIPS-APEX and Smt. Anupama Anand Temurnikar, Manager (P) has been working as Coordinator, WIPS-SECL. Smt. Kirti Tiwari, Sr. Manager (Civil), SECL has been elected as National President of WIPS for the year 2016-2018.

## 20.2 Various Activities by WIPS-SECL

WIPS is socially active in SECL, and engaged during the year in different activities as detailed below, thus benefiting a large number of people in the adjoining areas, besides SECL employees.

### Training and Development:

- Stress Management Sessions.
- Literacy drive.
- Sewing/soft toys training to women.
- One day workshop on "Sexual harassment at workplace" was organised at SECL HQ, Chirimiri and Gevra Areas each and a large no. of women employees have been benefited of it.



### Gainful deployment of Female workers:

- Training programme has been organised for female workers, so as to prepare them for appearing in the departmental written examination for upgradation to clerical cadre posts.
- Female employees who has been recruited under dependent employment or land oustees are motivated to work in workshops, security, gota making, cap lamp room and even shovel operating and blasting.



### Welfare/ Social activities:

- Blood donation by WIPS members.
- Observance of World Environment Day.
- WIPS members actively participated in World Yoga Day on 21-06-2016.
- WIPS members of Korba distributed Woollen clothes and blankets to needy persons of Village Arda.
- WIPS members of Chirimiri area distributed sports equipments at primary school of Village Bhandaradai.
- WIPS members actively participated in Swachh Bharat Abhiyan.
- Arrangement of drinking water at public places during summer.
- WIPS members of SECL Kusmunda area visited nearby schools and celebrated World Nutrition Day.
- One month's Beauty Parlour Course was organized for village women. One day programme was also arranged to discuss the issues related to women's safety.
- International Women's Day has been celebrated in all the areas of SECL with active participation of WIPS members.
- WIPS members of SECL had visited Maa Sharda Adivasi Kanya Chhatravas, Village Pondki and distributed clothes and other utility items to the resident Adivasi girls.
- Distribution of clothes and woollen clothes in interior villages of Andheri, Kachchhar and Pithoura.
- WIPS members of Korba provided one Water Purifier at Vriddhashram.
- Provided 05 ceiling fans to Kanya Baal Samprekshan Grih, Bilaspur.





- WIPS members of SECL and members of Shraddha Mahila Mandal, SECL, Bilaspur jointly visited “Satya Sai Help Way” the hostel for deaf and dumb girls, therein the teenage girls were guided for their health and sanitation and they were provided sanitary material, so that they can maintain their personal hygiene and good health.
- WIPS members of SECL Bhatgaon Area visited Govt. Girls High School, Bhatgaon and Old Age Home at Raghavpur, Ambikapur and distributed stationary, sports material and utility item of daily needs to the students and elder people.
- WIPS members of SECL Baikunthpur Area distributed woollen clothes to the resident orphan children of Bal Vikas Sanstha, Baikunthpur.
- WIPS members of SECL Bilaspur provided three nos. of cycles to Tejaswini Kanya Chhatravas for the resident girls.

### 20.3 Awards to WIPS

WIPS SECL has been awarded 2<sup>nd</sup> Best Enterprise Award in Miniratna and others - PSUs category at ‘Regional Meet of WIPS’ in October-2015 and 3<sup>rd</sup> Best Enterprise Award in Miniratna and others - PSUs category at ‘26<sup>th</sup> National Convention of Forum of Women in Public Sector’ in February-2016.

### 21.0 INDUSTRIAL RELATIONS (IR):

SECL has laid down clear Industrial Relation policy providing for mechanism to discuss the various issues under bilateral forums for which a ‘Code of Conduct’ has been signed between the management of SECL and the Unions affiliated to 5 Central Trade Unions, i.e. INTUC, BMS, HMS, CITU & AITUC. Under the aforesaid ‘Code of Conduct’ the following bipartite forums are functioning in SECL:

1. Steering Committee at Company level.
2. Welfare Board at Company Level.
3. Safety Committee at Company Level.
4. Joint Consultative Committee at Area Level & Sub-Area Level.
5. Welfare Committee at Area level & Sub-Area Level.
6. Safety Committee at Area level & Sub-Area Level.

In addition to above, structured IR Meetings at regular periodicity as per pre-drawn and circulated calendar are held with the following operating unions which are affiliated to 5 Central Trade Unions:

S.No.	Name of Union	Affiliated to
1	South Eastern Koyla Mazdoor Congress	INTUC
2	Akhil Bhartiya Koyla Mazdoor Sangh	BMS
3	Koyla Mazdoor Sabha	HMS
4	Koyla Shramik Sabha	CITU
5	Samyukt Koyla Mazdoor Sangh	AITUC

The periodicity of the above said structured meetings with the unions under IR system is as under:

Unit	Periodicity of Meeting
Sub-Area Level	Monthly
Area Level	Bi-monthly
Company Level	Quarterly

The operating unions submit their agenda at Sub-Area Level which is discussed in the monthly Sub-Area Level meetings and unresolved issues, if any, arising out of such meetings are referred to Area where such unresolved issues received from various Sub-Areas are discussed in Bi-monthly meetings. Unresolved issues, if any, arising out of Bi-monthly IR meetings at Areas are referred to SECL Hqtrs. where such unresolved issues received from all the Areas are discussed in Company level Quarterly IR Meetings with each of the above said unions separately.

The various grievances/demands are discussed in IR meetings to maintain Industrial peace and harmony. There is an established system in vogue whereby daily feedback of Industrial relation and Law and Order situation is obtained from the Areas and communicated to CIL.

With the introduction of above measures, harmonious Industrial Relations are being maintained resulting in cost reduction, increase in production, productivity, improvement in quality of work, safety, industrial peace and overall improvement in the quality of life.

The information pertaining to Strike, Mandays loss, Production loss are as under:

Particulars	2015-16
No. of Strikes (No. of event)	01*
Law & Order disturbances (No. of event)	NIL
Mandays Lost (in Lakh)	0.39
Coal Production loss (Lakh tonne)	0.53
*A nationwide strike on 02.09.2015 was called by affiliates of 4 Central Trade Unions i.e. INTUC, HMS, AITUC & CITU over the Ministry level/ CIL level issues, viz. de-nationalization of coal industry, delay in constitution of JBCCI for NCWA-X for employees of coal industry, etc. The above mentioned production loss, however, was made good through motivation of employees by way of well-established Industrial Relations System/ Participative Culture in the Company.	

## 22.0 WELFARE ACTIVITIES:

The status of welfare amenities, facilities and schemes provided by the Company such as schools, dispensaries, hospitals, workers institutes, clubs, including sanitation, water supply, Scholarships, Financial assistance, etc. is as under:

### 22.1 Amenities provided

Apart from the statutory welfare facilities, the Company provides housing, medical and other facilities for its employees and schooling facilities for the employees' children at all the Areas and Coalfields. The relevant information is indicated below:

#### 1) Housing:

a) No. of houses available as on 01.04.2015	68,962
b) No. of houses constructed during the year 2015-16	368
c) Number of houses available as on 31.03.2016	69,330
d) Percentage satisfaction as on 31.03.2016	100%
e) No. of houses under construction as on 31.03.2016	90

#### 2) Water Supply:

a) Population covered as on 01.04.2015	3,44,810
b) Additional population covered during the year 2015-16	1,840
c) Population covered as on 31.03.2016	3,46,650

#### 3) Education:

a) Schools (Only Project Schools where deficit grant is given)	17
b) School Bus	159



**4) Sports & Recreational:**

a) Playground	55
b) Officer's Club	37
c) Worker's Club	41
d) Community Centre	28
e) Stadium	21
f) Gymnasium	26
g) Children's Park	42

**5) Other Amenities:**

a) Canteens (including 28 AC Canteen)	88
b) Co-operative Credit Societies	04
c) Co-operative Stores	11

**22.2 Scholarships & Financial Assistance to Employees' wards**

Scholarship under Coal India Scholarship Scheme are given to meritorious wards of employees from Class 5<sup>th</sup> onwards. Financial Assistance is being given to the employees' wards pursuing professional education in Govt. Engineering College and Govt. Medical College to the extent of actual Tuition Fee and Hostel Charges. Cash reward is also given to the employees' wards securing 90% and above in Class 10<sup>th</sup> and 12<sup>th</sup>.

S.No.	Particulars	No. of Beneficiaries	Amount (₹ in Lakh)
<b>1</b>	<b>Coal India Scholarship:</b>	2,367	48.29
<b>2</b>	<b>Financial Assistance:</b>		
2.1	Engineering Students	216	75.20
2.2	Medical (MBBS) Students	51	17.25
<b>3</b>	<b>Cash Reward:</b>		
3.1	Class 10 <sup>th</sup>	150	07.50
3.2	Class 12 <sup>th</sup>	65	04.55
	<b>TOTAL</b>	<b>2,849</b>	<b>152.79</b>

**22.3 Health and Family Welfare**

The medical services in SECL are provided through a 3-tier system of Dispensary, Regional Hospital & Central Hospitals, which are located in different Areas. All Hospitals are equipped with Operation Theatre, Labour Room, Laboratories, ECG, X-ray Machines, etc. 'Rainbaseras' for Stay facility of patients" attendants are available at Burhar Central Hospital, Sohagpur and Indira Vihar Health Centre, Bilaspur. Bio-medical Waste Disposal is carried out as per recommendations of the State Pollution Control Board. A brief information on health related facilities in SECL are as under:

S.No.	Health Facility	Nos.
a)	Hospitals	11
b)	Dispensaries	56
c)	Hospital beds	845
d)	Ambulances (Departmental 68 & Hiring 63)	118
S.No.	Medical Personnel	Nos.
a)	Medical Officer (167) + Specialist (44)	211
b)	Staff Nurse	330
c)	Pharmacist	108
d)	Lab. Technician	56
e)	X-Ray Technician	36

## 22.4 Diagnostic Facilities

- Most of the SECL hospitals are equipped with X-Ray, Ultrasound, USG, ECG, TMT, C-Arm, and Pathological laboratories.
- Licensed Blood Banks are functioning at Central hospitals of Sohagpur and Gevra Area; Another Blood Bank is under construction at Central Hospital, Hasdeo Area.
- CT Scan and Bronchoscope are available at Burhar Central Hospital, Sohagpur Area.
- Mammography is available at Central Hospital, Manendragarh, Hasdeo Area.

## 22.5 Preventive Healthcare

### • Wellness Centres:

To overcome the challenges of new life diseases like obesity, diabetes, hypertension, stress etc., Wellness Centres at various SECL hospitals are being run, wherein health education is given to our employees by our doctors via lectures and slideshows. The participants are informed about the importance of healthy diet, exercise, yoga, etc.

### • Awareness Programme:

Various awareness programmes are organized by Areas viz. HIV AIDS programme, Pulse polio programme, Anti Leprosy Day, World Health Day, No Tobacco Day, World Population Day, Breast Feeding Day, Healthy Baby show. Wellness programme for stress management is also conducted.

## 22.6 Medical Services/ Health Camps

In its endeavour to achieve the desired result, the Company organizes village health camps, Health awareness camps, family welfare camps, etc. in and around its Coalfields.

The Below Poverty Line (BPL) families are provided free OPD facilities in our hospitals and dispensaries. At CSR dispensaries, 30,227 persons attended for medical treatment during the year under report. Mobile Ambulances with ECG & Pathological facilities visit the peripheral villages daily, providing free treatment to the needy families on the spot. In 452 village camps, a total 35,059 beneficiaries were provided the medical treatment. In a total 6 School Camps during the year, 2,065 Students benefitted. Details of various Health Camps organized during the year 2015-16 are as under:

Name of the Activity/Camp	No. of Camps	No. of Beneficiaries
Village Camp	452	35,059
CSR Dispensary	-	30,227
Immunization	37	4,192
School Health	6	2,065
Senior Citizen	2	50
Hygiene (Health) Awareness	2	258
AIDS Awareness	2	52
Blood Donation	2	241
Healthy Baby Show	6	334
Breast Feeding Day	2	90
BMD Camp	2	176
Diagnostic Camp	16	2,102
Vector Borne Disease	2	524
<b>TOTAL</b>	<b>531</b>	<b>75,370</b>



### 22.7 Performance against MOU Target related to Health Screening

The target assigned for Excellent rating in respect of “Health Screening Test for Respiratory diseases for all employees of CIL and its subsidiaries” has been achieved by conducting Health Screening Test of 22,169 Nos. employees i.e. 33.51% of total employees.



### 22.8 Sports

Your Company is paying special attention to develop Games & Sports amongst the employees and their wards. Besides organizing various Sports/ Games activities for the employees, sports events for wards of employees are also organized to identify the children who can excel at State/ National level. Inter-Area Sports competitions are also conducted every year for the employees. The employees are sponsored for Inter-Company sports events at State/ National level. Dronacharya Indoor Stadium, first of its kind in Chhattisgarh, is located in Gevra where the wards of the employees, PAPs, etc. are imparted training by Coach, in Lawn Tennis, Badminton, Carrom, Table Tennis etc.

In a major initiative to promote and highlight the National game “Hockey”, SECL along with CIL co-sponsored the mega event “Hockey India League 2015” held from 27.11.2015 to 06.12.2015 at Raipur, Chhattisgarh.



### 22.9 Social/ Cultural Activities

Your Company strives to bring out talent in the employee community in all the possible forms whether it is music, dance, theatre, literary skills, sketching or other fine art styles. In order to showcase these talents, various Cultural events are calendared throughout the year. Various festivals are also organized to sensitize all towards the wide spectrum of beliefs which have harmoniously coexisted in India and spreading the message of peace and brotherhood which have transpired since ages through these festivals. To enrich the employees and wards with various hobbies such as in theatre, dance, instrumental and vocal music, art etc. workshops and competitions are conducted which act as a platform for nurturing budding talent.



**23.0 CORPORATE SOCIAL RESPONSIBILITY (CSR):**

Your Company has always appreciated its social responsibility as a part of Corporate Governance philosophy. SECL aims at making CSR a key business process for sustainable development of the Society. We supplement the role of the Government in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of our activities. Engaging with our community and working towards their development is an integral part of our business.

We are committed to sustainable development and inclusive growth in the surrounding areas of our mining Projects. The obvious impact of the introduction of any production activity in such areas changes the traditional lifestyle of the original inhabitants and indigenous communities and also changes the socio-economic profile of the Area. Hence, the primary beneficiaries of CSR are primarily the land oustees, Project Affected Persons (PAPs) and those staying within the radius of 25 KMs of the Project. Poor and needy section of the society living in different parts of states in which the Company is operating are the second beneficiaries. In view of the above, a CSR Policy has been approved by Coal India Limited for all its subsidiaries and the same is implemented in your Company.

This commitment is translated into action through a network of CSR Projects through which we are dedicated to play a pivotal role in the journey from poverty to prosperity of villages of Chhattisgarh and Madhya Pradesh and thus to bridge the rural-urban gap.

An 'Annual Report on CSR Activities' pursuant to Section 135 of the Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as **Annexure-II** to this report.



*Boundary wall at Belpara Primary School Building of Karondha village*



*Boundary wall at Primary School, Majhapara of Khadgaon village*



*Construction of 04 Rooms at Government Girls High School Building at ward No. 09 of Bhatgaon*



*Construction of additional room with verandah in school at Bhakta village, Anuppur, MP near Baherabandh mine, Hasdeo Area*



*Construction of Boundary wall at Eklavya Banvasi Balchhatravas, Manendragarh, Dist. Korea*



*Construction of 20 bed ICU unit along with financial assistance for ICU Equipments at District Hospital Ambikapur (Surguja)*

#### 24.0 IMPLEMENTATION OF OFFICIAL LANGUAGE (RAJBHASHA):

Your Company makes concerted efforts to spread and promote the Official Language (Rajbhasha Hindi). In pursuance of Official Language Policy/ Act/ Rules/ Orders of the Govt. of India, efforts are continuing towards increasing the use of Hindi in Official work. Some of the important steps taken in this regard during the year are as under:

- During the year under report, the Company made special drive to promote Hindi in official work in Headquarters and Units. In this connection, Hindi Workshops were organized on quarterly basis at Management Development Institute (MDI), Bilaspur. 84 employees availed benefit out of this workshops. The Hindi Workshops were especially focused towards usages of Hindi in day-to-day official correspondence using simple & colloquial words in writing.
- All computers have been installed with MS-Unicode program/Hindi software to carry out office work in Hindi, easily & more effectively. Hindi Unicode Computer training programs were also conducted at MDI to promote & facilitate the employees who were not conversant for usages of Rajbhasha. Under the said training programs, 45 employees were imparted training.
- The 'Rajbhasha Pakhwada' (14 September to 28 September) witnessed enthusiastic participation of employees across by all cadre employees. During Rajbhasha Pakhawada, Hindi noting and drafting competition for executive, Hindi Essay, Hindi elocution, picture based Hindi story writing, Hindi vyakaran gyan, Hindi Typing, Hindi quiz, Hindi letter-writing, Swarachit Hindi Kavita Path, Open Rajbhasha slogan competition etc. were organized to develop/ promote/accelerate the use of simple official Hindi. A total of 10 different competitions were held wherein 576 employees participated. In most of the competitions, the entries for employees were given in two segments i.e. of Hindi and Non-Hindi background. The winners in all the competitions were suitably rewarded. In addition to this, rest of the participants, who did not score for any prizes in any of the competitions were given Hindi Books to mark their participation as also to boost up their morale to discharge their maximum official work in Hindi.
- Hindi Implementation Committee meetings, were held quarterly to monitor and review the progress of the Hindi implementation programs at the Area/ Headquarters level.
- A book titled "Koyal Ratna" is published by Rajbhasha Deptt. at SECL HQ. It has broadened its popularity by publishing colorful articles in the form of short stories, write-up, essay etc. ranging in tastes from literature to health, meditation & many others. Apart from providing a literary arena to all sections of Coal society, in particular, this magazine also provides the details of all ongoing Hindi Implementation programs and publishes details of useful policies pertaining to employees in general.
- During the year under report, Shri Om Prakash, Chairman-cum-Managing Director and Dr. R. S. Jha, Director (Personnel) have been honoured with "Rajbhasha Shree" & "Rajbhasha Keerti" Samman respectively, by Bhartiya Rajbhasha Vikas Sansthan, Deharadun at All India Official Language Seminar, Madurai held on 14.10.2015 to 16.10.2015 for their special efforts and achievement in the field of progressive use of Rajbhasha Hindi.



#### 25.0 VIGILANCE:

SECL Vigilance Department is functioning in a fair and transparent manner as per the guidelines of Central Vigilance Commission (CVC). During the year 2015-16, Vigilance Department made all possible efforts to check and prevent corruption at all levels in the Company. The main focus of Vigilance department during the year was to create awareness and sensitize the officials & stakeholders through various programmes to work within the ambit of rules and regulations of the Company. Through Regular and Surprise Inspections, system lapses and other irregularities were brought forward to the notice of higher management and necessary system improvement measures to prevent such irregularities were also suggested.

The main functions of the department are verification of the complaints received either directly or routed through CVC, Ministry, CBI, Coal India etc. and taking systemic improvement measures wherever required to pluck the loopholes and necessary punitive action by registering Regular Departmental Cases against the erring officials. Vigilance department through Periodic / regular and surprise inspections keep a watch on sensitive posts. To create awareness among the officials, Vigilance department is arranging in-house training programmes regularly for the executives working in the Company.

## 25.1 Preventive Vigilance

### a) Organizing Vigilance Awareness Week - 2015:

Vigilance Awareness Week 2015 was observed in SECL from 26.10.2015 to 31.10.2015 as per the directives of CVC. Inaugural function was held at SECL(HQ), Bilaspur as well as all the 13 areas of SECL & DCC/ Kolkata on 26.10.2014. At all the places, the chief Guest was Range IG/Collector/Add Collector/Addl. SP/other Govt. Officials of the respective Districts.

A run/rally for Vigilance awareness was organized at all the operational areas of SECL. In SECL (HQ), Vigilance Awareness Rally was organized in the city on 30<sup>th</sup> October, 2015, wherein Collector, SP and Functional Directors of SECL participated. In all, 27 rallies were organized with public participation in colonies and important towns.



Workshops on vigilance awareness were organized at distt. Headquarters of Korba, Shahdol, Umaria, Surguja and Surajpur. A Customer Meet was also organized at Raigarh and Johilla on 28<sup>th</sup> October 2015 where in various service providers actively participated and expressed their problems. Corrective steps were also suggested to the management.

Debate, Essay, drawing and Slogan competitions were organized in a record number of 143 Schools and Colleges located in the vicinity of all the administrative areas as well as distt HQ and State Capital. Debate and Essay competitions were organized among the male and female employees separately at SECL Hqrs as well as at all areas of SECL.

A lecture cum interactive session was organized at MDI, SECL Bilaspur on 29.10.15, wherein Shri Shailendra Singh, Advisor CVC, delivered lecture on issues of procurement and on this year's theme of Vigilance Awareness Week. The programme was attended by 145 officials from SECL, NTPC, Power Grid, Insurance, Banks, Railway, CMPFO, DGMS, food Corporation, CMPDIL, etc. The programme was attended by CMD and other functional Directors of SECL.

On 31<sup>st</sup> October, 2015, closing ceremony was organized at Ravindra Bhawan, Bilaspur, wherein Shri U S Dutt, IPS, Ex-Joint Director(CBI) & DGP(Bihar) , presently IEM of SECL and Shri B B Mishra, DCIO,IB were the chief guests. Prizes in the form of motivational books, autobiographies & useful books like Dictionary, Atlas, etc. The winners of different competitions were given certificates also.

### b) Publication:

A Souvenir titled "SPANDAN" containing articles related to irregularities observed during investigation and systemic improvement measures besides CVC guidelines on disciplinary matters and tender, etc. was released by the dignitaries on the closing ceremony of Vigilance Awareness Week 2015. A special edition of "PRATIBIMB" containing Vigilance activities of SECL along with some important CVC circulars and articles were published on the eve of Republic Day-2015.

### c) Organizing Vigilance Training-cum-Awareness Programmes:

Vigilance Training Programs are being conducted regularly in Area and Corporate Head Quarters. Senior executives of various disciplines like Mining, E&M, Finance, Materials Management, Sales etc., are attending such programs. Experienced faculties from CBI, Police, Indian Railways and IICM are being called to address on various corruption related matters.





As stress and work-life balancing have a role in corrupt practices, training sessions in overall personality development and attitudinal changes required in the background of vigilance awareness have been felt necessary and clubbed with Vigilance Awareness Programme. During the year 2015-16, 34 (Thirty Four) Programmes were organized by engaging professional trainer besides vigilance officials & other experienced speaker having rich experience in contracts.

**d) System Improvements Undertaken:**

On the basis of periodic/surprise inspections, many system improvement measures were suggested to the Management for implementation. The following system improvements have been implemented as per vigilance advice.

- i. Impersonation & fraudulent payments to Private Security Agency:** The list of persons deployed should be verified and tallied with the physical attendance. Correct billing as per the minimum wages act for the number of persons as recorded in the monthly attendance sheet to be ensured. The bank acquittance roll to be tallied with the monthly attendance. The PS-5 statement should be verified with the names of the person deployed.
- ii. Manufacturing of STEELCOG and testing:** Procurement of Square Hollow Pipe, raw material for manufacturing of Steelcog has been initiated by the management. Further they have taken up in house load test of supplied Steelcog at their workshop and other technical test from National Test House, Kolkata.
- iii. Monitoring of Tenders:** All the tendering authority has been directed to monitor the tenders floated by them and any incidence of deviation from the guidelines/manual, promoting set tendering, wilful design of eligibility/specification/nomenclature to restrict participation should be brought to the notice of concerned Director under intimation to this office.
- iv. Unauthorized occupation of quarters:** A large number of quarters have been found to be unauthorizedly occupied by outsiders having vested interest & antisocial elements. In order to ensure clean living & working environment in the colliery premises, assistance was extended to Director (Personnel) in getting about 2500 quarters vacated following due process of law.
- v. Spares of Motors:** The management has issued a guideline stating that while repairing the major components of Motors i.e. Rotor and Stator Assly, if these two components are beyond economic repair, possibility of survey off of such motor may be explored & procurement of new motor be made.
- vi. Checklist for procurement of spares:** The management has issued a guideline stating that while processing procurement of spares, the indentor should furnish checklist indicating (a) Present stock of the item (b) Consumption pattern (c) Requirement (d) Lead Time (e) Population (f) Certificate that the item is for repair of machine.
- vii. Release of EMD/SD/PBG:** Direction issued to monitor release of EMD/SD/PBG at the earliest possible opportunity and incidence of wilful delay should be brought to the notice of concerned Director under intimation to this office. The proposal (TCR) for placement of order or cancellation of tender must contain release of EMD to unsuccessful bidders. Similarly a mechanism be devised to monitor the performance of items under PBG, so as to facilitate release of PBG immediately after completion of guaranteed period.

## 25.2 Investigative Vigilance

**a) Preliminary Investigation:**

During the year 2015-16, 38 new complaints were taken up for verification along with 19 complaints carried forward from the previous years. Verification has been completed in 44 complaints. After preliminary verification and subsequent investigation, disciplinary action has been initiated wherever necessary.

During the year, 09 fresh vigilance cases was registered and taken up for investigation besides 05 vigilance cases carried forward from the previous years. In respect of 08 vigilance cases, investigation has been completed. Two cases have been referred to CBI as the case have criminal misconduct.

**b) Departmental Proceedings/ Inquiries:**

During the year under reference, total 18 Regular Departmental cases (major penalty– 14 cases and minor penalty– 04 cases) were registered in addition to the 30 RDA cases for major penalty and 05 RDA cases for Minor Penalty which were carried forward from the previous years. During the year, 26 cases have been finalized in which Major penalties were imposed on 44 officials and Minor penalties on 15 officials.

**c) Routine/Surprise/Major Work Inspection Conducted:**

During the above period 6 regular, 37 surprise and 02 Major Work inspections were carried out by the Vigilance Department, SECL. On the basis of these inspections, systemic improvement measures have been suggested besides Regular Departmental Actions registered against erring officials.

**25.3 Participative Vigilance**

- a) **Stakeholders Meet:** In order to enhance the level of transparency in working, Stakeholders Meet were organized at regular intervals to know the problems faced by the stakeholders like customers/contractors/service providers etc so as to take corrective steps. Accordingly, 07(Seven) Stakeholders Meets were organized at different locations. The problems raised by the stakeholders were resolved as far as possible at the venue itself. However, some issues related to Company's policy have been addressed after reference to the management. It reduced the complaint drastically.
- b) State officials like IG/Collector/SP/DFO/Add Collector/Addl. SP of the respective mining operational Districts are invited/associated from time to time to ease out the operational difficulties.

**25.4 Leveraging of Technology**

Technology plays an utmost important role in combating & curbing the threat of corruption. Use of Information Technology would go a long way in ensuring greater transparency & accountability in public service. It is also the endeavor of the Government to adopt e-governance by way of e-procurement/e-payment systems which not only decreases the human intervention, risk of fraud & corruption but simultaneously it increases the efficiency & reduce the transaction cost in dealing. The following web-enabled technological initiatives have been emphatically taken – up by the management at the behest of Vigilance Department in the recent past:

- a) GPS based Vehicle Tracking System has been installed at 3 Areas i.e. Sohagpur, Jamuna & Kotma and Hasdeo.
- b) Integrated system of GPS/GPRS, RFID & Boom Barriers installed at the 4 mines in 1st phase. This system works through a network of RFID readers, weighbridges, GPS instruments, CCTV cameras and controlling monitors. For remaining mines, contract has been awarded to M/s TCIL (A Govt. of India Enterprise) vide order ref. 97 dtd. 01.10.2015 for implementation of Integrated Vehicle Tracking System in all the mines. The installation is under progress and likely to be fully implemented by end of April 2016.
- c) Electronic weighbridge has been installed in the mines for weighment of coal so as to check misappropriation of coal.
- d) E-procurement, E-payment & E-auction has been implemented in the Company.
- e) Online vigilance complaint system, coal consumer grievance handling system is in vogue.
- f) Online submission and monitoring of APRs.
- g) SMS based production/dispatch system has been implemented in 3 mega Areas to monitor production and dispatch of coal.

**25.5 Steps taken to activate the Vigilance Machinery**

The Vigilance Department is headed by Chief Vigilance Officer assisted by General Manager (Vigilance) and other experienced Officers from various specialized disciplines like Mining, Materials Management, Excavation, Civil, Survey and Personnel. The activities of Vigilance department are mainly focused on preventive and participative vigilance and on enhancement of vigilance awareness among all stake holders.

Vigilance Department aims to maintain fair & transparent systems, management processes and corruption free governance. Vigilance department is also focused on suggesting system improvement measures to control the menace of corruption and other malpractices in the Company.

**26.0 SECURITY:**

Security Department has been relentlessly striving to achieve the assigned tasks to protect the assets and properties of the Company. SECL security comprises of departmental security personnel, Central Industrial Security Force (CISF) personnel and Ex-servicemen/Civilians guards deployed through Directorate General of Resettlement (DGR),

Ministry of Defence sponsored security agencies. CISF is deployed in the projects of Gevra, Dipka & Kusmunda Areas and at Banki Surakchar main explosive magazine of Korba Area & combined explosive Magazine at Gevra Area.

Departmental Security personnel and Contractual Guards employed through DGR sponsored Security Agencies are deployed in all Areas/establishments of

SECL. After taking over Gare Pelma IV/1 Gare Pelma IV/2&3 in April, 2015, 48 Nos. of departmental security personnel were deployed at Gare Pelma IV/1 and 60 Nos. CISF at Gare Pelma IV/2&3 on IS duty pattern. Security personnel have prevented illegal mining of coal in the lease hold areas of SECL and their endeavors have minimized theft/pilferage of coal and Company's properties.

Security personnel besides performing routine security duties have also participated in other activities. Contingents comprising of Departmental Security personnel including Lady Security Guards and junior wing NCC boys and girls of DAV School, Vasant Vihar displayed magnificent parade on the beats and patriotic tunes of band on the eve of Independence Day, 2015 and Republic Day, 2016, thereby demonstrating high morale, motivation and discipline. Nine departmental security personnel were honored with "Veerta Puraskar" on auspicious occasion of Republic Day, 2016 for their gallant action in protecting Company's assets.



**27.0 PUBLIC RELATIONS:**

Public Relations (PR) has a vital role in establishing and maintaining the goodwill amongst its stakeholders. The Company continued to make deliberate, planned and sustained efforts to reach out to its stakeholders and continue the two way communication. Press & Media supported enthusiastically and SECL news featured extensively in newspapers, television channels and the local cable TV, round the year. SECL website served as a powerful mode to communicate with the society at large and give wider publicity to the organizational initiatives.

This year, SECL went a step further and made its presence in social media. SECL's Facebook page was launched. It garnered excellent response from employees and society. All recent happenings were instantly uploaded on SECL's facebook page which made communication faster.

Euphoria was set in right at the start of the financial year with the news of SECL having impressive coal production and dispatch figures. The news was well taken by all and an elated enthusiasm geared up the new financial year with a firm resolve to further the winning streak. The mood was appropriately captured as the miners were awarded on the miner's day, on 1<sup>st</sup> May, a recognition of their hard work and commitment. This news strengthened the feeling of belongingness and the miners surged towards the new targets with renewed vigor and dedication. A few days elapsed and the Organization celebrated Environment Day, once again reiterating its commitment to Clean & Green surroundings.

The Rajbhasha, Hindi, is a priority for SECL. This message reverberated as 'Rajbhasha Fortnight' witnessed an over whelming response. This was followed by the Vigilance Awareness Week, an effort to revise and recall the innate human values of truth and honesty. The week started with an exclusive audio message on Radio from CMD and CVO, SECL, broadcasted by Akashwani Bilaspur, Raipur, Raigarh, Ambikapur, Shahdol and by 'MY FM' Bilaspur. Day to day events during the Vigilance week, were well covered each day by newspapers thus taking the message across.



SECL was deeply immersed in the colours of national pride as the Indian tricolor fluttered on the Independence Day. The day was celebrated by SECL in great pomp with the cultural program by school children embellishing the celebrations.

A number of branding initiatives were taken during this period. One of the important initiative being an SECL stall in Vyapar Mela in Bilaspur. It was an attempt to interact with the people on one to one basis as they could see the working model of our mine. The stall was largely appreciated by the general public as the PR personnel interacted with them.

SECL's contribution to Swachh Bharat Abhiyan garnered an impressive coverage throughout the year in both print as well as electronic media. The message that SECL stands committed to clean surroundings for all, percolated well.

The society witnessed an extravaganza of Chhattisgarhi folk music and dance, spell binding a huge crowd, as SECL celebrated the CIL and Chhattisgarh State Foundation Day on 1<sup>st</sup> November, 2015. The event precisely conveyed, SECL's efforts to appreciate and promote the Chhattisgarhi culture and the local artist preserving the folk arts.

On the Republic day, the waves of nationalism overtly swept the entire SECL family with the hoisting of the flag at the headquarters. Cultural events by the school students triggered the wave further. The celebrations ended with the presentation of tableau by SECL areas, exhibiting their achievements in mining, environment conservation and corporate social responsibility.

In SECL, the internal communication is strengthened by a newsletter 'SECL Samachar' and a quarterly magazine 'Pratibimb'. The publications encapsulate information regarding various events, achievements, technological know-how and at the same time provides literary platform to employees.

### 28.0 MOU WITH TRANSPARENCY INTERNATIONAL AND INTEGRITY PACT:

SECL is one of the early institutions who have signed the Memorandum of Understanding with the Transparency International India. The body is the Indian Chapter of Berlin based "Transparency International", a not-for-profit and non-government organization committed to curbing corruption in any form.

Arising out of the MOU signed with the Transparency International India, the Integrity Pact has been implemented for tenders having estimated value of ₹ 2.00 Crore and above and all global tenders for purchase contracts and ₹ 1.00 Crore and above in respect of other contracts. Two Independent External Monitors (IEMs) have also been appointed to monitor the tenders covered under the Integrity Pact in line with the Standard Operating Procedure (SOP) circulated by the CVC.

### 29.0 e-PROCUREMENT:

- At SECL, e-procurement for materials have been introduced since 01.04.2014 for all the tenders above ₹ 2.00 Lakh. This e-procurement is done through CIL's own e-procurement portal [www.coalindiatenders.gov.in](http://www.coalindiatenders.gov.in) in which is hosted by NIC.
- Even the limited tenders are also hosted on the portal with provision that all bidders meeting eligibility criteria whose name does not appear in NIT are allowed to quote.
- Reverse e-bidding have been introduced in all the tenders above ₹ 1.00 Crore.
- In total procurement process, anonymity of the number of bids & name of bidder is maintained till L-1 is declared automatically by the system with minimum human intervention in the tender evaluation process.

### 30.0 RIGHT TO INFORMATION (RTI):

Your Company has set an elaborate mechanism throughout the Organization to deal with the requests received under the Right to Information (RTI) Act, 2005. To assist and facilitate the citizen in obtaining information, detailed guidelines have been placed on SECL's website, spelling out the procedure for securing access to information and filing of first appeals under the Act.

Proactive disclosures have been made on SECL's website in line with Section 4(1)(b) of the Act, disseminating various categories of information so that citizens have minimum need to resort to the Act for the purpose of obtaining information.

SECL has set an elaborate mechanism throughout the organization to deal with the requests received under the Right to Information Act (RTI) 2005. At SECL, each Area has its own CPIO and an Appellate Authority to deal with the RTI applications in a more transparent, efficient and systematic way. The CPIOs and the other stakeholders involved are sensitized about their obligations under the Act through training and workshops. During the year under report, a two-days Training programme was conducted from 29.06.2015 to 30.06.2015 at SECL Hqtr, Bilaspur to sensitize regarding obligations under the RTI Act, wherein a total 40 participants were benefitted.

The statistics of Information asked under RTI and its disposal during the year 2015-16 is as under:

S.N.	Particulars	Nos.
1	No. of applications received during the year 2015-16	3,107
2	No of applications disposed off during the year	2,957
3	No. of application under process for reply as on 31.03.2015	150

### 31.0 IMS CERTIFICATION/ISO ACCREDITATION:

SECL has introduced Integrated Management System Certification i.e. simultaneously complying with the International Standards – ISO 9001, ISO 14001 and OHSAS 18001 for 23 projects (Underground – 8, Opencast – 15), 04 Workshops, 04 Hospitals and CETI, Gevra in First Phase.

### 32.0 AWARDS AND RECOGNITION:

SECL has always registered record breaking performances which has been possible by the virtue of superior working culture and dedicated collective hard work of its employees. Consistent with the trend in preceding years, your Company & its Senior Management Officials have got various awards and recognitions in the year 2015-16, as detailed hereunder:

#### 32.1 Awards/ Recognitions in Corporate Capacity

##### 1. SECL bags the Excellent MOU Rating Award

SECL bagged award for achievement of Excellent MOU rating for the year 2014-15 at the Award ceremony held on 41<sup>st</sup> Coal India Foundation Day on 01.11.2015. The award was presented by Shri Piyush Goyal, Honb'le Minister of State for Power, Coal, New & Renewable Energy (Independent Charge), GoI to Shri Om Prakash, CMD, SECL.



##### 2. SECL bags the Excellence in Resettlement and Rehabilitation Award

SECL bagged award for Excellence in Resettlement and Rehabilitation for the year 2014-15 at the Award ceremony held on 41<sup>st</sup> Coal India Foundation Day on 01.11.2015.

##### 3. SECL bags the Quality Awareness Award

SECL bagged the Quality Awareness Award for the FY 2014-15 at the Award ceremony held on 41<sup>st</sup> Coal India Foundation Day on 01.11.2015.

##### 4. SECL's Mine bags the Environment Award by MP Govt.

Kanchan OC Mine of Johilla Area, SECL was awarded the Environment Award 2013-14 on 05.06.2015, the World Environment Day, 2015, for its environment conservation initiatives by Department of Environment, Govt. of Madhya Pradesh.



**5. WIPS-SECL bags Awards at Regional Meet & National Convention**

WIPS SECL has also been awarded in 'Miniratna and others PSUs category' with 2<sup>nd</sup> Best Enterprise Award at 26<sup>th</sup> Regional Meet of WIPS Western Region held in Oct'15 and with 3<sup>rd</sup> Best Enterprise Award at 26<sup>th</sup> National convention of Forum of Women in Public Sector in Feb'16.

**32.2 Awards/ Recognitions in individual Capacity****1. Shri Om Prakash, CMD, SECL received 'CEO with HR Orientation Award'**

Shri Om Prakash, CMD, SECL received the 'CEO with HR Orientation Award' at the Asia Pacific HRM Congress Awards-2015 held on 11<sup>th</sup> September 2015 at Bangalore.

**2. Shri Om Prakash, CMD, SECL received 'Rajbhasha Shri Award'**

Shri Om Prakash, CMD, SECL was conferred 'Rajbhasha Shri Award' by the Indian Official Language Development Institute, Dehradun during the All India Official Language Conference held at Madurai.

**3. Shri A. P. Panda, Director (Finance), SECL received 'Most Influential CFOs of India' Award.**

Shri A. P. Panda, D(F), SECL was conferred with the 'Most Influential CFOs of India' Award by the Chartered Institute of Management Accountants (CIMA).

**4. Shri R. S. Jha, Director (Personnel), SECL received 'Rajbhasha Kirti Samman'**

Dr. R. S. Jha, Director (Personnel), SECL was conferred 'Rajbhasha Kirti Samman' by the Indian Official Language Development Institute, Dehradun during the All India Official Language Conference held at Madurai.

**5. Dr. R. S. Jha, Director (Personnel), SECL was included in '100 Most Talented Global HR Leaders'.**

Dr. R. S. Jha, Director (Personnel), SECL was rewarded with '100 Most Influential Global HR Professional Award' at the 24<sup>th</sup> World HRD Congress held in Mumbai.

**6. CIL Award for Innovation (Technical)**

Shri Samir Devnath, Foreman Incharge; Shri Sandee Verma, Mining Sirdar; Shri Devbrata Sinha, Foreman Incharge; Shri Rakesh, Sr. Overman; Shri Kaviraj Nashak, RBC, R-VI Mine, Chirimiri; Shri R. K. Bajaj, CM (M) and Shri P. Ramanna, Coll. Mgr., DSB Sub Area were rewarded with 'CIL Award for Innovation (Technical)' at the Award ceremony held on 41<sup>st</sup> Coal India Foundation Day on 01.11.2015.

**7. CIL Award for Female Employees**

Smt. Prem Kumari, Shovel Operator, Chirimiri OCM and Smt. Janki Bai, Category-V, Mechanist RW Korea, Chirimiri were rewarded with 'CIL Award for Female Employees' at the Award ceremony held on 41<sup>st</sup> Coal India Foundation Day on 01.11.2015.

**8. CIL Individual Excellence Award for Outstanding Contribution**

Shri Mahatam Prasad, GM(E&M), Dipka Area and Dr. Arya Somayjula Murali Mohan, Chief of Medical Services, SECL Hqtrs, Bilaspur were rewarded with 'CIL Individual Excellence Award for Outstanding Contribution' at the Award ceremony held on 41<sup>st</sup> Coal India Foundation Day on 01.11.2015.



### 9. CIL Award for Special Contribution by an Individual/Group

Following Teams were rewarded '*CIL Award for Special Contribution by an Individual/Group*' at the Award ceremony held on 41<sup>st</sup> Coal India Foundation Day on 01.11.2015:

- (1) Medical Team of Hasdeo Area consisting of Dr. N. Ansingkar, CMS Anaesthetist, Dr. S. P. Guria, Sr. Surgeon, Dr. Shailendra, Sr. Anaesthetist and Sister S. Jai, Metron (OT).
- (2) Sales & Marketing Team of Gevra Area consisting of Shri Ajit Choudhary, Area Sales Manager; Shri Umesh Chandra Sharma, Sr. Mgr. (M); Shri Y. Seeniah, Sr. Mgr (M); Shri Rahul Bagrait, Asstt. Mgr (S&M); Shri S. R. Chandrakar, TI; Shri J. K. Dubey, TI and Shri A. K. Soni, TI.

### 10. CIL Award for Vigilance Excellence

Shri V. K. Kaushik, Sr. Manager (Civil) and Shri K. C. Surendranath, Sr. Manager (Mining) of Vigilance Deptt., SECL were rewarded with '*CIL Award for Vigilance Excellence*' at the Award ceremony held on 41<sup>st</sup> Coal India Foundation Day on 01.11.2015.

### 32.3 Awards/ Achievements in Sports

1. SECL Chess, Lawn Tennis & Volleyball Teams emerged Winner of the CIL Inter-Company Tournaments.
2. SECL Badminton Team emerged Runner up in CIL Inter-Company Badminton Tournament.

### 33.0 INTERNAL AUDIT FUNCTIONS:

There are 15 Audit Firms of Chartered/Cost Accountants registered with Institute of Chartered Accountants of India/ Institute of Cost Accountants of India who have conducted Internal Audit in SECL for the year 2015-16 in 13 Areas of SECL in addition to audit of Company HQ, Central Stores & Central Workshop, Korba, Central E&M Workshop, Gevra, SECL Kolkata Office and Dankuni Coal Complex. 22 Audit Firms of Chartered/Cost Accountants have been appointed for the year 2015-16 for conducting Physical verification of Stores & Spares in all the Areas of SECL.

Suitable and corrective actions wherever necessary were taken based on the observations of the Internal Auditors. Internal Audit Reports have been reviewed by the Audit Committee along with necessary feedback on action taken.

The Internal Audit Department also co-ordinates the 'Transaction Audit' as well as 'Thematic Audit' conducted by the C&AG, and reply of Audit Paras from time to time.

### 34.0 AUDITORS' REPORT & COMMENTS OF CAG:

The Statutory Auditors' Report on the Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2016 along with the Management's replies is placed elsewhere in the Annual Report. The comments by the Comptroller & Auditor General of India (CAG) under Section 143(6)(b) of the Companies Act, 2013 on the accounts of the Company for the year ended 31<sup>st</sup> March, 2016 is also placed in the Financial Statements Segment of the Annual Report.

### 35.0 NON-FINANCIAL PARAMETERS OF THE MOU:

Non-Financial parameters of MOU for the year 2015-16 encompass the parameters listed under Initiatives for Growth, Project Management & Implementation, Productivity and Internal Processes, Human Resource Management, Sector specific & Enterprise specific parameters, etc. Statutory Auditors carry out the verification of actual performance of the Company in respect of the MOU Parameters. Performance Evaluation Report are submitted to DPE on the basis of Audited data as per MOU Guidelines.

### 36.0 RATING OF SECL VIS-A-VIS MOU TARGETS:

Performance of SECL for the year 2014-15 has been rated by DPE as "Excellent" in terms of the MoU 2014-15.

### 37.0 INFORMATION TO SHAREHOLDERS:

Annual Accounts of South Eastern Coalfields Limited (SECL) and the related detailed information shall be available to the shareholders of the holding Company and SECL. Any shareholder seeking any such information at any point of time, can inspect the same during business hours in a working day at the registered office of the Company at Seepat Road, Bilaspur, Chhattisgarh.

**38.0 COST AUDIT:**

Pursuant to the directions of the Central Government for audit of Cost records, the proposal for appointment of 4 firms of Cost Accountants as Cost Auditors for auditing the Cost records of your Company for the year ended 31<sup>st</sup> March, 2016 was approved by the Central Government and they have accordingly been appointed.

The particulars of Cost Auditors as required under Section 148 of the Companies Act, 2013 read with General Circular No. 15/2011 dated 11.04.2011 issued by the Ministry of Corporate Affairs, are given below:

- 1) M/s. S. C. Mohanty & Associates (FRN 00114) Plot No. 370/1861/2157, Shakti Bhavan, Patia, Post – KIIT, Bhubaneswar, Odisha – 751 024
- 2) M/s. ABK & Associates (FRN 000036) Jamuna Niwas, 1st Floor, 32-A, Jai Bharat Society, Khar (West), Mumbai - 400 052.
- 3) M/s. R. S. Tiwari & Co. (FRN 000260) A-3, Nehru Nagar, Bilaspur (Chhattisgarh) - 495 001.
- 4) M/s. P. A. N. Murty & Co. (FRN 00245) A - 4, Rama Life City, Opp. Jain International School, Bilaspur (Chhattisgarh) – 495 001.

The Cost Audit Report for the year 2014-15 has been filed under XBRL mode within the due date of filing. The Cost Audit Report for the year 2015-16 is being finalized and will be filed as per the schedule.

**39.0 SECRETARIAL AUDIT:**

The Secretarial Audit of the Company for financial year 2015-16 pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been conducted by M/s. AGR Reddy & Co., Practicing Company Secretaries, Hyderabad. The Secretarial Audit Report has been attached to this report as [Annexure-III](#).

**40.0 EXPLANATION OR COMMENTS UNDER SECTION 134(3)(f) OF THE COMPANIES ACT, 2013 ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS:**

There was no qualifications, reservations or adverse remarks made either by the Auditors or by the Practicing Company Secretary in their respective reports. As such, the explanations/comments by the Board in terms of the provisions of Section 134(3)(f) of the Companies Act, 2013 is not applicable.

**41.0 PARTICULARS OF INFORMATION UNDER SECTION 129 OF THE COMPANIES ACT, 2013 RELATING TO SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARY COMPANIES:**

The particulars of information under proviso to Section 129(3) of the Companies Act, 2013 relating to 'Salient features of the Financial Statement of Subsidiary companies' has been attached with the Financial Statements of the Company in Form AOC-1, in pursuance to Rule 5 of the Companies (Accounts) Rules, 2014. The Annual Accounts of the Subsidiary Companies are available with the Company Secretary, SECL and are open for inspection by any shareholder at the Registered Office of the Company during the working days.

**42.0 INFORMATION UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREX EARNING & OUTGO:**

The Information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 regarding Conservation of Energy, Technology absorption and Foreign Exchange earnings and Outgo is given in [Annexure-IV](#) to this Report.

**43.0 INFORMATION UNDER SECTION 134(3)(n) OF THE COMPANIES ACT, 2013 CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY:**

An Enterprise Risk Management Policy of the Company is under formulation at the holding Company CIL, for all its subsidiaries. The Board will review and implement the same once it is formulated and approved. However, a 'Risk Management Charter' and 'Risk Register' have been approved by the CIL and accordingly, a 'Chief Risk Officer (CRO)' has been appointed in SECL. There are, however, no elements of risk threatening the Company's existence.



**44.0 INFORMATION UNDER SECTION 134(3)(q) OF THE COMPANIES ACT, 2013, READ WITH RULE 8(5)(VII) OF COMPANIES (ACCOUNTS) RULES, 2014 REGARDING SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE:**

There were no significant and material orders passed by the regulators or courts or tribunals which would impact the 'Going concern status' and the Company's operations in future.

**45.0 INFORMATION UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 REGARDING EMPLOYEES REMUNERATION:**

Information as per Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable to your Company as no employee in the Company was drawing more than ₹ 5,00,000/- per month or ₹ 60,00,000/- per annum or in excess of that drawn by the Managing Director or Whole-Time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.

**46.0 BOARD OF DIRECTORS:**

**46.1 The Board of Directors of the Company as on 31.03.2016 are as under:**

SL	Name	Designation	Category/ Designation
1	Shri B. R. Reddy	Chairman	Whole-Time Functional Director/ Chairman-cum-Managing Director & CEO
2	Shri A. P. Panda	Member	Whole-Time Functional Director/Director (Finance) & CFO
3	Shri R. P. Thakur	Member	Whole-Time Functional Director/Director (Technical) Operations
4	Dr. R. S. Jha	Member	Whole-Time Functional Director/Director (Personnel)
5	Shri Kuldip Prasad	Member	Whole-Time Functional Director/ Director (Technical) Project & Planning
6	Shri Vivek Bharadwaj	Member	Government Nominee Director/Joint Secretary, Ministry of Coal
7	Shri C. K. Dey	Member	Government Nominee Director/Director (Finance), CIL
8	Shri Sunil Kumar	Member	Independent Director/Retd. IAS, Vice Chairman, Chhattisgarh State Planning Commission
9	Shri B. S. Sahay	Member	Independent Director/Director, IIM Raipur
10-11*	.....	Member	Independent Director
12	.....	Permanent Invitee	Invitee/Chief Operations Manager, South East Central Railway

**Notes:**

\* The position of 02 Independent Director is vacant w.e.f. 21.02.2014.

**46.2 The following persons were appointed as Director/KMP during the year under report:**

S.N.	Name of Director	Designation	Date of Appointment
1	Shri Vivek Bharadwaj	Govt. Nominee Director	20.04.2015
2	Shri Sunil Kumar	Independent Director	17.11.2015
3	Shri B. S. Sahay	Independent Director	17.11.2015
4	Shri B. R. Reddy	Chairman-cum-Managing Director & CEO	01.03.2016
5	Shri Kuldip Prasad	Director (Technical) (Project & Planning)	10.02.2016

**46.3 The following persons ceased to be Director/KMP during the year under report:**

S.N.	Name of Director	Designation	Date of Cessation
1	Shri A. K. Bhalla	Govt. Nominee Director	13.04.2015
2	Shri Om Prakash	Chairman-cum-Managing Director & CEO	29.02.2016

**46.4 Board Meetings**

Eleven (11) Board Meetings were held during the Financial Year 2015-16 on 09.04.2015, 24.05.2015, 25.07.2015, 04.09.2015, 22.09.2015, 28.10.2015, 30.11.2015, 30.12.2015, 27.01.2016, 08.02.2016 and 27.02.2016.

**47.0 AUDIT COMMITTEE:**

The constitution of the Audit Committee of Board of Directors in your Company dates back to the year 2002 and the committee is committed to good Corporate Governance with best discharge of its assigned duties. The Audit Committee inducted Independent Directors on 26<sup>th</sup> September, 2007 in compliance of Corporate Governance Guidelines.

The Audit Committee has functioned during the year 2015-16 in terms of the provisions of the Companies Act, 2013 and the Mandatory Corporate Governance Guidelines for CPSEs. The Audit Committee constitutes of the following members as on 31.03.2016:

SL	Name	Designation	Category
1	Prof. B. S. Sahay	Chairman	Independent Director
2	Shri Sunil Kumar	Member	Independent Director
3	Shri Vivek Bharadwaj	Member	Government Nominee Director
4	Shri C.K. Dey	Member	Government Nominee Director
5	Shri R. P. Thakur	Member	Director (Technical) Operations, SECL
6	Shri A. P. Panda	Permanent Invitee	Director (Finance), SECL

The Terms of Reference of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and the Guidelines dated 14<sup>th</sup> May, 2010 on Corporate Governance of CPSEs issued by Department of Public Enterprises. The list of functions *inter-alia* includes the following:

- ◆ To hold discussion with Auditors periodically about:
  - Internal control systems compliance and adequacy thereof.
  - Scope of audit including observations of the Auditors.
  - Review of the quarterly, half yearly and annual Financial Statements before submission to the Board.
- ◆ To perform the following functions:
  - Overseeing the Company's financial reporting process and system for disclosure of its financial information to ensure that the Financial Statements are correct, sufficient and credible.
  - Reviewing, with the management, the annual Financial Statements before submission to the Board for approval, with particular reference to matters required to be included in the Directors Responsibility Statement, changes, if any, in accounting policies, major accounting entries, significant adjustments made, disclosure of related party transactions and qualifications in the Draft Audit Report.
  - Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
  - Carrying out any other function as mentioned in the Terms of Reference of the Audit Committee.

The Company Secretary is the Secretary to the Audit Committee.

The Audit Committee had Nine (9) meetings during the year under report.



#### 47.1 Vigil Mechanism u/s 177(9) of the Companies Act, 2013

The Company has already in place an established vigil mechanism and oversees through the committee, the genuine concerns expressed by the Directors and other employees. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of co-employees and the Company. SECL has in place a well-established Vigilance Department headed by an IPS Officer of the rank of IG of Police, and is functioning in a fair and transparent manner as per the guidelines of the CVC. The main functions of the department are verification of the complaints received either directly or routed through CVC, Ministry, CBI, Coal India etc. and taking punitive action and systemic improvement measures wherever required.

Further, the "Coal India Whistle Blower Policy 2011" as approved by the Board of Directors of Coal India Limited has been implemented by the Company. The policy has been formulated to provide an opportunity to employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct.

#### 48.0 NOMINATION AND REMUNERATION COMMITTEE:

The Nomination & Remuneration Committee as required under Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 could not be constituted during the year under review for want of full Board with Independent Directors. The Committee will be constituted in terms of the provisions of the act as soon as all the Independent Directors are appointed by the Ministry of Coal. Coal India Ltd. (Holding Company) however, has constituted the Remuneration Committee for all its Subsidiaries. Being a CPSE, the criteria for qualifications and remuneration of Directors, Key Managerial Personnel and other employees, is decided by the Govt. of India.

#### 49.0 STATEMENT UNDER SECTION 134(3)(p) OF THE COMPANIES ACT, 2013 REGARDING FORMAL ANNUAL EVALUATION MADE BY BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS:

There were no Independent Directors on Board of the Company during most part of the year under review. While appointment of two (02) Independent Directors has been made by Ministry of Coal w.e.f. 17.11.2015, the appointment of further 02 Independent Directors on SECL Board is under process at Ministry of Coal. Therefore, Nomination & Remuneration Committee could not be constituted which would have finalized the manner of annual evaluation and subsequent formal evaluation made thereunder. The requirement under section 134(3)(p) of the Companies Act, 2013 read with Rule 8(4) of the Companies (Accounts) Rules, 2014 will be complied as soon as all the Independent Directors are appointed by the Ministry of Coal.

#### 50.0 INFORMATION UNDER SECTION 134(3)(q) OF THE COMPANIES ACT, 2013, READ WITH RULE 8(5)(viii) OF COMPANIES (ACCOUNTS) RULES, 2014 REGARDING ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Company has well established Internal Control systems and procedures commensurate with its size and nature of business with an approved and well laid down delegation of authority at various levels for ensuring appropriate authorization and approval of transactions. Policy in the form of Purchase Manual, Contract Management Manual, Civil Engineering Works Manual, defining the practices & procedures to be adopted for procurement and award of contracts are in place. The Internal audit is conducted by the external firms of Chartered/Cost Accountants covering all the Offices/Areas/Units of operation. The Statutory Central/ Branch Auditors while reporting on the Financial Statements of the Company also issue a separate and specific report on the adequacy and operating effectiveness of Internal financial controls, titled as "Report on the Internal Financial Controls under Clause (i) to Sub-section 3 of Section 143 of the Companies Act, 2013". Such report has been given on both standalone and consolidated accounts of the Company.

#### 51.0 DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESAL) ACT, 2013:

The Company has constituted Internal Complaints Committee (ICC) to redress complaints received regarding sexual harassment. All employees (viz. permanent, contractual, temporary, probationer, trainee and apprentices) are covered. 01 complaint of sexual harassment was received and the same was disposed-off during the year.

## 52.0 CORPORATE GOVERNANCE:

Your Company is committed towards maintaining high standards of Corporate Governance to ensure transparency and accountability at all levels protecting the interest of all the stakeholders. The Company complies with the conditions of Corporate Governance as stipulated under the Companies Act as well as Listing Agreements.

Guidelines on Corporate Governance for CPSEs issued by the Department of Public Enterprises (DPE), Ministry of Heavy Industries & Public Enterprises, Government of India, have been made mandatory from May, 2010 and SECL has implemented the same to the maximum extent possible.

### 52.1 Report on Corporate Governance

A "Report on Corporate Governance" for the year ended March 31, 2016, supported by a Certificate from the Practicing Company Secretary confirming compliance of conditions, forms part of the Annual Report, and is attached to this report as [Annexure-V](#).

### 52.2 Management Discussion & Analysis Report

In terms of the Clause 7.5 of the Guidelines on Corporate Governance for CPSEs issued by the DPE, a "Management Discussion and Analysis Report" on the operations and performance of the Company for the year ended March 31, 2016, is attached to this report as [Annexure-VI](#).

### 52.3 Voluntary Compliance

Apart from the mandatory measures required to be implemented as a part of Corporate Governance, SECL has gone the extra mile in this regard for the benefit of the stakeholders by implementing the Whistle Blower Policy, Code of Business Conduct & Ethics for Board Members and Senior Management, MCA Voluntary Guidelines on Corporate Governance to the extent possible and the Secretarial Standards issued by the Institute of Company Secretaries of India, to the extent possible.

## 53.0 DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the Board hereby submit its Responsibility Statement that:

- a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2016, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b) the directors have 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 of the Company for the year under review;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, as applicable, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2016, on a going concern basis; and
- e) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 54.0 STATUTORY DISCLOSURE BY DIRECTORS:

None of the Directors of your Company is disqualified as per provisions of Section 164 of the Companies Act, 2013. Your Directors have made necessary disclosures as required under various provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

## 55.0 ANNUAL RETURN:

The extract of Annual Return (in Form MGT-9) pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is furnished as [Annexure-VII](#) to this Report.



### 56.0 ACKNOWLEDGEMENT:

Your Directors acknowledge with deep sense of appreciation the co-operation received from the Government of India, and in particular, the Ministry of Coal, Ministry of Environment & Forest, Ministry of Corporate Affairs, Department of Public Enterprises, Coal India Limited, State Governments of Chhattisgarh & Madhya Pradesh, Regulatory and Statutory Authorities from time to time.

Your Directors also appreciate the contribution of consultants, expert agencies, contractors and vendors in the implementation of various projects of the Company. Your Directors also appreciate the valuable and persistent trust of all the consumers.

Your Directors also acknowledge the constructive suggestions received from the Statutory Auditors, Cost Auditors, Secretarial Auditors and Comptroller & Auditor General of India (CAG), and are grateful for their continued support and co-operation.

Your Directors would like to place on record its appreciation for the untiring efforts and steadfast contributions made by the employees at all levels that have made the continued achievement of an excellent performance possible.

### 57.0 ADDENDA:

**The following documents are annexed:**

- 57.1 'Report on the performance and financial position of each of the subsidiaries, Associates & Joint Venture Companies' is attached to this report as **Annexure-I**.
- 57.2 'Annual Report on CSR Activities' is attached to this report as **Annexure-II**.
- 57.3 'Secretarial Audit Report' of the Company is attached to this report as **Annexure-III**.
- 57.4 'Information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo' is attached to this report as **Annexure-IV**.
- 57.5 'Report on Corporate Governance' is attached to this report as **Annexure-V**.
- 57.6 'Management Discussion and Analysis Report' is attached to this report as **Annexure-VI**.
- 57.7 'Extract of Annual Return of the Company' is attached to this report as **Annexure-VII**.

For and on behalf of the Board of Directors of  
SOUTH EASTERN COALFIELDS LIMITED

Sd/-  
**(R. P. Thakur)**  
Director (Technical) Operations  
DIN: 06764576

Sd/-  
**(B. R. Reddy)**  
Chairman-cum-Managing Director  
DIN: 07001710

Place : Kolkata

Dated: 23.05.2016

**Annexure-I****Report on the Performance and Financial position of each of the Subsidiaries, Associates & Joint Venture Companies**

**[Pursuant to Section 134(3)(q) of the Companies Act, 2013 read with Rule 8(1) of the Companies (Accounts) Rules, 2014]**

There are two (02) Subsidiary Companies of SECL viz. Chhattisgarh East Railway Limited (CERL) and Chhattisgarh East-West Railway Limited (CEWRL) in the form of Joint Venture with IRCON International Limited (IRCON) and Chhattisgarh State Industrial Development Corporation (CSIDC, representing Govt. of Chhattisgarh) formed in terms of the Memorandum of Understanding (MoU) signed between SECL, IRCON International Limited and Government of Chhattisgarh, for establishment of the two Railway Corridors viz., East Corridor and East-West Corridor. The equity shareholding pattern of the promoter entities in each of the Company as per MOU is as under:

Name of the Promoter entities	Shareholding Pattern
South Eastern Coalfields Limited (SECL)	64%
IRCON International Limited (IRCON)	26%
Chhattisgarh State Industrial Development Corporation (CSIDC)	Value of land provided by State Govt. or 10%, whichever is more.

The performance and financial position of each of the Subsidiary companies are as under:

**1. CHHATTISGARH EAST RAILWAY LIMITED (CERL):**

[CIN: U45203CT2013GOI000729]

Chhattisgarh East Railway Limited (CERL) was incorporated on 12.03.2013. The East Rail Corridor has been given the status of a "Special Railway Project" on 17.12.2013 by the Ministry of Railways. This rail corridor will facilitate coal transport from Mand-Raigarh coalfields of SECL as well as cater to the passenger services. A Project Execution Agreement was signed between CERL and IRCON on 18.01.2014 to carry out the execution of the Project. The East Rail Corridor is expected to be completed in two phases:

Phase-I : Kharsia to Dharamjaygarh (0 to 74 KM) and with a Spur to connect mines of Gare Pelma Block.

Phase-II : Dharamjaygarh to Korba (approx. 62 KMs)

**HIGHLIGHTS OF PERFORMANCE:**

The financial year 2015-16 has witnessed the beginning of construction of the East Corridor Phase-I. The tenders have been awarded mainly for construction of major and minor bridges and preparation of rail bed and road bed for various segments in 0-74 KM and 0-28 KM spur. The rail alignment for the first phase of the project includes additional feeder lines of about 29.2 KM as a part of East Rail Corridor project which is required to carry the traffic on the corridor and to facilitate cohesive planning and development of coal evacuation facilities.

The significant milestones achieved by the Company during the year are briefly mentioned below:

- The Revised Detailed Project Report (DPR) for Phase-I of the Project from Kharsia – Chhal – Gharghoda – Korichhapar - Dharamjaigarh up to Korba with a Spur from Gharghoda to Donga Mahua for about 104 Km to connect Mines of Gare Pelma Block and three feeder lines at Chhal, Baroud at Korichhapar of approximate length of about 29.2 KMs has been approved at a revised total Project Cost of ₹ 3,055.15 Crore. The said DPR has been recommended by CERL, SECL and later approved by CIL Board and the same has also been submitted by CERL to Railway Board for seeking necessary approval and inflated mileage.
- Significant development has been made in Land acquisition and Forest Clearance. The Private land in 0-10 KM and 10-74 KM has been transferred in the name of SEC Railway. The award of land for Spur (0-28 KM) is under preparation. The transfer of 49.032 Hectares of Government Land for 43 villages for 0-10 KM, 10-74 KM and Spur 0-28 KM has been approved by the Government of Chhattisgarh. Stage-II Forest Clearance for 76.099 Hectares



(10-74 KM) for diversion of Forest Land has been obtained and the process of tree felling has been completed. The proposal for diversion of forest land for 12 Villages in 0-10 KM and Spur 0-28 KM has been submitted and is under active consideration for approval.

- Tenders amounting to ₹ 520.21 Crore has already been issued for construction of Major Bridges, Minor Bridges, Rail Bed and Road Bed in 0-10 KM, 10-74 KM and 0-28 KM spur.

**FINANCIAL POSITION:**

**Capital Structure:**

During the year under review, the Authorised Capital of the Company has been enhanced from ₹ 5.00 Crore to ₹ 400.00 Crore. During the year under review, the subscribed and paid-up capital of the Company has been enhanced from ₹ 4,05,50,000.00 to ₹ 139,05,50,000.00 by way of Right Issue of 13,50,00,000 Nos. of Equity Shares of ₹ 10/- each of the Company, to SECL and IRCON in their shareholding proportion of 64% and 26% respectively on Rights basis on 07.11.2015. The shares have been fully subscribed and paid-up. The equity contribution of CSIDC shall be in the form of cost of land. The equity shareholding pattern of the promoters companies are as under:

Name of the Company	Shareholding Pattern As on 31.03.2016	Shareholding Pattern As On 31.03.2015
South Eastern Coalfields Limited	71.1086%	71.02%
IRCON International Limited	28.8879%	28.85%
CSIDC (representing Government of Chhattisgarh)	0.0035%	0.13%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Loan Fund:**

CERL has decided to borrow ₹ 150 Crore in the form of subordinate debt from the joint venture partners in proportion to their shareholding pattern pending finalization of the funding pattern and resources for the project. The subordinate debt has infused the pace to the project by allowing time to gear up for arranging funds in the form of equity/debt without compromising with the timeline for execution of the project. During the Year under Review, the Company has entered into the Loan Agreement with CSIDC for obtaining the loan amounting to ₹ 15.00 Crore.

**Summarized Balance Sheet:**

Particulars	INR
<b>Total Equity and Liabilities</b>	
Capital	139,05,50,000.00
Reserves & Surplus	(26,28,190.25)
<b>Sub-Total</b>	<b>138,79,21,810.00</b>
Long Term Borrowings	170,03,69,165.00
Other Current Liabilities	70,72,81,847.00
<b>Total</b>	<b>379,55,72,822.00</b>
<b>Assets</b>	
Tangible Assets (less Depreciation)	1,39,80,085.00
Capital WIP	253,77,30,251.00
Loan Term Loans and Advances	101,86,88,399.00
Cash and Bank Balance	12,17,96,543.00
Short-Term Loans and Advances	10,33,77,544.00
<b>Total</b>	<b>379,55,72,822.00</b>

**Summarized Statement of Profit and Loss:**

Particulars	INR
Total Revenue	12,500.00
Total Expenses	7,77,217.25
Profit before Taxation	(7,64,717.25)
Provision for Taxation	-
Profit after Taxation	(7,64,717.25)
Other Current Liabilities	70,72,81,847.00
Proposed Dividend	-
% of Shareholding of SECL	71.1086%

**2. CHHATTISGARH EAST-WEST RAILWAY LIMITED (CEWRL):**

[CIN: U45203CT2013GOI000768]

Chhattisgarh East-West Railway Limited (CEWRL) was incorporated on 25.03.2013. The East-West Rail Corridor i.e., Gevra Road - Pendra Road new line project (121.70 KM) has been given the status of a "Special Railway Project" on 17.12.2013 by the Ministry of Railways. This rail corridor will facilitate coal transport from Gevra coalfields of SECL as well as cater to the passenger services. A Project Execution Agreement has been signed between CEWRL and IRCON on 05.04.2014 to carry out the execution of the Project.

**HIGHLIGHTS OF PERFORMANCE:**

The financial year 2015-16 has set the path for development of rail infrastructure for common good. The East-West Rail Corridor project of the Company is spread in Bilaspur and Korba District of Chhattisgarh. The rail alignment for the project has been crystallized which includes about 35 KMs of Feeder lines to connect Kartali, Ambica, Saraipali and Vijay West Mines of SECL to be integrated with the East-West Rail Corridor along with connectivity to Kusmunda, Junadih and Dipka Sidings.

The significant milestones achieved by the Company during the year are briefly mentioned below:

1. The Detailed Project Report (DPR) of East-West Rail Corridor Project from Gevra Road to Pendra Road via Dipka, Katghora, Sindurgarh, Pasan, approximately 135.30 KMs in length with connectivity to Kusmunda, Junadih and Dipka Sidings along with a provision to construct and integrate with the East West Rail Corridor for about 35 KMs of Feeder lines to connect Kartali, Ambica, Saraipali and Vijay West Mines of SECL prepared and submitted by IRCON and duly financially appraised by M/s CARE Kalypto Risk Technologies & Advisory Services Pvt. Ltd., Mumbai has been approved at a total Project Cost of ₹ 5,543.37 Crore.
2. Significant development has been made in Land acquisition and Forest Clearance. The Award for transfer of Private land in Bilaspur District has been issued and CEWRL has deposited a sum of ₹ 29.14 Crore for payment of land compensation. 20E Notification for 45 out of 52 villages has been published and preparation of award is under process. No Objection Certificate (NOC) for construction of Rail Corridor on land owned by South East Central Railway is being obtained. NOC for transfer of Govt. Land in Bilaspur District has been obtained. While NoC for transfer of Govt. Land for 27 villages in Korba Dist. have been obtained, the same is under process for the remaining 11 villages.
3. The proposal for diversion of forest land for construction has already been submitted and is under process. The preparation of 'Wild Life Conservation Plan' has been entrusted to TFRI, Jabalpur.
4. In anticipation of acquisition of land for the project, tenders for construction of a part of the corridor have already been floated.



**FINANCIAL POSITION:**

**Capital Structure:**

During the year under review, there was no change in the Authorised Capital of the Company which stood at ₹ 5.00 Crore. The Subscribed and Paid-up Capital also stood unchanged at ₹ 4,05,50,000.00. The equity shareholding pattern of the promoters companies are as follows:

Name of the Company	Shareholding Pattern As on 31.03.2016	Shareholding Pattern As On 31.03.2015
South Eastern Coalfields Limited	71.02%	71.02%
IRCON International Limited	28.85%	28.85%
CSIDC (representing Government of Chhattisgarh)	0.13%	0.13%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Summarized Balance Sheet:**

Particulars	INR
<b>Total Equity and Liabilities</b>	
Capital	4,05,50,000.00
Reserves & Surplus	(23,36,328.00)
<b>Sub-Total</b>	<b>3,82,13,672.00</b>
Long Term Borrowings	77,36,92,642.00
Other Current Liabilities	5,42,97,266.00
<b>Total</b>	<b>86,62,03,580.00</b>
<b>Assets</b>	
Tangible Assets (less Depreciation)	1,37,86,657.00
Capital WIP	41,66,93,924.00
Loan Term Loans and Advances	29,22,78,299.00
Cash and Bank Balance	14,22,86,397.00
Short-Term Loans and Advances	11,58,303.00
<b>Total</b>	<b>86,62,03,580.00</b>

**Summarized Statement of Profit and Loss:**

Particulars	INR
Total Revenue	64,393.00
Total Expenses	6,50,540.00
Profit before Taxation	(5,86,147.00)
Provision for Taxation	-
Profit after Taxation	(5,86,147.00)
Other Current Liabilities	77,36,92,642.00
Proposed Dividend	-
% of Shareholding of SECL	71.02%

For and on behalf of the Board of Directors of  
SOUTH EASTERN COALFIELDS LIMITED

Sd/-  
**(R. P. Thakur)**  
Director (Technical) Operations  
DIN: 06764576

Sd/-  
**(B. R. Reddy)**  
Chairman-cum-Managing Director  
DIN: 07001710

Place: Kolkata  
Dated: 23.05.2016

## Annexure-II

## Annual Report on Corporate Social Responsibility (CSR)

**[Pursuant to Section 135 of the Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014]**

**1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

The mines of South Eastern Coalfields Limited are located in different parts of the States of Chhattisgarh & Madhya Pradesh, and are relatively in isolated areas with little contact to the outside society. Coal mining has profound impact on the people living in and around the areas where the mines are established. The obvious impact of the introduction of any production activity in such areas changes the traditional lifestyle of the original inhabitants and indigenous communities and also changes the socio-economic profile of the Area. Hence, the primary beneficiaries of CSR should be land oustees, Project Affected Persons (PAPs) and those staying within the radius of 25 KMs of the Project. Poor and needy section of the society living in different parts of states in which the Company is operating should be second beneficiaries. In view of the above, a CSR Policy has been approved by Coal India Limited for all its Subsidiaries and is available on the Company's website at <http://www.secl.gov.in/secl/forms/list.aspx?lid=745>

**The key areas of activities under CIL CSR Policy are as below:**

- Healthcare programs like conducting village health camps, construction of special units in hospitals etc. Providing safe drinking water and sanitation by installing hand- pumps, bore- wells, deepening of ponds, construction of community toilets etc.
- Promoting education by developing infrastructure like class rooms, verandah, boundary wall, toilet blocks, cultural stage, modernization of library and adoption of school etc.
- Ensuring environmental sustainability by taking up activities like road side plantation under "Harihar Chhattisgarh" Scheme of Chhattisgarh Government.
- Protection of art and culture for cultural development through financial assistance to different cultural events.
- Promoting nationally recognized sports by providing financial assistance.
- Rural development projects like construction of bus stops, CC roads, community building, culverts, ghats and safety wall for ponds, sheds, boundary walls, bathrooms, cultural stage etc.
- Swachh Vidyalaya Abhiyan: SECL has constructed/repared 11,515 no. of toilets in schools located in different districts of Chhattisgarh, Madhya Pradesh, Odisha States under the Swachh Vidyalaya Abhiyan, a campaign under Swachh Bharat Abhiyan, an initiation from Hon'ble Prime Minister, India.

**2. The Composition of the CSR Committee:**

SECL Board at its 239<sup>th</sup> meeting held on 30.11.2015 has reconstituted the Corporate Social Responsibility (CSR) Committee of the Board in terms of Section 135 of the Companies Act, 2013 and Rules made thereunder with the following members:

Chairman	Shri Sunil Kumar, Retd. IAS, Ex. Chief Secretary, Govt. of Chhattisgarh Vice Chairman, CG State Planning Commission	Independent Director
Members	1) Shri Vivek Bharadwaj, IAS, Jt. Secretary(MoC) 2) Prof. B.S.Sahay, Director (IIM-Raipur) 3) Dr. R.S.Jha	Govt. Nominee Director Independent Director Director (Personnel)
Permanent Invitee	Shri A.P. Panda	Director (Finance)

### 3. Average Net Profit of the Company for last three financial years:

Profit Before Tax (PBT)	2012-13	₹ 6290.37 Crore
	2013-14	₹ 7202.68 Crore
	2014-15	₹ 5659.54 Crore
	<b>Average PBT</b>	<b>₹ 6384.20 Crore</b>

### 4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):

Prescribed CSR Expenditure for the financial year 2015-16 comes to ₹ 127.68 Crore.

### 5. Details of CSR spent during the financial year:

- Total Amount to be spent for the Financial Year- ₹ 127.68 Crore
- Amount unspent- NIL
- Manner in which the amount spent during the financial year is detailed below:-

Sl.	CSR Project or Activity identified	Sector in which the project is covered	State/District Block/ Village/ Town	Amount Outlay (Budget) project or programs wise (₹ in Lakh)	Amount spent on the projects or programs (₹ in Lakh)	Cumulative expenditure up to the reporting period (₹ in Lakh)	Implementing Agency (SECL/ PWD/ PHED/ etc.)
1	Construction of 4 additional rooms including boundary wall for Government primary school, Purenna village	Promoting education	CG / Korba/ Korba/ Banki	10.00	2.46	2.46	SECL
2	Construction of 3 no. class rooms, cultural stage and toilets for Government primary school, Banki	Promoting education	CG / Korba/ Korba/ Banki	8.50	3.41	3.41	SECL
3	Construction of 2 no. additional room at high school Balgi village	Promoting education	CG / Korba/ Korba/ Korba	7.36	7.36	7.36	SECL
4	Construction of boundary wall at primary school of Bhalpahari village	Promoting education	CG/Korba/ Katghora/ Bhalpahari	4.00	2.87	2.87	SECL
5	Construction of 10 no. class in Saraswathi Shishu Mandir school of Dhelwadiah	Promoting education	CG/Korba/ Korba/ Dhelwadiah	43.31	19.75	19.75	SECL
6	Extension of 2 rooms with verandah at Residential Sanskrit School of Digma village	Promoting education	CG/Surguja/ Ambikapur/ Digma (Nawapara)	9.29	1.19	9.18	SECL
7	Construction of Sanskrit School Building at Marhatta village	Promoting education	CG/Surajpur/ Pratappur/ Marhatta	9.50	1.42	9.41	SECL
8	Construction of Boundary wall at Belpara Primary School Building of Karondha village	Promoting education	CG/Surajpur/ Pratappur/ Karondha	3.08	3.00	3.00	SECL
9	Construction of Aanganbadi at Pandopara of Durti village	Promoting education	CG/Surajpur/ Pratappur/Durti	4.83	4.80	4.80	SECL
10	Construction of Boundary wall at Primary School, Majhapara of Khadgaon village	Promoting education	CG/Surajpur/ Pratappur/ Khadgaon	5.29	5.26	5.26	SECL
11	Construction of cycle stand, waiting shed, boundary wall and fencing at Government Boys Higher secondary School, Bhatgaon	Promoting education	CG/Surajpur/ Pratappur/ Bhatgaon	8.00	7.88	7.88	SECL

Sl.	CSR Project or Activity identified	Sector in which the project is covered	State/District Block/ Village/ Town	Amount Outlay (Budget) project or programs wise (₹ in Lakh)	Amount spent on the projects or programs (₹ in Lakh)	Cumulative expenditure up to the reporting period (₹ in Lakh)	Implementing Agency (SECL/ PWD/ PHED/ etc.)
12	Extension of 4 rooms, cycle stand and boundary wall at Government Girls High School Building at ward No. 09 of Bhatgaon Nagar Panchayat	Promoting education	CG/Surajpur/ Pratappur/ Bhatgaon	9.56	9.52	9.52	SECL
13	Construction of additional room with verandha in school at Bhakta village	Promoting education	MP/Anuppur/ Anuppur/Bhakta	12.02	1.66	12.02	SECL
14	Construction of boundary wall in eklavya banvasi balchhatravas MDGR	Promoting education	CG/Korea/ Korea/MDGR	14.00	11.93	11.93	SECL
15	Construction of room & providing computer and furniture etc. for BD Mahant College, Pali	Promoting education	CG/Korba/Pali/ Pali	23.84	0.05	23.84	SECL
16	Construction of boundary wall for Primary and middle School at Malgaon village	Promoting education	CG/Korba/ Katghora /Malgaon	4.55	4.53	4.53	SECL
17	construction of 2 No. additional class rooms in Primary School at Dindolbhata	Promoting education	CG/Korba/Pali/ Dindolbhata	5.26	5.24	5.24	SECL
18	Construction of stage in High School at Tiwarata village	Promoting education	CG/Korba/Pali/ Tiwarata	3.25	3.22	3.22	SECL
19	Construction of boundary wall in primary school, Gadainbaher	Promoting education	CG/Raigarh/ Gadainbaher	3.30	2.76	2.76	SECL
20	Construction of boundary wall in primary & middle school (500 m), Gendapali	Promoting education	CG/Raigarh/ Gendapali	5.00	4.23	4.23	SECL
21	Construction of boundary wall in primary school, Edu Basti	Promoting education	CG/Raigarh/Edu Basti	5.00	4.03	4.03	SECL
22	Construction of boundary wall (200 m) for Government high school at Teram village	Promoting education	CG/Raigarh/ Teram	6.00	4.76	4.76	SECL
23	Construction of boundary wall in high school at Munund	Promoting education	CG/Raigarh/ Munund	8.25	6.53	6.53	SECL
24	Construction of boundary wall in high school at Edu Basti	Promoting education	CG/Raigarh/Edu Basti	11.00	7.77	7.77	SECL
25	Providing Solar water heater and solar light/energy in hostel of Saraswati Shishu Mandir, Sarbhoka	Promoting education	CG/Korea/ Manendragarh/ Sarbhoka	6.00	4.85	4.85	SECL
26	Construction of multi-purpose hall at Jawahar navodaya Vidyalaya at Mau(Beohari)	Promoting education	MP/Shahdol/ Shahdol/Mau (Beohari)	120.72	21.45	21.45	PWD, PIU, Shahdol
27	Financial assistance to District Authority for providing education to poor children belonging to Baiga community under Udaan Yojana	Promoting education	CG/Bilaspur/ Bilaspur/ Bilaspur	5.00	5.00	5.00	District Authority, Bilaspur
28	Financial assistance for BPL category students studying under INJORE Yojana	Promoting education	CG/Surajpur/ Surajpur/ Surajpur	15.05	15.05	15.05	Tribal Development Dept. Surajpur
29	Providing one No. Bore hole and Submersible pump at Kanhaiyabhatha village	Making available Safe Drinking water	CG/Korba/ Katghora/ Kanhaiyabhatha	3.34	2.89	2.89	SECL



Sl.	CSR Project or Activity identified	Sector in which the project is covered	State/District Block/ Village/ Town	Amount Outlay (Budget) project or programs wise (₹ in Lakh)	Amount spent on the projects or programs (₹ in Lakh)	Cumulative expenditure up to the reporting period (₹ in Lakh)	Implementing Agency (SECL/ PWD/ PHED/ etc.)
30	Providing one no. Bore hole and Submersible pump at Chunchuni village	Making available Safe Drinking water	CG/Korba/ Katghora/Chunchuni Basti	3.34	2.47	2.47	SECL
31	Providing one no. Bore hole and Submersible pump at Ghanadabri village	Making available Safe Drinking water	CG/Korba/ Katghora/ Ghanadabri	3.34	2.34	2.34	SECL
32	Providing one no. Bore hole and Submersible pump at ward no. 56 of Gevra Basati village	Making available Safe Drinking water	CG/Korba/ Katghora/Gevra Basti	3.34	2.50	2.50	SECL
33	Providing one no. Bore hole and Submersible pump at ward no. 57 of Mongrabhatha village	Making available Safe Drinking water	CG/Korba/ Katghora/ Mongrabhata	3.34	2.53	2.53	SECL
34	Providing one no. Bore hole and Submersible pump at Pandripani village	Making available Safe Drinking water	CG/Korba/ Katghora/ Pandripani	3.34	2.73	2.73	SECL
35	Providing one no. Bore hole and Submersible pump at Pali village	Making available Safe Drinking water	CG/Korba/ Katghora/Pali	3.34	2.71	2.71	SECL
36	Providing one no. Bore hole and Submersible pump at Khairbhawana village	Making available Safe Drinking water	CG/Korba/ Katghora/ Kanhaiyabhata	3.34	2.73	2.73	SECL
37	Providing one no. Bore hole and Submersible pump at Kanberi village	Making available Safe Drinking water	CG/Korba/ Katghora/ Kanberi	3.34	2.73	2.73	SECL
38	Providing one no. Bore hole and Submersible pump at Bhalpahri village	Making available Safe Drinking water	CG/Korba/ Katghora /Bhalpahari	3.34	2.74	2.74	SECL
39	Providing one no. Bore hole and Submersible pump at Sonpuri village	Making available Safe Drinking water	CG/Korba/ Katghora/ Sonpuri	3.34	2.73	2.73	SECL
40	Drilling and installation of 2 no. tube wells with installation of pump at Junapara of Khadgawan village	Making available Safe Drinking water	CG/Surajpur/ Pratappur/ Khadgaon	7.00	7.00	7.00	SECL
41	Drilling of one no. bore hole with water tank near the home of Smt. Punai Bai at Auramuda village	Making available Safe Drinking water	CG/Raigarh/ Auramuda	3.00	3.14	3.14	SECL
42	Feeder Raw water pipe line along with pump under Jamunia water supply scheme at Umaria of Johilla Area under CSR (Jamunia Water Supply Project, Umaria City)	Making available Safe Drinking water	MP/Umara/ Umara /Umara	122.90	7.89	122.11	SECL
43	Installation of 02 No hand pump at Chhapari Tola	Making available Safe Drinking water	MP/Umara/ Karkeli /Karkeli	1.56	1.56	1.56	SECL
44	Providing drinking water arrangement for Kuriah village	Making available Safe Drinking water	MP/Umara/ Umara /Kuriah	10.21	10.21	10.21	SECL
45	Construction of ICU at District Hospital, Ambikapur	Promoting healthcare	CG/Surguja/ Ambikapur/ Ambikapur	88.40	61.05	88.40	PWD, Ambikapur

Sl.	CSR Project or Activity identified	Sector in which the project is covered	State/District Block/ Village/ Town	Amount Outlay (Budget) project or programs wise (₹ in Lakh)	Amount spent on the projects or programs (₹ in Lakh)	Cumulative expenditure up to the reporting period (₹ in Lakh)	Implementing Agency (SECL/ PWD/ PHED/ etc.)
46	Hiring of one ambulance Tata Winger on monthly rental basis	Promoting healthcare	CG / Korba/ Korba/Korba	7.08	7.08	7.08	SECL
47	Construction of ICU and Burn Unit at District Hospital Surajpur	Promoting healthcare	CG/Surajpur/ Surajpur/ Surajpur	66.95	11.07	11.07	CGMSC Ltd. Raipur (C.G.)
48	Organizing the Medical camp at different locations	Promoting healthcare	Villages located in and around the villages of Korea & Anuppur Districts	20.00	0.92	0.92	SECL
49	Hiring of ambulance under CSR by Hasdeo Area	Promoting healthcare	Villages located in and around the villages of Korea & Anuppur Districts	42.40	42.40	42.40	SECL
50	Hiring of ambulance under CSR by J&K Area	Promoting healthcare	Villages located in and around the villages of Anuppur Districts	16.56	16.56	16.56	SECL
51	Financial assistance to Mental Hospital, Sendari forprocuring anAmbulance	Promoting healthcare	CG/Bilaspur/ Bilaspur/ Bilaspur	10.00	10.00	10.00	District Authority, Bilaspur
52	Financial assistance for providing health related apparatus at District Hospital, Baikunthpur	Promoting healthcare	CG/Korea/ Baikunthpur/ Baikunthpur	11.50	11.50	11.50	District Authority, Korea
53	T. A. Bill riembursement for supervision of toilet construction/repair in schools located in Bastar, Jagdalpur and Kanker Dist. under Swachcha Vidyalay Abhiyan (CG)	Administrative Overheads	Various districts of Chhattisgarh, Madhya Pradesh, Odisha States	8.91	8.91	8.91	SECL
54	Payment to TISS	Administrative Overheads	CG/Bilaspur	3.82	3.82	3.82	SECL
55	Basic infrastructure to preserve the Tatapani hot water spring.	Conservation of natural resources and maintainquality of soil, air and water	CG/Balrampur/ Balrampur/ Balrampur	200.00	40.00	40.00	Zila Nirman Samiti, Balrampur
56	Financial assistance to Chhattisgarh Rajy Van Vikas Nigam Limited (CGRVVN) for road side tree plantation under Chhattisgarh Hariyar Programme 2014	Ensuring environmental sustainability	Different districts of Chhattisgarh State	3322.00	2192.29	2192.29	CGRVVN
57	Financial assistance for purchase of Industrial Sewing Machine for Livelihood College, Korba	Livelihood enhancement project	CG/Korba/ Korba/Rampur	8.13	8.13	8.13	District Authority, Korba
58	Pali Mahotsav	Protection of art & culture	CG/Korba/ Korba/Pali	25.00	25.00	25.00	District Authority, Korba



Sl.	CSR Project or Activity identified	Sector in which the project is covered	State/District Block/ Village/ Town	Amount Outlay (Budget) project or programs wise (₹ in Lakh)	Amount spent on the projects or programs (₹ in Lakh)	Cumulative expenditure up to the reporting period (₹ in Lakh)	Implementing Agency (SECL/ PWD/ PHED/ etc.)
59	Financial Assistance to 37th Rawat Nach Mahotsav	Protection of art & culture	CG/Bilaspur/ Bilaspur/ Bilaspur	1.50	1.50	1.50	Rawat Nach Mahotsav Samiti
60	Adoption of one village near RGK Sub Area, Construction of CC Road and Retaining wall from Bazardand to Jobga Nallah at Getra Village	Rural Development Projects	CG/Surguja/ Lakhanpur/ Getra	50.00	3.47	44.34	SECL
61	Construction of CC road 300 m from water tank to house of Bansu Khakha at Jainagar	Rural Development Projects	CG/Surajpur/ Surajpur/ Jainagar	9.93	9.93	9.93	SECL
62	Construction of CC road from ward no. 11 Shamim house to Ghanshyam house at Shivanandanpur	Rural Development Projects	CG/Surajpur/ Surajpur/Shivanandanpur	9.00	8.89	8.89	SECL
63	Construction of CC road from Main road to Atal chowk(200 m) at Mani village	Rural Development Projects	CG/Surajpur/ Surajpur/Mani	7.44	7.44	7.44	SECL
64	Construction of CC road of Tikrapara Mohalla at Bhilai Khurd no.2	Rural Development Projects	CG/ Korba/ Korba/Manikpur	3.76	3.36	3.36	SECL
65	Deepening of pond and bathing ghat at Purena village	Rural Development Projects	CG/ Korba/ Korba/Banki	3.81	3.54	3.54	SECL
66	Repair and maintenance of road from Rajgamar chowk to community building to Kawar Samaj near Rizdi	Rural Development Projects	CG/ Korba/ Korba/Rajgamar	15.00	6.62	6.62	SECL
67	Construction of community building of Bhilai Khurd no 2	Rural Development Projects	CG/ Korba/ Korba/Manikpur	6.04	5.53	5.53	SECL
68	Construction of By-pass road to Purena and Marwadhora Village	Rural Development Projects	CG/ Korba/ Korba/Korba	18.71	18.71	18.71	SECL
69	Construction of community building at Marwadhora village	Rural Development Projects	CG/ Korba/ Korba/Korba	7.61	7.61	7.61	SECL
70	Construction of community building at Mongra village	Rural Development Projects	CG/ Korba/ Korba/Korba	7.61	7.61	7.61	SECL
71	Construction of community building at Barbaspur village	Rural Development Projects	CG/ Korba/ Korba/Korba	5.58	0.77	0.77	SECL
72	Bituminous topping on earth WBM	Rural Development Projects	CG/Korba/ Korba/Korba	5.50	0.47	0.47	SECL
73	Construction of community building at Maheshpur village(near Katghora)	Rural Development Projects	CG/Korba/ Korba/Korba	7.84	1.32	1.32	SECL
74	Construction of community building at SRK	Rural Development Projects	CG/Korba/ Korba/Korba	7.61	7.61	7.61	SECL

Sl.	CSR Project or Activity identified	Sector in which the project is covered	State/District Block/ Village/ Town	Amount Outlay (Budget) project or programs wise (₹ in Lakh)	Amount spent on the projects or programs (₹ in Lakh)	Cumulative expenditure up to the reporting period (₹ in Lakh)	Implementing Agency (SECL/ PWD/ PHED/ etc.)
75	Construction of WBM road from Bata Village to Ghanadabri village	Rural Development Projects	CG/Korba/ Katghora/Bata	6.56	6.51	6.51	SECL
76	Construction of CC road at Laxman Nagar	Rural Development Projects	CG/Korba/ Katghora/ Laxman Nagar	7.29	7.29	7.29	SECL
77	Construction of Samudayik Bhawan at Sirbida Village	Rural Development Projects	CG/Korba/ Katghora/ Sirbida	8.37	6.24	6.24	SECL
78	Construction of CC road at Sirbida village	Rural Development Projects	CG/Korba/ Katghora/ Sirbida	5.83	5.83	5.83	SECL
79	Construction of CC road at Awas Mohallah Rangbell village	Rural Development Projects	CG/Korba/ Katghora/ Rangbel	12.00	4.69	4.69	SECL
80	Construction of CC road from Imlidugu Chowk to Manikpur Railway Station	Rural Development Projects	CG/Korba/ Katghora/ Manikpuri	316.42	241.34	241.34	Nagar Palik Nigam, Korba
81	Repair & maintainance of Anganbadi Centre in vaishali nagar of Kusmunda	Rural Development Projects	CG/Korba/ Katghora/ Vaishali Nagar	0.73	0.73	0.73	SECL
82	Construction of Samudayik Bhawan at Chunchuni Village	Rural Development Projects	CG/Korba/ Katghora/ Chunchuni	8.37	7.45	7.45	SECL
83	Construction of CC road from main road to house of Surya Das Birda village	Rural Development Projects	CG/Korba/ Katghora/Birda	9.00	5.36	5.36	SECL
84	Construction of Samudayik Bhawan at Badlabhatha of Birda Village under CSR Head	Rural Development Projects	CG/Korba/ Katghora/Birda	6.17	6.17	6.17	SECL
85	Construction of Samudayik Bhawan at Tenduwahi Para of Birda Village under CSR Head	Rural Development Projects	CG/Korba/ Katghora/ Tenduwahipara	6.15	6.15	6.15	SECL
86	Construction of CC Road inside Kanberi village under CSR Head	Rural Development Projects	CG/Korba/ Katghora/ Kanberi	9.00	7.07	7.07	SECL
87	Construction of Samudayik Bhawan at Pandripani village	Rural Development Projects	CG/Korba/ Katghora/ Pandripani	6.00	6.00	6.00	SECL
88	Construction of Nirmal Ghat at Darri Talab at Birda village	Rural Development Projects	CG/Korba/ Katghora/Birda	3.15	2.97	2.97	SECL
89	Construction of CC road from main road to house of Kotwar at Gandei village	Rural Development Projects	CG/Korba/ Katghora/ Gangdei	9.00	6.14	6.14	SECL
90	Construction of CC road from Nallah to Basti road (Goutiya house) at Rangbel village	Rural Development Projects	CG/Korba/ Katghora/ Rangbel	9.00	4.36	4.36	SECL



Sl.	CSR Project or Activity identified	Sector in which the project is covered	State/District Block/ Village/ Town	Amount Outlay (Budget) project or programs wise (₹ in Lakh)	Amount spent on the projects or programs (₹ in Lakh)	Cumulative expenditure up to the reporting period (₹ in Lakh)	Implementing Agency (SECL/ PWD/ PHED/ etc.)
91	Construction of Samudayik Manch (Open Stage) at Jailpara	Rural Development Projects	CG/Korba/ Katghora/ Jailpara	3.65	2.86	2.86	SECL
92	Construction of Nirmal ghat at Bade Talab and Paitu Talab at Rangbell village	Rural Development Projects	CG/Korba/ Katghora/ Rangbel	4.61	4.61	4.61	SECL
93	Construction of 4 no. platforms at Khel Parisar Jarhi village	Rural Development Projects	CG/Surajpur/ Pratappur/Jarhi	7.49	0.41	7.47	SECL
94	Construction of community building at Kodwariya of Banshipur village	Rural Development Projects	CG/Surajpur/ Pratappur/ Banshipur	6.01	0.95	5.95	SECL
95	Construction of CC road from Shiv Mandir to Digar house of Karondha village (350m)	Rural Development Projects	CG/Surajpur/ Pratappur/ Karondha	8.31	1.32	8.31	SECL
96	Construction of passengers waiting shed at Kapsara village	Rural Development Projects	CG/Surajpur/ Pratappur/ Kapsara	1.78	1.73	1.73	SECL
97	Construction of culvert in between Tilsawapar to Telgaon approach road at ward no. 09 of Bhatgaon Nagar Panchayat	Rural Development Projects	CG/Surajpur/ Pratappur/ Bhatgaon	1.99	1.99	1.99	SECL
98	Construction of kitchen shed and boundary wall at community building at ward No. 09 Nagar Panchayat of Bhatgaon	Rural Development Projects	CG/Surajpur/ Pratappur/ Bhatgaon	4.96	4.58	4.58	SECL
99	Construction of kitchen shed and boundary wall at community building of ward no. 05 of Nagar Panchayat Bhatgaon	Rural Development Projects	CG/Surajpur/ Pratappur/ Bhatgaon	4.96	4.58	4.58	SECL
100	Construction of Chhat Ghat at Nagar Panchayat Bhatgaon	Rural Development Projects	CG/Surajpur/ Pratappur/ Bhatgaon	4.71	4.71	4.71	SECL
101	Construction of community building at Ghasiyapara of Bojha Village	Rural Development Projects	CG/Surajpur/ Pratappur/Bojha	5.44	5.40	5.40	SECL
102	Construction of community building at Sarnapara of Karondha village	Rural Development Projects	CG/Surajpur/ Pratappur/ Karondha	6.01	5.94	5.94	SECL
103	Construction of Community building at Aamadandpara of Songara village	Rural Development Projects	CG/Surajpur/ Pratappur/ Songara	6.14	6.09	6.09	SECL
104	Construction of community building at Padridand (Pandopara) of Mayapur -2 village	Rural Development Projects	CG/Surajpur/ Pratappur/ Pandopra	6.14	6.09	6.09	SECL
105	Construction of community building at Koltapara of Kerta village	Rural Development Projects	CG/Surajpur/ Pratappur/Kerta	6.14	6.11	6.11	SECL
106	Construction of CC road at Sursuriyapara from Samayalal house to Sonsay house (300 m) of Bojha village	Rural Development Projects	CG/Surajpur/ Pratappur/Bojha	6.50	6.50	6.50	SECL

Sl.	CSR Project or Activity identified	Sector in which the project is covered	State/District Block/ Village/ Town	Amount Outlay (Budget) project or programs wise (₹ in Lakh)	Amount spent on the projects or programs (₹ in Lakh)	Cumulative expenditure up to the reporting period (₹ in Lakh)	Implementing Agency (SECL/ PWD/ PHED/ etc.)
107	Construction & widening of CC road from Nagar Panchayat building, Bhatgaon to Railway crossing at Bhatgaon	Rural Development Projects	CG/Surajpur/ Pratappur/ Bhatgaon	9.02	8.94	8.94	SECL
108	Construction of 4 classrooms for Adiwashi Banwashi Ashram at Kendai Village	Rural Development Projects	CG/Korba/ Katghora/ Kendai	38.96	2.49	38.96	SECL
109	Construction of Pachri in Bandhawa Talab at Bhilai Bazar.	Rural Development Projects	CG/Korba/ Katghora/ Bhilai Bazar	9.40	3.00	3.00	SECL
110	Construction of Cement Concrete Road for Dipka Pali Marg upto Dumarkachhar Jn. (22.4 km)	Rural Development Projects	CG/Korba/ Katghora/ Dumarkachhar	6387.73	5108.48	6187.73	PWD
111	Construction of CC road at Ralia village	Rural Development Projects	CG/Korba/ Katghora / Ralia	4.38	4.38	4.38	SECL
112	Floor concreting & other works at middle school Vijay Nagar.	Rural Development Projects	CG/Korba/ Katghora/ Vijay Nagar	6.39	6.37	6.37	SECL
113	Construction of CC road at Sarai Pali Bhatora	Rural Development Projects	CG/Korba/ Katghora/ Sarai Pali Bhatora	6.50	6.50	6.50	SECL
114	Development works at Shashtri high school, Hardi Bazar	Rural Development Projects	CG/Korba/ Katghora/ Hardi Bazar	6.50	6.50	6.50	SECL
115	Construction of CC road at Chakabudha village	Rural Development Projects	CG/Korba/ Katghora/ Chakabudha	7.37	7.31	7.31	SECL
116	Construction of Bazar shed at Mudapar village	Rural Development Projects	CG/Korba/ Katghora/ Mudapar	7.68	7.32	7.32	SECL
117	Construction of CC road at Salora (khar) village	Rural Development Projects	CG/Korba/ Katghora / Salora (kha)	7.37	7.34	7.34	SECL
118	Construction of CC road at Akharapali & Mouhadih village	Rural Development Projects	CG/Korba/ Katghora/ Akharapali & Mouhadih	7.37	7.35	7.35	SECL
119	Construction of CC road at Muda Par village	Rural Development Projects	CG/Korba/ Katghora/ Mudapar	12.44	8.20	8.20	SECL
120	Construction of CC road at Ganga Nagar	Rural Development Projects	CG/Korba/ Katghora/ Ganga Nagar	8.37	8.37	8.37	SECL
121	Construction of Foot Over Bridge at Gevra Area	Rural Development Projects	CG/Korba/ Katghora/ Dipka	150.46	8.49	150.46	SECL
122	Construction of Play ground at Ganga Nagar.	Rural Development Projects	CG/Korba/ Katghora/ Ganga Nagar	9.50	9.50	9.50	SECL



Sl.	CSR Project or Activity identified	Sector in which the project is covered	State/District Block/ Village/ Town	Amount Outlay (Budget) project or programs wise (₹ in Lakh)	Amount spent on the projects or programs (₹ in Lakh)	Cumulative expenditure up to the reporting period (₹ in Lakh)	Implementing Agency (SECL/ PWD/ PHED/ etc.)
123	Construction of CC road at Ward No. 05, Vijay Nagar	Rural Development Projects	CG/Korba/ Katghora/ Vijay Nagar	11.64	11.64	11.64	SECL
124	Construction of community hall at Semra Panchayat RajRO	Rural Development Projects	MP/Anuppur/ Anuppur/emra	8.00	7.94	7.94	SECL
125	Cement concrete road, Ward No. 08 Pasan to Bhalumara main road	Rural Development Projects	MP/Anuppur/ Pasan/Pasan	9.50	10.88	10.88	SECL
126	Construction of boundary wall for primary health Centre, Kuhka village	Rural Development Projects	MP/Anuppur/ Anup pur/Kuhka	2.10	2.10	2.10	SECL
127	Construction of road at Pakaria village (from Sharmik Nagar road to Shrivastava House)	Rural Development Projects	MP/Anuppur/ Kotm a/Pakaria	13.50	13.50	13.50	SECL
128	Repairing and black topping of main road (9.5 km) from Batari Chowk to Ranjana village via Nehru Nagar	Rural Development Projects	CG/Korba/Pali/ Ranjana	178.12	7.42	178.12	SECL
129	Construction of CC Road in Km 9/2 to 13/10 = 5 Km of Ring Road Korba (Godhi towards Risdi)	Rural Development Projects	CG/Korba/ Rampur/ Godhi, Risdi	1337.25	537.00	1309.00	PWD
130	Construction of CC road at Edu Basti	Rural Development Projects	CG/Raigarh/ Edu Basti	5.50	4.24	4.24	SECL
131	Construction of CC road (200 m) at Bansajar	Rural Development Projects	CG/Raigarh/ Bansajar	4.50	3.74	3.74	SECL
132	Construction of CC road (200 m) from Neem to Haridhar House.	Rural Development Projects	CG/Raigarh/ Chhal	4.50	3.92	3.92	SECL
133	Construction of CC road at Bandhapali village (325 m).	Rural Development Projects	CG/Raigarh/ Bandhpali	6.50	4.93	4.93	SECL
134	Construction of CC road at Nawapara (250 m)	Rural Development Projects	CG/Raigarh/ Nawapara	5.50	4.24	4.24	SECL
135	Construction of CC road from Atal Chowk to Kotwari house (300 m) atDomnara	Rural Development Projects	CG/Raigarh/ Domnara	6.60	5.15	5.15	SECL
136	Construction of CC road from main road to prathmik school (300 m)	Rural Development Projects	CG/Raigarh/ Domnara	6.60	5.15	5.15	SECL
137	Construction of CC road at Nawapara (250 m), Gadainbaheri	Rural Development Projects	CG/Raigarh/ Gadain baher	8.00	6.18	6.18	SECL
138	Construction of CC road at Sridhar Mohalla (350 m), Choudha	Rural Development Projects	CG/Raigarh/ Chouda	7.70	6.08	6.08	SECL

Sl.	CSR Project or Activity identified	Sector in which the project is covered	State/District Block/ Village/ Town	Amount Outlay (Budget) project or programs wise (₹ in Lakh)	Amount spent on the projects or programs (₹ in Lakh)	Cumulative expenditure up to the reporting period (₹ in Lakh)	Implementing Agency (SECL/ PWD/ PHED/ etc.)
139	Construction of Ghat in pond behind school at Dehajari	Rural Development Projects	CG/Raigarh/ Dehajari	4.00	3.25	3.25	SECL
140	Construction of Ghat in River side at Dehajari	Rural Development Projects	CG/Raigarh/ Dehajari	4.00	3.18	3.18	SECL
141	Construction of shed in Nawapara Panchyat	Rural Development Projects	CG/Raigarh/ Nawapara	10.00	7.50	7.50	SECL
142	Deepening of Shiv Sagar pond at Domnara	Rural Development Projects	CG/Raigarh/ Domnara	6.50	3.14	3.14	SECL
143	Deepening of well (2 ponds) at Edu Basti	Rural Development Projects	CG/Raigarh/ Edu Basti	8.00	4.91	4.91	SECL
144	Construction of ghat 2 no. pond at Gangadharpur	Rural Development Projects	CG/Raigarh/ Gangadharpur	8.00	3.87	3.87	SECL
145	Providing furniture, sewing machine, sound system, computer, internet data card, DTH etc for different nearby village	Rural Development Projects	CG/Korba/Podi Uparoda	8.40	6.92	6.92	SECL
146	Construction of Boundary Wall along Kabristan and Gram Panchayat Salba	Rural Development Projects	MP/Umaria/ Umaria/Salba	7.24	7.22	7.22	SECL
147	Development work at community centre at Uchehara Village at Johilla Area by	Rural Development Projects	MP/Umaria/ Karkeli/ Unchehra	2.75	0.13	2.47	SECL
148	Construction of boundary wall at graveyard at Naika Dafai at Nowrozabad by Ram Bihari	Rural Development Projects	MP/Umaria/ Nowrozabad/ Nowrozabad	8.56	8.56	8.56	SECL
149	Construction of Samudaik Bhavan at Deori Majra village	Rural Development Projects	MP/Umaria/ Umaria/Deori Majra	7.40	7.40	7.40	SECL
150	Construction of samudaik bhavan at Amma Dongri village	Rural Development Projects	MP/Umaria/ Umaria/Ama Dongri	6.70	2.04	5.76	SECL
151	Construction of drain at police thana at Nowrozabad	Rural Development Projects	MP/Umaria/ Nowrozabad/ Nowrozabad	1.60	0.50	0.50	SECL
152	Construction of Bus stop, waiting shed near Pali Chauraha at Pali	Rural Development Projects	MP/Umaria/ Umaria/Pali	1.06	0.15	0.90	SECL
153	Construction of Hostel building for Sports Authority of India (SAI)	Training to promote sports	CG/Surguja/ Ambikapur/ Ambikapur	179.51	50.00	80.09	Municipal Corporation, Ambikapur



Sl.	CSR Project or Activity identified	Sector in which the project is covered	State/District Block/ Village/ Town	Amount Outlay (Budget) project or programs wise (₹ in Lakh)	Amount spent on the projects or programs (₹ in Lakh)	Cumulative expenditure up to the reporting period (₹ in Lakh)	Implementing Agency (SECL/ PWD/ PHED/ etc.)
154	Construction of Indoor stadium and Gymnasium at Balrampur	Training to promote sports	CG/Balrampur/ Balrampur/ Balrampur	72.32	14.40	14.40	Zila Nirman Samiti, Balrampur
155	Financial assistance to Zila Kabaddi Sangh	Training to promote sports	CG/Bilaspur/ Bilaspur/ Bilaspur	2.24	2.24	2.24	District Authority, Bilaspur
156	Construction/Repair of 11,515 no. of toilets in schools located in various districts of Chhattisgarh, Madhya Pradesh, Odisha States under Swachh Vidyalaya Abhiyan	Swachh Bharat Kosh	Various districts of Chhattisgarh, Madhya Pradesh, Odisha States	22,618.00	17,962.45	17,962.45	SECL, IRCON, State Govts. of CG, MP, OD States
<b>Total*</b>					<b>27,084.62</b>		

\*The amount spent of ₹ 27,084.62 Lakh includes the expenditure of ₹ 12768.40 Lakh towards CSR projects of current year and ₹ 14,316.22 Lakh incurred against the CSR projects of previous years which had been carried forward.

**6. Reasons for not spending the amount of prescribed CSR Expenditure:**

Not applicable in view of 5(b) above.

**7. Responsibility Statement of the CSR Committee regarding implementation and monitoring of CSR Policy:**

The CSR Committee certify that the implementation and monitoring of the CSR Policy in respect of all projects/programs covered under CSR initiatives for the year 2015-16, is in compliance with CSR objectives and CIL CSR Policy framed under provisions of the Companies Act, 2013.

Sd/-  
**(Dr. R. S. Jha)**  
Director (Personnel)  
DIN: 07005297

Sd/-  
**(Sunil Kumar)**  
Chairman, CSR Committee  
DIN: 07379007

Sd/-  
**(B. R. Reddy)**  
CMD/CEO  
DIN: 07001710

Place: Kolkata  
Dated: 23.05.2016

**Annexure-III****Secretarial Audit Report****For the Financial Year ended March 31<sup>st</sup>, 2016****(FORM NO. MR-3)***[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
**M/s South Eastern Coalfields Limited**  
Seepat Road, Bilaspur-495 006  
Chhattisgarh, India

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by South Eastern Coalfields Limited, a Mini-Ratna PSU, (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 Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2016, (“**Audit Period**”) 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 the Company for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the “**Act**”) and the rules made there under and other applicable provisions of the Companies Act, 1956 which are still in force;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under (Not Applicable to the Company during the Audit Report);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act (Not Applicable to the Company during the Audit Report);
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not Applicable to the Company during the Audit Report);
- (v) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (vi) Other laws applicable to the Company as per the representations made by the Management.

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

- Secretarial Standard-1 and Secretarial Standard-2, with respect to Board and General Meetings respectively, issued by The Institute of Company Secretaries of India,

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that:**

The Board of Directors of the Company have been constituted as required under the provisions of the Act and letter bearing No. 21/35/2008/ASO(viii) dated June 6, 2008, issued by Ministry of Coal, Government of India.

*The Company has represented to Ministry of Coal, Government of India, for nominating Woman Director on the Board of SECL.*



*Coal India Limited, being the Holding Company as constituted the Remuneration Committee for all its subsidiaries. The Remuneration of Directors/Officers however, is decided by Government of India.*

The changes in the composition of the Board of Directors that took place during the period 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.

All decisions are carried out unanimously while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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.

For **AGR Reddy & Co.**  
Company Secretaries

Sd/-  
**Manoj Kumar Koyalkar**  
C. P. Number: 10004  
M. No.: 19445

Hyderabad, May 6, 2016

Note: This report is to be read with my letter of even date which is annexed as 'Annexure-A' and forms an integral part of this report.

### Annexure-A

The Members,  
**M/s South Eastern Coalfields Limited**  
Seepat Road, Bilaspur-495 006  
Chhattisgarh, India

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

- a. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- b. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
- c. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- d. Where ever required, I have obtained Management Representation about the compliance, laws, rules and regulations and happening of events etc.
- e. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
- f. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Annexure-IV

## Information under Section 134(3)(m) regarding Conservation of Energy, Technology absorption and Foreign Exchange Earnings and Outgo

The Information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 regarding Conservation of Energy, Technology absorption and Foreign Exchange earnings and Outgo for the year ended 31<sup>st</sup> March, 2016 is as under:

**(A) Conservation of Energy****(i) The steps taken or impact on conservation of energy;**

- 1) Regular Monitoring of Power Consumption pattern of all the service connection points and addition of requisite capacitor bank to improve power factor and thereby reducing power consumption.
- 2) Replacement of HPSV/HPMV/Metal Halide Lamps with LED Lamps in street lights of residential areas of SECL.
- 3) Re-Organization of Pumping to avoid stage pumping by laying deliveries through boreholes.
- 4) Monitoring of Load Pattern and demand side management of Supply points to control maximum demand.
- 5) Construction of Strata Bunkers in underground mines.
- 6) Power Supply to UG Mines by laying cables in bore holes to reduce power losses.
- 7) Re-Organization of transport system to achieve lowest length of Belt Conveyors.
- 8) Recommendation of CIMFR, for benchmarking of SPC have been implemented in Dipka OC Mine.

**(ii) The steps taken by the Company for utilising alternate sources of energy;**

Proposal for Installation of Solar Power Plant is under process.

**(iii) The capital investment on energy conservation equipments;**

Investment of ₹ 27.42 Crore against revised estimate for the year 2015-16.

**(B) Technology Absorption****(i) The efforts made towards technology absorption;**

Efforts made by the Company towards technology absorption are as under:

- a) **Continuous Miner (CM):** To modernize the underground mining operation, Continuous Miner Technology is in operation at Kurja-Sheetaldhara and Kapildhara mines of Hasdeo Area and Pinoura Mine of Johilla Area. Recently, CM operation has started in Churha UG of Baikunthpur Area, Vijay West UG of Chirimiri Area and Haldibari UG mine of Hasdeo Area. Khairaha UG mine (Sohagpur Area), Katki UG mine (Bisrampur Area), Gayatri UG mine (Bisrampur Area), Shivani mine (Bhatgaon Area), Rehar UG mine and Pandavpara UG Mine have been identified for introduction of CM in future.
- b) **Low Capacity Continuous Miner (LCCM):** LCCM has been introduced at Rani Atari UG mine of Chirimiri Area on hiring basis since 2008-09.
- c) **Highwall Mining Technology:** This method is a remotely operated system to extract coal seams with seam thickness ranging from 0.9m to 1.5m or coal from underlying seams in the Highwall of an opencast mine, which has reached the final highwall position due to uneconomic stripping ratio or due to surface constraints, which limit further mining operations. At present, Highwall mining is operative at Sharda OC mine of Sohagpur Area. Recently, a new project Batura Highwall has also been approved.



- d) **Surface Miner:** Surface Miner have been deployed on hiring basis for Coal production at Gevra OC Expansion, Dipka OC Expansion, Kusmunda OC Expansion, Chhal OC and Baroud OC.
- e) **Man-riding System:** In underground specified mines where long or arduous travel is involved, arrangement for transport of men has been introduced. The Man-riding System are in successful operation in Churcha, Singhali, Bagdeva, Beheraband, Pinoura, Sheetaladhara- Kurja, Bangawar and Kapildhara mines of SECL.
- (ii) **The benefits derived like product improvement, cost reduction, product development or import substitution;**
- With the implementation of these technologies, production and productivity has improved and coal seams which were earlier unworkable can now be mined economically and safely.
- (iii) **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-**
- (a) The details of technology imported; : NIL
- (b) The year of import; : NIL
- (c) Whether the technology been fully absorbed; : NIL
- (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; : NIL
- (iv) **The expenditure incurred on Research and Development:** ₹ 2.33 Crore

**(C) Foreign Exchange Earnings and Outgo**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows are as under:

- a. Total Foreign Exchange earned (Inflow) : NIL
- b. Total Foreign exchange used (Outflow) : ₹ 117.98 Crore

For and on behalf of the Board of Directors of  
SOUTH EASTERN COALFIELDS LIMITED

Sd/-  
**(R. P. Thakur)**  
Director (Technical) Operations  
DIN: 06764576

Sd/-  
**(B. R. Reddy)**  
Chairman-cum-Managing Director  
DIN: 07001710

Place: Kolkata  
Dated: 23.05.2016

## Annexure-V

## Report on Corporate Governance

Corporate Governance emphasizes an ethical framework of rules, regulations and policies governing the administration of the Company with a strong commitment to values and conduct of business on a sustainable basis to maximize shareholders' value. It aims at protecting the interest of every stakeholder including shareholders, investors, customers, vendors, regulators, the community at large and the government. The Guidelines on Corporate Governance for Central Public Sector enterprises (CPSEs) issued by Ministry of Heavy Industries & Public Enterprises, DPE vide its letter no. 18(8)/2005-GM dtd. May 14, 2010 entailing instructions, further mandates all CPSEs for necessary compliance. SECL has been committed not only to the conformance of DPE guidelines but also to step beyond the framework to provide transparency, accountability and fairness in its business processes, operations and disclosure practices to enhance the interest of stakeholders.

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

We, at SECL believe that sound governing practices are critical in enhancing the trust of all stakeholders. It is an integral part of the overall system to enhance performance of the organization and the key driver to the sustained growth, which stimulates and motivates us to measure our success. The work culture, policies and ethics provide a strong platform reflecting our commitment to values and engagement with all our stakeholders to meet their aspirations.

Efficiency and growth of SECL stems from adopting sound principles and good governance practices. Vision and Mission statements of the Company enshrines to accord top priority to the interest of stakeholders. While formulating policies and business strategies of the Company, our Board of Directors discharges fiduciary responsibilities with due regard to fairness, transparency, confidentiality and integrity. The Three pillars of E's - Ethics, Energy and Efficiency creates a synergy in conducting business. The presence of well-informed independent members in the Board brings efficiency in the decision making process and adherence to the Code of business conduct & ethics, Integrity pact, Disclosure policies, etc. reinforces our commitment to higher standard of corporate ethos.

### 2. BOARD OF DIRECTORS:

#### 2.1 Size of the Board:

In terms of Articles of Association of the Company, strength of our Board shall not be less than 2 (Two) Directors and more than 15 (Fifteen) Directors. These Directors may be Whole-Time Functional Directors or Part-Time Official Directors/Govt. Nominee Directors or Independent Directors.

#### 2.2 Composition of the Board:

The Company's Board of Directors comprises a judicious mix of 11 (Eleven) Directors as under:

- i) 05 (Five) Whole-Time Functional Directors including the Chairman-cum-Managing Director/Chief Executive Officer;
- ii) 02 (Two) Part-Time Official Directors (Government Nominees) of Government of India; and
- iii) 04 (Four) Independent Directors, who are appointed by the Government of India, Ministry of Coal.

In addition to this, Government has nominated a representative from South East Central Railway (SECR) as a Permanent Invitee on the Board of the Company. The Directors bring to the Board wide range of experience and skills.

The composition of the Board of Directors during the year 2015-16 is given below:

SL.	Name	Designation	Position held
1	Shri B. R. Reddy <sup>1</sup>	Chairman	Chairman-cum-Managing Director/CEO
2	Shri Om Prakash <sup>1</sup>	Chairman	Chairman-cum-Managing Director/CEO
3	Shri A. P. Panda	Member	Director (Finance)/ CFO
4	Shri R. P. Thakur	Member	Director (Technical) Operations
5	Dr. R. S. Jha	Member	Director (Personnel)
6	Shri Kuldip Prasad <sup>2</sup>	Member	Director (Technical) Project & Planning



SL.	Name	Designation	Position held
7	Shri Vivek Bharadwaj <sup>3</sup>	Member	Government Nominee Director
8	Shri A.K. Bhalla <sup>3</sup>	Member	Government Nominee Director
9	Shri C. K. Dey	Member	Government Nominee Director
10	Shri Sunil Kumar <sup>4</sup>	Member	Independent Director
11	Shri B. S. Sahay <sup>4</sup>	Member	Independent Director
12	..... <sup>5</sup>	Member	Independent Director
13	..... <sup>5</sup>	Member	Independent Director
14	Shri S. K. Das <sup>6</sup>	Permanent Invitee	Chief Operations Manager, South East Central Railway

**Notes:**

- 1) Shri Om Prakash, CMD has relinquished the charge w.e.f. 29.02.2016 upon superannuation and Shri B. R. Reddy, CMD has joined the Board as Chairman w.e.f. 01.03.2016.
- 2) Shri Kuldip Prasad has joined the post of Director (Technical) Project & Planning on 10.02.2016, which was vacant from 29.02.2012.
- 3) Shri A. K. Bhalla ceased to be member on SECL Board w.e.f. 13.04.2015 upon relinquishing charge of Jt. Secy (Coal), MoC and Shri Vivek Bharadwaj, Jt. Secretary, MoC joined the Board as a Part-Time Official Director/ Government Nominee Director w.e.f. 20.04.2015.
- 4) Shri Sunil Kumar and Shri B. S. Sahay have joined SECL Board as Independent Directors w.e.f. 17.11.2015, upon being appointed as such by the Ministry of Coal.
- 5) The position of 02 other Independent Directors is vacant w.e.f. 21.02.2014, appointment of which is under process at the Ministry of Coal.
- 6) Shri S. K. Das, COM, SECR had joined SECL Board as Permanent Invitee w.e.f. 27.08.2015 and ceased to be invitee w.e.f. 12.02.2016 upon relinquishing the charge of COM, SECR. The present incumbent Shri J. N. Jha, COM, SECR has been appointed as Permanent Invitee on SECL Board by the Ministry of Coal w.e.f. 04.04.2016.

**2.3 Age Limit and Tenure of Directors:**

The age limit for the Chairman-cum-Managing Director and other Whole-time Functional Directors is 60 (sixty) years. The Chairman-cum-Managing Director and other Whole-Time Functional Directors are appointed for a period of 05 (five) years from the date of taking over the charge or till the date of superannuation of the incumbent, or till further instructions from the Government of India, whichever event occurs earlier. The Part-time Official Directors (Government Nominees) retire from the Board on ceasing to be officials of the Ministry/CIL. The Independent Directors are appointed by Ministry of Coal, Government of India, usually for a period of 03 (three) years.

**2.4 Directors appointed during the year:**

Five (05) Directors were appointed on the Board of the Company during the year 2015-16, as detailed hereunder (in order of appointment):

S.N.	Name of Director/DIN	Brief Resume
1	Shri Vivek Bharadwaj DIN: 02847409	<p>Shri Vivek Bharadwaj (49 years), Joint Secretary, Ministry of Coal, Government of India, joined as Part-Time Official Director on the Board of SECL on 20.04.2015. 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 &amp; MBA in Public Policy from University of Ljubljana, Slovenia.</p> <p>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 &amp; Collector, Nadia; Project Director, Kolkata Environmental Improvement Project (KEIP); Chief Executive Officer (CEO) of KMDA (Kolkata Metropolitan Development Authority) and Special Secretary, IT Department. He has also provided his services to various Ministries and Departments of Government of India including Deputy Secretary/Director, School Education (MHRD, GoI) and as Deputy Secy/Director, Higher Education (MHRD, GoI).</p>
2	Shri Sunil Kumar DIN: 07379007	<p>Shri Sunil Kumar (62 years), educated at the Universities of Kerala, Cochin and Harvard, holds Bachelors' degree in Physics, Masters' degrees in Management and Public Administration. He was a Member of the Indian Administrative Service (1979-2014) and superannuated from IAS on 28.02.2014. His current Assignment is Vice Chairman, Chhattisgarh State Planning Commission; in the rank and status of a Cabinet Minister in the State since June, 2014.</p> <p>He has held a variety of civil administrative positions, including those of Chief Secretary and Additional Chief Secretary in Government of Chhattisgarh; Additional Secretary, Joint Secretary and Deputy Secretary in the Government of India in the Ministry of Human Resource Development and the Ministry of Food Processing Industries; worked as Principal Secretary and Secretary in the State Governments of Madhya Pradesh and Chhattisgarh, apart from the field assignments at the District and Sub-Divisional levels.</p> <p>He has wide range of Managerial experience at the Board- level, while in IAS as Managing Director, EdCIL India Ltd., a Mini-Ratna PSU under Ministry of Human Resources Development, Managing Director of Modern Foods Ltd. under Ministry of Food Processing Industries; Managing Director, Madhya Pradesh State Civil Supplies Corporation; Managing Director, Madhya Pradesh Madhyam and Additional Managing Director, Madhya Pradesh State Cooperative Marketing Federation. He has held Membership in the Boards of IIM Indore, IIT Chennai, IIT Kharagpur, AIIMS Raipur and IIM Raipur.</p>
3	Prof. B. S. Sahay DIN: 07382627	<p>Professor B.S. Sahay (57 years) is Founder Director of Indian Institute of Management (IIM) Raipur, India. Prior to joining IIM Raipur, he was the Director of two top level national institutes, Management Development Institute (MDI), Gurgaon and Institute of Management Technology (IMT), Ghaziabad for about six years. He was also responsible for setting up IMT, Dubai and providing strategic guidance to IMT, Nagpur.</p> <p>Professor Sahay did his B. Tech. from BIT, Sindri; M.Tech. and Ph.D. in Industrial Engineering from Indian Institute of Technology (IIT) Delhi. He has widely travelled world over and went to Germany and Japan under Fellowship Programmes. He has over 30 years of experience in teaching, research, consultancy, executive education, and industries. He has worked both in India and abroad on various assignments for manufacturing and service industries.</p>



S.N.	Name of Director/DIN	Brief Resume
		<p>Prof. Sahay serves on the Editorial Board of four international journals and many national journals. He was the Founding Editor of International Journal of Value Chain Management and Guest Editor of many international journals.</p> <p>Prof. Sahay is on the Board of Indian Institute of Corporate Affairs under the Ministry of Corporate Affairs (2010-till date), AIIMS, Raipur (since 2013); Guru Ghashidas Central University, Bilaspur (since 2014); National Board of Accreditation (2013-16); BIT Sindri (2012-till date); Chhattisgarh Infotech &amp; Biotech Promotion Society, Government of Chhattisgarh (since 2012) and IIM Raipur (2010-15). He is also on the expert committee of the Ministry of Human Resource Development, All India Council of Technical Education, National Board of Accreditation, National Task Force of CII on Skill Development, many universities and organisations.</p>
4	Shri Kuldip Prasad DIN: 07463640	<p>Shri Kuldip Prasad (57 years) has joined SECL as Director (Technical) (Projects &amp; Planning) on 10.02.2016. He has graduated in Mining Engineering (B. Tech. Mining) from Indian School of Mines, Dhanbad in the year 1982 and has obtained 1<sup>st</sup> Class Mine Manager's Certificate of Competency.</p> <p>He had started his career as a Junior Executive Trainee (Mining) in Central Coalfields Ltd., Ranchi in the year 1982. He worked in different capacities at various Areas/Fields of Subsidiaries of CIL like CCL &amp; SECL. Before assuming the post of Director Tech.(P&amp;P), he was discharging his duties as General Manager of Dipka Area, second biggest opencast coal producing Area of SECL having a production capacity of 31.00 Million Tonnes. He has the experience of working with all kinds of mechanization in Underground and Opencast mines of SECL. Shri Prasad has very rich and varied experience in Mining Industry and has special focus on underground mechanization. Shri Prasad has attended Advance Management Course held in China and presented various Papers on different subjects in Mining Industry.</p>
5	Shri B. R. Reddy DIN: 07001710	<p>Shri B.R. Reddy (58 years) has taken over charge of Chairman-cum- Managing Director/ Chief Executive Officer on 01.03.2016. Shri B.R. Reddy, graduated in Mining Engineering from Kothagudem School of Mines, Andhra Pradesh in the year 1981 and did M.Tech in Opencast Mining in the year 1992 from Indian School of Mines (ISM), Dhanbad, and is a Gold Medallist. He obtained 1<sup>st</sup> Class Mine Manager's Certificate of Competency (Coal) and has also obtained Diploma in Industrial Relation and Personnel Management (DIRPM) from Nagpur University.</p> <p>Shri Reddy joined Coal India Limited on 05.09.1981 and worked in different capacities in various mines of Western Coalfields Limited (WCL) &amp; Central Coalfields Limited (CCL). As General Manager of Dhori, Argada, N.K. Area of CCL, he has contributed a lot in opening New Open Cast Mines and in solving many Industrial Relation problems and due to his sincere efforts, the Purandih Greenfield Opencast Mine of CCL could be reopened after a gap of nearly 10 years. He has also served as Director (Tech) (Project &amp; Planning) of Eastern Coalfields Limited (ECL) w.e.f. 30.09.2014 till 29.02.2016.</p>

### 3. BOARD MEETINGS:

The Board of Directors is the Apex Body which oversees the overall functions of the Company. The Board procedures and all related applicable rules & regulations are complied with. Eleven (11) Board Meetings were held during the Financial Year 2015-16 on 09.04.2015, 24.05.2015, 25.07.2015, 04.09.2015, 22.09.2015, 28.10.2015, 30.11.2015, 30.12.2015, 27.01.2016, 08.02.2016 and 27.02.2016.

The necessary quorum was present for all the meetings.

The maximum time gap between two Board Meetings was not more than three months.

Details of the meetings attended by Directors are tabulated below:

S.N. Directors	Board Meetings held during respective tenure of Directors	No. of Board Meetings attended	Number of Committee membership in the Company as on 31.03.2016		Directorship in other Companies as on 31.03.2016	Attendance of each Director at the last AGM	
			As Chairman	As Member/ Invitee			
<b>Functional Directors :</b>							
1	Shri Om Prakash <sup>1</sup> CMD	11	11	-	-	-	Yes
2	Shri B. R. Reddy <sup>1</sup> CMD	NIL	-	-	-	-	N/A
3	Shri A. P. Panda D (F)	11	11	-	03	02	Yes
4	Shri R. P. Thakur D(T)O	11	11	-	02	03	Yes
5	Dr. R. S. Jha, D(P)	11	11	-	01	02	Yes
6	Shri Kuldip Prasad <sup>2</sup> , D(T)P&P	01	01	01	-	-	N/A
<b>Govt. Nominee Directors :</b>							
1	Shri Vivek Bharadwaj <sup>3</sup> Jt. Secy, MOC	10	09	-	02	-	No
2	Shri A.K. Bhalla <sup>3</sup> Jt. Secy (Coal), MOC	01	01	-	-	-	N/A
3	Shri C. K. Dey, D(F), CIL	11	09	-	01	02	Yes (Thro' Proxy)
<b>Independent Directors :<sup>4</sup></b>							
1	Shri Sunil Kumar, Retd. IAS, Vice-Chairman, CG State Planning Commission	05	05	01	01	NIL	N/A
2	Prof. B. S. Sahay, Director (IIM Raipur)	05	05	01	01	NIL	N/A
3	---Vacant---	-	-	-	-	-	-
4	---Vacant---	-	-	-	-	-	-
<b>Permanent Invitee :</b>							
1	Shri S. K. Das <sup>5</sup> COM, South East Central Railway, Bilaspur	07	03	-	-	-	N/A

**Notes:**

- Shri Om Prakash, CMD has relinquished the charge w.e.f. 29.02.2016 upon superannuation and Shri B. R. Reddy, CMD has joined the Board as Chairman w.e.f. 01.03.2016.
- Shri Kuldip Prasad has joined the post of Director (Technical) (Project & Planning) on 10.02.2016, which was vacant from 29.02.2012.
- Shri A. K. Bhalla ceased to be member on SECL Board w.e.f. 13.04.2015 upon relinquishing charge of Jt. Secy (Coal), MoC and Shri Vivek Bharadwaj, Jt. Secretary, MoC joined the Board as a Part-Time Official Director/ Government Nominee Director w.e.f. 20.04.2015.
- Shri Sunil Kumar and Prof. B. S. Sahay have joined SECL Board as Independent Directors w.e.f. 17.11.2015, upon being appointed as such by Ministry of Coal. The position of 02 other Independent Directors is vacant w.e.f. 21.02.2014, appointment of which is under process at Ministry of Coal.
- Shri S. K. Das, COM, SECR had joined SECL Board as Permanent Invitee w.e.f. 27.08.2015 and ceased to be invitee w.e.f. 12.02.2016 upon relinquishing the charge of COM, SECR.



None of the Directors on the Board hold directorships in more than 10 (ten) companies. Further, none of them is a Member of more than 10 (ten) committees or Chairman of more than 5 (five) committees across all the companies in which he is a Director. Necessary disclosures regarding committee positions in other companies as on March 31, 2016 have been made by all the Directors. None of the Directors are related to each other. A brief resume of the Directors who are being re-appointed at the forthcoming Annual General Meeting is given in the Notice of the Annual General Meeting.

All the Independent Directors have confirmed that they meet the criteria of Independence as mentioned under Section 149(6) of the Companies Act, 2013.

#### **4. BOARD PROCEEDINGS:**

##### **4.1 Information placed before the Board of Directors:**

Board has complete access to any information within the Company. The information regularly supplied to Board includes:

- Annual operating plans, Capital and Revenue budgets & updates.
- Quarterly and Annual Financial results of the Company.
- Dividend declaration.
- Periodic Review of the Performance of the Company.
- Periodic Review of availability & utilization of Heavy Earth Moving Machines.
- Periodic Report on Compliance of applicable Laws.
- Annual Report, Directors' Report etc.
- Minutes of the meetings of Board, Audit Committee and other committees of the Board.
- Award of large contracts/Agreements.
- Major investment, joint ventures etc.
- HR related issues & Safety / Security related matters.
- Disclosure of interest by Directors about Directorship and position occupied by them in other companies.
- Fatal or serious accidents etc.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Other materially important information, including any non-compliance of any regulatory or statutory requirement.

##### **4.2 Process after the Board Meeting is held:**

The Company Secretary as a part of the Governance Process, disseminates the outcome of the Board with necessary approvals and permissions/authorizations accorded to the Heads of the Divisions/ Areas and there is a post-meeting compliance mechanism by which the necessary follow-ups, review and reporting for actions taken/ pending on the approval so accorded by the Board/Committees are made.

#### **5. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Being a Government Company, the remuneration of the Whole-Time Functional Directors and Other Key Managerial Personnel is decided by the Government of India. The Independent Directors are not paid any remuneration except sitting fees at the rate fixed by the Board within the ceiling fixed under the Companies Act, 2013 for attending each meeting of the Board or Committees thereof.

**5.1 Details of remuneration of Functional Directors and Other Key Managerial Personnel of the Company during the year 2015-16:**

(₹ in Lakh)

S.N.	Name	Designation	Gross Salary	Value of Perquisites	Total
1	Shri B. R. Reddy*	CMD & CEO	2.08	0.14	2.22*
2	Shri Om Prakash	CMD & CEO	30.45	2.74	33.19
3	Shri A. P. Panda	D(F) & CFO	26.99	1.71	28.70
4	Shri R. P. Thakur	D(T)O	28.48	1.69	30.17
5	Dr. R. S. Jha	D(P)	22.90	1.42	24.32
6	Shri Kuldeep Prasad**	D(T)(O)/(P&P)	3.71	0.23	3.94**
7	Shri S. M. Yunus	CS	23.82	1.34	25.16
<b>TOTAL</b>			<b>138.43</b>	<b>9.27</b>	<b>147.70</b>

**Note:**

\*Denotes Salary for the Month of March, 2016 only.

\*\* Denotes Salary paid for the period 10.02.2016 to 31.03.2016 only.

**5.2 Payment of sitting fees to Independent Directors during the year 2015-16:**

Two (02) Independent Directors have been appointed on SECL Board by the Ministry of Coal w.e.f. 17.11.2015. The position of 02 other Independent Directors is vacant w.e.f. 21.02.2014. The Company has communicated about the requirement of Independent Directors in the Company to the Ministry of Coal, Government of India. The Company has also communicated about the requirement of Woman Director in the Company, to the Ministry of Coal, Government of India. Payments of sitting fees to Independent Directors during the year 2015–16 are as under:

(Amount in ₹)

S.N.	Name of the Independent Director	Sitting Fees paid for attending		Total
		Board Meetings	Committee Meetings	
1	Shri Sunil Kumar	75,000.00	60,000.00	1,35,000.00
2	Prof. B. S. Sahay	75,000.00	60,000.00	1,35,000.00
<b>TOTAL</b>		<b>1,50,000.00</b>	<b>1,20,000.00</b>	<b>2,70,000.00</b>

**5.3 Part-Time Official Directors/ Govt. Nominee Directors:**

No remuneration is paid by the Company to Part-Time Official Directors/ Govt. Nominee Directors.

**6. COMMITTEES OF THE BOARD:**

The Company has the following Five (05) Board level Committees:

1. Audit Committee
2. Project Sub-Committee
3. Information Technology (IT) Committee
4. Rehabilitation & Resettlement (R&R) Committee
5. Corporate Social Responsibility (CSR) Committee

**6.1 AUDIT COMMITTEE:**

The Terms of Reference of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and the Guidelines dated 14.05.2010 on Corporate Governance of CPSEs issued by Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises.



### 6.1.1 Scope of Audit Committee:

1. To hold discussion with Auditors periodically about the following:
  - Internal control systems compliance and adequacy thereof.
  - Scope of audit including observations of the auditors.
  - Review of the quarterly, half yearly and annual Financial Statements before submission to the Board.
2. To perform the following functions:
  - Overseeing the Company's financial reporting process and system for disclosure of its financial information to ensure that the Financial Statements are correct, sufficient and credible.
  - Reviewing with the management the Financial Statements before submission to the Board for approval, with particular reference to matters required to be included in the Directors Responsibility Statement, changes, if any, in accounting policies, major accounting entries, significant adjustments made, disclosure of related party transactions and qualifications in the draft audit report.
  - Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
  - Carrying out any other function as mentioned in the 'Terms of Reference' of the Audit Committee.

The Company Secretary is the Secretary to the Audit Committee.

### 6.1.2 Constitution:

The constitution of the Audit Committee of Board of Directors of the Company dates back to the year 2002 and the Audit Committee is committed to good Corporate Governance with best discharge of its assigned duties.

### 6.1.3 Composition:

The Audit Committee has functioned during the year 2015-16 (till 17.11.2015) in terms of the provisions of Companies Act, 2013 and the Mandatory Corporate Governance Guidelines for CPSEs, with the following members & Invitees:

S.L.	Name	Designation	Category
1	Shri Vivek Bharadwaj	Chairman	Part-Time Official Director/ Government Nominee Director
2	Shri C.K. Dey	Member	Part-Time Official Director/ Government Nominee Director
3	Shri R. P. Thakur	Member	Director (Technical) Operations, SECL
4	Dr. R. S. Jha	Member	Director (Personnel), SECL
5	Shri A. P. Panda	Permanent Invitee	Director (Finance), SECL

As soon as Two (02) Independent Directors were appointed by the Ministry of Coal on the Board of SECL w.e.f. 17.11.2015, the Audit Committee has been reconstituted and is functioning with the following members & Invitees:

S.N.	Name	Designation	Category
1	Prof. B. S. Sahay	Chairman	Independent Director
2	Shri Sunil Kumar	Member	Independent Director
3	Shri Vivek Bharadwaj	Member	Part-Time Official Director/ Government Nominee Director
4	Shri C.K. Dey	Member	Part-Time Official Director/ Government Nominee Director
5	Shri R. P. Thakur	Member	Director (Technical) Operations, SECL
6	Shri A. P. Panda	Permanent Invitee	Director (Finance), SECL

**6.1.4 Meeting and Attendance:**

Nine (09) meetings were held during the year 2015-16 on (i) 09.04.2015, (ii) 24.05.2015, (iii) 25.07.2015, (iv) 04.09.2015, (v) 22.09.2015, (vi) 28.10.2015, (vii) 27.01.2016, (viii) 08.02.2016 and (ix) 27.02.2016. The details of Audit Committee meetings attended by members are as under:

S.N.	Members/Invitees of Audit Committee	Meetings held during their tenure	Meetings attended
1	Prof. B. S. Sahay, Independent Director	03	03
2	Shri Sunil Kumar, Independent Director	03	03
3	Shri Vivek Bharadwaj, Government Nominee	08	07
4	Shri A. K. Bhalla, Government Nominee Director	01	00
5	Shri C. K. Dey, D(F), CIL	09	08
6	Shri R. P. Thakur, D(T)O, SECL	09	09
7	Dr. R. S. Jha, D(P), SECL	06	06
8	Shri A. P. Panda, D(F), SECL	09	09

**6.2 PROJECT SUB-COMMITTEE:**

The Project Sub-Committee examines and make recommendations of investment in new/expansion projects and Feasibility Report of new projects. The committee functioned during the year 2015-16 with the following composition till 10.02.2016:

Sl.	Name	Designation	Category
1	Shri R. P. Thakur	Chairman	Director (Technical) Operations, SECL
2	Shri A. P. Panda	Member	Director (Finance), SECL

The committee has been reconstituted upon D(T)(P&P) joining SECL on 10.02.2016, and the Project Sub-Committee consists of the following Members as on 31.03.2016:

Sl.	Name	Designation	Category
1	Shri Kuldip Prasad	Chairman	Director (Technical) Project & Planning, SECL
2	Shri R. P. Thakur	Member	Director (Technical) Operations, SECL
3	Shri A. P. Panda	Member	Director (Finance), SECL

**6.2.1 Meeting and Attendance:**

Sixteen (16) meetings were held during the year 2015-16 on (i) 29.04.2015, (ii) 26.05.2015, (iii) 20.07.2015, (iv) 31.07.2015 (v) 11.08.2015, (vi) 08.09.2015, (vii) 18.09.2015, (viii) 06.11.2015, (ix) 09.11.2015 (x) & (xi) both on 14.12.2015, (xii) 23.12.2015, (xiii) 28.12.2015, (xiv) 20.01.2016, (xv) 25.01.2016 and (xvi) 16.02.2016.

The details of Project Sub-Committee meetings attended by members are as under:

Sl.	Members of Project Sub-Committee	Meetings held during their tenure	Meetings attended
1	Shri R. P. Thakur, Chairman/Member*	15/01	14/01
2	Shri A. P. Panda, Member	16	15
3	Shri Kuldip Prasad, Chairman	01	01

**6.3 INFORMATION TECHNOLOGY (IT) COMMITTEE:**

The Information Technology Committee was formed at the 200<sup>th</sup> Meeting of the Board of Directors held on 17.10.2011. The main purpose of IT Committee is to provide the Board with oversight and direction of the Company's Information, Communications & Technology (ICT) progress. The Information Technology Committee was not functional during the



year 2015-16 for want of Independent Directors. The appointment of two (02) Independent Directors has been made by Ministry of Coal w.e.f. 17.11.2015 and the appointment of further 02 Independent Directors on SECL Board is under process at Ministry of Coal. The IT Committee will therefore, be reconstituted as soon as all the Independent Directors are appointed.

#### 6.4 REHABILITATION & RESETTLEMENT (R&R) COMMITTEE:

The Rehabilitation & Resettlement (R&R) Committee was formed at the 202<sup>nd</sup> Meeting of the Board of Directors held on 09.01.2012. The main purpose of the R&R Committee is to help the Board to deal more effectively with R&R issues of land compensation, employment to project affected people (PAP), resettlement of PAPs, etc. The R&R Committee was not functional during the year 2015-16 for want of Independent Directors. The appointment of two (02) Independent Directors has been made by Ministry of Coal w.e.f. 17.11.2015 and the appointment of further 02 Independent Directors on SECL Board is under process at Ministry of Coal. The R&R Committee will therefore, be reconstituted as soon as all the Independent Directors are appointed.

#### 6.5 CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Corporate Social Responsibility (CSR) Committee was formed at the 203<sup>rd</sup> Meeting of the Board of Directors held on 03.02.2012. The main function of CSR Committee is to provide the Board with oversight and direction of the Company's responsibility towards the society at large. The Corporate Social Responsibility (CSR) Committee was not functional during the year 2015-16 till November, 2015 for want of Independent Directors. However, upon appointment of two (02) Independent Directors on SECL Board by Ministry of Coal w.e.f. 17.11.2015, the CSR Committee has been reconstituted in terms of Section 135 of the Companies Act, 2013 with the following members:

S.L.	Name	Designation	Category
1	Shri Sunil Kumar	Chairman	Independent Director
2	Prof. B. S. Sahay	Member	Independent Director
3	Shri Vivek Bharadwaj	Member	Part-Time Official Director/ Government Nominee Director
4	Dr. R. S. Jha	Member	Director (Personnel), SECL
5	Shri A. P. Panda	Permanent Invitee	Director (Finance), SECL

##### 6.5.1 Meeting and Attendance:

One (01) meeting of CSR Committee was held during the year 2015-16 on 08.02.2016. The details of CSR Committee meeting attended by members are as under:

SN.	Members/Invitees of Audit Committee	Meetings held during their tenure	Meetings attended
1	Shri Sunil Kumar, Independent Director	01	01
2	Prof. B. S. Sahay, Independent Director	01	01
3	Shri Vivek Bharadwaj, Government Nominee Director	01	00
4	Dr. R. S. Jha, D(P), SECL	01	01
5	Shri A. P. Panda, D(F), SECL	01	01

#### 7. SEPARATE MEETING OF INDEPENDENT DIRECTORS:

During the year, a separate meeting of the Independent Directors was held on 29.03.2016 in terms of Section 149(8) of the Companies Act, 2013 read with Para VII of Schedule IV of the Act. The minutes of the meeting has been placed before the Board for information.

#### 8. STATUTORY AUDITORS:

In exercise of the powers conferred by Section 139 of Companies Act, 2013, the Comptroller & Accountant General of India (C&AG) has appointed the following Chartered Accountant Firms as Statutory Auditor / Branch Auditors of the Company for the year 2015-16:

**Statutory Auditor**

M/s. J. N. Mital & Co.  
Chartered Accountants,  
(FRN: 003587N, C&AG RN: DE1010)  
Ambikapur Road, Pathalgaon,  
Jashpur Nagar - 496 331, CG

**Branch Auditors**

M/s. M. Raghunath & Co.  
Chartered Accountants  
(FRN: 003347S,  
C&AG RN:CA0894)  
Room No. 1, 1<sup>st</sup> Floor,  
Ashoka Chambers, 6, Garstin Place,  
Kolkata - 700 001 WB

M/s. G. Basu & Co.  
Chartered Accountants  
(FRN: 301774E,  
C&AG RN:CA0003)  
Basu House, 3,  
Chowringhee Approach,  
Kolkata - 700 072 WB

M/s. HEM Sandeep & Co.  
Chartered Accountants  
(FRN: 009907N, C&AG RN:DE1106)  
B-18, Shubhalaya Pearl Near  
Nikhil Phase-3 Bwadiya Kala,  
Hoshangabad Road,  
Bhopal - 462 026 MP

**8.1 Remunerations of Statutory Auditors:**

Type of Audit	Remuneration	Remarks
Statutory Audit for the year 2015-16	Total ₹ 15,58,594.00 i.e. ₹ 8,33,440.00 for Principal Auditors and ₹ 7,25,154.00 for Branch Auditors	Out of Pocket Expenses (OPE) subject to a maximum limit of ₹ 2,66,700.00 for Principal Auditors and ₹ 1,84,800.00 for Branch Auditors, and applicable Service Tax payable on fee & OPE, in addition to reimbursement / payment of travelling expenses on actual basis.
Review of Interim Financial Statements for the Quarter ended 30.06.2015, 30.09.2015 & 31.12.2015	Total ₹ 12,43,950.00 i.e. ₹ 7,00,080.00 for Principal Auditors and ₹ 5,43,870.00 for Branch Auditors	Out of Pocket Expenses (OPE) subject to a maximum limit of ₹ 4,00,050.00 for Principal Auditors and ₹ 2,77,200.00 for Branch Auditors, and applicable Service Tax payable on fee & OPE, in addition to reimbursement / payment of travelling expenses on actual basis.
Tax Audit for the year 2015-16	Total ₹ 2,48,750.00 i.e. ₹ 1,23,750.00 for Principal Auditors and ₹ 1,25,000.00 for Branch Auditors	Out of Pocket Expenses (OPE) subject to a maximum of ₹ 20,000.00 and applicable Service Tax payable thereon.
Audit of MoU parameters for the year 2015-16	₹ 2,03,439.00 for Principal Auditor	Out of Pocket Expenses (OPE) ₹ 65,100.00 and applicable Service Tax payable thereon.

**9. ANNUAL GENERAL MEETINGS (AGM):**

Details of Annual General Meeting (AGM) held during last 3 (Three) Financial Years are as follows:

Details	Date	Time	Venue
29 <sup>th</sup> AGM 2014-15	15.06.2015	03:00 PM	At the Registered Office of the Company at Seepat Road, Bilaspur - 495006, CG.
28 <sup>th</sup> AGM 2013-14	10.06.2014	11:30 AM	
27 <sup>th</sup> AGM 2012-13	21.05.2013	11:30 AM	

No special resolution was passed during the last AGM. The 30<sup>th</sup> Annual General Meeting (AGM) of the Company is scheduled to be held on 09.07.2016 at the Registered Office of the Company at Seepat Road, Bilaspur - 495 006, CG.

No Extraordinary General Meeting (EGM) of Members was held during the year 2015-16.

**10. DISCLOSURE:**

- Materially significant Related Party Transactions:**

The Company has not entered into any materially significant related party transactions with the Directors or the Senior Management Personnel or their relatives for the year ended 31<sup>st</sup> March, 2016 that has potential conflicts with the interest of the Company.



- **Code of Business Conduct and Ethics:**

Pursuant to Clause 49 of the Listing agreement entered by CIL with Stock Exchanges, the 'Code of Business Conduct and Ethics for Board Members and Senior Management' of the Company has been laid down by the CIL Board and the same has been implemented in SECL. The said code has been circulated to all concerned and the same is also hosted on the website of the Company "www.secl.gov.in". The Board members and Senior Management Personnel of the Company have affirmed compliance with the provisions of the said Code of Conduct for the Financial Year ended 31<sup>st</sup> March, 2016. A declaration in this regard by Chairman-cum-Managing Director of the Company is provided hereunder:

**Code of Conduct - Compliance Affirmation**

This is to confirm that the SECL has laid down a Code of Business Conduct and Ethics for all the Board Members and Senior Management of the SECL and the code is posted on the website of the SECL. The Board Members and Senior Management have affirmed compliance with the said Code for the Financial Year ended 31<sup>st</sup> March, 2016.

For South Eastern Coalfields Limited

Sd/-  
(B. R. Reddy)  
Chairman-cum-Managing Director  
DIN: 07001710

- **Integrity Pact:**

The Company has a Memorandum of Understanding (MoU) with Transparency International India (TII) for implementing an Integrity Pact Programme focused on enhancing transparency in its business transactions, contracts and procurement processes. Under the MoU, SECL is committed to implement the Integrity Pact in all its major procurement and work contract activities. Two Independent External Monitors, being persons of eminence nominated by TII in consultation with the Central Vigilance Commission (CVC), monitor the activities. The Integrity Pact has strengthened the established systems and procedures by creating trust and has the full support of the CVC.

- **Chief Executive Officer (CEO) & Chief Financial Officer (CFO) Certification:**

In terms of Clause 49 of the Listing Agreement entered by CIL with Stock Exchanges, the 'CEO and CFO Certification' in prescribed format has also been made applicable to subsidiary companies. Accordingly, the Chairman-cum-Managing Director/CEO and the Director (Finance)/CFO of the Company have given the "CEO and CFO Certification" to the Board of Directors of the Company at its 246<sup>th</sup> Meeting held on 23.05.2016 and is attached with the Financial Statements of the Company.

## 11. AUDIT QUALIFICATIONS:

It is always the Company's endeavour to present Financial Statements without any qualifications by Auditors. Management's Reply to the Statutory Auditors' observations on the Accounts of the Company for the year ended 31<sup>st</sup> March, 2016 are furnished as Annexure to the Auditors' Report. Comments of the Comptroller & Auditor General of India under Section 143(6) of the Companies Act, 2013, on the Accounts of the Company for the Financial Year ended 31<sup>st</sup> March, 2016 are also annexed to the Boards' Report.

## 12. TRAINING OF BOARD MEMBERS:

The Functional Directors are the functional heads of their respective functional areas by virtue of their possessing the requisite qualification and experience and are aware of the business model of the Company as well as the risk profile of the Company's business model. The newly appointed Directors of the Company are familiarized with the various aspects of the Company like Constitution, Vision & Mission Statement, core activities, board procedures, strategic directions, etc. by way of a detailed presentation. Information material like Code of Conduct and performance highlights, etc. are provided to supplement the above presentation. Periodic presentations are made at the Board and Committee Meetings to update them on all business-related issues and new initiatives undertaken by the Company.

The Directors are also nominated for training programs /seminars conducted by Standing Conference of Public Enterprises (SCOPE) and other Government authorities. During the year, the Company nominated Independent Directors, Shri Sunil Kumar and Prof. B. S. Sahay for participating in “Programme on Capacity Building of Non-official and Government Directors of Central Public Sector Enterprises” held on March 29–30, 2016 at 11 High Building, Oil & Natural Gas Corporation Limited, Bandra–Sion Link Road, Sion, Mumbai, organized by ONGC in partnership with the Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Government of India.

### 13. MEANS OF COMMUNICATION:

- **Website**

The Company’s website [www.secl.gov.in](http://www.secl.gov.in) hosts all important information for investors and all other stakeholders. The Annual Report and Annual Financial Results of the Company are available on the website in a user-friendly and downloadable form.

- **Official News Releases**

The Company communicates with the stakeholders by disseminating information by way of Official news releases in electronic and print media through Public Relations Department of the Company.

- **RTI**

The Company has an e-structured mechanism that supports ‘The Right to Information Act, 2005’. Detailed procedure for seeking information under RTI Act, 2005 is available on the SECL website [www.secl.gov.in](http://www.secl.gov.in).

### 14. WHISTLE BLOWER POLICY:

The “Coal India Whistle Blower Policy 2011” as approved by the Board of Directors of Coal India Limited has been implemented by the Company. The policy is formulated to provide an opportunity to employees to report to the management, instances of unethical behaviour, actual or suspected, fraud or violation of the Company’s code of conduct. The Whistle Blower Policy is available on the website of [www.secl.gov.in](http://www.secl.gov.in), in a user friendly and downloadable form.

### 15. COMPLIANCE WITH MANDATORY REQUIREMENTS OF DPE GUIDELINES ON CORPORATE GOVERNANCE:

The Department of Public Enterprises has issued Guidelines on Corporate Governance for Central Public Sector Enterprises in May 2010, which are mandatory in nature.

The Company has complied with applicable rules and requirements of Regulatory Authorities and no penalties or strictures were imposed on the Company. All Returns/Reports were filed within the stipulated time with the Regulatory Authorities.

No Presidential Directives have been issued during the period 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016 and during the last three years.

No items of expenditure have been debited in books of accounts, which are not for the purpose of business. No expenses, which are personal in nature, have been incurred for the Board of Directors and top management.

In compliance with Clause 8.2.1 of the Guidelines on Corporate Governance for CPSEs, certificate from Company Secretary in whole-time practice regarding compliance of conditions of Corporate Governance is annexed to this Report.

For and on behalf of the Board of Directors of  
SOUTH EASTERN COALFIELDS LIMITED

Sd/-  
**(A. P. Panda)**  
Director (Finance)  
DIN: 06664375

Sd/-  
**(B. R. Reddy)**  
Chairman-cum-Managing Director  
DIN: 07001710

Place: Kolkata  
Dated: 23.05.2016



## Certificate on Corporate Governance

The Members

**M/s South Eastern Coalfields Limited**

Seepat Road, Bilaspur-495 006

Chhattisgarh, India

I have examined the compliance of conditions of Corporate Governance by **M/s South Eastern Coalfields Limited** (hereinafter called the “**Company**”), for the financial year ended on March 31, 2016, as stipulated in Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by Government of India, Ministry of Coal vide its Circular No. F.No.38011/22/2007-CA-II (Vol.II) dated June 7, 2010, in terms of Office Memorandum No.18(8)/2005-GM dated May 14, 2010 issued by Government of India, Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination 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 my opinion and to the best of our information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Guidelines, *except for nominating Woman Director on Board of SECL. Coal India Limited, being the Holding Company as constituted the Remuneration Committee for all its subsidiaries. The Remuneration of Directors/Officers however, is decided by Government of India.*

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

for **AGR Reddy & Co.**  
**Company Secretaries**

Sd/-

**Manoj Kumar Koyalkar**

C.P.No.10004

M.No.19445

Hyderabad, May 6, 2016

## Annexure-VI

## Management Discussion and Analysis Report

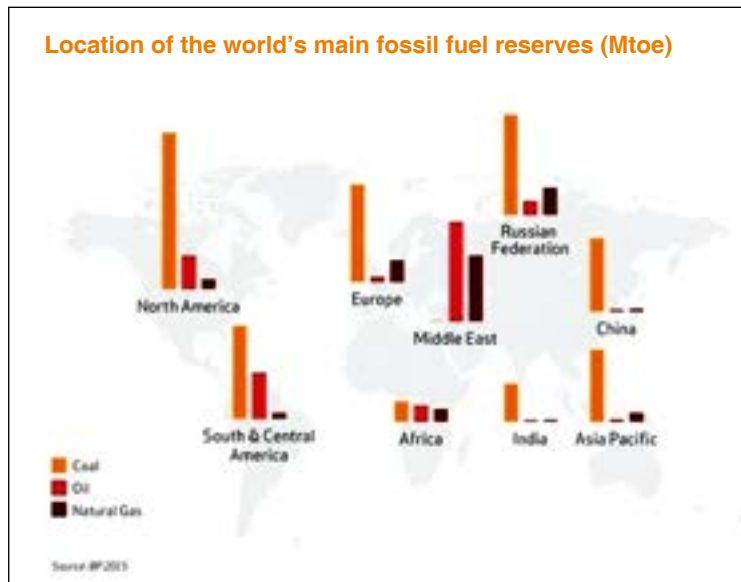
Coal is a fossil fuel available in almost every country worldwide, with recoverable reserves in around 70 countries. The biggest reserves are in the USA, Russia, China and India. There are an estimated 892 Billion tonnes of proven coal reserves worldwide. Over 7.21 Billion tonnes of hard coal and 0.89 Billion tonnes of Brown coal/Lignite is currently produced worldwide, which means that there is enough coal to last us around 110 years at current rates of production. In contrast, proven oil and gas reserves are equivalent to around 52 and 54 years, respectively at current production levels.

Coal has many important uses worldwide. Almost half of the world's additional energy demand over the past ten years was provided by coal.

All other fuels combined, including oil, natural gas, renewables and nuclear energy, accounted for the other half. In fact, over the last decade, coal has been the world's fastest growing energy source, owing to its availability and affordability. The most significant uses of coal are in electricity generation, steel production, cement manufacturing and as a liquid fuel. Coal-fired power plants currently fuel 41% of global electricity; and in some countries, coal fuels a higher percentage of electricity.

Affordable, reliable and accessible electricity is the foundation of prosperity in the modern world. Each nation will choose an energy mix that best meets its needs and for most countries coal will continue to play a significant role while for many nations, particularly in industrialising and urbanising Asia, coal has been identified as a growing fuel source and integral to their economic growth.

Location of the world's main fossil fuel reserves (Mtoe)



## COAL OUTLOOK AND GLOBAL DEMAND:

International Energy Agency (IEA) in its Medium-Term Market Report 2015 has made cautious assumptions to foresee a downward demand forecast of over 500 MT indicating that Coal demand will grow through the year 2020 only @ 0.8% per year on average. It has estimated a half of the growth, i.e. increase of about 149 MT to occur in India followed by the ASEAN region representing over one-quarter, i.e. 79 MT and lower growth in other regions of Asia. On the contrary, a decline of 75 MT would take place in the United States and a decline of 22 MT in OECD Europe. The report also says that from 2014 to 2020 the share of coal will fall from 29% to 27% of total primary energy and the share of coal in power generation will fall from the current 41% to 37% due to acceleration in the power generation capacity as compared to growth in coal demand. The contributory factors are as follows:

- Economic rebalancing in China, which consumes half of global coal and ongoing structural decline in OECD countries, has shown a downward trend in global coal consumption in 2015 despite the continuation of growth in India and other ASEAN countries. In china, power demand grew at 3.8% as compared to the GDP growth of 7.4% in 2014 after almost a decade of one-to-one relationship between GDP and electricity demand. The diversification of the power sector away from coal has been going on for a number of years in China and more than 55 Gigawatts (GW) of capacity in hydro, wind, solar and nuclear power were added in 2014.
- Further, OECD coal demand has declined 47 Million Tonnes (MT) in 2014 due to the combination of ageing coal capacity, weak power demand, and strong renewable and climate policies.
- Again prices of natural gas, which is a competitor of coal in power generation, is mainly linked to crude oil prices. Coal and crude do not compete due to predominant difference in usage. But low oil prices have put down ward pressure on



gas prices to create stronger competition with coal and regain in market share from coal in power generation of some countries, like the United Kingdom. Further, oil is an important component of coal mining (through explosives and diesel, especially in open-pit mining) and transportation costs resulting lower cost of production and downward impact on coal prices.

- Coal restricting policies due to mounting environmental pressure, lower renewable energy tariffs, CO<sub>2</sub> pricing, coal taxes and other measures to reduce emissions together with the increasing competitiveness of renewable, etc. are causing coal to struggle to maintain its place in the power generation mix. Although Coal-based electrification provides low-cost energy access in the developing world, it conflicts with CO<sub>2</sub> emissions reduction targets because coal is the most carbon-intensive fuel, and coal burning is the largest contributor to CO<sub>2</sub> emissions. Therefore commitment to COP21 towards CO<sub>2</sub> reduction in terms of climate policy would play greater role in longer term coal demand.
- Additionally the air pollution measures such as The Environmental Protection Agency (EPA) rules, abundant shale gas, increase renewable generation etc in the United States will bring the share of coal in power generation below 35% by 2020.
- In Europe, Large Combustion Plant Directive in Europe has led to a wave of decommissioning coal plants apart from facing resistance from local communities. As coal power generation is expected to decline at 1.5% per year through 2020 and renewable continues to grow, the forecast for coal shows a decline in trend.
- Also mining and infrastructure investments are discouraged by low prices. In the current persistent low coking and thermal price environment, most investment decisions on mining and infrastructure capacity will be delayed or postponed and – if prices do not recover – eventually cancelled, meaning that coal will stay underground.

Contrary to the cautious outlook, India and ASEAN economies shall remain the growth engines of Coal demand. India has ambitious plans to provide full electricity access to the people and to expand the manufacturing sector, where coal is the lowest-cost base load option. In spite of accelerating renewable sources, the scale of the electricity need is such that new coal investments and further growth in coal consumption are inevitable. Similarly, Key ASEAN economies like Indonesia, Vietnam and the Philippines aim at energy access and poverty reduction which may drive coal investments in the region. India will become the second-largest coal consumer in the world, bypassing the United States, and the largest importer of thermal coal. Energy-intensive heavy industries playing a considerably smaller role in India, may boost the coal demand. As Two-thirds of coal is used in power generation, both future demand prospects as well as the environmental impact of coal are heavily influenced by the power sector. The shift from inefficient subcritical to high-efficiency super or ultra-supercritical plants (SC/USC) is happening. More than two-thirds of coal capacity under construction is SC/USC, led by China, with India and the ASEAN region lagging behind. There is also progress on reducing air pollutant emissions from coal power plants. OECD countries have already been tackling this for a long time, and now China leads the efforts to reduce emissions from coal-fired plants. Further, carbon capture and storage (CCS) is no longer a theoretical possibility, with several CCS commercial-scale projects started or under construction in North America, Australia and possibly in China.

#### **IMPROVEMENT IN COAL BASED POWER EFFICIENCY AND EMISSION REDUCTION:**

Globally coal cannot be wished out of energy mix because 70% of the steel output, 41% of the electricity generation and 90% of the cement production across the world are dependent on it. Coal based power makes energy affordable, reliable and accessible. According to World Coal Association (WCA), coal is expected to increase to 24% in the energy mix by 2040 for which nations have to choose right energy mix.

The WCA released a concept paper in December 2014 on establishing a global Platform for Accelerating Coal Efficiency (PACE) with a vision to deploy most efficient power plant technologies in the countries so as to raise the global average efficiency of coal-fired power plants and reduce Nitrogen oxides (NO<sub>x</sub>), Sulphur dioxide (SO<sub>x</sub>), Particulate matter (PM) and minimize CO<sub>2</sub> emissions. The average efficiency of coal-fired power plants around the world is 33%, which is well below the state-of-the-art rate of 45% and even 'off-the-shelf' rate of around 40%. The efficiency of coal-fired power plants can be enhanced by using High Efficiency Low Emission (HELE) technologies and for every 1% efficiency improvement, CO<sub>2</sub> emissions can be reduced between 2-3%. Also, improvement in the current average global efficiency rate of coal-fired power plants from 33% to 40%, the world could cut down two gigatonnes of CO<sub>2</sub> emissions, which is equivalent to India's annual CO<sub>2</sub> emissions. It will also set a tone to aim at Carbon Capture and Storage (CCS), where carbon can be stored underground. In the last 10 years, \$2 trillion has been spent on clean energy and 1% only on CCS. Although Renewables would play a vital role in contributing to the annual emission reductions up to 30% as per the estimates, the CCS technology could prove next to it by contributing up to 14% apart from nuclear, end use fuel switching etc. As far as India is concerned,

Coal based thermal plants provide the base load power and renewables can supplement it intermittently. Therefore, Improvement in efficiency of coal fired power plants with a thrust on reduction in CO<sub>2</sub> emission would align Indian commitment to COP21 agreement.

#### INDIA: A RISING FORCE IN GLOBAL ENERGY DEMAND:

India, home to 18% of the world's population, uses only 6% of the world's primary energy. India's energy consumption has almost doubled since 2000 and the potential for further rapid growth is enormous. India is set to contribute more than any other country to the projected rise in global energy demand, around one-quarter of the total.

In India, energy demand is propelled upwards to 2040 by an economy that is set to grow more than five-times its current size and population growth that would make it the most populous country in the world. Energy consumption would be more than double by 2040, with the rise in coal use making India the largest source of growth in global coal demand. A 6 mb/d (Million Barrels per Day) rise in oil use is likewise the largest projected for any country, as 260 million new passenger vehicles would be added. India's economy, already the world's third-largest, is growing rapidly and policies are in place to press ahead with the country's modernisation and an expansion of its manufacturing.

#### COAL: MOST IMPORTANT FUEL IN INDIA'S ENERGY MIX:

Coal is the pre-dominant source of primary energy in India with the largest domestic reserve base among the major fuel sources. A total of 3,06,595.56 Million Tonnes of geological resources of coal comprising of 1,31,614.07 Million Tonnes of proved reserves of coal have so far been estimated in India, up to the maximum depth of 1200 metres. Indian coal reserves are mostly shallow, at a depth of up to 300 metres, and are typically exploitable using surface mining methods. However, as some of these coal reserves are located below settlements or dense forests, Underground Mining is a feasible solution to tap these deposits, as it avoids resettlement and forest clearing. Coal occurring at depths greater than 300 metres is usually economically extractable only with underground mining techniques.

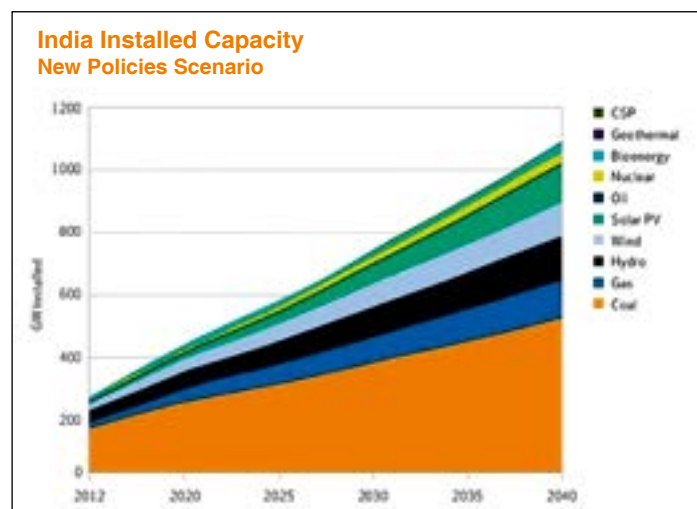
Coal accounts for a share of 55% of Primary energy, which is the highest among all available energy sources in India. Coal continue to be the most important fuel in the country's energy mix, even after India's recent climate pledge at 21st Conference of the Parties (COP21) to the United Nations Framework Convention on Climate Change (UNFCCC) in Paris, underlined the country's commitment to a growing role for low-carbon sources of energy, led by solar and wind power.

Performance of the coal sector is of utmost importance to the country's economy as it plays a critical role in the value chains of all major industrial segments, namely electricity, steel, cement, etc. A large expansion of coal output is set to make India the second-largest coal producer in the world, but rising demand also means that India becomes, before 2020, the world's largest coal importer, overtaking Japan, the European Union and China.

#### COAL FOR THE GOVT. MISSION OF '24X7 POWER FOR ALL':

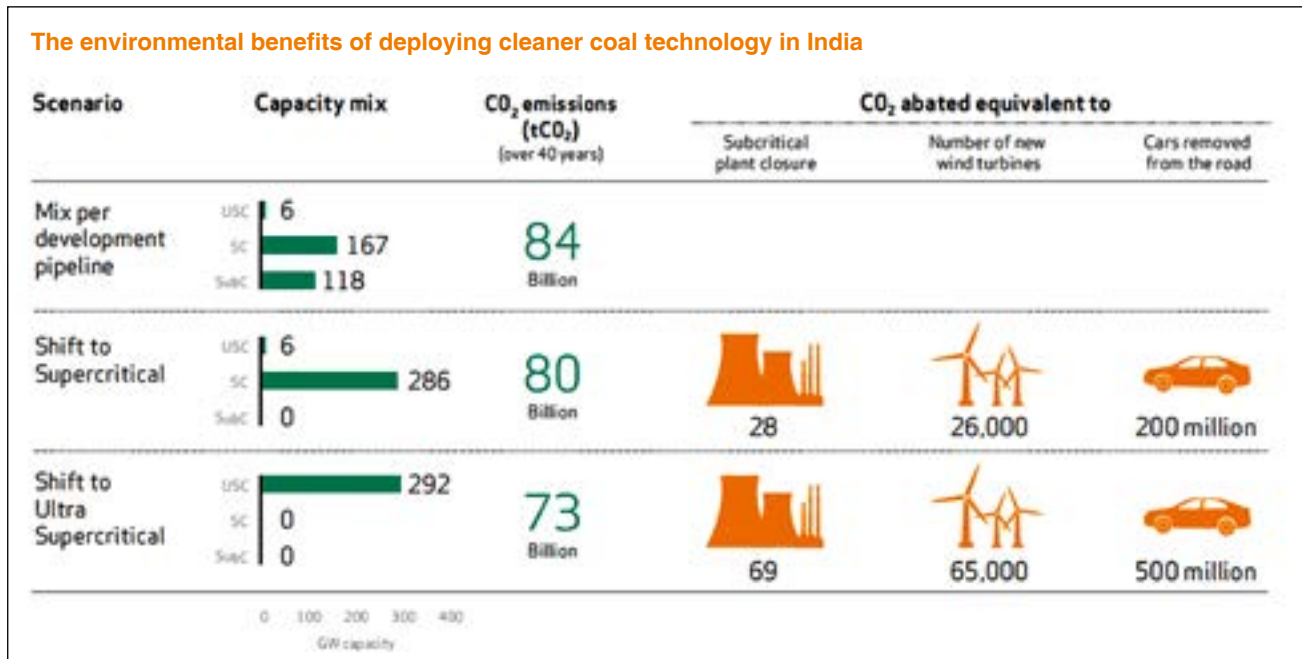
Coal is the backbone of the Indian power sector, accounting for over 70% of generation, and is the most plentiful domestic fossil-fuel resource. The Indian government's policies to meet the growing need for electricity are focused on developing large-scale coal-fired power plants. Coal has thus a key role in accelerated realisation of key Indian policy targets, including the "Make in India" campaign to promote manufacturing and the "24x7 Power for All" drive for universal, round-the-clock electricity supply. Fully reliable provision of power and new employment opportunities in the manufacturing sector give extra impetus to India's economic and social development and its transition to an urban society.

In India, the cost competitiveness of coal is driven primarily by low coal prices and limited availability of alternative fuels. This is likely to continue into the future. Even incorporating cost declines in renewable technologies, coal is expected to remain the most cost-effective option for meeting electricity demand growth in India.



**Platform for Accelerating Coal-fired Power Plants Efficiency for Climate Change Commitments:**

High efficiency low emission (HELE) technology based power plants allows developing countries to minimise CO<sub>2</sub> emissions, while not sacrificing legitimate economic development and poverty alleviation efforts. This understanding provided the framework for India’s intended nationally determined contribution (INDC), in line up to COP21 to UNFCCC at Paris, which recognised the role of HELE technologies and Carbon capture and storage, to reduce global CO<sub>2</sub> emissions as part of the energy mix. Moreover, deploying HELE technology is a key first step along a pathway to near zero emissions from coal with CCUS. Despite the significant efficiency and emission rate advantages of supercritical and ultra-supercritical power plants compared to the base subcritical technologies, around 50% of the coal-fired power plants built in India over the last five years and currently under construction, are subcritical. Subcritical technologies enjoy a significant cost advantage over more efficient options, which may lead to continued deployment over the next couple of decades. With a lot more coal plants currently in development, the choice of coal technology will have significant implications on the carbon intensity of the Indian economy going forward.



A study by World Coal Association shows that investing in supercritical and ultra-supercritical technologies in India remains a cost-effective carbon abatement alternative compared to investment in other generation technologies. Further, from a global perspective, investing in ultra-supercritical technologies in India may lead to higher CO<sub>2</sub> abatement than investing in renewables in Europe. Expanding efficient coal consumption will help address India’s energy trilemma of meeting demand, reducing energy poverty and actively participating in climate change commitments.

(Sources: India Energy Outlook published by International Energy Agency, World Coal Association, World Energy Outlook 2015)

**A. INDUSTRY STRUCTURE AND DEVELOPMENT:**

Currently, Coal mines in public sector are responsible for over 90% of the coal production in India and Coal India Limited accounts for over 80% of the coal production through its wholly-owned subsidiaries. SECL is a major coal producing subsidiary of Coal India Limited, a Maharatna PSU.

**Coal Reserves in India:**

The inventory of Geological Resources of Indian Coal (as on 01.04.2015), prepared by the Geological Survey of India on the basis of resources estimated by CMPDI, MECL, GSI, SCCL and some private/public entrepreneurs is given below:

1. A total of 3,06,595.56 Million Tonnes of geological resources of coal have so far been estimated in India, upto the maximum depth of 1200 metre. Out of the total resources, the Gondwana coalfields account for 305102.92 MT (99.5%), while the Tertiary coalfields of Himalayan region contribute 1492.64 MT (0.5%) of coal resources.

The type-wise and category-wise break-up is given below:

Type of Coal	Proved (MT)	Indicated (MT)	Inferred (MT)	Total (MT)	% Share
1. Coking Coal					
Prime Coking	4614.35	698.71	0.00	5313.06	1.73
Medium Coking	13388.90	12113.56	1879.47	27381.93	8.93
Semi Coking	482.16	1003.68	221.68	1707.52	0.56
<b>Sub-total of Coking:</b>	<b>18485.41</b>	<b>13815.95</b>	<b>2101.15</b>	<b>34402.51</b>	<b>11.22</b>
2. Non-coking Coal	112534.85	129325.81	28839.75	270700.41	88.29
3. Tertiary coal	593.81	99.34	799.49	1492.64	0.49
<b>Total (All types)</b>	<b>131614.07</b>	<b>143241.10</b>	<b>31740.39</b>	<b>306595.56</b>	<b>100.00</b>
% Share	42.93	46.72	10.35	100.00	-

2. The depth-wise and category-wise break-up of Indian coal resources is as under:

Depth Range (in Metres)	Proved (MT)	Indicated (MT)	Inferred (MT)	Total (MT)	% Share
0-300	100607.70	68705.34	9618.66	178931.70	58.36
300-600	14931.48	59853.43	15953.29	90738.20	29.60
0-600 (for Jharia only)	13760.73	451.69	0.00	14212.42	4.64
600-1200	2314.16	14230.64	6168.44	22713.24	7.40
<b>Total</b>	<b>131614.07</b>	<b>143241.10</b>	<b>31740.39</b>	<b>306595.56</b>	<b>100.00</b>

3. The estimation of total resources of coal, as on 01.04.2015, has increased by 5,031.11 MT as compared to 01.04.2014 whereas 'Proved Reserves' has increased by 5,705.13 MT, as shown in table below:

Inventory as on	Proved (MT)	Indicated (MT)	Inferred (MT)	Total (MT)
01.04.2015	131614.07	143241.10	31740.39	306595.56
01.04.2014	125908.94	142506.29	33149.22	301564.45
<b>Difference</b>	<b>+ 5705.13</b>	<b>+ 734.81</b>	<b>- 1408.83</b>	<b>+ 5031.11</b>

The increase in 'Proved Reserves' in Inventory of 01.04.2015 is mainly due to proving of Coal resources in IB River (2,059.16 MT), Mand Raigarh (1,690.36 MT), Talcher (896.35 MT), Hasdeo-Arand (432.56 MT), Wardha Valley (151.93 MT), Nand-Bander (133.98 MT), Barjora (86.52 MT), Godavari Valley (77.27 MT), Bishrampur (62.07 MT), Ramgarh (45.52 MT) West Bokaro (40.36 MT) and Raniganj (29.05 MT) Coalfields.

4. The Geological Coal Reserves in SECL Command Area as on 01.04.2015 are 63,014.83 Million Tonnes.

S.N.	Coal Reserves	Depth(M)	Proved	Indicated	Inferred	Total
I.	Coal Reserves in MP	0-1200	2114.34	5636.04	352.25	8102.63
II.	Coal Reserves in CG	0-1200	18237.00	34390.09	2285.11	54912.20
	<b>Total Coal Reserves in SECL(MP+CG)</b>	<b>0-1200</b>	<b>20351.34</b>	<b>40026.13</b>	<b>2637.36</b>	<b>63014.83</b>

#### Coal Demand:

The major challenge is demand satisfaction of Power sector of the country which is predominantly 'Coal-fired/ Thermal Power' and thus dependent on coal. Coal-fired power plants remain the backbone of the Indian power system. As per IEA projections, the fleet of Coal-fired power plants will increase by around two-and-a-half-times, reaching almost 440 GW in 2040, by which time India will have the second-largest coal-fired power plants fleet in the world (after China), overtaking the United States in the early-2020s. Driven by surging coal demand, the primary goal of state-owned coal companies in India is maximisation of output to provide coal to power stations and to industry.

**Coal Production:**

In early 2015, Government has taken initiatives to increase the country’s coal production to 1.5 billion tonnes by 2020, domestic coal production has to increase by almost two-and-a-half-times over a seven-year period (or by 14% per year on average), whereas during the last decade, Indian coal production has increased by around a third (or by 4% per year on average).

Reaching 1.5 billion tonnes of coal production by 2020 is difficult, but not inconceivable. It would, though, imply that all expansion plans are fulfilled without delay and all involved actors – federal and state governments, mining and railway companies – co-ordinate seamlessly so that approvals and licences are issued speedily, mines are developed on schedule and additional coal can be transported. Reaching the target would also require the consent of the people affected by coal mine and railway line development. India’s state-owned mining Company CIL along with its subsidiaries is pivotal to this process, slated to contribute 1 billion tonnes of output to the government’s target, with the remainder coming from smaller state-owned mining companies and the captive mines that are being auctioned.

CIL along with its subsidiaries is gearing up to meet this challenge and reach to 1 Billion Tonnes Coal production by 2019-20, with SECL’s contribution envisaged at 240 MT. The summary of Year-wise Production Projections for SECL for the year 2015-16, 2016-17, 2017-18, 2018-19 & 2019-20 as per 1 Bt Roadmap of CIL is as under:

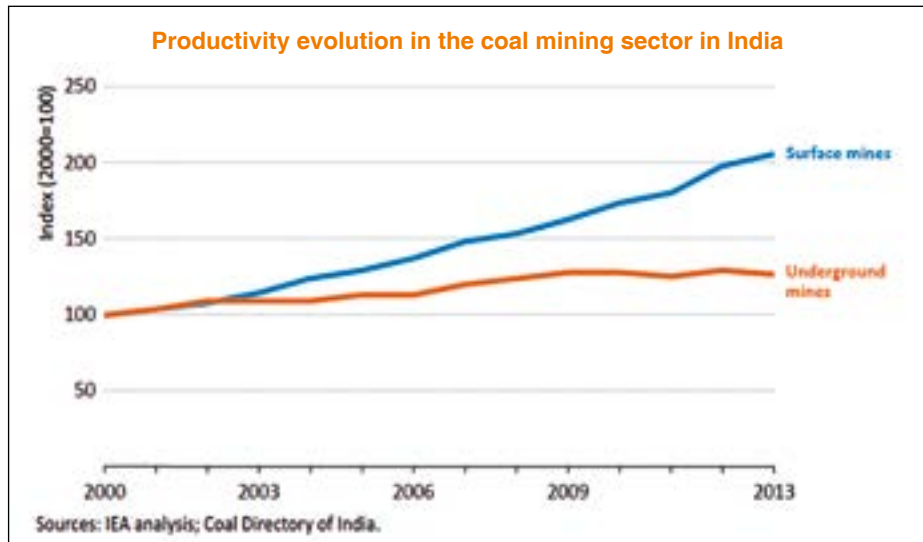
SECL Production Target as per CIL 1 Billion Tonne Roadmap (in MT)					Achievement against 1 Bt Target for 2015-16
2015-16	2016-17	2017-18	2018-19	2019-20	
135.03	149.67	161.01	193.14	239.60	102.15%

The production performance of SECL during last 5 years is as under:

S.N.	Coal Production (in MT)	2011-12	2012-13	2013-14	2014-15	2015-16
1	Underground	16.41	16.87	16.42	16.04	15.51
2	Opencast	97.43	101.35	107.84	112.24	122.42
	<b>Total</b>	<b>113.84</b>	<b>118.22</b>	<b>124.26</b>	<b>128.28</b>	<b>137.93</b>

**Productivity:**

In India, Labour productivity (expressed as output per miner shift in tonnes) in surface/ opencast mines is on an average fifteen-times higher than in underground mines. This is partly due to surface/ opencast mines having experienced a doubling in labour productivity since the early-2000s (Figure below). In contrast, labour productivity of underground mines has grown at a much slower pace. In India, the mines exhibit a higher labour-intensity than elsewhere, owing to multiple factors. While opencast mines, in particular, have increasingly made use of larger equipment, gaining economies of scale, in India’s underground mines, efficient longwall methods are still rare. Underground mines primarily rely on room-and-pillar methods, which allow only a fraction of the coal in a deposit to be extracted (with this method, tunnels of coal are carved out of the seam, while part of the coal remains in place as “pillars” to support the roof).



The Output per Manshift (OMS) position of SECL is as below:

(Fig. in Tonne)

Type	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
UG	1.30	1.37	1.35	1.39	1.40
OC	19.31	19.11	21.45	23.60	23.45
Overall	6.44	6.71	7.23	7.86	8.46

### Coal Market and Industry Development:

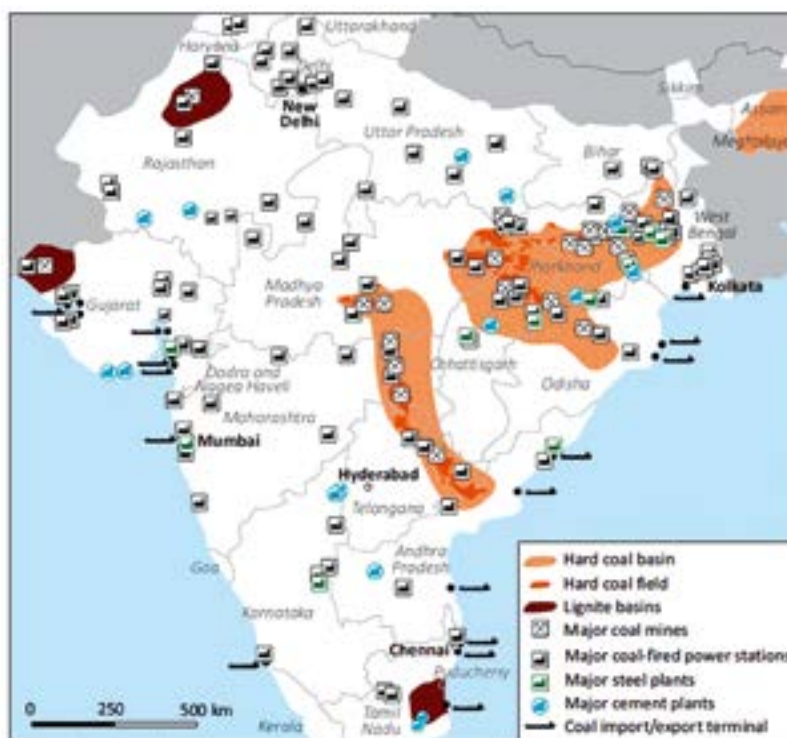
In India, coal allocation and pricing are influenced by the government. The state currently exercises control over more than 90% of production and full control over marketing of domestic coal. CIL has a dominant position, producing roughly 80% of India's coal via eight subsidiary companies of different sizes, of which the largest two, South Eastern Coalfields Limited and Mahanadi Coalfields Limited, together account for around half of CIL's coal yield. Singareni Collieries Company Limited (SCCL) is the second-largest public coal Company in India, contributing less than 10% to the country's coal output. Hitherto, private players could participate in coal production only if they acquired a "captive mining block", which are specified coal reserves which the buyers can extract for their own use, for example in power generation, steel making or cement production. Recently, the Indian parliament has passed the Coal Mines Special Provisions Act, which is primarily concerned with the re-allocation and auctioning of the cancelled captive coal blocks. However, a key feature of the Act is that, in theory, mining licenses can be granted to private players without end-use restriction, opening the door to private sector commercial mining in the future. The New Policies Scenario assumes implementation of this Act, gradually leading to greater diversity of ownership in the coal industry and increased competition.

### Transport and Handling Infrastructure:

With coal production primarily concentrated in the eastern half of the country, there is a geographical mismatch between the location of producers and consumers (Figure below).

While there are clusters of power stations near the coal fields, other plants are scattered across the country, located closer to power demand hubs in order to save on the cost of electricity network expansion and to enhance power system reliability. Moreover, state-level energy policy favours a balanced distribution of power stations across the country.

Consequently, large amounts of coal need to be hauled from the mines to the various end-users all over India. The primary mode of transportation is by railway, accounting for around 55% of coal movements. Railways are economic for long-distance transportation and every tonne of coal moved by rail travels more than 500 km on average. Shorter distance transport, roughly a quarter of the country's coal movements, is carried out by truck. Typically truck transport is economic only for distances of less than 200 km and it often leads to congestion and additional air pollution. Consumers located close to the mines receive coal by merry-go-round systems (exclusive,



This map is without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.



closed-loop, coal railway systems) or conveyor belt. Some power plants or industrial works on the coast can also receive coal directly from seaborne vessels.

The mode-wise dispatches in SECL during the last 5 years are shown in the following table:

Mode of Transport	2011-12	2012-13	2013-14	2014-15	2015-16
Rail	44.36	45.55	47.49	43.64	46.69
Road	44.01	43.71	41.37	45.21	57.13
Belt	5.02	5.08	5.25	6.54	7.13
MGR	18.97	24.33	24.58	24.82	25.07
Consumers' own Wagons	2.77	3.30	3.32	3.00	2.71
<b>Total</b>	<b>115.13</b>	<b>121.97</b>	<b>122.01</b>	<b>123.21</b>	<b>138.73</b>

(Sources: India Energy Outlook published by International Energy Agency, World Coal Association, World Energy Outlook 2015, Coal Inventory data published by CMPDI)

## B. SWOT ANALYSIS:

### (STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS)

#### STRENGTHS

- Huge proven coal reserves of 63,014.83 Million Tonnes (as on 01.04.2015) and continuous geological explorations in the command areas can support expansion plans of SECL in a big way.
- Major contribution from opencast mines and plan for their expansions can reduce the proportionate capital outlays and shorten the gestation period to achieve breakeven levels.
- Augmentation of mega opencast mines enables SECL to deploy large capacity HEMMs viz., 240 Tonne Dumpers, 42 Cubic metre Shovels, 381mm Drill Machines, 150 Tonne Cranes, 850HP Dozers, 533 HP Graders, etc., to enhance safe operations and plan for centralized workshops, maintain optimal inventory of spares to achieve higher availability of equipment and thereby reduce the operational expenditure through economies of scale.
- Financial soundness with adequate reserves and surplus can consistently support the growth plans to increase production and enhance infrastructure facilities.
- Experienced personnel, Productive work culture, Participative management, Good Industrial relations, high belongingness and loyalty of employees can strengthen commitment to achieve higher production.

#### WEAKNESSES

- Expansion of Under Ground mines require acquisition of large quantum of land, affecting adversely the feasibility of projects in terms of financial return due to escalated cost, longer commencement time and generation of unrelated employments.
- Downtime of large capacity imported machineries in open cast mines due to improper maintenance, longer lead time in sourcing, non-availability of spares or services etc. can adversely affect production to a great extent.
- Decline in departmental capacities due to economical outsourcing options could expose the Company to production risks in future.
- Geographically scattered remote locations pose considerable difficulty in arranging coal evacuation facilities.
- Disproportionate reduction in experienced manpower, Demotivation of employees, Difficulty in retaining fresh talents, etc. can adversely affect human resource pool of the Company.
- Gradual depletion in coal reserves by increasing the production from the existing mega mines is a cause of concern.

#### OPPORTUNITIES

- Growth of power sector in line with Govt. of India policies of 'Make in India' and '24x7 Power for All' offer huge opportunity to expand in coal sector.

- Spurt in demand for coal will help in expanding the evacuation facilities, improving Coal Handling Plants, washing and making value additions, introducing SILO and Rapid loading systems, infusing modern technologies etc.
- Higher volume of production can open up opportunities for the Company to develop infrastructure on land and water routes, acquisition of engineering plants, involve in R&D projects including explorations etc.
- Concentrated location of major opencast projects also provide opportunity to install pit head power plants integrated with mining projects.
- MOU with Railway for coal off-take by CIL's own wagon will be helpful in supply of wagons for improvement in off-take.

### THREATS

- Coal mining projects are mostly affected by Time and Cost overruns due to long gestation periods ultimately affecting the scheduled expansion plan of the Company.
- Commercial mining of coal by private sector may bring stiff competition to retain consumers and experienced manpower.
- Import of foreign coal by consumers at lower price is a cause of concern.
- High ash content of coal produced from our mines adds to environmental and dispatch issues. The majority of the ash in Indian coal is inherent ash, i.e. mineral matter embedded in the combustible part of the coal, which cannot be easily removed and reduces the calorific value of the coal.
- Marketing of high grade coal produced from underground mines is a threat to sales procedure.
- Increase in volume of coal production in absence of inadequate infrastructure of Indian Railways and the arrangements in siding are the threats to existing coal dispatch system.
- Greater dependence on opencast mining may bring huge environmental issues and difficult geo-mining conditions can make underground mining of even higher grade coal uneconomical.
- Delay in acquisition of land, evacuation of sites and its possession due to cumbersome takeover process, Poor land records, Rehabilitation & Resettlement of affected families, Forest and Environmental clearances etc. may throw unforeseen challenges.
- Amendment to environment regulations and conservation laws can bring stiff conditions causing operational difficulties and impose heavy penalties for deviations beyond comprehension.

### C. PERFORMANCE:

Covered in the main report.

### D. OUTLOOK:

Company has bright prospects with a series of measures undertaken for continuous development and excellence through existing & new mining technologies, improvement in coal dispatch, development of coal transport infrastructure, new mining projects, etc.

### COAL MINING PROJECTS

In SECL, 118 major coal projects (80 UG and 38 OC) for a total capacity of 260.08 MTY have been approved. Out of these, 58 projects (47 UG & 11 OC) are completed projects, 34 projects (09 UG & 25 OC) are On-going projects, 12 Projects (11 UG & 01 OC) are Existing projects and 14 Projects were dropped/shelved till date. From the 34 On-going projects under implementation (as on March, 2016) with rated capacity of 203.24 MT, production during the year 2015-16 was 137.93 MT.

To augment the production and achieve the targeted production programme of SECL, 4 new projects are in the pipeline for approval.

Mand-Raigarh Coalfields in Raigarh Area spreads over an area of 3700 sq.km and have 6598.71 MT of coal reserve (Proved) upto 300 meter depth and 1311.41 MT of coal reserve (proved) from 300-600 meter depth as on 01.04.2015 and has potential to produce huge quantity of power grade coal. Presently, only 4 mines having total capacity of 9.15 MT are in operation in this area.



As per the Roadmap for 1 Billion Tonne Coal production by 2019-20, SECL's coal production has been projected as 239.60 MT in the year 2019-20 envisaging an incremental production of 101.67 over actual production in 2015-16. The incremental production from ongoing projects will be 97.84 MT whereas from Future projects will be 9.00 MT, while production will decline from existing/completed projects.

The major contributors in ongoing projects will be Gevra (70 MTY), Kusmunda (50 MTY), Pelma (15 MTY), Jagannathpur (3 MTY), Kartali East OC (2.5 MTY), Jampali OC (2 MTY), Chhal OC Seam-III (6 MTY), Bijari OC (1.5 MTY), Madan nagar OC (12 MTY), Amritdhara OC (2 MTY), Rampur Batura OC (4 MTY), Saraipali OC (1.4 MTY), Malachua (3.0 MTY) OCPs. The major Future projects contributing 9.00 MT in 2019- 20 will be Batura West OC (1.5 MTY), Baroud Expn OC (15 MTY), Chirimiri OC Expn (2 MTY) and Vijay West OC (3 MTY).

### TECHNOLOGY UP-GRADATION

As per the Roadmap for 1 Billion Tonne Coal production by 2019-20, SECL's major contribution will come from opencast mines. The OC production is planned for 217.54 in 2019-20 with a growth of 79.61 MT (57.72%) over 137.93 MT produced in 2015-16.

Large capacity HEMMs like 42M<sup>3</sup> Electric Rope Shovel, 240 T Rear Dumpers, 850 HP Dozer and Rapid Loading System will be deployed in Mega OC projects. High Capacity Surface Miners (up to capacity of 10 MTY) have also been envisaged for deployment. In-pit conveyors, Silo and Rapid Loading System is envisaged for coal evacuation in all mega projects.

### COAL LOADING & EVACUATION

Rapid Loading System (RLS), very high capacity SILOs with Merry-Go-Round (MGR) are in operation at Gevra Expn OC & Dipka Expn OC Projects and are planned in other mega OCPs. To enhance the coal dispatch, Rapid Loading System/ SILO have been planned and approved in 04 projects viz., in Kusmunda, Gevra, Chhal OC & Pelma OC. This system of efficient loading is also in compliance with Environmental stipulation.

### COAL TRANSPORT INFRASTRUCTURE

Creating transport infrastructure and managing logistics to move coal from the point of origin to consumption units is a major challenge for sustainable development. Development of rail infrastructure and adequate road network for coal movement is a challenging task and would require fresh initiatives. Railways play a major role in timely evacuation of coal and commensurate infrastructure for faster movement has been persistently addressed by taking new initiatives.

#### Railway Sidings:

Various developmental activities with respect to constructions of new sidings are being taken up considering increase in production of coal in the near future. To cater the need of coal evacuation, network of Railway Sidings is laid in different Areas of Korba and CIC Coalfields of SECL and at present there are 33 Nos. Railway Sidings for dispatch of coal as detailed below:

S.N.	Coalfield	No. of Railway Sidings	Capacity (in MTY)
1	Korba Coalfields	16	95.90
2	CIC Coalfields	17	27.15
	<b>Total</b>	<b>33</b>	<b>123.05</b>

In Korba Coalfields, out of 16 Nos. of Siding having capacity of 95.90 MTY, 5 Nos. of Siding having capacity of 25 MTY are being used by Washery Operators, 1 No. Rapid Loading System (RLS) having capacity of 16 MTY at Gevra Project is being used by NTPC, Korba, 1 No. RLS having capacity of 16 MTY at Dipka Project is being used for NTPC, Seepat and 1 No. Siding of capacity 2.80 MTY at Manikpur, Korba is being used for CSEB-Korba. Thus, a total of 36.10 MTY of Siding capacity of SECL is being used in Korba Coalfields. Further, Construction of a new siding for Rapid Loading System at Junadih Siding of Gevra Area is at completion stage, which will further increase coal dispatch capacity of Siding at this Area.

According to the projections made in the Roadmap for 1 Billion Tonne Coal production by CIL in 2019-20, it is apparent that in SECL, the quantum jump in coal production is coming from Raigarh and Korba coalfields through commissioning of new projects and implementation of expansion projects. Evacuation from these coalfields is very critical and will be

heavily dependent on two rail corridors namely East Corridor in Raigarh coalfield and East-West Corridor in Korba Coalfield under implementation through Joint venture projects viz. CERL & CEWRL, involving SECL, IRCON and Govt. of Chhattisgarh.

Construction of new wharf wall siding for Mahan-II OCP towards dispatch arrangement has been completed and regular dispatch is likely to be started soon after completion of OHE work by SEC Railway. Feasibility Study Report under Stage- I activity as per MoU between CIL and RITES for Rail Infrastructure in SECL is under approval of SEC Railway for construction of a proposed new Siding for Jagannathpur Group of Mines of Bhatgaon Area. MOU has also been entered between CIL and RITES on 30.07.2015 for Rail Infrastructures in the Subsidiaries of CIL.

### Coal Handling Plants:

Construction of a Coal Handling Plant (CHP) with In-pit Conveyor Belt System has been completed at Dipka Expansion OC to facilitate the coal transportation directly from coal face to NTPC-Seepat as well as to other consumers. Construction of a Coal Handling Plant (CHP) with In-pit Conveyor (2300 TPH) is under process at Gevra. Another CHP consisting of 2x4x100 T truck receiving hoppers, 20,000 T capacity overhead RCC bunker at Kusmunda is also under construction and is likely to be commissioned by February, 2017.

### Subsidiary Joint Venture Companies (CERL & CEWRL):

In terms of the Memorandum of Understanding (MoU) signed between South Eastern Coalfields Limited (SECL), IRCON International Limited (IRCON) and the Government of Chhattisgarh, for establishment of the two Railway Corridors viz., East Corridor and East-West Corridor, Two (02) Joint-Venture Companies had been formed in March, 2013, as subsidiaries of SECL with 64% stake in each JV, viz., M/s. Chhattisgarh East Railway Limited (CERL) and M/s. Chhattisgarh East-West Railway Limited (CEWRL). Both the rail corridors have been notified by Ministry of Railways as 'Special Railway Project' to provide national infrastructure and the corridors once completed will cater to the evacuation of coal from Mand-Raigarh Coalfields and Korba-Gevra Coalfields of SECL and will be used both for freight and passenger traffic.

#### 1. Progress of East Rail Corridor/ Chhattisgarh East Railway Limited (CERL):

- The Revised Detailed Project Report (DPR) for Phase-I of the Project i.e. from Kharsia – Chhal – Gharghoda – Korichhapar up to Dharamjaigarh with a Spur-28 km from Gharghoda to Donga Mahua for about 104 Km to connect Mines of Gare- Pelma Block and three feeder lines at Chhal, Baroud and Dharamjaigarh with an additional length of about 29.2 Km has been approved at a revised total Project Cost of ₹ 3,055.15 Crore. The said DPR has been recommended by CERL, SECL and later approved by CIL Board. Further, the DPR has also been submitted by CERL to Railway Board for seeking necessary approval and inflated mileage.
- Land acquisition and Forest Clearance - The Private land in 0-10 KM and 10-74 KM of rail alignment, has been transferred in the name of SEC Railway. The award of land for Spur -28 KM is under preparation. The transfer of 49.032 Hectares of Government Land for 43 villages for 0-10 KM, 10-74 KM and Spur -28 KM has been approved by the Government of Chhattisgarh. Stage-II Forest Clearance for 76.099 Hectares (10-74 KM) for diversion of Forest Land has been obtained and the process of tree felling has been completed. The proposal for diversion of forest land for 12 Villages in 0-10 KM and Spur 0-28 KM has been submitted and is under active consideration for approval.
- Construction work of the East Corridor Phase-I has commenced during the financial year after award works against various tenders amounting to ₹ 520.21 Crore, consisting of construction of major and minor bridges and preparation of rail bed and road bed for various segments in 0-74 KM rail alignment.

#### 2. Progress of East-West Rail Corridor/ Chhattisgarh East-West Railway Limited (CEWRL):

- The Rail alignment of East-West Rail Corridor is spread over Bilaspur and Korba Districts of Chhattisgarh. The rail alignment for the East West Rail Corridor project has been crystallized by including about 35 KMs of Feeder lines to connect Kartali, Ambica, Saraipali and Vijay West Mines along with connectivity to Kusmunda, Junadih and Dipka Sidings of SECL.
- The Detailed Project Report (DPR) of East-West Rail Corridor Project from Gevra Road to Pendra Road via Dipka, Katghora, Sindurgarh, Pasan, approximately 135.30 km in length with connectivity to Kusmunda, Junadih and Dipka Sidings along with a provision to construct and integrate with the East West Rail Corridor



for about 35 KMs of Feeder lines to connect Kartali, Ambica, Saraipali and Vijay West Mines of SECL has been prepared and submitted by IRCON and duly independently financially appraised by M/s CARE Kalypto Risk Technologies & Advisory Services Pvt. Ltd., Mumbai at a total Project Cost of ₹ 5457.13 Crore.

- Land acquisition and Forest Clearance - Award for transfer of Private land in Bilaspur District has been issued and CEWRL has deposited a sum of ₹ 29.14 Crore for payment as land compensation. 20E notification under Railway Act for 45 villages have been published and preparation of award is under process. No Objection Certificate (NoC)s for construction of Rail Corridor on land owned by SEC Rly and SECL are under process. NoCs for transfer of Govt. Land in Bilaspur District and for 27 villages in Korba Dist. have been obtained. The proposal for diversion of forest land for construction is under process. The preparation of 'Wild life conservation plan' has been entrusted to TFRI, Jabalpur.
- Tenders have been floated to award construction works on the rail corridor.

#### E. RISKS AND CONCERNS:

Mining activity is site specific, having limitation in operation due to specific geological configuration in coal deposits, geological reserves, stratigraphy of coal deposits, available technology, depth of deposits and these parameters cannot be changed. Following risk and concerns are involved:

- Obtaining environmental clearance and forestry clearance.
- High cost of Rehabilitation & Resettlement (R&R).
- In Underground method of working, extraction percentage is much less in comparison to opencast method of working and total land over the panels to be extracted needs to be acquired leading to high cost of production. Eventually, the Underground mining projects are becoming economically non-viable because of low IRR.
- Opencast working by outsourcing option is becoming economically viable at a greater depth even up to 200 to 300 meters, thus discouraging the Underground Mining option.
- No new underground mines have come up in SECL and the old mines are getting arduous day by day due to long distance travel and exhaustion of thick coal seam.
- The method of coal mining by opencast method and the need for the compliance of different provisions related to environmental issues is a great challenge.
- The limitation of existing Laws applicable for mining and the actual relaxation needed in the present context are the great challenge.
- Bigger size Opencast Mines with Mega capacity demands more population of HEMM, however there is long lead time involved in procurement of HEMMs & their spares and other E&M items.
- Marketing risk for high grade coal being produced by SECL.
- Physical possession of land and finalization of employment issues of PAPs and demand of employment by PAPs beyond the prescribed norms often results in law & order problems and hindrance in coal production and dispatch.
- Non-availability of adequate railway infrastructure in the form of transportation capacity leading to mismatch of supply of Railway wagons with requirement, will adversely affect Coal Off-take.
- Gradual reduction of skilled manpower, particularly in in UG mines affecting the idleness of UG equipment resulting into reduction in productivity.

#### F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has well established Internal Control systems and procedures commensurate with its size and nature of business with an approved and well laid down delegation of authority at various levels for ensuring appropriate authorization and approval of transactions. Policy in the form of Purchase Manual, Contract Management Manual, Civil Engineering Works Manual, defining the practices & procedures to be adopted for procurement and award of contracts are in place. The Internal audit is conducted by external firms of Chartered/Cost Accountants covering all the Offices/ Areas/Units of operation and their reports are reviewed by the Audit Committee of SECL Board. Further, the accounts of the Company are subject to Comptroller & Auditor General of India (CAG) audit in addition to the propriety audit conducted by them.

Internal Financial Control Measures/Guidelines has been issued by CIL for necessary compliance by all subsidiaries of CIL which has been complied with to ensure orderly and efficient conduct of business. Further, Internal Auditors have certified that 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 on 31<sup>st</sup> March, 2016. The Statutory/ Branch Auditors while reporting on the Financial Statements of the Company, also issue a separate and specific report on the adequacy and operating effectiveness of Internal financial controls, titled as "Report on the Internal Financial Controls under Clause (i) to Sub-section 3 of Section 143 of the Companies Act, 2013". Such report has been given on both standalone and consolidated accounts of the Company.

**G. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

Covered in the main report.

**H. MATERIAL DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:**

Covered in the main report.

**I. ENVIRONMENTAL PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, RENEWABLE ENERGY DEVELOPMENTS, FOREIGN EXCHANGE CONSERVATION:**

Covered in the main report.

**J. CORPORATE SOCIAL RESPONSIBILITY:**

Covered in the main report.

**K. CAUTIONARY STATEMENT:**

Statements in the 'Management Discussion & Analysis Report' and 'Directors' Report' describing the Company's objectives, projections and estimates, expectations and predictions, etc. may be "forward looking statements" and progressive within the meaning of applicable laws and regulations.

Forward looking statements contained herein are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in the forward looking statements. Actual results may vary materially from those expressed or implied depending upon economic conditions, government policies and other incidental factors. Readers are cautioned not to place undue reliance on the Forward Looking Statements.

For and on behalf of the Board of Directors of  
SOUTH EASTERN COALFIELDS LIMITED

Sd/-  
**(Kuldip Prasad)**  
Director (Technical) Project & Planning  
DIN: 07463640

Sd/-  
**(B. R. Reddy)**  
Chairman-cum-Managing Director  
DIN: 07001710

Place: Kolkata  
Dated: 23.05.2016

**Annexure-VII****Extract of Annual Return****For the Financial Year ended on March 31<sup>st</sup>, 2016****(Form No. MGT-9)***[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** : U10102CT1985GOI003161
- ii) **Registration Date** : 28/11/1985
- iii) **Name of the Company** : SOUTH EASTERN COALFIELDS LIMITED
- iv) **Category / Sub-Category of the Company** : Category - Company Limited by Shares  
Sub-Category – Union Government Company
- v) **Address of the Registered office and contact details** : SECL Bhawan, Seepat Road, Bilaspur  
(Chhattisgarh) – 495006  
Contact Nos. – Tel: 07752-246340, 417666  
Fax: 07752-246412, 417666
- vi) **Whether listed Company** : Yes/ No
- vii) **Name, Address and Contact details of Registrar and Transfer Agent, if any:** Not Applicable

**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 Mining	0510	100%
2			
3			

**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
1	Coal India Limited, Address: Coal Bhawan, Premises No-04-MAR, Plot-AF-III Action Area-1A, New Town Rajarhat Kolkata (West Bengal) - 700156	L23109WB1973GOI028844	HOLDING	100%	2(46)
2	Chhattisgarh East Railway Limited Address: Mahadev Ghat Road, Raipura Chowk, Raipur (Chhattisgarh) - 492013	U45203CT2013GOI000729	SUBSIDIARY	71.11%	2(87)
3	Chhattisgarh East-West Railway Limited Address: Mahadev Ghat Road, Raipura Chowk, Raipur (Chhattisgarh) - 492013	U45203CT2013GOI000768	SUBSIDIARY	71.02%	2(87)

## IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

## (i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>	-	-	-	-	-	-	-	-	-
<b>(1) Indian</b>	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	35,96,997	35,96,997	99.9999 %	-	35,96,997	35,96,997	99.9999 %	NIL
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	-	35,96,997	35,96,997	99.9999 %	-	35,96,997	35,96,997	99.9999 %	NIL
<b>(2) Foreign</b>	-	-	-	-	-	-	-	-	-
a) NRIs – Individual	-	-	-	-	-	-	-	-	-
b) Other Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1)+ (A)(2)</b>	-	35,96,997	35,96,997	99.9999 %	-	35,96,997	35,96,997	99.9999 %	NIL
<b>B. Public Shareholding</b>	-	-	-	-	-	-	-	-	-
<b>1. Institutions</b>	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	35,96,997	35,96,997	99.9999 %	-	35,96,997	35,96,997	99.9999 %	NIL



**(ii) Shareholding of Promoters:**

S.N.	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	35,96,997	99.9999 %	NIL	35,96,997	99.9999 %	NIL	NIL
	<b>Total</b>	<b>35,96,997</b>	<b>99.9999 %</b>	<b>NIL</b>	<b>35,96,997</b>	<b>99.9999 %</b>	<b>NIL</b>	<b>NIL</b>

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

S.N.	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
	At the beginning of the year	35,96,997	99.9999 %	35,96,997	99.9999 %
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		<b>NO CHANGE</b>		
	At the End of the year	35,96,997	99.9999 %	35,96,997	99.9999 %

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

S.N.	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
<b>1.</b>	<b>Sutirtha Bhattacharya :</b>				
	At the beginning of the year	01	0.00003	01	0.00003
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	00	0.00	00	0.00
	At the End of the year ( or on the date of separation, if separated during the year)	01	0.00003	01	0.00003

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

S.N. 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
<b>1. Om Prakash:</b>				
At the beginning of the year	01	0.00003	01	0.00003
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	[on 01.03.2016] (-) 01 Share (due to transfer upon superannuation)	0.00003	00	0.00
At the End of the year	00	0.00	00	0.00
<b>2. B. R. Reddy:</b>				
At the beginning of the year	00	0.00	00	0.00
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	[on 01.03.2016] (+) 01 Share (due to transfer upon assuming charge of CMD, SECL)	0.00003	01	0.00003
At the End of the year	01	0.00003	01	0.00003
<b>3. Vivek Bharadwaj :</b>	NIL	NIL	NIL	NIL
<b>4. Abhijit Chatterjee :</b>				
At the beginning of the year	01	0.00003	01	0.00003
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	[on 24.05.2015] (-) 01 Share (due to transfer upon superannuation)	0.00003	00	0.00
At the End of the year	00	0.00	00	0.00
<b>5. Chandan Kumar Dey</b>				
At the beginning of the year	00	0.00	00	0.00
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	[on 24.05.2015] (+) 01 Share (due to transfer upon assuming charge of D(F), CIL)	0.00003	01	0.00003
At the End of the year	01	0.00003	01	0.00003
<b>6. Sunil Kumar</b>	NIL	NIL	NIL	NIL
<b>7. Prof. B. S. Sahay</b>	NIL	NIL	NIL	NIL
<b>8. Ambika Prasad Panda</b>	NIL	NIL	NIL	NIL
<b>9. Ram Prabesh Thakur</b>	NIL	NIL	NIL	NIL
<b>10. Rama Shankar Jha</b>	NIL	NIL	NIL	NIL
<b>11. Kuldip Prasad</b>	NIL	NIL	NIL	NIL
<b>12. Syed Mohammed Yunus</b>	NIL	NIL	NIL	NIL



**V. INDEBTEDNESS:**

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

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

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

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

(₹ in Lakh)

S.N.	Particulars of Remuneration	Name of MD/WTD/ Manager						Total Amount	
		Om Prakash	B. R. Reddy	A. P. Panda	R. P. Thakur	R. S. Jha	Kuldip Prasad		SM Yunus
1.	Gross salary								
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30.45	2.08	26.99	28.48	22.90	3.71	23.82	138.43
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.74	0.14	1.71	1.69	1.42	0.23	1.34	9.27
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.	Stock Option	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.	Commission	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	- as % of profit								
	- Others, specify								
5.	Others, please specify	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total (A)</b>	<b>33.19</b>	<b>2.22*</b>	<b>28.70</b>	<b>30.17</b>	<b>24.32</b>	<b>3.94**</b>	<b>25.16</b>	<b>147.70</b>

**Note:**

\*Denotes Remuneration for the period 01.03.2016 to 31.03.2016.

\*\*Denotes Remuneration for the period 10.02.2016 to 31.03.2016.

**B. Remuneration to other directors:**

(₹ in Lakhs)

S.N.	Particulars of Remuneration	Name of Directors			Total Amount
		Sunil Kumar	Prof. B. S. Sahay	Position Vacant during the year	
1.	<b>Independent Directors</b>			Position Vacant during the year	
	- Fee for attending board/ committee meetings	1.35	1.35	-	2.70
	- Commission	NIL	NIL	-	NIL
	- Others, please specify	NIL	NIL	-	NIL
	<b>Total (1)</b>	<b>1.35</b>	<b>1.35</b>	<b>-</b>	<b>2.70</b>
2.	<b>Other Non-Executive Directors</b>	Ajay Kumar Bhalla	Vivek Bharadwaj	Chandan Kumar Dey	
	- Fee for attending board/ committee meetings	NIL	NIL	NIL	NIL
	- Commission	NIL	NIL	NIL	NIL
	- Others, please specify	NIL	NIL	NIL	NIL
	<b>Total (2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
	<b>Total (B)=(1+2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.70</b>
	<b>Total Managerial Remuneration</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.70</b>

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

(₹ in Lakh)

S.N.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.08	23.82	26.99	52.89
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.14	1.34	1.71	3.19
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00	0.00	0.00
2.	Stock Option	0.00	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00	0.00
4.	Commission	0.00	0.00	0.00	0.00
	- as % of profit				
	- Others, specify				
5.	Others, please specify	0.00	0.00	0.00	0.00
	<b>Total</b>	<b>2.22*</b>	<b>25.16</b>	<b>28.70</b>	<b>56.08</b>

**Note:**

\*Denotes Remuneration for the period 01.03.2016 to 31.03.2016.

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

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

For and on behalf of the Board of Directors of  
SOUTH EASTERN COALFIELDS LIMITED

Sd/-  
**(A. P. Panda)**  
Director (Finance)  
DIN: 06664375

Sd/-  
**(B. R. Reddy)**  
Chairman-cum-Managing Director  
DIN: 07001710

Place: Kolkata  
Dated: 23.05.2016

# Financial Statements Standalone



₹1,332,75

80,64

54,144

21,500

5,000

Balance Sheet

Assets

Current Asset  
Cash  
Acc



## Comments of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the Financial Statements of South Eastern Coalfields Limited for the year ended 31<sup>st</sup> March, 2016

The preparation of Financial Statements of South Eastern Coalfields Limited for the year ended 31<sup>st</sup> March, 2016 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 Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the Financial Statements under Section 143 of the Act based on independent audit in accordance with 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 23.05.2016.

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 South Eastern Coalfields Limited for the year ended 31<sup>st</sup> March, 2016. This Supplementary Audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report.

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

**Sd/-**  
**(Praveer Kumar)**  
Principal Director of Commercial Audit &  
Ex-Officio Member, Audit Board-II  
Kolkata

Kolkata  
Dated: 22.06.2016

# Independent Auditors' Report

To  
**The Members of South Eastern Coalfields Limited**

## Report on the Financial Statements

We have audited the accompanying Standalone Financial Statements of **SOUTH EASTERN COALFIELDS LIMITED ('the Company')**, which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information in which are incorporated returns for the year ended on that date audited by the branch auditors of the Company's branches at Johilla (Post-Nawrozabad Colliery), Sohagpur (Post Dhanpuri), Jamuna & Kotma (Post-Jamuna Colliery), Hasdeo (Post- South Jhagrakhand Colliery), Chirimiri (Post- Chirimiri Colliery), Baikunthpur (Post-Baikunthpur Colliery), Bishrampur (Post- Bishrampur Colliery), Bhatgaon (Post-Jarhi), Dankuni Coal Complex (Post-Dankuni Coal Complex) and Kolkata Sales Office.

## Management's Responsibility for the Standalone Financial Statements

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

## Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the 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 Financial Statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in manner so required and give a true and fair view in conformity with accounting policies generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2016 and its profit and its cash flows for the year ended on that date.

## Other Matters

We did not audit the Financial Statements /information of 10 branches included in the Standalone Financial Statements of the Company whose Financial Statements / financial information reflect total Assets of ₹ 33042.27 Crore as at 31.03.2016



and total revenue of ₹ 6243.31 Crore for the year ended on that date as considered in the Standalone Financial Statements. The Financial Statements/information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of such matter.

### Report on Other Legal and Regulatory Requirements

1. As required by section 143(5) of the Act, we give in **Annexure-I**, a Statement on the Directions issued by the Comptroller and Auditor General of India after complying with the suggested methodology of Audit, the action taken thereon and its impact on the accounts and Financial Statements of the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013; we enclose in the **Annexure-II** a statement on the matters specified in paragraph 3 and 4 of the Order to the extent applicable.
3. 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 purposes of our audit of the Financial Statements.
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us.
  - c) The reports on the accounts of the branch offices of the Company audited under section 143(8) of the act by the branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
  - d) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the relevant books of accounts and with the returns received from branches not visited by us.
  - e) In our opinion, the aforesaid Balance Sheet, Statement of Profit and Loss and Cash Flows subject to our observations in the Annexure, comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - f) In pursuance with MCA Exemption Notification No. G.S.R. 463(E) dated 05.06.2015 in relation to the appointment of Directors, in which subsidiary Company of Government Company is being exempted for applicability of Section 164(2) of the Companies Act, 2013.
  - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure III**".
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    1. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements- Refer Note "Contingent Liabilities" under note 34 (1)(k), to the Financial Statements.
    2. The Company has made provisions as required under the applicable law or Accounting Standards, for material foreseeable losses if any, on long term contracts including derivative contracts.
    3. According to the information and explanations given to us, the Company is not required to transfer any amount to Investor Education and Protection Fund in accordance with relevant provisions of the Companies Act, 2013 and rules made there under.

Our report is not modified in respect of this matter.

**For J N Mital and Company**  
Chartered Accountants  
(FRN 003587N)

**Sd/-**  
**(CA Rajendra Mittal)**  
(Partner)  
(M No. 084470)

Place: New Delhi  
Date : 23<sup>rd</sup> May, 2016

## Annexure-I to the Auditors' Report

**Annexure – I** referred to in paragraph 1 of “Report on Other Legal and Regulatory Requirements” of our Independent Auditor’s Report to the member of the Company on the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2016, we report that:

**Report on Directions under section 143(5) of Companies Act 2013 in respect of M/s South Eastern Coalfields Ltd. for the year 2015-16**

Sl. No.	Directions	Action taken & Auditor’s Reply	Impact on Accounts and Financial Statements
1	Whether the Company has clear title/lease deeds for freehold and leasehold respectively? If not, please state the area of freehold and leasehold for which title/lease deeds are not available?	Title Deeds and/or Lease Deeds of Land and Building and Mining Rights prior to incorporation of the Company, are continue to be held in the name of the Holding Company and its other Subsidiaries (Refer to Note 10 C (b))  Yes, the Company has clear title/lease deeds for freehold land of 231.083 hectares directly purchased by the Company.  In respect of leasehold land vested under CBA (A&D) Act, 1957 and LA Act, 1894 to the tune of 9682.837 hectares, the Company is in possession of section 11 orders of CBA (A&D) Act, 1957 published in the official gazette. Similarly, the Company is in possession of 112.721 hectares of land acquired through executive orders, 8150.394 hectares acquired under state code and 4743.547 hectares acquired via Forest Conservation Act, 1980. As explained to us and on the basis of information obtained by us, no separate title deeds in the name of the Company are required to be in possession in respect of the above mentioned leasehold lands.	There is no impact on the Financial Statements.
2	Whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	No waiver/ write off of debts/ loans/ interest etc. during the year.	There is no impact on the Financial Statements.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.	As per the information and explanations provided to us that neither inventories are lying with third parties nor any assets were received as gift from government or other authorities.	There is no impact on the Financial Statements

**Report on Additional directions under section 143(5) of the Companies Act, 2013 in respect of M/s South Eastern Coalfields Ltd. for the year 2015-16**

Sl. No.	Additional directions	Action taken & Auditor’s Reply	Impact on accounts and Financial Statements
1.	Whether coal stock measurement was done keeping in view the contour map? Whether physical stock measurement reports are accompanied by contour map in all cases? Whether new heap, if any, created during the year has got the approval of the competent authority?	Yes, stock measurement was done keeping in view the contour map and physical stock measurement reports are accompanied by contour map. New heaps created during the year at various units have got approval of the competent authority.	There is no impact on the Financial Statements.



Sl. No.	Additional directions	Action taken & Auditor's Reply	Impact on accounts and Financial Statements
2.	Whether the Company conducted physical verification exercise of assets and properties at the time of merger/split/re-structure of an Area. If so, whether the concerned subsidiary followed the requisite procedure?	There is no merger/split/re-structure of an Area during the year under review and therefore no physical verification of assets and properties is required.	There is no impact on the Financial Statements.
3.	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 2015-16?	As per the information and explanations given to us, uniform treatment of land acquisition and interest on delayed payment of land compensation to project affected persons (PAPs) in accordance with significant accounting policy of the Company are being considered by the Company.	There is no impact on the Financial Statements.
4.	Whether disputes, if any, as to GCV ranges as a result of sampling have been duly examined?	No such disputes in respect GCV ranges noticed were observed during the year under review.	There is no impact on the Financial Statements.

## Annexure-II to the Auditors' Report

**Annexure - II** referred to in paragraph 2 of "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's Report to the member of the Company on the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2016, we report that:

1. In respect of Fixed Assets:
  - a. The Company has generally maintained proper records showing full particulars including quantitative details and location of Fixed Assets.
  - b. Physical verification of fixed assets had been made by the management as required by the policy of the Company during the year under review.
  - c. In respect of land vested during Pre-incorporation period the title deeds are in the name of the Holding Company (Coal India) and its subsidiaries (Refer to Note 10C (b)). Yes, the Group has clear title/lease deeds for freehold and in respect of leasehold lands acquired under CBA Act, 1957, LA Act 1894, State Code, Executive Orders, and Forest Conservation Act, 1980, no such title deeds are necessary as informed and explained to us.
2. In respect of Inventories:
 

According to the information and explanations given by the management, the inventory has been physically verified by Company management at regular interval and material discrepancies noticed have been properly dealt with in the books of account.
3. As per the information and explanations given to us, the Company has granted loans to two parties covered in the register maintained under section 189 of the Companies Act, 2013.
  - a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company
  - (b) Since the repayment of interest does not fall due during the year as stipulated in the terms of arrangement, paragraph 3(b) of the order is not applicable.
  - (c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public.

6. We have broadly reviewed the cost records maintained by the Company as prescribed by the Central Government under section 148 (1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with the view to determine whether they are accurate or complete.
7. a) According to the information and explanation given by the Company, the Statutory dues payable by the Company comprising of Provident fund, Sales tax, Stowing Excise duty, Service tax, Income tax deducted/collected at source, Entry tax, Professional Tax and Royalty etc., the Company has been regularly depositing the aforesaid undisputed dues to the appropriate authorities. There are no undisputed statutory dues as referred to above as on 31<sup>st</sup> March 2016 outstanding for a period of more than six months from the date, they become payable. The Employees State Insurance is not applicable to the area.
- b) The particulars of disputed statutory dues as on 31<sup>st</sup> March 2016 are as follows:

Name of the Area	Name of the Statute	Nature of the dues	Amount (₹ in Crore)	Period to which relates	Forum where dispute is pending
Johilla	MPGATSVA, 2005	MP Sadak Vikas Kar	15.23	2004-05 to 2013-14	Hon'ble Supreme Court of India
	MP Municipalities Act, 1961	Terminal Tax	11.03	Sept, 2004 to March, 2014	Hon'ble Supreme Court of India
	MP/CG Sthaniya Ksetra me Mal ke Pravesh Par Kar Adhinyam, 1976	Entry Tax	6.17	2001-02 to 2013-14	Addl/ Dy. Commissioner of CT
	Central Sales Tax Act, 1956	Central Sales Tax	0.37	98-99,01-02,04-05, 05-06, 06-07, 09-10,11-12	Addl/ Dy. Commissioner of CT
	MP VAT Act, 2002	State Sales Tax /VAT	0.19	2003-04 to 2013-14	Addl/ Dy. Commissioner of CT
DCC	Central Excise Act,1944	Excise duty	2.1	Sep-2000 to March, 2002	CESTAT(Tribunal), Kolkata
	Central Excise Act,1944	Excise duty	7.14	Sep-1996 to March, 2000	High Court, Kolkata
	W.B. Sthaniya Ksetra me Mal ke Pravesh Par Kar Adhinyam, 1976	Entry Tax	2.39	2012-13 to 2015-16	High Court, Kolkata
Jamuna & Kotma	MPGATSVA, 2005	MP Sadak Vikas Kar	16.14	2005-06 to 2015-16	Hon'ble Supreme Court of India
	MP Municipalities Act, 1961	Terminal Tax	26.78	2005-06 to 2015-16	Hon'ble Supreme Court of India
	MP/CG Sthaniya Ksetra me Mal ke Pravesh Par Kar Adhinyam, 1976	Entry Tax	18.53	1993-94 to 2013-14	Addl/ Dy. Commissioner of CT
	Central Sales Tax Act, 1956	Central Sales Tax	3.03	1997-98 to 2013-14	Addl/ Dy. Commissioner of CT
	MP VAT Act, 2002	State Sales Tax /VAT	10.44	2006-07 to 2013-14	Addl/ Dy. Commissioner of CT
Bhatgaon	MP/CG Sthaniya Ksetra me Mal ke Pravesh Par Kar Adhinyam, 1976	Entry Tax	0.85	98-99, 02-03, 03-04	Appellate Authority
Raigarh	MP/CG Sthaniya Ksetra me Mal ke Pravesh Par Kar Adhinyam, 1976	Entry Tax	0.12	1999-2000	Tribunal, Raipur
		Entry Tax	0.14	2001-02	ACCT, Raigarh
Korba	MP/CG Sthaniya Ksetra me Mal ke Pravesh Par Kar Adhinyam, 1976	Entry Tax	0.34	1981-82	Tribunal, Raipur
		Entry Tax	0.02	1992-93	ACCT, Korba
		Entry Tax	0.03	2002-03	ACCT, Korba
		Entry Tax	0.15	2004-05	ACCT, Korba
	MP General Sales Tax Act, 1956	Sales Tax	0.02	1991-92	ACCT, Raipur



Name of the Area	Name of the Statute	Nature of the dues	Amount (₹ in Crore)	Period to which relates	Forum where dispute is pending
Sohagpur	MPGATVA, 2005	MP Sadak Vikas Kar	36.13	Up to 2015-16	Hon'ble Supreme Court of India
	MP Municipalities Act, 1961	Terminal Tax	79.63	Up to 2015-16	Hon'ble Supreme Court of India
	MP/CG Sthaniya Ksetra me Mal ke Pravesh Par Kar Adhiniyam, 1976	Entry Tax	40.83	Up to 2015-16	Addl/ Dy. Commissioner of CT
	Central Sales Tax Act, 1956	Central Sales Tax	1.77	Up to 2015-16	Addl/ Dy. Commissioner of CT
	MP Commercial Tax Act, 1994 / MP VAT Act, 2002	State Sales Tax /VAT	11.82	Up to 2015-16	Addl/ Dy. Commissioner of CT
Baikunthpur	MP General Sales Tax Act, 1956 / CG Commercial tax Act, 1994 / CG VAT Act, 2005	Sales Tax	1.57	92-93, 95-96, 98-99, 00-01 to 03-04, 05-06, 06-07, 07-08 & 2008-09 to 2012-13	Before different Authorities
	MP/CG Sthaniya Ksetra me Mal ke Pravesh Par Kar Adhiniyam, 1976	Entry Tax	1.44	92-93, 95-96, 98-99, 00-01 to 03-04, 05-06, 06-07 & 07-08	Before different Authorities
Chirimiri	MP/CG Sthaniya Ksetra me Mal ke Pravesh Par Kar Adhiniyam, 1976	Entry Tax	0.1	1987-88, 88-89, 98-99 to 02-03	CG Taxation Tribunal (Raipur)
	Central Sales Tax Act, 1956	CST	0.34	2000-01 & 2001-02	High Court, Bilaspur
Hasdeo	MP Municipalities Act, 1961 / CG Municipalities Act, 1961	Terminal Tax	76.93	Up to 2015-16	Hon'ble Supreme Court of India
	MP/CG Sthaniya Ksetra me Mal ke Pravesh Par Kar Adhiniyam, 1976	Entry Tax	0.38		Addl. Commissioner of Commercial tax/ Dy. Commissioner of Commercial Tax
	Central Sales Tax Act, 1956	CST	1.76		Addl. Commissioner of Commercial tax/ Dy. Commissioner of Commercial Tax
	MP VAT Act, 2002 / CG VAT Act, 2005	VAT	11.82		Addl. Commissioner of Commercial tax/ Dy. Commissioner of Commercial Tax
	MP Sadak Vikas Upkar	MPSVU	36.13		Hon'ble Supreme Court of India
	Service Tax	Service Tax	9.85		CESTAT, New Delhi
Bishrampur	MP General Sales Tax Act, 1956 / CG Commercial tax Act, 1994 / CG VAT Act, 2005	Sales Tax	1.57	94-95, 96-97 to 98-99, 01-02, 02-03, 05-06	Before different Authorities
	MP/CG Sthaniya Ksetra me Mal ke Pravesh Par Kar Adhiniyam, 1976	Entry Tax	1.44	94-95 to 03-04	Before different Authorities

Name of the Area	Name of the Statute	Nature of the dues	Amount (₹ in Crore)	Period to which relates	Forum where dispute is pending
Gevra	MP/CG Sthaniya Ksetra me Mal ke Pravesh Par Kar Adhinyam, 1976	Entry Tax	53.51	1983-84, 1990-91 to 04-05	Tribunal, Raipur
	Central Sales Tax Act, 1956	CST	1.69	1997-98 1999-00 2005-06	Tribunal, Raipur
	M.P. General Sales Tax Act, 1956	CGCT	0.01	1999-00	Tribunal, Raipur
CWS-CS Korba	MP/CG Sthaniya Ksetra me Mal ke Pravesh Par Kar Adhinyam, 1976	Entry Tax	0.63	2000-01	Additional Comm Bilaspur
		Entry Tax	0.19	2004-05	Tribunal, Raipur

8. According to the information and explanation provided to us the Company has not taken any loans or borrowings from financial institutions, banks, government or from debenture holders. Therefore, the question of default in repayment of loans does not arise.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into any transactions with the related parties during the year except with state controlled enterprises which are exempted as per AS18. The provisions of sections 177 and 188 of the Act are not applicable to the Company and therefore no disclosure required.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For J N Mital and Company**  
Chartered Accountants  
(FRN 003587N)

**Sd/-**  
**(CA Rajendra Mittal)**  
(Partner)  
(M No. 084470)

Place: New Delhi  
Date : 23<sup>rd</sup> May, 2016



## Annexure-III to the Auditor's Report

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

We have audited the internal financial controls over financial reporting of **South Eastern Coalfields Limited ("the Company")** as of **March 31, 2016** in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

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

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

#### Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Internal Financial Controls system over financial reporting.

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

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

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

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

### Opinion

In our opinion, the Company 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 March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: New Delhi  
Date : 23<sup>rd</sup> May, 2016

**For J N Mital and Company**  
Chartered Accountants  
(FRN 003587N)

**Sd/-**  
**(CA Rajendra Mittal)**  
(Partner)  
(M No. 084470)



## Balance Sheet

as at 31<sup>st</sup> March, 2016

(₹ in Crore)

	Note No.	As at March 31 <sup>st</sup>			
		2016		2015	
<b>I EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Fund</b>					
a) Share Capital	1	359.70		359.70	
b) Reserves & Surplus	2	4,741.05		9,184.41	
c) Money Received against Share Warrants		-	5,100.75	-	9,544.11
<b>(2) Share Application money pending allotment</b>			-		-
<b>(3) Non-Current Liabilities</b>					
a) Long Term Borrowing	3	-		-	
b) Deferred Tax Liabilities (Net)		-		-	
c) Other Long Term Liabilities	4	873.89		828.06	
d) Long Term Provisions	5	8,420.98	9,294.87	7,425.79	8,253.85
<b>(4) Minority Interest</b>			-		-
<b>(5) Current Liabilities</b>					
a) Short-Term Borrowings	6	-		-	
b) Trade Payables	7	97.83		107.27	
c) Other Current Liabilities	8	4,173.19		4,144.21	
d) Short-Term Provisions	9	1,598.74	5,869.76	1,290.39	5,541.87
<b>TOTAL</b>			<b>20,265.38</b>		<b>23,339.83</b>
<b>II ASSETS</b>					
<b>(1) Non-Current Assets</b>					
(a) Fixed Assets	10A				
i) Tangible Assets - Gross Block		9,007.76		8,375.90	
Less : Depreciation, Impairment & Provisions		5,241.11		4,708.73	
Net Carrying Value			3,766.65		3,667.17
ii) Intangible Assets - Gross Block	10A	591.81		566.62	
Less : Depreciation, Impairment & Provisions		329.62		324.97	
Net Carrying Value			262.19		241.65
iii) Capital Work-in-Progress	10B		413.53		529.99
iv) Intangible Assets under Development	10C		830.69		689.05

**Balance Sheet (Contd.)**

(₹ in Crore)

	Note No.	As at March 31 <sup>st</sup>	
		2016	2015
(b) Non-Current Investments	11	101.76	5.76
(c) Deferred Tax Assets (Net)		430.79	272.16
(d) Long-Term Loans & Advances	12	428.91	382.82
(e) Other Non-Current Assets	13	1,066.61	809.15
<b>(2) Current Assets</b>			
(a) Current Investments	14	95.72	123.16
(b) Inventories	15	1,839.69	1,332.09
(c) Trade Receivables	16	2,650.61	2,277.71
(d) Cash & Bank Balance	17	4,693.87	9,373.26
(e) Short-Term Loans & Advances	18	2,941.49	2,920.51
(f) Other Current Assets	19	742.87	715.35
<b>TOTAL</b>		<b>20,265.38</b>	<b>23,339.83</b>
Significant Accounting Policies	33		
Additional Notes on Accounts	34		

The Notes referred to above form an integral part of Balance Sheet.

**Sd/-**  
**(CS S. M. Yunus)**  
Company Secretary

**Sd/-**  
**(CA Y.V. Subbarao)**  
GM (Finance)

**Sd/-**  
**(A.P. Panda)**  
Director (Finance)  
DIN: 06664375

**Sd/-**  
**(B.R. Reddy)**  
Chairman-cum-Managing Director  
DIN: 07001710

As per our report annexed  
**For J N Mital & Co.**  
**Chartered Accountants**  
Firm Regn No. 003587N

**Sd/-**  
**[CA Rajendra Mittal]**  
Partner  
Membership No. 084470

Date : 23<sup>rd</sup> May, 2016  
Place : Kolkata



## Statement of Profit & Loss

for the Year ended 31<sup>st</sup> March, 2016

(₹ in Crore)

	Note No.	For the Year ended 31.03.2016	For the Year ended 31.03.2015
<b>INCOME</b>			
<b>I</b>			
Revenue From Operations			
<b>A.</b> Sale of Coal, Coke etc.	20	<b>24,900.03</b>	22,004.53
Less : Excise Duty		<b>1,198.20</b>	1,152.23
Other Levies		<b>6,956.16</b>	4,557.32
Net Sales		<b>16,745.67</b>	16,294.98
<b>B.</b> Other Operating Revenue (Net)		<b>391.18</b>	336.49
Revenue From Operations (A+B)		<b>17,136.85</b>	16,631.47
<b>II</b> Other Income	21	<b>1,083.79</b>	1,447.64
<b>III Total Revenue (I+II)</b>		<b>18,220.64</b>	18,079.11
<b>IV EXPENSES</b>			
Cost of Material Consumed	22	<b>1,522.08</b>	1,669.34
Purchase of Stock-in-trade		-	-
Change in inventories of finished goods, work in progress and Stock in trade	23	<b>(524.70)</b>	(316.95)
Employee benefit expenses	24	<b>6,404.74</b>	6,511.59
Power & Fuel		<b>620.81</b>	580.94
Corporate Social Responsibility Expenses	25	<b>270.85</b>	40.43
Repairs	26	<b>204.03</b>	193.47
Contractual Expenses	27	<b>2,100.70</b>	1,885.50
Finance Costs	28	<b>0.65</b>	0.55
Depreciation/Amortization/Impairment		<b>680.22</b>	616.47
Provisions	29	<b>322.05</b>	54.48
Write Offs	30	<b>4.19</b>	-
Overburden Removal Adjustment		<b>816.60</b>	605.55
Other Expenditure	31	<b>628.12</b>	580.18
<b>Total Expenses</b>		<b>13,050.34</b>	12,421.55
<b>V Profit before prior period, exceptional and extraordinary items and tax (III-IV)</b>		<b>5,170.30</b>	5,657.56
<b>VI</b> Prior Period Adjustment {Charges/ (Incomes)}	32	<b>(3.16)</b>	(1.98)
<b>VII</b> Exceptional Items		-	-
<b>VIII Profit before Extraordinary Items and Tax (V-VI-VII)</b>		<b>5,173.46</b>	5,659.54

**Statement of Profit & Loss (Contd.)**

(₹ in Crore)

	Note No.	For the Year ended 31.03.2016	For the Year ended 31.03.2015
<b>IX</b> Extraordinary Items		-	-
<b>X</b> Profit before Tax (VIII-IX)		<b>5,173.46</b>	5,659.54
<b>XI</b> Less : Tax Expense		-	-
- Current year		<b>2,084.19</b>	2,121.41
- Deferred Tax		<b>(158.63)</b>	(232.28)
- Earlier years		-	110.48
<b>XII</b> Profit for the Year from Continuing operations (X-XI)		<b>3,247.90</b>	3,659.93
<b>XIII</b> Profit from Discontinuing operations		-	-
<b>XIV</b> Tax expenses of Discontinuing operations		-	-
<b>XV</b> Profit from Discontinuing operations (after tax) (XIII-XIV)		-	-
<b>XVI</b> Profit for the Year (XII-XV)		<b>3,247.90</b>	3,659.93
<b>XVII</b> Earnings per Equity Share (in ₹)		-	-
(Face Value of ₹ 1000/- per Share)		-	-
(1) Basic		<b>9,029.47</b>	10,174.95
(2) Diluted		<b>9,029.47</b>	10,174.95
Significant Accounting Policies	33	-	-
Additional Notes on Accounts	34	-	-

The Notes referred to above form an integral part of Statement of Profit & Loss.

**Sd/-**  
**(CS S. M. Yunus)**  
Company Secretary

**Sd/-**  
**(CA Y.V. Subbarao)**  
GM (Finance)

**Sd/-**  
**(A.P. Panda)**  
Director (Finance)  
DIN: 06664375

**Sd/-**  
**(B.R. Reddy)**  
Chairman-cum-Managing Director  
DIN: 07001710

As per our report annexed  
**For J N Mital & Co.**  
**Chartered Accountants**  
Firm Regn No. 003587N

**Sd/-**  
**[CA Rajendra Mittal]**  
Partner  
Membership No. 084470

Date : 23<sup>rd</sup> May, 2016  
Place : Kolkata



## Cash Flow Statement (Indirect Method)

For the Year ended 31<sup>st</sup> March, 2016

(₹ In Crore)

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Net Profit before tax</b>	<b>5,173.46</b>	5,659.54
<b>Adjustment for:</b>		
Depreciation & Impairment of Fixed Assets	<b>677.06</b>	616.47
Interest Income	<b>(849.27)</b>	(1,220.11)
Dividend from Mutual fund investments	<b>(47.72)</b>	(61.10)
Interest expense	<b>0.65</b>	0.55
OBR adjustment	<b>816.60</b>	605.55
Profit/Loss on Sale of Assets [Net]	<b>0.24</b>	(1.02)
Provision for Capital WIP and P&M in Stores	<b>3.75</b>	(1.48)
Exchange Rate Fluctuation	<b>0.00</b>	0.00
<b>Operating profit before Current / Non Current Assets and Liabilities</b>	<b>5,774.77</b>	5,598.40
<b>Adjustments for :</b>		
Trade Receivable	<b>(372.90)</b>	(940.93)
Inventories	<b>(507.60)</b>	(326.96)
Short/Long-term Loans / Advances & Other Current Assets	<b>(469.03)</b>	471.34
Short/Long-term Liabilities and Provisions	<b>258.92</b>	1,299.82
Gratuity, Leave encashments & Other Employees Benefit	<b>147.89</b>	376.36
<b>Cash generated from operations</b>	<b>4832.05</b>	6,478.03
Income Tax paid / refund	<b>(1,938.69)</b>	(2,986.38)
Interest paid	<b>(0.65)</b>	(0.55)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>2,892.71</b>	3,491.10
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	<b>(827.70)</b>	(1,056.95)
Proceeds from Sale of equipment	<b>1.45</b>	8.43
Proceeds/(Purchase) of Investments incl Fixed Deposit and Mutual Funds	<b>4,828.82</b>	783.19
Loan to Subsidiary	<b>(48.00)</b>	(96.00)
Interest received on Fixed Deposit / Loan to Subsidiary	<b>1,001.17</b>	1,210.38
Interest pertaining to Investments	<b>13.08</b>	23.56
Dividend from Mutual fund Investments	<b>47.72</b>	61.10
<b>Net Cash Flow from Investing Activities (B)</b>	<b>5,016.54</b>	933.71

**Cash Flow Statement (Contd.)**

(₹ In Crore)

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of Borrowings	0.00	0.00
Interest & Finance cost pertaining to Financing Activities	0.00	0.00
Dividend paid	(6,390.32)	(3,941.57)
Dividend Tax paid	(1,300.94)	(741.11)
<b>Net Cash used in Financing Activities (C)</b>	<b>(7,691.26)</b>	<b>(4,682.68)</b>
<b>Net increase/ decrease in Cash &amp; Bank Balances (A+B+C)</b>	<b>217.99</b>	<b>(257.87)</b>
<b>Cash and Cash equivalent (Opening Balance)</b>	<b>2,289.17</b>	<b>2,547.04</b>
<b>Cash and Cash equivalent (Closing Balance)</b>	<b>2,507.16</b>	<b>2,289.17</b>
(All figures in bracket represent outflow)		

**Sd/-**  
**(CS S. M. Yunus)**  
Company Secretary

**Sd/-**  
**(CA Y.V. Subbarao)**  
GM (Finance)

**Sd/-**  
**(A.P. Panda)**  
Director (Finance)  
DIN: 06664375

**Sd/-**  
**(B.R. Reddy)**  
Chairman-cum-Managing Director  
DIN: 07001710

As per our report annexed  
**For J N Mital & Co.**  
**Chartered Accountants**  
Firm Regn No. 003587N

**Sd/-**  
**[CA Rajendra Mittal]**  
Partner  
Membership No. 084470

Date : 23<sup>rd</sup> May, 2016  
Place : Kolkata



## Notes to Financial Statements

### Notes to Balance Sheet

#### NOTE - 1 : SHARE CAPITAL

	As at 31.03.2016	As at 31.03.2015
(₹ In Crore)		
<b>Authorised</b>		
(i) 1,00,00,000 (1,00,00,000) Equity Shares of ₹ 1000/- each	1,000.00	1,000.00
(ii) 30,00,000 (30,00,000) 10% Cumulative Redeemable Preference Shares of ₹ 1000/- each (Redeemed in the year 2003-04 as per terms of earliest redemption)	300.00	300.00
	1,300.00	1,300.00
<b>Issued, Subscribed and Paid-up</b>		
(i) 35,97,000 (35,97,000) Equity Shares of ₹ 1000/- each	359.70	359.70
<b>TOTAL</b>	<b>359.70</b>	<b>359.70</b>

#### Note

1.1 Shares in the Company held by each shareholder holding more than 5% Shares

Name of Shareholder	No. of Shares Held (Face value of ₹1000/- each)	% of Total Shares
Coal India Limited "Holding Company" and its Nominees		
As at 31.03.2015	35,97,000	100%
As at 31.03.2016	35,97,000	100%

1.2 During the period there is no change in the number of shares.

#### NOTE - 2 : RESERVES & SURPLUS

	As at 31.03.2016	As at 31.03.2015
(₹ In Crore)		
<b>RESERVES :</b>		
<b>A) Capital Reserve</b>		
As per last Balance Sheet	0.01	0.01
Add: Addition during the year	-	-
Less: Adjustment during the year	-	-
<b>Total (A)</b>	<b>0.01</b>	<b>0.01</b>
<b>B) Capital Redemption Reserve</b>		
As per last Balance Sheet	300.00	300.00
Add: Addition during the year	-	-
Less: Adjustment during the year	-	-
<b>Total (B)</b>	<b>300.00</b>	<b>300.00</b>
<b>C) CSR Reserve</b>		
As per last Balance Sheet	-	162.24
Add: Addition during the year	-	-
Less: Transfer to General Reserve	-	162.24
<b>Total (C)</b>	<b>-</b>	<b>-</b>

## Notes to Balance Sheet (Contd.)

## NOTE - 2 RESERVES &amp; SURPLUS (Contd.)

(₹ In Crore)

	As at 31.03.2016	As at 31.03.2015
<b>D) Sustainable Development Reserve</b>		
As per last Balance Sheet	-	4.63
Add: Addition during the year	-	-
Less: Transfer to General Reserve	-	4.63
<b>Total (D)</b>	<b>-</b>	<b>-</b>
<b>E) General Reserve</b>		
As per last Balance Sheet	3,311.58	2,778.72
Add: Transfer from Surplus in Statement of Profit & Loss	162.40	365.99
Add: Transfer from CSR Reserve	-	162.24
Add: Transfer from Sustainable Development Reserve	-	4.63
<b>Total (E)</b>	<b>3,473.98</b>	<b>3,311.58</b>
<b>F) Surplus in Statement of Profit &amp; Loss</b>		
As per last Balance Sheet	5,572.82	6,442.68
Adjustment (Refer Note No 2.1)	-	(137.23)
Profit after Tax during the period	3,247.90	3,659.93
<b>Profit available for appropriation</b>	<b>8,820.72</b>	<b>9,965.38</b>
<b>Appropriation</b>		
Transfer to General Reserve	162.40	365.99
Transfer to CSR Reserve	-	-
Transfer to Sustainable Development Reserve	-	-
Interim Dividend [₹ 17765.68 (₹ 9398.86) per share]	6,390.32	3,380.77
Proposed Final Dividend	-	-
Corporate Dividend Tax	1,300.94	645.80
	7,853.66	4,392.56
<b>Total (F)</b>	<b>967.06</b>	<b>5,572.82</b>
Miscellaneous Expenditure (to the extent not written off)	-	-
Preliminary Expenses	-	-
Pre-Operational Expenses	-	-
<b>TOTAL (A+B+C+D+E+F)</b>	<b>4,741.05</b>	<b>9,184.41</b>

2.1 Remaining useful life of certain assets becomes Nil as on 01.04.2014 as per Companies Act, 2013 and the Carrying cost remained apart from Residual value is charged against Opening Retained earnings during the year 2014-15.



Notes to Balance Sheet (Contd.)

**NOTE - 3 : LONG-TERM BORROWING**

(₹ In Crore)

	<b>As at 31.03.2016</b>	As at 31.03.2015
Term Loan	-	-
Loan From Coal India Limited	-	-
<b>TOTAL</b>	-	-
<b>CLASSIFICATION 1</b>		
Secured	-	-
Unsecured	-	-
<b>CLASSIFICATION 2</b>		
<b>Loan Guaranteed by Directors &amp; Others</b>		
Particulars of Loan	<b>Amount in ₹ Crore</b>	Nature of Guarantee
	<b>NIL</b>	

**NOTE - 4 : OTHER LONG-TERM LIABILITIES**

(₹ In Crore)

	<b>As at 31.03.2016</b>	As at 31.03.2015
Dues to Coal India Limited:		
Loan	-	-
Interest Accrued & Due	-	-
Shifting & Rehabilitation Fund	-	-
<b>Total</b>	-	-
Trade Payable	-	-
Security Deposits	<b>326.90</b>	344.57
Others	<b>546.99</b>	483.49
<b>Total</b>	<b>873.89</b>	828.06
<b>TOTAL</b>	<b>873.89</b>	828.06

**4.1 Others**

Others ₹ 546.99 Crore includes ₹ 536.60 Crore relating to amount realized from customers and employees on account of cases pending before various courts/ arbitration with Interest earned on bank deposits related to such liabilities.

## Notes to Balance Sheet (Contd.)

## NOTE - 5 : LONG-TERM PROVISIONS

(₹ In Crore)

	As at 31.03.2016	As at 31.03.2015
<b>For Employee Benefits</b>		
- Gratuity	-	-
- Leave Encashment	544.01	494.28
- Other Employee Benefits	212.40	232.17
OBR Adjustment Account	6,765.56	5,948.96
Mine Closure	899.01	750.38
For Others	-	-
<b>TOTAL</b>	<b>8,420.98</b>	<b>7,425.79</b>

## 5.1 The Position of various provisions is given below:

(₹ in Crore)

Provisions	Opening Balance as at 01.04.2015	Addition/ Write back during the Year	Paid/ Adj during Year	Closing Balance as at 31.03.2016
i For Gratuity	-	-	-	-
ii For Leave Encashment	494.28	49.73	-	544.01
iii For Other Employee Benefits	232.17	-	19.77	212.40
iv For OBR Adjustment Account	5,948.96	816.60	-	6,765.56
v For Mine Closure Plan	750.38	148.63	-	899.01

## 5.2 Provision for Mine Closure

- (a) Provision is made as per the guidelines received for preparation of Mine Closure Plan from the Ministry of Coal, GOI.
- (b) Provision for Mine Closure Plan ₹ 148.63 Crore (includes withdrawal of ₹ 28.98 Crore for Development Mines) has been provided during the period and ₹ 63.83 Crore for interest earned on Escrow A/c. Escrow Account has been opened for all 90 Mines in operation having closing balance ₹ 871.53 Crore (₹ 700.05 Crore) which includes interest earned ₹ 123.98 Crore (₹ 60.15 Crore).

- 5.3 OBR adjustment Account does not include any adjustment for Gare Palma IV/2&3 mine for which the Coal India Ltd. has been appointed as custodian akin to a designated custodian w.e.f. 01.04.2015.



Notes to Balance Sheet (Contd.)

**NOTE - 6 : SHORT-TERM BORROWING**

(₹ In Crore)

	<b>As at 31.03.2016</b>	As at 31.03.2015
Loan from Bank	-	-
Loans Repayable on Demand	-	-
Balance with Coal India Limited & other Subsidiaries of Coal India Limited	-	-
Other Loans and Advances	-	-
Deferred Credits	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>
CLASSIFICATION 1		
Secured	-	-
Unsecured	-	-
CLASSIFICATION 2		
<b>6.1 Loan Guaranteed by Directors &amp; Others</b>	-	-
<b>Particulars of Loan</b>	<b>Amount in ₹ Crore</b>	<b>Nature of Guarantee</b>
	<b>Nil</b>	<b>-</b>
<b>6.2 Amount outstanding in Foreign Currency : NIL</b>		
<b>6.3 Cash Credit</b>		
<p>The Company has executed a Joint Deed of Hypothecation in favour of the State Bank Consortium, which includes State Bank of India and 17 other Banks for the purpose of availing working capital facilities both fund based and non-fund based. As per the Consortium Agreement (Revised) dated: 25.08.14, the Company agreed that the said facilities shall be collaterally secured by SECL by creating hypothecation charge over current assets comprising of Book Debts, Stocks of Raw Materials, Semi Finished and Finished goods, Stores and Spares not relating to Plant &amp; Machinery (Consumable, Stores &amp; Spares), both present and future jointly and severally in favour of said Banks for a sum of ₹ 165.00 Crore. There is no credit balance in the cash credit account.</p>		

**NOTE - 7 : TRADE PAYABLES**

(₹ In Crore)

	<b>As at 31.03.2016</b>	As at 31.03.2015
Outstanding dues of creditors other than micro enterprises and small enterprises	<b>95.01</b>	100.04
Outstanding dues of micro enterprises and small enterprises	<b>2.82</b>	7.23
<b>TOTAL</b>	<b>97.83</b>	107.27

## Notes to Balance Sheet (Contd.)

## NOTE - 8 : OTHER CURRENT LIABILITIES

(₹ In Crore)

	As at 31.03.2016	As at 31.03.2015
Current Maturities of Long-Term Borrowings	-	-
Current Account with Subsidiaries	-	-
For Capital (including Stores)	161.23	336.25
<b>For Expenses :</b>		
Salary Wages & Allowances	395.59	403.08
Power & Fuel	69.62	63.75
Others	965.44	747.14
	1,591.88	1,550.22
<b>Statutory Dues :</b>		
Sales Tax / VAT	15.23	19.95
Provident Fund & Pension Fund	96.55	100.73
Central Excise Duty	3.01	-
Royalty & Cess on Coal	137.87	151.13
Stowing Excise Duty	24.31	21.85
Clean Energy Cess	738.47	225.56
National Mineral Exploration Trust Fund (NMET)	29.99	-
District Mineral Foundation (DMF)	60.19	-
Other Statutory Levies	63.63	70.74
Income Tax Deducted at Source	38.68	37.68
	1,207.93	627.64
<b>Others :</b>		
Security Deposit	158.39	134.77
Earnest Money	52.32	49.87
Advance & Deposit from Customers & Others	1,162.67	1,734.65
Current Account with Coal India Ltd.	-	47.06
	1,373.38	1,966.35
<b>TOTAL</b>	<b>4,173.19</b>	<b>4,144.21</b>

8.1 Advance & Deposit from Customers & Others includes ₹ 15.48 Crore received from Devnara Coalfields Ltd. towards recoverable cost of exploration of Rajgamar Dip Side (Devnara coal block).

8.2 No unpaid dividend amount is due for payment to Investor Education & Protection Fund.



Notes to Balance Sheet (Contd.)

**NOTE - 9 : SHORT-TERM PROVISIONS**

(₹ In Crore)

	As at 31.03.2016		As at 31.03.2015	
<b>For Employee Benefits</b>				
- Gratuity		158.43		149.49
- Leave Encashment		51.04		45.75
- Exgratia (PLRS)		312.28		264.45
- Performance Related Pay (PRP) (Net)		525.26		503.21
- Other Employee Benefits		270.12		224.63
For Proposed Dividend		-		-
For Corporate Dividend Tax		-		-
For Provision for Income Tax	2,084.19		-	
Less: Advance Income Tax/ Tax Deduced at Source	1,938.69	145.50	-	-
For Excise Duty on Closing Stock of Coal		136.11		102.26
For Others (Wealth Tax)		-		0.60
<b>TOTAL</b>		<b>1,598.74</b>		<b>1,290.39</b>

**9.1 The Position of various provisions is given below:**

Provisions	Opening Balance as at 01.04.2015	Addition / Write Back during the year	Paid/ Adj during the year	Closing Balance as at 31.03.2016
i. For Gratuity	149.49	95.58	86.64	158.43
ii. For Leave Encashment	45.75	126.17	120.88	51.04
iii. For PLRS	264.45	331.23	283.40	312.28
iv. For PRP	503.21	41.68	19.63	525.26
v. For Other Employee Benefits	224.63	229.13	183.64	270.12
vi. For Proposed Dividend	-	-	-	-
vii. For Interim Dividend	-	6,390.32	6,390.32	-
viii. For Corporate Dividend Tax	-	1,300.94	1,300.94	-
ix. For Provision for Income Tax	-	2,084.19	1,938.69	145.50
x. For Excise Duty	102.26	33.85	-	136.11
xi. For Others (Wealth Tax)	0.60	-	0.60	-

**9.2 Provision for Other Employee Benefits**

Provision for Other Employee Benefits includes ₹ 223.14 Crore provided for Superannuation benefits @ 9.84% till Balance Sheet date.

**9.3 Performance Related Pay (PRP)**

An amount of ₹ 94.43 Crore paid as advance against Performance Related Pay (PRP), adjusted against the provision made.

## Notes to Balance Sheet (Contd.)

## NOTE - 10 A : FIXED ASSETS

PARTICULARS	GROSS BLOCK		DEPRECIATION		IMPAIRMENT LOSS		Total CARRYING VALUE	
	As on Addition 01.04.15	Adj./ As on sale/ 31.03.16 transfer	As on Addition 01.04.15	Adj./ As on sale/ 31.03.16 transfer	As on Addition 01.04.15	Adj./ As on sale/ 31.03.16 transfer	As on 31.03.16	As on 31.03.15
<b>TANGIBLE ASSETS</b>								
Land:								
(a) Freehold	10.79	0.00	0.00	0.00	0.00	0.00	0.00	10.79
(b) Leasehold	1,433.86	197.36 (0.54)	590.84	94.01 1.08	685.93	0.00	685.93	944.75
Buildings/Water supply/Roads & Culverts	977.74	144.58 0.72	446.08	34.44 1.21	481.73	0.15	481.88	641.16
Plant and Equipment	5,674.08	373.19 (135.59)	3,481.83	498.14 (116.80)	3,863.17	5.45	3,865.13	2,046.55
Telecommunication equipment	60.17	1.96 (0.01)	36.45	4.51 (0.10)	40.86	0.00	40.86	21.26
Railway Sittings	86.97	11.70 (0.49)	52.61	6.49 (0.05)	59.05	0.00	59.05	39.13
Furniture & Fixtures	30.28	2.06 (0.70)	24.19	2.01 (0.73)	25.47	0.00	25.47	6.17
Office Tools & Equipments / Electrical Fittings / Fire Arms	27.43	25.52 6.93	21.79	9.31 0.97	32.07	0.00	32.07	27.81
Vehicles	58.48	1.65 (0.81)	49.34	2.10 (0.72)	50.72	0.00	50.72	8.60
Assets taken on Nationalisation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Surveyed-Off Assets	16.11	6.01 (1.69)	20.43	0.00	0.00	0.00	0.00	20.43
<b>TOTAL</b>	<b>8,375.91</b>	<b>764.03 (132.18)</b>	<b>4,703.13</b>	<b>651.01 (115.14)</b>	<b>5,239.00</b>	<b>5.60</b>	<b>5,241.11</b>	<b>3,667.17</b>
<b>Previous Year</b>	<b>7,303.17</b>	<b>1,238.36 (165.63)</b>	<b>4,126.21</b>	<b>587.36 (10.44)</b>	<b>4,703.13</b>	<b>5.60</b>	<b>4,708.73</b>	<b>3,667.17</b>
<b>INTANGIBLE ASSETS</b>								
Computer Software	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Development	441.00	30.80 (16.92)	234.18	12.37 (15.13)	231.42	41.76	274.04	165.06
Prospecting & Boring	125.62	23.08 (11.77)	136.93	41.86 (5.28)	49.27	7.17	55.58	76.59
<b>TOTAL</b>	<b>566.62</b>	<b>53.88 (28.69)</b>	<b>276.04</b>	<b>25.06 (20.41)</b>	<b>280.69</b>	<b>48.93</b>	<b>329.62</b>	<b>241.65</b>
<b>Previous Year</b>	<b>529.87</b>	<b>43.06 (6.31)</b>	<b>253.08</b>	<b>28.32 (5.36)</b>	<b>276.04</b>	<b>47.59</b>	<b>324.97</b>	<b>229.20</b>

NOTE:

- Leased out Assets to M/s. Apollo Hospitals included under Buildings, Gross value ₹ 31.32 Crore (Previous year ₹ 31.32 Crore) & Accumulated Depreciation ₹ 9.20 Crore (Previous year ₹ 8.66 Crore)
- Leased out Assets to M/s. Arvan Coal Beneficiations Pvt. Ltd., M/s. Gujarat State Electricity Board & M/s. Spectrum Coal and Power Limited value ₹ 23.39 Crore (₹ 23.39 Crore) and Accumulated Depreciation is ₹ 16.72 Crore (₹ 15.52 Crore).



Notes to Balance Sheet (Contd.)

NOTE -- 10 B : CAPITAL WORK-IN-PROGRESS

(₹ in Crore)

PARTICULARS	GROSS BLOCK		DEPRECIATION		IMPAIRMENT LOSS		CARRYING VALUE	
	As on 01.04.15	As on Addition 01.04.15	As on Addition 01.04.15	As on 31.03.16	As on Addition 01.04.15	As on 31.03.16	As on 31.03.16	As on 31.03.15
<b>TANGIBLE ASSETS</b>								
Buildings/Water supply/Roads & Culverts	118.38	47.99 (145.38)	0.82	0.04	0.00	0.81	20.18	117.56
Plant and Equipment	352.80	213.41 (239.90)	3.94	7.31	0.00	7.79	318.52	348.86
Railway Sidings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others	63.61	81.81 (70.55)	0.04	0.00	0.00	0.04	74.83	63.57
<b>TOTAL</b>	<b>534.79</b>	<b>343.21 (455.83)</b>	<b>4.80</b>	<b>7.35</b>	<b>0.00</b>	<b>8.64</b>	<b>413.53</b>	<b>529.99</b>
<b>Previous Year</b>	833.88	230.92 (530.01)	6.28	2.36	0.00	4.80	529.99	827.60

## Notes to Balance Sheet (Contd.)

## NOTE -- 10 C : INTANGIBLE ASSETS UNDER DEVELOPMENT

PARTICULARS	(₹ in Crore)										
	GROSS BLOCK		DEPRECIATION		IMPAIRMENT LOSS		Total De-preciation & Impairment Loss		CARRYING VALUE		
	As on Addition 01.04.15	Adj./ sale/ transfer	As on Addition 01.04.15	Adj./ sale/ transfer	As on Addition 01.04.15	Adj./ sale/ transfer	As on 31.03.16	As on 31.03.16	As on 31.03.16	As on 31.03.15	
<b>INTANGIBLE ASSETS</b>											
Development	114.18	16.80 (63.83)	0.20	0.06 (0.16)	0.10	0.00	0.00	0.00	0.10	67.05	113.98
Prospecting and Boring	575.07	216.70 (28.13)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	763.64	575.07
<b>TOTAL</b>	<b>689.25</b>	<b>233.50 (91.96)</b>	<b>0.20</b>	<b>0.06 (0.16)</b>	<b>0.10</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.10</b>	<b>830.69</b>	<b>689.05</b>
<b>Previous year</b>	602.59	112.68 (26.02)	0.20	0.00	0.20	0.00	0.00	0.00	0.20	689.05	602.39

Notes :-

- (a) On abolition of Coal Mines Welfare Organisation and Coal Mines Rescue Organisation (1985), the assets taken over at different Areas have been incorporated in the Accounts at a nominal value of ₹ 1.00 per asset, pending finalisation of purchase consideration for these assets which includes Hospital, Rescue Stations, Welfare Centers and others.
- (b) Title Deeds and/or Lease Deeds of Land and Buildings and Mining Rights are not available with the Company as the transfer formalities from the Holding Company and its other Subsidiaries have not been completed and consequently some documents continue to be held in the name of the Holding Company and its other Subsidiaries. Land and other mining rights acquired under various notifications of Central/State Government have been taken as vested with the Company without further lease agreement and are shown under the respective heads.
- (c) Land Others acquired under all Rights/ Surface Rights, as per the provisions of the Coal Bearing Area (Acquisition and Development) Act, 1957 or the Mines and Minerals (Regulation and Development) Act, 1957 as the case may be, for carrying out opencast mining operations as well as underground mining operations and to build necessary infrastructure and involve payment of compensation to landowners for the land acquired. All rights / surface rights also include mining rights for which no extra payment is involved.
- (d) Plant & Machinery, lying in Stores as standby and remain unremoved, a net provision to the extent of ₹ 3.84 (₹ - 1.22 Crore) is (-) withdrawn / made being equivalent to depreciation at the applicable rates each year.
- (e) Physical verification of Fixed Assets like Land, Building, Railway Siding and other immovable assets are carried out once in every three years and of Movable Assets/Equipment costing more than ₹ 1.00 Lakh in each case every year. Equipment/assets costing less than ₹ 1.00 Lakh in each case are verified once in every two years.
- (f) Items such as Conveyor Belt, Power Cable etc. in stock at the end of the year have been treated as Capital Goods in Stores and shown under Schedule of Fixed Assets.
- (g) Provisions for Capital WIP and surveyed off assets is (-) 0.01 (₹ -0.26 Crore) has been (-) withdrawn/ made during the Period.



Notes to Balance Sheet (Contd.)

**NOTE - 10 - CONTD...**

**NOTE - 10 : RECONCILIATION OF DEPRECIATION & IMPAIRMENT**

( ₹ In Crore)

	<b>As at 31.03.2016</b>	As at 31.03.2015
Statement of Profit & Loss	<b>680.22</b>	616.47
Capitalisation	<b>0.97</b>	0.55
Prior Period Expenses	<b>(3.16)</b>	0.00
<b>TOTAL</b>	<b>678.03</b>	617.02

**NOTE - 11 : NON-CURRENT INVESTMENTS - (Unquoted) at Cost**

( ₹ In Crore)

	Number of bonds /shares	Face value per bond / share (₹)	<b>As at 31.03.2016</b>	As at 31.03.2015
<b>Trade (Unquoted)</b>				
<b>Others -</b>				
Consumer Co-operative Societies Ltd. Baikunthpur	250 (250)	10.00	-	-
<b>Non-trade (Unquoted) at cost</b>			-	-
<b>Equity Shares in Subsidiary Companies</b>				
Chhattisgarh East Railway Ltd	988,80,000 (28,80,000)	10.00	<b>98.88</b>	2.88
Chhattisgarh East-West Railway Ltd	28,80,000 (28,80,000)	10.00	<b>2.88</b>	2.88
<b>TOTAL</b>			<b>101.76</b>	5.76
Aggregate amount of Quoted Investment			<b>NA</b>	NA
Aggregate amount of Unquoted Investment			<b>101.76</b>	5.76
Fair Value of Quoted Investment			<b>NA</b>	NA
Provision Made for diminution in the value of Investment			<b>NIL</b>	NIL

## Notes to Balance Sheet (Contd.)

## NOTE - 12 : LONG-TERM LOANS &amp; ADVANCES

(₹ In Crore)

	As at 31.03.2016		As at 31.03.2015	
<b>Loans</b>				
Loan To Subsidiaries				
- Secured considered good	159.55		98.63	
- Unsecured considered good	-		-	
- Doubtful	-	159.55	-	98.63
Loan to employees				
For House Building				
- Secured considered good	10.60		12.97	
- Unsecured considered good	-		-	
- Doubtful	0.01		0.01	
	10.61		12.98	
Less : Provision for Doubtful Loans	0.01	10.60	0.01	12.97
For Motor Car and Other Conveyance				
- Secured considered good	0.03		0.03	
- Unsecured considered good	-		-	
- Doubtful	-		-	
	0.03		0.03	
Less : Provision for Doubtful Loans	-	0.03	-	0.03
For Others				
- Secured considered good	-		-	
- Unsecured considered good	-		-	
- Doubtful	0.09		0.09	
	0.09		0.09	
Less : Provision for Doubtful Loans	0.09	-	0.09	-
<b>Advances</b>				
For Capital				
- Secured considered good	-		-	
- Unsecured considered good	94.66		120.51	
- Doubtful	0.53		0.53	
	95.19		121.04	
Less : Provision for Doubtful Advances	0.53	94.66	0.53	120.51
For Revenue				
- Secured considered good	-		-	
- Unsecured considered good	10.35		18.18	
- Doubtful	0.79		0.79	
	11.14		18.97	
Less : Provision for Doubtful Advances	0.79	10.35	0.79	18.18
<i>Balance carried forward</i>		275.19		250.32



Notes to Balance Sheet (Contd.)

NOTE - 12 : LONG TERM LOANS & ADVANCES (Contd....)

(₹ In Crore)

	As at 31.03.2016		As at 31.03.2015	
Balance brought forward		275.19		250.32
Security Deposits				
- Secured considered good	-		-	
- Unsecured considered good	-		-	
- Doubtful	-		-	
Less : Provision for Doubtful deposits	-	-	-	-
Deposit for P&T, Electricity etc.				
- Secured considered good	-		-	
- Unsecured considered good	153.72		132.50	
- Doubtful	-		-	
	153.72		132.50	
Less: Provision for doubtful deposits	-	153.72	-	132.50
<b>TOTAL</b>		<b>428.91</b>		<b>382.82</b>
CLASSIFICATION		-		-
Secured		170.18		111.63
Unsecured - Considered good		258.73		271.19
Doubtful		1.42		1.42
<b>Note :</b>				
<b>12.1 Loan To Subsidiary Company:</b>				
<b>Name of Subsidiary Company</b>	<b>As at 31.03.2016</b>		<b>As at 31.03.2015</b>	
	<b>PRINCIPLE</b>	<b>INTEREST</b>	<b>PRINCIPLE</b>	<b>INTEREST</b>
Chhattisgarh East Railway Limited (CERL)	96.00	13.75	96.00	2.63
Chhattisgarh East-West Railway Limited (CEWRL)	48.00	1.80	NIL	NIL
<b>Total</b>	<b>144.00</b>	<b>15.55</b>	<b>96.00</b>	<b>2.63</b>
Pursuant to Loan Agreement Between the Company and M/s CERL signed on 11.09.2014 and the Company and M/s CEWRL on 21.01.2015, the Company has granted loan to its subsidiaries M/s CERL & M/s CEWRL bearing interest @ 12% per annum, secured by first charge on all infrastructures to be created/ developed and all future receivables of respective subsidiary. Repayment period of loan shall be of 5 years excluding moratorium period not exceeding five years from the date of signing of Loan Agreement. Repayment shall be made on 1 <sup>st</sup> April of every year after moratorium period. In the said subsidiaries, Director of the Company is also a director.				
<b>12.2 Provisions</b>	<b>Opening Balance</b>	<b>Addition during the Year</b>	<b>Write back/ adj. during the Year</b>	<b>Closing Balance</b>
Against Loan to Employees for House Building	0.01	-	-	0.01
Against Loan to Employees for Others	0.09	-	-	0.09
Against advances for Capital	0.53	-	-	0.53
Against advances for Revenue	0.79	-	-	0.79
<b>Total</b>	<b>1.42</b>	<b>-</b>	<b>-</b>	<b>1.42</b>

## Notes to Balance Sheet (Contd.)

## NOTE - 13 : OTHER NON-CURRENT ASSETS

(₹ In Crore)

	As at 31.03.2016		As at 31.03.2015	
Long Term Trade Receivable				
- Secured considered good	-		-	
- Unsecured considered good	-		-	
- Doubtful	-		-	
	-		-	
Less Provision for bad and doubtful trade receivables	-	-	-	-
Exploratory Drilling Work				
- Secured considered good	-		-	
- Unsecured considered good	-		-	
- Doubtful	-		-	
	-		-	
Less : Provision for bad and doubtful	-	-	-	-
Deposit in Escrow account under Mine Closure Plan Scheme		871.53		700.05
Receivable for Mine Closure Expenses		32.17		11.72
Other Receivables				
- Secured considered good	-		-	
- Unsecured considered good	162.91		97.38	
- Doubtful	6.55		11.11	
	169.46		108.49	
Less: Provision for bad & doubtful receivables	6.55	162.91	11.11	97.38
<b>TOTAL</b>		<b>1,066.61</b>		<b>809.15</b>
CLASSIFICATION				
Secured		-		-
Unsecured - Considered good		162.91		97.38
- Considered doubtful		6.55		11.11
<b>Note :</b>				
13.1		<b>CLOSING BALANCE</b>	<b>MAXIMUM AMOUNT DUE AT ANY TIME DURING</b>	
		<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>	<b>CURRENT YEAR</b>
				<b>PREVIOUS YEAR</b>
Due by the Companies in which directors of the Company is also a director/member		NIL	NIL	NIL
Due by the parties in which the Director(s) of Company is /are interested		NIL	NIL	NIL
13.2	Other receivables amounting to ₹162.91 Crore (₹ 97.38 Crore) deposited under protest with tax authorities and others.			
13.3	Receivable for Mine Closure Expenses ₹ 32.17 Crore related to running mines are identified for mine closure activities which are subject to certification by CMPDIL before producing claims for withdrawal from Deposit in Escrow account under MCP. Receivables for Mine closure expenses related to closed mines will be recognised on the basis of certification by CMPDIL. Further, identification of other expenses incurred on Mine Closure Activities in respect of closed / running mines is under process.			
13.4	<b>Provisions</b>	<b>Opening Balance</b>	<b>Addition during the Year</b>	<b>Write back/adj. during the Year</b>
				<b>Closing Balance</b>
	Against other Receivables, considered adequate	11.11	-	4.56
				<b>6.55</b>



Notes to Balance Sheet (Contd.)

NOTE - 14 : CURRENT INVESTMENTS - (Unquoted) at Cost

(₹ In Crore)				
	Number of shares/ bonds	Face value / NAV per Unit (₹)	As at 31.03.2016	As at 31.03.2015
<b>Non-trade</b>				
<b>A Mutual Fund Investment</b>				
SBI Premier Liquid Fund	3,280.213 (0.00)	1,003.25	0.33	-
Canara Robeco Mutual Fund	5,533.161 (0.00)	1,005.50	0.55	-
UTI Mutual Fund	8,80,925.808 (0.00)	1,019.45	89.81	-
Union KBC Liquid Fund	31,115.133 (0.00)	1,000.65	3.11	-
BOI AXA Liquid Fund	19,147.420 (0.00)	1,002.65	1.92	-
<b>Total (A)</b>			<b>95.72</b>	<b>-</b>
<b>B 8.5% Tax Free Special Bonds (Fully Paid up)</b>				
(on Securitisation of Sundry Debtors)				
<b>State-wise Break-up:</b>				
	Number of bonds	Face value per bond (₹)		
Maharashtra	NIL (2,56,340)	1,000.00	-	25.63
Madhya Pradesh	NIL (6,23,800)	1,000.00	-	62.38
Gujarat	NIL (3,51,480)	1,000.00	-	35.15
<b>Total (B)</b>			<b>-</b>	<b>123.16</b>
<b>TOTAL (A+B)</b>			<b>95.72</b>	<b>123.16</b>
Aggregate amount of quoted Investments			95.72	123.16
Fair Value of quoted Investments			95.72	123.16
Provision Made for diminution in the value of Investment			NIL	NIL

## Notes to Balance Sheet (Contd.)

## NOTE - 15 : INVENTORIES (Valuation as per Accounting Policy No. 6)

(₹ In Crore)

	As at 31.03.2016		As at 31.03.2015	
<b>A Stock of Coal, Coke etc. (Net)</b>				
Stock of Coal	1,442.15		902.46	
Coal under Development	-		1.21	
	1,442.15		903.67	
Less : Provision	-	1,442.15	-	903.67
<b>B Net Stock of Stores &amp; Spare (at cost)</b>				
Stock of Stores & Spare (at cost)	287.79		301.58	
Stores-in-transit	15.72		17.77	
	303.51		319.35	
Less : Provision	47.79	255.72	46.53	272.82
<b>C Net Stock of Workshop Jobs</b>				
Workshop Jobs:				
Work-in-progress and Finished Goods	131.55		145.33	
Less : Provision	-	131.55	-	145.33
<b>D Prospecting, Boring / Development Exp./GR-Coal Blocks meant for Sale</b>		10.27		10.27
<b>TOTAL (A+B+C+D)</b>		<b>1,839.69</b>		<b>1,332.09</b>
15.1	The Closing Stock of Stores at Central and Regional Stores has been considered in the Accounts as per balances appearing in Financial Ledger on progressive monthly weighted average method.			
15.2	The Prospecting and Boring and development expenditure of ₹ 10.27 Crore (₹ 10.27 Crore) incurred on Datima (Bisrampur Area), Behraband (Hasdeo Area), Baisi Block (Raigarh Area), Rajgamar dip side (South of Phulkadih Nala) and Kesla North Block are intended for sale to outside parties therefore, shown under inventories. The sale proceeds of same are expected to be more than the cost.			
15.3	Inventories have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.			
15.4	<b>Provisions</b>	<b>Opening Balance</b>	<b>Addition during the Year</b>	<b>Write back/adj. during the Year</b>
	Against Stock of Stores & Spares, considered adequate	46.53	1.26	-
				<b>Closing Balance</b>
				<b>47.79</b>



Notes to Balance Sheet (Contd.)

ANNEXURE TO NOTE - 15

Table : A

Reconciliation of closing stock of Coal adopted in Account with Book stock :

(Qty. in Lakh tonnes) (Value in ₹ Crore)

Particulars	Current Period / Year						Previous Year					
	Overall Stock-Vendable		DCC (Coal, Coal fines, gas etc.) <sup>2</sup>		Total		Overall Stock-Vendable		DCC (Coal, Coal fines, gas etc.)		Total	
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
1 (A) Opening stock	128.16	849.72	1.07	53.95	129.23	903.67	77.64	554.03	0.27	11.58	77.91	565.61
(B) Adjustment in Opening Stock	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	128.16	849.72	1.07	53.95	129.23	903.67	77.64	554.03	0.27	11.58	77.91	565.61
2 Production*	1,379.34	-	-	-	-	-	1,282.75	-	-	-	-	-
<b>Sub-Total (1+2)</b>	1,507.50	-	-	-	-	-	1,360.39	-	-	-	-	-
3 Off- Take:												
(A) Outside Despatch**	1,386.54	16,720.07	0.00	25.60	1,386.54	16,745.67	1,231.68	16,222.81		72.17	1,231.68	16,294.98
(B) Outside Despatch Development Mine	-	-	-	-	-	-	-	-	-	-	-	-
(C) Own Consumption <sup>1</sup>	0.94	21.51	-	-	0.94	21.51	0.55	15.16	-	-	0.55	15.16
<b>Sub-Total (3)</b>	1,387.48	16,741.58	0.00	25.60	1,387.48	16,767.18	1,232.23	16,237.97	0.00	72.17	1,232.23	16,310.14
4 Derived Stock <sup>#</sup>	120.02	1,365.42	2.02	92.05	122.04	1,457.47	128.16	849.72	1.07	53.95	129.23	903.67
5 Measured Stock <sup>#</sup>	116.94	1,337.21	1.80	81.20	118.74	1,418.41	124.69	830.57	1.07	53.95	125.76	884.52
<b>Difference (4-5)</b>	3.08	28.21	0.22	10.85	3.30	39.06	3.47	19.15	-	-	3.47	19.15
6 Break-up of Difference:												
(A) Excess within 5%	2.71	24.14	0.01	0.21	2.72	24.35	3.48	19.17	-	-	3.48	19.17
(B) Shortage within 5%	0.45	0.61	0.00	0.00	0.45	0.61	0.01	0.02	-	-	0.01	0.02
(C) Excess beyond 5% <sup>##</sup>	0.82	4.68	0.21	10.64	1.03	15.32	0.00	0.00	-	-	0.00	0.00
(D) Shortage beyond 5%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	-	0.00	0.00
<b>7 Closing stock in A/c (5+6A-6B)</b>	<b>119.20</b>	<b>1,360.74</b>	<b>1.81</b>	<b>81.41</b>	<b>121.01</b>	<b>1,442.15</b>	<b>128.16</b>	<b>849.72</b>	<b>1.07</b>	<b>53.95</b>	<b>129.23</b>	<b>903.67</b>

\* Production includes 22.78 Lte from Gare Palma IV/2&3.

\*\* Outside despatch includes 21.52 lakh tonne from Gare Palma IV/2&3 amounting to ₹ 228.89 Crore net sales.

# Closing Stock includes Stock of 1.26 lakh tonne amounting to ₹ 2.17 Crore is lying at Gare Palma IV/2 &3. Further, Coal India has also been appointed as a designated custodian in respect of Gare Palma IV/1 and production from the mine has not started during the year.

## Excess beyond 5% 0.82 LTe amounting to ₹ 4.68 Crore is excess of book stock over measured stock which consist 0.13 Lte amounting ₹ 1.47 Crore related to Amgaon OC of Birsampur Area and 0.69 Lte amounting ₹ 3.21 Crore at Jampali Mine of Raigarh area.

## Excess beyond 5% 0.21 Lte amounting to ₹ 10.64 Crore is excess of books stock over measured stock of coal fines at DCC.

## Notes to Balance Sheet (Contd.)

## ANNEXURE TO NOTE - 15 (Contd.)

Table: B

## Summary of Closing Stock of Coal

(Qty. in Lakh tonnes) (Value in ₹ Crore)

Particulars	Current Period /Year						Previous Year					
	Raw Coal		DCC (Coal, Coal fines, gas etc.) <sup>2</sup>		Total		Raw Coal		DCC (Coal, Coal fines, gas etc.)		Total	
	Non-Coking		Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Opening Stock	128.16	849.72	1.07	53.95	129.23	903.67	77.64	554.03	0.27	11.58	77.91	565.61
Less: Non-vendable Coal	0.00	0.00	-	-	0.00	0.00	0.00	0.00	-	-	0.00	0.00
Adjusted Opening Stock (Vendable)	0.00	0.00	-	-	0.00	0.00	0.00	0.00	-	-	0.00	0.00
Production	1,379.34	-	-	-	-	-	1,282.75	-	-	-	-	-
Offtake												
(A) Outside Despatch	1,386.54	16,720.07	-	25.60	1,386.54	16,745.67	1,231.68	16,222.81	-	72.17	1,231.68	16,294.98
(B) Own Consumption <sup>1</sup>	0.94	21.51	-	-	0.94	21.51	0.55	15.16			0.55	15.16
<b>TOTAL</b>	<b>1,387.48</b>	<b>16,741.58</b>	<b>-</b>	<b>25.60</b>	<b>1,387.48</b>	<b>16,767.18</b>	<b>1,232.23</b>	<b>16,237.97</b>	<b>-</b>	<b>72.17</b>	<b>1,232.23</b>	<b>16,310.14</b>
<b>Closing Stock *</b>	<b>119.20</b>	<b>1,360.74</b>	<b>1.81</b>	<b>81.41</b>	<b>121.01</b>	<b>1442.15</b>	<b>128.16</b>	<b>849.72</b>	<b>1.07</b>	<b>53.95</b>	<b>129.23</b>	<b>903.67</b>

\* Non-vendable Stock – Nil

**Note:**

- Own consumption includes 0.81 lakh Tonnes valuing ₹ 17.40 Crore, being the coal transferred to Dankuni Coal Complex and 0.13 lakh Tonnes valuing ₹ 4.11 Crore issued for other purposes.
- Closing stock of coal at Dankuni Coal Complex includes raw coal 0.13 Lte valuing ₹ 6.30 Crore (out of Coal purchased 0.91 Lte worth ₹ 49.14 Crore during the year from ECL and Coal issued for own consumption) and Coal fines 1.68 lakh tonnes valuing ₹ 75.11 Crore.



Notes to Balance Sheet (Contd.)

**NOTE - 16 : TRADE RECEIVABLE**

(₹ In Crore)

	As at 31.03.2016		As at 31.03.2015	
Debts outstanding for a period exceeding six months from the due date				
- Secured Considered good	-		-	
- Unsecured Considered good	1,011.90		928.96	
- Doubtful	334.32		252.14	
	1,346.22		1,181.10	
Less : Provision for bad & doubtful trade receivables	334.32	1,011.90	252.14	928.96
Other Debts				
- Secured Considered good	139.42		159.17	
- Unsecured Considered good	1,499.29		1,189.58	
- Doubtful	-		-	
	1,638.71		1,348.75	
Less : Provision for bad & doubtful trade receivables	-	1,638.71	-	1,348.75
<b>TOTAL</b>		<b>2,650.61</b>		<b>2,277.71</b>
<b>CLASSIFICATION</b>				
Secured		139.42		159.17
Unsecured - Considered good		2,511.19		2,118.54
- Considered doubtful		334.32		252.14
<b>Note:</b>				
<b>16.1 Particulars</b>	<b>CLOSING BALANCE</b>		<b>MAXIMUM AMOUNT DUE AT ANY TIME DURING</b>	
	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
Due by the Companies in which directors of the Company is also a Director/Member	NIL	NIL	NIL	NIL
Due by the parties in which the Director(s) of Company is /are interested	NIL	NIL	NIL	NIL
16.2 Secured Trade Receivables have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.				
16.3 Trade Receivables are secured either by deposits or through Bank Guarantees to the extent available.				
<b>16.4 Provisions</b>	<b>Opening Balance</b>	<b>Addition during the year</b>	<b>Write back/adj. during the year</b>	<b>Closing Balance</b>
Provision for Bad & Doubtful Trade Receivables, considered adequate.	252.14	82.18	-	334.32

## Notes to Balance Sheet (Contd.)

## NOTE - 17 : CASH &amp; BANK BALANCE

(₹ In Crore)

	As at 31.03.2016	As at 31.03.2015
<b>Cash &amp; Cash Equivalent</b>		
Balances with Banks		
- In Deposit Accounts with maturity upto 3 months	2,181.00	2,005.00
- In Current Accounts	325.70	278.51
- In Cash Credit Accounts	-	5.32
In Account with Banks outside India	-	-
Remittance - in transit	-	-
Cheques, Drafts and Stamps on hand	-	-
Cash in hand	0.46	0.34
<b>Other Bank Balances</b>		
Balances with Banks		
- In Deposit Accounts with maturity more than 3 months	2,186.71	7,084.09
Deposit in Escrow account under Mine Closure Plan Scheme	-	-
<b>TOTAL</b>	<b>4,693.87</b>	<b>9,373.26</b>

**Note:**

17.1	Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments are Nil.	
17.2	There is no repatriation restrictions in respect of cash and bank balances of the Company.	
17.3	There are no Bank Deposits with more than 12 months maturity.	
17.4	Other Bank balances includes ₹ 504.41 Crore held by the Company is being deposited in separate Bank accounts which has been recovered from the consumers for Terminal Tax, from suppliers on explosives bills and from employees for electricity charges.	
17.5	Amount deposited in Escrow Account is also not freely available for use as being deposited under the Mine Closure Plan Scheme.	
17.6	Fixed Deposit amounting to ₹ 0.32 Crore at Dankuni Coal Complex, a unit of the Company is in name of Coal India Ltd. Interest earned and TDS thereon has been transferred to CIL.	
17.7		
	(₹ in Crore)	(₹ in Crore)
As per Cash Flow Statement	2,507.16	2,289.17
Bank balance in Deposit accounts with maturity more than 3 months	2,186.71	7,084.09
<b>Total</b>	<b>4,693.87</b>	<b>9,373.26</b>



Notes to Balance Sheet (Contd.)

**NOTE - 18 : SHORT-TERM LOANS & ADVANCES**

(₹ In Crore)

	As at 31.03.2016		As at 31.03.2015	
<b>Advance</b>				
(Recoverable in cash or in kind or for value to be received)				
Advance to suppliers				
For Capital				
- Secured considered good	-		-	
- Unsecured considered good	-		-	
- Doubtful	-		-	
	-		-	
Less : Provision for Doubtful Advances	-		-	
For Revenue				
- Secured considered good	-		-	
- Unsecured considered good	38.11		38.74	
- Doubtful	-		-	
	38.11		38.74	
Less : Provision for doubtful Advances	-	38.11	-	38.74
Advance payment of Statutory dues				
Sales Tax				
- Secured considered good	-		-	
- Unsecured considered good	-		-	
- Doubtful	-		-	
	-		-	
Less : Provision for doubtful Advances	-	-	-	-
Cenvat credit receivable		76.87		71.75
Advance Income Tax / Tax Deducted at Source	2,799.72		4,921.13	
(Includes ₹ 2697.35 Crore (₹ 2697.35 Crore), deposited under Protest)				
Less : Provision for Income Tax	-	2,799.72	2,121.41	2,799.72
Others				
- Secured considered good	-		-	
- Unsecured considered good	-		-	
- Doubtful	-		-	
	-		-	
Less : Provision for doubtful Advances	-	-	-	-
<i>Balance carried forward</i>		<b>2,914.70</b>		2,910.21

## Notes to Balance Sheet (Contd.)

## NOTE - 18 : SHORT-TERM LOANS &amp; ADVANCES (CONTD.)

(₹ In Crore)

	As at 31.03.2016		As at 31.03.2015	
<b>Balance brought forward</b>		<b>2,914.70</b>		2,910.21
Advance to Employees				
- Secured considered good	-		-	
- Unsecured considered good	7.92		6.83	
- Doubtful	-		-	
	7.92		6.83	
Less: Provision for doubtful Advances	-	7.92	-	6.83
Current Account with Coal India Limited, other Subsidiaries of Coal India Limited		-		-
Current Account with Subsidiaries of SECL		1.93		1.01
Claims Receivables				
- Secured considered good	-		-	
- Unsecured considered good	16.79		2.34	
- Doubtful	-		-	
	16.79		2.34	
Less : Provision for doubtful claims	-	16.79	-	2.34
Prepaid Expenses		0.15		0.12
<b>TOTAL</b>		<b>2,941.49</b>		<b>2,920.51</b>
CLASSIFICATION				
Secured		-		-
Unsecured - Considered good		2,941.49		2,920.51
- Considered doubtful		-		-
<b>Note :</b>				
18.1	<b>CLOSING BALANCE</b>		<b>MAXIMUM AMOUNT DUE AT ANY TIME DURING</b>	
	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
Due by the Companies in which Directors of the Company is also a Director / Member	NIL	NIL	NIL	NIL
Due by the parties in which the Director(s) of Company is /are interested	NIL	NIL	NIL	NIL
18.2 <b>Provision</b>	<b>Opening Balance</b>	<b>Paid / adjusted during the year</b>	<b>Income Tax Provision for the year</b>	<b>Closing Balance</b>
Against advances & claims	-	-	-	-
18.3 Current accounts with Holding Company & Subsidiaries of Holding Company/ SECL				
a The balances of the current account with the Subsidiaries and Holding Company are reconciled on regular intervals, and the same as on Balance Sheet date has been reconciled. Adjustment arising out of reconciliation are carried out continuously.				
b Transactions with the Holding Company and with its other Subsidiaries are accounted for on the basis of debit/ credit memos.				
c Transactions with other Subsidiaries of the Holding Company/SECL are free of interest.				



Notes to Balance Sheet (Contd.)

**NOTE - 19 : OTHER CURRENT ASSETS**

(₹ In Crore)

	As at 31.03.2016		As at 31.03.2015	
Interest Accrued				
- Investment	2.62		7.85	
- Deposit with Banks	231.84		404.51	
- Others	-	234.46	-	412.36
Ex Owner's Account		-		-
Other Advances	84.32		26.96	
Less : Provision	-	84.32	-	26.96
Deposits				
Deposit for Customs Duty, Port Charges etc.	0.07		0.08	
Deposit with Coal India Limited	70.94		-	
Deposit for Royalty, Cess & Sales Tax	-		-	
	71.01		0.08	
Less : Provision	-	71.01	-	0.08
Others	3.65		21.31	
Less : Provision	-	3.65	-	21.31
Amount Receivable from Govt of India for transactions on behalf of Ex-Coal Board	-		-	
Less: Provision	-	-	-	-
Other Receivables	354.72		258.77	
Less: Provision	5.29	349.43	4.13	254.64
<b>TOTAL</b>		<b>742.87</b>		<b>715.35</b>
<b>Note:</b>				
<b>19.1 Provisions</b>	<b>Opening Balance</b>	<b>Addition during the Year</b>	<b>Write back/adj. during the Year</b>	<b>Closing Balance</b>
Against Deposits & Other Receivables	4.13	1.16	-	5.29
<b>19.2</b>	Deposits/Current account balance with the Holding Company is reconciled on regular intervals, and the same as on Balance Sheet date has been reconciled. Adjustment arising out of reconciliation are carried out continuously.			

## Notes to Statement of Profit &amp; Loss

## NOTE - 20 : REVENUE FROM OPERATIONS

(₹ In Crore)

	For the Year ended 31.03.2016		For the Year ended 31.03.2015	
<b>A) Sale of Coal, Coke etc.</b>	<b>24,900.03</b>		22,004.53	
Less : Excise Duty	1,198.20	<b>23,701.83</b>	1,152.23	20,852.30
Less : Other Levies				
Royalty	<b>2,169.94</b>		2,118.04	
Cess on Coal	<b>319.75</b>		268.27	
Stowing Excise Duty	<b>138.65</b>		123.17	
Central Sales Tax	<b>245.55</b>		212.63	
Clean Energy Cess	<b>3,024.89</b>		1,178.21	
State Sales Tax/VAT	<b>639.91</b>		540.66	
National Mineral Exploration Trust (NMET)	<b>41.07</b>			
District Mineral Foundation (DMF)	<b>231.73</b>			
Other Levies	<b>144.67</b>		116.34	
<b>Total Levies</b>		<b>6,956.16</b>		4,557.32
<b>Net Sales (A)</b>		<b>16,745.67</b>		16,294.98
B) Facilitation Charges for Coal import		-		-
Subsidy for Sand Stowing & Protective Works		<b>13.80</b>		4.75
Loading & additional transportation charges	<b>418.05</b>		362.90	
Less : Excise duty	<b>23.42</b>		19.26	
Other Levies	<b>17.25</b>	<b>377.38</b>	11.90	331.74
<b>Other Operating Revenue (B)</b>		<b>391.18</b>		336.49
<b>C) Revenue From Operations (A+B)</b>		<b>17,136.85</b>		16,631.47

**20.1 Net Sales**

Net Sales includes ₹ 228.89 Crore due to sale of 21.52 lakh te coal related to Gare Palma IV/2&3 Mine for which Coal India Ltd. has been appointed as custodian akin to a designated custodian w.e.f 01.04.2015.



Notes to Statement of Profit & Loss (Contd.)

**NOTE - 21 : OTHER INCOME**

	(₹ In Crore)	
	For the Year ended 31.03.2016	For the Year ended 31.03.2015
<b>Income From Long-Term Investments</b>		
Interest from:		
Government Securities (8.5% Tax Free Special Bonds) (Trade)	-	7.85
<b>Income From Current Investments ( Non-Trade)</b>		
Dividend from Mutual Fund Investments	47.72	61.10
Interest from:		
Government Securities (8.5% Tax Free Special Bonds) (Trade)	7.85	10.47
<b>Income From Others</b>		
Interest (Gross):		
From Deposit with Banks	710.87	955.27
From Loans & Advances to Employees	0.17	0.50
From Income Tax Deptt. on refunds	-	32.77
From Coal India	1.16	25.67
Others	129.22	187.58
Profit on Sale of Assets	0.19	2.65
Lease Rent	15.43	6.35
Liability Write Backs	48.83	9.30
Excise Duty on Decrease in Stock		
Other Non-operating Income	122.35	148.13
<b>TOTAL</b>	<b>1,083.79</b>	<b>1,447.64</b>

**NOTE - 22 : COST OF MATERIAL CONSUMED**

	(₹ In Crore)	
	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Explosives	315.36	332.49
Timber	8.62	8.95
POL	417.54	500.91
HEMM Spares	200.63	190.19
Other Consumable Stores & Spares	579.93	636.80
<b>TOTAL</b>	<b>1,522.08</b>	<b>1,669.34</b>

## Notes to Statement of Profit &amp; Loss (Contd.)

**NOTE - 23 : CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

(₹ In Crore)

	For the Year ended 31.03.2016		For the Year ended 31.03.2015	
<b>A) Change in Inventory of Coal</b>				
Opening Stock of Coal	902.46		564.50	
Add : Adjustment of Opening Stock	1.21		-	
	903.67		564.50	
Less: Deterioration of Coal	-	903.67	-	564.50
<b>Less :</b>				
Closing Stock of Coal	1,442.15		902.46	
Less: Deterioration of Coal	-	1,442.15	-	902.46
<b>Total (A)</b>		<b>(538.48)</b>		<b>(337.96)</b>
<b>B) Change in Inventory of workshop</b>				
Opening Stock of Workshop made finished goods and WIP	145.33		166.34	
Less: Provision	-	145.33	-	166.34
<b>Less :</b>				
Closing Stock of Workshop made finished goods and WIP	131.55		145.33	
Less: Provision	-	131.55	-	145.33
<b>Total (B)</b>		<b>13.78</b>		<b>21.01</b>
<b>Change in Inventory of Stock in Trade (A+B) {Decretion/(Accretion)}</b>		<b>(524.70)</b>		<b>(316.95)</b>
<b>Note : Adjustment of Opening Stock :</b>				
During the year, Vijaya West Mine at Chirimiri brought to revenue and Development Stock 0.04 Lakh tonne amounting ₹ 1.21 Crore adjusted in revenue stock.				



Notes to Statement of Profit & Loss (Contd.)

**NOTE - 24 : EMPLOYEE BENEFIT EXPENSES**

(₹ In Crore)

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Salary, Wages, Allowances, Bonus, etc.	4,586.01	4,490.89
Ex-gratia	331.23	296.12
Performance Related Pay (PRP)	41.68	90.55
Contribution to P.F. & Other Funds	545.37	535.34
Gratuity	95.58	301.82
Leave Encashment	175.90	188.03
Workman Compensation	1.12	1.47
Medical Expenses for Existing Employees	112.86	110.33
Medical Expenses for Retired Employees	11.55	3.45
Grants to Schools & Institutions	42.60	41.36
Sports & Recreation	6.67	4.24
Canteen & Creche	0.14	0.14
Power (Township)	213.01	187.49
Hire Charges of Bus, Ambulance etc.	11.89	11.82
Other Employee Benefits	229.13	248.54
<b>TOTAL</b>	<b>6,404.74</b>	<b>6,511.59</b>

**NOTE - 25 : CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENSES**

(₹ In Crore)

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
CSR Expenses	270.85	40.43
<b>TOTAL</b>	<b>270.85</b>	<b>40.43</b>

CSR Policy has been framed by Coal India Ltd incorporating the features of the Companies Act, 2013 and other relevant notifications. The fund for CSR, 2% of the average net profit for the three immediate preceding financial years or ₹ 2.00 per tonne of coal production of previous year, whichever is higher, comes to ₹ 127.68 Crore (₹ 129.97 Crore). CSR Expenses includes ₹ 179.62 Crore provided to various District Authorities for Swachh Vidyalaya Abhiyan. Further, an amount of ₹ 108.61 Crore is Non-lapsable.

**NOTE - 26 : REPAIRS**

(₹ In Crore)

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Building	21.37	22.74
Plant & Machinery	176.99	164.60
Others	5.67	6.13
<b>TOTAL</b>	<b>204.03</b>	<b>193.47</b>

## Notes to Statement of Profit &amp; Loss (Contd.)

## NOTE - 27 : CONTRACTUAL EXPENSES

(₹ In Crore)

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Transportation Charges :		
- Sand	-	-
- Coal	802.47	800.25
- Stores & Others etc.	-	0.11
Wagon Loading	22.64	23.90
Hiring of P&M	546.73	436.93
Other Contractual Work	728.86	624.31
<b>TOTAL</b>	<b>2,100.70</b>	<b>1,885.50</b>

## NOTE - 28 : FINANCE COSTS

(₹ In Crore)

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
<b>Interest expenses</b>		
Deferred Payments	-	-
Bank Overdraft / Cash Credit	-	-
CIL Fund Loan Interest	-	-
Interest to subsidiaries	-	-
Others	0.65	0.55
<b>Total (A)</b>	<b>0.65</b>	<b>0.55</b>
<b>Other Finance Cost</b>		
Other Expenses / Bank Charges	-	-
<b>Total (B)</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A+B)</b>	<b>0.65</b>	<b>0.55</b>



Notes to Statement of Profit & Loss (Contd.)

**NOTE - 29 : PROVISIONS**

	(₹ In Crore)	
	For the Year ended 31.03.2016	For the Year ended 31.03.2015
<b>(A) Provision made for</b>		
Doubtful debts	82.18	9.57
Doubtful advances & Claims	-	7.40
Foreign exchange Transaction	-	-
Stores & Spares	1.26	-
Mine Closure Expenses	113.78	41.03
Surveyed of Fixed Assets/Capital WIP/P&M in Stores	3.75	-
Others	144.93	1.15
<b>Total (A)</b>	<b>345.90</b>	59.15
<b>(B) Provision reversal</b>		
Doubtful debts	-	-
Doubtful advances & Claims	3.40	-
Foreign exchange Transaction	-	-
Stores & Spares	-	3.19
Mine Closure Expenses	20.45	-
Surveyed of Fixed Assets/Capital WIP/P&M in Stores	-	1.48
Others	-	-
<b>Total (B)</b>	<b>23.85</b>	4.67
<b>TOTAL (A - B)</b>	<b>322.05</b>	54.48

**NOTE - 30 : WRITE-OFF**

	(₹ In Crore)	
	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Doubtful debts	-	-
Doubtful advances	-	-
Others	4.19	-
<b>TOTAL</b>	<b>4.19</b>	-

## Notes to Statement of Profit &amp; Loss (Contd.)

## NOTE - 31 : OTHER EXPENDITURE

(₹ In Crore)

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Travelling Expenses		
- Domestic	31.13	27.92
- Foreign	0.10	0.02
Training Expenses	10.16	9.08
Telephone & Postage	7.58	6.36
Advertisement & Publicity	12.57	14.86
Freight Charges	14.51	7.49
Demurrage	22.24	18.80
Donation/Subscription	0.08	0.23
Security Expenses	66.48	62.16
Service Charges of CIL	67.83	64.14
Hire Charges	38.70	36.23
CMPDI Expenses	50.99	48.67
Legal Expenses	1.71	3.22
Bank Charges	0.25	0.12
Guest House Expenses	2.32	2.01
Consultancy Charges	1.89	1.54
Under Loading Charges	63.71	54.54
Loss on Sale/Discard/Surveyed-off Assets	0.43	1.63
Auditor's Remuneration & Expenses		
- For Audit Fees	0.20	0.16
- For Taxation Matters	0.02	0.02
- For Company Law Matters	-	-
- For Management Services	-	-
- For Other Services	0.18	0.18
- For Reimbursement of Expenses	0.13	0.12
Internal Audit Expenses etc.	2.27	1.93
Cost Audit Expenses	0.10	0.10
Rehabilitation Charges	81.96	73.93
Royalty & Cess	2.91	2.14
Central Excise Duty	35.16	29.48
Rent	1.09	0.93
Rates & Taxes	12.66	11.54
Insurance	0.02	0.04
Rescue/Safety Expenses	17.99	17.81
Dead Rent/Surface Rent	6.86	0.70
Siding Maintenance Charges	10.87	9.23
Land/Crops Compensation	0.20	0.08
Research & Development Expenses	2.33	25.65
Environmental Expenses	14.34	16.74
Tree Plantation	10.31	3.65
Miscellaneous Expenses	35.84	26.73
<b>TOTAL</b>	<b>628.12</b>	<b>580.18</b>

**31.1 Rehabilitation Charges**

As per the decision of Ministry of Coal, an amount of ₹ 81.96 Crore (₹ 73.93 Crore) was debited to Rehabilitation expenses towards mobilisation of funds for implementation of action plan for shifting and rehabilitation, dealing with fire and stabilisation of unstable Areas at ECL and BCCL.



Notes to Statement of Profit & Loss (Contd.)

**NOTE - 32 : PRIOR PERIOD ADJUSTMENTS**

(₹ In Crore)

	<b>For the Year ended 31.03.2016</b>	For the Year ended 31.03.2015
<b>(A) Expenditure</b>		
Sale of Coal & Coke	-	-
Stock of Coal & Coke	-	-
Other Income	-	-
Consumption of Stores & Spares	-	-
Employees Remuneration & Benefits	-	-
Power & Fuel	-	-
Welfare Expenses	-	-
Repairs	-	-
Contractual Expenses	-	-
Other Expenditure	-	-
Interest and other financial charges	-	-
Depreciation	-	-
<b>Total (A)</b>	<b>-</b>	<b>-</b>
<b>(B) Income</b>		
Sale of Coal & Coke	-	-
Stock of Coal & Coke	-	-
Other Income	-	-
Consumption of Stores & Spares	-	-
Employees Remuneration & Benefits	-	-
Power & Fuel	-	-
Welfare Expenses	-	-
Repairs	-	1.98
Contractual Expenses	-	-
Other Expenditure	-	-
Interest and other financial charges	-	-
Depreciation	<b>3.16</b>	-
<b>Total (B)</b>	<b>3.16</b>	1.98
<b>TOTAL (A-B) {Charge/(Income)}</b>	<b>(3.16)</b>	(1.98)

**NOTE - 33 : SIGNIFICANT ACCOUNTING POLICIES****1.0 Accounting Convention:**

Financial Statements are prepared under the historical cost convention and on accrual basis of accounting and going concern concept, in accordance with the generally accepted accounting principles in India and the relevant provisions of the Companies Act, 2013 including Accounting Standards notified therein, except otherwise stated.

**1.1 Use of estimate**

In preparing the Financial Statements in conformity with Accounting Principles generally accepted in India, management is sometimes required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liability as at the date of Financial Statements and the amount of revenue and expenses during the reported period. Actual results may differ from those estimates. Any revision to such estimate is recognized in the period in which the same is determined.

**2.0 Subsidies / Grants from Government:**

2.1 Subsidies / Grants on capital account are deducted from the cost of respective assets to which they relate. The unspent amount at the Balance Sheet date, if any, is shown as current liabilities.

2.2 Subsidies / Grants on revenue account are credited to Statement of Profit & Loss as income and relevant expenses are debited to the respective heads of expenses. The unspent amount at the Balance Sheet date, if any, is shown as current liabilities.

2.3 Subsidies / Grants from Government received as an implementing agency.

2.3.1 Certain Grant / Funds received under S&T, PRE, EMSC, CCDA etc. as an implementing agency and used for creation of assets are treated as Capital Reserve and depreciation thereon is debited to Capital Reserve Account. The ownership of the asset created through grants lies with the authority from whom the grant is received.

2.3.2 Grant / Funds received as Nodal/Implementing Agency are accounted for on the basis of receipts and disbursement.

**3.0 Fixed Assets:****3.1 Land:**

Value of land includes cost of acquisition, cash rehabilitation expenses, resettlement cost and compensation in lieu of employment incurred for concerned displaced persons

**3.2 Plant & Machinery:**

Plant & Machinery includes cost and expenses incurred for erection / installation and other attributable costs of bringing those assets to working conditions for their intended use.

**3.3 Railway Siding:**

Pending commissioning, payments made to the railway authorities for construction of railway sidings are shown in Note 12 - "Long Term Loans & Advances" under Advances for Capital.

**3.4 Development:**

Expenses net of income of the projects / mines under development are booked to Development Account and grouped under Capital Work-in-Progress till the projects / mines are brought to revenue account. Except otherwise specifically stated in the project report to determine the commercial readiness of the project to yield production on a sustainable basis and completion of required development activity during the period of constructions, projects and mines under development are brought to revenue considering the following criteria:

- a) From beginning of the financial year immediately after the year in which the project achieves physical output of 25% of rated capacity as per approved project report, or
- b) 2 years of touching of coal, or
- c) From the beginning of the financial year in which the value of production is more than total expenses,
  - Whichever event occurs first.

**NOTE - 33 : SIGNIFICANT ACCOUNTING POLICIES (Contd.)****3.5 Leases:****3.5.1 Operating Lease**

- i) Assets given on lease are capitalised and depreciated as per the depreciation policy. Lease rentals received are recognised as income over the lease period.
- ii) Lease rentals paid for assets taken on lease are recognised as expense over the lease period.

**3.5.2 Finance Lease**

- i) Assets taken on finance lease are capitalized at lower of the fair value of the asset and present value of the minimum lease payments.

An amount equal to the capitalized amount is shown as lease liability.

The principal component in lease rental is adjusted against lease liability and interest component is charged to the Statement of Profit & Loss as finance cost.

The asset is depreciated as per the depreciation policy. If the leased asset is returnable to the lessor on expiry of lease period, full cost is depreciated over its useful life or lease period, whichever is less.

- ii) Assets given on finance lease are shown as lease receivables at an amount equal to net investment in the leased asset. Principal component of the lease receipts are adjusted against outstanding lease receivables and interest is recognised as income.

**4.0 Prospecting & Boring and other Development Expenditure:**

The cost of exploration and other development expenditure incurred in one "Five year" plan period will be kept in Capital work-in-progress till the end of subsequent two "Five year" plan periods for formulation of projects, before it is written-off, except in the case of Blocks identified for sale or proposed to be sold to outside agency which will be kept in inventory till finalisation of sale.

**5.0 Investments:**

Current investments are valued at the lower of cost and fair value as at the Balance sheet date. Investments in mutual fund are considered as current investments.

Non-Current investments are valued at cost. However, when there is a decline, other than temporary, in the value of long term investment, the carrying amount is reduced to recognize the decline.

**6.0 Inventories:**

6.1 Book stock of coal / coke is considered in the accounts where the variance between book stock and measured stock is upto +/- 5% and in cases where the variance is beyond +/- 5% the measured stock is considered. Such stock are valued at net realisable value or cost, whichever is lower.

6.1.1 Coal & coke fines are valued at lower of cost or net realisable value.

6.1.2 Slurry (coking / semi coking), middling of washeries and by products are valued at net realisable value.

**6.2 Stores & Spares:**

6.2.1 The closing stock of stores and spare parts has been considered in the accounts as per balances appearing in priced stores ledger of the Central Stores and as per physically verified stores lying at the collieries/units.

6.2.2 Stock of stores & spare parts (which also includes loose tools) at Central & Area stores are valued at cost calculated on the basis of weighted average method. The year-end inventory of stores & spare parts lying at collieries / sub-stores / consuming centres, initially charged off, are valued at issue price of Area Stores, Cost / estimated cost. Workshop jobs including work-in-progress are valued at cost.

6.2.3 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.

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

**NOTE - 33 : SIGNIFICANT ACCOUNTING POLICIES (Contd.)****7.0 Depreciation/ Amortisation:**

7.1 Depreciation on fixed assets is provided on straight line method on the basis of useful life specified in Schedule II of Companies Act 2013 except for assets mentioned below, for which depreciation is provided on the basis of technically estimated useful life which are lower than that envisaged as per Schedule II of Companies Act, 2013 to depict a more true and fair rate of depreciation :-

Telecommunication equipment	: -	6 years and 9 years
Photocopying machine	: -	4 years
Fax machine	: -	3 years
Mobile phone	: -	3 years
Digitally enhance cordless telephone	: -	3 years
Printer & Scanner	: -	3 years
Earth Science Museum	: -	19 years
High volume respiratory dust samplers	: -	3 years
Certain equipment /HEMM	: -	7 years and 6 years as applicable
SDL (equipment)	: -	5 years
LHD (equipment)	: -	6 years

7.2 The residual value of all assets for depreciation purpose is considered as 5% of the original cost of the asset except those item of assets covered under para 7.3.

7.3 In case of assets namely Coal tub, winding ropes, haulage ropes, stowing pipes & safety lamps the technically estimated useful life has been determined to be one year with a nil residual value.

7.4 Depreciation on the assets added / disposed of during the year is provided on pro-rata basis with reference to the month of addition / disposal, except on those assets with one year useful life and nil residual value as mention under para 7.3, which are fully depreciated in the year of their addition. These Assets are taken out from the Assets after expiry of two years following the year in which these are fully depreciated.

7.5 Value of land acquired under Coal Bearing Area (Acquisition & Development) Act, 1957 is amortised on the basis of the balance life of the project. Value of leasehold land is amortised on the basis of lease period or balance life of the project, whichever is earlier.

7.6 Prospecting, Boring and Development expenditure are amortised from the year when the mine is brought under revenue in 20 years or working life of the project whichever is less.

7.7 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.

**8.0 Impairment of Asset:**

Impairment loss is recognised wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognized as an expense in the Statement of Profit and Loss and carrying amount of the asset is reduced to its recoverable amount.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased.

**9.0 Foreign Currency Transactions:**

Transaction in foreign currency are initially recorded at exchange rates prevailing on the date of transactions.

Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the end of reporting period, are translated at exchange rate prevailing as at the end of reporting period.

Non-monetary items denominated in foreign currency, (such as investments, fixed assets etc.) are valued at exchange rate prevailing on the date of the transaction.

**NOTE - 33 : SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

Exchange differences arising on the settlement of monetary items or on reporting a monetary items at rates different from those at which they were initially recorded during the period, or reported in previous Financial Statements, are recognised as income or as expenses in the period in which they arise.

Transactions covered by cross currency swap options contracts to be settled on future dates are recognized at the rates prevailing on the Balance Sheet date, of the underlying foreign currency. Effects arising out of such contracts are taken into accounts on the date of settlement.

**10.0 Retirement benefits / Other Employee benefits:****10.1 Short-term benefits:**

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

**10.2 Post-employment benefits and other long term employees benefits :****a) Defined contributions plan:**

The Company has defined contribution plans for payment of Provident Fund and Pension Fund benefits to its employees. Such Provident Fund and Pension Fund are maintained and operated by the Coal Mines Provident Fund (CMPF) Authorities. As per the rules of these schemes, the Company is required to contribute a specified percentage of pay roll cost to the CMPF Authorities to fund the benefits.

**b) Defined benefits plans:**

The liability on the Balance Sheet date on account of gratuity and leave encashment is provided for on actuarial valuation basis by applying projected unit credit method. Further the Company has created a Trust with respect to establishment of Funded Group Gratuity (cash accumulation) Scheme through Life Insurance Corporation of India. Contribution is made to the said fund based on the actuarial valuation.

**c) Other employee benefits:**

Further liability on the Balance Sheet date of certain other employee benefits viz. benefits on account of LTA/ LTC; Life Cover Scheme, Group Personal Accident Insurance Scheme, Settlement Allowance, Post Retirement Medical Benefits Scheme and compensation to dependants of deceased in mines accidents etc. are also valued on actuarial basis by applying projected unit credit method.

**11.0 Revenue Recognition:****11.1 Sales**

- a) Revenue in respect of sales is recognised when the property in the goods with the risks and rewards of ownership are transferred to the buyer and there is no significant uncertainty as to its realisability.
- b) Sale of coal are net of statutory dues and accepted deduction made by customer on account of quality of coal.

**11.2 Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**11.3 Dividend**

Dividend income is recognized when right to receive is established.

**11.4 Other Claims**

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

**12.0 Borrowing Costs:**

Borrowing Cost directly attributable to the acquisition or construction of qualifying assets is capitalized. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognized as expenses in the period in which they are incurred.

**NOTE - 33 : SIGNIFICANT ACCOUNTING POLICIES (Contd.)****13.0 Taxation:**

Provision of current income tax is made in accordance with the Income Tax Act., 1961. Deferred tax liabilities and assets are recognized at substantively enacted tax rates, as on the Balance Sheet date, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

**14.0 Provision, Contingent Liabilities and Contingent Assets:**

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date.

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made.

Contingent liabilities are not provided for in the accounts and are disclosed by way of Notes.

Contingent Asset are neither recognized nor disclosed in the Financial Statements.

**15.0 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 share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**16.0 Overburden Removal (OBR) Expenses:**

In open cast mines with rated capacity of one million tonnes per annum and above, cost of OBR is charged on technically evaluated average ratio (COAL:OB) at each mine with due adjustment for advance stripping and ratio-variance account after the mines are brought to revenue. Net of balances of advance stripping and ratio variance at the Balance Sheet date is shown as cost of removal of OB under the head Non - Current Assets/ Long Term Provisions as the case may be.

The reported quantity of overburden as per record is considered in calculating the ratio for OBR accounting where the variance between reported quantity and measured quantity is within the lower of the two alternative permissible limits, as detailed hereunder:-

Annual Quantum of OBR of the Mine	Permissible limits of variance	
	I	II
	%	Quantum (in Million Cubic Metres)
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.

**17.0 Prior Period Adjustments and Prepaid Expenses:**

Income / expenditures relating to prior period and prepaid expenses, which do not exceed ₹ 0.10 Crore in each case, are treated as income / expenditure of current year.



**NOTE - 34 : ADDITIONAL NOTES ON ACCOUNTS**

**1. APPLICABILITY OF ACCOUNTING STANDARDS:**

**a) SIGNIFICANT ACCOUNTING POLICY:**

Significant Accounting Policy (Note-33) has been suitably modified/ re-drafted over previous year, as found necessary to elucidate the accounting policies adopted by the Company.

**b) REVENUE RECOGNITION (AS-9):**

- (i) The revenue recognition has been made where there is a reasonable certainty of collection. Revenue recognition is postponed in case of uncertainty to the extent of uncertainty as assessed by the management.
- (ii) Refund / adjustment from Tax Authorities are accounted for on the basis of final assessment/ settlement.
- (iii) Recovery of the liquidated damages and penalties are accounted for on the basis of final settlement.

**c) SUBSIDY : (AS-12) (Refer Note No. 20):**

Subsidy received from Coal Controller Development Authority on account of infrastructural development have been adjusted against the relevant head of account of capital nature ₹ Nil and in case of revenue expenditure ₹ 13.80 Crore (₹ 4.75 Crore), the same is shown under other operating revenue.

**d) EMPLOYEE BENEFITS: RECOGNITION AND MEASUREMENT: (AS-15):**

- (1) The year-end liability of certain other employee benefits like Gratuity, Earned Leave, Life Cover Scheme, Settlement Allowance, Group Personal Accident Insurance Scheme, Leave Travel Concession, Medical Benefits for Retired Executives, Compensation to dependents in case of mine accidental death are valued on actuarial basis. Total liability as on Balance Sheet date based on valuation made by the Actuary, details of which are mentioned below is ₹ 3730.80 Crore.

The Actuarial liability as on 31.03.2016 :

(₹ In Crore)

Head	Opening Actuarial Liability as on 01.04.2015	Incremental Liability	Closing Actuarial Liability as on 31.03.2016
Gratuity	2,945.68	-57.99	<b>2,887.69</b>
Earned Leave	456.16	64.76	<b>520.92</b>
Half Pay Leave	82.31	-11.28	<b>71.03</b>
Life Cover Scheme- Executive	0.93	-0.04	<b>0.89</b>
Life Cover Scheme- Non-Executive	17.75	-1.11	<b>16.64</b>
Settlement Allowance Executives	0.62	8.35	<b>8.97</b>
Settlement Allowance Non-Executives	63.33	-30.09	<b>33.24</b>
Group Personal Accident Insurance Scheme	0.24	-0.01	<b>0.23</b>
Leave Travel Concession - Executive	7.92	1.71	<b>9.63</b>
Leave Travel Concession – Non-Executive	16.33	3.58	<b>19.91</b>
Medical Benefits	119.85	3.46	<b>123.31</b>
Compensation to dependents in case of mine accidental death	41.09	-2.75	<b>38.34</b>
<b>TOTAL</b>	<b>3,752.21</b>	<b>-21.41</b>	<b>3,730.80</b>

(2) Gratuity & EL/ HPL: Actuarial Assumptions:

The disclosure as per actuary's certificate for funded employee benefits for Gratuity and EL/HPL is given below:

## NOTE - 34 : ADDITIONAL NOTES ON ACCOUNTS (Contd.)

## Actuarial Valuation of Gratuity &amp; EL/ HPL Liability as at 31.03.2016

CERTIFICATE AS PER ACCOUNTING STANDARD 15 (Revised 2005)

Table 1: Disclosure Item 120 (c)

(₹ in Crore)

Present Value of Obligations	GRATUITY		EL / HPL	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Present value of obligation at beginning of the year	2,945.68	2,707.54	538.47	459.42
Acquisition Adjustment	0.00	0.00	0.00	0.00
Interest Cost	220.31	204.69	38.18	32.39
Past Service Cost	0.00	0.00	0.00	0.00
Current Service Cost	185.2	137.00	217.63	89.35
Curtailement Cost	0.00	0.00	0.00	0.00
Settlement Cost	0.00	0.00	0.00	0.00
Benefits paid	383.53	297.65	122.42	108.98
Actuarial Gain / Loss on obligations	-79.97	194.1	-79.91	66.29
Present Value of Obligations as at 31.03.2016	2,887.69	2,945.68	591.95	538.47

Table 2: Disclosure Item 120 (e)

(₹ in Crore)

Fair Value of Plan Assets	GRATUITY		EL / HPL	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Fair value of Plan Assets at beginning of the year	2,875.86	2,908.37	0.00	0.00
Acquisition Adjustment	0.00	0.00	0.00	0.00
Excepted Return on Plan Asset	230.07	232.66	0.00	0.00
Contributions	118.66	0.00	0.00	0.00
Benefits Paid	383.53	297.65	0.00	0.00
Actuarial Gain /Loss on Plan Asset	19.03	32.48	0.00	0.00
Fair value of Plan Asset as at 31.03.2016	2,860.09	2,875.86	0.00	0.00

Table 3: Disclosure Item 120 (f)

(₹ In Crore)

Funded Status	GRATUITY		EL / HPL	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Present Value of obligation as at 31.03.2016	2,887.69	2,945.68	591.95	538.47
Fair value of Plan Assets as at 31.03.2016	2,860.09	2,875.86	0.00	0.00
Funded Status	-27.60	-69.82	-591.95	-538.47
Un-recognized Actuarial gain / Loss	0.00	0.00	0.00	0.00
Net Asset (Liability) Recognised in Balance sheet	-27.60	-69.82	-591.95	-538.47



**NOTE - 34 : ADDITIONAL NOTES ON ACCOUNTS (Contd.)**

**Table 4: Disclosure Item 120 (g)**

(₹ In Crore)

Expenses Recognized in Statement of P& L	GRATUITY		EL / HPL	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Current Service Cost	185.20	137.00	217.63	89.35
Past Service Cost	0.00	0.00	0.00	0.00
Interest Cost	220.31	204.69	38.18	32.39
Expected Return on Plan asset	230.07	232.66	0.00	0.00
Curtailement Cost	0.00	0.00	0.00	0.00
Settlement Cost / Benefit paid	0.00	0.00	0.00	0.00
Actuarial Gain/Loss Recognised in the period	-99.00	161.62	-79.91	66.29
Expense Recognised in statement of Profit /Loss	76.44	270.65	175.90	188.03

**Table 5: Disclosure Item 120 (i)**

Actuarial Assumptions	As at 31.03.2016	As at 31.03.2015
Mortality table	IALM(2006-08) ULTIMATE	IALM(2006-08) ULTIMATE
Superannuation age	60	60
Early retirement and disablement	10 per Thousand P.A.	10 per Thousand P.A.
	6 above age 45	6 above age 45
	3 between age 29 and 45	3 between age 29 and 45
	1 below age 29	1 below age 29
Discount Rate	8.00%	8.00%
Inflation rate	6.25%	6.25%
Return on assets	8.00%	8.00%
Remaining working life	11 Years	11 Years
Formula used	Projected Unit Credit Method	Projected Unit Credit Method

**Table 6: Disclosure Item 120 (o)**

(₹ in Crore)

Movements in the Liability Recognized in Balance Sheet	GRATUITY		EL / HPL	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Opening Net Liability	69.82	-200.83	538.47	459.42
Expenses as above	76.44	270.65	175.90	188.03
Contributions	118.66	0.00	0.00	0.00
Closing Net Liability	27.60	69.82	175.90	538.47
Closing Fund/Provision as at 31.03.2016	2,887.69	2,945.68	591.95	538.47

**NOTE - 34 : ADDITIONAL NOTES ON ACCOUNTS (Contd.)****e) SEGMENT REPORTING (AS-17):**

The Company is primarily engaged in a single Segment business of production and sale of coal. The activities of production of coke and its bye-products at Dankuni Coal Complex being less than 10% of the total revenue and profit, there is no reportable primary segment identifiable in accordance with the Accounting Standard (AS-17) on Segment Reporting.

**f) RELATED PARTY DISCLOSURE (AS-18):**

In view of the exemption granted to State controlled enterprises as regards related party relationship with other State controlled enterprises and there being no transaction with other related enterprises & parties, no such disclosure under the Accounting Standard (AS-18) on Related Party Disclosures is required.

**g) LEASES (AS-19):****i) Apollo Hospital:**

The Company in terms of License Agreement dated 19<sup>th</sup> day of March 2001 executed with M/s Apollo Hospital Enterprises Ltd., Chennai has granted the latter a right to occupy and use the fully constructed main hospital building measuring 2,97,099.74Sq.ft. (27611.50 SqM) and the residential quarters measuring 55,333 Sq.ft. (5142.47 SqM) together with superstructures on the land such as substation building, sewerage treatment plant and pump house.

The License Agreement provides for a lease period of 30 years from the effective date of the commencement of the lease i.e. November 2001.

The lease rental payable by the Apollo Hospital is accounted for as per the agreement. As per the agreement, the lease rental receivable from Apollo Hospital on the Balance Sheet date, for main hospital building is ₹ 4/- per Sq. ft. per month (₹ 4/- per Sq. ft per month) ₹ 1.43 Crore or 1/3<sup>rd</sup> of net profit arrived from the operation of this division of the hospital of the licensee, whichever is more and for residential quarters the rate is ₹ 2/- per Sq. ft. per month (₹ 2/- per Sq. ft per month) ₹ 0.13 Crore. The lease rental paid by Apollo Hospital for the year ended on Balance Sheet date accounted for is ₹ 1.56 Crore (₹ 1.56Crore) towards minimum rental.

The cost of the gross assets leased to Apollo Hospital Enterprises Ltd. furnished under the schedule of Fixed Assets is ₹ 31.32 Crore (₹ 31.32 Crore) accumulated depreciation as on Balance Sheet date is ₹ 9.20 Crore (₹ 8.66 Crore), the depreciation recognized in the Statement of Profit & Loss for the period ended 31.03.2016 is ₹ 0.54 Crore (₹ 0.54 Crore).

The future minimum lease rental receivable in the aggregate as at 31.03.2016 is ₹ 23.37 Crore (₹ 24.93 Crore) for each of the following period is as under:

		(₹ in Crore)	
		As at 31.03.2016	As at 31.03.2015
(I)	Not later than one year	1.56	1.56
(II)	Later than one year and not later than five year	6.23	6.23
(III)	Later than five years and till the period of lease	15.58	17.14

No contingent rents are recognized as income in the Statement of Profit & Loss.

**ii) Railway Siding :**

(a) The Company in terms of License Agreements dated 03.01.2007 and 16.05.2008 executed with M/s Aryan Coal Beneficiations Pvt. Ltd., New Delhi has granted the later a right to use the fully constructed Railway Siding Junadih No.3 at Gevra Area on lease for a period of 20 years with effect from 23.05.2006. Lease Rent ₹ 1.00 Crore (₹ 0.50 Crore) received / receivable for the period/ year ended 31.03.2016.



**NOTE - 34 : ADDITIONAL NOTES ON ACCOUNTS (Contd.)**

- (b) The Company in terms of License Agreements dated 03.01.2007 and 16.05.2008 executed with M/s Aryan Coal Benefications Pvt. Ltd., New Delhi has granted the later a right to use the fully constructed Railway Siding Junadih No.4 at Gevra Area for a lease period of 20 years w.e.f. 23.08.1999. Lease Rent ₹ 1.02 Crore (₹ 0.64 Crore) received / receivable for the period / year ended 31.03.2016.
- (c) The Company in terms of License agreement with M/s Gujarat State Electricity Board, Vadodara, Gujarat dated 17.10.2005 has granted the later a right to use the fully constructed Railway siding Junadih line no 5 at Gevra area for a period of 20 years with effect from 17.10.2005. Lease Rent ₹ 0.53 Crore (₹ 0.16 Crore) taken for the period / year ended 31.03.16.
- (d) The Company in terms of Lease Agreements dated 15.10.2007 executed with M/s Spectrum Coal and Power Limited (Formerly known as STCLI Coal Washery Limited) has granted the later a right to use the fully constructed Railway Siding line no. 2 for an applied lease period of 30 years w.e.f Oct 2007 vide letter no.13-14/81 dated 18.07.14. Lease Rent ₹ 1.15 Crore (₹ 1.09 Crore) received/ receivable for the period/ year ended 31.03.16.

Leased out Assets to M/s Aryan Coal Benefications Pvt. Ltd. and M/s Gujarat State Electricity Board valued ₹ 7.13 Crore (₹ 7.13 Crore) and accumulated depreciation as on Balance Sheet date is ₹ 6.81 Crore (₹ 6.73 Crore), the depreciation recognized in the Statement of Profit & Loss for the year is ₹ 0.08 Crore (₹ 0.08 Crore).

Leased out Assets to M/s Spectrum Coal and Power Limited (Formerly known as STCLI Coal Washery Limited) ₹ 15.74 Crore and accumulated depreciation as on Balance Sheet date is ₹ 9.60 Crore (₹ 8.49 Crore).

The future minimum lease rental receivable in the aggregate at the end of the year is ₹ 36.88 Crore (₹ 34.73 Crore) for each of the following periods as under:

(₹ in Crore)

Period	As at 31.03.2016					As at 31.03.2015
	Junadih Sdg -3 (a)	Junadih Sdg -4 (b)	Junadih Sdg -5 (c)	Line No. 2 (d)	Total	
Not later than one year	1.00	1.02	0.53	1.15	3.70	2.39
Later than one year and not later than five year	4.01	2.46	2.12	5.75	14.34	10.67
Later than five years and till the period of lease	5.19	0.00	2.43	18.40	26.02	21.67

No contingent rents are recognized as income in the Statement of Profit & Loss.

**iii) Land:**

The Company in terms of Lease Agreements executed with M/s Spectrum Coal and Power Limited (Formerly known as STCLI Coal Washery Limited) has granted the later a right to use the land for construction of washery and siding facilities at Dipka Project on lease for a period of 30 years with effect from 30.03.2008. Lease Rent ₹ 1.57 Crore (₹ 0.82 Crore) received during the period/ year ended 31.03.2016.

Leased out Assets to M/s Spectrum Coal and Power Limited (Formerly known as STCLI Coal Washer Limited) valued ₹ 0.52 Crore for Land and accumulated depreciation as on Balance Sheet date is ₹ 0.31 Crore (₹ 0.30 Crore).

The future minimum lease rental receivable in the aggregate at the end of the year is ₹ 35.54 Crore (₹ 19.68 Crore) for each of the following period is as under:

(₹ in Crore)

	As at 31.03.2016	As at 31.03.2015
(I) Not later than one year	1.57	0.82
(II) Later than one year and not later than five year	7.85	4.10
(III) Later than five years and till the period of lease	25.12	14.76

No contingent rents are recognized as income in the Statement of Profit & Loss.

**NOTE - 34 : ADDITIONAL NOTES ON ACCOUNTS (Contd.)****iv) Dankuni Coal Complex**

Coal India Ltd. (Holding Company) has given on lease land, building and structures, plant and machinery of Dankuni Coal Complex at Kolkata from 01.04.1995, with absolute right to manufacture, sell its products including gas and by-products. The lease rent payable from 01.04.2011 onward to Coal India Ltd. is ₹ 1.00 per annum.

**h) EARNINGS PER SHARE (AS-20):**

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
(i) Profit after Tax (₹ In Crore)	3,247.90	3,659.93
(ii) Profit attributable to Equity Shareholders (₹ In Crore)	3,247.90	3,659.93
(iii) No. of Equity Shares for Basic & diluted EPS	35,97,000	35,97,000
(iv) Nominal value of Equity share (₹)	1,000.00	1,000.00
(v) Basic & Diluted Earnings per Share (₹)	9,029.47	10,174.95

**i) ACCOUNTING FOR TAXES ON INCOME (AS-22):**

- (i) Deferred Tax Assets and Liability are being offset as they relate to Taxes on income levied by the same governing taxation laws.
- (ii) Deferred Tax Asset / (Liability) as at 31<sup>st</sup> March, 2016 and as at 31<sup>st</sup> March 2015 is given below:-

	As at 31.03.2016	As at 31.03.2015
(₹ In Crore)		
<b>Deferred Tax Liability:</b>		
Related to Fixed Assets	75.34	77.79
<b>Deferred Tax Asset:</b>		
Provision for doubtful Debts, claims, etc.	308.69	197.23
Employee separation and retirement	156.62	166.58
Others	40.82	(13.86)
Total deferred tax Assets	506.13	349.95
<b>Net Deferred Tax Asset/ (Deferred Tax Liability) :</b>	<b>430.79</b>	<b>272.16</b>

**j) IMPAIRMENT OF ASSETS (AS-28):**

During the year, the impairment loss of assets of ₹ 1.96 Crore (₹ 1.34Crore) in respect of continuous loss making mines is debited to Statement of Profit & Loss.

**k) CONTINGENT LIABILITIES, COMMITMENTS AND CONTINGENT ASSETS (AS-29):**

- i) Contingent Liabilities: Following suits are pending against the Company at different forums. The financial impact, wherever available has been taken under contingent liabilities below, however, for other cases, management does not see any considerable impact on the financial position of the Company.

Sl.No	Description	Current Year	Previous year
1	Central Govt.	5,140.83	5,428.51
2	State Govt. and Local Authority	135.48	117.04
3	CPSEs / SPSEs	54.16	287.07
4	Other suits against Co.	1,255.75	244.58
	<b>TOTAL</b>	<b>6,586.22</b>	<b>6,077.20</b>



**NOTE - 34 : ADDITIONAL NOTES ON ACCOUNTS (Contd.)**

- ii) Outstanding letters of Credits as on Balance Sheet date amounted to ₹ 59.31 Crore (₹ 109.50 Crore).
- iii) The Company has given Bank Guarantees of ₹ 3.96 Crore (₹ 1.60 Crore) for which there is a floating charge on Current Assets of the Company.

**Commitments:**

- (i) The amount remaining to be executed on capital account not provided for is ₹ 1174.58 Crore (₹ 459.17 Crore).
- (ii) The amount remaining to be executed on revenue account not provided for is ₹ 3164.73Crore (₹ 1538.78 Crore).

**Others matters:**

- i) A sum of ₹ 48.46Crore (₹ 12.26 Crore) are kept in the Company's custody as Securities in the form of Fixed Deposit Receipt received from the suppliers, contractors etc.. Further, Bank Guarantees worth ₹ 1858.63 Crore (₹ 1433.14 Crore) have also been taken from Debtors as security for supply of coal and from suppliers & contractors for execution of works/supply etc. which have not been accounted for.
- ii) Certain forged / extra payments of TA Bills were found in Hasdeo Area. On detailed checking by the Internal Audit Department/ Vigilance Department the extra/ irregular payment for the years 2005-06 to July 2012 of about ₹ 0.37 Crore on account of TA Bills has been detected. Departmental action has already been initiated against the erring staff and the involved persons i.e. one Cashier and one Cost Assistant have been suspended. Based on this investigation payment of such forged TA bills is still under investigation.
- iii) One fraud case has been cropped up at Sohagpur Area in respect of salary/ wages billing by a clerk amounting to ₹ 0.16 Crore, out of which ₹ 0.09 Crore has been deposited by him. Balance amount is not recovered till date and involved person has been terminated from the service.
- iv) Excess payment is reported to be made to a security agency at Bishrampur Area& Korba Area amounting to ₹ 1.21 Crore& ₹ 0.32 Crore respectively. The cases are under investigation.
- v) Irregularities in deployment of OB Contractor at Bisrampur Area and payment involving ₹ 0.28 Crore. The case is under investigation.

**2(a) VALUE OF IMPORTS ON CIF BASIS:**

(₹ in Crore)

Details	For the year ended 31.03.2016	For the year ended 31.03.2015
Raw Material	NIL	NIL
Capital Goods	0.23	0.20
Stores & Spares	43.71	38.25

**2(b) TOTAL CONSUMPTION OF STORES (Refer Note No. 22):**

(₹ in Crore)

Particulars	For the year ended 31.03.2016		For the year ended 31.03.2015	
	Amount	% of Total Consumption	Amount	% of Total Consumption
Imported	6.62	0.43	6.41	0.38
Indigenous	1,515.46	99.57	1,662.93	99.62
Total	1,522.08	100.00	1,669.34	100.00

**2(c) EXPENDITURE INCURRED IN FOREIGN CURRENCY ON ACCOUNT OF:**

(₹ in Crore)

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Traveling Expenses	0.10	0.02
Training Expenses	0.92	0.00
Others	116.96	14.55

## NOTE - 34 : ADDITIONAL NOTES ON ACCOUNTS (Contd.)

## 3. REMUNERATION TO KEY MANAGERIAL PERSONNEL:

(₹ in Crore)

Name of KMP	Salary	PF	Others (Medical, LE, PRP, Perks etc.)	Sitting Fee	Total Current year	Total Previous year
Shri Om Prakash	0.18	0.03	0.13	-	0.34	0.12
Shri B.R. Reddy	0.02	0.00	0.00	-	0.02	-
Shri A.P. Panda	0.19	0.03	0.07	-	0.29	0.21
Shri R.P. Thakur	0.19	0.03	0.09	-	0.31	0.31
Shri R.S. Jha	0.16	0.02	0.06	-	0.24	0.10
Shri Kuldip Prasad	0.02	-	-	-	0.02	-
Shri Anil Kr. Singh	-	-	-	-	0.00	0.06
Shri Sunil Kumar	-	-	-	0.02	0.02	0.00
Shri B.S. Sahay	-	-	-	0.02	0.02	0.00
Shri S.M. Yunus	0.16	0.02	0.07	-	0.25	0.23

## 4. BALANCE CONFIRMATION:

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

## 5. USE OF ESTIMATE:

In preparing the Financial Statements in conformity with accounting principles generally accepted in India, management is sometimes required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liability as at the date of Financial Statements and the amount of revenue and expenses during the reported period. Actual results may differ from those estimates. Any revision to such estimate is recognized in the period in which the same is determined.

## 6. PREVIOUS YEAR'S FIGURES:

Previous Year's figures have been regrouped and rearranged wherever considered necessary. Figures in the parentheses relating to the Notes/Additional Notes of Balance Sheet and Statement of Profit & Loss corresponding previous year.

Notes 1 to 19 form part of the Balance Sheet as at 31<sup>st</sup> March, 2016 and Notes 20 to 32 form part of Statement of Profit & Loss for the year ended on that date. Note-33 represents Significant Accounting Policies and Note-34 represents Additional Notes on the Accounts.

Signature to Note 1 to 34.

Sd/-  
(CS S. M. Yunus)  
Company Secretary

Sd/-  
(CA Y.V. Subbarao)  
GM (Finance)

Sd/-  
(A.P. Panda)  
Director (Finance)  
DIN: 06664375

Sd/-  
(B.R. Reddy)  
Chairman-cum-Managing Director  
DIN: 07001710

As per our report annexed  
For J N Mital & Co.  
Chartered Accountants  
Firm Regn No. 003587N

Sd/-  
[CA Rajendra Mittal]  
Partner  
Membership No. 084470

Date : 23<sup>rd</sup> May, 2016  
Place : Kolkata

# Financial Statements Consolidated



5,000  
21,500  
54,144  
80,644  
₹1,332,75

Assets  
Current Asset  
Cash  
Acc

## Comments of the Comptroller and Auditor General of India under Section 143(6) (b) read with Section 129(4) of the Companies Act, 2013 on the Financial Statements of South Eastern Coalfields Limited for the year ended 31<sup>st</sup> March, 2016

The preparation of consolidated Financial Statements of South Eastern Coalfields Limited for the year ended 31<sup>st</sup> March, 2016 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 auditor appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act is responsible for expressing opinion on the Financial Statements under Section 143 read with Section 129(4) 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 23.05.2016.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a Supplementary Audit under Section 143(6)(a) read with Section 129(4) of the Act of the consolidated Financial Statements of South Eastern Coalfields Limited for the year ended 31<sup>st</sup> March, 2016. We conducted a Supplementary Audit of the Financial Statements of South Eastern Coalfields Limited, but did not conduct Supplementary Audit of the Financial Statements of Chhattisgarh East Railway Limited and Chhattisgarh East-West Railway Limited for the year ended on that date. This Supplementary Audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report.

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

**Sd/-**

**(Praveer Kumar)**

Principal Director of Commercial Audit &  
Ex-Officio Member, Audit Board-II  
Kolkata

Kolkata

Dated: 22.06.2016



# Independent Auditors' Report

To  
**The Members of South Eastern Coalfields Limited**

## Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of “**South Eastern Coalfields Limited**” (hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the Consolidated Financial Statements”).

## Management's Responsibility for the Consolidated Financial Statements

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

## Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the 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 Financial Statements.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016 and its profit and its cash flows for the year ended on that date.

## Other Matter

We did not audit the Financial Statements of 2 Subsidiaries, whose Financial Statements reflect Total Assets of ₹ 466.18 Crore as at 31<sup>st</sup> March, 2016, Total Revenues of ₹ 0.77 Lakh and Net Cash Flows amounting to ₹ 19.71 Crore for the year ended on that date, as considered in the Financial Statements.

These Financial Statements have been audited by the other auditors whose reports have been furnished to us by the management, and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report of such other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by section 143(5) of the Act, we give in **Annexure-I**, a Statement on the Directions issued by the Comptroller and Auditor General of India after complying with the suggested methodology of Audit, the action taken thereon and its impact on the accounts and Financial Statements of the Group.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure-II**, a statement on the matters specified in the paragraph 3 and 4 of the order.
3. 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 purposes of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books and from examination of reports of other auditors relied upon;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) In pursuance with MCA Exemption Notification No. G.S.R. 463(E) dated 05.06.2015 in relation to the appointment of Directors, in which subsidiary Company of Government Company is being exempted for applicability of Section 164(2) of the Companies Act, 2013.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure-III**"; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Holding Company has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements – Refer Note 34, para (1)(k) to the Consolidated Financial Statement;
    - ii. The Holding Company did not have any material foreseeable losses on long-term contracts including derivative contracts;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

**For J N Mital and Company**  
Chartered Accountants  
(FRN 003587N)

**Sd/-**  
**(CA Rajendra Mittal)**  
(Partner)  
(M No. 084470)

Place: New Delhi  
Date : 23<sup>rd</sup> May, 2016



## Annexure-I to the Auditors' Report

**Annexure – I** referred to in paragraph 1 of “Report on Other Legal and Regulatory Requirements” of our Independent Auditor’s Report to the member of the Company on the consolidated Financial Statements for the year ended 31<sup>st</sup> March 2016, we report that:

### **Report on Directions under section 143(5) of Companies Act 2013 in respect of M/s South Eastern Coalfields Ltd. for the year 2015-16**

Sl. No.	Directions	Action taken & Auditor’s Reply	Impact on Accounts and Financial Statements
1	Whether the Company has clear title/lease deeds for freehold and leasehold respectively? If not, please state the area of freehold and leasehold for which title/lease deeds are not available?	<p>Title Deeds and/or Lease Deeds of Land and Building and Mining Rights prior to incorporation of the Company, are continue to be held in the name of the Holding Company of SECL (Coal India Limited) and its other Subsidiaries (Refer to Note 10 C (b)).</p> <p>Yes, the Holding Company has clear title/lease deeds for freehold land of 231.083 hectares directly purchased by the Company.</p> <p>In respect of leasehold land vested under CBA (A&amp;D) Act, 1957 and LA Act, 1894 to the tune of 9682.837 hectares, the Company is in possession of section 11 orders of CBA (A&amp;D) Act, 1957 published in the official gazette. Similarly, the Company is in possession of 112.721 hectares of land acquired through executive orders, 8150.394 hectares acquired under state code and 4743.547 hectares acquired via Forest Conservation Act, 1980. As explained to us and on the basis of information obtained by us, no separate title deeds in the name of the Company are required to be in possession in respect of the above mentioned leasehold lands.</p>	There is no impact on the Financial Statements.
2	Whether there are any cases of waiver/ write off of debts/loans/ interest etc., if yes, the reasons there for and the amount involved.	No waiver/ write off of debts/ loans/ interest etc. during the year.	There is no impact on the Financial Statements.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.	As per the information and explanations provided to us that neither inventories are lying with third parties nor any assets were received as gift from government or other authorities.	There is no impact on the Financial Statements

### **Report on Additional directions under section 143(5) of the Companies Act, 2013 in respect of M/s South Eastern Coalfields Ltd. for the year 2015-16**

Sl. No.	Additional directions	Action taken & Auditor’s Reply	Impact on accounts and Financial Statements
1.	Whether coal stock measurement was done keeping in view the contour map? Whether physical stock measurement reports are accompanied by contour map in all cases? Whether new heap, if any, created during the year has got the approval of the competent authority?	Yes, stock measurement was done keeping in view the contour map and physical stock measurement reports are accompanied by contour map. New heaps created during the year at various units have got approval of the competent authority.	There is no impact on the Financial Statements.

Sl. No.	Additional directions	Action taken & Auditor's Reply	Impact on accounts and Financial Statements
2.	Whether the Company conducted physical verification exercise of assets and properties at the time of merger/split/re-structure of an Area. If so, whether the concerned subsidiary followed the requisite procedure?	There is no merger/split/re-structure of an Area during the year under review and therefore no physical verification of assets and properties is required.	There is no impact on the Financial Statements.
3.	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 2015-16?	As per the information and explanations given to us, uniform treatment of land acquisition and interest on delayed payment of land compensation to project affected persons (PAPs) in accordance with significant accounting policy of the Company are being considered by the Company.	There is no impact on the Financial Statements.
4.	Whether disputes, if any, as to GCV ranges as a result of sampling have been duly examined?	No such dispute in respect GCV ranges were observed during the year under review.	There is no impact on the Financial Statements.

## Annexure-II to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Holding Company on the consolidated Financial Statements for the year ended 31 March 2016, we report that:

1. In respect of Fixed Assets:
  - a. The Holding Company has generally maintained proper records showing full particulars including quantitative details and location of Fixed Assets.
  - b. Physical verification of fixed assets had been made by the management as required by the policy of the group during the year under review.
  - c. In respect of land vested during Pre-incorporation period the title deeds are in the name of the Holding Company (Coal India) and its subsidiaries (Refer to Note 10C (b)). Yes, the Group has clear title/lease deeds for freehold and in respect of leasehold lands acquired under CBA Act, 1957, LA Act 1894, State Code, Executive Orders, and Forest Conservation Act, 1980, no such title deeds are necessary as informed and explained to us.
2. In respect of Inventories:
 

According to the information and explanations given by the management, the inventory has been physically verified by the Group's management at regular interval and material discrepancies noticed have been properly dealt with in the books of account.
3. As per the information and explanations given to us, the holding Company has granted loans to its subsidiaries covered in the register maintained under section 189 of the Companies Act, 2013.
  - a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Holding Company.
  - (b) Since the repayment of interest does not fall due during the year as stipulated in the terms of arrangement, paragraph 3(b) of the order is not applicable.
  - (c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, the Holding Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
5. In our opinion and according to the information and explanations given to us, the Holding Company has not accepted any deposits from the public.



6. We have broadly reviewed the cost records maintained by the Holding Company as prescribed by the Central Government under section 148 (1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with the view to determine whether they are accurate or complete.
7. a) According to the information and explanation given by the Holding Company, the Statutory dues payable by the Company comprising of Provident fund, Sales tax, Stowing Excise duty, Service tax, Income tax deducted/collected at source, Entry tax, Professional Tax and Royalty etc., the Company has been regularly depositing the aforesaid undisputed dues to the appropriate authorities. There are no undisputed statutory dues as referred to above as on 31<sup>st</sup> March 2016 outstanding for a period of more than six months from the date, they become payable. The Employees State Insurance is not applicable to the area.
- b) The particulars of disputed statutory dues as on 31<sup>st</sup> March 2016 are as follows:

Name of the Area	Name of the Statute	Nature of the dues	Amount (₹ in Crore)	Period to which relates	Forum where dispute is pending
Johilla	MPGATVA, 2005	MP Sadak Vikas Kar	15.23	2004-05 to 2013-14	Hon'ble Supreme Court of India
	MP Municipalities Act, 1961	Terminal Tax	11.03	Sept, 2004 to March, 2014	Hon'ble Supreme Court of India
	MP/CG Sthaniya Ksetra me Mal ke Pravesh Par Kar Adhinyam, 1976	Entry Tax	6.17	2001-02 to 2013-14	Add/ Dy. Commissioner of CT
	Central Sales Tax Act, 1956	Central Sales Tax	0.37	98-99,01-02,04-05, 05-06, 06-07, 09-10,11-12	Add/ Dy. Commissioner of CT
	MP VAT Act, 2002	State Sales Tax /VAT	0.19	2003-04 to 2013-14	Add/ Dy. Commissioner of CT
DCC	Central Excise Act,1944	Excise duty	2.1	Sep-2000 to March, 2002	CESTAT(Tribunal), Kolkata
	Central Excise Act,1944	Excise duty	7.14	Sep-1996 to March, 2000	High Court, Kolkata
	W.B. Sthaniya Ksetra me Mal ke Pravesh Par Kar Adhinyam, 1976	Entry Tax	2.39	2012-13 to 2015-16	High Court, Kolkata
Jamuna & Kotma	MPGATVA, 2005	MP Sadak Vikas Kar	16.14	2005-06 to 2015-16	Hon'ble Supreme Court of India
	MP Municipalities Act, 1961	Terminal Tax	26.78	2005-06 to 2015-16	Hon'ble Supreme Court of India
	MP/CG Sthaniya Ksetra me Mal ke Pravesh Par Kar Adhinyam, 1976	Entry Tax	18.53	1993-94 to 2013-14	Add/ Dy. Commissioner of CT
	Central Sales Tax Act, 1956	Central Sales Tax	3.03	1997-98 to 2013-14	Add/ Dy. Commissioner of CT
	MP VAT Act, 2002	State Sales Tax /VAT	10.44	2006-07 to 2013-14	Add/ Dy. Commissioner of CT
Bhatgaon	MP/CG Sthaniya Ksetra me Mal ke Pravesh Par Kar Adhinyam, 1976	Entry Tax	0.85	98-99, 02-03, 03-04	Appellate Authority
Raigarh	MP/CG Sthaniya Ksetra me Mal ke Pravesh Par Kar Adhinyam, 1976	Entry Tax	0.12	1999-2000	Tribunal, Raipur
		Entry Tax	0.14	2001-02	ACCT, Raigarh
Korba	MP/CG Sthaniya Ksetra me Mal ke Pravesh Par Kar Adhinyam, 1976	Entry Tax	0.34	1981-82	Tribunal, Raipur
		Entry Tax	0.02	1992-93	ACCT, Korba
		Entry Tax	0.03	2002-03	ACCT, Korba
		Entry Tax	0.15	2004-05	ACCT, Korba
	MP General Sales Tax Act, 1956	Sales Tax	0.02	1991-92	ACCT, Raipur

Name of the Area	Name of the Statute	Nature of the dues	Amount (₹ in Crore)	Period to which relates	Forum where dispute is pending
<b>Sohagpur</b>	MPGATSVVA, 2005	MP Sadak Vikas Kar	36.13	Up to 2015-16	Hon'ble Supreme Court of India
	MP Municipalities Act, 1961	Terminal Tax	79.63	Up to 2015-16	Hon'ble Supreme Court of India
	MP/CG Sthaniya Ksetra me Mal ke Pravesh Par Kar Adhiniyam, 1976	Entry Tax	40.83	Up to 2015-16	Addl/ Dy. Commissioner of CT
	Central Sales Tax Act, 1956	Central Sales Tax	1.77	Up to 2015-16	Addl/ Dy. Commissioner of CT
	MP Commercial Tax Act, 1994 / MP VAT Act 2002	State Sales Tax /VAT	11.82	Up to 2015-16	Addl/ Dy. Commissioner of CT
<b>Baikunthpur</b>	MP General Sales Tax Act, 1956 / CG Commercial tax Act, 1994 / CG VAT Act, 2005	Sales Tax	1.57	92-93, 95-96, 98-99, 00-01 to 03-04, 05-06,06-07 &07-08 & 2008-09 to 2012-13	Before different Authorities
	MP/CG Sthaniya Ksetra me Mal ke Pravesh Par Kar Adhiniyam, 1976	Entry Tax	1.44	92-93, 95-96, 98-99, 00-01 to 03-04, 05-06, 06-07 &07-08	Before different Authorities
<b>Chirimiri</b>	MP/CG Sthaniya Ksetra me Mal ke Pravesh Par Kar Adhiniyam, 1976	Entry Tax	0.1	1987-88, 88-89, 98-99 to 02-03	CG Taxation Tribunal (Raipur)
	Central Sales Tax Act 1956	CST	0.34	2000-01 & 2001-02	High Court, Bilaspur
<b>Hasdeo</b>	MP Municipalities Act, 1961 / CG Municipalities Act,1961	Terminal Tax	76.93	Up to 2015-16	Hon'ble Supreme Court of India
	MP/CG Sthaniya Ksetra me Mal ke Pravesh Par Kar Adhiniyam, 1976	Entry Tax	0.38		Addl. Commissioner of Commercial tax/ Dy. Commissioner of Commercial Tax
	Central Sales Tax Act, 1956	CST	1.76		Addl. Commissioner of Commercial tax/ Dy. Commissioner of Commercial Tax
	MP VAT Act, 2002 / CG VAT Act, 2005	VAT	11.82		Addl. Commissioner of Commercial tax/ Dy. Commissioner of Commercial Tax
	MP Sadak Vikas Upkar	MPSVU	36.13		Hon'ble Supreme Court of India
	Service Tax	Service Tax	9.85		CESTAT, New Delhi
<b>Bishrampur</b>	MP General Sales Tax Act, 1956 / CG Commercial tax Act, 1994 / CG VAT Act, 2005	Sales Tax	1.57	94-95, 96-97 to 98-99, 01-02, 02-03, 05-06	Before different Authorities
	MP/CG Sthaniya Ksetra me Mal ke Pravesh Par Kar Adhiniyam, 1976	Entry Tax	1.44	94-95 to 03-04	Before different Authorities



Name of the Area	Name of the Statute	Nature of the dues	Amount (₹ in Crore)	Period to which relates	Forum where dispute is pending
Gevra	MP/CG Sthaniya Ksetra me Mal ke Pravesh Par Kar Adhinyam, 1976	Entry Tax	53.51	183-84, 1990-91 to 04-05	Tribunal, Raipur
	Central Sales Tax Act, 1956	CST	1.69	1997-98 1999-00 2005-06	Tribunal, Raipur
	M.P. General Sales Tax Act, 1956	CGCT	0.01	1999-00	Tribunal, Raipur
CWS-CS Korba	MP/CG Sthaniya Ksetra me Mal ke Pravesh Par Kar Adhinyam, 1976	Entry Tax	0.63	2000-01	Additional Comm Bilaspur
		Entry Tax	0.19	2004-05	Tribunal, Raipur

8. According to the information and explanation provided to us the Holding Company has not taken any loans or borrowings from financial institutions, banks, government or from debenture holders. Therefore, the question of default in repayment of loans does not arise.
9. The Holding Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
10. According to the information and explanations given to us, no material fraud by the Holding Company or on the Holding Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Holding Company, the Holding Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Holding Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records, the Holding Company has not entered into any transactions with the related parties during the year except with state controlled enterprises which are exempted as per AS18. The provisions of sections 177 and 188 of the Act are not applicable to the Holding Company and therefore no disclosure required.
14. According to the information and explanations give to us and based on our examination of the records of the Holding Company, the Holding Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Holding Company, the Holding Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Holding Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For J N Mital and Company**  
Chartered Accountants  
(FRN 003587N)

**Sd/-**  
**(CA Rajendra Mittal)**  
(Partner)  
(M No. 084470)

Place: New Delhi  
Date : 23<sup>rd</sup> May, 2016

## Annexure-III to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **South Eastern Coalfields Limited ("the Holding Company")** as of **March 31, 2016** in conjunction with our audit of the Financial Statements of the Holding Company for the year ended on that date.

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

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

#### Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Internal Financial Controls system over financial reporting.

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

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

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

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

#### Opinion

In our opinion, the Holding 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 March 31, 2016, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For J N Mital and Company**  
Chartered Accountants  
(FRN 003587N)

Sd/-  
**(CA Rajendra Mittal)**  
(Partner)  
(M No. 084470)

Place: New Delhi  
Date : 23<sup>rd</sup> May, 2016



## Consolidated Balance Sheet

as at 31<sup>st</sup> March, 2016

(₹ in Crore)

	Note No.	As at March 31 <sup>st</sup>	
		2016	2015
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Fund</b>			
a) Share Capital	1	359.70	359.70
b) Reserves & Surplus	2	4,740.72	9,184.18
c) Money Received against Share Warrants		-	-
		<b>5,100.42</b>	9,543.88
<b>(2) Share Application money pending allotment</b>		-	-
<b>(3) Non-Current Liabilities</b>			
a) Long Term Borrowing	3	87.85	30.60
b) Deferred Tax Liabilities (Net)		-	-
c) Other Long Term Liabilities	4	873.89	828.06
d) Long Term Provisions	5	8,420.98	7,425.79
		<b>9,382.72</b>	8,284.45
<b>(4) Minority Interest</b>		41.19	2.23
<b>(5) Current Liabilities</b>			
a) Short-Term Borrowings	6	-	-
b) Trade Payables	7	97.83	107.27
c) Other Current Liabilities	8	4,247.40	4,149.75
d) Short-Term Provisions	9	1,598.74	1,290.39
		<b>5,943.97</b>	5,547.41
<b>TOTAL</b>		<b>20,468.30</b>	23,377.97
<b>II ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	10A		
i) Tangible Assets - Gross Block		9,010.78	8,378.89
Less : Depreciation, Impairment & Provisions		5,241.36	4,708.83
Net Carrying Value		<b>3,769.42</b>	3,670.06
ii) Intangible Assets - Gross Block	10A	591.81	566.62
Less : Depreciation, Impairment & Provisions		329.62	324.97
Net Carrying Value		<b>262.19</b>	241.65
iii) Capital Work-in-Progress	10B	708.97	566.10
iv) Intangible Assets under Development	10C	830.69	689.05

**Consolidated Balance Sheet (Contd.)**

(₹ in Crore)

	Note No.	As at March 31 <sup>st</sup>	
		2016	2015
(b) Non-Current Investments	11	-	-
(c) Deferred Tax Assets (Net)		430.79	272.16
(d) Long-Term Loans & Advances	12	400.45	381.98
(e) Other Non-Current Assets	13	1,066.61	809.15
<b>(2) Current Assets</b>			
(a) Current Investments	14	95.72	123.16
(b) Inventories	15	1,839.69	1,332.09
(c) Trade Receivables	16	2,650.61	2,277.71
(d) Cash & Bank Balance	17	4,720.28	9,379.96
(e) Short-Term Loans & Advances	18	2,939.72	2,919.55
(f) Other Current Assets	19	753.16	715.35
<b>TOTAL</b>		<b>20,468.30</b>	<b>23,377.97</b>
Significant Accounting Policies	33		
Additional Notes on Accounts	34		

The Notes referred to above form an integral part of Balance Sheet.

**Sd/-**  
**(CS S. M. Yunus)**  
Company Secretary

**Sd/-**  
**(CA Y.V. Subbarao)**  
GM (Finance)

**Sd/-**  
**(A.P. Panda)**  
Director (Finance)  
DIN: 06664375

**Sd/-**  
**(B.R. Reddy)**  
Chairman-cum-Managing Director  
DIN: 07001710

As per our report annexed  
**For J N Mital & Co.**  
**Chartered Accountants**  
Firm Regn No. 003587N

**Sd/-**  
**[CA Rajendra Mittal]**  
Partner  
Membership No. 084470

Date : 23<sup>rd</sup> May, 2016  
Place : Kolkata



## Consolidated Statement of Profit & Loss

For the Year ended 31<sup>st</sup> March, 2016

(₹ in Crore)

	Note No.	For the Year ended 31.03.2016	For the Year ended 31.03.2015
<b>INCOME</b>			
<b>I</b>			
Revenue From Operations			
<b>A.</b> Sale of Coal,Coke etc.	20	<b>24,900.03</b>	22,004.53
Less : Excise Duty		<b>1,198.20</b>	1,152.23
Other Levies		<b>6,956.16</b>	4,557.32
Net Sales		<b>16,745.67</b>	16,294.98
<b>B.</b> Other Operating Revenue (Net)		<b>391.18</b>	336.49
Revenue From Operations (A+B)		<b>17,136.85</b>	16,631.47
<b>II</b> Other Income	21	<b>1,083.80</b>	1,447.68
<b>III Total Revenue (I+II)</b>		<b>18,220.65</b>	18,079.15
<b>IV EXPENSES</b>			
Cost of Material Consumed	22	<b>1,522.08</b>	1,669.34
Purchase of Stock-in-trade		-	-
Change in inventories of finished goods, work in progress and Stock in trade	23	<b>(524.70)</b>	(316.95)
Employee benefit expenses	24	<b>6,404.74</b>	6,511.58
Power & Fuel		<b>620.81</b>	580.94
Corporate Social Responsibility Expenses	25	<b>270.85</b>	40.43
Repairs	26	<b>204.03</b>	193.47
Contractual Expenses	27	<b>2,100.70</b>	1,885.50
Finance Costs	28	<b>0.65</b>	0.55
Depreciation/Amortization/Impairment		<b>680.22</b>	616.47
Provisions	29	<b>322.05</b>	54.48
Write Offs	30	<b>4.19</b>	-
Overburden Removal Adjustment		<b>816.60</b>	605.55
Other Expenditure	31	<b>628.27</b>	580.31
<b>Total Expenses</b>		<b>13,050.49</b>	12,421.67
<b>V Profit before prior period, exceptional and extraordinary items and tax (III-IV)</b>		<b>5,170.16</b>	5,657.48
<b>VI</b> Prior Period Adjustment {Charges/ (Incomes)}	32	<b>(3.16)</b>	(1.98)
<b>VII</b> Exceptional Items		-	-
<b>VIII Profit before Extraordinary Items and Tax (V-VI-VII)</b>		<b>5,173.32</b>	5,659.46

**Consolidated Statement of Profit & Loss (Contd.)**

(₹ in Crore)

	Note No.	For the Year ended 31.03.2016	For the Year ended 31.03.2015
<b>IX</b> Extraordinary Items		-	-
<b>X</b> Profit before Tax (VIII-IX)		<b>5,173.32</b>	5,659.46
<b>XI</b> Less : Tax Expense			
- Current year		<b>2,084.19</b>	2,121.41
- Deferred Tax		<b>(158.63)</b>	(232.28)
- Earlier years		-	110.48
<b>XII</b> Profit for the Year from Continuing operations (X-XI)		<b>3,247.76</b>	3,659.85
<b>XIII</b> Profit from Discontinuing operations		-	-
<b>XIV</b> Tax expenses of Discontinuing operations		-	-
<b>XV</b> Profit from Discontinuing operations (after tax) (XIII-XIV)		-	-
<b>XVI</b> Profit for the Year before Adjustment for Minority Interest (XII-XV)		<b>3,247.76</b>	3,659.85
<b>XVII</b> Add: Share of (Profit) / Loss transferred (to) / from Minority Interest		<b>(0.04)</b>	(0.09)
<b>XVIII</b> Profit for the Year After Adjustment for Minority Interest (XVI-XVII)		<b>3,247.80</b>	3,659.94
<b>XIX</b> Earnings per Equity Share (in ₹)			
(Face Value of ₹1000/- per Share)			
(1) Basic		<b>9,029.19</b>	10,174.98
(2) Diluted		<b>9,029.19</b>	10,174.98
Significant Accounting Policies	33		
Additional Notes on Accounts	34		

The Notes referred to above form an integral part of Statement of Profit & Loss.

Sd/-  
**(CS S. M. Yunus)**  
Company Secretary

Sd/-  
**(CA Y.V. Subbarao)**  
GM (Finance)

Sd/-  
**(A.P. Panda)**  
Director (Finance)  
DIN: 06664375

Sd/-  
**(B.R. Reddy)**  
Chairman-cum-Managing Director  
DIN: 07001710

As per our report annexed  
**For J N Mital & Co.**  
**Chartered Accountants**  
Firm Regn No. 003587N

Sd/-  
**[CA Rajendra Mittal]**  
Partner  
Membership No. 084470

Date : 23<sup>rd</sup> May, 2016  
Place : Kolkata



## Consolidated Cash Flow Statement (Indirect Method)

For the Year ended 31<sup>st</sup> March, 2016

(₹ In Crore)

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Net Profit before tax</b>	<b>5,173.32</b>	5,659.46
<b>Adjustment for:</b>		
Depreciation & Impairment of Fixed Assets	<b>677.06</b>	616.47
Interest Income	<b>(849.27)</b>	(1,220.14)
Dividend from Mutual Fund Investments	<b>(47.72)</b>	(61.10)
Interest expense	<b>0.65</b>	0.55
OBR adjustment	<b>816.60</b>	605.55
Profit/Loss on Sale of Assets [Net]	<b>0.24</b>	(1.02)
Provision for Capital WIP and P&M in Stores	<b>3.75</b>	(1.48)
Exchange Rate Fluctuation	<b>0.00</b>	0.00
<b>Operating profit before Current / Non Current Assets and Liabilities</b>	<b>5,774.63</b>	5,598.29
<b>Adjustments for :</b>		
Trade Receivable	<b>(372.90)</b>	(940.93)
Inventories	<b>(507.60)</b>	(326.96)
Short/Long-term Loans / Advances & Other Current Assets	<b>(511.70)</b>	374.28
Short/Long-term Liabilities and Provisions	<b>366.61</b>	1,307.65
Gratuity, Leave encashments & Other Employees Benefit	<b>147.87</b>	376.37
<b>Cash generated from operations</b>	<b>4,896.91</b>	6,388.70
Income Tax paid / refund	<b>(1,938.80)</b>	(2,986.41)
Interest paid	<b>(0.65)</b>	(0.55)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>2,957.46</b>	3,401.74
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	<b>(1,080.66)</b>	(1,095.35)
Proceeds from Sale of equipment	<b>1.45</b>	8.43
Proceeds/(Purchase) of Investments incl Fixed Deposit and Mutual Funds	<b>4,924.82</b>	788.89
Interest received on Fixed Deposit	<b>1,014.09</b>	1,213.04
Interest pertaining to Investments	<b>13.08</b>	23.56
Dividend from Mutual Fund Investments	<b>47.72</b>	61.10
<b>Net Cash Flow from Investing Activities (B)</b>	<b>4,920.50</b>	999.67

**Consolidated Cash Flow Statement (Contd.)**

(₹ In Crore)

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Borrowings/ (Repayment) of Loans	51.00	30.00
Interest & Finance cost pertaining to Financing Activities	0.00	0.00
Dividend paid	(6,390.32)	(3,941.57)
Dividend Tax paid	(1,300.94)	(741.11)
<b>Net Cash used in Financing Activities (C)</b>	<b>(7,640.26)</b>	<b>(4,652.68)</b>
<b>Net increase/ decrease in Cash &amp; Bank Balances (A+B+C)</b>	<b>237.70</b>	<b>(251.27)</b>
<b>Cash and Cash equivalent (Opening Balance)</b>	<b>2,295.87</b>	<b>2,547.14</b>
<b>Cash and Cash equivalent (Closing Balance)</b>	<b>2,533.57</b>	<b>2,295.87</b>
(All figures in bracket represent outflow)		

Sd/-  
**(CS S. M. Yunus)**  
Company Secretary

Sd/-  
**(CA Y.V. Subbarao)**  
GM (Finance)

Sd/-  
**(A.P. Panda)**  
Director (Finance)  
DIN: 06664375

Sd/-  
**(B.R. Reddy)**  
Chairman-cum-Managing Director  
DIN: 07001710

As per our report annexed  
**For J N Mital & Co.**  
**Chartered Accountants**  
Firm Regn No. 003587N

Sd/-  
**[CA Rajendra Mittal]**  
Partner  
Membership No. 084470

Date : 23<sup>rd</sup> May, 2016  
Place : Kolkata



## Notes to Consolidated Financial Statements

### Notes to Consolidated Balance Sheet

#### NOTE - 1 : SHARE CAPITAL

	(₹ In Crore)	
	As at 31.03.2016	As at 31.03.2015
<b>Authorised</b>		
(i) 1,00,00,000 (1,00,00,000) Equity Shares of ₹ 1000/- each	1,000.00	1,000.00
(ii) 30,00,000 (30,00,000) 10% Cumulative Redeemable Preference Shares of ₹ 1000/- each (Redeemed in the year 2003-04 as per terms of earliest redemption)	300.00	300.00
	<b>1,300.00</b>	1,300.00
<b>Issued, Subscribed and Paid-up</b>		
(i) 35,97,000 (35,97,000) Equity Shares of ₹ 1000/- each	359.70	359.70
<b>TOTAL</b>	<b>359.70</b>	359.70

#### Note

1.1 Shares in the Company held by each shareholder holding more than 5% Shares

Name of Shareholder	No. of Shares Held (Face value of ₹1000/- each)	% of Total Shares
Coal India Limited "Holding Company" and its Nominees		
As at 31.03.2015	35,97,000	100%
As at 31.03.2016	35,97,000	100%

1.2 During the period there is no change in the number of shares.

#### NOTE - 2 : RESERVES & SURPLUS

	(₹ In Crore)	
	As at 31.03.2016	As at 31.03.2015
<b>RESERVES :</b>		
<b>A) Capital Reserve</b>		
As per last Balance Sheet	0.01	0.01
Add: Addition during the year	-	-
Less: Adjustment during the year	-	-
<b>Total (A)</b>	<b>0.01</b>	0.01
<b>B) Capital Redemption Reserve</b>		
As per last Balance Sheet	300.00	300.00
Add: Addition during the year	-	-
Less: Adjustment during the year	-	-
<b>Total (B)</b>	<b>300.00</b>	300.00
<b>C) CSR Reserve</b>		
As per last Balance Sheet	-	162.24
Add: Addition during the year	-	-
Less: Transfer to General Reserve	-	162.24
<b>Total (C)</b>	<b>-</b>	-

## Notes to Consolidated Balance Sheet (Contd.)

## NOTE - 2 RESERVES &amp; SURPLUS (Contd.)

(₹ In Crore)

	As at 31.03.2016	As at 31.03.2015
<b>D) Sustainable Development Reserve</b>		
As per last Balance Sheet	-	4.63
Add: Addition during the year	-	-
Less: Transfer to General Reserve	-	4.63
<b>Total (D)</b>	<b>-</b>	<b>-</b>
<b>E) General Reserve</b>		
As per last Balance Sheet	3,311.58	2,778.72
Add: Transfer from Surplus in Statement of Profit & Loss	162.40	365.99
Add: Transfer from CSR Reserve	-	162.24
Add: Transfer from Sustainable Development Reserve	-	4.63
<b>Total (E)</b>	<b>3,473.98</b>	<b>3,311.58</b>
<b>F) Surplus in Statement of Profit &amp; Loss</b>		
As per last Balance Sheet	5,572.59	6,442.44
Adjustment (Refer Note No 2.1)	-	(137.23)
Profit after Tax during the period	3,247.80	3,659.94
<b>Profit available for appropriation</b>	<b>8,820.39</b>	<b>9,965.15</b>
<b>Appropriation</b>		
Transfer to General Reserve	162.40	365.99
Transfer to CSR Reserve	-	-
Transfer to Sustainable Development Reserve	-	-
Interim Dividend [₹ 17765.68 (₹ 9398.86) per share]	6,390.32	3,380.77
Proposed Final Dividend	-	-
Corporate Dividend Tax	1,300.94	645.80
	7,853.66	4,392.56
<b>Total (F)</b>	<b>966.73</b>	<b>5,572.59</b>
Miscellaneous Expenditure (to the extent not written off)		
Preliminary Expenses	-	-
Pre-Operational Expenses	-	-
<b>TOTAL (A+B+C+D+E+F)</b>	<b>4,740.72</b>	<b>9,184.18</b>

2.1 Remaining useful life of certain assets becomes Nil as on 01.04.2014 as per Companies Act, 2013 and the Carrying cost remained apart from Residual value is charged against Opening Retained earnings during the year 2014-15.



Notes to Consolidated Balance Sheet (Contd.)

**NOTE - 3 : LONG-TERM BORROWING**

(₹ In Crore)

	<b>As at 31.03.2016</b>	As at 31.03.2015
Term Loan		
Loan From Coal India Limited	-	-
Loan from IRCON International Ltd	<b>63.92</b>	30.60
Loan from Chhattisgarh State Infrastructure Development Corpn Ltd. (CSIDCL)	<b>23.93</b>	-
<b>TOTAL</b>	<b>87.85</b>	30.60
CLASSIFICATION 1		
Secured	<b>87.85</b>	30.60
Unsecured	-	-
CLASSIFICATION 2		
<b>Loan Guaranteed by Directors &amp; Others</b>		
Particulars of Loan	<b>Amount in ₹ Crore</b>	Nature of Guarantee
	<b>NIL</b>	-

**3.1 Loan from IRCON International Ltd.**

Loan from IRCON International Ltd. consist ₹ 39.00 Crore (₹ 30.00 Crore) of M/s Chhattisgarh East Railway Limited (CERL) and ₹ 19.50 Crore (₹ 0.00 Crore) of M/s Chhattisgarh East-West Railway Limited (CEWRL) which are secured by first charge on all infrastructures to be created/ developed and all future receivables of borrowers. Repayment period of loan shall be of 5 years excluding moratorium period not exceeding five years from the date of signing of Loan Agreement. Interest due as on Balance sheet date are ₹ 5.03Crore (₹ 0.60 Crore) & ₹ 0.39 Crore (₹ nil) for CERL & CEWRL respectively. Rate of interest are @ 12% per annum with compounding at quarterly rests.

**3.1 Loan from CSIDCL**

Loan from CSIDCL consist ₹ 15.00 Crore (₹ 0.00 Crore) of M/s Chhattisgarh East Railway Limited (CERL) and ₹ 7.50 Crore (₹ 0.00 Crore) of M/s Chhattisgarh East - West Railway Limited (CEWRL) which are secured by first charge on all infrastructures to be created/ developed and all future receivables of borrowers. Repayment period of loan shall be of 5 years excluding moratorium period not exceeding five years from the date of signing of Loan Agreement. Interest due ₹ 1.25 Crore (₹ 0.00 Crore) & ₹ 0.18 Crore (₹ nil) for CERL & CEWRL respectively. Rate of interest are @ 12% per annum with compounding at quarterly rests.

**NOTE - 4 : OTHER LONG-TERM LIABILITIES**

(₹ In Crore)

	<b>As at 31.03.2016</b>	As at 31.03.2015
Dues to Coal India Limited:		
Loan	-	-
Interest Accrued & Due	-	-
Shifting & Rehabilitation Fund	-	-
<b>Total</b>	-	-
Trade Payable	-	-
Security Deposits	<b>326.90</b>	344.57
Others	<b>546.99</b>	483.49
<b>Total</b>	<b>873.89</b>	828.06
<b>TOTAL</b>	<b>873.89</b>	828.06

**4.1 Others**

Others ₹ 546.99 Crore (₹ 483.49 Crore) includes ₹ 536.60 Crore (₹ 474.39 Crore) relating to amount realized from customers and employees on account of cases pending before various courts/ arbitration with interest earned on bank deposits related to such liabilities.

## Notes to Consolidated Balance Sheet (Contd.)

## NOTE - 5 : LONG-TERM PROVISIONS

(₹ In Crore)

	As at 31.03.2016	As at 31.03.2015
<b>For Employee Benefits</b>		
- Gratuity	-	-
- Leave Encashment	544.01	494.28
- Other Employee Benefits	212.40	232.17
OBR Adjustment Account	6,765.56	5,948.96
Mine Closure	899.01	750.38
For Others	-	-
<b>TOTAL</b>	<b>8,420.98</b>	<b>7,425.79</b>

## 5.1 The Position of various provisions is given below:

(₹ in Crore)

Provisions	Opening Balance as at 01.04.2015	Addition/ Write back during the Year	Paid/ Adj during Year	Closing Balance as at 31.03.2016
i For Gratuity	-	-	-	-
ii For Leave Encashment	494.28	49.73	-	544.01
iii For Other Employee Benefits	232.17	-	19.77	212.40
iv For OBR Adjustment Account	5,948.96	816.60	-	6,765.56
v For Mine Closure Plan	750.38	148.63	-	899.01

## 5.2 Provision for Mine Closure

- (a) Provision is made as per the guidelines received for preparation of Mine Closure Plan from the Ministry of Coal, GOI.
- (b) Provision for Mine Closure Plan ₹ 148.63 Crore (includes withdrawal of ₹ 28.98 Crore for Development Mines) has been provided during the period and ₹ 63.83 Crore for interest earned on Escrow A/c. Escrow Account has been opened for all 90 Mines in operation having closing balance ₹ 871.53 Crore (₹ 700.05 Crore) which includes interest earned ₹ 123.98 Crore (₹ 60.15 Crore).

- 5.3 OBR adjustment Account does not include any adjustment for Gare Palma IV/2&3 mine for which the Coal India Ltd. has been appointed as custodian akin to a designated custodian w.e.f. 01.04.2015.



Notes to Consolidated Balance Sheet (Contd.)

**NOTE - 6 : SHORT TERM BORROWING**

(₹ In Crore)

	As at 31.03.2016	As at 31.03.2015
Loan from Bank	-	-
Loans Repayable on Demand	-	-
Balance with Coal India Limited & other Subsidiaries of Coal India Limited	-	-
Other Loans and Advances	-	-
Deferred Credits	-	-
<b>TOTAL</b>	-	-
<b>CLASSIFICATION 1</b>		
Secured	-	-
Unsecured	-	-
<b>CLASSIFICATION 2</b>		
<b>6.1 Loan Guaranteed by Directors &amp; Others</b>		
<b>Particulars of Loan</b>	<b>Amount in ₹ Crore</b>	<b>Nature of Guarantee</b>
	Nil	-
<b>6.2 Amount outstanding in Foreign Currency : NIL</b>		
<b>6.3 Cash Credit</b>		
<p>The Company has executed a Joint Deed of Hypothecation in favour of the State Bank Consortium, which includes State Bank of India and 17 other Banks for the purpose of availing working capital facilities both fund based and non-fund based. As per the Consortium Agreement (Revised) dated: 25.08.14, the Company agreed that the said facilities shall be collaterally secured by SECL by creating hypothecation charge over current assets comprising of Book Debts, Stocks of Raw Materials, Semi Finished and Finished goods, Stores and Spares not relating to Plant &amp; Machinery (Consumable, Stores &amp; Spares), both present and future jointly and severally in favour of said Banks for a sum of ₹ 165.00 Crore. There is no credit balance in the cash credit account.</p>		

**NOTE - 7 : TRADE PAYABLES**

(₹ In Crore)

	As at 31.03.2016	As at 31.03.2015
Outstanding dues of creditors other than micro enterprises and small enterprises	95.01	100.04
Outstanding dues of micro enterprises and small enterprises	2.82	7.23
<b>TOTAL</b>	<b>97.83</b>	<b>107.27</b>

## Notes to Consolidated Balance Sheet (Contd.)

## NOTE - 8 : OTHER CURRENT LIABILITIES

( ₹ In Crore)

	As at 31.03.2016	As at 31.03.2015
Current Maturities of Long-Term Borrowings		
For Capital (including Stores)	231.15	336.25
<b>For Expenses :</b>		
Salary Wages & Allowances	395.58	403.09
Power & Fuel	69.62	63.75
Others	965.45	752.01
	<b>1,661.80</b>	1,555.10
<b>Statutory Dues :</b>		
Sales Tax / VAT	15.23	19.95
Provident Fund & Pension Fund	96.55	100.73
Central Excise Duty	3.01	-
Royalty & Cess on Coal	137.87	151.13
Stowing Excise Duty	24.31	21.85
Clean Energy Cess	738.47	225.56
National Mineral Exploration Trust Fund (NMET)	60.19	-
District Mineral Foundation (DMF)	29.99	-
Other Statutory Levies	63.63	70.74
Income Tax Deducted at Source	42.93	38.33
	<b>1,212.18</b>	628.29
<b>Others :</b>		
Security Deposit	158.42	134.78
Earnest Money	52.33	49.87
Advance & Deposit from Customers & Others	1,162.67	1,734.65
Current Account with Coal India Ltd.	-	47.06
	<b>1,373.42</b>	1,966.36
<b>TOTAL</b>	<b>4,247.40</b>	4,149.75

8.1 Advance & Deposit from Customers & Others includes ₹ 15.48 Crore received from Devnara Coalfields Ltd. towards recoverable cost of exploration of Rajgamar Dip Side (Devnara coal block).

8.2 No unpaid dividend amount is due for payment to Investor Education & Protection Fund.



Notes to Consolidated Balance Sheet (Contd.)

**NOTE - 9 : SHORT-TERM PROVISIONS**

(₹ In Crore)

	As at 31.03.2016	As at 31.03.2015
<b>For Employee Benefits</b>		
- Gratuity	158.43	149.49
- Leave Encashment	51.04	45.75
- Exgratia (PLRS)	312.28	264.45
- Performance Related Pay (PRP) (Net)	525.26	503.21
- Other Employee Benefits	270.12	224.63
For Proposed Dividend	-	-
For Corporate Dividend Tax	-	-
For Provision for Income Tax	2,084.19	-
Less: Advance Income Tax/ Tax Deduced at Source	1,938.69	145.50
For Excise Duty on Closing Stock of Coal	136.11	102.26
For Others (Wealth Tax)	-	0.60
<b>TOTAL</b>	<b>1,598.74</b>	<b>1,290.39</b>

**9.1 The Position of various provisions is given below:**

Provisions	Opening Balance as at 01.04.2015	Addition / Write Back during the year	Paid/ Adj during the year	Closing Balance as at 31.03.2016
i For Gratuity	149.49	95.58	86.64	158.43
ii For Leave Encashment	45.75	126.17	120.88	51.04
iii For PLRS	264.45	331.23	283.40	312.28
iv For PRP	503.21	41.68	19.63	525.26
v For Other Employee Benefits	224.63	229.13	183.64	270.12
vi For Proposed Dividend	-	-	-	-
vii For Interim Dividend	-	6,390.32	6,390.32	-
viii For Corporate Dividend Tax	-	1,300.94	1,300.94	-
ix For Provision for Income Tax	-	2,084.19	1,938.69	145.50
x For Excise Duty	102.26	33.85	-	136.11
xi For Others (Wealth Tax)	0.60	-	0.60	-

**9.2 Provision for Other Employee Benefits**

Provision for Other Employee Benefits includes ₹ 223.14 Crore provided for Superannuation benefits @ 9.84% till Balance Sheet date.

**9.3 Performance Related Pay (PRP)**

An amount of ₹ 94.43 Crore paid as advance against Performance Related Pay (PRP), adjusted against the provision made.

## Notes to Consolidated Balance Sheet (Contd.)

## NOTE - 10 A : FIXED ASSETS

(₹ in Crore)

PARTICULARS	GROSS BLOCK		DEPRECIATION		IMPAIRMENT LOSS		Total CARRYING VALUE	
	As on Addition 01.04.15	Adj./ sale/ transfer	As on 01.04.15	Adj./ sale/ transfer	As on 01.04.15	Adj./ sale/ transfer	As on 31.03.16	As on 31.03.15
<b>TANGIBLE ASSETS</b>								
Land:								
(a) Freehold	10.79	0.00	10.79	0.00	0.00	0.00	10.79	10.79
(b) Leasehold	1,433.86	(0.54)	1,630.68	94.01	685.93	0.00	944.75	843.02
Buildings/ Water supply/Roads & Culverts	980.33	144.60	1,125.65	34.53	481.88	0.15	643.62	534.04
Plant and Equipment	5,674.08	373.19	5,911.68	498.14	3,863.17	5.45	2,046.55	2,186.80
Telecommunication equipment	60.17	1.96	62.12	4.51	40.86	0.00	21.26	23.72
Railway Sidings	86.97	11.70	98.18	6.49	59.05	0.00	39.13	34.36
Furniture & Fixtures	30.66	2.09	32.05	2.08	25.57	0.00	6.48	6.44
Office Tools & Equipments / Electrical Fittings / Fire Arms	27.43	25.52	59.88	21.79	32.07	0.00	27.81	5.64
Vehicles	58.48	1.65	59.32	49.34	50.72	0.00	8.60	9.14
Assets taken on Nationalisation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Surveyed-Off Assets	16.11	6.01	20.43	0.00	0.00	0.00	20.43	16.11
<b>TOTAL</b>	<b>8,378.88</b>	<b>764.08</b>	<b>9,010.78</b>	<b>651.16</b>	<b>5,239.25</b>	<b>5.60</b>	<b>3,769.42</b>	<b>3,670.06</b>
<b>Previous Year</b>	7,303.17	1,241.35	8,378.89	4,126.21	4,703.23	5.60	4,708.83	3,171.35
<b>INTANGIBLE ASSETS</b>								
Computer Software	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Development	441.00	30.80	454.88	234.18	231.42	41.76	180.84	165.06
Prospecting & Boring	125.62	23.08	136.93	41.86	49.27	7.17	81.35	76.59
<b>TOTAL</b>	<b>566.62</b>	<b>53.88</b>	<b>591.81</b>	<b>276.04</b>	<b>280.69</b>	<b>48.93</b>	<b>262.19</b>	<b>241.65</b>
<b>Previous Year</b>	529.87	43.06	566.62	253.08	276.04	47.59	241.65	229.20

## NOTE:

- Leased out Assets to M/s. Apollo Hospitals included under Buildings, Gross value ₹ 31.32 Crore (Previous year ₹ 31.32 Crore) & Accumulated Depreciation ₹ 9.20 Crore (Previous year ₹ 8.66 Crore).
- Leased out Assets to M/s. Aryan Coal Beneficiations Pvt. Ltd., M/s. Gujarat State Electricity Board & M/s. Spectrum Coal and Power Ltd. value ₹ 23.39 Crore (₹ 23.39 Crore) and Accumulated Depreciation is ₹ 16.72 Crore (₹ 15.52 Crore).

## Notes to Consolidated Balance Sheet (Contd.)

## NOTE -- 10 B : CAPITAL WORK-IN-PROGRESS

(₹ in Crore)

PARTICULARS	GROSS BLOCK		DEPRECIATION		IMPAIRMENT LOSS		CARRYING VALUE		
	As on Addition 01.04.15	Adj./ sale/ transfer	As on Addition 01.04.15	Adj./ sale/ transfer	As on Addition 01.04.15	Adj./ sale/ transfer	Total De- preciation & Impairment Loss	As on 31.03.16	As on 31.03.15
<b>TANGIBLE ASSETS</b>									
Buildings/ Water supply/Roads & Culverts	118.38	47.99 (145.38)	0.82	0.04 (0.05)	0.81	0.00	0.81	20.18	117.56
Plant and Equipment	352.80	213.41 (239.90)	3.94	7.31 (3.46)	7.79	0.00	7.79	318.52	348.86
Railway Sidings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Development	36.11	259.33	0.00	0.00	0.00	0.00	0.00	295.44	36.11
Others	63.61	81.81 (70.55)	0.04	0.00	0.04	0.00	0.04	74.83	63.57
<b>TOTAL</b>	<b>570.90</b>	<b>602.54 (455.83)</b>	<b>4.80</b>	<b>7.35 (3.51)</b>	<b>8.64</b>	<b>0.00</b>	<b>8.64</b>	<b>708.97</b>	<b>566.10</b>
<b>Previous Year</b>	833.88	267.03 (530.01)	6.28	2.36 (3.84)	4.80	0.00	4.80	566.10	827.60

## Notes to Consolidated Balance Sheet (Contd.)

## NOTE -- 10 C : INTANGIBLE ASSETS UNDER DEVELOPMENT

PARTICULARS	GROSS BLOCK		DEPRECIATION		IMPAIRMENT LOSS		Total De-preciation & Impairment Loss		CARRYING VALUE		
	As on Addition 01.04.15	Adj./ As on sale/ 31.03.16 transfer	As on Addition 01.04.15	Adj./ As on sale/ 31.03.16 transfer	As on Addition 01.04.15	Adj./ As on sale/ 31.03.16 transfer	As on Addition 01.04.15	Adj./ As on sale/ 31.03.16 transfer	As on 31.03.16	As on 31.03.15	
<b>INTANGIBLE ASSETS</b>											
Development	114.18	16.80 (63.83)	67.15	0.20 0.06 (0.16)	0.10	0.00	0.00	0.00	0.10	67.05	113.98
Prospecting and Boring	575.07	216.70 (28.13)	763.64	0.00	0.00	0.00	0.00	0.00	0.00	763.64	575.07
<b>TOTAL</b>	<b>689.25</b>	<b>233.50 (91.96)</b>	<b>830.79</b>	<b>0.20 0.06 (0.16)</b>	<b>0.10</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.10</b>	<b>830.69</b>	<b>689.05</b>
<b>Previous year</b>	602.59	112.68 (26.02)	689.25	0.20	0.00	0.00	0.00	0.00	0.20	689.05	602.39
Notes :-											
(a)	On abolition of Coal Mines Welfare Organisation and Coal Mines Rescue Organisation (1985), the assets taken over at different Areas have been incorporated in the Accounts at a nominal value of ₹ 1.00 per asset, pending finalisation of purchase consideration for these assets which includes Hospital, Rescue Stations, Welfare Centers and others.										
(b)	Title Deeds and/or Lease Deeds of Land and Buildings and Mining Rights are not available with the Company as the transfer formalities from the Holding Company and its other Subsidiaries have not been completed and consequently some documents continue to be held in the name of the Holding Company and its other Subsidiaries. Land and other mining rights acquired under various notifications of Central/State Government have been taken as vested with the Company without further lease agreement and are shown under the respective heads.										
(c)	Land Others acquired under all Rights/ Surface Rights, as per the provisions of the Coal Bearing Area (Acquisition and Development) Act, 1957 or the Mines and Minerals (Regulation and Development) Act, 1957 as the case may be, for carrying out opencast mining operations as well as underground mining operations and to build necessary infrastructure and involve payment of compensation to landowners for the land acquired. All rights / surface rights also include mining rights for which no extra payment is involved.										
(d)	Plant & Machinery, lying in Stores as standby and remain unremoved, a net provision to the extent of ₹ 3.84 (₹ - 1.22 Crore) is (-) withdrawn / made being equivalent to depreciation at the applicable rates each year.										
(e)	Physical verification of Fixed Assets like Land, Building, Railway Siding and other immovable assets are carried out once in every three years and of Movable Assets/Equipment costing more than ₹ 1.00 Lakh in each case every year. Equipment/assets costing less than ₹ 1.00 Lakh in each case are verified once in every two years.										
(f)	Items such as Conveyor Belt, Power Cable etc. in stock at the end of the year have been treated as Capital Goods in Stores and shown under Schedule of Fixed Assets.										
(g)	Provisions for Capital WIP and surveyed off assets is (-)0.01 (₹ - 0.26 Crore) has been (-) withdrawn/ made during the Period.										



Notes to Consolidated Balance Sheet (Contd.)

NOTE - 10 - CONTD...

NOTE - 10 : RECONCILIATION OF DEPRECIATION & IMPAIRMENT

	(₹ In Crore)	
	As at 31.03.2016	As at 31.03.2015
Statement of Profit & Loss	680.22	616.47
Capitalisation	1.12	0.65
Prior Period Expenses	(3.16)	0.00
<b>TOTAL</b>	<b>678.18</b>	<b>617.12</b>

NOTE - 11 : NON-CURRENT INVESTMENTS - (Unquoted) at Cost

			(₹ In Crore)	
	Number of bonds /shares	Face value per bond / share (₹)	As at 31.03.2016	As at 31.03.2015
<b>Trade (Unquoted)</b>				
<b>Others -</b>				
Consumer Co-operative Societies Ltd. Baikunthpur	250 (250)	10.00	-	-
<b>Non-trade (Unquoted) at cost</b>			-	-
<b>TOTAL</b>			-	-
Aggregate amount of Quoted Investment			NA	NA
Aggregate amount of Unquoted Investment			-	-
Fair Value of Quoted Investment			NA	NA
Provision Made for diminution in the value of Investment			NIL	NIL

## Notes to Consolidated Balance Sheet (Contd.)

## NOTE - 12 : LONG-TERM LOANS &amp; ADVANCES

(₹ In Crore)

	As at 31.03.2016		As at 31.03.2015	
<b>Loans</b>				
Loan To Subsidiaries				
- Secured considered good	-		-	
- Unsecured considered good	-		-	
- Doubtful	-	-	-	-
Loan to employees				
For House Building				
- Secured considered good	10.60		12.97	
- Unsecured considered good	-		-	
- Doubtful	0.01		0.01	
	10.61		12.98	
Less : Provision for Doubtful Loans	0.01	10.60	0.01	12.97
For Motor Car and Other Conveyance				
- Secured considered good	0.03		0.03	
- Unsecured considered good	-		-	
- Doubtful	-		-	
	0.03		0.03	
Less : Provision for Doubtful Loans	-	0.03	-	0.03
For Others				
- Secured considered good	-		-	
- Unsecured considered good	-		-	
- Doubtful	0.09		0.09	
	0.09		0.09	
Less : Provision for Doubtful Loans	0.09	-	0.09	-
<b>Advances</b>				
For Capital				
- Secured considered good	-		-	
- Unsecured considered good	225.67		215.82	
- Doubtful	0.53		0.53	
	226.20		216.35	
Less : Provision for Doubtful Advances	0.53	225.67	0.53	215.82
For Revenue				
- Secured considered good	-		-	
- Unsecured considered good	10.35		18.18	
- Doubtful	0.79		0.79	
	11.14		18.97	
Less : Provision for Doubtful Advances	0.79	10.35	0.79	18.18
<b>Balance carried forward</b>		<b>246.65</b>		<b>247.00</b>



Notes to Consolidated Balance Sheet (Contd.)

**NOTE - 12 : LONG-TERM LOANS & ADVANCES (Contd....)**

(₹ In Crore)

	As at 31.03.2016		As at 31.03.2015	
<b>Balance brought forward</b>		<b>246.65</b>		247.00
Security Deposits				
- Secured considered good	-		-	
- Unsecured considered good	-		-	
- Doubtful	-		-	
	-		-	
Less : Provision for Doubtful deposits	-	-	-	-
Deposit for P&T, Electricity etc.				
- Secured considered good	-		-	
- Unsecured considered good	<b>153.80</b>		134.98	
- Doubtful	-		-	
	<b>153.80</b>		134.98	
Less: Provision for doubtful deposits	-	<b>153.80</b>	-	134.98
<b>TOTAL</b>		<b>400.45</b>		381.98
<b>CLASSIFICATION</b>				
Secured		<b>10.63</b>		13.00
Unsecured - Considered good		<b>389.82</b>		368.98
- Considered doubtful		<b>1.42</b>		1.42

**Note : 12.1**

Name of Subsidiary Company	CLOSING BALANCE		MAXIMUM AMOUNT DUE AT ANY TIME DURING	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Due by the Company in which directors of the Company is also a director/member	NIL	NIL	NIL	NIL
Due by the parties in which the Director(s) of Company is /are interested	NIL	NIL	NIL	NIL

12.2 Advance for Capital ₹ 225.67 Crore includes ₹ 101.83 Crore (₹ 95.27 Crore) of CERL and ₹ 29.19 Crore (₹ 0.00 Crore) of CEWRL given to South East Central Railway (SECR) for acquisition of Land as non interest bearing refundable advance.

12.3 Provisions	Opening Balance	Addition during the Year	Write back/ adj. during the Year	Closing Balance
Against Loan to Employees for House Building	0.01	-	-	<b>0.01</b>
Against Loan to Employees for Others	0.09	-	-	<b>0.09</b>
Against advances for Capital	0.53	-	-	<b>0.53</b>
Against advances for Revenue	0.79	-	-	<b>0.79</b>
<b>Total</b>	1.42	-	-	<b>1.42</b>

## Notes to Consolidated Balance Sheet (Contd.)

## NOTE - 13 : OTHER NON-CURRENT ASSETS

(₹ In Crore)

	As at 31.03.2016		As at 31.03.2015		
Long-Term Trade Receivable					
- Secured considered good	-		-		
- Unsecured considered good	-		-		
- Doubtful	-		-		
	-		-		
Less: Provision for bad and doubtful trade receivables	-	-	-	-	
Exploratory Drilling Work					
- Secured considered good	-		-		
- Unsecured considered good	-		-		
- Doubtful	-		-		
	-		-		
Less: Provision for bad and doubtful	-	-	-	-	
Deposit in Escrow account under Mine Closure Plan (MCP)		871.53		700.05	
Receivable for Mine Closure Expenses		32.17		11.72	
Other Receivables					
- Secured considered good	-		-		
- Unsecured considered good	162.91		97.38		
- Doubtful	6.55		11.11		
	169.46		108.49		
Less: Provision for bad & doubtful receivables	6.55	162.91	11.11	97.38	
<b>TOTAL</b>		<b>1,066.61</b>		<b>809.15</b>	
<b>CLASSIFICATION</b>					
Secured					
Unsecured - Considered good		162.91		97.38	
- Considered doubtful		6.55		11.11	
<b>Note :</b>					
13.1	<b>CLOSING BALANCE</b>		<b>MAXIMUM AMOUNT DUE AT ANY TIME DURING</b>		
	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>	
Due by the Companies in which directors of the Company is also a director/member	NIL	NIL	NIL	NIL	
Due by the parties in which the Director(s) of Company is / are interested	NIL	NIL	NIL	NIL	
13.2	Other receivables amounting to ₹ 161.82 Crore (₹ 97.38 Crore) deposited under protest with tax authorities and others.				
13.3	Receivable for Mine Closure Expenses ₹ 32.17 Crore related to running mines are identified for mine closure activities which are subject to certification by CMPDIL before producing claims for withdrawal from Deposit in Escrow account under MCP. Receivables for Mine closure expenses related to closed mines will be recognised on the basis of certification by CMPDIL. Further, identification of other expenses incurred on Mine Closure Activities in respect of closed / running mines is under process.				
13.4	<b>Provisions</b>	<b>Opening Balance</b>	<b>Addition during the Year</b>	<b>Write back/ adj. during the Year</b>	<b>Closing Balance</b>
		11.11	-	4.56	6.55



Notes to Consolidated Balance Sheet (Contd.)

**NOTE - 14 : CURRENT INVESTMENTS - (Unquoted) at Cost**

(₹ In Crore)				
	Number of shares/ bonds	Face value / NAV per Unit (₹)	As at 31.03.2016	As at 31.03.2015
<b>Non-trade</b>				
<b>A Mutual Fund Investment :</b>				
SBI Premier Liquid Fund	3,280.213 (0.00)	1,003.25	<b>0.33</b>	-
Canara Robeco Mutual Fund	5,533.161 (0.00)	1,005.50	<b>0.55</b>	-
UTI Mutual Fund	8,80,925.808 (0.00)	1,019.45	<b>89.81</b>	-
Union KBC Liquid Fund	31,115.133 (0.00)	1,000.65	<b>3.11</b>	-
BOI AXA Liquid Fund	19,147.420 (0.00)	1,002.65	<b>1.92</b>	-
<b>Total (A)</b>			<b>95.72</b>	-
<b>B 8.5% Tax Free Special Bonds (Fully Paid up) :</b>				
(on Securitisation of Sundry Debtors)				
<b>State-wise Break-up:</b>				
	Number of bonds	Face value per bond (₹)		
Maharashtra	NIL (2,56,340)	1,000.00	-	25.63
Madhya Pradesh	NIL (6,23,800)	1,000.00	-	62.38
Gujarat	NIL (3,51,480)	1,000.00	-	35.15
<b>Total (B)</b>			-	123.16
<b>TOTAL (A+B)</b>			<b>95.72</b>	123.16
Aggregate amount of quoted Investments			<b>95.72</b>	123.16
Fair Value of quoted Investments			<b>95.72</b>	123.16
Provision Made for diminution in the value of Investment			<b>NIL</b>	NIL

## Notes to Consolidated Balance Sheet (Contd.)

## NOTE - 15 : INVENTORIES (Valuation as per Accounting Policy No. 6)

(₹ In Crore)

	As at 31.03.2016		As at 31.03.2015	
<b>A Stock of Coal, Coke etc. (Net)</b>				
Stock of Coal	1,442.15		902.46	
Coal under Development	-		1.21	
	1,442.15		903.67	
Less : Provision	-	1,442.15	-	903.67
<b>B Net Stock of Stores &amp; Spare (at cost)</b>				
Stock of Stores & Spare (at cost)	287.79		301.58	
Stores-in-transit	15.72		17.77	
	303.51		319.35	
Less : Provision	47.79	255.72	46.53	272.82
<b>C Net Stock of Workshop Jobs</b>				
Workshop Jobs:				
Work-in-progress and Finished Goods	131.55		145.33	
Less : Provision	-	131.55	-	145.33
<b>D Prospecting, Boring / Development Exp./GR-Coal Blocks meant for Sale</b>		10.27		10.27
<b>TOTAL (A+B+C+D)</b>		<b>1,839.69</b>		<b>1,332.09</b>

15.1 The Closing Stock of Stores at Central and Regional Stores has been considered in the Accounts as per balances appearing in Financial Ledger on progressive monthly weighted average method.

15.2 The Prospecting and Boring and development expenditure of ₹ 10.27 Crore (₹ 10.27 Crore) incurred on Datima (Bisrampur Area), Behraband (Hasdeo Area), Baisi Block (Raigarh Area), Rajgamar dip side (South of Phulkadih Nala) and Kesla North Block are intended for sale to outside parties therefore, shown under inventories. The sale proceeds of same are expected to be more than the cost.

15.3 Inventories have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.

15.4 Provisions	Opening Balance	Addition during the Year	Write back/adj. during the Year	Closing Balance
Against Stock of Stores & Spares, considered adequate	46.53	1.26	-	47.79



Notes to Consolidated Balance Sheet (Contd.)

ANNEXURE TO NOTE - 15

Table : A

Reconciliation of closing stock of Coal adopted in Account with Book stock as at the end of the period/year : (Qty. in Lakh tonnes) (Value in ₹ Crore)

Particulars	Current Period / Year						Previous Year					
	Overall Stock-Vendable		DCC (Coal, Coal fines, gas etc.) <sup>2</sup>		Total		Overall Stock-Vendable		DCC (Coal, Coal fines, gas etc.)		Total	
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
1 (A) Opening stock	128.16	849.72	1.07	53.95	129.23	903.67	77.64	554.03	0.27	11.58	77.91	565.61
(B) Adjustment in Opening Stock	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	128.16	849.72	1.07	53.95	129.23	903.67	77.64	554.03	0.27	11.58	77.91	565.61
2 Production*	1,379.34	-	-	-	-	-	1,282.75	-	-	-	-	-
<b>Sub-Total (1+2)</b>	1,507.50	-	-	-	-	-	1,360.39	-	-	-	-	-
3 Off- Take:												
(A) Outside Despatch**	1,386.54	16,720.07	0.00	25.60	1,386.54	16,745.67	1,231.68	16,222.81	-	72.17	1,231.68	16,294.98
(B) Outside Despatch Development Mine	-	-	-	-	-	-	-	-	-	-	-	-
(C) Own Consumption <sup>1</sup>	0.94	21.51	-	-	0.94	21.51	0.55	15.16	-	-	0.55	15.16
<b>Sub-Total (3)</b>	1,387.48	16,741.58	0.00	25.60	1,387.48	16,767.18	1,232.23	16,237.97	0.00	72.17	1,232.23	16,310.14
4 Derived Stock <sup>#</sup>	120.02	1,365.42	2.02	92.05	122.04	1,457.47	128.16	849.72	1.07	53.95	129.23	903.67
5 Measured Stock <sup>#</sup>	116.94	1,337.21	1.80	81.20	118.74	1,418.41	124.69	830.57	1.07	53.95	125.76	884.52
<b>Difference (4-5)</b>	3.08	28.21	0.22	10.85	3.30	39.06	3.47	19.15	-	-	3.47	19.15
6 Break-up of Difference:												
(A) Excess within 5%	2.71	24.14	0.01	0.21	2.72	24.35	3.48	19.17	-	-	3.48	19.17
(B) Shortage within 5%	0.45	0.61	0.00	0.00	0.45	0.61	0.01	0.02	-	-	0.01	0.02
(C) Excess beyond 5% <sup>##</sup>	0.82	4.68	0.21	10.64	1.03	15.32	0.00	0.00	-	-	0.00	0.00
(D) Shortage beyond 5%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	-	0.00	0.00
<b>7 Closing stock in A/c (5+6A-6B)</b>	<b>119.20</b>	<b>1,360.74</b>	<b>1.81</b>	<b>81.41</b>	<b>121.01</b>	<b>1,442.15</b>	<b>128.16</b>	<b>849.72</b>	<b>1.07</b>	<b>53.95</b>	<b>129.23</b>	<b>903.67</b>

\* Production includes 22.78 Lte from Gare Palma IV/2&3.

\*\* Outside despatch includes 21.52 lakh tonne from Gare Palma IV/2&3 amounting to ₹ 228.89 Crore net sales.

# Closing Stock includes Stock of 1.26 lakh tonne amounting to ₹ 2.17 Crore is lying at Gare Palma IV/2 &3. Further, Coal India has also been appointed as a designated custodian in respect of Gare Palma IV/1 and production from the mine has not started during the year.

## Excess beyond 5% 0.82 LTe amounting to ₹ 4.68 Crore is excess of book stock over measured stock which consist 0.13 Lte amounting ₹ 1.47 Crore related to Amgaon OC of Bisrampur Area and 0.69 Lte amounting ₹ 3.21 Crore at Jampali Mine of Raigarh area.

## Excess beyond 5% 0.21 Lte amounting to ₹10.64 Crore is excess of books stock over measured stock of coal fines at DCC.

## Notes to Consolidated Balance Sheet (Contd.)

## ANNEXURE TO NOTE - 15 (Contd.)

Table: B

## Summary of Closing Stock of Coal

(Qty. in Lakh tonnes) (Value in ₹ Crore)

Particulars	Current Period /Year						Previous Year					
	Raw Coal		DCC (Coal, Coal fines, gas etc.) <sup>2</sup>		Total		Raw Coal		DCC (Coal, Coal fines, gas etc.)		Total	
	Non-Coking		Qty	Value	Qty	Value	Non-Coking		Qty	Value	Qty	Value
Opening Stock	128.16	849.72					1.07	53.95				
Production	1,379.34	-	-	-	-	-	1,282.75	-	-	-	-	-
Offtake												
(A) Outside Despatch	1,386.54	16,720.07	-	25.60	1,386.54	16,745.67	1,231.68	16,222.81	-	72.17	1,231.68	16,294.98
(B) Own Consumption <sup>1</sup>	0.94	21.51	-	-	0.94	21.51	0.55	15.16	-	-	0.55	15.16
<b>TOTAL</b>	<b>1,387.48</b>	<b>16,741.58</b>	<b>-</b>	<b>25.60</b>	<b>1,387.48</b>	<b>16,767.18</b>	<b>1,232.23</b>	<b>16,237.97</b>	<b>-</b>	<b>72.17</b>	<b>1,232.23</b>	<b>16,310.14</b>
<b>Closing Stock *</b>	<b>119.20</b>	<b>1,360.74</b>	<b>1.81</b>	<b>81.41</b>	<b>121.01</b>	<b>1,442.15</b>	<b>128.16</b>	<b>849.72</b>	<b>1.07</b>	<b>53.95</b>	<b>129.23</b>	<b>903.67</b>
* Non-vendable Stock – Nil												

**Note:**

- Own consumption includes 0.81 lakh Tonnes valuing ₹ 17.40 Crore, being the coal transferred to Dankuni Coal Complex and 0.13 lakh Tonnes valuing ₹ 4.11 Crore issued for other purposes.
- Closing stock of coal at Dankuni Coal Complex includes raw coal 0.13 Lte valuing ₹ 6.30 Crore (out of Coal purchased 0.91 Lte worth ₹ 49.14 Crore during the year from ECL and Coal issued for own consumption) and Coal fines 1.68 lakh tonnes valuing ₹ 75.11 Crore.



Notes to Consolidated Balance Sheet (Contd.)

**NOTE - 16 : TRADE RECEIVABLE**

(₹ In Crore)

	As at 31.03.2016		As at 31.03.2015	
Debts outstanding for a period exceeding six months from the due date				
- Secured Considered good	-		-	
-Unsecured Considered good	1,011.90		928.96	
- Doubtful	334.32		252.14	
	1,346.22		1,181.10	
Less : Provision for bad & doubtful trade receivables	334.32	1,011.90	252.14	928.96
Other Debts				
- Secured Considered good	139.42		159.17	
-Unsecured Considered good	1,499.29		1,189.58	
- Doubtful	-		-	
	1,638.71		1,348.75	
Less : Provision for bad & doubtful trade receivables	-	1,638.71	-	1,348.75
<b>TOTAL</b>		<b>2,650.61</b>		<b>2,277.71</b>
<b>CLASSIFICATION</b>				
Secured		139.42		159.17
Unsecured - Considered good		2,511.19		2,118.54
- Considered doubtful		334.32		252.14
<b>Note:</b>				
<b>16.1 Particulars</b>	<b>CLOSING BALANCE</b>		<b>MAXIMUM AMOUNT DUE AT ANY TIME DURING</b>	
	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
Due by the Companies in which directors of the Company is also a Director/Member	NIL	NIL	NIL	NIL
Due by the parties in which the Director(s) of Company is /are interested	NIL	NIL	NIL	NIL
16.2 Secured Trade Receivables have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.				
16.3 Trade Receivables are secured either by deposits or through Bank Guarantees to the extent available.				
<b>16.4 Provisions</b>	<b>Opening Balance</b>	<b>Addition during the year</b>	<b>Write back/ adj. during the year</b>	<b>Closing Balance</b>
Provision for Bad & Doubtful Trade Receivables, considered adequate.	252.14	82.18	-	334.32

## Notes to Consolidated Balance Sheet (Contd.)

## NOTE - 17 : CASH &amp; BANK BALANCE

(₹ In Crore)

	As at 31.03.2016	As at 31.03.2015
<b>Cash &amp; Cash Equivalent</b>		
Balances with Banks		
- In Deposit Accounts with maturity upto 3 months	2,181.00	2,005.00
- In Current Accounts	352.11	285.21
- In Cash Credit Accounts	-	5.32
In Account with Banks outside India	-	-
Remittance - in transit	-	-
Cheques, Drafts and Stamps on hand	-	-
Cash in hand	0.46	0.34
<b>Other Bank Balances</b>		
Balances with Banks		
- In Deposit Accounts with maturity more than 3 months	2,186.71	7,084.09
Deposit in Escrow account under Mine Closure Plan Scheme	-	-
<b>TOTAL</b>	<b>4,720.28</b>	<b>9,379.96</b>

**Note:**

- 17.1 Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments are Nil.
- 17.2 There is no repatriation restrictions in respect of cash and bank balances of the Company.
- 17.3 There are no Bank Deposits with more than 12 months maturity.
- 17.4 Other Bank balances includes ₹ 504.41 Crore held by the Company is being deposited in separate Bank accounts which has been recovered from the consumers for Terminal Tax, from suppliers on explosives bills and from employees for electricity charges.
- 17.5 Amount deposited in Escrow Account is also not freely available for use as being deposited under the Mine Closure Plan Scheme.
- 17.6 Fixed Deposit amounting to ₹ 0.32 Crore at Dankuni Coal Complex, a unit of the Company is in name of Coal India Ltd. Interest earned and TDS thereon has been transferred to CIL.

17.7 <b>Cash &amp; Bank balance</b>	(₹ in Crore)	(₹ in Crore)
As per Cash Flow Statement	2,533.57	2,295.87
Bank balance in Deposit accounts with maturity more than 3 months	2,186.71	7,084.09
<b>Total</b>	<b>4,720.28</b>	<b>9,379.96</b>



Notes to Consolidated Balance Sheet (Contd.)

**NOTE - 18 : SHORT-TERM LOANS & ADVANCES**

(₹ In Crore)

	As at 31.03.2016		As at 31.03.2015	
<b>Advance</b>				
(Recoverable in cash or in kind or for value to be received)				
Advance to suppliers				
For Capital				
- Secured considered good	-		-	
- Unsecured considered good	-		-	
- Doubtful	-		-	
	-		-	
Less : Provision for Doubtful Advances	-		-	
For Revenue				
- Secured considered good	-		-	
- Unsecured considered good	38.11		38.74	
- Doubtful	-		-	
	38.11		38.74	
Less : Provision for doubtful Advances	-	38.11	-	38.74
Advance payment of Statutory dues				
Sales Tax				
- Secured considered good	-		-	
- Unsecured considered good	-		-	
- Doubtful	-		-	
	-		-	
Less : Provision for doubtful Advances	-		-	
Cenvat credit receivable		76.87		71.75
Advance Income Tax / Tax Deducted at Source	2,799.86		4,921.16	
(Includes ₹ 2697.35 Crore (₹ 2697.35 Crore), deposited under Protest)				
Less : Provision for Income Tax	-	2,799.86	2,121.41	2,799.75
Others				
- Secured considered good	-		-	
- Unsecured considered good	-		-	
- Doubtful	-		-	
	-		-	
Less : Provision for doubtful Advances	-		-	
<b>Balance carried forward</b>		<b>2,914.84</b>		<b>2,910.24</b>

## Notes to Consolidated Balance Sheet (Contd.)

## NOTE - 18 : SHORT-TERM LOANS &amp; ADVANCES (CONTD.)

(₹ In Crore)

	As at 31.03.2016		As at 31.03.2015	
<b>Balance brought forward</b>		<b>2,914.84</b>		2,910.24
Advance to Employees				
- Secured considered good	-		-	
- Unsecured considered good	7.92		6.83	
- Doubtful	-		-	
	7.92		6.83	
Less: Provision for doubtful Advances	-	7.92	-	6.83
Current Account with Coal India Limited, other Subsidiaries of Coal India Limited		-		-
Claims Receivables				
- Secured considered good	-		-	
- Unsecured considered good	16.79		2.34	
- Doubtful	-		-	
	16.79		2.34	
Less : Provision for doubtful claims	-	16.79	-	2.34
Prepaid Expenses		0.17		0.14
<b>TOTAL</b>		<b>2,939.72</b>		<b>2,919.55</b>
<b>CLASSIFICATION</b>				
Secured		-		-
Unsecured - Considered good		2,939.72		2,919.55
- Considered doubtful		-		-
<b>Note :</b>				
18.1	<b>CLOSING BALANCE</b>	<b>MAXIMUM AMOUNT DUE AT ANY TIME DURING</b>		
	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
Due by the Companies in which Directors of the Company is also a Director / Member	NIL	NIL	NIL	NIL
Due by the parties in which the Director(s) of Company is /are interested	NIL	NIL	NIL	NIL
18.2 <b>Provision</b>	<b>Opening Balance</b>	<b>Paid / adjusted during the year</b>	<b>Income Tax Provision for the year</b>	<b>Closing Balance</b>
Against advances & claims	-	-	-	-
18.3 Current accounts with Holding Company & Subsidiaries of Holding Company/ SECL				
a	The balances of the current account with the Subsidiaries and Holding Company are reconciled on regular intervals, and the same as on Balance Sheet date has been reconciled. Adjustment arising out of reconciliation are carried out continuously.			
b	Transactions with the Holding Company and with its other Subsidiaries are accounted for on the basis of debit/ credit memos.			
c	Transactions with other Subsidiaries of the Holding Company/SECL are free of interest.			



Notes to Consolidated Balance Sheet (Contd.)

**NOTE - 19 : OTHER CURRENT ASSETS**

(₹ In Crore)

	As at 31.03.2016		As at 31.03.2015	
Interest Accrued				
- Investment	2.62		7.85	
- Deposit with Banks	231.84		404.51	
- Others	-	234.46	-	412.36
Ex Owner's Account		-		-
Other Advances	94.61		26.96	
Less : Provision	-	94.61	-	26.96
Deposits				
Deposit for Customs Duty, Port Charges etc.	0.07		0.08	
Deposit with Coal India Limited	70.94		-	
Deposit for Royalty, Cess & Sales Tax	-		-	
	71.01		0.08	
Less : Provision	-	71.01	-	0.08
Others	3.65		21.31	
Less : Provision	-	3.65	-	21.31
Amount Receivable from Govt of India for transactions on behalf of Ex-Coal Board	-		-	
Less: Provision	-	-	-	-
Other Receivables	354.72		258.77	
Less: Provision	5.29	349.43	4.13	254.64
<b>TOTAL</b>		<b>753.16</b>		<b>715.35</b>

**Note:**

19.1 Provisions	Opening Balance	Addition during the Year	Write back/adj. during the Year	Closing Balance
Against Deposits & Other Receivables	4.13	1.16	-	5.29
19.2 Deposits /Current Account balance with the Holding Company is reconciled on regular intervals, and the same as on Balance Sheet date has been reconciled. Adjustment arising out of reconciliation are carried out.				
19.3 Other Advances ₹ 94.610 includes ₹ 10.29 Crore (₹ 0.00 Crore) of CERL given to IRCON International Ltd. for execution of the project.				

## Notes to Consolidated Statement of Profit &amp; Loss

## NOTE - 20 : REVENUE FROM OPERATIONS

(₹ In Crore)

	For the Year ended 31.03.2016		For the Year ended 31.03.2015	
<b>A) Sale of Coal, Coke etc.</b>	<b>24,900.03</b>		22,004.53	
<b>Less : Excise Duty</b>	<b>1,198.20</b>	<b>23,701.83</b>	1,152.23	20,852.30
<b>Less : Other Levies</b>				
Royalty	<b>2,169.94</b>		2,118.04	
Cess on Coal	<b>319.75</b>		268.27	
Stowing Excise Duty	<b>138.65</b>		123.17	
Central Sales Tax	<b>245.55</b>		212.63	
Clean Energy Cess	<b>3,024.89</b>		1,178.21	
State Sales Tax/VAT	<b>639.91</b>		540.66	
National Mineral Exploration Trust (NMET)	<b>41.07</b>		-	
District Mineral Foundation (DMF)	<b>231.73</b>		-	
Other Levies	<b>144.67</b>		116.34	
<b>Total Levies</b>		<b>6,956.16</b>	4,557.32	
<b>Net Sales (A)</b>		<b>16,745.67</b>	16,294.98	
<b>B) Facilitation Charges for Coal import</b>		-	-	
Subsidy for Sand Stowing & Protective Works		<b>13.80</b>	4.75	
Loading & additional transportation charges	<b>418.05</b>		362.90	
Less : Excise duty	<b>23.42</b>		19.26	
Other Levies	<b>17.25</b>	<b>377.38</b>	11.90	331.74
<b>Other Operating Revenue (B)</b>		<b>391.18</b>	336.49	
<b>C) Revenue From Operations (A+B)</b>		<b>17,136.85</b>	16,631.47	

**20.1 Net Sales**

Net Sales includes ₹ 228.89 Crore due to sale of 21.52 lakh te coal related to Gare Palma IV/2&3 Mine for which Coal India Ltd. has been appointed as custodian akin to a designated custodian w.e.f 01.04.2015.



Notes to Consolidated Statement of Profit & Loss (Contd.)

**NOTE - 21 : OTHER INCOME**

(₹ In Crore)

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
<b>Income From Long Term Investments</b>		
Dividend from Joint Ventures	-	-
Dividend from Subsidiaries	-	-
Interest from:		
Government Securities (8.5% Tax Free Special Bonds) (Trade)	-	7.85
<b>Income From Current Investments (Non-Trade)</b>		
Dividend from Mutual Fund Investments	47.72	61.10
Interest from:		
Government Securities (8.5% Tax Free Special Bonds) (Trade)	7.85	10.47
<b>Income From Others</b>		
Interest (Gross):		
From Deposit with Banks	710.87	955.30
From Loans & Advances to Employees	0.17	0.50
From Income Tax Refunds	-	32.77
From Coal India	1.16	25.67
Others	129.22	187.58
Apex Charges	-	-
Profit on Sale of Assets	0.19	2.65
Lease Rent	15.43	6.35
Liability Write Backs	48.84	9.30
Gurantee Fees from Subsidiaries	-	-
Excise Duty on Decrease in Stock	-	-
Other Non-operating Income	122.35	148.14
<b>TOTAL</b>	<b>1,083.80</b>	<b>1,447.68</b>

**NOTE - 22 : COST OF MATERIAL CONSUMED**

(₹ In Crore)

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Explosives	315.36	332.49
Timber	8.62	8.95
POL	417.54	500.91
HEMM Spares	200.63	190.19
Other Consumable Stores & Spares	579.93	636.80
<b>TOTAL</b>	<b>1,522.08</b>	<b>1,669.34</b>

## Notes to Consolidated Statement of Profit &amp; Loss (Contd.)

**NOTE - 23 : CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

(₹ In Crore)

	For the Year ended 31.03.2016		For the Year ended 31.03.2015	
<b>A) Change in Inventory of Coal</b>				
Opening Stock of Coal	902.46		564.50	
Add : Adjustment of Opening Stock	1.21		-	
	903.67		564.50	
Less: Deterioration of Coal	-	903.67	-	564.50
<b>Less :</b>				
Closing Stock of Coal	1,442.15		902.46	
Less: Deterioration of Coal	-	1,442.15	-	902.46
<b>Total (A)</b>		<b>(538.48)</b>		<b>(337.96)</b>
<b>B) Change in Inventory of workshop</b>				
Opening Stock of Workshop made finished goods and WIP	145.33		166.34	
Less: Provision	-	145.33	-	166.34
<b>Less :</b>				
Closing Stock of Workshop made finished goods and WIP	131.55		145.33	
Less: Provision	-	131.55	-	145.33
<b>Total (B)</b>		<b>13.78</b>		<b>21.01</b>
<b>Change in Inventory of Stock in Trade (A+B) {Decretion/(Accretion)}</b>		<b>(524.70)</b>		<b>(316.95)</b>
<b>Note : Adjustment of Opening Stock :</b>				
During the year, Vijaya West Mine at Chirimiri brought to revenue and Development Stock 0.04 Lakh tonne amounting ₹ 1.21 Crore adjusted in revenue stock.				



Notes to Consolidated Statement of Profit & Loss (Contd.)

**NOTE - 24 : EMPLOYEE BENEFIT EXPENSES**

(₹ In Crore)

	<b>For the Year ended 31.03.2016</b>	For the Year ended 31.03.2015
Salary, Wages, Allowances, Bonus, etc.	<b>4,586.01</b>	4,490.88
Ex-gratia	<b>331.23</b>	296.12
Performance Related Pay (PRP)	<b>41.68</b>	90.55
Contribution to P.F. & Other Funds	<b>545.37</b>	535.34
Gratuity	<b>95.58</b>	301.82
Leave Encashment	<b>175.90</b>	188.03
VRS	-	-
Workman Compensation	<b>1.12</b>	1.47
Medical Expenses for Existing Employees	<b>112.86</b>	110.33
Medical Expenses for Retired Employees	<b>11.55</b>	3.45
Grants to Schools & Institutions	<b>42.60</b>	41.36
Sports & Recreation	<b>6.67</b>	4.24
Canteen & Creche	<b>0.14</b>	0.14
Power (Township)	<b>213.01</b>	187.49
Hire Charges of Bus, Ambulance etc.	<b>11.89</b>	11.82
Other Employee Benefits	<b>229.13</b>	248.54
<b>TOTAL</b>	<b>6,404.74</b>	6,511.58

**NOTE - 25 : CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENSES**

(₹ In Crore)

	<b>For the Year ended 31.03.2016</b>	For the Year ended 31.03.2015
CSR Expenses	<b>270.85</b>	40.43
<b>TOTAL</b>	<b>270.85</b>	40.43

CSR Policy has been framed by Coal India Ltd incorporating the features of the Companies Act, 2013 and other relevant notifications. The fund for CSR, 2% of the average net profit for the three immediate preceding financial years or ₹ 2.00 per tonne of coal production of previous year, whichever is higher, comes to ₹ 127.68 Crore (₹ 129.97 Crore). CSR expenses includes ₹ 179.62 Crore provided to various District Authorities for Swachh Vidyalaya Abhiyan. Further, an amount of ₹ 108.61 Crore is Non-lapsable.

**NOTE - 26 : REPAIRS**

(₹ In Crore)

	<b>For the Year ended 31.03.2016</b>	For the Year ended 31.03.2015
Building	<b>21.37</b>	22.74
Plant & Machinery	<b>176.99</b>	164.60
Others	<b>5.67</b>	6.13
<b>TOTAL</b>	<b>204.03</b>	193.47

## Notes to Consolidated Statement of Profit &amp; Loss (Contd.)

## NOTE - 27 : CONTRACTUAL EXPENSES

(₹ In Crore)

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Transportation Charges :		
- Sand	-	-
- Coal	802.47	800.25
- Stores & Others etc.	-	0.11
Wagon Loading	22.64	23.90
Hiring of P&M	546.73	436.93
Other Contractual Work	728.86	624.31
<b>TOTAL</b>	<b>2,100.70</b>	<b>1,885.50</b>

## NOTE - 28 : FINANCE COSTS

(₹ In Crore)

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
<b>Interest expenses</b>		
Deferred Payments	-	-
Bank Overdraft / Cash Credit	-	-
Interest on IBRD & JBIC Loan	-	-
CIL Fund Loan Interest	-	-
Interest to subsidiaries	-	-
Others	0.65	0.55
<b>Total (A)</b>	<b>0.65</b>	<b>0.55</b>
<b>Other Finance Cost</b>		
Guarantee Fees on (IBRD & JBIC) Loan	-	-
Other Expenses / Bank Charges	-	-
<b>Total (B)</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A+B)</b>	<b>0.65</b>	<b>0.55</b>



Notes to Consolidated Statement of Profit & Loss (Contd.)

**NOTE - 29 : PROVISIONS**

(₹ In Crore)

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
<b>(A) Provision made for</b>		
Doubtful debts	82.18	9.57
Doubtful advances & Claims	-	7.40
Foreign exchange Transaction	-	-
Stores & Spares	1.26	-
Mine Closure Expenses	113.78	41.03
Surveyed of Fixed Assets/Capital WIP/P&M in Stores	3.75	-
Others	144.93	1.15
<b>Total (A)</b>	<b>345.90</b>	<b>59.15</b>
<b>(B) Provision reversal</b>		
Doubtful debts	-	-
Doubtful advances & Claims	3.40	-
Foreign exchange Transaction	-	-
Stores & Spares	-	3.19
Mine Closure Expenses	20.45	-
Surveyed of Fixed Assets/Capital WIP/P&M in Stores	-	1.48
Others	-	-
<b>Total (B)</b>	<b>23.85</b>	<b>4.67</b>
<b>TOTAL (A - B)</b>	<b>322.05</b>	<b>54.48</b>

**NOTE - 30 : WRITE-OFF**

(₹ In Crore)

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Doubtful debts	-	-
Doubtful advances	-	-
Others	4.19	-
<b>TOTAL</b>	<b>4.19</b>	<b>-</b>

## Notes to Consolidated Statement of Profit &amp; Loss (Contd.)

## NOTE - 31 : OTHER EXPENDITURE

	(₹ In Crore)	
	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Travelling Expenses		
- Domestic	31.13	27.92
- Foreign	0.10	0.02
Training Expenses	10.16	9.08
Telephone & Postage	7.58	6.36
Advertisement & Publicity	12.58	14.87
Freight Charges	14.51	7.49
Demurrage	22.24	18.80
Donation/Subscription	0.08	0.23
Security Expenses	66.48	62.16
Service Charges of CIL	67.83	64.14
Hire Charges	38.70	36.23
CMPDI Expenses	50.99	48.67
Legal Expenses	1.71	3.23
Bank Charges	0.25	0.12
Guest House Expenses	2.32	2.01
Consultancy Charges	1.92	1.57
Under Loading Charges	63.71	54.54
Loss on Sale/Discard/Surveyed-off Assets	0.43	1.63
Auditor's Remuneration & Expenses		
- For Audit Fees	0.22	0.17
- For Taxation Matters	0.02	0.02
- For Company Law Matters	-	-
- For Management Services	-	-
- For Other Services	0.18	0.18
- For Reimbursement of Expenses	0.14	0.12
Internal Audit Expenses etc.	2.27	1.93
Cost Audit Expenses	0.10	0.10
Rehabilitation Charges	81.96	73.93
Royalty & Cess	2.91	2.14
Central Excise Duty	35.16	29.48
Rent	1.09	0.93
Rates & Taxes	12.66	11.54
Insurance	0.02	0.04
Loss on Exchange Rate Variance	-	-
Lease Rent	-	-
Rescue/Safety Expenses	17.99	17.81
Dead Rent/Surface Rent	6.86	0.70
Siding Maintenance Charges	10.87	9.23
Land/Crops Compensation	0.20	0.08
Research & Development Expenses	2.33	25.65
Environmental Expenses	14.34	16.74
Tree Plantation	10.31	3.65
Miscellaneous Expenses	35.92	26.80
<b>TOTAL</b>	<b>628.27</b>	<b>580.31</b>

**31.1 Rehabilitation Charges**

As per the decision of Ministry of Coal, an amount of ₹ 81.96 Crore (₹ 73.93 Crore) was debited to Rehabilitation expenses towards mobilisation of funds for implementation of action plan for shifting and rehabilitation, dealing with fire and stabilisation of unstable Areas at ECL and BCCL.



Notes to Consolidated Statement of Profit & Loss (Contd.)

**NOTE - 32 : PRIOR PERIOD ADJUSTMENTS**

(₹ In Crore)

	<b>For the Year ended 31.03.2016</b>	For the Year ended 31.03.2015
<b>(A) Expenditure</b>		
Sale of Coal & Coke	-	-
Stock of Coal & Coke	-	-
Other Income	-	-
Consumption of Stores & Spares	-	-
Employees Remuneration & Benefits	-	-
Power & Fuel	-	-
Welfare Expenses	-	-
Repairs	-	-
Contractual Expenses	-	-
Other Expenditure	-	-
Interest and other financial charges	-	-
Depreciation	-	-
<b>Total (A)</b>	<b>-</b>	<b>-</b>
<b>(B) Income</b>		
Sale of Coal & Coke	-	-
Stock of Coal & Coke	-	-
Other Income	-	-
Consumption of Stores & Spares	-	-
Employees Remuneration & Benefits	-	-
Power & Fuel	-	-
Welfare Expenses	-	-
Repairs	-	1.98
Contractual Expenses	-	-
Other Expenditure	-	-
Interest and other financial charges	-	-
Depreciation	<b>3.16</b>	-
<b>Total (B)</b>	<b>3.16</b>	1.98
<b>TOTAL (A-B) {Charge/(Income)}</b>	<b>(3.16)</b>	(1.98)

**NOTE - 33 : SIGNIFICANT ACCOUNTING POLICIES****1.0 Accounting Convention:**

Financial Statements are prepared under the historical cost convention and on accrual basis of accounting and going concern concept, in accordance with the generally accepted accounting principles in India and the relevant provisions of the Companies Act, 2013 including Accounting Standards notified therein, except otherwise stated.

**1.1 Use of estimate**

In preparing the Financial Statements in conformity with Accounting Principles generally accepted in India, management is sometimes required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liability as at the date of Financial Statements and the amount of revenue and expenses during the reported period. Actual results may differ from those estimates. Any revision to such estimate is recognized in the period in which the same is determined.

**2.0 Subsidies / Grants from Government:**

- 2.1 Subsidies / Grants on capital account are deducted from the cost of respective assets to which they relate. The unspent amount at the Balance Sheet date, if any, is shown as current liabilities.
- 2.2 Subsidies / Grants on revenue account are credited to Statement of Profit & Loss as income and relevant expenses are debited to the respective heads of expenses. The unspent amount at the Balance Sheet date, if any, is shown as current liabilities.
- 2.3 Subsidies / Grants from Government received as an implementing agency.
  - 2.3.1 Certain Grant / Funds received under S&T, PRE, EMSC, CCDA etc. as an implementing agency and used for creation of assets are treated as Capital Reserve and depreciation thereon is debited to Capital Reserve Account. The ownership of the asset created through grants lies with the authority from whom the grant is received.
  - 2.3.2 Grant / Funds received as Nodal/Implementing Agency are accounted for on the basis of receipts and disbursement.

**3.0 Fixed Assets:****3.1 Land:**

Value of land includes cost of acquisition, cash rehabilitation expenses, resettlement cost and compensation in lieu of employment incurred for concerned displaced persons

**3.2 Plant & Machinery:**

Plant & Machinery includes cost and expenses incurred for erection / installation and other attributable costs of bringing those assets to working conditions for their intended use.

**3.3 Railway Siding:**

Pending commissioning, payments made to the railway authorities for construction of railway sidings are shown in Note 12 - "Long Term Loans & Advances" under Advances for Capital.

**3.4 Development:**

Expenses net of income of the projects / mines under development are booked to Development Account and grouped under Capital Work-in-Progress till the projects / mines are brought to revenue account. Except otherwise specifically stated in the project report to determine the commercial readiness of the project to yield production on a sustainable basis and completion of required development activity during the period of constructions, projects and mines under development are brought to revenue considering the following criteria:

- a) From beginning of the financial year immediately after the year in which the project achieves physical output of 25% of rated capacity as per approved project report, or
- b) 2 years of touching of coal, or
- c) From the beginning of the financial year in which the value of production is more than total expenses,
  - Whichever event occurs first.

**NOTE - 33 : SIGNIFICANT ACCOUNTING POLICIES (Contd.)****3.5 Leases:****3.5.1 Operating Lease**

- i) Assets given on lease are capitalised and depreciated as per the depreciation policy. Lease rentals received are recognised as income over the lease period.
- ii) Lease rentals paid for assets taken on lease are recognised as expense over the lease period.

**3.5.2 Finance Lease**

- i) Assets taken on finance lease are capitalized at lower of the fair value of the asset and present value of the minimum lease payments.

An amount equal to the capitalized amount is shown as lease liability.

The principal component in lease rental is adjusted against lease liability and interest component is charged to the Statement of Profit & Loss as finance cost.

The asset is depreciated as per the depreciation policy. If the leased asset is returnable to the lessor on expiry of lease period, full cost is depreciated over its useful life or lease period, whichever is less.

- ii) Assets given on finance lease are shown as lease receivables at an amount equal to net investment in the leased asset. Principal component of the lease receipts are adjusted against outstanding lease receivables and interest is recognised as income.

**4.0 Prospecting & Boring and other Development Expenditure:**

The cost of exploration and other development expenditure incurred in one "Five year" plan period will be kept in Capital work-in-progress till the end of subsequent two "Five year" plan periods for formulation of projects, before it is written-off, except in the case of Blocks identified for sale or proposed to be sold to outside agency which will be kept in inventory till finalisation of sale.

**5.0 Investments:**

Current investments are valued at the lower of cost and fair value as at the Balance sheet date. Investments in mutual fund are considered as current investments.

Non-Current investments are valued at cost. However, when there is a decline, other than temporary, in the value of long term investment, the carrying amount is reduced to recognize the decline.

**6.0 Inventories:**

- 6.1 Book stock of coal / coke is considered in the accounts where the variance between book stock and measured stock is upto +/- 5% and in cases where the variance is beyond +/- 5% the measured stock is considered. Such stock are valued at net realisable value or cost, whichever is lower.

- 6.1.1 Coal & coke fines are valued at lower of cost or net realisable value.

- 6.1.2 Slurry (coking / semi coking), middling of washeries and by products are valued at net realisable value.

**6.2 Stores & Spares:**

- 6.2.1 The closing stock of stores and spare parts has been considered in the accounts as per balances appearing in priced stores ledger of the Central Stores and as per physically verified stores lying at the collieries/units.

- 6.2.2 Stock of stores & spare parts (which also includes loose tools) at Central & Area stores are valued at cost calculated on the basis of weighted average method. The year-end inventory of stores & spare parts lying at collieries / sub-stores / consuming centres, initially charged off, are valued at issue price of Area Stores, Cost / estimated cost. Workshop jobs including work-in-progress are valued at cost.

- 6.2.3 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.

**NOTE - 33 : SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

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

**7.0 Depreciation/ Amortisation:**

7.1 Depreciation on fixed assets is provided on straight line method on the basis of useful life specified in Schedule II of Companies Act 2013 except for assets mentioned below, for which depreciation is provided on the basis of technically estimated useful life which are lower than that envisaged as per Schedule II of Companies Act, 2013 to depict a more true and fair rate of depreciation :-

Telecommunication equipment	: - 6 years and 9 years
Photocopying machine	: - 4 years
Fax machine	: - 3 years
Mobile phone	: - 3 years
Digitally enhance cordless telephone	: - 3 years
Printer & Scanner	: - 3 years
Earth Science Museum	: - 19 years
High volume respiratory dust samplers	: - 3 years
Certain equipment /HEMM	: - 7 years and 6 years as applicable
SDL (equipment)	: - 5 years
LHD (equipment)	: - 6 years

7.2 The residual value of all assets for depreciation purpose is considered as 5% of the original cost of the asset except those item of assets covered under para 7.3.

7.3 In case of assets namely Coal tub, winding ropes, haulage ropes, stowing pipes & safety lamps the technically estimated useful life has been determined to be one year with a nil residual value.

7.4 Depreciation on the assets added / disposed of during the year is provided on pro-rata basis with reference to the month of addition / disposal, except on those assets with one year useful life and nil residual value as mention under para 7.3, which are fully depreciated in the year of their addition. These Assets are taken out from the Assets after expiry of two years following the year in which these are fully depreciated.

7.5 Value of land acquired under Coal Bearing Area (Acquisition & Development) Act, 1957 is amortised on the basis of the balance life of the project. Value of leasehold land is amortised on the basis of lease period or balance life of the project, whichever is earlier.

7.6 Prospecting, Boring and Development expenditure are amortised from the year when the mine is brought under revenue in 20 years or working life of the project whichever is less.

7.7 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.

**8.0 Impairment of Asset:**

Impairment loss is recognised wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognized as an expense in the Statement of Profit and Loss and carrying amount of the asset is reduced to its recoverable amount.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased.

**9.0 Foreign Currency Transactions:**

Transaction in foreign currency are initially recorded at exchange rates prevailing on the date of transactions.

Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the end of reporting period, are translated at exchange rate prevailing as at the end of reporting period.

**NOTE - 33 : SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

Non-monetary items denominated in foreign currency, (such as investments, fixed assets etc.) are valued at exchange rate prevailing on the date of the transaction.

Exchange differences arising on the settlement of monetary items or on reporting a monetary items at rates different from those at which they were initially recorded during the period, or reported in previous Financial Statements, are recognised as income or as expenses in the period in which they arise.

Transactions covered by cross currency swap options contracts to be settled on future dates are recognized at the rates prevailing on the Balance Sheet date, of the underlying foreign currency. Effects arising out of such contracts are taken into accounts on the date of settlement.

**10.0 Retirement benefits / Other Employee benefits:****10.1 Short-term benefits:**

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

**10.2 Post-employment benefits and other long term employees benefits :****a) Defined contributions plan:**

The Company has defined contribution plans for payment of Provident Fund and Pension Fund benefits to its employees. Such Provident Fund and Pension Fund are maintained and operated by the Coal Mines Provident Fund (CMPF) Authorities. As per the rules of these schemes, the Company is required to contribute a specified percentage of pay roll cost to the CMPF Authorities to fund the benefits.

**b) Defined benefits plans:**

The liability on the Balance Sheet date on account of gratuity and leave encashment is provided for on actuarial valuation basis by applying projected unit credit method. Further the Company has created a Trust with respect to establishment of Funded Group Gratuity (cash accumulation) Scheme through Life Insurance Corporation of India. Contribution is made to the said fund based on the actuarial valuation.

**c) Other employee benefits:**

Further liability on the Balance Sheet date of certain other employee benefits viz. benefits on account of LTA/LTC; Life Cover Scheme, Group Personal Accident Insurance Scheme, Settlement Allowance, Post Retirement Medical Benefits Scheme and compensation to dependants of deceased in mines accidents etc. are also valued on actuarial basis by applying projected unit credit method.

**11.0 Revenue Recognition:****11.1 Sales**

- a) Revenue in respect of sales is recognised when the property in the goods with the risks and rewards of ownership are transferred to the buyer and there is no significant uncertainty as to its realisability.
- b) Sale of coal are net of statutory dues and accepted deduction made by customer on account of quality of coal.

**11.2 Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**11.3 Dividend**

Dividend income is recognized when right to receive is established.

**11.4 Other Claims**

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

**12.0 Borrowing Costs:**

Borrowing Cost directly attributable to the acquisition or construction of qualifying assets is capitalized. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognized as expenses in the period in which they are incurred.

**NOTE - 33 : SIGNIFICANT ACCOUNTING POLICIES (Contd.)****13.0 Taxation:**

Provision of current income tax is made in accordance with the Income Tax Act., 1961. Deferred tax liabilities and assets are recognized at substantively enacted tax rates, as on the Balance Sheet date, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

**14.0 Provision, Contingent Liabilities and Contingent Assets:**

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date.

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made.

Contingent liabilities are not provided for in the accounts and are disclosed by way of Notes.

Contingent Asset are neither recognized nor disclosed in the Financial Statements.

**15.0 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 share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**16.0 Overburden Removal (OBR) Expenses:**

In open cast mines with rated capacity of one million tonnes per annum and above, cost of OBR is charged on technically evaluated average ratio (COAL:OB) at each mine with due adjustment for advance stripping and ratio-variance account after the mines are brought to revenue. Net of balances of advance stripping and ratio variance at the Balance Sheet date is shown as cost of removal of OB under the head Non - Current Assets/ Long Term Provisions as the case may be.

The reported quantity of overburden as per record is considered in calculating the ratio for OBR accounting where the variance between reported quantity and measured quantity is within the lower of the two alternative permissible limits, as detailed hereunder:-

Annual Quantum of OBR of the Mine	Permissible limits of variance	
	I	II
	%	Quantum (in Million Cubic Metres)
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.

**17.0 Prior Period Adjustments and Prepaid Expenses:**

Income / expenditures relating to prior period and prepaid expenses, which do not exceed ₹ 0.10 Crore in each case, are treated as income / expenditure of current year.

**NOTE - 34 : CONSOLIDATED ADDITIONAL NOTES ON ACCOUNTS****BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

- i. The Financial Statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Parent Company, i.e. Year ended 31<sup>st</sup> March, 2016.
- ii. The Financial Statements have been prepared under the historical cost convention and on the accrual basis of accounting. The accounts of the subsidiaries have been prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India and on the basis of accounting principles generally accepted in India.

**PRINCIPLES OF CONSOLIDATION AND FINANCIAL REPORTING:**

- i. The consolidated Financial Statements relate to South Eastern Coalfields Limited and proportionate stake in its two subsidiaries M/s Chhattisgarh East Railway Limited (CERL) and M/s. Chhattisgarh East-West Railway Limited (CEWRL).
- ii. The Financial Statements of the Company and its subsidiary companies are combined on a line-by-line basis adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard-21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- iii. Significant Accounting Policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide for better understanding the consolidated position of the companies. Recognizing this purpose, the Company has disclosed only such Policies and Notes from individual Financial Statements, which fairly present the needed disclosure.
- iv. On incorporation of subsidiaries, in terms of Memorandum of Understanding (MOU) signed on 03.11.2012 between South Eastern Coalfields Limited (SECL), IRCON International Limited (IRCON) and the Government of Chhattisgarh (GoCG) for establishment of two Railway Corridors viz., East Corridor and East West Corridor, two (2) Subsidiary Companies of SECL have been Incorporated under the Companies Act,1956 viz., M/s Chhattisgarh East Railway Limited (CERL) and M/s. Chhattisgarh East-West Railway Limited (CEWRL) has deposited money/ transferred debits for capital and other expenditure.

The position of investment and other current account as at 31.03.2016 is as under:

Name of Subsidiary	Stake in Subsidiary	Date of Incorporation	Address	Minority Interest as per Consolidated Accounts as on 31.03.2016
M/s Chhattisgarh East Railway Limited	71.11%	12.03.2013	MahadeoGhat Road, RaipuraChowk, Raipur-492013	₹ 40.09 Crore
M/s. Chhattisgarh East-West Railway Limited	71.02%	25.03.2013	MahadeoGhat Road, RaipuraChowk, Raipur-492013	₹ 1.10 Crore

All the subsidiaries are yet to start development activities, related expenditure has been consolidated.

**1. APPLICABILITY OF ACCOUNTING STANDARDS:****a) SIGNIFICANT ACCOUNTING POLICY:**

Significant Accounting Policy (Note-33) has been suitably modified/ re-drafted over previous year, as found necessary to elucidate the accounting policies adopted by the Company.

**b) REVENUE RECOGNITION (AS-9):**

- (i) The revenue recognition has been made where there is a reasonable certainty of collection. Revenue recognition is postponed in case of uncertainty to the extent of uncertainty as assessed by the management.

**NOTE - 34 : CONSOLIDATED ADDITIONAL NOTES ON ACCOUNTS (Contd.)**

- (ii) Refund / adjustment from Tax Authorities are accounted for on the basis of final assessment/ settlement.  
 (iii) Recovery of the liquidated damages and penalties are accounted for on the basis of final settlement.

**c) SUBSIDY : (AS-12) (Refer Note No. 20):**

Subsidy received from Coal Controller Development Authority on account of infrastructural development have been adjusted against the relevant head of account of capital nature ₹ Nil and in case of revenue expenditure ₹ 13.80 Crore (₹ 4.75 Crore), the same is shown under other operating revenue.

**d) EMPLOYEE BENEFITS: RECOGNITION AND MEASUREMENT: (AS-15):**

- (1) The year-end liability of certain other employee benefits like Gratuity, Earned Leave, Life Cover Scheme, Settlement Allowance, Group Personal Accident Insurance Scheme, Leave Travel Concession, Medical Benefits for Retired Executives, Compensation to dependents in case of mine accidental death are valued on actuarial basis. Total liability as on Balance Sheet date based on valuation made by the Actuary, details of which are mentioned below is ₹ 3730.80 Crore.

The Actuarial liability as on 31.03.2016:

(₹ In Crore)

Head	Opening Actuarial Liability as on 01.04.2015	Incremental Liability	Closing Actuarial Liability as on 31.03.2016
Gratuity	2,945.68	-57.99	<b>2,887.69</b>
Earned Leave	456.16	64.76	<b>520.92</b>
Half Pay Leave	82.31	-11.28	<b>71.03</b>
Life Cover Scheme- Executive	0.93	-0.04	<b>0.89</b>
Life Cover Scheme - Non-Executive	17.75	-1.11	<b>16.64</b>
Settlement Allowance Executives	0.62	8.35	<b>8.97</b>
Settlement Allowance Non-Executives	63.33	-30.09	<b>33.24</b>
Group Personal Accident Insurance Scheme	0.24	-0.01	<b>0.23</b>
Leave Travel Concession - Executive	7.92	1.71	<b>9.63</b>
Leave Travel Concession – Non-Executive	16.33	3.58	<b>19.91</b>
Medical Benefits	119.85	3.46	<b>123.31</b>
Compensation to dependents in case of mine accidental death	41.09	-2.75	<b>38.34</b>
<b>TOTAL</b>	<b>3,752.21</b>	<b>-21.41</b>	<b>3,730.80</b>



**NOTE - 34 : CONSOLIDATED ADDITIONAL NOTES ON ACCOUNTS (Contd.)**

(2) Gratuity & EL/ HPL: Actuarial Assumptions:

The disclosure as per actuary's certificate for funded employee benefits for Gratuity and EL/HPL is given below:

**Actuarial Valuation of Gratuity & EL/ HPL Liability as at 31.03.2016**

CERTIFICATE AS PER ACCOUNTING STANDARD 15 (Revised 2005)

**Table 1: Disclosure Item 120 (c)**

(₹ in Crore)

Present Value of Obligations	GRATUITY		EL / HPL	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Present value of obligation at beginning of the year	2,945.68	2,707.54	538.47	459.42
Acquisition Adjustment	0.00	0.00	0.00	0.00
Interest Cost	220.31	204.69	38.18	32.39
Past Service Cost	0.00	0.00	0.00	0.00
Current Service Cost	185.20	137.00	217.63	89.35
Curtailment Cost	0.00	0.00	0.00	0.00
Settlement Cost	0.00	0.00	0.00	0.00
Benefits paid	383.53	297.65	122.42	108.98
Actuarial Gain / Loss on obligations	-79.97	194.1	-79.91	66.29
Present Value of Obligations as at 31.03.2016	2,887.69	2,945.68	591.95	538.47

**Table 2: Disclosure Item 120 (e)**

(₹ in Crore)

Fair Value of Plan Assets	GRATUITY		EL / HPL	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Fair value of Plan Assets at beginning of the year	2,875.86	2,908.37	0.00	0.00
Acquisition Adjustment	0.00	0.00	0.00	0.00
Excepted Return on Plan Asset	230.07	232.66	0.00	0.00
Contributions	118.66	0.00	0.00	0.00
Benefits Paid	383.53	297.65	0.00	0.00
Actuarial Gain /Loss on Plan Asset	19.03	32.48	0.00	0.00
Fair value of Plan Asset as at 31.03.2016	2,860.09	2,875.86	0.00	0.00

**Table 3: Disclosure Item 120 (f)**

(₹ In Crore)

Funded Status	GRATUITY		EL / HPL	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Present Value of obligation as at 31.03.2016	2,887.69	2,945.68	591.95	538.47
Fair value of Plan Assets as at 31.03.2016	2,860.09	2,875.86	0.00	0.00
Funded Status	-27.60	-69.82	-591.95	-538.47
Un-recognized Actuarial gain / Loss	0.00	0.00	0.00	0.00
Net Asset (Liability) Recognised in Balance sheet	-27.60	-69.82	-591.95	-538.47

## NOTE - 34 : CONSOLIDATED ADDITIONAL NOTES ON ACCOUNTS (Contd.)

Table 4: Disclosure Item 120 (g)

(₹ In Crore)

Expenses Recognized in Statement of P&L	GRATUITY		EL / HPL	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Current Service Cost	185.20	137.00	217.63	89.35
Past Service Cost	0.00	0.00	0.00	0.00
Interest Cost	220.31	204.69	38.18	32.39
Expected Return on Plan asset	230.07	232.66	0.00	0.00
Curtailement Cost	0.00	0.00	0.00	0.00
Settlement Cost / Benefit paid	0.00	0.00	0.00	0.00
Actuarial Gain/Loss Recognised in the period	-99.00	161.62	-79.91	66.29
Expense Recognised in statement of Profit /Loss	76.44	270.65	175.90	188.03

Table 5: Disclosure Item 120 (i)

Actuarial Assumptions	As at 31.03.2016	As at 31.03.2015
Mortality table	IALM(2006-08) ULTIMATE	IALM(2006-08) ULTIMATE
Superannuation age	60	60
Early retirement and disablement	10 per Thousand P.A.	10 per Thousand P.A.
	6 above age 45	6 above age 45
	3 between age 29 and 45	3 between age 29 and 45
	1 below age 29	1 below age 29
Discount Rate	8.00%	8.00%
Inflation rate	6.25%	6.25%
Return on assets	8.00%	8.00%
Remaining working life	11 Years	11 Years
Formula used	Projected Unit Credit Method	Projected Unit Credit Method

Table 6: Disclosure Item 120 (o)

(₹ in Crore)

Movements in the Liability Recognized in Balance Sheet	GRATUITY		EL / HPL	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Opening Net Liability	69.82	-200.83	538.47	459.42
Expenses as above	76.44	270.65	175.90	188.03
Contributions	118.66	0.00	0.00	0.00
Closing Net Liability	27.60	69.82	175.90	538.47
Closing Fund/Provision as at 31.03.2016	2,887.69	2,945.68	591.95	538.47



**NOTE - 34 : CONSOLIDATED ADDITIONAL NOTES ON ACCOUNTS (Contd.)**

**e) SEGMENT REPORTING (AS-17)**

The Company is primarily engaged in a single Segment business of production and sale of coal. The activities of production of coke and its bye-products at Dankuni Coal Complex being less than 10% of the total revenue and profit, there is no reportable primary segment identifiable in accordance with the Accounting Standard (AS-17) on Segment Reporting.

**f) RELATED PARTY DISCLOSURE (AS-18)**

In view of the exemption granted to State controlled enterprises as regards related party relationship with other State controlled enterprises and there being no transaction with other related enterprises & parties, no such disclosure under the Accounting Standard (AS-18) on Related Party Disclosures is required.

**g) LEASES (AS-19)**

**i) Apollo Hospital:**

The Company in terms of License Agreement dated 19<sup>th</sup> day of March 2001 executed with M/s Apollo Hospital Enterprises Ltd., Chennai has granted the latter a right to occupy and use the fully constructed main hospital building measuring 2,97,099.74 Sq.ft. (27611.50 SqM) and the residential quarters measuring 55,333 Sq.ft. (5142.47 SqM) together with superstructures on the land such as substation building, sewerage treatment plant and pump house.

The License Agreement provides for a lease period of 30 years from the effective date of the commencement of the lease i.e November 2001.

The lease rental payable by the Apollo Hospital is accounted for as per the agreement. As per the agreement, the lease rental receivable from Apollo Hospital on the Balance Sheet date, for main hospital building is ₹ 4/- per Sq. ft. per month (₹ 4/- per Sq. ft per month) ₹ 1.43 Crore or 1/3<sup>rd</sup> of net profit arrived from the operation of this division of the hospital of the licensee, whichever is more and for residential quarters the rate is ₹ 2/- per Sq. ft. per month (₹ 2/- per Sq. ft per month) ₹ 0.13 Crore. The lease rental paid by Apollo Hospital for the year ended on Balance Sheet date accounted for is ₹ 1.56 Crore (₹ 1.56 Crore) towards minimum rental.

The cost of the gross assets leased to Apollo Hospital Enterprises Ltd. furnished under the schedule of Fixed Assets is ₹ 31.32 Crore (₹ 31.32 Crore) accumulated depreciation as on Balance Sheet date is ₹ 9.20 Crore (₹ 8.66 Crore), the depreciation recognized in the Statement of Profit & Loss for the period ended 31.03.2016 is ₹ 0.54 Crore (₹ 0.54 Crore).

The future minimum lease rental receivable in the aggregate as at 31.03.2016 is ₹ 23.37 Crore (₹ 24.93 Crore) for each of the following periods is as under:

		(₹ in Crore)	
		As at 31.03.2016	As at 31.03.2015
(I)	Not later than one year	1.56	1.56
(II)	Later than one year and not later than five year	6.23	6.23
(III)	Later than five years and till the period of lease	15.58	17.14

No contingent rents are recognized as income in the Statement of Profit & Loss.

**ii) Railway Siding :**

(a) The Company in terms of License Agreements dated 03.01.2007 and 16.05.2008 executed with M/s Aryan Coal Benefications Pvt. Ltd., New Delhi has granted the later a right to use the fully constructed Railway Siding Junadih No.3 at Gevra Area on lease for a period of 20 years with effect from 23.05.2006. Lease Rent ₹ 1.00 Crore (₹ 0.50 Crore) received / receivable for the period/ year ended 31.03.2016.

**NOTE - 34 : CONSOLIDATED ADDITIONAL NOTES ON ACCOUNTS (Contd.)**

- (b) The Company in terms of License Agreements dated 03.01.2007 and 16.05.2008 executed with M/s Aryan Coal Beneficiations Pvt. Ltd., New Delhi has granted the later a right to use the fully constructed Railway Siding Junadih No.4 at Gevra Area for a lease period of 20 years w.e.f. 23.08.1999. Lease Rent ₹ 1.02 Crore (₹ 0.64 Crore) received / receivable for the period / year ended 31.03.2016.
- (c) The Company in terms of License agreement with M/s Gujarat State Electricity Board, Vadodara, Gujarat dated 17.10.2005 has granted the later a right to use the fully constructed Railway siding Junadih line no 5 at Gevra area for a period of 20 years with effect from 17.10.2005. Lease Rent ₹ 0.53 Crore (₹ 0.16 Crore) taken for the period / year ended 31.03.16.
- (d) The Company in terms of Lease Agreements dated 15.10.2007 executed with M/s Spectrum Coal and Power Limited (Formerly known as STCLI Coal Washery Limited) has granted the later a right to use the fully constructed Railway Siding line no. 2 for an applied lease period of 30 years w.e.f Oct 2007 vide letter no. 13-14/81 dated 18.07.14. Lease Rent ₹ 1.15 Crore (₹ 1.09 Crore) received/ receivable for the period/ year ended 31.03.16.

Leased out Assets to M/s Aryan Coal Beneficiations Pvt. Ltd. and M/s Gujarat State Electricity Board valued ₹ 7.13 Crore (₹ 7.13 Crore) and accumulated depreciation as on Balance Sheet date is ₹ 6.81 Crore (₹ 6.73 Crore), the depreciation recognized in the Statement of Profit & Loss for the year is ₹ 0.08 Crore (₹ 0.08 Crore).

Leased out Assets to M/s Spectrum Coal and Power Limited (Formerly known as STCLI Coal Washery Limited) ₹ 15.74 Crore and accumulated depreciation as on Balance Sheet date is ₹ 9.60 Crore (₹ 8.49 Crore).

The future minimum lease rental receivable in the aggregate at the end of the year is ₹ 36.88 Crore (₹ 34.73 Crore) for each of the following period is as under:

(₹ in Crore)

Period	As at 31.03.2016					As at 31.03.2015
	Junadih Sdg -3 (a)	Junadih Sdg -4 (b)	Junadih Sdg -5 (c)	Line No. 2 (d)	Total	
Not later than one year	1.00	1.02	0.53	1.15	3.70	2.39
Later than one year and not later than five year	4.01	2.46	2.12	5.75	14.34	10.67
Later than five years and till the period of lease	5.19	0.00	2.43	18.40	26.02	21.67

No contingent rents are recognized as income in the Statement of Profit & Loss.

**iii) Land:**

The Company in terms of Lease Agreements executed with M/s Spectrum Coal and Power Limited (Formerly known as STCLI Coal Washery Limited) has granted the later a right to use the land for construction of washery and siding facilities at Dipka Project on lease for a period of 30 years with effect from 30.03.2008. Lease Rent ₹ 1.57 Crore (₹ 0.82 Crore) received during the period/ year ended 31.03.2016.

Leased out Assets to M/s Spectrum Coal and Power Limited (Formerly known as STCLI Coal Washery Limited) valued ₹ 0.52 Crore for Land and accumulated depreciati on as on Balance Sheet date is ₹ 0.31 Crore (₹ 0.30 Crore).



**NOTE - 34 : CONSOLIDATED ADDITIONAL NOTES ON ACCOUNTS (Contd.)**

The future minimum lease rental receivable in the aggregate at the end of the year is ₹ 35.54 Crore (₹ 19.68 Crore) for each of the following periods is as under:

	As at 31.03.2016	As at 31.03.2015
(I) Not later than one year	1.57	0.82
(II) Later than one year and not later than five year	7.85	4.10
(III) Later than five years and till the period of lease	25.12	14.76

(₹ in Crore)

No contingent rents are recognized as income in the Statement of Profit & Loss.

**iv) Dankuni Coal Complex**

Coal India Ltd. (Holding Company) has given on lease land, building and structures, plant and machinery of Dankuni Coal Complex at Kolkata from 01.04.1995, with absolute right to manufacture, sell its products including gas and by-products. The lease rent payable from 01.04.2011 onward to Coal India Ltd. is ₹ 1.00 per annum.

**h) EARNINGS PER SHARE (AS-20)**

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
(i) Profit after Tax (₹ In Crore)	3,247.80	3,659.94
(ii) Profit attributable to Equity Shareholders (₹ In Crore)	3,247.80	3,659.94
(iii) No. of Equity Shares for Basic & diluted EPS	35,97,000	35,97,000
(iv) Nominal value of Equity share (₹)	1,000.00	1,000.00
(v) Basic & Diluted Earnings per Share (₹)	9,029.19	10,174.98

**i) ACCOUNTING FOR TAXES ON INCOME (AS-22)**

- (i) Deferred Tax Assets and Liability are being offset as they relate to Taxes on income levied by the same governing taxation laws.
- (ii) Deferred Tax Asset / (Liability) as at 31<sup>st</sup> March, 2016 and as at 31<sup>st</sup> March 2015 is given below:-

	As at 31.03.2016	As at 31.03.2015
<b>Deferred Tax Liability:</b>		
Related to Fixed Assets	75.34	77.79
<b>Deferred Tax Asset:</b>		
Provision for doubtful Debts, claims, etc.	308.69	197.23
Employee separation and retirement	156.62	166.58
Others	40.82	(13.86)
Total deferred tax Assets	506.13	349.95
<b>Net Deferred Tax Asset/ (Deferred Tax Liability) :</b>	<b>430.79</b>	<b>272.16</b>

(₹ In Crore)

**j) IMPAIRMENT OF ASSETS (AS-28)**

During the year, the impairment loss of assets of ₹ 1.96 Crore (₹ 1.34 Crore) in respect of continuous loss making mines is debited to Statement of Profit & Loss.

**NOTE - 34 : CONSOLIDATED ADDITIONAL NOTES ON ACCOUNTS (Contd.)****k) CONTINGENT LIABILITIES, COMMITMENTS (AS-29)**

- i) Contingent Liabilities: Following suits are pending against the Company at different forums. The financial impact, wherever available has been taken under contingent liabilities below, however, for other cases, management does not see any considerable impact on the financial position of the Company.

(₹ in Crore)

S.No	Description	Current Year	Previous year
1	Central Govt.	5,140.83	5,428.51
2	State Govt. and Local Authority	135.48	117.04
3	CPSEs / SPSEs	54.16	287.07
4	Others –suits against the Company	1,255.75	244.58
	<b>TOTAL</b>	<b>6,586.22</b>	<b>6,077.20</b>

- ii) Outstanding letters of Credits as on Balance Sheet date amounted to ₹ 59.31 Crore (₹ 109.50 Crore).
- iii) The Company has given Bank Guarantees of ₹ 3.96 Crore (₹ 1.60 Crore) for which there is a floating charge on Current Assets of the Company.

**Commitments:**

- (i) The amount remaining to be executed on capital account not provided for is ₹ 1174.58 Crore (₹ 459.17 Crore).
- (ii) The amount remaining to be executed on revenue account not provided for is ₹ 3164.73 Crore (₹ 1538.78 Crore).

**Other matters:**

- i) A sum of ₹ 48.46 Crore (₹ 12.26 Crore) are kept in the Company's custody as Securities in the form of Fixed Deposit Receipt received from the suppliers, contractors etc.. Further, Bank Guarantees worth ₹ 1858.63 Crore (₹ 1433.14 Crore) have also been taken from Debtors as security for supply of coal and from suppliers & contractors for execution of works/supply etc. which have not been accounted for.
- ii) Certain forged / extra payments of TA Bills were found in Hasdeo Area. On detailed checking by the Internal Audit Department/ Vigilance Department the extra/ irregular payment for the years 2005-06 to July 2012 of about ₹ 0.37 Crore on account of TA Bills has been detected. Departmental action has already been initiated against the erring staff and the involved persons i.e one Cashier and one Cost Assistant have been suspended. Based on this investigation payment of such forged TA bills is still under investigation.
- iii) One fraud case has been cropped up at Sohagpur Area in respect of salary/ wages billing by a clerk amounting to ₹ 0.16 Crore, out of which ₹ 0.09 Crore has been deposited by him. Balance amount is not recovered till date and involved person has been terminated from the service.
- iv) Excess payment is reported to be made to a security agency at Bishrampur Area & Korba Area amounting to ₹ 1.21 Crore & ₹ 0.32 Crore respectively. The cases are under investigation.
- v) Irregularities in deployment of OB Contractor at Bisrampur Area and payment involving ₹ 0.28 Crore. The case is under investigation.

**2(a) VALUE OF IMPORTS ON CIF BASIS:**

(₹ in Crore)

Details	For the year ended 31.03.2016	For the year ended 31.03.2015
Raw Material	NIL	NIL
Capital Goods	0.23	0.20
Stores & Spares	43.71	38.25



**NOTE - 34 : CONSOLIDATED ADDITIONAL NOTES ON ACCOUNTS (Contd.)**

**2(b) TOTAL CONSUMPTION OF STORES (Refer Note No. 22):**

(₹ in Crore)

Particulars	For the year ended 31.03.2016		For the year ended 31.03.2015	
	Amount	% of Total Consumption	Amount	% of Total Consumption
Imported	6.62	0.43	6.41	0.38
Indigenous	1,515.46	99.57	1,662.93	99.62
Total	1,522.08	100.00	1,669.34	100.00

**2(c) EXPENDITURE INCURRED IN FOREIGN CURRENCY:**

(₹ in Crore)

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Traveling Expenses	0.10	0.02
Training Expenses	0.92	0.00
Others	116.96	14.55

**3. REMUNERATION TO KEY MANAGERIAL PERSONNEL:**

(₹ in Crore)

Name of KMP	Salary	PF	Others (Medical, LE, PRP, Perks etc.)	Sitting Fee	Total Current year	Total Previous year
Shri Om Prakash	0.18	0.03	0.13	-	0.34	0.12
Shri B.R. Reddy	0.02	0.00	0.00	-	0.02	-
Shri A.P. Panda	0.19	0.03	0.07	-	0.29	0.21
Shri R.P. Thakur	0.19	0.03	0.09	-	0.31	0.31
Shri R.S. Jha	0.16	0.02	0.06	-	0.24	0.10
Shri Kuldip Prasad	0.02	-	-	-	0.02	-
Shri Anil Kr. Singh	-	-	-	-	0.00	0.06
Shri Sunil Kumar	-	-	-	0.02	0.02	0.00
Shri B.S. Sahay	-	-	-	0.02	0.02	0.00
Shri S.M. Yunus	0.16	0.02	0.07	-	0.25	0.23

**4. BALANCE CONFIRMATION:**

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

**5. USE OF ESTIMATE:**

In preparing the Financial Statements in conformity with accounting principles generally accepted in India, management is sometimes required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liability as at the date of Financial Statements and the amount of revenue and expenses during the reported period. Actual results may differ from those estimates. Any revision to such estimate is recognized in the period in which the same is determined.

**NOTE - 34 : CONSOLIDATED ADDITIONAL NOTES ON ACCOUNTS (Contd.)****6. PREVIOUS YEAR'S FIGURES:**

Previous Year's figures have been regrouped and rearranged wherever considered necessary. Figures in the parentheses relating to the Notes/Additional Notes of Balance Sheet and Statement of Profit & Loss corresponding previous year.

Notes 1 to 19 form part of the Balance Sheet as at 31<sup>st</sup> March, 2016 and Notes 20 to 32 form part of Statement of Profit & Loss for the year ended on that date. Note-33 represents Significant Accounting Policies and Note-34 represents Additional Notes on the Accounts.

Signature to Note 1 to 34.

**Sd/-**  
**(CS S. M. Yunus)**  
Company Secretary

**Sd/-**  
**(CA Y.V. Subbarao)**  
GM (Finance)

**Sd/-**  
**(A.P. Panda)**  
Director (Finance)  
DIN: 06664375

**Sd/-**  
**(B.R. Reddy)**  
Chairman-cum-Managing Director  
DIN: 07001710

As per our report annexed  
**For J N Mital & Co.**  
**Chartered Accountants**  
Firm Regn No. 003587N

**Sd/-**  
**[CA Rajendra Mittal]**  
Partner  
Membership No. 084470

Date : 23<sup>rd</sup> May, 2016  
Place : Kolkata



## Statement Containing Salient Features of the Financial Statements of Subsidiaries (Form AOC-1)

(Pursuant to first proviso to sub-section (3) of section 129 of Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

### Part "A" : Subsidiaries

(₹ In Crore)

SI No.	Particulars	Name of the subsidiary Companies	
		Chhattisgarh East Railway Limited	Chhattisgarh East-West Railway Limited
1	Reporting Period	01.04.2015 to 31.03.2016	01.04.2015 to 31.03.2016
2	Reporting Currency	INR	INR
3	Share Capital	139.06	4.06
4	Reserves & Surplus	(0.26)	(0.23)
5	Total Assets	379.56	86.62
6	Total Liabilities	379.56	86.62
7	Investments	0.00	0.00
8	Turnover	0.00	0.00
9	Profit before Taxation	(0.08)	(0.06)
10	Provision for Taxation	0.00	0.00
11	Profit after Taxation	(0.08)	(0.06)
12	Proposed Dividend	0.00	0.00
13	% of Shareholding as on 31.03.2016	71.11	71.02

Sd/-  
(CS S. M. Yunus)  
Company Secretary

Sd/-  
(CA Y.V. Subbarao)  
GM (Finance)

Sd/-  
(A.P. Panda)  
Director (Finance)  
DIN: 06664375

Sd/-  
(B.R. Reddy)  
Chairman-cum-Managing Director  
DIN: 07001710

As per our report annexed  
**For J N Mital & Co.**  
**Chartered Accountants**  
Firm Regn No. 003587N

Sd/-  
**[CA Rajendra Mittal]**  
Partner  
Membership No. 084470

Date : 23<sup>rd</sup> May, 2016  
Place : Kolkata

# Annexure - I & IX to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

## ANNEXURE – I TO REGULATION 33

Statement of Consolidated Unaudited / Audited Results for the Quarter ended 31.03.2016, Quarter ended 31.12.2015, Quarter ended 31.03.2015, Year ended 31.03.2016, Year ended 31.03.2015

### PART - I

(₹ in Crore)

Particulars	For the	For the	For the	For the	For the
	Quarter	Quarter	Quarter	Year	Year
	Ended	Ended	Ended	Ended	Ended
	31.03.2016	31.12.2015	31.03.2015	31.03.2016	31.03.2015
	Unaudited	Unaudited	Unaudited	Audited	Audited
1 Income from Operations					
(a) Income from Operations (Net of Excise Duty)	4,268.57	4,398.58	4,469.21	16,745.67	16,294.98
(b) Other Operating Income	102.80	104.30	93.87	391.18	336.49
<b>Total Income from Operations (Net)</b>	<b>4,371.37</b>	<b>4,502.88</b>	<b>4,563.08</b>	<b>17,136.85</b>	<b>16,631.47</b>
2 Expenses					
(a) Cost of Material Consumed	445.00	364.73	522.76	1,522.08	1,669.34
(b) Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	(564.21)	(104.07)	(255.70)	(524.70)	(316.95)
(c) Employee Benefit Expenses	1,673.54	1,595.92	1,754.23	6,404.74	6,511.58
(d) Depreciation & Impairment	173.80	190.52	206.78	680.22	616.47
(e) Power & Fuel	158.02	156.61	147.68	620.81	580.94
(f) Corporate Social Responsibility Expenses	167.74	32.60	12.09	270.85	40.43
(g) Repairs	55.96	60.27	57.16	204.03	193.47
(h) Contractual Expenses	706.92	527.06	563.29	2,100.70	1,885.50
(i) Other Expenditures	229.94	100.37	177.88	628.27	580.31
(j) Overburden Removal / Adjustment	301.94	265.37	193.52	816.60	605.55
(k) Financial Charges /Commitment Charges	0.00	0.00	0.00	0.00	0.00
(l) Provisions/Write-off (Net)	252.81	19.28	19.08	326.24	54.48
<b>Total Expenses</b>	<b>3,601.46</b>	<b>3,208.66</b>	<b>3,398.77</b>	<b>13,049.84</b>	<b>12,421.12</b>
3 Profit (Loss) from Operations before Other Income, Finance costs and Exceptional Items (1-2)	769.91	1,294.22	1,164.31	4,087.01	4,210.35
4 Other Income	309.12	221.72	421.62	1,083.80	1,447.68
5 Profit / (Loss) from Ordinary activities before Finance costs and Exceptional Items (3+4)	1,079.03	1,515.94	1,585.93	5,170.81	5,658.03
6 Finance Costs	0.16	0.16	0.12	0.65	0.55
7 Profit / (Loss) from Ordinary activities after Finance cost but before Exceptional Items (5-6)	1,078.87	1,515.78	1,585.81	5,170.16	5,657.48
8 Exceptional Items	0.00	0.00	1.98	3.16	1.98
9 Profit (+) / Loss (-) from Ordinary Activities before Tax (7+8)	1,078.87	1,515.78	1,587.79	5,173.32	5,659.46



Annexure - I to Regulation 33 of SEBI (LODR) Regulations, 2015 (Contd.)

(₹ in Crore)

Particulars	For the Quarter Ended 31.03.2016	For the Quarter Ended 31.12.2015	For the Quarter Ended 31.03.2015	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
	Unaudited	Unaudited	Unaudited	Audited	Audited
10 Tax Expenses	461.48	528.36	630.65	1,925.56	1,999.61
11 Net Profit / Loss from Ordinary Activities after Tax (9-10)	617.39	987.42	957.14	3,247.76	3,659.85
12 Extraordinary Item	-	-	-	-	-
13 Net Profit (+) / Loss (-) for the period (11+12)	617.39	987.42	957.14	3,247.76	3,659.85
14 Share of Profit / (Loss) of Associates	-	-	-	-	-
15 Minority Interest	0.01	0.01	0.01	0.04	0.09
16 Net Profit / (Loss) after Taxes, Minority Interest and share of Profit / (Loss) of Associates (13+14+15)	617.40	987.43	957.15	3,247.80	3,659.94
17 Paid-up Equity Share Capital (35,97,000 Equity Shares of face value of ₹ 1000 per share fully paid-up)	359.70	359.70	359.70	359.70	359.70
18 Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year	-	-	-	9,184.18	9,688.04
19. Earnings per Share (EPS)					
i (before Extraordinary Items) (of ₹____/- each not annualised)					
(a) Basic	1,716.43	2,745.15	2,660.97	9,029.19	10,174.98
(b) Diluted EPS	1,716.43	2,745.15	2,660.97	9,029.19	10,174.98
ii (after Extraordinary Items) (of ₹____/- each not annualised)					
(a) Basic	1,716.43	2,745.15	2,660.97	9,029.19	10,174.98
(b) Diluted EPS	1,716.43	2,745.15	2,660.97	9,029.19	10,174.98

Sd/-  
**(CS S. M. Yunus)**  
Company Secretary

Sd/-  
**(CA Y.V. Subbarao)**  
GM (Finance)

Sd/-  
**(A.P. Panda)**  
Director (Finance)  
DIN: 06664375

Sd/-  
**(B.R. Reddy)**  
Chairman-cum-Managing Director  
DIN: 07001710

As per our report annexed  
**For J N Mital & Co.**  
**Chartered Accountants**  
Firm Regn No. 003587N

Sd/-  
**[CA Rajendra Mittal]**  
Partner  
Membership No. 084470

Date : 23<sup>rd</sup> May, 2016  
Place : Kolkata

## PART - II

(₹ in Crore)

Particulars	For the Quarter Ended 31.03.2016	For the Quarter Ended 31.12.2015	For the Quarter Ended 31.03.2015	For the Year ended 31.03.2016	For the Year ended 31.03.2015
	Unaudited	Unaudited	Unaudited	Audited	Audited
<b>A PARTICULARS OF SHAREHOLDING</b>					
1 Public Shareholding :					
- No. of Shares	-	-	-	-	-
- Percentage of shareholding	-	-	-	-	-
2 Promoters and promoter group Shareholding					
a) Pledged/ Encumbered					
- No. of Shares	-	-	-	-	-
- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-
- Percentage of Shares (as a % of the total Share capital of the Company)	-	-	-	-	-
b) Non- Encumbered					
- No. of Shares	35,97,000	35,97,000	35,97,000	35,97,000	35,97,000
- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00
- Percentage of Shares (as a % of the total Share capital of the Company)	100.00	100.00	100.00	100.00	100.00

Particulars	For the Quarter Ended 31.03.2016
<b>B INVESTOR COMPLAINTS</b>	
Pending at the beginning of the quarter	N.A.
Received during the quarter	N.A.
Disposed-off during the quarter	N.A.
Remaining unresolved at the end of the quarter	N.A.

Sd/-  
(CS S. M. Yunus)  
Company Secretary

Sd/-  
(CA Y.V. Subbarao)  
GM (Finance)

Sd/-  
(A.P. Panda)  
Director (Finance)  
DIN: 06664375

Sd/-  
(B.R. Reddy)  
Chairman-cum-Managing Director  
DIN: 07001710

As per our report annexed  
For J N Mital & Co.  
Chartered Accountants  
Firm Regn No. 003587N

Sd/-  
[CA Rajendra Mittal]  
Partner  
Membership No. 084470

Date : 23<sup>rd</sup> May, 2016  
Place : Kolkata



## ANNEXURE – IX TO REGULATION 33

### Statement of Consolidated Assets and Liabilities

(₹ in Crore)

PARTICULARS	As at 31.03.2016	As at 31.03.2015
<b>A EQUITY AND LIABILITIES</b>		
<b>1 Shareholders' Fund</b>		
a) Share Capital	359.70	359.70
b) Reserves & Surplus	4,740.72	9,184.18
c) Money received against share warrants	0.00	0.00
<b>Sub-Total (Shareholders' Funds)</b>	<b>5,100.42</b>	<b>9,543.88</b>
<b>2 Share application money pending allotment</b>	-	-
<b>3 Minority Interest</b>	<b>41.19</b>	<b>2.23</b>
<b>4 Non-Current Liabilities</b>		
a) Long-Term Borrowing	87.85	30.60
b) Deferred Tax Liabilities (Net)	-	-
c) Other Long-Term Liabilities	873.89	828.06
d) Long-Term Provisions	8,420.98	7,425.79
<b>Sub-Total (Non-Current Liabilities)</b>	<b>9,382.72</b>	<b>8,284.45</b>
<b>5 Current Liabilities</b>		
a) Short-Term Borrowings	-	-
b) Trade Payables	97.83	107.27
c) Other Current Liabilities	4,247.40	4,149.75
d) Short-Term Provisions	1,598.74	1,290.39
<b>Sub-Total (Current Liabilities)</b>	<b>5,943.97</b>	<b>5,547.41</b>
<b>Total Equity and Liabilities</b>	<b>20,468.30</b>	<b>23,377.97</b>
<b>B ASSETS</b>		
<b>1 Non-Current Assets</b>		
(a) Fixed Assets	5,571.27	5,166.86
(b) Goodwill on consolidation	-	-
(c) Non-Current investments	0.00	0.00
(d) Deferred Tax Assets (Net)	430.79	272.16
(e) Long-Term Loans and Advances	400.45	381.98
(f) Other Non-Current Assets	1,066.61	809.15
<b>Sub-Total (Non-Current Assets)</b>	<b>7,469.12</b>	<b>6,630.15</b>

## Statement of Consolidated Assets and Liabilities (Contd.)

(₹ in Crore)

PARTICULARS	As at 31.03.2016	As at 31.03.2015
<b>2 Current Assets</b>		
(a) Current Investments	95.72	123.16
(b) Inventories	1,839.69	1,332.09
(c) Trade Receivables	2,650.61	2,277.71
(d) Cash & Bank Balance	4,720.28	9,379.96
(e) Short-Term Loans & Advances	2,939.72	2,919.55
(f) Other Current Assets	753.16	715.35
<b>Sub-Total (Current Assets)</b>	<b>12,999.18</b>	<b>16,747.82</b>
<b>Total Assets</b>	<b>20,468.30</b>	<b>23,377.97</b>

Sd/-  
(CS S. M. Yunus)  
Company Secretary

Sd/-  
(CA Y.V. Subbarao)  
GM (Finance)

Sd/-  
(A.P. Panda)  
Director (Finance)  
DIN: 06664375

Sd/-  
(B.R. Reddy)  
Chairman-cum-Managing Director  
DIN: 07001710

As per our report annexed  
**For J N Mital & Co.**  
**Chartered Accountants**  
Firm Regn No. 003587N

Sd/-  
**[CA Rajendra Mittal]**  
Partner  
Membership No. 084470

Date : 23<sup>rd</sup> May, 2016  
Place : Kolkata



## CEO and CFO Certification

To,  
The Board of Directors,  
South Eastern Coalfields Limited.

We, B. R. Reddy, Chairman-cum-Managing Director & CEO and A. P. Panda, Director(Finance) & CFO, responsible for the Finance function certify that:

- We have reviewed Financial Statements and the Cash Flow Statements for the year ended 31<sup>st</sup> March, 2016 and that to the best of our knowledge and belief :
  - These Statements do not contain any materially untrue statement or omit any material fact or contain Statements that might be misleading;
  - 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.
- To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2016 are fraudulent, illegal or violative of the Company's code of conduct.
- We accept responsibility for establishing and maintaining Internal Controls for Financial Reporting and we have evaluated the effectiveness of Internal Control System 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.
- We have indicated to the Auditors and the Audit Committee that :
  - there has not been any significant changes in Internal Control over Financial Reporting during the period under reference;
  - there has not been any significant changes in Accounting Policies during the Period; and
  - We are not 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.

Sd/-  
**(A.P. Panda)**  
Director (Finance) & CFO

Sd/-  
**(B. R. Reddy)**  
Chairman-cum-Managing Director & CEO

Date: 23.05.2016  
Place: Kolkata

## Notice of Annual General Meeting

Notice is hereby given that the 30<sup>th</sup> Annual General Meeting of the members of SOUTH EASTERN COALFIELDS LIMITED will be held on **Saturday, the 9<sup>th</sup> July, 2016 at 11:30 AM at the Registered Office of the Company at Seepat Road, Bilaspur – 495 006 (Chhattisgarh)**, to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidated) for the year 2015-16 together with the Statement containing Salient features of Financial Statements of Subsidiaries, Board's Report, Auditors' Report thereon and Comments of the Comptroller & Auditor General of India in terms of Section 143(6) of the Companies Act, 2013.
2. To confirm payment of Three Interim Dividends paid on Equity Shares of the Company as Final Dividend for the year 2015-16.
3. To appoint a Director in place of Shri C. K. Dey (DIN: 03204505), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri R. S. Jha (DIN: 07005297), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

*By order of the Board of Directors*  
For **South Eastern Coalfields Limited**

Sd/-  
**(S.M. Yunus)**  
Company Secretary

*Registered Office:*

**Seepat Road, Bilaspur (CG) – 495 006**

Date: 25<sup>th</sup> June, 2016



**NOTES:**

1. The Shareholders are requested to give their consent in writing or by electronic mode for calling the Annual General Meeting at a Shorter Notice pursuant to the provisions of the Section 101(1) of the Companies Act, 2013.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS (48 HRS.) BEFORE THE TIME OF COMMENCEMENT OF THE MEETING. BLANK PROXY FORM (FORM MGT – 11) IS ATTACHED.
3. Corporate Member(s) are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the Annual General Meeting.
4. All documents referred to in the notices and annexure thereto along with other mandatory registers/documents are open for inspection at the registered office of the Company on all working days during business hours, prior to the date of 30<sup>th</sup> Annual General Meeting.
5. Pursuant to the provisions of Section 171(1)(b) and 189(4) of the Companies Act, 2013, the registers required to be kept open for inspection at every Annual General Meeting of the company, shall be accessible during the continuance of the meeting to any person having the right to attend the meeting.

**Distribution:**

*(With a request to make it convenient to attend the meeting personally or through Proxy (of Individual member)/ Authorized representative, as applicable):*

1. M/s. Coal India Limited, Kolkata. **(Member)**
2. Shri Sutirtha Bhattacharya, Chairman, CIL, Kolkata. **(Member)**
3. Shri C. K. Dey, Director (Finance), CIL, Kolkata. **(Member)**
4. Shri B. R. Reddy, CMD, SECL, Bilaspur. **(Member)**
5. Shri B. S. Sahay, Independent Director and Chairman, Audit Committee of SECL Board.
6. Shri Vivek Bharadwaj, Govt. Nominee Director.
7. Shri Sunil Kumar, Independent Director.
8. Shri A. P. Panda, Director (Finance), SECL.
9. Dr. R. S. Jha, Director (Personnel), SECL.
10. Shri Kuldip Prasad, Director (Technical) Operations/P&P, SECL.
11. M/s. J. N. Mital & Co., CA, Principal Statutory Auditors.
12. M/s. S. C. Mohanty & Associates, Lead Cost Auditor.
13. M/s. AGR Reddy & Co., Secretarial Auditor.



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# **SOUTH EASTERN COALFIELDS LIMITED**

(A Mini Ratna PSU)

Seepat Road, Bilaspur (Chhattisgarh) - 495006  
Tel : 07752-246379-399 | Fax : 07752-246451  
Website: [www.secl-cil.in](http://www.secl-cil.in)