

MAHANADI COALFIELDS LIMITED
A MINIRATNA COMPANY



2015-16

Annual Report & Accounts



An Energy Supplier to the Nation

‘VISION’

“To be one of the leading energy suppliers in the world through best practices from mine to market.”

‘MISSION’

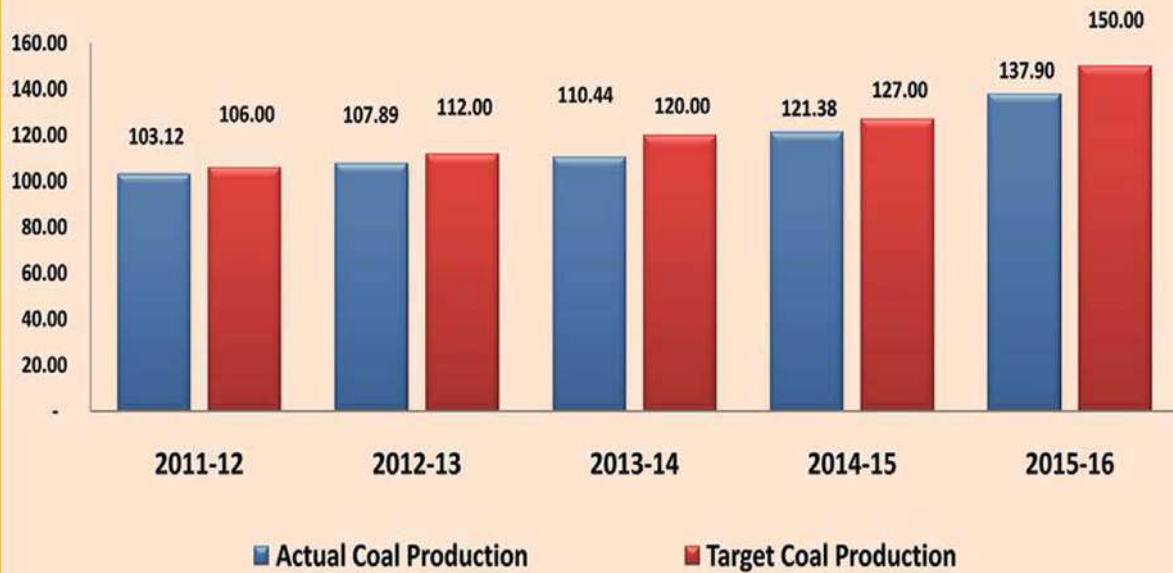
“To produce and market the planned quantity of coal and coal products efficiently and economically in an eco-friendly manner with due regard to safety, conservation and quality”



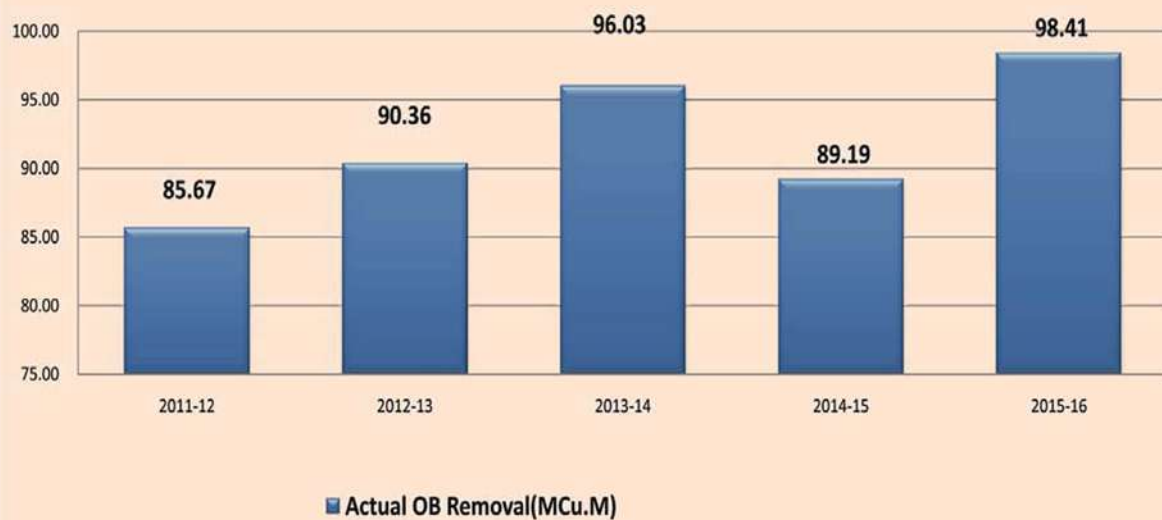
FINANCIAL HIGHLIGHTS FOR LAST 10 YEARS

	Particulars	Unit	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
1	Production of coal	MT(million te.)	69.61	80.00	88.01	96.34	104.08	100.28	103.12	107.89	110.44	121.38	137.90
2	Despatch of coal	MT(million te.)	68.22	76.42	83.63	91.28	98.13	102.09	102.52	111.96	114.34	123.00	140.22
3	Sale of coal (Gross)	Rs. Crore	3,945.13	4,507.52	5,291.07	6,487.55	7,466.56	9,249.75	12,068.60	13,190.42	13,165.61	14989.05	19829.58
4	PBT	Rs. Crore	1,837.21	2,081.39	2,504.79	2,600.91	2,950.58	4,039.30	5,463.69	6,202.48	5,429.08	5,314.24	6260.43
5	PAT	Rs. Crore	1,256.29	1,368.45	1,643.04	1,718.03	1,946.69	2,609.32	3,709.51	4,212.44	3,624.30	3,554.10	4184.74
6	Dividend	Rs. Crore	504.00	550.50	1,000.00	1,040.00	1,169.00	1,570.02	2,226.55	2,529.45	5,983.16	3,841.82	3608.45
7	Net fixed Assets (10A)	Rs. Crore	1,226.00	1,313.14	1,298.08	1,364.10	1,589.69	2,019.19	2,048.05	2,212.52	2,788.58	3,087.48	3252.55
8	Net worth	Rs. Crore	3,484.16	4,223.41	4,686.72	5,188.00	5,769.60	6,548.14	7,674.42	8,939.12	5,563.42	4,477.57	4319.26
9	Long Term loans	Rs. Crore	186.71	170.06	157.29	183.97	150.79	124.13	119.42	96.60	9.14	6.90	7.21
10	Capital Employed	Rs. Crore	3,117.70	3,836.51	4,381.96	4,853.15	5,305.38	11,704.47	14,211.30	16,208.23	14,248.04	15,208.55	16629.66
11	Return on capital employed	%	40	36	37	35	37	22	26	26	25	23	25
12	Value addition	Rs. Crore	2,751.02	3,314.95	3,957.52	4,988.95	5,594.64	6,945.29	8,825.63	9,206.31	9,153.60	10,203.46	11990.49
13	Face value per share	Rs.	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1000.00
14	Book value per share	Rs.	18,691.76	22,657.67	25,143.23	27,832.48	30,952.64	35,129.34	41,171.58	47,956.42	29,846.53	24,021.18	23171.89
15	Dividend per share	Rs.	2,703.85	2,953.31	5,364.78	5,579.37	6,271.43	8,422.81	11,944.95	13,569.95	32,098.34	20,610.52	19358.54
16	Earning Per Share	Rs.	6,739.74	7,341.44	8,814.57	9,216.84	10,443.57	13,998.43	19,900.71	22,598.82	19,443.58	19,066.97	22450.21
17	No. of Eq.shares	Numbers	1,864,009	1,864,009	1,864,009	1,864,009	1,864,009	1,864,009	1,864,009	1,864,009	1,864,009	1,864,009	1,864,009

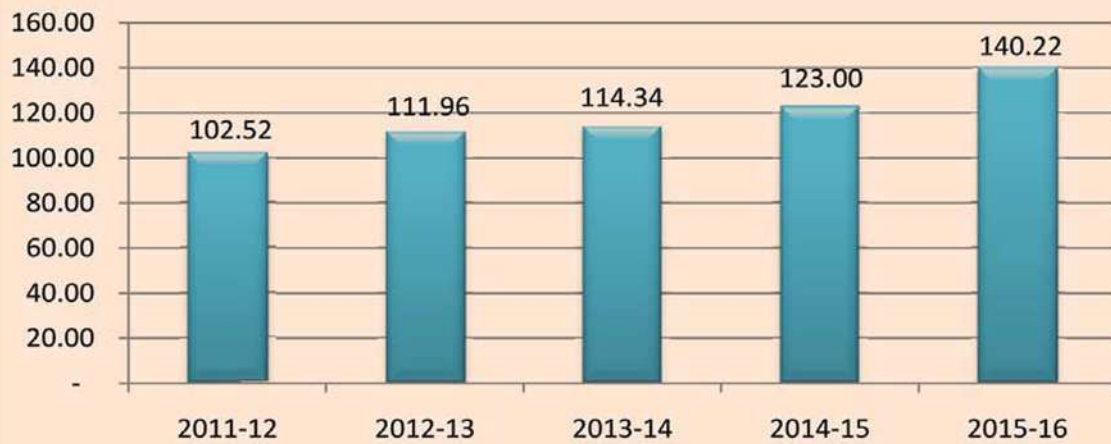
Coal Production (Million Tonnes)



Overburden Removal (MCu.M)



Dispatch of Coal (In Million Tonne)



Gross Sales (Rs. in Crores)



NET WORTH (₹ in Crores)



Profit Before Tax (Rs in Crores)



Profit after Tax (₹)



Book Value per share



Divedend Per Share (Rs.)



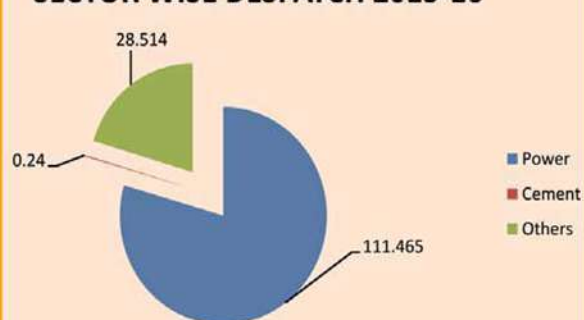
Earning Per Share (Rs.)



GROSS BLOCK & NET BLOCK



SECTOR WISE DESPATCH 2015-16



MODE -WISE COAL DISPATCH 2015-16



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Bankers

State Bank of India,
UCO Bank,
Canara Bank,
Punjab National Bank,
United Bank of India,
Indian Overseas Bank,
Union Bank of India,
Bank of India,
ICICI Bank,
Andhra Bank,
Bank of Baroda,
AXIS Bank,
IDBI Bank,
HDFC Bank,
Central Bank of India,
Oriental Bank of Commerce,
Allahabad Bank,
Syndicate Bank,
Corporation Bank
Bank of Maharashtra

Statutory Auditors

M/s PAMS & Associates.
Chartered Accountants, Cuttack

Branch Auditors

M/s SRB & Associates
Chartered Accountants, Bhubaneswar.

Cost Auditor

M/s Niran & Co.
Cost Accountants, Bhubaneswar.

Branch Cost Auditor

M/s MOU Banerjee & Co.
Cost Accountants, Asansol.

Secretarial Auditor

M/s Lokesh A. Gohil & Associates
Company Secretaries,
Sambalpur-Odisha

Registered Office

At/Po: Jagruti Vihar, Burla,
Sambalpur- 768020, Odisha
Website: www.mahanadicoal.in

PRESENT MANAGEMENT

(As on 11th July, 2016)



Shri A. K. Jha
Chairman-cum-Managing Director

FUNCTIONAL DIRECTORS



Shri Arun Kumar Tiwari
Director(Tech/Operation)



Shri J. P. Singh
Director(Tech/P&P)



Shri K. K. Parida
Director(Finance)



Shri L. N. Mishra
Director(Personnel)

OFFICIAL PART-TIME DIRECTOR



Shri S.N. Prasad
Director (Marketing), CIL

GOVERNMENT NOMINEE



Shri J.S. Bindra
Director, MoC

INDEPENDENT DIRECTORS



Dr. Rajib Mall



Shri H.S. Pati

MANAGEMENT DURING 2015-16



CHAIRMAN-CUM-MANAGING DIRECTOR	:	Shri A. K. Jha (w.e.f. 01.11.2015) Shri A. N. Sahay (Upto 31.10.2015)
FUNCTIONAL DIRECTORS	:	Shri A. K. Tiwari Director (Tech/Op) Shri J. P. Singh Director (Tech/P&P) Shri K. K. Parida Director (Finance) Shri P. C. Panigrahi Director (Personnel) (upto 31.01.2016) Shri L. N. Mishra Director (Personnel) (w.e.f. 01.02.2016)
OFFICIAL PART-TIME DIRECTORS	:	Shri Sailesh Kumar Singh Joint Secretary, Ministry of Coal, New Delhi. (upto 20.04.2015) Shri Jasmeet Singh Bindra Director, Ministry of Coal, New Delhi. (w.e.f.20.04.2015) Shri B. K. Saxena, Director (Marketing), CIL, Kolkata. (Upto 31.01.2016) Shri S. N. Prasad, Director (Marketing), CIL, Kolkata (w.e.f. 16.02.2016)
NON-OFFICIAL PART-TIME DIRECTORS	:	Shri H.S. Pati (w.e.f. 17.11.2015) Dr. Rajib Mall (w.e.f. 17.11.2015)
PERMANENT INVITEE	:	Shri G. C. Ray COM, East Coast Railway, Bhubaneswar.
COMPANY SECRETARY	:	Shri A. K. Singh

NOTICE

TWENTY FOURTH ANNUAL GENERAL MEETING

Notice is hereby given that the 24th Annual General Meeting of Mahanadi Coalfields Limited is scheduled to be held on Monday the 11th July, 2016 at 04.00 PM at Registered Office of the Company, At/Po- Jagruti Vihar, Burla, Sambalpur, Odisha-768020, to transact the following business:

Ordinary Business

1. To consider and adopt:
 - a) the Audited Financial Statements of the Company for the financial year ended March 31, 2016 including the Audit Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended on that date and the Reports of Board of Directors, Statutory Auditor and Comptroller and Auditor General of India thereon.
 - b) The Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2016 including the Audited Balance Sheet as at March, 31 2016 and Statement of Profit and Loss for the year ended on that date and the Reports of the Statutory Auditor thereon.
2. To confirm the payment of interim dividend paid on equity shares for the Financial year 2015-16 as final dividend for the year 2015-16.
3. To appoint Directors in place of Shri A. K. Tiwari, (DIN 02442844), Director 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 Directors in place of Shri J. P. Singh (DIN 06620453), Director who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment
5. To approve remuneration, as decided by the Board, payable to M/s PAMS & Associates, Chartered Accountants, Cuttack, the Principal Auditor and M/s SRB & Associates, Chartered Accountants, Bhubaneswar, the Branch Auditor who were appointed by the C&AG of India for the Financial Year, 2015-16 by passing the following resolution with or with out modification(s) :

“RESOLVED that pursuant to the provisions of Section 142(1) and other applicable provisions, if any of the Companies Act, 2013, approval be and is hereby accorded for payment of remuneration and reimbursement of T.A. & out of pocket expenses as decided by the Board of Directors to M/s PAMS & Associates, Chartered Accountants, Cuttack, the Principal Auditor and M/s SRB & Associates, Chartered Accountants, Bhubaneswar, the Branch Auditor in connection with the audit of Accounts of the Company for the financial year 2015-16.”

By order of the Board of Directors
For Mahanadi Coalfields Limited

Sd/-
(A.K.Singh)
Company Secretary

REGISTERED OFFICE:

Jagruti Vihar, Burla, Sambalpur, Odisha-768020

Note:

1. 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.

CHAIRMAN'S STATEMENT

Friends,

It gives me immense pleasure in welcoming you to the 24th Annual General Meeting (AGM) of Mahanadi Coalfields Limited. The Report of the Directors, Audited Accounts for the year 2015-16 combined with the Report of the Statutory Auditors and the Report and Review of the Comptroller & Auditor General of India are already circulated to you. With your permission, I would like to take them as read.



Shri A.K.Jha, CMD, MCL

In the course of remarkable journey of 25 years, MCL has incessantly strived to incorporate and adopt the best practices and operational excellence in all its pursuits. It is my proud privilege to inform you that your company has achieved the distinction of being number one Subsidiary of Coal India Limited by producing highest ever coal production of 137.9 million tonnes and registering a growth of over 13.61% over last financial year. MCL is the only PSU having double digit growth in terms of production of Coal, OB removal and off-take of Coal. This has been possible only due to your unstinted support and valuable guidance. Your continued trust and goodwill has always been a guiding force to motivate us in all our pursuits in creating the values for stakeholders and nation.

Coal provides around 30% of the global primary energy needs and it helps to generate 40% of the world's electricity. In Indian context, the importance of coal is comparatively higher than the global average. Coal continues to dominate the energy scene in 21st Century and contributes over 50% of India's total primary energy production. The pivotal role of coal is expected to continue in the foreseeable future, because of abundance of coal reserves, easy availability and affordability. As of 1st April, 2015, the estimated geological resource of Indian coal stood at 306.59 billion tonnes. (Source: Annual Report 2014-15 of CIL).

To meet the future expectation, there is colossal responsibility in augmenting the coal production. Your company being the flagship company of Coal India Ltd., have the onerous responsibilities towards making the country energy efficient. Our efforts have been well recognised and your Company has received several admirable awards. We reaffirm our commitment to play momentous role in the development of the nation in making India energy efficient

1. Overview of MCL Performance 2015-16

Your Company continues its impressive financial results. MCL has been able to perform exceedingly well during the year 2015-16. The fact that your Company emerged as Number One subsidiary of CIL in the year 2015-16 in terms of production of Coal and profitability, makes this occasion very special. Your Company had achieved a record coal production of 137.90 million tonnes (MTe.) and registered a growth of 13.61 % over the previous year. Coal off-take of MCL during the period was 140.22 million tonnes, which showed a growth of 14.01% as compared to last year.

MAHANADI COALFIELDS LIMITED

The overall growth of GDP in the current fiscal has favourably impacted the Indian economy. Your Company has also gained significantly in terms of better performance. Your Company has recorded Gross Sales of Rs.20599.85 (including STC) and Profit after Tax of has been Rs.4184.74 Crore for year under review. Your Company has recommended a dividend of Rs. 19,358.54 per equity share on a face value of Rs. 1,000.00 per share for the year as compared to Rs.20,610.52 per equity last year. The total outflow on account of dividend was Rs. 4343.05 Crore comprising Rs. 3,608.45 Crore as dividend paid to CIL and Rs. 734.60 Crore as tax on dividend.

2. Project Profile

There are 53 sanctioned mining projects in MCL. The sanctioned capacity of these projects is 259.41 Mty with a sanctioned capital outlay of Rs. 12514.267 Crores. Out of these 53 Projects, Talabira-II&III and Utkal-A Blocks for mining by Talabira & Gopalprasad OCPs respectively were de-allocated by the Order dated 25th August, 2014 of Hon'ble Supreme Court. Accordingly, these two Projects have been removed from the list of On-going Projects of MCL. Out of 51 projects, 34 projects (including two exhausted projects) have been completed with a capacity of 98.08 Mty and sanctioned capital outlay of Rs. 2823.78 Crore. There are 17 on-going projects with a capital outlay of Rs. 8846.90 Crore with sanctioned capacity of 126.33 Mty.



Coal Secretary Shri Anil Swarup chairs review meeting at MCL

As a forward looking Company, MCL believes that its infrastructural base needs to be strengthened by setting up washeries/CHP/SILOs, RLS, Concrete Transport Roads and Railway Sidings etc. and accordingly actions have been initiated in right earnest to construct them.

3. Diversification

Diversification is the key for future growth. Diversification for maximising growth opportunities by expanding business operations, while utilising the core capabilities and leveraging core facilities is the business strategy of your company. This helps in institutionalising the competencies and capabilities of our Organization and people to create value for all our stakeholders and to harness the tremendous opportunities.

Towards gainful utilization of coal deposits at Basundhara Area, Sundergarh district of Odisha, your Company has envisaged coal-based Thermal Power Plant of 1600(2X800) MW with super-critical technology. Mahanadi Basin Power Limited (MBPL) formed for this purpose has achieved several milestones towards installation of power plant. EIA study has been completed. Central Electricity Authority (the nodal agency of Ministry of Power) has recommended to MoP for consideration of coal linkage. Member Secretary, MoEF has been requested for enlisting the project for hearing in forthcoming EAC for consideration for Grant of EC. High Level Clearance Authority (HLCA) of Govt of Odisha has approved the project of MBPL 'in principle'.

Water Allocation Committee of Govt. of Odisha has recommended allocation of 49 Cusec of water from Hirakud Reservoir to the proposed TPP of MBPL. CIL Board accorded its approval for the 1st year expenditure of Rs.1019 Crore to start the work and the proposal will be placed for approval of Project Report (PR) in the CIL Board subsequently.

Your Company has formed JVs/SPVs with Indian railway and Govt. of Odisha with focus on development of infrastructure required for un-interrupted supply of coal by rail to meet the energy requirement of the nation. A Joint Venture Company i.e. MCRL has been incorporated to take the step further towards fulfilment of the commitment for making the nation energy efficient.

Your Company has successfully installed 2 MW Photovoltaic Solar Power Plant at Anand Vihar, Burla, Sambalpur to mark its presence in renewable energy sector.

4. Management by Value

Process innovations and new initiatives are its most critical success factors for any organisation. We at MCL have initiated many changes in business processes right from production to dispatch of coal. MCL pioneers in institution building and it stands apart among other Subsidiaries of CIL when it comes to deployment of surface miner or e-mode of tendering for procurement or other contracts. Your company is first in India to introduce auto refund of EMD for unsuccessful bidders/suppliers on-line. By this mechanism, the EMDs to the tune of Rs. 24.21 Crore (from 15th October, 2013 to 31st March, 2016) have been refunded to the Suppliers/bidders on auto-mode once they were declared as unsuccessful/rejected bidders

For the first time in CIL, e-tendering has been introduced by MCL to finalise tender for setting up of coal washery with a view to expedite the evaluation process of washery tenders and to minimize human intervention in identifying lowest bidder, thereby making the overall process more transparent. GPS based VTS (Vehicle Tracking System) units have been installed in 1800 of private trucks/tippers engaged in production and internal transportation of coal. Live tracking of these vehicles along with viewing of various reports related to violation of geo fences, trip, long stoppages, distance travelled etc are available on the web site of the Company. There is also the provision in the system for sending auto generated SMS alerts to the concerned users of the projects and the Area offices. Geo-fencing of the mine boundary along with the routes has been done for tracking the vehicles if they are crossing the geo-fence boundary. Central Control Rooms have been set up at MCL-HQ and at all the Area Offices. Video surveillance cameras have been installed in 22 numbers of railways sidings. IP cameras have been installed at the in-motion and static road weighbridges for dedicated e-surveillance and control. A uniform ERP (Coalnet) across 2700 sq. km in MCL through OFC/Radio network link has been established. Fuel management system has been introduced to avoid the diesel theft. Lodging of online complaint has been made available on the Company's website.



Shri Deepak Srivastava, CVO, MCL briefs Shri Anil Swarup, Coal Secretary on e-surveillance system in the Company

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The Bill Tracking module is successfully running in coalnet server. In this system, the bills received from the contractors/ vendors are being captured online by the respective user departments. The acknowledgement, which is generated on bill capturing is handed over to the customers/ contractors. The status of these bills up to the final destination i.e. their payment, is being updated in coalnet server and the same is being uploaded in MCL's website for online viewing by the concerned parties. Thus, the concerned parties can track the status of their respective bill from our website itself.

Further, we are all set to implement advanced technologies to augment the operational excellence in your Company.

4.1 Product and Service Quality

It has been a constant endeavour for MCL to ensure quality across its entire value chain so that customer satisfaction is maintained at all cost. Conventional mining methodologies are being strategically replaced by new technologies. In line to the decision of CIL for installation of coal washeries on Build, Operate & Maintain (BOM) basis for economic washing of high ash coal, MCL is marching ahead to establish four number of coal washeries viz., Hingula Washery, Basundhara Washery at Kulda OCP, IB-Valley Washery at Lakhanpur & Jagannath Washery of 10 Mty capacity each on BOM concept in Phase-I. The Phase-I washeries are planned to come in operation in financial year 2017-18. In Phase-II, MCL is planning to bring three more washeries viz., Lakhanpur Washery with 20 Mty capacity on Turnkey basis, Garjanbahal Washery with 10 Mty capacity and Siarmal Washery with 40 Mty capacity.



Secretary (Coal) to Govt of India Shri Anil Swarup, IAS, lays foundation stone of 10MTPY IB Valley Washery at Lakhanpur Area in Jharsuguda district of Odisha on January 30, 2016.

Infrastructure for sampling and GCV determination of coal has been upgraded with procurement of 18 Auto Bomb Calorimeters. Independent Third party sampling at loading end through sampler selected by consumer has been introduced to minimise the complaint arising out of quality of coal despatched and to ensure maximum consumer satisfaction. Accordingly, ten numbers of powerhouses have deployed their Third party agency at loading end. Electronic rail weighbridges with print out facility are available at all sidings for weighment of 100% of coal despatch. By adopting stringent sampling procedure in case of seam, stock, siding & tipper samples, the Annual Coal Grade has been declared to the utmost satisfaction of consumers.

In the year 2012-13, the company-wise Integrated Management System (IMS) of your Company was accredited with 9001:2008-Quality Management System, ISO 14001:2004-Environmental Management System and OHSAS 18001:2007-Occupational Health Management System which conform to all the applicable international standards. These systems are in operation and contributing towards operational excellence.

4.2 Safety

Safety of mines and miners remains a top priority in MCL. 'Safe Mining' is one of the core capabilities of your Company that has been attained through continuous practice of safety methods and techniques. With the aim of 'Zero Accident' target, your Company prepares, plans, and equips itself on a regular basis to ensure that the 'Zero Accident' target is best achieved and becomes the motivating force for the employees to be more productive. Our efforts in this direction inter-alia include making available proper safety equipment, training, R&D and strict monitoring of safety related compliances. During financial year 2015-16, two case of fatal accident has been reported. Your Company strives hard to provide a safe working environment to all its employees and never compromises with safety standards in any mining operation.

Further, to overcome any un-anticipated happening during mining operation, your Company has fully equipped all its rescue stations and has deployed sufficient rescue trained workforce. Your Company firmly believes that safety and productivity cannot be separated and tries to strike a fine balance between production as well as safety at work place. Your Company has taken number of steps to provide safe environment to all the workmen for achieving the Company's objective towards Zero harm.

4.3 Corporate Governance

MCL complied with the conditions of Corporate Governance, as stipulated in the Guidelines on Corporate Governance for Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises, Govt. of India except the appointment of Independent Directors. As required under the said guidelines and provisions, a separate section on the corporate Governance has been added to Directors' Report and certificate of compliance of conditions of corporate governance has been obtained from Statutory Auditors. Believing that 'Good Governance' is the hallmark of successful Companies, Secretarial Audit has been introduced as per the requirement of the Companies Act, 2013 to bring more transparency in the functioning of the Board. The Secretarial Audit report is attached as part of Director's report.

4.4 Sustainable Mining

Your Company strives hard to hold its public image as a "Green Champion" in the region. Consequent upon issue of DPE guidelines of September 2011 and subsequent revision on April, 2013 on "Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises", MCL has been publishing the Sustainability Report since 2011-12. The report for 2014-15 is titled as 'Fuelling Progress' and is



Board of Director of MCL releases Sustainability Report 2014-15

aligned to the GRI G4 'in accordance' core criteria including the Mining and Metals Sector Supplement. The report highlights the material aspects of the Company for the financial year 2014-15 across the triple bottom line. It offers a consolidated view of the strategic goals and objectives supported by relevant technical and quantitative information in the sustainability context with the importance on stakeholder context. Our gradual evolution in sustainability reporting is helping us to benchmark our performance against our peers and fulfil our commitments to the environment and society. We intend to continue the process of sustainability disclosure to our stakeholders on the material issues.

4.5 R&R

Your Company is committed to help the Project affected / displaced families during execution of the projects. MCL has been making efforts to improve the socio economic status of Project Affected Families and also committed for progress with development which amply reflected in its R&R Policy. MCL follows the R&R Policy of the state of Odisha and has provided 307 employments during 2015-16 as compared to 411 employments during 2014-15 and total number of 12163 employments since inception.

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MCL is acting on the advice of RPDAC towards redressal of grievances related to land oustees. Resettlement colonies have been set up with pucca roads, street lighting, health centres, post offices, daily markets, schools, community centres, worshipping places etc. for the benefit of the land oustees. MCL provides OPD facility to all peripheral villagers in its existing hospitals / dispensaries available in the Coalfields with free of cost or at a nominal charge of Rs. 2.00 per patient.

Your Company acquires land for expansion of mining activities by providing rehabilitation and resettlement to the affected villagers. During the year 2015-16, MCL has taken physical possession of 290.354 hectares of land.

4.6 Training and Development

Training & Development is an integral part of our company's corporate policy to deal with the development of existing Human Resources as well as to look ahead with clear perspective with special reference to technological advances and growth of manpower to full fill the demand of production vis-à-vis technology.

An amount of Rs. 10.82 Crore has been spent for skill development training programmes. Total training days for executives, workers and supervisory staffs have been 7792, 49714 and 9456 respectively. Attrition rate has been much lower as compared to the target.

Your Company has entered into an arrangement with many technical Institutes in Odisha for training of the land oustees to develop the requisite technical skill for their gainful deployment in MCL.

4.7 CSR

Development of community is enormously important for the development of the nation. Your company has always taken noteworthy initiatives to enhance the growth of society. MCL has hugely invested in CSR to uplift the progress of people and key focus was on fulfilling the basic requirements.

MCL has allocated Rs.112.97 Crore for the year 2015-16 @ 2% of the Net Profit based on the average last three years towards CSR activities as per CIL and MCL's CSR policy. The amount spent under CSR during financial year 2015-16 is Rs.184.64 Crore.

According to a White Paper published by Forum for Integrated Development and Research (FIDR), Your Company has been rated as No.1 corporate house in terms of CSR spending in the state of Odisha followed by Tata steel and others during the year 2014-15.

An amount of Rs. 240 Crore has been earmarked under Swachh Vidyalaya Abhiyan.

MCL has also embarked on the construction of Mahanadi Institute of Medical Science and Research (MIMSR), Talcher. The MIMSR will have a 100-seat medical college with 500 bedded multi-specialty Hospital with the state-of-the-art medical facilities in Anatomy, Bio-chemistry, Micro-Biology, Physiology, FM, toxicology, Pharmacology, Pathology, Community Medicine, Laboratory and Library. The project envisages a hostel for 300 boys, a separate hostel for 200 girl students, two blocks of Hostel for 100 interns, a hostel for 57 junior resident doctors and a 50-bedded nurses' hostel. An amount of Rs.492.62 Crore has been allocated to MIMSR.

The major activities undertaken during the financial year are as under:-

Sl. No.	CSR Project or activity identified	Place of Project/District	Budgeted Amt. (in Rs. Lakh)	Amt. spent (in Rs. Lakh)
1	Summer Water Supply Arrangement to the peripheral villages of Talcher Coalfields	Angul	996.78	689.73
2	Medical camps in Peripheral villages of Sundergarh, Angul, Sambalpur and Jharsuguda	Sundargarh, Angul, Sambalpur	32.86	21.80
3	Construction of toilets Block in different Govt. School having no toilets and dysfunctional toilets to be made functional in Sambalpur, Angul, Jharsuguda and Dhenkanal districts of Odisha under CSR HQ of MCL	Sambalpur, Angul, Jharsuguda and Dhenkanal	1,998.92	1,673.63
4	Construction of 4446 nos Toilets blocks in different Govt. schools in the 14 districts of Odisha under SVA of MCL. Fund Deposited to OPEPA (Govt of Odisha)	Angul, Bolangir, Dhenkanal, Ganjam, Gajapati, Jajpur, Jharsuguda, Kalahandi, Kandhamal, Khorda, Nayagarh, Rayagada, Sambalpur, Sonepur	7,067.34	3,801.84
5	Construction of toilets Block in different Govt. School having no toilets and dysfunctional toilets to be made functional in Khorda and Sambalpur districts of Odisha under CSR HQ of MCL through MoU with CPWD	Khorda and Sambalpur	1,459.50	1,048.33
6	Construction of toilets Block in different Govt. Schools having no toilets and dysfunctional toilets to be made functional in 08 (eight) nos of district of Odisha through MoU with NPCC	Bolangir, Ganjam, Jajpur, Kalahandi, Kandhamal, Nayagarh, Rayagada, Sonepur	8,982.60	6,735.00
7	Construction of Bus Stand at Jharsuguda	Jharsuguda	500.00	200.00
8	Construction of 50 bedded Cardiac Institute at Jharsuguda under CSR	Jharsuguda	3,000.00	1,200.00
9	Construction of road from Kanaktura village to Kechubahal village under CSR scheme of BG Area	Sundargarh	169.06	169.06
10	Three Nos. Pipe Water Supply Scheme for Hemgiri, Barpali and Kuisira Village of Hemgir block in Sundargarh District	Sundargarh	151.84	60.74
11	Construction of Ujjalpur bye pass Road in Sundargarh	Sundargarh	1,407.19	422.16
12	Construction of cement concrete road from Madan Mohan Chhak towards Gopinath village in ward no; 3 and ward no; 16 of Talcher Area at Talcher, Angul. (Reverse provision deducted)	Angul	310.06	181.83
13	Resurfacing of Bituminous Road and construction of concrete road in damaged portions including drain and Hume Pipe crossings at Danara village under Hingula Area	Angul	188.17	75.44

Sl. No.	CSR Project or activity identified	Place of Project/District	Budgeted Amt. (in Rs. Lakh)	Amt. spent (in Rs. Lakh)
14	Repairing and black topping of FCI pipe line road from Panchayat road junction (near Baghamara Rehabilitation Colony) to Handidhua Angul Main Road under CSR programme of Jagannath Area.	Talcher	67.65	67.65
15	Renovation of Soubhagya Sagar Big Tank of Talcher Municipality.	Talcher	322.48	86.90
16	Deposit for the construction of 7 nos. piped water scheme at Talcher Block.	Angul	210.20	84.08
17	Deposit for Completion of 100 Bedded Ward with I.C.U. at District Head Quarters Hospital, Angul, Odisha.	Angul	145.00	145.00
18	Sanskrit Kala Kendra at Sambalpur.	Sambalpur	50.54	50.54
19	Cremation Ground/ Rajghat at Sambalpur.	Sambalpur	100.00	100.00
20	Construction of Dining Hall and other Misc Civil works at Kandhaberini Ashram School under CSR works Bharatpur Area.	Angul	25.45	25.45
21	Construction of road from Aam Gaon Hotel near MGR, TSTPS/NTPC at NH-200 to village Telisingha (2 KM)	Angul	81.44	49.88
22	Deepening and strengthening of Nuabandh with provision of sluice gate and its drainage system at village Badatribida near Kaniha OCP of Kaniha Area.	Angul	35.66	35.66
23	Promotion of Hockey in Odisha in Partnership with IDCO as apart of CSR Initiative of MCL.	Bhubaneswar	600.00	600.00

5. Expectation

We hope that the way we build around our resources and capabilities, it will certainly bring us more success in the years to come and by continuously doing so we can meet the expectation of our numerous stakeholders including the expectation of the Nation.

6. Acknowledgement

I express my eternal gratitude to, all the shareholders of the Company, Ministry of Coal, Govt. of India, Coal India Limited, various Central Government Authorities, State Government Authorities, People's Representatives, Local Bodies, all Employees and their Unions, our Valued Customers, Suppliers and Media for their timely support and co-operation.



(A. K. Jha)
Chairman-cum-Managing Director
(DIN: 06645361)

DIRECTORS' REPORT

To
The Shareholders,
Mahanadi Coalfields Limited

Dear Shareholders,

I have great pleasure in presenting on behalf of the Board of Directors, the 24th Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2016 along with the report of the Statutory Auditors and the Comments of the Comptroller & Auditor General of India.

Your Company had excelled in almost all fronts. This was yet another successful year in terms of productivity, production of coal, OB and Despatch.

2. ORGANISATION

2.1 The organization of MCL comprises 2 Coalfields, comprising of 11 Mining Areas with 6 underground and 16 Opencast mines, 2 Central Workshops and 2 Central Hospitals and Sales Offices at Kolkata and Bhubaneswar with its registered Office at Jagruti Vihar, Burla, Sambalpur.

A. Talcher Coalfields

- i) Jagannath Area
- ii) Bharatpur Area
- iii) Hingula Area
- iv) Lingaraj Area
- v) Kaniha Area
- vi) Talcher Area(UG)

B. IB Valley Coalfields

- i) Lakhanpur Area
- ii) IB Valley Area
- iii) Basundhara-Garjanbahal Area
- iv) Siarmal Area
- v) Orient Area(UG)

2.2 SUBSIDIARY & ASSOCIATE COMPANIES OF MCL:

1. MJSJ Coal Ltd.

MJSJ Coal Ltd was incorporated on 13th August, 2008 as a Joint Venture Company of MCL. MJSJ Coal Ltd has been formed for Gopalprasad OCP where MCL is having 60% shares, JSW Steel Limited and JSW Energy Limited having 11% share each and Shyam Metalics and Energy Ltd (formerly known as Shyam DRI Power Limited) and Jindal Stainless Limited having 9% shares each. The paid up Share Capital of MJSJ Coal Ltd. as on 31-03-2016 was Rs. 95.10 Crore. The Hon'ble Supreme Court of India in its judgement dated 25.08.2014 and order 24.09.2014 declared allocation of Utkal-A coal block allocated to MJSJ Coal Ltd. as illegal and has quashed the allocation.

2. MNH Shakti Ltd.

MNH Shakti Ltd was incorporated on 16th July, 2008 as a Joint Venture Company of MCL. MNH Shakti Ltd has been formed for Talabaria - II & III OCP where MCL is having 70% share, Neyveli Lignite corporation Ltd having 15% share and Hindalco Industries Ltd. having 15% share. The Share Capital of MNH Shakti Ltd. as on 31-03-2016 was Rs. 85.10

Crore. The Hon'ble Supreme Court of India in its judgement dated 25.08.2014 and order 24.09.2014 declared allocation of Talabira - II & Talabira - III coal blocks allocated to MNH Shakti Ltd. as illegal and has quashed the allocation.

3. Mahanadi Basin Power Limited.

Another Company "Mahanadi Basin Power Limited" was incorporated on 2nd December, 2011 and certificate for commencement of business, issued by ROC on 06-02-2012. MBPL has been formed as an SPV with 100% share held by Mahanadi Coalfields Ltd and it's nominees with power generation capacity of 2x800 MW through Pit Head Power plant at Basundhara Coalfields. It is a wholly owned subsidiary of Mahanadi Coalfields Ltd (MCL) having its Registered Office at Plot No. G-3, Gadakana Chandrasekharapur, Bhubaneswar – 751017, Odisha. The Share Capital of Mahanadi Basin Power Limited as on 31.03.2016 was Rs. 5 lakh, subscribed by MCL.

4. Neelanchal Power Transmission Company Private Limited

Apart from above, MCL further ventured into Power Transmission Business in the State of Odisha for better utilisation of surplus funds along with development of infrastructure in the State of Odisha. Accordingly, on 8th January, 2013 another joint Venture Company namely, Neelanchal Power Transmission Company Private Limited (NPTCPL) was incorporated in partnership with Odisha Power Transmission Company Ltd (OPTCL) having 50:50 equity participation by virtue of a Joint Venture Agreement between the MCL and

OPTCL with an objective of carrying out power transmission business) in Odisha.

5. Mahanadi Coal Railway Limited

Pursuant to MoU signed between IDCO, MCL and IRCON on 20th May, 2015, a Joint venture Company namely, Mahanadi Coal Railway Limited was formed on 31st August, 2015 with a equity participation in the ratio of 64:26:10 between MCL, IRCON and IDCO to build, construct, operate and maintain identified rail corridor projects including doubling, third line, traffic facility projects important for coal connectivity that are critical for evacuation of coal from mines, in the state of Odisha. The Share capital as on 31.03.2016 was ₹ 5.00 Lakh.

6. PERFORMANCE HIGHLIGHTS

- Your Company has achieved highest ever 137.901 Million Tonnes (MTe.) of coal production during the year 2015-16 against previous year's coal production of 121.379 MTe., registering a growth of 13.61%.
- Off-take of coal during the year 2015-16 was 140.234 MTe. against previous year's off-take of 123.003 MTe. with a growth of 14.01%.
- Your Company has achieved all time high Gross Sales Value of Rs.20599.85 (including STC) against the previous year's Gross Sales value of Rs.15693.71 Crore registering a growth of 31.26%.
- The Profit before Tax (PBT) for the year was Rs.6260.43 Crore against previous year's PBT of Rs.5314.24 Crore. The Profit after Tax (PAT) for the year under review was Rs.4184.74 Crore against last year's PAT of Rs. 3554.10 Crore.

- The Company has been consistent in payment of dividend since last ten years. Interim dividend of Rs. 3608.45 Crore has been paid on Equity Share Capital during the year as against Rs. 3841.82 Crore paid during the previous year.

7. PRODUCTION PERFORMANCE

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

(Figs. in M.Te.)

Production	2015-16		2014-15		% Ach. against Target	% Growth over L. Yr.
(i) Coal (M.Te)	AAP Target	Target	Actual			
Opencast	148.70	136.789	125.45	120.10	92.00	13.89
UG	1.30	1.112	1.55	1.28	85.50	-12.852
Total Coal(OC+UG)	150.00	137.901	127.00	121.38	91.90	13.61
(ii) OBR (M.Cum)	115.00	98.41	113.00	89.22	85.6	10.30

- (b) Production performance of MCL for last five years (incl. 2015-16) is appended below:

- (i) *Total Coal Production of MCL (Figs. in MTe):*

Financial year	Target	Achievement	Growth over last year		% age Achievement against Targe
			Absolute	%age	
2011-12	106.00	103.120	2.84	2.83	97.3
2012-13	112.00	107.895	4.78	4.63	96.3
2013-14	120.00	110.440	2.55	2.36	92.0
2014-15	127.00	121.380	10.94	9.90	95.6
2015-16	150.00	137.901	16.52	13.61	91.9

- (ii) *Coal production by Surface Miner (Figs. in MTe.):*

Financial year	Production	Growth over last year		%age Share of coal Production by S. Miner of the Total Coal Production
		Absolute	%age	
2011-12	59.13	4.21	7.7	57.3
2012-13	73.83	14.71	24.9	68.4
2013-14	86.46	12.63	17.1	78.3
2014-15	106.82	20.35	23.5	88.0
2015-16	125.68	18.87	17.7	91.1

Finacial Year 2015-16:

Coal production achieved is 91.9% of the AAP target with growth of (+)13.6% over last Year OB removal achieved is 85.6% of the AAP target with growth of (+) 10.30 % over last Year The major reasons of shortfall against the AAP target, mainly, due to:

OC Mines: 1. Jagannath OCP: Scarcity of working space due to delay in tree felling and handing over of forest land. 2. Bharatpur OCP: Delay in handing over of forest land in 1st & 2nd Qtr. 3. Ananta OCP: Scarcity of working space as FC not available. 4. Hingula & Balram OCPs: Non availability of sufficient land for working due to frequent R&R and Law & Order problems. 5. Lajkura OCP: Delay in FC, 5. Kaniha OCP: R&R problems by villagers of Jarada and Kansamunda; Stoppage of Mining operations for about 20 days due to R&R and Law & Order problem. 6. Delay in FC at Samaleswari OCP.

Frequent stoppage of mining activities mainly in Talcher Coalfields due to R&R/Law & order problems. Restriction of working hours(11.00 AM-3.30 PM) imposed by State Govt. during peak summer due to heat wave. Heavy rain during the month of July and 1st week of August, 2016 and also unexpected heavy rain mainly in IB Valley Coalfields.

UG mines: Orient Area mine no-3 (UG Coal) sealed off due to Spontaneous heating from 11.08.2015 to 16.12.2015, coal production started on 19.01.2016 with dewatering in progress.

- (iii) *OB Removal of MCL (Figs. in MM³)*

Financial year	Target	Achievement	Growth over last year		% age Achievement against Targe
			Absolute	%age	
2011-12	100.00	85.67	-3.04	-3.42	85.7
2012-13	105.00	90.421	4.75	5.55	86.1
2013-14	109.75	96.03	5.61	6.20	87.5
2014-15	113.00	89.22	-6.81	-7.09	79.0
2015-16	115.00	98.41	9.19	10.30	85.6

System Capacity Utilisation (%)

	Capacity(MCuM)	Production(M Cum)	System Capacity Utilisation(%)
UG-Coal	1.324	0.667	50.40
OC- Coal	89.394	82.106	91.80
Total Coal(UG+OC)	90.718	82.773	91.20
OC-OB	145.16	98.414	67.80
Total OC(Coal + OB)	234.55	180.520	77.00
Overall	235.88	181.187	76.80

5. PRODUCTIVITY

5.1 Productivity in terms of output per manshift (OMS) is given hereunder:

Fig.in Tonne/Manshift

	2015-16		2014-15	% Achievement against target	%Growth over previous year
	Target AAP	Actual	Actual		
Opencast	25.93	24.24	22.16	93.48	9.63
Underground	0.72	0.67	0.84	93.05	-12.99
Overall	19.89	18.88	17.10	94.92	10.41

Output per manshift has been revised taking revised target of coal 133.63 MT and revised of OB 102.455 MCuM considering force majeure condition. Accordingly OMS target has also been revised to 17.86 considering force majeure.

5.2 The OMS was 18.880 Tonne/Manshift during 2015-16.

The details of calculation of OMS is as under:

SL No	2015-16	2014-15	Growth over last year
1 OC OMS	24.240	22.110	9.63
2 UG OMS	0.670	00.770	-12.99
3 Adjusted M/S of OC (Lakhs)	56.424	54.326	3.86
4 Manshift of UG (Lakhs)	16.621	16.664	-.26
A Total Manshift for overall OMS	73.045	70.990	2.89
6 OC Coal (L.Tes)	1,367.888	1,201.033	13.89
7 UG Coal (L.Tes)	11.116	12.755	-12.85
B Total Coal (L.Tes)	1,379.004	1,213.788	13.61
8 Overall OMS (B/A)	18.880	17.100	10.42
9 Formula OMS			
UG	=	Coal Production/ Actual Manshift	
OC	=	Coal Production + (1.4 x OB Production)	
		Actual Manshift x (1+(1.4xSt. Ratio))	
Overall	=	Coal Production of UG + Coal Production of OC	
		Manshift of UG + Adjusted manshift of OC	
10 Adjusted manshift (Mine wise for OC) =	Coal Production/ OMS		
	$\frac{11.116+1367.888}{16.621+56.424}$	$\frac{12.755+1201.033}{16.664+54.326}$	
	$\frac{1379.004}{73.045}$	$\frac{1213.788}{70.990}$	
Calculation of Overall OMS =	18.880	17.100	

6. POPULATION AND PERFORMANCE OF HEMM

6.1 The details of availability and utilization of HEMM vis-à-vis target set by CMPDIL and achievement together with the fleet strength are given below:

I. % AVAILABILITY AND UTILIZATION ACHIEVED (FIGURES IN ABSOLUTE)

Sl. No.	Equipment	Population as on		% Availability			% Utilization		
		31.03.16	31.03.15	April'15 to March'16	April'14 to March'15	CMPDIL NORM	April'15 to March'16	April'14 to March'15	CMPDIL NORM
1	DRAGLINE	4	4	70	85	85	27	47	73
2	SHOVEL	85	85	68	71	80	34	34	58
3	DUMPER	374	364	69	72	67	26	26	50
4	DOZER	129	131	62	64	70	26	27	45
5	DRILL	92	94	83	86	78	20	20	40
TOTAL		684	678						

II. WORKING HOURS ACHIEVED:

Sl.No.	Equipment	Working Hour	
		2015-16	2014-15
1	DRAGLINE	8462	14845
2	SHOVEL	210838	213702
3	DUMPER	582618	600718
4	DOZER	207610	210039
5	DRILL	76148	76697

- There is decrease in availability in case of Dragline, Shovel, Dumper & Dozer w.r.t. last year while availability of Dumper & Drill is above the CMPDI norm.
- There is 43% decrease in working hour of Draglines compared to previous year due to non-availability of working face/ Land.
- The restriction of time during summer i.e from 1st April to 15th June, closer of operation in projects from 11.00am to 3.30pm affects utilization of HEMM and it has impact of about 2%.

- (d) Utilization of Dragline, Shovel & Dumper have decreased due to non-availability of land in OCPs as majority of mines are surrounded with villages and not resettled till date due to un availability of R&R sites, lack of skilled manpower in operation and maintenance, restriction of working hours during summer and heavy rain during monsoon period.

III. STEPS TAKEN TO IMPROVE THE AVAILABILITY & UTILIZATION

- Daily production from HEMMs and their working hours are being closely monitored at Headquarters level.
- Timely surveying-off of HEMMs and replacement procurement action against such surveyed off equipment.
- Maintaining various float sub-assemblies like Engines, Transmissions and other assemblies at HQ and CWSs for replacement in exigency.
- To improve the technical skill for operating and maintaining new model equipment by conducting regular training programmes by OEMs.
- Special attention is being given to operator's comfort. New HEMMs, which are being procured are fitted with air-conditioned cabins.
- Maintenance of haul roads prior to monsoon period.
- Land acquisition, Law and Order problems are being taken up at various forums by MCL Management.
- Unskilled manpower like land-oustee are being trained in different Industrial Training Institutes.

IV. BREAKDOWN STATUS OF HEMM:

Equipment	Population		Breakdown > 3 months	
	As on 31.03.16	As on 31.03.15	As on 31.03.16	As on 31.03.15
Dragline	4	4	0	0
Shovel	85	85	06	05
Dumper	374	364	51	48
Dozer	129	131	25	21
Drill	92	94	10	07
MCL Total	684	678	92	81

V. EQUIPMENT REHABILITATED AT CENTRAL WORKSHOPS:

Area	Year	
	2015-16	2014-15
CWS (Talcher)	01	0
CWS (IB Valley)	04	02
MCL Total	05	02

7. CAPACITY UTILIZATION (OPEN CAST PROJECTS)

SL. NO.	DESCRIPTION	CAPACITY (based on 1 st April of the year)		GROWTH OVER LAST YEAR
		2015-16	2014-15	
1	Departmental Capacity (M.Cum)	108.52	100.91	7.54%
2	System Capacity (M.cum.)	291.36	285.48	2.06%
3	Departmental Production (M.Cum)	58.59	63.550	- 7.81%
4	Total Production (M.Cum)	180.52	161.573	11.73%
5	Departmental Capacity Utilization	54%	63%	-9%
6	System Capacity Utilization	61.96%	56.6 %	5.36%

1) Award for procurement of HEMM(Dumper, Front End Loader, Dozer, etc.

SI No	S.O No. & Dated	Name of Supplier	Item Description	Qty
1	08 Dt 25.5.15	M/s BEML Ltd.	Supply of 25 nos BEML Model BH 100 Dump Truck powered by MTU make Engine Model 16V200012	25 Nos.
2	24 dt 22.7.15	M/s Komatsu Ltd. Tokyo	Supply of 01 no. Komatsu make model no. WD 600-3 Diesel Powered Self propelled , wheel Dozer of more than 400HP	01 No.

3	31 dt 12.8.15	M/s TATA Hitachi construction Machinery Ltd.	Supply of Hitachi make & model ZW220 Front End Wheel Loader of Bucket capacity not less than 2.5 Cu. Mtr.	03 Nos.
4	70 dt 11.1.16	M/s TATA Hitachi construction Machinery Ltd.	Supply of TATA Hitachi make EX350 LCH V Diesel	02 Nos.

- 2) Finalization /Preparation of NIT for Surface Miner (HEMM) to be procured/delivered in 2016-17.

A concurred/approved indent for surface miner was received in the month of October 2015 by MM Department and NIT of Surface Miner(HEMM) was therefore prepared during the month of November, 2015.

- 3) Productivity and internal processes

a) Utilisation of Dragline	: 27%
b) Utilisation of Shovel	: 34%
c) Utilisation of Dumper	: 26%
d) Utilisation of Dozer	: 26%
e) Utilisation of Drill	: 20%

- 4) Specific diesel consumption as recommended in study conducted in Bharatpur Mine to be implemented is 1.071 Ltrs/CuM

8. POWER

- 8.1 **Talcher Coalfields** : Power is received at Nandira 3 X 20 MVA, 132 / 33 kV, Grid Sub-station through an 11 KM long 132 kV Double Circuit over-head transmission line from GRIDCO's Angul Sub-station, under the command area of Central Electricity Supply Utility of Orissa with Contract Demand of 31.0 MVA

- 8.2 **IB-Valley Coalfields** : Power is received at Jorabaga 3 X 20 MVA, 132 / 33 kV, Grid Sub-Station through a 19 KM long 132 kV

Double Circuit over-head transmission line from GRIDCO's Budhipadar Sub-station, under the command area of Western Electricity Supply Company of Orissa (WESCO) with a Contract Demand of 22.25 MVA.

- 8.3 **Basundhara Coalfields**: Basundhara Area is receiving power from Budipadar Sub-station under the command area of Western Electricity Supply Company of Orissa (WESCO) at 220 kV with a Contract Demand of 5 MVA.

8.4 Availability of Power

Parameter	2015-16	2014-15
Contract Demand (MVA)	59.650	59.650
Maximum Demand (MVA) (Highest in a month during FY)	58.758	59.684
Energy Consumed (Million kWh)	300.615	305.289
Specific Energy Consumed (kWh / Tonne)	2.18	2.52
Specific Consumption of power (for Composite Production) (i.e. Coal + O.B removal), in KWh/Cu.M.	1.66	1.88

2) PERFORMANCE OF MOU PARAMETERS

The MOU activity of study in two mines for Benchmarking of Specific Power Consumption was completed as per the MOU target of 15th Nov,2015.

Sl. No.	Evaluation Criteria	Unit Weight (in %)	MoU Target					Achievement
			Excellent	Very Good	Fair	Poor	Good	
1	Study in 2 mines for Benchmarking of Specific Power Consumption	Month 1	15th Nov' 2015	30th Nov' 2015	15th Dec' 2015	31st Dec' 2015	15th Jan' 2016	Bench marking of specific power consumption in respect of Talcher UG mine of Talcher Area and Orient Mine no-2 of Orient Area was completed by CMPDIL, Ranchi before 15 th Nov,2015 and the reports were also received.

9. POPULATION OF MAJOR UNDERGROUND EQUIPMENT OF MCL:-

9.1 Presently man riding systems are in operation at Hirakhad-Bundia Mine and Orient Mine no-2 of Orient Area. During the year 2015-16, man riding system has been installed at Nandira UG mine of Talcher Area and the system has been put on trail run. Installation of man riding system at Orient Mine no-2 is nearing completion. Another man riding system is also being installed at Orient Mine no-2. The equipment has been supplied and the preparatory works are in progress.

The population of major underground equipment and their availability during the year as compared to previous year are given here under:

Sl. No	Name of the equipment	No. on roll		2014-15		2015-16	
		2014-2015	2015-16	% Avail	% Utili	% Avail	% Utili
1	Winder	6	6	83.33	82.29	66.66	85.51
2	Haulage (Main)	26	32	92.31	82.29	93.75	85.51
3	SDL*	19	19	79.05	27.31	59.61	24.53
4	LHD*	28	27	81.30	40.66	74.94	46.37
5	Main Pump	54	54	85.18	82.29	85.18	85.51
6	Vent. Fan	12	13	91.67	82.29	76.92	85.51
7	Belt Conveyor	71	71	90.14	82.29	77.46	85.51
8	Transformer (Power)	79	90	93.67	82.29	87.77	85.51
9	Locomotive	5	5	80	82.29	100	85.51
10	Coal Drill	102	102	71.57	82.29	78.43	85.51
11	Mine Car	60	50	75	82.29	100	85.51
12	UDM	13	13	100	82.29	100	85.51

For the Year 2015-16

Actual UG Prodⁿ – 11.11637 Lac Tonne
Target Prodⁿ – 13 Lac Tonne

For the Year 2014-15

Actual UG Prodⁿ – 12.75507 Lac Tonne
Target UG Prodⁿ – 15.50 Lac Tonne

For equipments other SDL & LHD for which no specific norm is available

$$\% \text{ Availability} = \frac{\text{Equipment available}}{\text{Equipment on Roll}} \times 100 \quad \text{Utilisation} = \frac{\text{Actual Production}}{\text{Target Production}} \times 100$$

For SDL and LHD, formula are as per CIL's norms

$$\% \text{ Availability} = \frac{H_w + H_i}{H_s} \times 100$$

Where,
 H_w = Actual working hours / year,
 H_i = Idle hours / year
 H_s = Shift hours / year

$$* \% \text{ Utilization} = \frac{H_w}{H_s} \times 100$$

Where,
 H_w = Actual working hours / year,
 H_s = Shift hours / year

9.2 Number of Coal Handling Plants, Weighbridges and their functioning.

11.8 MT of Crushed Coal were crushed through CHP during 2015-2016 against 12.11 Million Tonnes of Crushed Coal during 2014-2015.

	2015-2016		2014-2015	
	Crushing Capacity in MTY	Coal despatched through CHP(MT)	Crushing Capacity in MTY	Coal despatched through CHP(MT)
Coal Handling Plants/ Feeder Breakers	38	11.8	39	12.11
% Utilisation of Crushing Capacity of Plant	30.25 %		31.06 %	

After introduction of surface miners in most of the OCPs of MCL, as technology change, use of crusher / CHP got reduced to large extent and thus are used as standbye and wherever meagre quantity of coal production is done conventionally, that quantity only is being crushed. During 2015-16, 91.13 % of the total coal production was through Surface Miner. Total ROM coal production in MCL during 2015-16 is only 12.218 Million Tonnes. As capacity of crushing is quite high, no need of further adding any new Crusher or Feeder Breaker.

9.2.1 The functional points of these CHPs are as follows:-

Major CHPs

Area	Location of CHP	Capacity(Mty)
Jagannath	Jagannath OCP	2.0
Bharatpur	Bharatpur OCP	3.5
Total		5.50

9.2.2 Mini CHPs / Feeder Breakers

AREA	LOCATION OF CHP	CAPACITY(MTY)
Jagannath	Jagannath OCP	4.0
	Ananta OCP	7.0
Hingula	Hingula	2.0
	Balram	4.0
Ib-Valley	Lajkura OCP	2.0
	Samaleswari OCP	2.0
Lakhanpur	Belpahar OCP	2.0
Lingaraj	Lingaraj OCP	6.5
Basundhara	Basundhara OCP	1.0
	Kulda OCP	2.0
TOTAL		32.50

The construction activities of CHP with silo loading arrangement at Bharatpur siding is in progress and expected to be completed by 30th June 2016.

The construction activities of CHP with silo loading arrangement at Lingaraj OCP is in progress and is expected to be completed by March, 2017.

Since the progress of the construction of Ananta SILO by the contractual agency was dismal, the contract was terminated and fresh tender is being floated for completion of balance works.

Tendering activity for the CHP/SILOs at Hingula, Lakhanpur, Basundhara and Bhubaneswari is in progress. Construction of the SILO at these locations are expected to be completed during 2017-18.

Finalization of the scheme of CHP for Kanhia OCP is also in progress.

9.2.3 DETAILS OF WEIGHBRIDGES

Type of Weighbridge	2015-2016	2014-2015
1 (a) Electronic Road Weighbridges (Static)	88	83
(b) Electronic Road Weighbridge (Inmotion)	38	35
2. RAIL Weighbridges(Electronic)	32	32
3. % WEIGHMENT during the year (By RAIL)	99.19	98.89
4 % WEIGHMENT during the year (Overall Weighment)	99.49	99.26

In order to ensure 100 % weighment, 40 numbers of 100 T In motion Road Weighbridges were ordered, All the 40 ordered weighbridges were received and 38 weighbridges were commissioned till 31/03/2016 and the balance two weighbridges are under different stages of installation. These weighbridges are equipped with RFID system. Further to ensure weighment at both ends (stock yard & sidings), action has been initiated towards procurement of 22 nos of 100 Te capacity static road weighbridges which are expected to be commissioned during the year 2016-17.

Study in 2 Mines for benchmarking of Specific Power Consumption : Work order was issued to CMPDIL Ranchi for benchmarking of Specific Power Consumption in respect of Talcher underground mine of Talcher Area and Orient mine no. 2 of Orient Area vide reference no.976 dated 24.09.2015. CMPDIL has completed the study before 15th November and submitted the report.

10. CAPITAL STRUCTURE

The Authorised Share Capital of the Company as on 31.03.2016 continued at ₹500.00 crore, divided into 2958200 Equity Shares of ₹1000/- each and 2041800 10% Cumulative Redeemable Preference Shares of ₹1000/- each.

The paid up Equity Share Capital of the Company as on 31.03.2016 stands uncharged at ₹ 186.40 crore. The entire Equity Share Capital are held by Coal India Limited (CIL) and its nominees.

11. FINANCIAL REVIEW

The Company has recorded the highest ever gross Sales Value of Rs. 20599.85 Crore (including STC) against Rs.15693.71Crore (including STC) of the previous year. The Profit before Tax (PBT) for 2015-16 was Rs.6260.43 crore against Rs.5314.24 crore in the previous year. Profit after Tax (PAT) for 2015-16 was Rs.4184.74 crore against last year's PAT of Rs. 3554.10 Crore. The financial results of 2015-16 as compared to 2014-15 are summarised below:

	[Rs. in Crore]	
	2015-16	2014-15
Gross Profit (Before Depreciation and Interest)	6551.52	5612.79
Less: Depreciation (Incl. Social Over head depreciation)	289.50	297.11
Interest and Financial Charges	1.59	1.44
Net Profit before Tax	6260.43	5314.24
Less : Provision for Income Tax and deferred tax liability	2075.69	1760.14
Net Profit after Tax	4184.74	3554.10
Op. Balance available in P&L (excluding adjustment for earlier year Depreciation of Rs.53.99 in the year 2014-15)	825.91	2213.18
Less : Transfer to General Reserve	209.24	355.41
Transfer to CSR Reserve	-	-
Transfer to Sustainable Development Reserve	-	-
Interim Dividend on Equity Shares	3608.45	3841.82
Proposed Dividend on Equity Shares	-	-
Tax on Dividend	734.60	744.14
Profit/Loss after above appropriation	458.36	825.91

11.1 Transfer to Reserve

An amount of Rs.209.24 crore, being 5% of Profit after Tax for the year, has been transferred to General Reserve.

11.2 Dividend

The Directors are pleased to recommend dividend of 1935.86% as interim dividend (previous year 2061.06%) of the paid up Equity Share Capital for the year

amounting to Rs.3608.45 crore (interim dividend) for your approval.

The total outflow on account of dividend would be Rs.4343.05 crore comprising Rs.3608.45 crore as dividend and Rs.734.60 crore towards tax on dividend.

11.3 Unsecured Loans

The amount due to Coal India Limited (CIL) and M/s Liebherr France SA, France as on 31.03.2016 stands at Rs.7.77 crore out of which loan of Rs.7.40 crore fully pertains to M/s Liebherr France SA for supply of four Hydraulic Shovels on deferred credit.

11.4 Performance of Financial Parameter of MoU 2015-16

Sales Turnover (Net sales)	: ₹ 12752.97 Cr.
Gross operating Margin Rate	: 0.4814
PAT/Net worth	: 0.9689
EBITDA/Net Block	: 2.0074
Sales Turn over/Net Block	: 3.9209
Debtor Turnover ratio (Average Collection period)	: 14.4536 (No of days)

12. INVESTMENT

12.1 Non-current Investments in Equity Shares of MNH Shakti Limited, MJSJ Coal Limited, Mahanadi Basin Power Limited and Mahanadi Coal Railway Ltd(MCRL), subsidiaries of MCL are Rs.59.57 Crore, Rs.57.06 Crore, Rs.0.05 Crore and 0.03 Crore respectively.

12.2 Non-current Investment in 7.55% secured non-convertible IRFC tax free 2021 series 79 bonds, 8% secured non-convertible IRFC bonds, 7.22% secured non-convertible IRFC tax free bonds, 7.22% secured redeemable REC tax free

bonds stood on 31.03.2016, at Rs.200.00 Crore, Rs.108.75 Crore, Rs.499.95 Crore and Rs.150.00 Crore respectively.

13. CAPITAL EXPENDITURE

Total Capital Expenditure during the year was Rs.1202.82 Crore against previous year's expenditure of Rs.836.50 Crore.

14. SALES REALISATION

Gross sales of MCL during 2015-16 was Rs.20599.85 crore (including STC) against Rs.15693.71crore (including STC) in 2014-15.

Total realization during 2015-16 was Rs.19,927.61 Crore which works out to be 96.74% on current year's gross sales.

15. PAYMENT TO EXCHEQUER

Your Company continued to be a major contributor to the Central and State Exchequer.

The payment made by the Company on account of Royalty, Sales Tax, Stowing Excise Duty and Entry Tax during the year as compared to the payments made during previous year are as follows:

	[Rs. in Crore]	
	2015-16	2014-15
Royalty	1,938.59	1,395.72
Sales Tax/Odisha VAT/	709.98	549.85
Stowing Excise Duty	140.23	123.00
Entry Tax	62.13	58.25
Clean Energy Cess	3,065.26	1,179.14
Central Excise Duty	1,224.73	719.27
TOTAL	7,140.9	4,025.23

16. PROJECT FORMULATION/CAPITAL PROJECTS

16.1 Planning

MCL had planned to achieve 150.00 million tonne of coal during the financial year 2015-16. The capital outlay estimated for the year 2015-16 was Rs. 800.00 crores, major share of which was planned to be utilized for land acquisition, development of infrastructures and procurement of Heavy Earth Moving Machineries (HEMM)

16.2 Research and development

R&D initiatives namely "Study in 2 mines for Benchmarking of Specific Power Consumption: The study was carried out by CMPDIL Ranchi. Study in two Mines was completed by CMPDI in November, 2015.

16.3 Innovative Practices

Firewall based access control mechanism has been established on 30.11.2015.

16.4 Project Formulation

During the financial year 2015-16 two project reports were prepared by CMPDIL

- i) Samaleswari Expansion OCP (Including all Seams), Capacity: 20 Mty
- ii) Reorganisation of Bharatpur OCP Expansion (Normative Capacity 20.0 MTY, Peak Capacity 26.0 Mty)

16.5 Project Implementation:

In 2015-16, MCL Board has approved two project reports i.e.

- i) Formulation and approval of Projects by MCL Board (Gopalji-Kaniha Expansion

OCP 30 Mty) approved in 169th MCL Board meeting held on 31.07.2015

- (ii) Samaleswari Expansion OCP (Including all Seams), Capacity: 20 Mty was approved in 170th MCL Board meeting held on 21.09.2015.

Total land notified under different section during 2015-16 is as follows:

- (i) Notification under Sec 4(1) of CBA: Nil
- (ii) Notification under Sec 7(1) of CBA: S.O.1138(E) dated 29.04.2015 for 340.429 Ha in Gopal Prasad (Balaram Expansion OCP) & S.O . 2828(E) dated 07.10.2015 for 1141.477 Ha in Neelachal Coal Mining Block, Gopalji Opencast Project, Kaniha.
- (iii) Notification under Sec 9(1) of CBA: S.O.1261(E) dated 29.03.2016 for 340.429 Ha in Gopal Prasad (Balaram Expansion OCP).

- (iv) Notification under Sec (11) of CBA: Nil

During 2015-16 total land taken under possession was 290.354 Ha.

The following major Project Activities projects were under taken and their performance during 2015-16 is as follows:

- Study of man Productivity by National Productivity Council was completed within 30.11.2015.
- Setting of Cost Control Unit at subsidiary level for improvement in financial scenarios on 15.07.2015.

16.6 Capital Projects/Schemes

16.7 COAL PROJECTS:

Total Mining Projects sanctioned till date in MCL are 53 (including 2 exhausted Projects). The rated Production Capacity

of these sanctioned Projects was 259.41 Mty, with a sanctioned Capital outlay of Rs.12514.267Cr. Out of these 53 Projects, Talabira-II&III and Utkal-A Blocks for mining by Talabira & Gopalprasad OCPs respectively were de-allocated by the Order dated 25th August, 2014 of Hon'ble Supreme Court; accordingly, these two Projects have been removed from the list of on-going Projects of MCL. The present Capacity alongwith Capital Outlay of balance 51 Projects are given as under:

ProjectCategory (Rs. Cr.)	No. of Projects Sanctioned	Sanctioned Capacity(Mty)	SanctionedCapital (Rs. Cr.)	Status		
				Exhausted	Completed	On-going
100 & above	22	154.90	10267.757	0	10	12
50 to 100	10	27.33	861.36	0	6	4
20 to 50	11	29.6	429.48	1	10	0
Below 20	8	12.58	112.08	1	6	1
Total	51	224.41	11670.677	2	32	17

16.8 Completed Projects: - 34 Nos.

Sl. No.	Name of the Project	Cap(MTY)	Sanctioned Capital (Rs. Cr.)	Completion Date
TALCHER COALFIELDS				
1.	Ananta O/C	4.00	156.49	Mar 1995
2.	Ananta O/C Expn. Ph-I	1.50	46.99	Mar 1997
3.	Ananta O/C Expn. Ph-II	6.50	35.88	Mar 2007
4.	Balanda O/C (Exhausted)	1.00	36.87	Mar 1984
5.	Balram O/C (Kalinga OCP)	8.00	345.96	Mar 2000
6.	Bharatpur O/C	3.50	158.97 (RCE)	Mar 1991
7.	Bharatpur O/C Expn Ph-I	1.50	48.02	Mar 1998
8.	Chhendipada O/C	0.35	19.75	Mar 2007
9.	Hingula-II O/C	2.00	48.57	Mar 2002
10.	Hingula –II O/C Expn. Ph-I	2.00	89.78	Mar 2009
11.	Hingula –II O/C Expn. Ph-II	4.00	35.67	Mar 2009
12.	Jagannath O/C/Jagannath Extn.	4.00	66.71/4.71	Mar 1991
13.	Jagannath O/C Expn. Ph-II	2.00	4.95	Mar 2008
14.	Lingaraj O/C	5.00	229.84	Mar 1998
15.	Lingaraj O/C Expn Ph-I	5.00	98.89	Mar 2007
16.	Lingaraj O/C Expn. Ph-II	3.00	2.18	Mar 2008
17.	Lingaraj OC Expn.Ph-III	3.00	125.047(RCE)	Mar 2014
18.	Nandira U/G (Augmentation)	0.275	17.95	Mar 1995
Sub Total (Including exhausted mines)		56.625	1573.227	

IB VALLEY COALFIELDS

19.	Belpahar O/C	2.00	131.31 (RCE)	Mar 1994
20.	Belpahar O/C Expn. Ph-I	1.50	35.47	Mar 2007
21.	Lajkura O/C	1.00	38.98 (RCE)	Mar 1991
22.	Lakhanpur O/C	5.00	221.51	Mar 2000
23.	Lajkura OCP Expn. Ph-I	1.50	60.77 (RCE)	Mar 2013
24.	Lakhanpur O/C Expn. Ph-I	5.00	98.74	Mar 2010
25.	Lakhanpur OCP Expn. Ph-II	5.00	116.54	Mar 2011
26.	Lilari O/C	0.80	19.78	Mar 1992
27.	Samaleswari O/C	3.00	126.85	Mar 1996
28.	Samaleswari O/C Expn. Ph-I	1.00	28.69	Mar 2007
29.	Samaleswari O/C Expn. Ph-II	1.00	13.38	Mar 2007
30.	Samleswari O/C Expn. Ph-III	2.00	87.95	Mar 2009
31.	Samleswari O/C Expn. Ph-IV	5.00	27.82	Mar 2013
32.	Basundhara (E) O/C (Exhausted)	0.60	19.69	Mar 1998
33.	Basundhara (West) O/C	2.40	176.55	Mar 2007
34.	Basundhara (West) Expn. Ph-I	4.60	46.52	Mar 2011
Sub Total (Including capacity of exhausted mines)		41.40	1250.55	
TOTAL (Including capacity of exhausted mines)		98.08	2823.777	

16.8 On-Going Projects:-17 Nos.

Sl.No	Name of the Project	Cap in Mty.	Capital in Rs. Crores	PR approval date
1	Ananta OCP Expn. Ph-III	3.00	207.28	31.08.2008
2	Bharatpur OCP Expn., Ph-II	6.00	95.87	29.03.2003
3	Bharatpur OCP Expn. Ph.-III	9.00	131.39	12.02.2007
4	Balram OCP Extension.	8.00 *	172.08	22.12.2007
5	Bhubaneswari OCP	20.00	490.10	22.12.2007
6	Hingula-II OCP Expn. Ph-III	7.00	479.53	08.11.2008
7	Jagannath Re-organisation	6.00 *	337.66	26.05.2014
8	Jagannath U/G	0.67	80.75	15.10.2001
9	Kaniha OCP	10.00	457.77	22.12.2007
10	Natraj U/G	0.64	92.11	30.01.2001
11	Talcher (W) U/G	0.52	85.08	18.02.2002
Sub total		56.83	2629.62	

IB VALLEY COALFIELD

12	Basundhara (W) Extn	7.00 *	479.15	07.05.2014
13	Belpahar O/C Expn. Ph-II	4.50	14.40	04.02.2011
14	Kulda OCP	10.00	302.96	12.01.2005
15	Kulda Expn OCP	5.00	289.03	25.06.2014
16	Siarmal OCP	40.00	3756.36	29.05.2014
17	Garjanbahal OCP	10.00	1375.38	08.11.2014
Sub total		69.50	6217.28	

TOTAL (Ongoing projects)

126.33	8846.90
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GRAND TOTAL

224.41	11670.677
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(Including capacity of exhausted mines)

* These are the extensions of original projects annexing additional areas. Hence, there will be no addition in Capacity.

Note - Allocation of Two coal Blocks namely Talabira-II&III and Utkal-A of Talabira & Gopalprasad OCP respectively has been cancelled as per the Judgment of Hon'ble Supreme Court dated 25th August 2014; therefore, these two Projects have been removed from the list of On-going Projects of MCL.

16.9 Existing Old Underground Mines: - 06 Nos.

Sl. No	Name of the Project	Cap in Mty as assessed by CMPDIL (MT/YR)			
		2012-13.	2013-14.	2014-15	2015-16
1	Himgir Rampur Colliery	0.245	0.245	Closed	Closed
2	Hirakhand Bundia Mine	0.612	0.551	0.551	0.612
3	Orient Mine 1& 2	0.490	0.490	0.428	0.428
4	Orient Mine 3	0.612	0.643	0.551	0.490
5	Orient Mine 4	0.061	0.061	0.061	0.061
6	Talcher U/G	0.323	0.329	0.318	0.340
Total		2.343	2.319	1.909	1.931
Grand Total for MCL		226.286			
(Including capacity of exhausted mines)					

NON-MINING PROJECTS:-**16.10 Major Ongoing Non-Mining Projects of MCL costing > Rs. 20 Crs:**

Sl.	Name of the Project	Capital Cost (Rs. Cr.)
1	Construction of concrete CT Road connecting Bundia Mine to NH 200 of 12.54 km	135.29
2	Construction of all CT roads in IB-Valley CF having life more than 5 yrs.	94.22
3	Construction of Bye Pass Rd from Lajkura Welcome Gate to Mine 3 Junction of 3.7 Km	35.56
4	Construction of 4-Lane 41.5 km long road at Talcher Coalfield.	251.35
5	Construction of diversion road from check post of Lingaraj OCP to NH-200.	135.16
6	Construction of ROB at the level crossing near Ghanpara Village at Talcher	37.50

7	Construction of all CT roads in Talcher CF having life more than 5 yrs with concrete except Kaniha	165.92
8	Widening of road from 2 lane to 4 lane from Bankibahal to Kanika Rly Sdg. 27km.	Original- 162.87 Revised- 266.50
9	SILO loading arrangement at Ananta Spur Siding V & VI for 15Mty.	198.66
10	SILO loading arrangement at Bharatpur Siding for 15Mty.	173.20
11	SILO loading arrangement at Lingaraj OCP for 16 Mty.	237.56
12	Jharsuguda - Barpali – Sardega Railway Line.	Original- 469.68 Revised- 1007.12
13	Railway Link from Angul Station to Kalinga CPP	99.00
14	Auto signalling system between Talcher and Paradeep port	63.23
15	Upgradation and maintenance of Railway sidings (except Ananta and Balram sidings) at Talcher Coalfields by E.Co. Rly	53.53
16	Construction of 3rd line from TLSB cabin for Talcher yard to serve Bhubaneswari OCP at Talcher.	47.60
17	Maintenance & Up-gradation of the Railway Sidings of IB Coalfields of MCL by SEC Railway	40.16
18	Basundhara Washery (10.00 Mty) on B-O-M basis	165.79
19	Jagannath washery (10.00 Mty) on B-O-M basis	265.35
20	IB Valley washery(10.00 Mty) on B-O-M basis	336.90
21	Hingula washery(10.00 Mty) on B-O-M basis	181.00
Total		3990.60

16.11 Completed Non-Mining Projects of MCL costing >₹ 20 Crs:

Sl.	Name of the Project	Capital Cost (Rs. Cr.)
1	Construction of all CT roads in B-G area having life more than 5 yrs with concrete.	22.96
2	Construction of concrete CT Road in Kaniha OCP	26.92
3	Capacity augmentation works at sidings of IB Coalfield of MCL	27.57
Total		77.45

16.12 The following Project Reports have been prepared during 2015-16:

Sl. No.	Name of the Project	Capacity (Mty.)	Capital (Rs.Crs.)	Remarks
1.	Samaleswari Expansion OCP (Including all Seams), Capacity : 20 Mty	20 Mty.	Option-I : 5755.97 Crs.Option-II : 2149.19 CrsOption-III : 2787.42 Crs	Project Report approved by MCL Board.
2.	Reorganisation of Bharatpur OCP Expansion	(Normative Capacity 20.0 MTY, Peak Capacity 26.0 Mty)	Variant-I : 1979.48 Crs.Variant-II : 961.29 Crs	PR has been discussed and revised PR is under preparation.

16.13 Foreign Collaboration: Nil

16.14 Modernisation and Technology Absorption

Modernisation & Technology Absorption

- Higher capacity HEMMs like 10 cum & 20 cum shovels, 100T & 170T dumpers, 770 HP dozers etc have been envisaged in the latest sanctioned Project Reports.
- Continuous Miner is slated to be introduced in different UG projects of MCL.
- MCL is the trend-setter in introducing Blast-free technology of winning coal in opencast mine by Surface Miner.
- SILO with Rapid Loading System is going to be introduced in all the major opencast projects of MCL.

16.15 Projects pending approval of Government: Nil

16.16 Land Acquisition & Possession during 2015-16:

(Figures are in Hectares)

Area	Tenancy Land Acq.	Land Poss.	Govt. non-Forest Land Acq.	Forest Land Poss.	Forest Land Acq.	Total Acquisition	Total Possession	REMARKS
Jagannath	0.000	8.800	0.000	0.000	0.000	0.000	8.800	Gopalprasad coal mining Block (Balaram Exp. OCP) – Notification 9(i) has been sanctioned by MoC Vide S O No.1261 (E) Dated 29.03.2016 for 340.429 Ha.
Hingula	265.880	79.535	65.342	0.000	9.207	340.429	79.535	
Bharatpur	0.000	5.000	0.000	0.000	0.000	0.000	5.000	
Lingaraj	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Kaniha	0.000	2.464	0.000	0.000	0.000	0.000	2.464	Neelachala Coal Mining Block (Gopalji Kaniha OCP) – Notification 7(i) has been sanctioned by MoC Vide S O No.2828 (E) Dated 07.10.2015 for 1141.477 Ha
lb- Valley	0.000	0.000	0.000	0.000	0.000	22.479	22.479	
Lakhanpur	0.000	117.714	0.000	36.53	0.000	16.91	171.154	
B-G Area	0.000	0.922	0.000	0.000	0.000	0.000	0.922	
Total	265.88	214.435	65.342	36.53	9.207	39.389	340.429	290.354

MoU Target: Notification under Section 7(i) of CBA- 800.00 Ha.

Notification under section 9(i) of CBA- 300.00 Ha.

Possession of Land - 271.00 Ha.

Achievement : Notification under Section 7(i) of CBA - 1141.477 Ha. SO no. 2828(E) date

07.10.2015 for 1141.477 Ha in Neelachal Coal Mining Block, Gopalji Opencast Project, Kaniha

Notification under section 9(i) of CBA - 340.429 Ha. SO No. 1261(E) dated 29.03.2016 for 340.29 HA in Gopalprasad (Balram Expansion OCP)

Possession of Land - 290.354 Ha during 2015-16

16.17 Status of Washeries on Build, Operate and Maintain (BOM) Basis:

In line to the decision of CIL for installation of coal washeries on Build, Operate & Maintain (BOM) basis for economic washing of high ash coal, MCL is intending to establish four number of coal washeries viz., Hingula Washery, Basundhara Washery at Kulda OCP, IB-Valley Washery at Lakhanpur & Jagannath Washery of 10 Mty capacity each on BOM concept in Phase-I. The Phase-I washeries are planned to come in operation in financial year 2017-18.

MCL is planning to bring three more washeries viz., Lakhanpur Washery with 20 Mty capacity on Turnkey basis, Garjanbahal Washery with 10 Mty capacity and Siarmal Washery with 40 Mty capacity.

(A) Hingula Washery, 10 Mty capacity:

1. Letter of Intimation to "Lowest Bidder" was given in December'2013.
2. ToR was issued by MoEF in January'2014.
3. EC granted on 30th Oct' 2015.
4. Consent to Establish issued by SPCB on 29th December, 2015 and received on 30th December, 2015.
5. LoA issued to M/s MIEL on 1st January, 2016.
6. Signing of Contract is yet to be done.

(B) Basundhara Washery, 10 Mty capacity at Kulda OCP:

1. Letter of Intimation to "Lowest Bidder" was given in May, 2014.
2. ToR was issued by MoEF in September' 2014.
3. Minutes of EAC meeting held on 7th January, 2016 recommending amendment in ToR uploaded on 22nd January, 2016.
4. Draft EIA/EMP submitted to SPCB on 27th February, 2016 for Public Hearing.
5. Stage-1 clearance in respect of diversion of 29.41 Ha forest land is expected by end of March, 2016.
6. Administrative approval for acquisition & possession of 6.82 Ha tenancy land received from MoC on 18th January, 2016. Acquisition is expected by June, 2016.
7. Acquisition & Possession of 0.85 Ha of Govt. Non-Forest land is expected by March, 2016.
8. Letter of Award can be issued to the Lowest Bidder only after getting Environmental Clearance.

(C) IB-Valley Washery, 10 Mty capacity at Lakhanpur:

1. The Revised Conceptual Report (CR) was approved by MCL Board in November, 2014.
2. E-tender for Ib-Valley washery was uploaded in May, 2015.
3. Price bid opened on 9th September, 2015.
4. Tender is yet to be finalized.
5. ToR received in June, 2015.
6. PH held on 15th February, 2016.
7. Final EMP addressing all the issues including recommendations of SPCB submitted to MoEF on 29th February, 2016.
8. EAC meeting for EC was held on 17th March, 2016 which was deferred due to following points:
 - (i) The non-submission of any definite MoU with MCL for use of rejects, a stipulation in the ToR.
 - (ii) The non-submission of base line data beyond core zone.
 - (iii) EAC requested MoEF&CC to take up the issue of adequacy or otherwise of the public hearing with the State Government Authorities.

(D) Jagannath Washery, 10 Mty capacity:

1. The Revised Conceptual Report (CR) was approved by MCL Board in November, 2014.
2. E-tender for Jagannath washery was uploaded in June, 2015.
3. Price bid opened on 20th September, 2015.

4. Tender is yet to be finalized.
5. TOR received on 13th August, 2015. Amended ToR dated 01.02.2016 in respect of Backfilled area and Green belt has been received.
6. PH held on 16th February, 2016 was cancelled. The same PH is now re-scheduled to be held on 12th April, 2016. However, Advisor (coal), MoC advised to upload EIA/EMP as the washery is located in the lease hold area of the mine for which PH has already been conducted.
7. Accordingly, final EMP was uploaded on MoEF site on 13th March, 2016.

17. Geological Exploration:

Particulars	2014-2015	2015-2016	
	Actual	Target	Actual
1. Total Drilling in CIL Blocks (in metre)	22205.00	23000.00	23611.30
2. Coal Reserves proved in 2015-16 (in million tonne)	2204.643		754.885 (Baitarani East)

18. ENVIRONMENTAL MANAGEMENT**18.1 Publication of annual report on CSR and sustainability for 2014-15.:**

MCL has been publishing the CSR and Sustainability Report since four years. The report for 2014-15 is titled 'Fuelling Progress' and is aligned to the GRI G4 'in accordance' core criteria including the Mining and Metals Sector Supplement. The report highlights the material aspects of the company for FY 2014-15 across the triple bottom line. It offers a consolidated view of the strategic goals and objectives supported by relevant technical and quantitative information in the sustainability context with the importance

on stakeholder context. Our gradual evolution in sustainability reporting is helping us in benchmarking our performance against our peers and fulfil our commitments to the environment and society. We intend to continue the process of sustainability disclosure to our stakeholders on the material issues.

18.2 Statutory Compliance - Environmental Clearance & TOR from MoEF:

As per EIA Notification 2006 (Notified under the Environment Protection Act, 1986) Prior Environment Clearance (EC) from Central Government (Ministry of Environment and Forest or in short MoEF) is necessary for operating any mine or for expansion/extension of any mine. Accordingly, MCL is regularly applying and obtaining EC for all the mines (New & Expn.). The status of EC in 2015-16 is given in the following table.

(all figures in Million Tonnes)

Sl.No.	Particulars	Talcher Coalfield	Ib Valley Coalfield	Total
1	EC available as on 31.03.2015	116.43	69.06	185.49
2	EC Granted in 2015-16 (addl. capacity)	10.00	0.00	10.00
3	Total EC available as on 1.4.2016	126.43	69.06	195.49
4	EC recommended by EAC* (addl. capacity)	4.00	0.00	4.00
Total				199.49

- 04 nos. of EC was obtained from Ministry of Environment & Forest (MoEF) during 2015-16.

Sl.	Name of the Project	Letter no. and date of the EC letter
1	Hingula-II OC Expn. 15.0 Mty	J-11015/240/208-IA.II(M) dt: 28/10/15
2	Hingula Washery 10.0 Mty	J-11015/67/2013-IA-II dt: 28/10/15
3	Lingaraj OC Expn. 20.0 Mty	J-11015/174/2010-IA.II(M) dt: 27/11/15
4	Mandapal Sand Mine 0.25 MM3/annum	J-11015/421/2015-IA.II(M) dt: 28/01/16

- In the FY 2015-16, 04 application for Terms of Reference (ToR) and its amendments were considered by EAC, MoEF and ToR was granted as per following details

Sl.	Name of the Project	Date of grant of TOR
1	Jagannath Washery 10 MTPA	13/08/2015 & 01/02/2016 (Amendment in ToR)
2	Ib Valley Washery 10 MTPA	25/06/2015
3	Basundhara Washery-10 MTPA	29/02/2016 (Amendment in ToR)
4	Kakudi & Kishoripal Sand Mines-0.25 MCUM	17/04/2015

- In the FY 2015-16, 04 application for Public Hearing (PH) was made to the Orissa State Pollution Control Board and 03 nos. of PH were held as per following details

Sl.	Name of the Project	Date of PH
1	Balram OC Expn. 20 MTPA	12/05/15
2	Jagannath Washery 10 MTPA	16/02/16
3	Ib Valley Washery 10 MTPA	15/02/16

18.2.1 Statutory Compliance - Post-EC Clearance

- “Consent to Operate” under Water & Air Acts has been obtained from State Pollution Control Board (SPCB) for all the operating mines of MCL and one Railway Siding.
- Work for Bore hole drilling and construction of Piezometers at 23 locations in Talcher Coalfields and 17 locations in Ib Valley Coalfields for Hydrogeological Impact Assessment due to mining Activity was completed by M/s PRB Infraprojects Pvt. Ltd., Nagpur for Talcher Coalfields at contract value of Rs.1.47 Crore and by M/s Tirupati Enterprises, Jharsuguda at contract value

of Rs. 94.63 Lakh. CMPDI has started pumping test. This is first of its kind in CIL mines.

- “Authorisation” under Hazardous Wastes Rules has also been obtained from the SPCB by the operating opencast mines having excavation workshops (which generate used batteries, spent oil & grease) and oil & grease traps to recover oil & grease from waste water flowing out of washing ramps (which generate oily sludge). The used batteries and recovered oil & grease are auctioned to authorised re-processors through MSTC Ltd. after sufficient accumulation. Half-yearly return for batteries and annual return for other Hazardous Wastes were submitted to the SPCB as per the statute.
- Environmental Audit was conducted by a team of 3 inter-disciplinary officers of MCL with regard to each of the 22 operating mines during the year under consideration as in previous years.
- As per the instruction of Odisha State Pollution Control Board for compliance of the orders of Hon’ble High Court of Odisha in the matter of WP(C) 6976, work of Surface Runoff Study of all the 15 opencast mines of MCL including preparation of Management Plan and ascertaining the possibility of zero discharge was completed by NIT, Rourkela. Final Report on qualitative and quantitative aspects were submitted to OSPCB. By following the recommendations of NIT, all the 15 OCPs of MCL can be made zero discharge.
- Annual Environmental Statements in Form-V under rule-14 of the Environment

Protection Rules were submitted to SPCB within the stipulated date of 30 September for all the 22 operating mines.

- Half-yearly reports of compliance of the Environmental clearance conditions with regard to all the operating mines having environmental clearance under EIA Notification were submitted to MoEF in the year and the officials from the Regional Office of the MoEF, Bhubaneswar visited the mines from time to time for monitoring of compliance.

18.3 Measures Taken to Protect and Improve Environment.

18.3.1 Air Pollution Control Measures

In keeping with the Company’s concern for Environment it has kept up the long standing practices to check air pollution with a good number of measures, some of which are highlighted here.

- MCL has progressively enhanced coal production through the environment friendly Surface Miner Technology (from 4.2% in 1999-2000 to 91.15% in 2015-16). During 2015-16, MCL produced 125.69 million tonne coal with Surface Miner Technology out of a total production of 137.91 million tonne (91.15%). This is a blast-less mining technology which eliminates the dust generating operations like drilling, blasting and crushing completely while sprinkling water at the same time. Apart from that, selective mining of coal and stone layers separately is done with the machine to reduce the ash content by about 4 to 5% resulting in less ash generation in power plant and reduction of green house gas as well. There is also reduction in generation of green house gases due to elimination of the basic unit operations like Drilling, Blasting, Crushing, Transportation to

Crushers-Unloading & Re-Loading and consequent amount of diesel consumption in these operations, had there been coal production through conventional method and further reduction in generation of green house gases resulting from less quantity of transport to the power plants because of 3 to 5 % reduction in ash content and which translates into huge quantity considering the scale and distance of transportation involved. It has been estimated that MCL has reduced Carbon Footprint to the tune of approximately 1,28,438 Te on this account.

- Coal transportation is the major source of dust pollution but in MCL approximately 75% of coal transportation is through railways, which is the most eco-friendly inland mass transport system, wherein 3,800 Te of coal is transported through a single rake, without generating any pollution, which would have been equivalent to 300 trucks each carrying approximately 13 Te of coal and the level of pollution would have been unimaginable.
- Rake loading facility and Rail Infrastructure are being enhanced/ improved and strengthened (upgradation of tracks, doubling of tracks, interconnection of sidings, auto signalling system etc), presently the coal is dispatched through 22 sidings and 3 MGRs. Average number of rakes has increased up to 40 rakes in Talcher Coalfield and up to 28 rakes in Ib Valley Coalfield.
- Bharatpur (RLS) is in operation. Six additional SILOs are in pipeline.
- 80 nos of Mobile Water Tankers of capacity 28 KL are deployed in the mines to control the dust pollution due to mining activities.

Capital expenditure on 28KL Mobile Water Tanker is 1 Crore/Tanker and revenue expenditure is approximately 85 lakhs/ Tanker/Yr.

- On Coal Transportation road in the coalfield beyond the ML area, mobile water Tankers of 12 KL capacity are being deployed on contractual basis to control the dust pollution.
- In all the Railway Siding fixed sprinklers have been provided for dust suppression during wagon loading activities. Mobile Water Tankers have also been provided.
- In Coal Handling Plants there are Misters, Fixed Sprinklers and Mobile Water Tankers to control the dust pollution, however due to very negligible conventional coal production and thereby requirement of crushing in the CHPs, dust generation from CHPs have significantly reduced.
- Black topping of permanent and semi permanent roads which are maintained and further strengthened during the year.
- Manual sweeping and collection of spillage and dust over coal transportation roads.
- Three numbers of heavy-duty truck-mounted vacuum-operated mechanical road sweeper are in operation for sweeping and collection of coal spillage and dust over pucca coal transportation roads at Talcher & IB Valley Coalfields.
- All the drills are having dust extractor system and wet drilling system.
- Pre-NIT for procurement of 10 numbers of Mist Blower cum Road flogger, one each for all Areas, were invited and based on

the inputs AMR Scheme and P&M Indent were prepared and sanctioned for a value of Rs. 5.517 Crore including 5 year AMC after 1 Year warranty. This system will help MCL in effectively controlling dust on the truck transportation roads.

- Green belts are continued to be developed between residential areas and the mine including infrastructure.



Mechanical Road Sweeper at Lingaraj OCP



91 % Coal Production through Eco-friendly Surface Miner (Drilling, Blasting, Crushing totally eliminated), also cutting drum is located below the body and water sprinkling inter locked with drum rotation to minimize dust generation

- Mine drainage water pumped out of the mine as well as the water flowing out from OB dumps are put into settling ponds before being discharged in order to settle the sediments and prevent silting of rivers and other water bodies. However due to scarcity of water for dust suppression, fire fighting, drinking water supply etc., there is no outside discharge of water. Mine voids also act as huge sedimentation ponds where TSS settle due to gravity and water becomes pure.
- Oil & Grease Traps (OGT) are also in place at the workshops of opencast mines in order to remove oil & grease as well as oily sludge from the waste water.
- Oil skimmer has been provided at Samaleswari HEMM Workshop, which is a new system in mining workshops.
- All the ETPs/OGTs have been made zero discharge and the treated water is totally re-used in the Workshops.
- Garland drains and catch drains are also provided around quarry boundary and OB dumps in order to arrest sediments and prevent silting of natural drainage.
- Sewage Treatment Plant (STP) have been provided at 7 townships to take care of the domestic sewage. One new STP is under construction at Lajkura OCP Colony.
- Disused quarry voids act as natural water harvesting structure for recharge of ground water.
- Water Treatment Plants (WTP) are operational under integrated water supply schemes of Talcher, Ib-Valley, Belpahar and Basundhara. Small scale water

filtration units for domestic supply are existing at Talcher and Orient Areas using under ground mine water and water from quarry water reservoirs.

18.3.3 Noise and Ground Vibration Control Measures:

- 91.15% of total coal is being produced through blast less environment friendly Surface Miner technology drastically reducing the noise and ground vibration compared to conventional mining which requires drilling, blasting and CHP operation for producing sized coal.
- Green belts have been developed between residential areas and the mines as well as infrastructures for reducing these pollution.
- Ear Muffs and Ear Plugs have been provided to workers exposed at high noise working places.
- Non-electric detonators were used where ever necessary for blasting resulting in less noise and ground vibration. Controlled blasting system is adopted to reduce noise and ground vibration.
- All HEMMs have been provided with adequate noise level reduction technologies.

18.3.4 Land Reclamation and Plantation.

- De-coaled void is used for backfilling the overburden material and after wards plantation is taken up as biological reclamation process.
- In keeping with the Company's concern for environment, MCL has planted saplings of mixed indigenous species over external dumps and backfilled internal dumps after adequate physical reclamation, as well as in vacant patches of other land and avenues, in the mines. Plantation since

inception is 50.91 lakh (Talcher Coalfields -20.17 lakh, Ib Valley Coalfields – 29.91 lakh & HQ – 0.83 lakh)

- Plantations are also done in residential townships and office premises especially of fruit-bearing, flowering and medicinal plants and trees.
- This year total nos of sapling planted is 1,73,303 nos and distributed is 1,52,429 nos.
- Carbon foot print reduction to the tune of 1,02,000 te of CO₂ has been estimated due to plantation activities of MCL (20kg/ tree/yr).
- Seven nos. of Sewage Treatment Plants (STP) have been provided for treatment of domestic effluent. The sludge generated is used as manures for plantations and gardens in the townships. The treated water flowing out of these STPs is reused for irrigation purposes.
- Monitoring of the land reclamation through remote sensing data generated by National Remote Sensing Agency is in progress for 14 Open Cast Mines (11 nos > 5 MM³/Yr and 4 Nos < 5 MM³/Yr capacity) in both Ib-Valley and Talcher Coalfields through CMPDIL the report generated is uploaded on the Company website.



Water Harvesting in Opencast Quarry Void



Bird's eye view of Plantation at Bharatpur & Balanda OCPs



Biological Reclamation in the backfilled area

18.3.5 Environmental Monitoring:

- Routine environmental monitoring, of air, water and noise was carried out during the year through CMPDI laboratories at an estimated cost of Rs. 4.47 crore. Methodology, frequency, etc. were strictly maintained as per the guidelines laid down by CPCB.
- Results of monitoring were submitted to SPCB and MoEF as per the statute. The environment monitoring results are uploaded on the company website on monthly basis.

- Automatic Weather Stations at Jagannath Area and Lakhanpur Area are in operation.

18.4 MCL Web Site Publication

- For increasing transparency, MCL is publishing & regularly updating the following environmental information on its website www.mahanadicoal.in
 - i. Environment Clearance letter issued by MoEFCC & its half-yearly compliance.
 - ii. Consent to Establish & Consent to Operate of each Project.
 - iii. Hazardous Waste Authorisation of each Project.
 - iv. Environmental Statement of all operating mines of MCL.
 - v. Annual CSR & Sustainability Report.
 - vi. Annual & Monthly routine environmental monitoring reports.

18.5 Awards and Recognition

Lajkura OCP & Kaniha OCP was individually awarded Gold & Silver Awards respectively in Metal & Mining Sector for Outstanding Achievement in Environment Management in the "15th Annual Greentech Environment Award 2015, held at Kolkata.

19. SALES & MARKETING PERFORMANCE

MCL has achieved an off-take of 140.219 MTe. during 2015-16 with a growth of 13.99 % over last year, in spite of strike, bandh, cyclone during October, 2015 and the restriction imposed by State Govt. on transportation of coal from Basundhara & Garjanbahal area to Kanika siding during day hours.

19.1. Demand & Off-take

Off-take during 2015-16 was 140.219 MTe. against the target of 150 Mil. Te. which was 93.5% of target and an absolute growth of 17.218 MTe. over last year.

The Sector-wise dispatch during 2015-16 are appended below.

Fig in Mill. Te.

Sector	2014-15			2015-16 Actual
	Target	Actual	% Achieved	
Power (including CPP)	123.115	111.465	90.5	103.780
Cement	0.400	0.24	60.0	0.430
Others	26.485	28.509	107.6	18.786
Coll. Consumption	-	0.005	-	0.005
Total	150	140.219	93.5	123.001

The reason for the loss of coal offtake during 2015-16 due to force majeure are stated below:

Name of Project/ Particulars	2015-16			Actual Loss due to Force Majeure	Remarks
	MOU Target	Actual	Difference		
Kaniha OCP	12.00	9.799	2.201	2.24	Less lifting of coal by NTPC, Kaniha through dedicated MGR
Linagraj OCP	15.00	14.519	4.81	0.09	
Kulda OCP	7.00	5.269	1.731	4.19	Less despatch due to restriction imposed by state govt on day transportation in summer season
Reduction of Sales due to Less availability of Rakes from Railways	77.7 (Rakes/day)	65.4 (Rakes/day)	12.3 (Rakes/day)	17.22	

Total loss in Offtake due to force majeure 23.74 MT but effective loss was 9.781 MT as other mines have dispatches more.

19.2. Wagon Loading

Daily average wagon loading during 2015-16 in MCL was 65.4 Rakes/Day against 59.8 Rakes/Day during 2014-15 with an

absolute growth of 5.6 Rakes /Day i.e. 9.3%. The Field-wise loading against target and supply is appended below:

Fig in Rakes/Day

Field	2015-16			2014-15 Actual
	Target	Supply	Loading	
Ib Valley	33.1	27.6	27.6	24.5
Talcher	44.6	37.8	37.8	35.4
Total	77.7	65.4	65.4	59.8

19.3. e-Auction

During 2015-16 MCL had offered 29.541 MTe. under Spot, Forward and other special type of e-auction against this 25.637 Mil.te. was booked by different bidders registering a premium of Rs. 1019.75 Crore over notified price.

19.4. Fuel Supply Agreement (FSA)

MCL has signed one FSA with consumer during 2015-16.

19.5 Performance of MOU parameters for the year 2015-16 is as under:

- Despatch covered under agreed sampling to power sector during 2015-16 is 100%.
- Sized coal Despatch to power sector by Rail during 2015-16 is 100%.
- Despatch of coal to power sector by rail weighed on electronic weighbridge during 2015-16 is 99.16%.
- Despatch under FSA for Power Utilities covered under 3rd Party Sampling through a jointly agreed mechanism during 2015-16 is 100%. Some of the consumers who are not participating in 3rd Party Sampling. They are accepting the result in declared grade, so consider it to be 100% sampling.

20. COAL QUALITY IMPROVEMENT

MCL has taken utmost care to improve the quality of coal being supplied to different Power Houses including other consumers as well as to fulfill the consumer satisfaction. During the year various measures for ensuring proper quality of coal dispatch were intensified. This year MCL have achieved a record despatch of 140.21 Mt. against 123.006 Mt. as compared to the previous year. So far quality complaints are concerned, this year the number of complaints received are 44 (Fourty Four) against 33 (Thirty Three) in the previous year.

The following steps were taken by the Company to improve quality and consumer satisfaction.

1. Frequent interaction with different consumer has been done to improve consumer satisfaction.
2. Consumers were encouraged for checking and supervising personally the coal loading Points/Sidings as well as Weighbridges and Coal Analysis Laboratories.
3. All sidings from where huge quantity of coal is despatched to major consumers and Core Sector industries, have been put directly under the supervision of the Nodal Officers who are responsible for maintaining and ensuring proper quality, weight and sizing of coal
4. Whenever any complaint whether it was major or minor in nature received in the Department, the same had been enquired by officers of QC Department and the findings had been informed to the

consumer from where complaint was received, within the minimum possible time.

5. All the railway sidings at area level are being constantly monitored by QC Department in respect of despatch of assured quality coal to all consumers.
6. Surprise inspections and analysis of coal from different sidings are being done regularly by teams of officials of QC department to ensure proper quantity and quality of coal despatched.
7. Frequent inspections of Weigh Bridges and Laboratories are being done regularly by QC department. In case of any discrepancy or fault found in Laboratories, Weigh Bridges and Sidings during inspection, the same was communicated to the concerned CGM/GM of the Area for information and taking corrective measures.
8. To develop awareness on quality from grass root level, Q.C. Deptt. has observed "QUALITY FORTNIGHT" from 14.03.16 to 28.03.16 in all Areas. All Area personnel had whole heartedly participated.
9. Independent 3rd Party Sampling Agency namely M/s. K. C. Sharma and M/s. Superintendence Co. Pvt. Ltd were deployed from October,2013 at all loading points to carry out sampling and analysis of coal being dispatched to MAHAGENCO, WBPDC, SAIL (RSP, CPP-I), SPCL (RSP, CPP-II), APGENCO, TNEB, NTPC(Kanhia), TTPS, OPGC, NALCO, KPCL, NALCO (Dmj) NTPC (Simhadri) and Vedanta Aluminium Company Ltd, Sesa Sterlite Energy Ltd., Adani Power Ltd., RGTPP, etc..

- Thirty One numbers of PHs have deployed their 3rd party agency at loading end as per the direction of MoC/CIL. Rest PHs has been requested to deploy their 3rd party agency at the earliest. For better transparency as directives of MoC/CIL, CIMFR an independent Govt. organization has been given the responsibility for sampling/analysis of coal being dispatched to the Power Utilities. Accordingly, these activities have already been taken over by CIMFR at two projects initially.
10. There are total Ten coal analysis laboratories in different Areas like Ib Valley, Lakhanpur, Orient, Basundhara & Garjanbahal, Jagannath, Lingaraj, Bharatpur, Hingula, Talcher and Kaniha. All are well equipped with modern equipments like electronic Auto Bomb Calorimeter for determination of GCV of coal. Coal Analysis Laboratory of Ib Valley Area has been conferred with grant of NABL Accredited with validity from 24.05.2015 to 23.05.2017 and laboratory of Bharatpur & Jagannath Area have already been finalized and to be accredited very shortly. As per the directives of Competent Authority necessary steps have been initiated for obtaining NABL accreditation for analysis laboratory of remaining seven Areas.
 11. These equipments enable us to determine the grade of coal despatched to different consumers within a period of two hours. This has helped for quick monitoring of the quality of coal available in the colliery stocks, sidings and the quality of coal being mined.
 12. During this year also selective mining method of extraction of coal was being continued and accordingly surface miners were deployed at Lakhanpur OCP, Belpahar OCP, Lingaraj OCP, Bharatpur OCP, Balram OCP, Hingula OCP, Basundhara(W), Kulda OCP, Samaleswari OCP, Ananta OCP, Bhubaneswari OCP & Kaniha OCP
 13. By using surface miner the rejects are being separated from the coal seam which helps to maintain the quality of coal.
 14. Electronic Rail Weigh Bridges with print out facility are available at all sidings. Apart from this, Company has provided stand-by weigh bridges for achieving the target of 100 % weighment.
 15. Proper care has been taken towards supply of -100 mm size coal to the consumers. For this, coal which has been dispatched by rail, belt & MGR was crushed by CHPs & FBs.
 16. For the purpose of transparency and to get active participation of consumers on quality, bound paged registers has been kept in all sidings/ loading points, in which the representatives of the consumers present at the time of loading, are free to write their comments/suggestions in respect of quality/sizing & other facilities.
 17. Out of total dispatch of 140.21 Mt. of coal, 99.49% of coal was weighed with electronic print out during 2015-16 against 99.26% of 123.006 Mt. coal during 2014-15.
 18. By adopting stringent sampling procedure in case of seam, stock, siding & tipper samples, during the period 2015-16, the

Annual Coal Grade has been declared to the utmost satisfaction of the consumers.

19. Sized coal despatch to power sector by Rail : 100%

21. SAFETY AND RESCUE

‘Safe Mining’ is one of the core capabilities of your Company which has been attained through continuous practice of safety methods and techniques. Having a ‘Zero Accident’ target, your Company prepares, plans, and equips itself on a regular basis so that the target is best achieved and becomes the motivating force for the employees to be more productive.

21.1 Accident Statistics

SN	Particulars	2015-16	2014-15
1	No of fatal accidents	2	1
2	No of fatality	2	1
3	No of serious accidents	4	10
4	No of serious injury	4	10
5	Rate of fatality		
	Per million tonne output	0.015	0.008
	Per 3 lakh manshift	0.129	0.061
6	Rate of serious injury		
	Per million tonne output	0.029	0.082
	Per 3 lakh manshift	0.258	0.605
7	Place-wise fatality		
	UG	—	—
	OC	2	1
	AG	—	—

21.2 Steps taken for improving safety in MCL

- (i) MOU target is fixed at beginning of every financial year unit-wise and for the whole company to bring about improvement in safety standard in operations, maintenance and working conditions in the mines. As per MOU during 2015-16, 64.63% reduction in serious injury rate per million tonne of coal produced w.r.t. 2014-15.

- (ii) Safety Management Plan for all 16 Opencast Mines & 6 underground mines formulated, reviewed by CIL and implemented for improving the safety standards at mines.

- (iii) Adequate material and monetary resources are provided for the smooth and efficient execution for achieving MOU targets in respect of safety. As a testimony to the fact, Capital Budget of Rs. 715.32 Lakhs, Revenue Budget of Rs.4900.00 Lakhs were earmarked for the purpose during 2015-16.

- (iv) All the employees are provided with the safety gadgets such as helmets, safety foot wears, etc. to provide protection against conditions which may cause ill-health and injuries. During 2015-16, 17,009 pairs of mining/canvas shoes, 10,178 pairs of gumboots & 6244 nos. of helmets were allocated.

- (v) The recommendations of 11th safety conference, standing committee on safety in coal mines, CIL safety board, Company level safety committee, Area level safety committee and project level safety committees are religiously implemented.

- (vii) In addition to the statutory inspections by the Mine officials appointed under the provisions of Coal Mines Regulation 1957, safety standards of the mines are also monitored by Workmen’s Inspectors (appointed under Mine Rule 1955), Safety Committee at mine level (constituted under Mine Rule 1955), Area Level Tripartite safety committees and Company Level Tripartite safety committee.

- (viii) Joint consultations on safety matters are held with workmen representatives in

Project level Safety Committees, Area Level Tripartite Safety Committees and Subsidiary Level Tripartite Safety Committee.

- (ix) Multi-level monitoring of the implementation of Statutory Rules, Regulations and Safety Plans is done through Internal Safety Organization by Area Safety Officer at Area level and a full-fledged ISO department at company headquarters level.
- (x) Job related training and retraining are imparted to workmen, supervisors and executives to make them aware about the safety aspects and upgrade their skills at Group Vocational Training Centres and other training institutes established at convenient locations throughout the company. Training in outside institutes is also imparted as per the requirement, for example to improve the skill of dumper operators, 30 dumper operators were imparted Simulator training at Northern Coalfields Limited, Singrauli during 2015-16 as compared to 21 dumper operators who were imparted training in 2014-15.
- (xi) Regular medical examination of workmen and supervisors are conducted for detecting defects and diseases so that they can be treated in time.
- (xii) Internal Safety Audit by teams of Internal Safety Organization are carried out regularly for evaluating the safety system so that the crucial focus areas of each project may be ascertained for further improvement. Internal Safety Audit of all 16 OCPs and 06 underground mines of MCL were carried out during 2015-16.

- (xiii) Safety Fortnight and special safety drives are observed throughout the company to refresh and tune the whole system to the statutory requirements. On this occasion, trophies and shields are also distributed among the mining projects and workshops in different categories. During 2015-16, Annual Safety Fortnight was observed in all establishments of MCL from 12/01/2016 to 25/01/2016.

21.3 New safety technologies adopted

- (i) Surface Miner Technology, which is a blast free mining technology, completely eliminates the dust generating operations like drilling, blasting and crushing. It also does away with the hazards associated with blasting. In addition, the coal seams having inferior bands of carbonaceous matter can also be selectively mined with this machine to reduce the ash content resulting in less ash generation in power plants and reduction of green house gases. As such it is a safer, more environmental friendly and continuous production technology.
- (ii) Introduction of ripper dozer - another blast free technology for removal of OB - has also eliminated the dust generating operations like drilling and blasting which many times causes nuisance to the villagers.
- (iii) Environmental Telemonitoring System constantly monitors the presence of and gives forewarning about the increasing concentration of noxious gases such as carbon monoxide, carbon dioxide, methane etc. in the environment of underground mine. Such systems have been installed in underground mines for continuous monitoring of the environmental conditions.

- (iv) Long and arduous travelling in underground mines causes fatigue and loss of valuable working time. This may also lead to accident. To overcome this problem, man riding system has been installed in underground mines so that the workers are not tired and may give greater output. In the FY 2015-16, man riding system has been commissioned & operated at Nandira Underground mines of Talcher Area.
- (v) Machines such as SDLs and LHDs have been introduced to eliminate manual loading of coal in underground mines. This has reduced the number of persons in working districts for the same output which is a commendable achievement both from safety and production points of view.
- (vi) Introduction of UDMs in underground mines have helped in eliminating manual drilling which is the most arduous job in underground mine. This technology has also reduced the exposure of workpersons in the green roof zone and has enhanced the drilling output.
- (vii) MCL is in advance stage of procuring state of the art survey equipment like 3D LASER scanner for improving ease and accuracy of surveying work.
- (viii) MCL is in the process of procuring Real time Slope monitoring Radars for monitoring the slope movement of its OB dumps.
- (ix) Old and inefficient CHP are being gradually done away with bulk dispatch systems like SILOs and MGRs.

21.4 Research and development

- (i) The stability study of the abandoned workings of Deulbera Colliery under Talcher township has been carried out by CIMFR.
- (ii) A field trial for construction of ventilation stopping made by Quick setting chemical has been completed at Orient Colliery mine no. 3 by CIL team under the guidance of NIT, Rourkela.
- (iii) Scientific study for determining the stability of high walls of Coal & OB benches and OB dumps for all OCPs of MCL has been completed .
- (iv) An R&D Project “Studies on Determination of Free Silica (α -Quartz) content in Air borne Respirable Dust (ARD) in Coal Mines & Preparation of Data Bank of free silica and Minerals present in Dust as well as in Coal” completed under the aegis of Coal India Limited in collaboration with the national premier research institute Central Institute of Mining and Fuel Research, Dhanbad under Council of Scientific and Industrial Research.
- (v) Non-destructive test of Coal handling plants, Rapid loading system, Overhead bunkers and Heavy earth moving machineries is carried out regularly by CMPDIL, Ranchi - a premier scientific agency of Coal India Limited.
- (vi) Scientific study of the roof strata in respect of each and every depillaring district of underground mine is being carried out before the start of depillaring operation and also during depillaring operation by reputed scientific institute.

21.5 Rescue

MCL has a well-equipped Mines Rescue Station, Orient Area in IB Valley Coalfields and a RRRT, Talcher Area in Talcher Coalfields to cater to the needs of emergencies in the mines of MCL. The various activities that have been completed by the rescue services of MCL are as follows:

1. The Zonal Mines Rescue Competition was successfully conducted at RRRT, Talcher Area on 08/11/2015.
2. MCL was awarded 4th place in Rescue Work in All India Mines Rescue Competition held on 05/12/2015.
3. Emergency attended:
 - a) Talcher Colliery Fire from 06/05/2015 to 16/05/2015, where the site of heating has been successfully sealed off.
 - b) Mine no.3 fire from 11/08/2015 to 07/01/2016, where the mines was sealed off due to spontaneous heating & reopened successfully.
4. Mines Rescue Station also attended number of emergencies not related to any mining activity and arising in nearby society/civil township.
5. 15 persons were imparted initial training in Rescue & Recovery operation from 13/04/2015 to 28/04/2015.
6. 173 Rescue trained persons were imparted Refresher training in Rescue & Recovery operation at MRS, Orient Area and RRRT, Talcher Area.
7. Total 173 RTP's were medically examined and found to be fit.

8. Training and Emergency support given to private U/G mines of (M/s Hindalco Industries Limited) of Raigarh Region in the year 2015-16 and now it is under process for the year 2016-17.

9. Emergency support given to M/s ACB India Limited, Kanika Siding Basundhara

The Following Proposals were approved and Procured in the year 2015-16:

1. One Charging Rack with Charger for charging of batteries of Rescue Van.
2. Safety Belts, First Boxes and Blankets.
3. 6000 Kg Co₂ Absorbent for SCBA.
4. 175 packets disinfection Gel for SCBA.
5. One Long-range Thermometer.
6. One Barometer .
7. 18 Nos. Full-face Mask for SCBA- Supply Order given

The following proposals were approved in the year 2015-16, for which procurement process is going on:

1. One modern Rescue Van
2. One modern Station Wagon
3. Two Nos. Gas Chromatographs.
4. One Trapped Miner Locator.
5. 28 Nos. Positive Pressure self-Contained Breathing apparatus.
6. 06 Nos. Resuscitating Apparatus.
7. 49 Nos. Fire Extinguishers of different type.
8. 04 Nos. Dummy Body for Rescue Practice.
9. One Universal Tester.
10. 40 Nos. of LED Cap Lamps.
11. Spare parts for SCBA.

The Following Additional arrangements were made to further strengthening of Rescue Services of MCL:-

1. One Blazer with Rescue Emblem were provided to all 173 RTP's of MCL by CMD, MCL to give an Identity, Recognition and also boost up their morale.
2. CUG SIM has approved by DT(O), MCL for all RTP's posted at MRS, Orient Area and RRRT, Talcher Area for quick communication at the time of Emergency.
3. Refresher First-aid training programme was conducted from 14/03/2016 to 19/03/2016 at both Rescue Station and RRRT for improvement of efficiency of RTP's.
4. Basic First-Aid Training programme is also scheduled to be held from 28/03/2016 to 30/03/2016 especially for Ladies participants of IB coalfields.
5. Fire-Fighting Training Programme for all Rescue Trained Persons of MCL is under process.
6. Reduction in serious injury rate per million tonne of coal production w.r.t previous year

<u>Year</u>	<u>serious injury rate</u>
2014-15	0.082
2015-16	0.029
% Reduction	64.63

22. COMPUTERISATION

Coalnet – Various modules of Coalnet like Financial Information System(FIS), Personal Information System(PIS), Payroll, Sales & Marketing, Production Information System, Materials Management System, Equipment Monitoring System are in use. Some miscellaneous modules have also been

added in Coalnet system for capturing detailed information along with photographs of contractual workers, Periodical Medical Examination, Tenders and awards below Rs. 2 lakhs, Online booking of Holiday home at Puri. File Tracking System has also been added and is running successfully. Online Contract Management System has been developed and will be implemented soon.

The activities like Road sale & Rail sale billing, Bill payment status entry, updation of employee data, production detail entry, Online Material management system etc are operational in central coalnet server up to Area & Project level. Activities like financial accounting, payroll and personal information system at MCL, Bhubaneswar including Debtors accounting at MCL Kolkata office after getting shifted to central coalnet server are running smoothly with value addition as and when required. Migration of Financial Information System from legacy system to Coalnet system completed for all the Areas of MCL, except Lingaraj & Kaniha Area. Migration of Payroll system from legacy system to Coalnet System has been completed for Ib Valley. CWS (Ib Valley), MCL, Bhubaneswar, BG Area and is in progress for Orient Area and CWS(Talcher). This migration work for other remaining Areas will be completed in 2016-17. The Equipment Monitoring module of Coalnet has been modified to take care of entry of breakdown details, idle hours, maintenance hours etc of departmental HEMMs at Project level with SMS alert facility to the concerned users.

e-Payments & e-Receipts – Almost all Payments and Receipts are being done through electronic mode.

Operator Independent Truck Despatch System (OITDS) :- The OITDS after being installed in three open cast projects of MCL namely Balram, Lingraj and Bharatpur, is running successfully.

MCL Website :- The website of MCL www.mahanadicoal.in is hosted in the server of CMPDI, Ranchi and is being maintained by them. The website is being restructured as per the need. With the facility for updation of relevant data remotely the information related to refund to the coal consumers, monthly third party coal sample analysis result, status of bill payments to contractors/vendors, notices and results of recruitment department, CSR related activities, tenders and awards below Rs. 2 lakh etc. are updated on regular basis.

Online Grievance Redressal (Samadhan) :- A new portal “Online Grievance Redressal” for addressing the grievances of stakeholders has been added in the website.

e-mail Accounts :- With the objective of providing official e-mail account to all the executives of MCL in addition to the existing 400 email accounts another 1500 accounts have been obtained from NIC.

Uploading of tenders:- All open tenders are uploaded on daily basis in the Govt. portal www.tenders.gov.in by systems department in addition to their publication on e-procurement portal of MCL.

OMMS (Online Material Management System):- The OMMS running in legacy system at all the nine Regional and two central workshops have been migrated to Central Coalnet Server. More than 99%

of the store items have been codified as per the standard codification scheme. This has enabled in viewing the inventory of entire MCL and getting the stock position of any item across all stores on real-time basis.

Linking between MCL Office at Bhubaneswar and Kolkata:- MCL Office at Bhubaneswar and Kolkata are connected to MCL HQ through 1 Mbps leased line obtained from BSNL for the purpose of accessing Coalnet Modules. Additionally to meet any eventuality, VPN connectivity through internet has also been provided.

Internet Leased Line:- The existing 10 Mbps Internet leased line obtained from BSNL is meant for providing internet access to the users of MCL through the existing corporate network. Another 10 Mbps Internet bandwidth has been taken from RailTel for the use of GPS based Vehicle Tracking System.

Productivity Improvement Scheme Software:- The software which was developed in-house in Oracle and was implemented in Open Cast Projects of MCL for timely payments of incentives as per Productivity Improvement Scheme has been modified and migrated to Coalnet System in central server.

Connectivity to Weighbridges:- The weighbridges both rail & road (static and in-motion) have been connected through Radio Links established by M/s ITI Ltd.

Redundant Data Communication Network:- MPLS/VSAT based secondary data communication network connecting Area Offices/ Project Offices/

Weighbridges with HQ is being established by BSNL. Phase-I of MPLS Network connecting 25 locations commissioned by BSNL.

Installation of Servers at Central data Centre and Nodal Computer Centres :-

High-end IBM servers have been installed at HQ and three Nodal Areas i.e Jagannath Area of Talcher Coalfields, Ib Valley Area of Ib Valley Coalfields and Basundhara Garjanbahal Area. All these servers at the nodal locations are in sync with HQ server. Basudhara Area Server has been established as the recovery site. The coalnet module has been successfully migrated to the newly installed IBM server at HQ in Oracle 11g Database and 11g Application Server (Web Logic).

Monitoring of Contractual Bill Payments :

The Bill Tracking module is successfully running in Coalnet server. In this system the bills received from the contractors/vendors are being captured online by the respective user departments. The acknowledgement which gets generated on bill capturing is handed over to the customers/ contractors. The status of these bills up to the final destination i.e their payment, is being updated in coalnet server and the same is being uploaded in MCL's website i.e www.mahanadicoal.in for online viewing by the concerned parties. Thus the concerned parties can track the status of their respective bill from our website itself.

GPS/GPRS based Vehicle Tracking System :-

- (i) GPS based VTS(Vehicle Tracking System) units have been installed in 1800

of private trucks/tippers engaged in production and internal transportation of coal. Live tracking of these vehicles along with viewing of various reports related to violation of geo fences, trip, long stoppages, distance traveled etc are available on the web enabled link i.e <http://.mclvts.in>. This link is also available on our website www.mahanadicoal.in. There is also the provision in the system for sending auto generated SMS alerts to the concerned users of the projects and the Area offices.

- (ii) GPS based Truck Despatch System for all deployed in despatch whether contracted or owned: All the Trucks/tippers that were deployed for coal production/ internal transportation of coal were fitted with GPS units.
- (iii) Geo-fencing of the mine boundary along with the routes have been done for tracking the vehicles if they are crossing the geo-fence boundary.
- (iv) Central Control Rooms have been set up at MCL HQ and at all the Area Offices.

CCTVs for surveillance of Weighbridges & Railway sidings:-

- i) Video Surveillance cameras installed in 22 nos of railway sidings.
- ii) IP cameras installed at 93 in-motion and static road weighbridges.
- iii) Weighment data from the in-motion & static weighbridges are being transmitted online to the central VTS and Coalnet Server at MCL HQ.

File Tracking System has been developed in Coalnet for tracking the movement of important files across various departments and locations of

MCL. This module was implemented on 15th August, 2015 and till 31st March, 2016, 8360 nos. of files have been initiated through this module.

SMS/Email Alert: As per the e-Initiatives to be taken by MCL, SMS alerts are being sent to Customers regarding details of Road Delivery Order, refund of RDOs and to employees related to salary preparation. SMS alerts are also sent to the HODs/GMs of concerned departments for status of pending files which are being tracked through the File Tracking module of Coalnet, on regular basis.

Wi-Fi Network has been established at Corporate Office of MCL and residential complex at Jagruti Vihar.

Performance of MoU parameters for the year 2015-16 is as under:-

- a) Firewall based access control mechanism has been established by 30.11.2015
- b) 1800 GPS Units have been fitted on trucks deployed for production / internal transportation of coal, and tender has been floated to enter into rate contract to include ongoing additions and future requirement of trucks over next three years

Future Plan / Other Ongoing Activities:

- » Hospital Management System at the Central Hospitals at Talcher and IB Valley Area
- » Establishment of Wi-fi network in other offices and residential colonies of MCL.
- » Mobile based application development for various activities related to CSR, Bill tracking, Sales and marketing etc.

- » Use of Drone Technology for accurate lead determination, surveying of mine areas and other mine activities.
- » Issuance of Medical Smart Card to employees.
- » Up-gradation of existing LAN at MCL HQ, Area Offices and Regional Stores to make them IPv6 compliant.
- » To install GPS Units in all vehicles / equipment (both departmental and contractual) engaged in coal production / internal transportation of coal / OB removal work for their real-time monitoring. Tender for finalizing rate contract to cater the requirement for next 3 years for 3483 GPS Units has been floated.
- » Firewall based access control mechanism has been established by 30.11.2015

23. TELECOMMUNICATION

1. Mobile CUG facility has been provided to all the Executives and JCC Members, Key Staffs, Railway sidings, Security Personnel of MCL serving at different units of the organization all over the state of Odisha. This has enabled 24x7 unlimited communications among 2000+ Executives, JCC Members, Key Staffs, Railway sidings, Security Personnel etc. at minimum cost engaged in Mining, Dispatch, Engineering and other activities and thereby substantially reinforcing the communication infrastructure of MCL. Action has also been initiated to rope in Rescue Brigade Personnel and Drivers of Mines Rescue Stations of MCL under the CUG net.
2. The IP based Wide Area Network (WAN) installed covering almost all the units of

MCL, is being widely and successfully used for different activities like Finance, Personnel, Sales, Systems etc. for online data communication, facilitating management for various activities of the organization. Efforts have been taken up for increasing the use of the network for more sophisticated purpose like ERP, e-Surveillance and various online activities etc.

3. VHF communication is installed in different mines for communication at the Projects up to the Coal Faces.
4. WiMAX Internet facility has been provided to all the Road weighbridges of MCL being used for Road sale to enable generation of online e-transit pass for the trucks to be dispatched. WiMAX Internet facility further extended to In-motion Road Weighbridges for Weighing and other related data transmission to Central Server at MCL HQ.
5. For enhancing the internal communication facilities at Projects, added/replaced EPABX Exchanges at Lajkura, Nandira and Bhubaneswari Projects. Procurement of EPABX Exchanges as replacement for Ib Valley Area Office, Samaleswari OCP and Kaniha OCP are also under process for better communication facility in the mines.
6. CCTV Surveillance System at Office Campus of MCL HQ, Jagruti Vihar has been installed to enhance the security of the Corporate office. Work order for installation of CCTV Systems at all Regional Stores and Central Workshops of MCL been placed. Initiatives have also been taken for installation of CCTV Surveillance system at various entry/exit points and explosive magazines of mines.
7. Being an obscured place, for recreation of the employee at MCL HQs., Cable TV service with about 700 connections at the residence of staffs and executives of MCL HQ and other places, covering both Jagruti Vihar and Anand Vihar has been arranged and maintained by the Deptt.,. The same has been upgraded to Digital mode for better viewing experience.
8. Supply Order for 30 line underground communication system, one number each for Mine no. 4 of Orient Area and Nandira Colliery of Talcher Area have been placed for improving Under Ground Communication.
9. Video Conferencing System has been installed at MCL HQ for Video Conferencing over the Private Network of CIL as well as over Internet, enabling quick and collaborative decision making among key management personnel and saves time and travel as well. Steps are being taken to extend Video Conferencing facilities to MCL Areas and other MCL establishments also.
10. In-line with the Digital India Programme of Government of India and the HR Vision 2020 of CIL, Aadhaar Enabled Biometric Attendance System has been installed at MCL HQ to ensure punctuality among employees and steps have also been taken to bring all the employees of MCL in the Biometric Attendance System.

24. DEVELOPMENT OF ANCILLARY INDUSTRIES

MCL is committed to provide self employment opportunities to the local budding entrepreneurs through the process of ancillarisation and provide a sustainable business to them by

apportioning a substantial share by revenue in the areas of Stores / Consumable / Repairing etc.

For the above cause MCL has full-fledged MSME-Ancillary Development Cell which is committed for the following activities:

- Undertakes, allows & encourages all endeavours to explore and develop the potentialities of the small scale industries in its operational jurisdiction within the state of Odisha.
- To improve the availability of spares, import substitution for meeting the growing demand of MCL, with the help of Directorate of Industries of the State and D.I.C's.
- A broad outlook to create scope of increased self-employment and thus self-dependency amidst the young population of the locality of State.
- Prosperity of General masses, in the state and elevation of this state in the industrial map of the nation, and adjusting the industrial products of the S.S.I. Units of this state to reach the new dynamics of achieving the GLOBAL COMPETITIVE STANDARD.

Since inception of the Company, MCL has helped and developed SSI units of Odisha. SSI units were awarded proven / provisional ancillary status for various consumable spares / items and service related jobs directly linked to production processes involved in engineering and mining section of MCL.

Further in its continued efforts in keeping alive these ancillary units, MCL has been giving sustainable business to those

ancillary units who are committed to quality supply of materials and maintaining prompt delivery schedules. After reviewing the performance of the ancillary units, their cases are considered for renewal of ancillary status. As on 31/03/2016, approximately 30 SSI units (ancillary units) have got extension of validity of ancillary status based on merit and actively participating in the procurement process of MCL and supplying various quality ancillarised spares to the user areas. There are 49 ancillarised items identified by MCL.

MCL has been continuously keeping track with the ancillary units and trying to redress their grievances from time to time by conducting interactive sessions/ meetings.

In the year 2015-16, MCL had actively participated in the following events in the various places of Odisha to help in strengthening the entrepreneurship in the state of Odisha:

1. 29th Annual State Level Convention and Seminar on National Vendor Development Programme-cum-Buyer-Seller meet with Mother Plants organised by Odisha Assembly of Small and Medium Enterprises (OASME) on 12/08/2015 at Rourkela and sponsored Rs. 1.00 Lakh only.
2. MSME Summit-cum-EXPO-2015 organized by ICC (Indian Chamber of Commerce) on 16/10/2014 at Bhubaneswar and sponsored Rs. 2.00 Lakhs only.
3. Organized Vendor Development Programmes at MCL HQ by departments like E&M, MM, Civil and CMC and Bidder's

meet along with IEMs in the Vigilance Awareness Week from 26th to 31st October'2015.

4. MSME-EXPO Odisha-2015 organized by MSME-DI, Cuttack from 16th to 18th December at Cuttack and sponsored Rs. 1.00 Lakh only.
5. Odisha MSME Trade Fair 2016 organized by Directorate of Export, Promotion & Marketing from 08th to 14th January, 2016 at IDCO Exhibition Ground, Unit-III, Bhubaneswar and sponsored Rs. 5.00 Lakh only.
6. National Vendor Development Programme-cum-Industry Exhibition & Buyer Seller Meet "EXPO ODISHA 2016" on 23/01/2016 at ITI Ground, Balasore and contributed Rs.25,000/- towards participation fees.
7. State Level Vendor Development Programme on 24th February, 2016 at National Institute of Technology, Rourkela and deliver a talk on "Scope of MSMEs as Vendor with Mahanadi Coalfields Limited".

The Salient Features of Policy followed by MCL are

A new policy for Micro and Small Enterprises (MSEs), MSEs Order 2012 issued by Secretary to Government of India, Ministry of Micro, Small and Medium Enterprises (MSME) vide DO 21(1)/2011-M.A dated April 25,2012 had been received. Implementation of this policy has become mandatory from the year 2015-16. MCL had framed and implemented this policy along with existing ancillary policy w.e.f. July 2013. New Procurement Policy for MSEs and Ancillary followed by MCL is available in MCL Portal under heading Ancillary and MSEs. [http://](http://www.mahanadicoal.in/About/pdf/ANCILLARY_POLICY.pdf)

www.mahanadicoal.in/About/pdf/ANCILLARY_POLICY.pdf

Procurement of minimum of 20 percent shall be made from MSEs, of total annual purchases of products produced and services rendered by MSEs. Out of 20 per cent of annual procurement from Micro and Small Enterprises, a 20 percent (i.e., 4 percent out of 20 percent) shall be procured from Micro and Small Enterprises owned by the Scheduled Caste or the Scheduled tribe entrepreneurs.

In tender, participating Micro and Small Enterprises quoting price within price band of L1+15 percent be allowed to supply a portion of requirement by bringing down their price to L1 price in a situation where L1 price is from someone other than a Micro and Small Enterprise and such Micro and Small Enterprise will be allowed to supply up to 20 percent of total tendered value.

To reduce transaction cost of doing business, Micro and Small Enterprises shall be facilitated by providing them tender sets free of cost, exempting Micro and Small Enterprises from payment of earnest money.

Procurement of 358 items from Micro and Small Enterprises, which have been reserved for exclusive purchase from them. For implementation of the new policy, a standard NIT has already been implemented where only MSE firms can participate & offers from other than MSEs will not be accepted.

It may be mentioned here that MCL has a policy to go for e-tendering for tenders having estimated value more than 2.00

lakh and is open to all including MSEs provided they meet the eligibility criteria. As on 31/03/2016, already 73 number of MSEs of inside Odisha and 748 number of MSE's of outside Odisha are registered in the e-procurement portal of MCL and MCL had placed orders for MSEs for more than 270 items in last three financial years.

MCL's Annual Procurement and percentage of Procurement from MSEs for the last three years are given below:

	2013-14	2014-15	2015-16
Total Annual Procurement (In lakhs)	10030.00	7050.00	8872.01
Total Purchase from MSEs (In lakhs)	2254.82	2236.83	2174.09
% Purchase from MSEs out of total procurement	22.48	31.72	24.50

MCL is continuously achieving the minimum 20% target starting from the year 2013-14 and also committed to maintain the trend in future. Policy entails about achieving 20% of the total annual purchases of the products or services produced or rendered by MSEs which has been successfully achieved.

To achieve 20% target & to improve it further, MCL is continuously monitoring procurement process, updating of database of bidders in e-procurement portal, interaction with stakeholders.

25. HUMAN RESOURCES MANAGEMENT (HRM)

Mahanadi Coalfields Limited values its Human Resources the most. Your company strongly believes that its success is not attributable solely to its strong market position but to its Human Capital, who are the most valuable assets playing an equally important role for success of the organization. Managing Human Capital

effectively and efficiently to face the dynamic challenges on the fronts of knowledge, Technology and changing trends in global business scenario is given highest importance for achieving organizational excellence and sustainability. To keep their morale high, your company extends several welfare benefits to the employees and their families by way of comprehensive medical care, education, housing and social security.

All the 22397 Employees of MCL (as on 31st March, 2016) dedicated themselves, working against all odds of natural calamities, for the excellent performance of your company during the year to make it India's largest coal producing company with highest ever record productivity of 137.90 Million Tonnes of Coal production, 98.42 M.Cum of OB removal and 140. 22 Million Tonnes of Coal Dispatch in the financial year 2015-16.

To achieve sustainable growth and to foster motivational climate, several initiatives were undertaken in HR area during the year. The thrust on rationalization of manpower continued during the year. Manpower strength of your company as on 31st March, 2016 was 22397 comprising 1861 Executives and 20536 Non-Executives. During the period, 1252 persons joined your Company by way of fresh recruitment, transfer, reinstatement, etc. and 1114 persons were separated by way of retirement, transfer, ESS, resignation, death, etc. The reason behind difference in manpower with respect to last year is on account of providing employment to the Projected Affected Families as per the R & R policies in vogue & Recruitment through campus selection by CIL. The total manpower strength of the Company stands at 22397 as on 31.03.2016 against 22259 as on 31.03.2015.

The HRM Performance of your Company under MoU 2015-16 is mentioned below:

1. Training in Risk Management: Against the given target of making 10 Nominations for achieving excellent rating, 14 Nominations were made for attending Training in Risk Management i.e. 140% Achievement.
2. Skill up-gradation programme of 5 Days duration for each employee: Against the given target of 35% of total employees to be covered under this program for achieving excellent rating, 43% of total employees were nominated for Skill up gradation training programs i.e. 123% Achievement.
3. Health screening test for respiratory diseases for Employees: Against the given target of 33% of total employees to be covered under this program for excellent rating, 51% of total employees have undergone Health Screening Test for respiratory diseases i.e. 155% achievement.

25.1 Industrial Relations:

As a leading industrial establishment, the Company has maintained healthy cordial industrial relations with its workers' representatives for creating harmonious working environment in the organization. It has also maintained friendly relation with outside agencies and adjoining villagers of the mining vicinity.

Harmonious relation between management and employees is pivotal for achieving higher growth and as such, the company always emphasized on maintaining good industrial relations. This

year too, MCL has been successful in maintaining the industrial relations harmoniously with the three tier IR system mechanism i.e. at Unit level, Area level and Corporate level. Depending upon the issues and delegation of power, the grievances/demands of employees were resolved at different levels of IR system.

Barring one strike held on 2nd September, 2015 by Four Central Trade Unions there were no strikes during the year 2015-16 reflecting the strong relationship between the Management and Trade Unions.

The efforts of all four operating Trade Unions were highly appreciable for maintaining high standards of Industrial Relations with the management.

25.2 Participative Management:

Employees' participation in decision making in day-to-day affairs as well as corporate planning up to a certain level with the management, paves the way for achieving corporate goal. MCL, your Company, knowing the values of participative management has adopted the principle since its inception.

Trade Union representatives are nominated by operating trade unions (covered under IR system) to represent in JCC and Welfare Board. In addition to the said bipartite forums, Tripartite Safety Committees at the Area as well as Corporate level are also functioning in which representatives nominated by operating Trade Unions are included. The above said bipartite and tripartite committees were actively involved in assisting the Management to take certain decisions and resolving problems.

MCL believes in developing work culture, amicable environment and solidarity among its employees not only through participative management but also by imbibing best practices such as employee engagement. Inter-Directorate cricket tournament was conducted in the 2nd week of November, 2015, with the participation of officers, employees and contractual workers, which not only helped to relieve the monotony and stress of daily work by rejuvenating the employees but also helped in developing and recognizing leaders and the importance of team work.

MCL recognizes the importance of gender sensitivity and takes special care for protecting the interests of its women employees and addressing issues/grievances raised by women employees. To promote the development and growth of women so that they will continue to make best use of opportunities, emerge more confident and contribute effectively to the process of inclusive growth, MCL has facilitated for networking, exchanging information and ideas through participation of its women employees in trainings and seminars in WIPS (Women in Public Sector) forum.

Regular structured meetings related to IR, Welfare, Safety, JCC etc. were held at Company level / Area level / Project level in 2015-16 wherein various matters regarding employee welfare, safety and employee grievances were discussed with the Union representatives and problems were amicably sorted out. In the course of such discussions, many new

ideas and suggestions were also generated for improving work processes and for the betterment of day-to-day affairs of the organization.

In addition, meetings with Coal India Schedule Caste/Scheduled Tribe Employees' Association (CISTEA) were held at Area/HQ where the grievances of employees belonging to SC/ST communities were discussed and steps were initiated to resolve the grievances amicably.

One member of SC/ST Association has been included in the following forums at Unit/Area/HQ level, heralding a positive step towards participative management:-

- i) House Allotment Committee
- ii) Area Joint Consultative Committee
- iii) Corporate Joint Consultative Committee

25.3 Training and Development

Training & Development is an integral part of our company's corporate policy to deal with the development of existing Human Resources as well as to look ahead with clear perspective with special reference to technological advances and growth of manpower to fulfill the demand of production vis-à-vis technology.

To cope up with the task emerging from strategic plan, Annual HRD plan is worked out every year to integrate HRD efforts in all the three in-house training centres i.e (Management Training Institute, (MTI) Burla, Belpahar Training Institute (BTI) at Belpahar Lakhanpur Area, Mining Engineering & Excavation Training

Institute (MEETI), Talcher & 5 Vocational Training Centre (VTC) located in different areas in following three segments.

Training Details for the year 2014-15 & 2015-16

SI No	Employees	Year 2014-15	Year 2015-16
1	Executive	1040	724
2	Supervisor	676	1606
3	Worker	4211	6501
	Total:-	5927	8831

External Training Details:-

SI No	Employees	Year 2014-15	Year 2015-16
1	Executive	801	726
2	Supervisor	116	81
3	Worker	49	62
	Total:-	966	869

Internship Training to students of various Educational Institutes:-

SI No	Employees	Year 2014-15	Year 2015-16
1	Mining Engineering	200	215
2	Mining Diploma	812	1064
3	B.Tech	190	202
4	MBA	46	83
5	Others	71	55
	Total	1319	1619

Post Diploma Practical Training (PDPT) :-

SI No	Employees	Year 2014-15	Year 2015-16
1	OSME,Keonjhar	33	29
2	KIMET,Chhendipada	10	38
3	PCIET,Angul	30	36
4	PMIT,Angul	11	14
5	KSE,Keonjhar	5	11
	Total:-	89	128

Training Imparted to MCL Board Members:-

Year	No.of Training	Within India	Foreign
2014-15	2	4	-
2015-16	8	8	-

Training Man day's Achieved in the year 2014-15 & 2015-16:-

SI No.	Employees	Year 2014-15	Year 2015-16
1	Executive	7156	7792
2	Supervisor	4135	9456
3	Worker	32780	49714
	Total	44071	66962

Specialised Training Programme as per MoU Year 2015-16:-

SI No	Type	Executives Trained
1	Project Management	18
2	Contract Management	17
3	Risk Management	14
4	Environment,Forest Mgt. & landAcquisition	14
5	AMP(Advanced Management Programme).	5
6	Simulator Training	17

In 2015-16, 43% of employee have given Skill upgradation programme of 05 days duration..

Management Development Institute at Bhubaneswar(MINREM):-

MCL has taken up such a large initiative to cater to the growing & emerging developmental needs of the executive population, within the coal sector. The upcoming facility at Tomando, Bhubaneswar aims at multifarious activities like Training & Development, R&D , consultancy, & General educational Programmes. Competency gaps arising out of introduction of new Technology, diversification of Business, and superannuation of executives can be replenished at a faster rate through structured HRD interventions for which the Institute is poised.

MCL Institute of Natural Resources and Energy Management (MINREM) solely promoted and fully funded by MCL to come out as a world class Institute in the capital city of Bhubaneswar has

been registered by the Inspector General (Registration), Odisha as a Society on 16.01.2015 under the Societies Registration Act, 1860.

Civil construction of the project under the Project Management Consultancy of M/S NBCC is in full swing with completion of its structural part and other parts to follow as per time lines.

As we all know MINREM is responsible for building MCL's talent, it will adapt a through and well-thought-out talent development plan that will help instilling the right values in the organization semerging leaders; keeping them open-minded and curious; building the necessary muscles to steer the Company through competitive storms.

Transformation Training.

Company on a regular basis besides imparting the regular statutory training courses takes interest in providing some specialized training to the employees with an out look to the company's future need and requirement as per the company's corporate plans to make the employees skilled enough to take on the future challenges & take the company towards a new horizon of success.

Training Curriculum:

A. Executive Programme.

General Management Programme. For enhancing the managerial Skill & performance of executives.

Functional programme: For developing Functional Skills.

Cross Functional Proramme: For developing knowledge regarding function of other department. Computer Awareness programme: for efficient and smooth functioning of all related official jobs.

B. Supervisors Programme.

Supervisory Development Programme: For knowledge and skill up gradation. Safety Management for Supervisors: For creating awareness among the supervisors.

Coaching classes for carrier growth like for Overman and Mining Sirdars.

Computer Awareness Programme: For efficient and smooth functioning of all related official jobs.

C. Workers Programme.

Workers Development Programme: For Skill upgradation of workers.

HEMM training: Land oustees are selected for this training to be posted in different mine after proper training.

Safety Awarenessss' programme: to create safety awarenss among workers regarding safety in mines.

Computer Awareness Programme: To handle computer efficiently.

Technical Training:-

It is to provide necessary technical training to the employees working in mines directly or indirectly and also to update them with latest technology if any to be used in mining operation in near future so that capital & technology input to the project through capacity and new equipmment or enrichment in the production process through particular systems in technology could provide appropriate return to the investment. In order to implement the above, employees are exposed through.

Basic Course:-

Appropriate to technology, equipment and system.

Refresher Course:-

Once in three years to those who have already gone through basic course or are already working in specific skill area. Refresher training is also conducted either on the site or in the training centres.

Specialized Course:-

In case of change in technology in equipment, configuration, capacity & improvement in the system of production.

Management Training:-

Executives at each level are provided need based training as per the companies requirement from time to time i.e. entry to the higher level, In house training on various subject of companies interest is imparted at the Management Training Institute, Burla. Besides this the executive are sent to various external organization like IICM, Ranchi, IIMs, IITs, NITs and other renowned training centres in India and Abroad for acquiring new skill and knowledge.

25.4 HR INITIATIVES**1. Mentor – Mentee Scheme:**

In accordance with the CILs scheme of mentor mentee, to ensure high retention rate of new entrants and to develop a pool of trained & committed mentors , a key priority organizational area which will help in building sociological contact with them, MCL has appointed 30 number of mentors from different disciplines for 169 number of mentees (Assistant Manager in E-3 grade) for ensuring their professional growth and development & high potential employees for assuming senior leadership roles.

2. Training Scheme for preparing ‘trainees’ for Mining Sirdar:

A target of imparting training to 30 numbers of persons belonging to SC/ST persons preferably PAPs (Project affected persons) was given by CIL and accordingly Lakhanpur Area has been advised to arrange boarding, lodging, class room, transport etc. for a period 04 years under Corporate Social Responsibility(CSR), for providing training and development training & development opportunities to the wards of weaker section to enable them to become employable .

3. Imparting Training under Apprentices Act, 1961.

- A. Post Graduate Practical Training (PGPT)- 04 posts of PGPT have been notified by BOPT, Kolkata accordingly 03 PGPT have been deployed in Talcher Area.
- B. Post Diploma Practical Training (PDPT) - Earlier quota of 100 posts have been enhanced to 200 posts and accordingly so far 128 number of PDPTs have been engaged for a period 01 year (Talcher Area 69 number & Orient Area 59 number) as on 31.03.16.
- C. 67 number of ITI Passout of Odisha State have been engaged for 01 year Apprentices Training in the following areas-

Sl No	Name of the Area	No. of ITI Passout engaged as Apprentice
1	Talcher Area	27 numbers
2	CWS(X), Talcher	39 number
3	Jagannath Colliery	01 number
	Total	67 number.

D. HR Vision 2020.

Under GENXT Concept in HR Vision 2020, a Central Task force, consisting of 03 dynamic Assistant Manager from different disciplines namely Personnel, Finance & MM has already been constituted.

In Circle Quality & Knowledge Management.

Relevant action has already been initiated in this regard.

25.5 Recreational Activities

In order to induce team spirit and to develop sense of fellow feeling amongst the employees, social, and other Recreational activities are being regularly conducted in different Areas of MCL as well as at MCL HQ. Sports calendar is being drawn-out every year to conduct various Inter Area tournaments for the benefit of our employees. During the year 2015-16 MCL had organized Coal India Inter Company Lawn Tennis & Coal India Inter Company T-20 Cricket tournament. As per the CIL Sports Calendar our teams were deputed to participate in various CIL Tournaments organized at different subsidiaries of CIL. A Run for Excellence was organized on the occasion of Coal India Foundation day & MCL Foundation Day for Gents, Ladies and Children at MCL HQ. The Winners were awarded Prizes. The participants were given T-shirt and Cap in both the occasion containing slogans and logo. A series of Cultural programme, Golf Tournament and other socio cultural activities were organized from 1st April 2015 to 3rd April '2015 covering Utkal Diwas, MCL Foundation day etc. Best Sports persons were awarded prizes on the Miners Day celebration 2015. MCL Mahila Mandal undertook lot of philanthropic works in and around MCL peripheral. Financial assistance has been extended to different

organisation for undertaking recreational and social activities in their Area.

25.5.1 Education:

MCL has rendered Financial Assistance to the Educational Institutions running in and around collieries in the form of Grant-in-aid to 17 nos of privately managed Schools including NK Mahavidyalaya, Talcher. In order to have better educational facilities for our children, 09 DAV Public Schools are functioning in MCL. This includes a DAV Girls High School exclusively for Girls students & provision of smart classes in all DAV Project Schools under MCL. During the year 2015-16, Rs 24, 43,95,000/- (Revenue) was sanctioned for DAV Public Schools towards recurring expenditure and Rs 50,11,440/- has been provided to Privately Managed Schools in the year 2014-15. In addition to above 40% seats were reserved for Wage Board employee wards for admission into IGIT Sarang and OSME Keonjhar (Diploma Tech. Schools).

25.5.2 Scholarship of meritorious students

As per CIL Scholarship scheme employee wards have been awarded scholarship on merit basis. An amount of Rs. 18,94,320/- was provided on this head during 2015-16 to 1170 nos of meritorious students (all are employees wards).

MCL had given financial assistance to employee wards towards cost of tuition fees and hostel rent for Technical and Medical Education. An amount of Rs 21,33,210/- was disbursed under this head during 2015-16 to 86 Nos of employee wards.

Health screening test for respiratory diseases for employees: Total number of screening test for respiratory diseases- 11,377 which is 51%.

26. OFFICIAL LANGUAGE

In order to implement the Official Language policy of Govt. of India in HQs. and Areas of MCL an Annual Programme/Calendar is prepared every year and programmes are being performed as per the calendar.

During the year 2015-16 following programmes/ activities were organized in MCL:

1. Meetings of Official Language Implementation Committee :

Official Language Implementation Committee meetings were held on 30.06.2015, 14.09.2015, 26.12.2015 and 28.02.2016 presided over by CMD, MCL wherein progress of Rajbhasha activities in Areas and HQs. were reviewed and important decisions were taken for smooth implementation of the Official Language Policy of Govt. of India.

2. Rajbhasha Workshop :

Rajbhasha Workshops were organized at MCL HQs and Areas as under:

Total 12 Rajbhasha Workshops were organized in MCL wherein the participants were made conversant with the Rules and Regulations of Official Language Policy of Govt. of India during the workshop. The participants were also practiced Noting & Drafting in Hindi. Total 506 Officers /Staff took part in all the 12 programmes.

3. Meetings of Town Official Language Implementation Committee, Sambalpur :

During the year two half yearly meetings of Town Official Language Implementation Committee (TOLIC), Sambalpur were organized on 30.06.2015 and 27.11.2015 at MCL HQ. . Meetings were chaired by the Chairman of Town

Official Language Implementation Committee (TOLIC), Sambalpur.

To promote the implementation of Official Language in all the member offices of TOLIC, Sambalpur a "Rajbhasha Shield" Competition has been started this year-2015 . Out of 05 Rajbhasha Shields MCL, SBI, Union Bank were awarded- 1st, 2nd, 3rd as well as Doordarshan and FCI were awarded 1st and 2nd Consolation Rajbhasha Shield respectively. Shields were given by the Chairman, TOLIC, Sambalpur during the meeting held on 27.11.2015 .

4. Training of Official Language (Hindi) :

Training of Official Language (Hindi) and Examinations were conducted under the Hindi Teaching Scheme, Govt. of India. Total 293 (May, 2015 session-158 and November, 2015 session-135) employees have passed the examinations under Hindi Teaching Scheme as detailed below:-

Session	Prabodh	Praveen	Pragya	Total
May, 2015	34	50	74	158
November, 2015	49	35	51	135
Total	83	85	125	293

One time lump sum cash awards were given to successful candidates as per circular of CIL. Pragya passed candidates were also awarded with one time cash incentive equivalent to their annual increment, in addition to the lump sum cash award by MCL.

5. Unicode supported Hindi Typing Training on computer :

Programmes for Unicode supported Hindi Typing Training on computer were organized at Management Training Institute (MTI), Anand Vihar, MCL HQ. from 20.07.2015 to 25.07.2015 and again from 08.02.2016 to 13.02.2016,

wherein total 101 employees of MCL were trained.

6. **Rajbhasha Purskar Yojna-2015 :**

To promote and accelerate the implementation of Official Language in MCL, a scheme of “**MCL Rajbhasha Karyanvyan Purskar** “ has been introduced in the year- 2015 . Out of 09 prizes 03 are given to Areas/Units, 03 prizes for Big departments and rest 03 are given to small departments of company HQ. For the year 2014-15 all 09 prizes have been awarded by CMD,MCL on the occasion of Final Day function of Rajbhasha Fortnight-2015.

7. **All India Hindi Hasya Kavi Sammelan :**

All India Hindi Hasya Kavi Sammelan was organized on 29.09.2015 at MCL HQs. on the Concluding-Day function of Rajbhasha Fortnight -2015.

8. **Rajbhasha Awards/Honours :**

- (a) The 1st Rajbhasha Schield was awarded to MCL by the Chairman of TOLIC, Sambalpur for its commendable performance in implementation of Official Language Policy in the Company.
- (b) Executives and Staff of MCL were participated in the various Rajbhasha Seminars organized by Government and different Non-Government Organisations:-
- (c) Executives of MCL were participated in a **Two-days Rajbhasha Seminar** held from 14th to 15th July, 2015 at Bengaluru organized by Rajbhasha Dept., Ministry of Coal, Govt. of India.

Executives of MCL were also participated in **Joint Rajbhasha Seminar & Prize distribution ceremony** of East and North-East Zone

organized by Dy Director(Impl.), East Zone, Kolkata, Ministry of Home Affairs, Rajbhasha Department at Ranchi on 21st January, 2016.

(d) Following Awards/Sammans were conferred to our company MCL and its Officials by Rajbhasha Vikash Sansthan, Dehradun in a Seminar held at Madurai from 14th to 16th October, 2015 for the best implementation of O.L. Policy. The details are as under:-

- ❖ “**Rajbhasha Shree**” to MCL.
- ❖ “**Vishesh Rajbhasha Shree**” to Sri A.N. Sahay, CMD, MCL.
- ❖ “**Rajbhasha Kirti**” to Sri P.C. Panigrahi, Director (Personnel), MCL.
- ❖ “**Vishesh Rajbhasha Kirti**” to Sri G. Dehuri, General Manager (Rajbhasha).
- ❖ “**Vishesh Rajbhasha Vishistata**” & “**Vaigyanic Rajbhasha Vishistata**” to Sri Madhusudan Sharma, GM/TS to Director (Tech./Op).
- ❖ “**Vishesh Rajbhasha Vishistata**” to Sri D. Mehra, PRO.
- ❖ “**Vishesh Rajbhasha Vishistata**” to Sri G.P. Mahapatra,Area P.M., NSCH, Talcher.

(e) Following Awards were also conferred to MCL by Rastrabhasha Swabhimani Nyas, Ghaziabad on different occasions:

- ❖ “**RAJBHASHA UTKRISTA SAMMAN-2015**” on 17.04.2015 in 20th Akhil Bharatiya Rajbhasha Vikas and Samman Samaroh held at New Delhi.
- ❖ “**UTKRISTA SANSTHAGAT SAMMAN**” on 25.10.2015 in the 21st Akhil Bhartiya

Rastrabhasha Vikash avm Samman Samaroh held at Faridabad.

- (f) **“Rajbhasha Shiromany Puskar”** was awarded to MCL by Bhartiya Bhasha avm Sanskriti Kendra, New Delhi in an Akhil Bhartiya Rajbhasha Seminar held at Munnar from 29th April to 1st May, 2015 for the best performance in implementation of Official Language.
- (g) **“Utkrista Rajbhasha Samman”** was awarded to MCL by Rajbhasha Academy, Delhi in the Rajbhasha Seminar held from 4th to 6th August, 2015 at Gangtok (Sikkim).
- (h) **“Utkrista Rajbhasha Anupalan” award was conferred to MCL for the best Implementation of Rajbhasha Act and Rules and “Shrestha Hindi Patrika Puskar”** was also awarded for the House Journal **“Sambalprabha”** published by TOLIC, Sambalpur. Both awards were given by Rajbhasha Seva Sansthan, New Delhi in a Seminar held at Goa from 07 to 09 October, 2015.

9. Hindi Diwas / Hindi Pakhwara :

Hindi Day was celebrated on 14.9.2015 at MCL HQs. and Areas. At HQs. the programme was inaugurated by Sri Dipak Srivastava, IFS, CVO, MCL.

Rajbhasha Fortnight was celebrated at MCL HQs. and Areas from 14th to 28th September, 2015. During the Fortnight various competitions like Hindi essay writing, Debate, Noting & Drafting, and Hindi Typing on Computer were organized for the employees of MCL in which huge number of participants took part.

In addition to the above, Hindi quiz competition was also organized for house wives.

Prizes and Certificates were distribution by CMD, MCL to all winners of Hindi competitions on Concluding-Day function of Hindi Pakhwara held on 29.09.2015 at MCL Auditorium, Jagruti Vihar.

10. Vishwa Hindi Diwas :

Vishwa Hindi Diwas was celebrated at MCL HQs. on 10.01.2016. The programme was inaugurated by Shri A.K. Jha, CMD, MCL. A Rajbhasha seminar was also organized on the occasion. Sri A.K. Tiwari, Director(Tech./Op.), Sri J. P. Singh, Director (Tech./P&P), Sri P.C. Panigrahi, Director(Personnel), Sri B.C. Tripathy, GM (MTI & Rajbhasha), Prof. K.P. Gupta, Ex-HOD(Hindi), G.M. College, Sambalpur, Dr. Shankar Lal Purohit, Ex HOD (Hindi), BJB College, Bhubaneswar, Sri H.R. Pansari, Sr. Manager (Rajbhasha), NALCO participated and addressed the gathering.

11. Purchase of Books :

As per Official Language Policy of Govt. of India, books were purchased of Rs.87785/- out of which Rs.77785/- was spent only for procurement of Hindi and Odiya books which is 88.60% of the total amount spent.

12. Website of MCL :

Website of MCL has been made bilingual and is being updated on regular basis.

13. Rajbhasha Magazine:

3rd issue of two Rajbhasha magazines **“Rajbhasha Jhalakiyan”** & **“Sambalprabha”** have been published during the year 2015-16.

27. Land/ R&R

Your Company is committed to help the Project affected / displaced families for execution of its projects and has been making efforts to improve

the socio economic status of Project Affected Families and also committed for progress with development which amply reflected in its R&R Policy. MCL follows the R&R Policy of the state of Odisha and has provided 307 employments during 2015-16 as compared to 411 employments during 2014-15 and total number of 12163 employments since inception. MCL is acting on the advice of RPDAC towards redressal of grievances related to land oustees. Resettlement colonies have been set up with pucca roads, street lighting, health centres, post offices, daily markets, schools, community centres, worshiping places etc. for the benefit of the land oustees. MCL provides OPD facility to all peripheral villagers in its existing hospitals/ dispensaries available in the Coalfields with free of cost or at a nominal charge of Rs. 2.00 per patient.

Your Company acquires land for expansion of mining activities by providing rehabilitation and resettlement to the affected villagers. During the year 2015-16 MCL has taken physical possession of 290.354 hectares of land.

28. CORPORATE SOCIAL RESPONSIBILITY

Large population of India are deprived of basic amenities giving ample scope to create lasting impacts and abundance of areas to improve the society. As a good corporate entity MCL is taking up different Socio-Economic Development works through its well defined CSR Policy introduced since year 2010-11 to cover maximum nos. of beneficiaries of the poorest section of society. Since its inception the Company has taken up various activities extending financial assistance for Water Supply Schemes, construction/repair of public utility

roads, construction of community centre, check dams etc. through infrastructure development, social empowerment through Girls education, imparting training to weaker section and vocational training to un-employed youth/PAPS, render preventive health programme, village health programme, family welfare programme and medical facility to peripheral villages through mobile medical van on regular basis.

The need assessment is the main criteria for taking up CSR activities. State Govt./ District Administration bring out the need of society for which MCL reacts positively.

During report period, under Swachh Vidyalay Abhiyan, MCL took up the dream project of Hon'ble Prime Minister of India by undertaking the construction of School toilets in the State of Odisha. MCL took up construction of 10,546 nos. of School toilets in various districts of Odisha.

MCL emphasised on sensitisation capacity building and advocacy issues within the organisation, especially those involved in the day to day operations of the core business, through conducting regular training programme, Discussions, Seminars etc.

MCL has allocated Rs. 112.97 Crore for the year 2015-16 @ 2% of the Net Profit based on the average last three years towards CSR activities as per CIL and MCL's CSR policy.

MCL has taken ambitious steps to widen and broaden the CSR activities. The expenditure in the financial year 2015-16 is Rs. 184.64 Crore and the major activities are in progress.

Your Company has complied with CSR provisions as per Companies Act, 2013.

Pursuant to Clause (o) of sub-section (3) of Section 134 of the Act and Rule 9 of the

Companies (Corporate Social Responsibility) Rules, 2014 necessary disclosure as required by the Statute is enclosed as **Annexure-I**.

29 GENDER BUDGETING

Your Company strongly believes in Gender Budgeting as a powerful tool for achieving gender mainstreaming so as to ensure that benefits of development reach women as much as men. At MCL, it is not an accounting exercise but an ongoing process of keeping a gender perspective in policy/programme formulation, its implementation and review. As on 31st March 2016 total Women employees' strength was 1730 which constitute 7.7% of MCL's total workforce.

Out of its social responsiveness, your company has always shown its sensitivity to Gender specific issues within and beyond the company and tried to address them through best possible efforts. Few examples are stated below:

- Stimulating the women in Public Sector (WIPS) forum, MCL Branch to function in an active manner with its members participating in seminars and conferences within and outside company for wide exposure and knowledge enhancement.
- Maintenance of Gender specific database of the workforce.
- A complaint committee has been formed to address complaints lodged by women employees in an appropriate and timely manner.
- Granting Child Care Leaves to eligible Women employees as per CIL Rules & Regulations.
- Relaxation of age for employment to female spouses of employees dying in mine accidents.

- Encouraging Women employees to participate in Industrial Relations meetings held between Management and Trade Unions for representation and addressing women related issues.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

"The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

No. of complaints received : Nil

No. of complaints disposed off : Nil

30. Public Relations

Your company has a very proactive approach towards keeping its stakeholders informed and updated about the happenings/events in the organisation as well as its stand on various issues related to business operations.

We have continued to strengthen our bond with the internal as well as external publics by strategically planned communication. We maintain a very healthy professional relation with the members of the Fourth Estate. We consider mass media as a force multiplier that helps in accomplishing various business-related as well as social and developmental initiatives of the company.

A special emphasis has been laid on building a humane image of the company that not only contributes about 25 per cent to the total out

put of Coal India but has also brought visible advancement in the common lives, particularly in the peripheries under MCL Command in Odisha.

A dedicated Team PR (Public Relations) by engaging electronic and print media through press conferences as well as arranging exclusive interviews of the top management people by senior journalists ensures that the stakeholders are well informed. Increased flow of information from the company in the form of press statements on various events, activities and achievements of the company has provided widespread publicity to the company's initiatives and successes.

The company's PR continues to be proactive towards ensuring conducive environment for business operations in the wake of crisis by mobilising turbulent conditions in favour of company through strategic communication.

It was a very eventful year 2015-16 for Public Relations as it produced four documentary films – '*Mining Coal With Green Thoughts*' (Environment), '*Sharing Smiles*' (CSR), '*A Coal Miner with the Difference*' (Corporate Film) and '*Digital Vigilance - IT in Fighting Corruption*' – and all these films win accolades at professional arenas. MCL's documentary on technological advancements in the business operations '*Digital Vigilance—IT in Fighting Corruption*' represented Coal India in a special programme telecast on DD National during Vigilance Awareness Week 2015.

Your company swept three First Prizes at prestigious PRSI (Public Relations Society of India) National Awards 2015 in the categories of Corporate Film, CSR and Childcare Project, whereas all four entries of MCL in film categories

won Corporate Collateral Awards 2016 at 10th Global Communication Conclave of Public Relations Council of India (PRCI) in Kolkata.

The company participated in various exhibitions held at Cuttack and Bhubaneswar by setting-up of exhibits to showcase its operations and achievements.

Besides a bi-lingual quarterly news magazine "The Mahanadi" for internal circulation, your company's presence in social media through facebook page [www.facebook.com / mahanadi.coalfields](http://www.facebook.com/mahanadi.coalfields) and YouTube channel Mahanadi Coalfields is increasingly engaging general people, especially the veterans and current employees of the company.

Your company has continuously been involved in generating awareness on social issues, like AIDS, '*Beti Padhao*', '*Swachh Bharat*', etc. through supporting events, printing, publishing and circulating creative content among masses.

To generate positive public opinion and goodwill for the company, corporate advertisements are released to electronic and print media on various occasions. We have also sponsored several events of cultural, educational/training importance, focusing on promotion of Skill India initiative of the central government.

31. CAPITAL INVESTMENT ON SOCIAL AMENITIES

Details of Capital Investment on Social Amenities as on 31.03.2016 vis-à-vis 31.03.2015 is briefed here under :

(Rs. in Crore)

Sl. No.	Particulars	Gross Value of fixed Assets	
		As at 31.3.2015	As at 31.3.2016
1	Buildings	404.12	363.38
2	Plant and Machineries	73.91	72.58

3	Furniture, fittings and equipment	8.90	8.69
4	Vehicle	7.55	7.15
5	Development	9.24	9.24
	Total	503.72	461.04

32. VIGILANCE ACTIVITIES AND ACHIEVEMENTS

The mainstay activities of Vigilance Secretariat of the MCL has been Preventive, Pro-active and Pre-emptive vigilance besides Punitive actions for those cases where clear cut malafide intention was found evident from the relevant records. Preventive and Pro-active vigilance measures inter-alia include systemic improvements, creating vigilance awareness, sensitizing employees & various stake-holders of the company, implementing e-initiatives and implementing the orders, circulars, advisories issued by the CVC, New Delhi, Ministry of Coal, New Delhi and Coal India Vigilance Division from time to time. The main focus of the Vigilance Secretariat of the MCL has been on preventive Vigilance through the use of leveraging technology. Systemic improvements are being suggested in the identified vulnerable area of corruption in order to minimize the human interface in business transactions of the Company. During the current financial year, as a preventive, predictive and pre-emptive vigilance measures, frequent surprise inspections have been made under the guidance of CVO to identify the irregularities in various field operations as well as in due system and procedures. In addition, awareness on vigilance and anti-corruption issues amongst the employees was also on the

priority agenda which inter-alia includes newly inducted Management Trainees, Vendors, Students and common citizens through interactions/ Seminar.

32.1 Preventive Vigilance:

(a) Inspections:

During the financial year 2015-16, 59 surprise inspections and 22 regular inspections have been carried out. The major focus of such inspections has been on streamlining of system/procedure to bring in fairness and transparency in the field operations. Surprise Check of various field operations like SILO construction site, quality check of coal stock yards, e-surveillance units, In-motion weighbridge calibration, delay in closure of contracts, coal transportation, road sale related activities, irregularities noticed in departmental OB production, geo-fence violations etc. had been done leading to various systemic improvements in the form of issue of circular instructions, guidelines and recommendations of punitive action wherever found necessary.

(b) Systemic Improvement:

On the directives of CVC, New Delhi issued from time to time, preventive, predictive and pre-emptive vigilance has been the mainstay of the functioning of the Vigilance Department.

1. During the day-to-day monitoring of the working of various In-motion Road Weighbridges in the recent past, it was found that only 08 In-motion Road Weighbridges were in the functional mode

on any day. The main reason behind non-functioning of In-motion Road Weighbridges was non-finalization of the AMC. In this regard, the CEO of the Company was advised to sort out the matter at the earliest to ensure generation of the production report through In-motion Road Weighbridges from 01.04.2014 vide Vigilance Secretariat's ref. No. 352 dated 27.02.2015.

Subsequently, the AMC was finalized by the Company for 34 nos. of In-motion Road Weighbridges resulting in increase in the availability of In-motion Weighbridges. This has led to 100% weighment of coal tippers.

2. There have been several instances where bidders have been quoting abnormally low rates (ALR)/unworkable rates and the tenders are being finalized considering the same rate as L-1. It was a fact that award of work at ALR served as a serious impediment in execution of the work as per the required specifications and somewhere the faulty estimate preparation was also the reason behind the award of the work to the contractors at the abnormally low rate. As per the Civil Engineering Manual (CEM), security deposits against ALR were being taken from the bidder as a safeguard to make the bidder duty-bound for successful completion of the work. But in Contract Management Manual (CMM), no such provision was there for which the bidder who was quoting abnormally low rate/unworkable rate thus increasing the probability of poor quality work or failure of the contract.

Similarly, in case of the tenders pertaining to loading of coal w.r.t. road sale, the work was awarded at unworkable rates in the past in Basundhara Area. The estimate for the said work was based on the last awarded rates for similar works as per the decision of the MCL Board in its 91st meeting held on 28.09.2007 which was also an unworkable rate.

In order to deal with aforementioned exigencies, the following system improvement measures were suggested vide Vigilance Secretariat's ref. No. 551 dated 26.03.2015 to the CEO of the Company:

- i) The engagement of departmental pay loaders may be explored for loading of road sale trucks avoiding the contractual mode of work at an unworkable rate. In case the situation becomes unavoidable and the work is to be taken up contractually, there should be a mandatory provision in the NIT that the L-1 bidder who has quoted unworkable rates/abnormally low rate should give an affidavit to the extent that the contractor shall not adopt any unfair means and shall not indulge in any corrupt practices and failure to do so, shall make him liable for termination of contract and banning from participating in future tenders for 03 years in the MCL.
- ii) The decision taken in the 91st meeting of the MCL Board during the year 2007 regarding preparation of estimate basing upon the lowest rate of the Area needs to be reviewed keeping in view the fact that sometimes the awarded rates becomes

unworkable rate and preparation of the estimate based upon these rates may not stand justified. Therefore, the tenders need to be floated on updated cost and abnormally low rate/high rate need to be identified, if the rate quoted by the bidder was found 20% lower/higher than the updated cost.

Subsequently, the action has been taken for procurement of departmental pay loaders.

3. The CVO, MCL had been to Bangalore on 10.04.2015 to have a first hand knowledge on Land Information System and R&R issues adopted by Karnataka Government as Project “e-Bhumi”. After discussion with the officials of the Forest Department and Institute of Remote Sensing, Bangalore, regarding the digitization of cadastral map, land information data etc. which are the pre-requisite steps to develop a similar project for the MCL where the land information system could be put in place for the purpose of having consolidated land repository data at one place.
4. A complaint from Maya Fan Air Engineering Pvt. Ltd of Dewas, Madhya Pradesh was received in the Vigilance Secretariat on 24.04.2015 relating to pending of balance 20% of the payment and the release of PBG. The firm alleged that the MMV fan complete with electrical fittings had been supplied by them to the Talcher Area on 28.02.2013 against the supply order No.94 dated 30.03.2012, issued by the MM Department, MCL HQ. The matter was examined in Vigilance

Secretariat and it revealed that the payment of 80% of the basic cost of the equipment alongwith taxes had already been made to the party through e-mode as per the terms of the Supply Order. The firm had not received the balance 20% payment and Performance Bank Guarantee (PBG), even after the lapse of 07 months from the expiry of the scheduled guarantee/warranty period of 18 months. After the intervention of the Vigilance Secretariat, the PBG was released on 30.04.2015.

Thereafter, it was felt by the Vigilance Secretariat that there might be few more pending cases of similar nature where PBG have not been refunded by the concerned department even after the expiry of the scheduled guarantee/warranty period of 18 months from the supply of the material. Further, discreet enquiry in this matter had also revealed that in few cases, the material supplied by the Supplier had not been consumed by the concerned department leading to non-issuance of the satisfactory performance certificate by the concerned technical department leading to subsequent withholding of the PBG of the Suppliers. In order to prevent any sort of harassment of the suppliers, if any, the CEO of the Company was advised vide Vigilance Secretariat's ref. No. 1005 dated 25.05.2015 for issuing necessary directives to the concerned authorities for expediting the release of pending PBGs as also to upload all the pending PBGs on the Coalnet for its real time monitoring.

5. A joint inspection of a road work was carried out in the B-G Area containing hidden items. During inspection, it was revealed that proper records were not maintained by the executing authorities to justify the details of the items executed on a particular chainage of the road. No benchmark study had been done during the preparation of the estimate as well as before the actual execution of the work. Therefore, the following systemic improvement measures were proposed by the Vigilance Secretariat to the management -

- a. Proper record keeping before and after execution of the work is required to be maintained to avoid any manipulation/false payments.
- b. Whenever works for repairing and strengthening of black topped coal transportation road are being executed, the same is required to be supported by benchmark photographs and Video recording justifying the existing bad condition of the road and volume of the work executed.

Accordingly a circular No. 540 dated 04.06.2015 for implementation of above suggestions was issued by the GM(Civil), MCL HQ.

6. Observing the inordinate delay of movement of files relating to closure of contracts, procurement, dependent employments etc. a systemic improvement measure was proposed to the Management vide Vigilance Secretariat's ref. No 1483 dated

24.07.2015 that the cases and the files which are being kept pending for indefinite period, it should be recorded as Lie Over Till (LOT) on that particular file with a valid reason duly approved by the concerned HOD so that such files are constantly monitored on periodic intervals for its quick disposal.

Consequently, the file tracking system was put in place w.e.f. 15.08.2015 on the Coalnet and the management took steps to route the files through File Tracking System.

On test checking, the Vigilance Secretariat found that the implementation of FTS was not satisfactory and still large no. of files were not being routed through FTS. Hence, another advisory vide Vigilance Secretariat's ref. No. 2549 dated 26.12.2015 was also sent to the CEO of the Company for routing all the files through FTS. Accordingly, orders have been issued by the D(F) and D(P) to process all the files through FTS only.

7. Taking a note of the situation regarding the non-receipt of utilization certificates for a huge amount to the tune of '134.11 Cr, an advisory note was sent to the CEO of the Company vide Vigilance Secretariat's ref. No. 1380 dated 14.07.2015 that an independent audit which had earlier been proposed, may be expedited for ensuring the receipt of utilization certificates certifying utilization of fund for the specified purpose by the various Agencies. In addition to this, it was suggested that the release of CSR Fund may be done in two installments which can

be released in phases after receipt of UC's for the first installment.

Accordingly, the above suggestion has been implemented and CSR fund is being released in 03 installments of 30%, 30% & 40% after receiving UC's of atleast 70% of the fund utilization before issuing 2nd and 3rd installments.

8. Recognizing the fact that the eligibility condition/pre-qualification criteria which were framed during the year 2006 for extraction of coal by Surface Miner for the coal cutting, loading and transportation works had become outdated, an advisory was sent to the CEO of the Company vide Vigilance Secretariat's ref. No. 1517 dated 29.07.2015 to revisit the pre-qualification criteria/eligibility criteria in case of tender for extraction of coal by Surface Miner, loading and transportation. The Management was advised to frame the pre-qualification criteria keeping in view the CVC guidelines and taking into account the criteria adopted by the other subsidiaries like CCL/SECL/BCCL. Further, the CTE recommendation made up of a detailed inspection of a contract in the year 2009 also brought to the notice of the Management for taking necessary action in this regard.

Accordingly, the above suggestion was implemented and the pre-qualification criteria/eligibility criteria for extraction of coal by Surface Miner, loading and transportation was modified with the approval of the MCL Board held on 21st September 2015.

9. A suggestion was given to the CEO of the Company vide Vigilance Secretariat's ref. No. 1780 dated 13.09.2015 for constituting a committee, consisting of senior officers for redressal of grievance of a service provider engaged for providing recruitment services and assisting in recruitment process of the MCL for the post of non-executive cadre employees, with regard to release of its payment towards the service provided to the MCL.

Accordingly the Management constituted a Committee vide No.3668 dated 19.09.2015 issued by the Manager (Sect/ RB) to the D(P), MCL and the committee submitted the report/recommendation on 25.09.2015 and the payment to the service provider was released based on the recommendation of the Committee.

10. In order to broaden the scope of the tender for construction of SILO with pipe conveyor, capacity 10 MTY in one of the Project Areas of the MCL so as to attract more participation and competitive rates and also to ensure fairness and transparency in the tendering process, a suggestion was made to the CEO of the Company vide Vigilance Secretariat's ref. No. 2049 dated 20.10.2015 for suitably modifying the eligibility criteria w.r.t. work experience and timeline.

Accordingly, the above suggestion was implemented by the management and the broad PQ criteria has been adopted so as to attract more participation and competitive rates and also to ensure

fairness and transparency in the tendering process.

11. Under the skill development programme, MOUs were signed between the MCL Management and other educational institutions in Odisha for imparting education and technical training to the land oustees who have been offered appointment in the MCL. After inspection in some of the institutions by the Vigilance Team, certain shortcomings were noticed in the implementation of the MOU. In this regard, the CEO of the Company was advised vide Vigilance Secretariat's ref. No.2400 dated 09.12.2015 for taking immediate corrective measures ensuring that the Company's unskilled manpower are properly and adequately trained without wastage of Company's resources.

As a result, the management has increased the number of regular/surprise inspections at these institutes and steps have been taken to ensure the compliance of the clauses of the MOU signed between the MCL and the Institutions.

12. While the main objective of Operator Independent Truck Despatch System (OITDS) was to eliminate over reporting of Over Burden Removal and to monitor the performance of Dumper as well as the operators, its partial utilization has been defeating the basic objective of introduction of the system with huge financial expenditure. In order to yield the desired results w.r.t. departmental OB removal, the CEO of the Company was

advised vide Vigilance Secretariat's ref. No.2540 dated 24.12.2015 for taking appropriate measures regarding effective utilization of the OITDS for improving departmental OB production.

1800 coal tippers transporting coal to the railway sidings, CHP & stock-yard throughout the MCL Mine Areas have been fitted with GPS-VTS to prevent theft of coal from the coal mining projects of the MCL. In addition, a proposal for procurement of 3500 VTS for installation in all HEMMs including all OB carrying dumpers and coal tippers is with MM department for uploading the same on e-procurement portal. A dedicated portal i.e. www.mclvts.in has been developed for monitoring of Vehicle Tracking System.

13. Pitfalls were observed in the delay of around 18 months for execution of the agreement with the selected L-1 party from the date of issuance of the Lol for the construction of Washery in Basundhara Area on Built-Own-Maintain (BOM) basis in the MCL. On investigation, it came to the notice that the demarcated and fenced land on which the tender for construction of washery was finalized, was not fully in possession of the MCL. In this regard, the pitfalls and the concern was conveyed by the Vigilance Secretariat to the CEO of the Company vide ref. No. 292 dated 10.02.2016, to direct the concerned officials to furnish action taken report on the various pitfalls noticed in the instant case.

32.2 Punitive Vigilance:

Details of Vigilance Cases taken up for investigation, inquiry etc. Reporting period from 01.04.2015 upto 31.03.2016:

Particulars	Period from 01.04.2015 to 31.03.2016	No. of employees involved	Remarks
(a) Total No. of vigilance cases	08	61	
(b) Total No. of cases taken up for Departmental Proceedings	11	86	
(c) i) No. of Major Penalty Proceedings	05	60	
i) No. of Minor Penalty Proceedings	06	26	
Total No. of cases in which penalty imposed	08	30	
i. Major Penalty	04	14	Out of 04 cases- > 02 cases involving two employees have been disposed of. > In the remaining 02 cases involving 12 officers, penalty in respect of nine officers have been implemented and in the case of remaining three officers, penalty orders are under issue in respect of two officers and in respect of the remaining one officer, the case is being referred to the CIL, Kolkata.
ii. Minor Penalty	04	16	Out of 04 cases- > 03 cases involving twelve officers have been disposed of. > In the remaining 01 case involving five officers, penalty in respect of four officers have been implemented and in respect of the remaining one officer, the case has been referred to the CIL, Kolkata.

32.3 Rotation of Employees:

Company has a policy for rotating the employees, who are working in sensitive posts/departments. During the year, 212 employees had been rotated. This includes those officers whose names were figured in the "Agreed List" & "List of Officers of Doubtful Integrity" for the year 2015.

32.4 CVC Matters:

During the reporting period, 04 cases were sent to CVC for seeking 1st stage advice and 04 cases were sent for 2nd stage advice.

CVC 1st stage advice cases:

Sl.No.	RDA No.	Description of the case	Advice of the CVC	Status
1.	RDA-2/15	Case regarding irregularities in evaluation of MM files involving 09 officers.	The CVC, New Delhi advised for initiation of minor penalty proceeding.	Minor penalty has been imposed on 09 officers.
2.	RDA-3/15	Case regarding irregularities in tendering process of cleaning, house keeping and catering services in the MCL involving 05 officers.	The CVC, New Delhi advised for initiation of minor penalty proceeding.	Out of 05 officers, 04 have been imposed with minor penalty and the case of 01 officer has been sent to CIL Kolkata due to difference of opinion between the CVC, New Delhi and the DA.
3.	RDA-4/15	Case regarding coal stock shortage in HBM, Orient Area involving 08 officers.	The CVC, New Delhi advised for initiation of major penalty proceeding.	After completion of the inquiry, the IA has submitted the Inquiry Report in respect of 05 officers to the DA and the inquiry report pertaining to remaining 03 officers are yet to be submitted by the IA to the DA.
4.	RDA-2/16	Case regarding the irregularities for the work of Bharatpur SLO involving 01 officer.	The CVC, New Delhi advised for initiation of major penalty proceeding.	Charge memorandum has been served on 28.03.2016.

CVC 2nd stage advice cases:

Sl.No.	RDA No.	Description of the case	Advice of the CVC	Status
1.	RDA-3/15	Case regarding irregularities in tendering process of cleaning, house keeping and catering services in the MCL involving 05 officers.	The CVC, New Delhi advised for initiation of minor penalty proceeding.	Out of 05 officers, 04 have been imposed with minor penalty and the case of 01 officer has been sent to the CIL Kolkata due to difference of opinion between the 2 nd stage advice of the CVC, New Delhi and the DA.
2.	RDA-5/09	Case regarding considering candidates holding diploma certificates of Unrecognized Institute involving 20 officers,	The CVC, New Delhi advised for initiation of minor penalty proceeding.	Out of 20 officers, 15 were imposed with minor penalty in the year 2009, the remaining 05 officers have been imposed with minor penalty w . e . f . 29.03.2016.
3.	RDA-5/13	Case regarding Nandira coal stock shortage involving 07 employees.	The CVC, New Delhi advised for initiation of major penalty proceeding.	Out of 07 officers, 04 were imposed with major penalties and one officer has been cautioned as per the advice of CVC, New Delhi. In case of one officer, penalty order is being issued and remaining one officer has already retired from the services of the Company. Since, the authority for imposition of penalty in case of retired officer is within the purview of the Chairman, CIL, the case is being referred to the CIL, Kolkata.
4.	RDA-5/13-2/14	Case regarding Talcher coal stock shortage involving 08 officers.	The CVC, New Delhi advised for initiation of major penalty proceeding.	Out of 08 officers, 07 have been imposed with major penalties and the case of 01 officer was sent to the CVC, New Delhi for seeking 2 nd stage advice. The 2 nd stage advice has been received on 19.02.2016. Accordingly, the penalty order is being issued.

- CVC's advice pending:

GCMPL Case (01 Officer) : The CVC's 2nd stage advice is awaited.

32.5 Parliament Questions:

11 Parliament Questions were replied during the reporting year.

32.6 Right to Information Act:

16 RTI queries were replied during the reporting year.

32.7 Submission of Reports:

Monthly, Quarterly, Annual Reports had been sent to the Central Vigilance Commission, Ministry of Coal and Coal India Limited timely.

32.8 Vigilance Clearance:

During the year, vigilance clearance status in respect of 11259 employees including the officers at the level of Directors, Senior Executives and Non-executives had been furnished to the CIL/MOC/CVC with relation to promotion, probation, superannuation matters. On line Vigilance Clearance Module has been implemented in respect of the executives for furnishing vigilance status on line.

32.9 Transparency:

The MCL Vigilance Secretariat had been responsible for introduction and implementation of the following IT based initiatives for bringing transparency in day-to-day field and official transactions in the Company:

9.1 **Introduction of In-motion Road Weighbridges with FRID and its connectivity to Coalnet:**

In-Motion weighbridges with RFID/IP cameras has ensured weighment of more than 800 tippers in one shift as against 200 tippers through electronic static weighbridges. This has resulted in drastic increase in coal weighment percentage from 10-15% to 90-95%, thereby reducing the chances of adjustment in manipulations in coal production figures on daily basis. The use of RFID tags and RFID reader has ensured entry of authorized coal tippers only inside the mine boundaries. IP Cameras in Electronic and In-motion weighbridges have led to increased surveillance on all the coal tippers for cross checking the entry of RFID tag installed coal tippers. Coalnet has ensured real time transmission of coal weighment data to the Central Server. This has further reduced the chances of fudging of coal production figures on day-to-day basis.

9.2 **Installation of GPS based Vehicle Tracking System (VTS) & Geo-fencing of Mining Areas to prevent Pilferage of Coal:**

1800 Coal carrying tippers operating in the mining areas of MCL have been fitted with GPS/GPRS and a dedicated portal i.e. www.mclvts.in has been developed for monitoring of Vehicle Tracking System (VTS). Also System driven reports have been designed to get no. of trips, path traveled by the tippers (lead), route violation report contract-wise and tipper-wise. "Geo-fencing" of mines area have been done in the said web-portal to

prevent coal theft. The installation of GPRS based VTS has enhanced a greater transparency and effective monitoring of coal transportation as also is ensuring correct payments made to the transport contractors based on the leads (distance) recorded by the dedicated portal. The other advantages of this e-initiative have been online monitoring of movement of coal carrying tippers thereby increasing in the efficiency of transportation of coal.

A tender for procurement of additional 3483 VTS for installation in all HEMMs including all OB carrying dumpers and coal tippers has been floated recently.

9.3 **Implementation of monitoring and e-surveillance units in enhancing operational efficiency & combating corruption:**

Enhancing greater transparency in loading and transportation activities in the mine areas through electronic surveillance have been the focal point. For this purpose, 44 nos. of CCTV and 91 nos. of IP Camera have been installed. 8 Nos. of control rooms have also been started at Area level for monitoring of e-initiatives and centrally an e-Surveillance & Monitoring Unit has been set up at MCL HQ. 05 IPC has been kept in standby for the In-Motion WBs. This has been yielding positive results in terms of improved transparency in the various mining operations curbing corruption. This has also resulted in close monitoring of coal quality and quantity. The loading time of railway wagons have been reduced from 5-6 hours to 3-4 hours thereby reduction in the demurrage charges borne by MCL.

In addition, 35 nos. of CCTV Cameras have also been installed at the entry/exit points of the coal mining projects and at the magazines of the MCL.

A work order has also been issued for 376 CCTV Cameras (for the installation of 21 nos. of IP PTZ, High definition, day/ night wide dynamic range Dome Camera and 355 nos. of high definition IP Box/Bullet Camera for outdoor and indoor installation) at 09 regional Stores and 02 Central Stores of the MCL.

9.4 **On-line Auto-Refund of EMDs to unsuccessful bidders:**

The delay in refund of Earnest Money Deposit (EMD) to the suppliers/vendor was a grey area susceptible to the corrupt practices. In order to address this issue, auto-refund of EMDs was thought as an everlasting solution to ensure “system driven EMD refund” to the clients. The system driven refund mechanism was introduced during November 2013. Since then refund amount is being redirected to the supplier/tenderer account in an auto-mode once the e-tender portal declares the unsuccessful/rejected bids.

A sum of ₹ 13.63 Crore has been refunded to 4292 unsuccessful/rejected suppliers/bidders during 2015-16 on auto-mode in hassle free manner, thereby reducing the number of complaints regarding corrupt practices. Bidders’ participation has gone up and also the vender base is improving.

9.5 **Stabilization of Coalnet:**

The stabilization of the Coalnet of the Company spread over 2700 Sq. KM area through OFC/Radio Network by making

it as an important data repository w.r.t. Online bill status, Coal Production, PIS, Financial accountability, Material Management etc. could be possible due to constant follow up through the regular field visits & sustained efforts by the vigilance secretariat.

For proper monitoring of contractual manpower engaged in coal transportation work, security and other annual contracts, PIS module for contractual manpower was thought of and accordingly the module had been designed on Coalnet. This will ensure transparency in execution of contractual works and payment to the workmen.

All the details including photographs, dependent details etc. of 22541 permanent employees and 14972 contractual workers including their Account Nos. and CMPF/PF Nos. have been uploaded in the PIS Module of the Coalnet.

The data repository in Coalnet is being effectively utilized for “real time monitoring of contractual bills” which was one of the vulnerable areas prone to corrupt practices. The Real Time Monitoring of Contractual Bills through the Coalnet has led to payment of Rs. 2298.72 Crore of contractual bill on first in first out basis during 2015-16. Prior to year 2012 the delay was up to 3 months which has now come down to 15 days. This has resulted in drastic reduction in number of complaints w.r.t contractual bill payments.

The Sales & Marketing Module - Rail and Road Sale billing is being done by the Areas on central Coalnet server at MCL HQ. The sales related activities of the MCL

Kolkata office have been shifted to the Coalnet Server at MCL HQ. Also, the Refund of EMD of Sales is being done on the Coalnet Server at the MCL HQ. The Sales and Marketing Module on the Coalnet has enabled Online Monitoring of issuance of DO. During 2015-16, refund of coal sale value of Rs.159.36 Crore was made to 3379 consumers within one month from expiry of DO.

Under the “Online Material Management System Module” after the codification of all the 1,02,455 materials, the chances of having different codes for the same item in different stores have been eliminated. The major advantages of the codification have been complete elimination of false indenting, need based indenting of material and effective store inventory control. This has resulted in the identification of dead moving items of Rs. 25 Crore and reduction in inventory from Rs.102 Crore to Rs.77 Crore in a period of two years.

Financial Information System is working at the MCL HQ, MCL Office, Bhubaneswar and MCL Office, Kolkata and the same has been modified to suit the requirement of the Areas also. The system has already been implemented in all the Areas of Ib-Valley Coalfields, Basundhara Area and Jagannath Area.

Production Information System – This module has been made functional for monitoring of daily coal production and OBR through on-line transmission of coal weighment data from In-Motion and electronic static weighbridges to the Central Server. The payment to the coal contractors is also to be made based on

the coal weighment data available on the central server which would eliminate the possibility of favouring or disfavouring the contractors at the time of billing.

Payroll module and Bio-metric attendance system have been made functional at the HQ and action has been taken to implement the same module at all Areas, projects for effective monitoring of human resources.

9.6. **e-Procurement**

e-Procurement in the MCL was started since August 2009 for tendering of works, services and goods. All the open tenders having estimated value more than ₹ 2.00 lakh are being floated on e-Procurement Portal of the MCL i.e. www.mcltenders.gov.in. This had been designed by the NIC and complies with all the safety standards and also meets all the security requirements.

During 2015-16, 2707 nos. of tenders were published through the e-procurement portal having a corresponding value of ₹1947.04 Crore. The principles and successful implementation of the existing e-procurement system in the MCL have been shared with the CIL for developing a single platform of e-procurement for all the subsidiaries. Also, STQC Certification - Standard testing and quality certification have been obtained on 18.02.2015 for two years.

For bringing more transparency in tenders below ₹ 2 lakh, the tender notices are being uploaded in the MCL Website for wider publicity and participation. During 2015-16, 9385 Nos. of tenders having a

corresponding value of ₹ 55.17 Crore have been uploaded on the site.

9.7 **3DTLS:**

Based on the advisory note of the Vigilance Secretariat, the procurement action for 04 nos. of 3DTLS (02 nos. for each coalfield) has already been initiated in the MCL so that the possibility of manipulation the figures of coal and OB measurement can be eliminated and complete fairness and transparency can be ensured in the survey measurement.

9.8 **Measurement of coal stock using SURPAC Software:**

Based upon the advisory note by the Vigilance Secretariat vide No.1978 dated 21.11.2013, a purchase order was placed to M/s. EDS Technologies Pvt. Ltd, Bangalore vide order No.19 dated 22.06.2015 for the procurement of SURPAC Software for 03 nos. of licence for bringing more fairness and transparency in the survey measurement.

9.9 **File Tracking System:**

Observing the inordinate delay of movement of files relating to closure of contracts, procurement, dependent employments etc. a systemic improvement measure was proposed to the Management vide Vigilance Secretariat's ref. No 1483 dated 24.07.2015 that the cases and the files which were being kept pending for indefinite period, it should be recorded as Lie Over Till (LOT) on that particular file with a valid reason duly approved by the concerned HOD so that such files

were constantly monitored on periodic intervals for its quick disposal. In order to have an everlasting solution to this, file tracking system on the Coalnet was put in place w.e.f. 15.08.2015. Consequently, the management took steps to route the files through File Tracking System.

But the Vigilance Secretariat found that the implementation of FTS was not satisfactory and still large no. of files were not being routed through FTS. Hence, another advisory vide Vigilance Secretariat's ref. No. 2549 dated 26.12.2015 was also sent to the CEO of the Company for routing all the files through FTS.

Consequently, orders have been issued by the D(F) and D(P) to process all the files through FTS only and during 2015-16, a total of 8307 files have been routed through FTS.

32.10 **Vigilance Awareness Week:**

As per the directives received from the Central Vigilance Commission, New Delhi, the Mahanadi Coalfields Limited, Sambalpur observed Vigilance Awareness Week-2015 from 26th to 31st October at HQs and in all its Project Areas.

The Vigilance Awareness Week Celebration-2015 started with pledge taking ceremony at HQ as well as in the Projects/establishments on 26.10.2015 in which all the employees and officers participated. A seminar on "Preventive Vigilance as a tool of Good Governance" was conducted on 26.10.2015 at the MCL HQ, in which Shri Ramesh Chandra Panda, IAS (Retd.), Former Secretary, Govt. of India was the Chief Speaker. A

power point presentation relating to various IT initiatives undertaken by the MCL was also presented at this occasion.

On 27.10.2015, an interactive session was held with the field executives and employees of Talcher Coalfields in which the Chief Vigilance Officer along with the Vigilance team interacted with the employees, executives, JCC members of various Trade Unions and contractors/vendors. The grievances narrated by the contractors/vendors, JCC members and other participants relating to payment of bills, closure of contracts, CMPF registration, ALR issuance e, medical reference etc. were noted for further necessary action. A debate competition was also held at the MCL HQ for the employees and executives and prizes were distributed to motivate them for their active participation.

On 28.10.2015, as a part of the Vigilance Awareness Week, the Bidders' Meet (contractors/suppliers/vendors) was organized at the MCL HQ, Burla, in which Shri S.K. Mohanty, IRS (Retd.), Independent External Monitor (IEM) for the MCL participated. During the bidders' meet, they expressed their views/grievances/suggestions on various problems being faced by them w.r.t. Civil, Transport and other contracts.

On 29.10.2015, the General Managers/HODs of E&M, Civil, Contract Management Cell, MM etc. organized interactive sessions with the bidders/consumers/stakeholders of their respective areas for promoting good governance and also to know their grievances/suggestions etc. The Vigilance

Bulletin-2015 of the MCL was released. The Bulletin would be instrumental in enhancing the knowledge and awareness of employees on various circulars/guidelines/ instructions of the CVC, New Delhi. Articles, Slogans, Poems on anti-corruption theme contributed by the employees, their wards, school children etc. have also been included in the Bulletin for information of employees and stakeholders of our Company. The Vigilance Bulletin-2015 of the MCL was also uploaded on the MCL Website.

On 30.10.2015, an interactive session was held with the field executives and employees of Ib Valley Coalfields in which the Chief Vigilance Officer along with the Vigilance team interacted with the employees, executives and the JCC members of various Trade Unions. In the said interactive session, various issues relating to tendering process, poor quality work by the civil contractors, delay in closure of contracts, expeditious procurement of critical items were discussed in detail. In addition, all the stakeholders and officials were told to act in a transparent and fair manner & expedite decision making process for ensuring good governance.

The closing ceremony of the Vigilance Awareness Week Celebration -2015 was held on 31.10.2015. During the closing ceremony, the documentary film on "Digital Vigilance – IT in fighting corruption" prepared by the MCL on the IT initiatives undertaken in the Mahanadi Coalfields Limited and Coal India Limited, which was telecast in "Aaj Savera" programme of DD National on 28.10.2015 at 8.00 AM was

shown to the audience comprising of executives, employees, the Chief Vigilance Officer and the Functional Directors. The film was widely appreciated by one and all.

Vigilance Awareness Week-2015 was also observed in all the 13 Areas and its Project/ Units of the MCL. The Head of the Project Areas administered pledge to the officers and employees on 26.10.2015. The interactive Sessions were held with the customers/suppliers by the Civil Engineering Department, Electrical & Mechanical Department, Sales & Marketing Department and Materials Management Department of all the Areas. During such interactions, various avenues for redressal of complaints/ grievances, initiatives taken for improvement of system/procedures, e-payment, e-procurement, e-auction were explained. The participants, contractors/suppliers took the opportunity to exchange their views in the business relationship with Project Areas. Debate competitions for the students of the Schools located within the Areas were held and prizes were distributed to the students to motivate them for their active participation. Further, Debate/Elocution Competitions for the employees were also held at the Project Areas. In order to further the attempt to sensitize one and all the vigilance and anti-corruption measures, suitable banners were displayed at conspicuous public places, in the premises of the Headquarters as well as Areas/Projects/ Units.

Throughout the week long celebration of vigilance Awareness Week, 57330 nos. of

SMS w.r.t. anti-corruption Slogans were widely circulated to the employees/ executives through SMS service of the BSNL-CUG network. During the observance of Vigilance Awareness Week, the Video message of the Hon'ble President of India was also displayed at the beginning of every event at the MCL HQ and all its Project Areas.

Publication of Vigilance Bulletin - 2015:

On the occasion of Vigilance Awareness Week, 10th edition of Vigilance Bulletin-2015 of MCL was released keeping in view the need for enhancing the knowledge and awareness of employees on various circulars/guidelines/instructions of CVC, New Delhi. Copies of the Bulletin have been widely circulated within and outside the Company. The soft copy of the Bulletin in PDF format has been uploaded in the MCL website i.e. www.mahanadicoal.in

Workshop on Monitoring of Production and Dispatch of Coal from Captive Coal Blocks by the coal bearing State Governments:

A workshop on "Monitoring of production and dispatch of coal from captive coal blocks by the Coal Bearing State Governments" was held from 29.01.2016 to 30.01.2016 under the aegis of the Vigilance Secretariat, Manahadi Coalfields Limited at Bhubaneswar. Shri Anil Swarup, IAS, Secretary(Coal), MoC, Govt. of India inaugurated the workshop, which was participated by the officials of the coal sector, Govt. officials from six States having the captive coal mines viz. Odisha, Jharkhand, Chhattisgarh, Madhya Pradesh, Maharashtra and West Bengal alongwith the CVO of CIL and its subsidiaries.

During this workshop, the CVO, CIL gave an overview on initiatives taken for improved monitoring by the CIL. A detailed presentation by the CVO, MCL was made on various IT initiatives taken up by the MCL for improved monitoring of coal production and dispatch for the purpose of sensitizing the state officials on the existing monitoring mechanisms in the MCL, Sambalpur, Odisha. Also, a documentary film on “Digital Vigilance – IT in Fighting Corruption” prepared by the MCL on these initiatives was screened for the delegates. The state representatives also gave presentations on their existing monitoring mechanisms.

In the afternoon of 29.01.2016, a meeting was taken by the Secretary(Coal) with the CVOs of CIL and its subsidiaries and NLC for reviewing the progress of the IT implementations like - In-motion Road Weighbridges with RFID Readers & its connectivity to the Coalnet, GPS based Vehicle Tracking System(VTS) & Geo-fencing of Mining Areas to prevent Pilferage of Coal, Coalnet implementation, functioning of e-Surveillance & monitoring control rooms including IP based CCTV cameras etc.

On 30.01.2016, field visits for the participating delegates to Talcher Coalfields was conducted for live demonstration of IT initiatives taken up by the Mahanadi Coalfields Limited so that the same can be implemented in all the subsidiaries of the CIL and other private mines of different States.

On 31.01.2016, the Coal Secretary visited the MCL HQ and took a review meeting & inspected the centralized e-Surveillance

& Monitoring Unit where the CVO presented before the Secretary(Coal) the impact assessment of all the IT initiatives undertaken by the MCL Vigilance Secretariat.

(A) **The following impact assessments have been achieved at MCL, as a result of the use of leveraging technology undertaken by the Vigilance Secretariat:**

i) **In-motion Weighbridges with coalnet connectivity** – This has led to 100% weighment of coal tippers and assessment of exact coal production on real time basis. As such, the coal production figures are authentic as compared to the time when weighment was being recorded only by electronic static weighbridges without coalnet connectivity with only 15% weighment of coal tippers.

ii) **Installation of GPS based VTS and Geo-fencing of coal mining project** - Due to close monitoring through 09 nos. of e-surveillance and control units in 08 Areas and MCL HQ, the Geo-fence violations have reduced during the period from April 2015 to March 2016 due to awareness among the tipper drivers and coal transporting contractors. This has drastically reduced the instances of coal theft from the coal mining projects.

iii) **Surveillance by CCTV Cameras** –

(a) Drastic reduction in illegal detention of trucks within mine premises during night hours from 56 trucks per day per project to 3-4 trucks per day per project. This illegal detention of large number of trucks inside the project Areas during the night hours was one of the reasons of coal

- pilferage to nearby locations which has now been curbed and only those trucks having genuine break down problems are being detained.
- (b) The Surveillance of railway sidings has led to more availability of coal in railway sidings and reduction in demurrage charges.
- (c) The Surveillance of railway sidings has also led to the drastic reduction in petty pilferage of coal in bags.
- iv) **Refund of coal sale value**
- During 2015-16, refund of coal sale value of Rs. 159.36 Crore was made to 3379 consumers within one month from expiry of DO as against a delay of 4-5 month earlier.
- v) **Online Material Management System**
- The introduction of this module in Coalnet has resulted in identification of dead moving items worth Rs. 25 Crore and reduction in inventory from Rs. 102 Crore to Rs. 77 Crore in a period of two years.
- vi) **Auto-refund of EMD**
- During 2015-16, an amount of Rs. 13.63 Crore was refunded to 4292 unsuccessful bidders on auto mode within one-day time as against a delay of 3-6 months earlier.
- (B) **Awards & Recognitions received by the Vigilance Secretariat at National Level:**
- i) On 23.05.2015, the CVO, MCL was awarded with the Elets Knowledge Exchange Award -2015 from Her Excellency Governor of Goa, Smt. Mridula Sinha. During the Summit, a brief presentation on MCL IT initiatives was also made by the Chief Vigilance Officer.
- ii) The CVO, MCL was awarded with the “eINDIA Award 2015” at 11th eINDIA Summit held at MUMBAI on 30.11.2015. The award was given away in the “Digital Organization of the Year” category for the project “Installation of Vehicle Tracking System (VTS) in the coal carrying tippers and Geo-fencing of Mining Areas of the MCL to prevent pilferage of coal”. The Summit was inaugurated by Shri Devendra Fadnavis, Chief Minister of Maharashtra and award was presented by Shri K. Shivaji, CMD, SIDBI in presence of Shri V.K. Gautam, Principal Secretary, IT, Govt. of Maharashtra.
- iii) The MCL Vigilance Secretariat was awarded with the “Vigilance Excellence Award 2015-16” by the Institute of Public Enterprise, Hyderabad at their 7th Conclave of Vigilance Officers’ organized on 18th & 19th February, 2016.
- (C) A comprehensive Vigilance Brochure named “MCL Vigilance Brochure on IT-Initiatives” assimilating and documenting all the IT initiatives undertaken & the impact assessments therein, was published and unveiled by the Coal Secretary, MoC, GoI.
- (D) A Compendium of the MCL Vigilance Secretariat advisories, suggestions, system improvements, directives, minutes of meetings and conferences since October, 2012 which are of general nature relevant to the Coal Sector was compiled in the form of a Hand Book for ready reference.

33. e-PROCUREMENT

The e-Procurement System of MCL which was started on 15.08.2009 has been running successfully and till date more than 9500 tenders have been finalised through this mode. MCL has been immensely benefited by implementing this web-based software solution. There has been significant reduction in cycle time in finalization of Tenders and entails better transparency and convenience in tender management process. The portal software has been audited by STQC as per guidelines of CVC. Management of Earnest Money Deposit(EMD) being paid by different bidders have been automated and after implementation of this process the bidders get back their EMD next day of rejection of bid automatically. The goodwill of the organization has been enhanced due to better transparency and convenience to the bidders. There are constant improvements in the system and efforts are being made to add new features. During this financial year Reverse Auction mode of tendering has been started. At present as a matter of policy, the Tenders valuing Rs 2.00 Lakhs and above are being finalised through e-Procurement mode. This includes procurement of Works, Goods and Services including multicurrency Global tenders.

Special Features of the MCL e- Procurement System

1. The evaluation of Technical part of the Tenders is done automatically by the portal software and human intervention in evaluation of Bid is minimised.

2. The evaluation is performed by the portal software based on the data provided by the Bidder in a structured and objective format. Bidders are required to upload documents in support of the information furnished by them in Tender.
3. Bidders are not required to submit any document off-line for evaluation of their Bid except in case of Bank Guarantees.
4. The business logic required for the evaluation of Tenders is incorporated in the portal software to validate the input data and to give appropriate alert messages.
5. The Bidders while submitting the Bid get feedback at each stage, as to whether the bid complies to the requirement of the Tender.
6. For the tenders valuing Rs 1 crore and more, competitive price reduction is obtained through online Reverse Auction process .
7. After submission of Bid the Bidder gets a feedback regarding their compliance with respect to the requirements of Tender.
8. Thus the Bidders are not required to visit MCL premises for securing any contract through any tender.

34. Integrated Management System (IMS)

In the year 2012-13, company-wide Integrated Management System(IMS) of MCL is accredited with ISO 9001:2008 – Quality Management System, ISO 14001:2004-Environmental Management System & OHSAS 18001:2007-Occupational Health Management System which conforms to all the applicable international standards as follows.

ISO 9001 QMS - for managing customer focus and internal efficiency of the organization.

ISO 14001 EMS- for managing environmental concerns of the organization

OHSAS 18001 OHSMS - for managing occupational-health and safety concerns of organization.

The Certification was done by MS Certification Services Pvt. Ltd, Kolkata through CMPDI, Ranchi.

FUTURE PLAN:- in 2016-17

In the year 2016-17, MCL is going to apply for accreditation for IMS with SA 8001:2008-Social Accountability Management System & ISO 50001:2011-Energy Management System for MCL as a whole, which conforms to all the applicable international standards as follows

SA 8000 SAMS - for managing social accountability concerns of the organization

ISO 50001 EMS - for managing rationalized consumption of all energy inputs in the organization

IMS Cell at MCL HQ is working for the betterment of management system by implementation of internationally accepted best art of practices as ISO standards with the following purpose in view :-

- a) To install a comprehensive management system for systematic and simultaneous management of focuses towards Quality, Internal efficiency, Environment, Occupational Health & Safety, social accountability and energy performance of the company.

- b) To eliminate duplication and costs of efforts through a unified approach and simplified procedures for implementing different management-system, which may otherwise appear diverse and unrelated.

- c) To include a better work culture, ensuring consistency of operations and eliminating operational conflict through clarity-defined roles, responsibility, accountabilities and authorities under a well-networked management-system and healthy work environment.

- d) To reduce wasteful and non-value-adding operations during routing functioning, thus resulting into direct savings on time, costs and resources during operations and indirect savings on environment and societal costs.

- e) To enable to provide following confidence to all its interested Parties

- i) Mining & Supply of Coal that can consistently meet the requirement of customer, regulatory bodies and society.

- ii) Committed to its responsibilities towards environmental, Occupational health and safety, social and energy concern.

- iii) Systematic approach for achieving continual improvement

- iv) Compliance of all legal and other requirements

- v) Thrust is on sustained and continual improvement, rather than on some short-term achievements.

SL No	Descriptions	Status
a)	File Tracking System	Complied
b)	Recertification of ISO/ IMS Standards ISO :9001 , ISO: 14001 & OHSAS 18000	Work Order Issued on 1.03.2016
c)	Distribution of Management Policy, ISO Certificates	Complied
d)	Internal Audit Training Conducted for 30 Executives in November 2015.	Conducted at Talcher Area
e)	Brainstorming-cum-Motivation Workshops regarding ISO / IMS in respect to Vision 2020	Conducted in 20 Units of MCL.
f)	Infrastructure Improvement Work completed such as Canteen Renovation in MCL HQ	Complied
g)	Periodic Water Testing of Water Supply	Complied
h)	Covering of Water Tanks and timely cleaning of reservoirs executed.	Complied
i)	Special Purpose Manager's Notebook	Approved
Internal Audit of IMS & Surveillance Audit by Certification Agency		
a)	Quarterly Internal Audit Conducted successfully by Lead Auditors.	
b)	Half Yearly Surveillance Audit conducted successfully in MCL by Certification Agency.	
c)	360 Degree Feedback conducted on IMS in All Area/Unit	

ACTIVITIES CARRIED OUT BY IMS/ISO CELL IN THE YEAR 2015-16

35. AWARDS AND RECOGNITION

35.1 In recognition of notable contribution/ achievement in various fields of its activities, your Company has been conferred upon the following awards during 2015-16.

- Odisha Inc. Best CSR of the year award- Hon'ble Union Minister for Tribal Affairs, Mr. Jual Oram, presented the award trophy to MCL Director (Personnel).
- Shri A.N.Sahay, CMD, MCL was conferred with ISTD, New Delhi, "Lifetime Achievement Award 2015" for his exemplary Leadership and contribution towards Training and people Development at 44th ISTD Convention.
- Shri P.C. Panigrahi, Director (Personnel), MCL was conferred with Leadership Excellence Award 2015 in Training & Development by Indian Society for Training & Development, New Delhi at 44th ISTD Convention.
- Shri P. C. Panigrahi, Director (Personnel), MCL was conferred with "Human Relations Leadership Excellence Award by 2015", by Department of Human Resource Management, Andhra University, Vishakapatnam.
- "Corporate Vigilance Excellence Award" organized by the Institute of Public Enterprises, Hyderabad on 13.03.2015. Award received by Shri Deepak Srivastava, CVO, MCL who was awarded the "Individual Excellence Award" for positive contribution in Vigilance.
- Greentech Award during 28th and 29th January, 2015 at Kolkata for Kaniha OCP in Silver Category and Lajkura OCP in Gold Category.
- 5th Annual Greentech Award for Training Excellence in Gold Category on 29th May, 2015 at Bangalore by Greentech Foundation.
- National Safety Award for Samleswari OCP on 20th March, 2015 by President of India , Govt. of India at Vigyan Bhawan, New Delhi.
- On 25th May, 2015 – CVO MCL- ELETs Knowledge Exchange Award for E-initiatives at Goa by Governor of Goa.
- Vigilance innovation Awards 2015 to Shri Deepak Shrivastava, CVO, MCL by Vigilance Study Circle, Kolkata on

- 26.10.15 for innovative efforts & implementation of GPS/GPRS based VTS and CCTV based e-surveillance & monitoring System of the company.
 - 16th Annual Greentech Environment award to MCL in Gold (lingaraj OCP) and silver category (Belpahar OCP) by Greentech foundation on 27th November, 15.
 - RajBhasa Samman Shree to CMD, MCL by Akhil Bharatiya Rajbhasa Sangh on 19th October and 7 others Rajbhasa awards to MCL Executives.
 - MCL performance excellence awards 2014-15 to CMD, MCL given by Indian Institute of Industrial Engineering on 8.10.15.
 - “Best Environment Management during 2014-15 Corporate Award” to MCL during CIL Foundation Day on 1st November 2015 by Chairman, CIL.
 - “Best Innovation (non technical) Award” for expediting the function of Washery Tender through e-procurement to MCL, received by Sri O.P.Mishra, during CIL Foundation Day on 1st November 2015 by Chairman, CIL.
 - CIL Corporate Awards 2014-15 to MCL for MoU Excellence Rating 2014-15, Safety Quality Assurance & Environment Awards.
 - Shri A.N.Sahay, CMD and Shri P.C.Panigrahi, Director (Personnel), MCL awarded “Most Influential 100 HR Professional in Asia” in the Asia Pacific HRM Congress 2015 held at Bengaluru on 11.09.15.
 - Shri P.C.Panigrahi, Director (Personnel), MCL awarded Hindi Rajbhasa Karyanayan Ratna Award by Hindi Divas Samman Samaroha at BBSR, in September-15.
 - PRSI National Award 2015 presented at 37th All India Public Relations Conference on 24.12.2015 at Ahmedabad to Vinayak Jamwal, PRO, MCL HQ & Asha Joyti, Assistant Manager (Personnel) of Talcher Coalfields. MCL also bagged “Best PSU in implementing CSR” and “Child Care under CSR” by Jagruti Mahila Mandal.
- 36. AUDITORS**
- 36.1 Statutory Auditors**
- As per the provisions of Section 139 of the Companies Act, 2013, the following Audit Firms were appointed as Statutory/ Branch Auditors for the year 2015-16
- | Statutory Auditors | Branch Auditors |
|---|--|
| M/s PAMS & Associates.
Chartered Accountants
Plot No. 506A, Unit-IX,
Odisha-751022 | M/s SRB & Associates
5 th Floor, IDCO Towers,
Janpath, Bhubaneswar
Odisha-751022 |
- 36.2 Cost Auditors**
- Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of mining of coal is required to be audited.
- Your Directors had, on the recommendation of the Audit Committee, appointed (i) M/s Niran & Co., Cost Accountants, Bhubaneswar, Odisha as the Principal Cost Auditor of the Company to

audit Cost records of the Company, Headquarters and its Units, IB Field Areas, and Basundhara Area for the financial year 2015-16 at a total Audit fee of ₹2,12,500.00 and Out of Pocket Expenses of ₹1,06,250.00 and (ii) M/s Mou Banerjee & Co., Asansol, West Bengal, as the Branch Cost Auditor of the Company for the year 2014-15, to audit Cost records of Talcher Coalfields Areas at a total Audit fee of ₹1,40,625.00 and Out of Pocket Expenses of ₹70,312.00 and applicable Service Tax on audit fee.”

36.3 Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Lokesh A. Gohil & Associates, Company Secretaries, Sambalpur, Odisha to undertake the Secretarial Audit of the Company for the year 2015-16. Copy of Report submitted by the Secretarial Auditor is enclosed as **Annexure II**.

37. FIXED DEPOSITS

Your Company has not accepted any deposit from the Public during the year as defined under Section 73 of the Companies Act, 2013 and the Rules made there under.

38. PARTICULARS OF INFORMATION U/S 143(3)(m) OF THE COMPANIES ACT, 2013.

The information in accordance with the provisions of Section 143(3) (m) of the Companies Act, 2013 regarding Conservation of Energy, Technology absorption and Foreign Exchange earning and outgo is given in **Annexure-III** to this Report.

39. BOARD OF DIRECTORS

39.1 The following persons, continued to be the Directors during the year under report.

1. Shri A.N. Sahay - CMD
2. Shri A.K. Tiwari - Director (T/Op.)
3. Shri J.P.Singh - Director (T/P&P)
4. Shri P. C. Panigrahi - Director (Pers.)
5. Shri B. K. Saxena - Director
6. Shri S. K. Singh - Director

39.2 The following persons were appointed as Director during the year under report.

1. Shri J. S. Bindra - Director (w.e.f. 20.04.2015)
2. Shri A. K. Jha - CMD (w.e.f 01.11.2015)
3. Dr. Rajib Mall - Director (w.e.f 17.11.2015)
4. Shri H. S. Pati - Director (w.e.f 17.11.2015)
5. Shri L. N. Mishra - D(P) (w.e.f 01.02.2016)
6. Shri S. N. Prasad - Director (w.e.f 16.02.2016)

39.3 The following persons were ceased to be Director during the year under report.

1. Shri A.N. Sahay - CMD (Upto 31.10.2015)
2. Shri S. K. Singh - Director
(Upto 20.04.2015)
3. Shri P. C. Panigrahi- D(P) (Upto 31.01.2016)
4. Shri B. K. Saxena - Director (Upto 31.01.2016)

40. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. That in the preparation of the Annual Accounts for the financial year ended 31st March, 2016, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b. That the Directors have selected such Accounting Policies and applied them consistently and made judgements 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 or loss of the Company for the year under review;
- c. That the Directors have taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of the Companies Act, 1956/Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- d. That the Directors have prepared the Accounts for the financial year ended 31st March, 2016 on a 'going concern' basis.
- e. That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

- f. That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

41. CORPORATE GOVERNANCE

A Report on Corporate Governance is attached to this Report as **Annexure – IV**.

42. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as **"Annexure-V"**.

43. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

"Management Discussion and Analysis Report" is attached to this Report as **Annexure –VI**.

44. C & A G COMMENTS

Comments of the Comptroller & Auditor General of India on the Accounts of the Company for the year ended 31st March, 2016 are placed at **Annexure-VII** to this report.

45. AUDIT COMMITTEE

The Committee has been reconstituted on 09.02.2016 with the following members.

1. Director (Tech/Operation), MCL - Chairman
2. Shri J. S. Bindra, Director, MOC - Member
3. Dr. Rajib Mall, Ind. Director - Member
4. Shri H. S. Pati - Member
5. Director (Tech/P&P), MCL - Invitee
3. Director (Finance), MCL - Invitee

45.1 The scope of work of Audit Committee

1. Review of financial statement.
2. Periodical review of internal control system.
3. Review of Govt. Audit and Statutory Auditor's Report.
4. Review of operational performance vis-à-vis standard parameters.
5. Review of projects and other capital scheme.
6. Review of internal audit findings / observations.
7. Development of a commensurate and effective internal audit functions in MCL.
8. Special studies, investigation of any matter including issue referred to by the Board.

The Audit Committee has access to financial and other data/information of MCL. Observation made by the Committee is reported to MCL Board. The Committee can meet as often as desired but is expected to meet at least once in a Quarter.

46. COST RECORDS

Maintenance of Cost records for the Company, as per Section 148 of the Companies Act, 2013 has been prescribed by the Central Government w.e.f. 01.04.2011. The Company produces only one product, i.e. Coal and has a continuous integrated system of recording, determining and reporting element-wise cost with break up of cost including

overheads and reconciliation of cost report at regular interval.

47. PERFORMANCE AGAINST MoU PARAMETERS

- 47.1 The performance of MCL against MoU for 2015-16 signed between CMD, MCL and Chairman, CIL as per the Guidelines of Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India, has been prepared. The overall MoU rating of your Company for the year 2015-16 based on physical and financial performance is "Excellent".

48. SUBSIDIARY ACCOUNTS FOR THE SHAREHOLDERS OF THE CIL

Pursuant to General Circular No. 2/2011 dated 08.02.2011 of Ministry of Corporate Affairs, the Annual Accounts of MCL would be available at MCL Headquarters for inspection and providing relevant information to the shareholders of CIL on demand.

49. ACKNOWLEDGEMENTS

- 49.1 Your Directors express their sincere thanks to the Ministry of Coal and Coal India Limited for their valuable assistance, support and guidance. Your Directors also thank the various Ministries of the Central Government and the State Government of Odisha for their valuable support. The Directors are thankful to the sister organisations for the co-operation and assistance rendered by them.
- 49.2 Directors place on record their deep sense of appreciation for the co-operation

extended by the Trade Unions and Officers' Association for the team spirit shown, valuable and sterling services rendered by the employees at all levels towards the achievement of the objectives of the Company and its all-round growth.

49.3 The Directors also thank the valued customers profusely for their continued support, patronage and encouragement without which the Company would not have emerged so strong.

49.4 The Directors also record their appreciation of the services rendered by the Auditors, the officers and staff of the Comptroller & Auditor General of India and Registrar of Companies, Odisha.

49.5 The Directors also extend their thanks to various important citizens of Sambalpur and those residing in the Coalfield areas of Odisha for their co-operation from time to time.

50. ADDENDA

The following papers are annexed.

1. Information as required to be given in the Directors' Report under Section 134(3) of the Companies Act, 2013.
2. Secretarial Audit Report pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
3. Addendum to the Directors' Report under Section 134(3) of the Companies Act, 2013.
4. Report on Corporate Governance submitted by Auditors.
5. Extract of the Annual Return in form MGT - 9.
6. Management Discussion and Analysis Report.
7. Comments of the Comptroller & Auditor General of India under Section 143(6)(b) of the Companies Act, 2013.
8. Pursuant to CIL directive, parameter-wise details of performance as per MoU for the year 2015-16.

Sambalpur
Date: 11.07.2016

Sd/-
(A.K. Jha)
Chairman-cum-Managing Director
(DIN: 06645361)

I confirm that for the year under review, all directors and senior management have affirmed their adherence to the provisions of the Code of Conduct.

Sambalpur
Date: 11.07.2016

Sd/
(A.K. Jha) -
Chairman-cum-Managing Director
(DIN: 06645361)



The Institute of Economic Studies (IES), New Delhi confers "EXCELLENCE AWARD" to MCL and "UDYOG RATTAN AWARD" to Shri A. K. Jha, CMD, MCL.



Shri L. N. Mishra, Director (Personnel), MCL presents Greentech HR award to Shri A K Jha, CMD, MCL received from Greentech Foundation, New Delhi for outstanding achievements in Training Excellence in HR



Team Quality Control of MCL receives 1st Prize 'CORPORATE AWARD for QUALITY AWARENESS' from Shri Piyush Goyal, Hon'ble MoS (IC) Coal at Kolkata.



Shri K V Chowdary Chief Vigilance Commissioner of India presents Vigilance Innovation Award 2015 to Shri Deepak Srivastava, IFS, CVO, MCL at a function organised by Vigilance Study Circle, Kolkata for his innovative efforts and implementation of GPS/GPRS-based Vehicle Tracking System (VTS) and implementation of CCTV based e-Surveillance & Monitoring Systems in MCL.

ANNEXURE -I

Report on Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

- I. 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.**

Brief Outline of MCL CSR Policy:

Objective:

The main objective of CSR policy of MCL is to lay down guidelines to make CSR a key business process for sustainable development for the Society. It aims at supplementing the role of the Govt. in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of their activities.

MCL will act as a good Corporate Citizen, subscribing to the principles of Global Compact for implementation.

Scope:

MCL follows the Schedule VII of the Companies Act, 2013 with time to time amendments as the scope of CSR.

Areas to Be Covered:

In respect of MCL, for carrying out CSR activities, 80% of the budgeted amount should be spent within the radius of 25 Km of the project/Site/mines/Area HQ/Company HQ and 20% of the budget would be spent on the CSR activities in rest of Odisha.

In respect of MCL (HQ), CSR Should be broadly executed in All over Odisha including the four operational districts.

Allocation of Fund:

The fund for the CSR is allocated based on 2% of the average net profit of the Company for the three immediate preceding financial. Average net profit is computed in accordance with the provision of Section 198 of the Companies Act, 2013.

The complete CSR policy of MCL has been displayed on Company's Website. Web link to the CSR Policy: www.mahanadicoal.in/About/csrapolicy.php

II. The Composition of the CSR Committee.

There are three types of CSR Committees at MCL as listed below:

1. Area Level CSR Committee:

- Area CGM/GM Chairman
- Area Personnel Manager Member
- Project Officer of the Area Member
- Staff Officer (Civil) Member
- Area Finance Manager Member
- Area Medical Officer Member
- Staff Officer (E&M) Member
- Staff Officer (L&R) Member

2. HQ Level CSR Committee:

- Director (Personnel), MCL Chairman
- GM (CSR), MCL Member
- GM (C)/HOD, MCL Member
- GM (Finance), MCL Member
- GM (Envvt), MCL Member
- GM (Planning), MCL Member
- GM (L&R), MCL Member
- GM (P&IR), MCL Member
- CMS, MCL Member

3. C.S.R & S.D. Sub Committee of MCL Board is a committee at Board level. The members are:

- Shri. A.K. Tiwary, Director (Tech/Operation), MCL - Chairman
- Shri. J.P.Singh , Director (Tech/P&P), MCL, - Member
- Shri. L.N.Mishra, Director (Personnel), MCL - Member
- Shri. J.S. Bindra, Part Time Director - Member
- Dr. R. Mall, Independent Director - Member
- Shri. H.S. Pati Independent Director - Member
- Shri. K.K.Parida, Director (Finance), MCL - Invitee

III. Average net profit of the company for last three financial years**Budget Calculation:**

Calculation of 3 Years Profits Before Tax for CSR (For 2015-16)

Year	Amount (Rs in Crore)
2012-2013	6202.48
2013-2014	5429.08
2014-2015	5314.24
Total	16945.80
Average net profit (Profit before Tax) of last three financial years is	5648.6
2 % of Average Profits	112.972

iv. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)

The two per cent of the Average net profit (Profit before Tax) of last three financial years is Rs.112.97 Crore.

v. Details of CSR spent during the financial year.**a. Total amount to be spent for the financial year;**

The total amount to be spent for the financial year is Rs.112.97 Crore.

b. Amount unspent, if any;

The unspent amount after audit from previous year is (Rs.113.97 Crore – Rs.61.30 Crore)
Rs. 52.67 Crore

The unspent/Balance amount in this year is NIL. (Actual spent is more than the budgeted amount).
[Rs. 184.64 Crore – (Rs.112.97 Crore + Rs 52.67 Crore)].

c. Manner in which the amount spent during the financial year is detailed below.

The list of activities in prescribed format has been enclosed as Annexure-A.

vii. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Not Applicable

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

A responsibility statement of the CSR Committee as required in Companies Act, 2013 is attached separately as Annexure-B.

Annexure-A

MAHANADI COALFIELDS LIMITED, CSR DEPARTMENT

(Figure in Rs. Lakh)

1	2	3	4	5	6	7	8
Sl. No.	CSR Project or activity identified for the financial year 2015-16	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the State and district where Projects or Programs were undertaken	Amount outlay (Budget) project or program wise	Amount spent on the projects or programs Sub-Heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period 31.03.2016	Amount Spent: Direct or through implementing agency
1	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	All Mining District & Other District of Odisha	Angul, Jharsuguda, Sundergarh, Sambalpur, Khurda, Bolangir, Dhenkanal, Gajapati, Jajpur, Kalahandi, Kandhamal, Nayagarh, Rayagada & Sonapur	23851.93	15343.44	15343.44	MCL/ State Govt/ CPWD/NPCC/ OPEPA
2	Promoting education, including special education and employment enhancing vocation skills aspecially among children, women, elderly, and the differently abled and livelihood enhancement projects;	All Mining District & Other District of Odisha	Angul, Jharsuguda, Sundergarh, Sambalpur, Khurda,	597.37	271.47	271.47	Direct by MCL
3	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially economically backward groups;	All Mining District	Angul, Jharsuguda, Sundergarh, Sambalpur	18.07	17.82	17.82	MCL & State Govt.
4	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;	All Mining District	Angul, Jharsuguda, Sundergarh, Sambalpur	158.44	131.53	131.53	MCL & State Govt.
5	Protection of national heritage, alt and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional ans. And handicrafts;	All Mining District & Other District of Odisha	Angul, Jharsuguda, Sundergarh, Sambalpur, Puri	57.36	57.36	57.36	Direct by MCL

6	Measures for the benefits of armed forces veterans, war widows and their dependents.						
7	Training to promote rural sports, nationally recognized sports, paralympics sports and Olympic sports;	All Mining District & Other District of Odisha	Angul, Jharsuguda, Sundergarh, Sambalpur, Khurda	621.88	621.88	621.88	MCL & State Govt.
8	Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for Socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, Other backward classes, minorities and women;						
9	Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government.						
10	Rural development projects.	All Mining District & Other District of Odisha	Angul, Jharsuguda, Sundergarh, Sambalpur, Khurda	7750.35	2020.60	2020.60	MCL & State Govt
Total				33055.60	18464.10	18464.10	

Annexure-B

CERTIFICATE

It is Certified that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the Company.

Sd/-
GM(CSR), MCL

Sd/-
Chairman-cum-Managing Director, MCL
(DIN: 06645361)

Sd/-
Director (Personnel), MCL
(DIN:)

Sd/-
Chairman, CSR Committee
(DIN: 02442844)



Shri Naveen Patnaik, Hon'ble Chief Minister of Odisha in the august presence of Shri Piyush Goyal, Hon'ble Minister of State (IC) for Coal, Power and New & Renewable Energy and Shri Dharmendra Pradhan, Hon'ble Minister of State (IC) for Petroleum & Natural Gas lays the foundation stone of Mahanadi Institute of Medical Sciences and Research (MIMSR), a 100-seat medical college with 500 bedded multi-specialty Hospital with the state-of-the-art medical facilities, to be constructed in Talcher Coalfields of Odisha by MCL with an investment of Rs. 492 Crore under CSR of the Company.



MCL sponsored Rs 25,00,000 to 250 poverty-stricken farmers to avail the state government scheme that provides an irrigation facility at a subsidized investment of Rs 10,000. Shri A. N. Sahay, CMD, MCL along with Shri Balwant Singh, Collector, Sambalpur on a visit to villages in Jamankira block of Sambalpur to meet the beneficiaries working in their fields



Shri B B Mishra, GM (CSR), MCL releases the first installment of Rs 16.52 crore for two pipe water supply schemes for 35 villages of Talcher and Kaniha blocks of Angul district in Odisha. MCL has sanctioned an amount of Rs.56.89 Crore for the project



MCL's Bharatpur Area (Talcher Coalfields) wins accolades for OB Dump Recharge

Dr. (Ms) Raseswari Panigrahi, Hon'ble MLA, Sambalpur in the presence of Shri Bijay Mohanty, Chairman, Sambalpur Development Authority, Shri Balwant Singh, Collector, Sambalpur and Shri A. K. Jha, CMD, MCL, inaugurates Raj Ghat (first electric crematorium in western Odisha) at Sambalpur for which MCL funded Rs. one crore as a CSR initiative of the Company.



Shri A.N.Sahay, Ex-CMD, MCL inaguarates the Kalyan Mandap at beheramal, Jharsuguda constructed by MCL under CSR head of MCL.

Shri A.N.Sahay, Ex-CMD, MCL lays foundation stone of cardiac institute at Jharsuguda funded by MCL.



ANNEXURE -II

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 09 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

Dated: 31/05/2016

The Member
M/s Mahanadi Coalfields Limited
Jagruti Vihar, Burla
Sambalpur-768020
Odisha

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Mahanadi Coalfields Limited (Reg No. 003038)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2016** 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 extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of;

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956(SCRA) and the rules made there under;
(Not Applicable to the Company)
3. The Depositories Act, 1996 and the Regulations and Bye-law framed hereunder; **(Not applicable to the Company)**
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment; **(Not applicable to the Company)**

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India , 1992 (' SEBI Act'); **(Clause (a) to (h) not applicable to the Company)**
 - (a) The Securities and Exchange Board of India(Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines , 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents) Regulations, 1993;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
6. Other Laws applicable to the Company;
 - A. Mines Act, 1952;
 - B. Mines Concession Rules, 1960;
 - C. Coal Mines Regulations, 1957;
 - D. Coal Mines Conservation & Development Act, 1974;
 - E. The Mines Rescue Rules, 1985;
 - F. The Mines Vocational Training Rules, 1966
 - G. The Indian Electricity Rules, 1956;
 - H. The Explosive Act, 1884;
 - I. The Explosive Rules, 2008;
 - J. Coal Mines Pension Scheme, 1998;
 - K. The Payment of Wages (Mines) Rules, 1956;
 - L. Coal Mines Provident (Miscellaneous Provisions) Act, 1948;
 - M. Mines and Minerals (Regulation and Development) Act, 1957;

- N. Mines (Posting of Abstracts) Rules, 1954;
- O. Payment of Undisbursed Wages (Mines) Rules, 1959;
- P. Indian Bureau of Mines, Sr. Technical Assistant (Survey), Jr. Technical Assistant (Survey) and Junior Survey Recruitment Rules, 1990;
- Q. The Coal Mines Pit head Bath Rules, 1959;
- R. Mines crèches Rules, 1966;
- S. Indian bureau of Mines (Electrical Supervisor and Electrician) Recruitment Rules, 1990;
- T. The maternity Benefits (Mines) Rules, 1963;
- U. Metalliferous Mines Regulations, 1961;
- V. Colliery Control Order, 2000;
- W. Colliery Control Rules, 2004;
- X. Water (Prevention and Control of pollution) Act, 1974;
- Y. Air (Prevention and Control of pollution) Act, 1981;
- Z. Environment (Protection) Act, 1985 and Rules Issued there under;
- AA. The Public Liability Insurance Act, 1991;
- BB. Hazardous Waste (Management, Handling and Trans boundary Movement) Rules, 2008;

We have also examined compliance with the applicable clause of the following;

- I. The Secretarial Standards issue 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.

Subject to our Observation as mentioned in “Annexure-A”. I further report that being a Government Company the Director on the Board of the Company are appointed by the Government of India, Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, Subject to our comments as mentioned in “Annexure A”. The changes in the composition of the Board of Directors & Board Committee that took place from time to time 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 clarification on the agenda items before the meeting and for meaningful participation at the meeting.

All decision at Board Meetings and Committee Meetings are carried unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place-Sambalpur
Dated-31/05/2016

For Lokesh A Gohil & Associates
Company Secretaries

Sd/-
(Lokesh Gohil)
(Membership No. 28908)
(Certificate of Practice No. 10415)

NOTE: This report is to be read with our letter of even date and Management Reply to the audit observations which is annexed as “**ANNEXURE-A**” and forms an integral part of this report.

SECRETARIAL AUDIT REPORT

ANNEXURE – A

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

*[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personal) Rules, 2014]*

To,

Dated- 31/05/2016

The Member
M/s Mahanadi Coalfields Limited
Jagruti Vihar, Burla
Sambalpur-768020
Odisha

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Lokesh A Gohil & Associates
Company Secretaries

Sd/-

(Lokesh Gohil)
(Membership No. 28908)
(Certificate of Practice No. 10415)

Place-Sambalpur
Dated-31/05/2016

Observation of Secretarial Auditor & Management Explanation

SL.	OBSERVATIONS	MANAGEMENT REPLY
1.	No separate meeting of Independent Directors during the year ended 31 st of March, 2016 as required under the provision of Clause VII of Schedule IV of Companies Act, 2013	Only one Independent Director was present in India during the year. As such, meeting could not be held.
2.	No evaluation of performance of independent Directors was done by the Board of Directors during the year under the provision of Clause VIII of Schedule IV of the Companies Act, 2013.	Evaluation of Director is being done by the MoC from time to time. Govt. Company neither has the power to appoint Independent Director nor vested with power to evaluate the Independent Director.
3	Company has not appointed Women Director in the Board required under Rule-3 of Chapter XI (Appointment and Qualification of Director Rules, 2014).	The matter is pending with MoC, Govt. of India.
4	Company has appointed Director before the allotment of Director Identification Number required under Sub Section (5) of Section 152 of the Companies Act, 2013.	Company is not empowered to appoint any Director. It is done by MoC, Govt. of India.
5	Whether Company had adhered to the Guidelines issue by the Department of Public Enterprise on Corporate Governance for CPSE Dated 14-05-2010 and the Companies Act, 2013 w.r.t Optimum Combination of Board Members in the Board & Committee.	The constitution of MCL Board has 4 Independent Directors. 2 of them have been appointed by MOC. Appointment of remaining 2 Directors is pending with MoC. Once, they are appointed, the Committee would meet the provisions of the Company Law and DPE guidelines as well.
6.	Company had shown 7 No of Promoters members in the Annual Return for the financial year ended 31 st March, 2015 but in actual Company had only 4 No of members.	It was the mistake committed by RoC Office, Cuttack at the time of computerisation of Company records in 1992. This was taken up with RoC, now RoC has rectified this.
7.	Whether Video Conferencing and recording facility available in the Company as required pursuant to Section 174 of the Companies Act, 2013?	We have fully equipped video conferencing facility in Delhi, Kolkata and MCL H.Q. However, for doing video conferencing from other places, recording facilities are not available. We have ensured that 'non interested quorum' is physically present in the meeting during the entire proceedings. Directors, who are interested in attending the meeting through video conferencing are being persuaded to move to nearby location i.e. New Delhi to ensure recording of entire proceedings.

ANNEXURE - III

ANNEXURE TO DIRECTORS' REPORT

Information as required to be given in the Director's Report under Section 134 (3) of the Company's Act, 2013 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earning and outgo.

1. A. CONSERVATION OF ENERGY

(a) Electrical Energy Conservation Measures Taken

The highlights of this year's power position is furnished below with comparative statement :

- i. Specific consumption of power (for Coal) during 2015-16 is 2.18 kWh/T in comparison to 2.52 kWh/T for 2014-15 i.e. % reduction of 13.49 %.
- ii. Specific consumption of power (for Composite Production) (i.e. Coal + O.B Removal) during 2015-16 is 1.66 as against 1.88 kWh/Cu.M during 2014-15 .i.e. % reduction of 11.7%.
- iii. Power Factor incentive of Rs.120.14 Lakhs was received during 2015-16 for maintaining average power factor for maintaining p.f. above 0.96.
- iv. A total rebate of Rs. 168.95 lakhs was availed from WESCO/ CESU during 2015-16 for arranging payment of monthly electricity bills of all supply points with in the fourth day of every month.

1. B. Special Achievement.

- i. 600 KVAR of (2 X 300 KVAR) power capacitors for a total value of Rs.16.47 lakhs have been commissioned at Kali Nagar substation of Orient Area.
- ii. Four numbers 55 KW and three numbers of 90 KW Variable Frequency Drive has been commissioned at Balram OCP CHP for a total value of Rs.31.64 lakhs . Further, one number of 110 KW and two numbers of 160 KW Variable Frequency Drive for the same CHP for a same is in progress.
- iii. Action has been taken for the preparation of feasibility report by M/s. Solar energy corporation of India for installation of solar roof top power plant on the roof of service building at 12 different locations of MCL where the potential for generation of 150 KWp has been identified. The identified locations are tabulated below.

Sl. No	Area Name	Location/Building
1	Jagannath	DAV School (Eng med.)
2	Lingaraj	Area GM office
3	Lingaraj	Project Office, Lingaraj OCP
4	Lingaraj	LTS Dispensary
5	Hingula	Project Office, Balaram OCP
6	CWS Talcher	CWS Talcher
7	Lakhanpur	Area GM Office
8	Lakhanpur	Belpahar Project Office
9	Lakhanpur	Triveni Guest House
10	IB Valley	Central Hospital
11	Orient	Area GM Office(M Block)
12	Orient	Project Office, Rampur Sub-Area

- iv. Action for replacement of 13,908 numbers of 40 watt florescent tube lights with equivalent numbers of 19 watt LED lamps and 2008 numbers of 20 watt florescent tube by equivalent number of 10 watt LED lamps in the service buildings of MCL at HQs and areas have been initiated . These LED lamps are proposed for installation during 2016-17
- v. Procurement action initiated for 149 nos. of 5 star rating Air Conditioners for MCL Hq for replacing equivalent no. of inefficient Air Conditioners of more than 15 years old. Further, procurement of all air conditioners henceforth are being considered with 5 star rating only.

1. D Steps taken wherever feasible / possible for reduction in power consumption for effective conservation of energy.

- i. Benchmarking study for Electrical Energy Consumption in respect of Talcher underground mine and Orient mine no. 2 completed during 2015-16.
- ii. Merger of Anand Vihar Commercial and domestic point of supply of MCL Hqs to avail Maximum Captive use of Power generated from 2 MW Solar Power Plant .
- iii. Enhancement of contract demand Basundhara 220 KV point of supply from 5000 KVA to 6000 KVA.
- iv. Commissioning of 10 MVA Kalinagar Substation at Orient Area for better voltage regulation.
- v. Work awarded for 33 KV point of supply at Jagruti Vihar Office cum Residential Complex.
- vi. Action initiated for providing separate metering point for domestic consumption wherever it is feasible.

- vii. Feasibility for reorganisation of Township Power Distribution from single point transformer to Multi point pole mounted Transformer.
- viii. To contain peak demand of power at a reduced level and to avail TOD (Time-of-the day) incentive as maximum as feasible, regular loads, such as, pumping etc. are being operated during off-peak hours.
- ix. To reduce energy consumption by industrial pumps, steps have been taken, such as, maintenance effectiveness, optimization of delivery and suction sizes, use of pontoons , use of V.T pumps through bore-holes, deliveries and cables through bore-holes etc.
- x. Use of electronic regulators for fans instead of conventional chokes and regulators.
- xi. Use of Air conditioners of higher star rating , regular cleaning of filters of air conditioners, switching off of air conditioners when not required etc.
- xii. Avoiding loose connections and using proper size of fuses.
- xiii. Ensuring minimum cable losses with proper size of cables, i.e., of rated capacity.
- xiv. Optimum usage of transformer capacity thereby reducing transformer losses.
- xv. Power factor close to 98% has been maintained by using power capacitors thereby reducing energy loss.
- xvi. Minimum transmission loss has been ensured by using proper sizes of overhead conductors.
- xvii. Stage pumping / Intermediate pumping has been reduced to minimize energy loss.
- xviii. Ensuring exact size of electric motors in pumps.
- xix. Use of higher sizes / recommended sizes of delivery lines and suction in pumps and avoiding throttling.
- xx. Ensuring no leakages in pipelines thereby improving pumping efficiency.
- xxi. Ensuring proper condition of bearings etc.
- xxii. To contain maximum demand close to the contract demand, close monitoring during peak hours are exercised by controlling non-productive load, i.e., resorting to load-shedding, if necessary. Capacitors of appropriate specification are being used to enhance power factor for dual benefit of reduced maximum demand .

2. A. Fuel & Lubricants:

Following steps were taken for reduction of consumption of Fuel & lubricants:

- a. Periodical overhauling of Engines, Transmissions&Hydraulic operated systems are being carried out.

- b. Periodical checking of hoses and their routing is being carried out to minimize leakage of hydraulic oil of equipment.
- c. Proper inflation of Tyres is being carried out regularly.
- d. Regular checking of Self-starters, Alternators and Batteries.
- e. Specific Diesel Consumption is regularly monitored to keep within the norms fixed by CMPDI.
- f. Guidelines issued by IED to minimize HSD Consumption has been implemented.

2. B. Impact of measures of (a) for Energy Consumption and consequent impact on the parameters of production.

DESCRIPTION	2015 – 16	2014 – 15	% Inc(+)/ Dec(-) over previous year
Electrical Energy			
(i) Specific Consumption of power (for Coal), in kWh/Tonnes	2.18	2.52	(-13.49) (F)
(ii) Specific Consumption of power (for Composite Production) (i.e. Coal + O.B removal), in KWh/Cu.M	1.66	1.88	(-11.7) (F)
Fuel and Lubricants			
(i) Consumption of HSD, in ltrs/Cum of composite Production.	0.235	0.252	(7.23)(A)
(ii) Consumption of lubricants, in Ltrs./Cum of composite Production.	0.010	0.0097	(3.00)(A)
(iii) Consumption of HSD, in ltrs/Tonne of Coal Production	0.336	0.369	(-9.82)(F)
(iv) Consumption of lubricants, in Ltrs./Tonne of Coal Production.	0.014	0.015	(-7.14)(F)
v) Specific cost of POL, in ‘ / Tonne	18.82	24.32	(-29.61)(F)

F – FAVOURABLE

A – ADVERSE

2. C. FOREIGN EXCHANGE EARNING AND OUTGO

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

(ii) Foreign Exchange used and earned

(₹ in crore)

Description	Current Year 2015 - 16	Previous Year 2014-15
(a) Foreign Exchange used :		
(i) CIF value of imports	0.02	0.05
a) Components, Stores and Spare parts	Nil	Nil
b) Capital goods	0.01	0.04
(ii) Travelling	0.09	0.08
(iii) Interest	—	—
(iv) Others	Nil	Nil
(b) Foreign Exchange earned		

ANNEXURE - IV

**CERTIFICATE OF COMPLIANCE WITH THE CONDITIONS OF
CORPORATE GOVERNANCE**

To

The Members of
Mahanadi Coalfields Limited.

We have examined the compliance of conditions of Corporate Governance by Mahanadi Coalfields Limited (hereinafter referred as “the Company”) for the year ended on March 31, 2016, as stipulated in Department of Public Enterprises, Government of India (DPE) Guidelines on Corporate Governance.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our 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 our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned DPE Guidelines.

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

For PAMS & Associates.
Chartered Accountants

Sd/-
(CA Satyajit Mishra)
Partner

Place: Bhubaneswar
Date: 25th June, 2016

Membership No. 057293
Firm Registration No. 316079E (ICAI)

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY:

Corporate Governance as a business philosophy is being integrated more deeper in to the organisational system of Mahanadi Coalfields Limited (MCL) with an aim to ensure transparency, greater organisational justice and Corporate sustainability.

With the directives from the Central Government for complying with the Guidelines on Corporate Governance from 2010-11, the Guidelines have been re-looked with fresh perspective and due diligence.

Equity, justice, transparency, accountability etc. being touchstones of good governance have been accepted as core values to be practised to the best extent in every sphere of business activities pertaining to MCL.

BOARD OF DIRECTORS

In adherence to the principle of optimum combination of functional, nominee and independent directors on the Board, the Board of Directors of MCL is comprised of 09 (Nine) Directors as on 31.03.2016 categorized as below.

- a) 05 (five) Functional Directors including Chairman-cum-Managing Director.
- b) 02 (two) Independent Directors.
- c) 02 (two) Official part-time Directors (Nominee).

Besides, Chief Operation Manager, East Coast Railway, Bhubaneswar is also appointed as a Permanent Invitee to the Board.

The Board met Nine (09) times during the year 2015-16 with attendance of Directors exceeding 88% on average and gap between two meetings remaining less than 120 days.

A table is prepared with details on composition of the Board, attendance of the Directors individually and number of Directorship in other Companies.

Name and Designation	Category	Board meetings		Directorships in other Companies	Membership in other Committee	
		Held during the tenure	Attended		Audit Committee	Other Committee
Shri A. N. Sahay, Chairman	Functional	5	5	(i) NPTCPL (ii) Singareni Collieries Company Limited	Nil	02
Shri A. K. Jha, Chairman	Functional	4	4	Nil	Nil	02
Shri A. K. Tiwari, Director (Tech./Op)	Functional	9	9	(i) MJSJ Coal Limited (ii) Neelanchal Power Transmission Corporation Pvt. Ltd.	01	05
Shri J. P. Singh, Director (Tech./P&P)	Functional	9	7	(i) MNH Shakti Limited (ii) Mahanadi Basin Power Limited (iii) Mahanadi Coal Railway Limited	Nil	05
Shri P. C. Panigrahi, Director (Personnel)	Functional	6	5	(i) Mahanadi Basin Power Limited (ii) MNH Shakti Limited	Nil	03
Shri K. K. Parida, Director (Finance)	Functional	9	9	(i) Mahanadi Basin Power Limited (ii) MJSJ Coal Limited (iii) Mahanadi Coal Railway Limited.	Nil	05
Shri L. N. Mishra, Director (Personnel)	Functional	3	3	(i) MNH Shakti Limited (ii) Mahanadi Basin Power Limited	Nil	02
Shri J. S. Bindra, Director	Govt. Nominee	9	7	Nil	01	02
Shri B. K. Saxena, Director	Official part time	6	6	(i) Coal India Limited (ii) Northern Coalfields Ltd	01	02
Shri S. N. Prasad, Director	Official part time	1	1	(i) Coal India Limited (ii) Northern Coalfields Ltd	Nil	02
Dr. Rajib Mall, Director	Independent	4	4	Nil	01	02
Shri. H.S. Pati, Director	Independent	3	3	Nil	01	02

Certain items of governance like the Half-yearly and Annual Accounts, Capital expenditure, Coal sale contracts, Manpower budgets, Statutory compliance reports etc. are reserved for Board's review and approval.

Remuneration of Directors:**A) Whole time Directors**

Name	Relation-ship with other Directors	Business relationship with the Company if any	Remuneration for the year 2015-16
			All elements of remuneration package i.e. Salary, Performance linked incentive Scheme, PF contribution, Pension etc. (Rs.)
Shri A. N. Sahay	Nil	Chairman-cum-Managing Director	15,90,430.08
Shri A. K. Jha	Nil	Chairman-cum-Managing Director	7,45,950.00
Shri A. K. Tiwari	Nil	Director (Tech/ OP.)	28,46,606.25
Shri J. P. Singh	Nil	Director(Tech/P&P)	22,39,651.25
Shri P. C. Panigrahi	Nil	Director(Personnel)	23,29,467.33
Shri K. K. Parida	Nil	Director (Finance)	22,02,193.75
Shri L. N. Mishra	Nil	Director(Personnel)	1,75,600.90

B) Official Part- time Directors

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

C) Non Official Part- time Directors

No remuneration except Sitting Fee for attending the Board/Committee meetings is paid to the Non-official Part-time Directors.

D) Service Contracts, Notice Period, Severance Fees:

All the Functional Directors of the Company are appointed by the Hon'ble President of India. The appointment may be terminated by either side on 03 months notice or on payment of 03 months salary in lieu thereof.

COMMITTEES OF THE BOARD:**i. Audit Committee**

MCL believes that a well comprised Audit Committee with proper autonomy and defined scope of work can be efficient machinery for smooth conduct of business. The Committee meets at regular intervals and addresses the issues as early as possible. Meetings of the Audit Committee are also very structured with proper agenda and action taken reports put in place timely.

The Audit Committee has access to financial and other data/information of MCL. Observation made by the Committee is reported to MCL Board. The Committee meets as often as desired but is expected to meet at least once in a Quarter.

Scope of work

- a) Review of financial statement.
- b) Periodical review of internal control system.
- c) Review of Govt. Audit and Statutory Auditor's Report.
- d) Review of operational performance vis-à-vis standard parameters.
- e) Review of projects and other capital scheme.
- f) Review of internal audit findings/observations.
- g) Development of a commensurate and effective internal audit functions in MCL.
- h) Special studies, investigation of any matter including issue referred to by the Board.

Composition and meeting details of the Audit Committee:

The Audit Committee met for eight times on 20.05.2015, 30.06.2015, 31.07.2015, 21.09.2015, 27.10.2015, 16.12.2015, 04.02.2016 and 29.02.2016 during the year and the details of Directors attending the meetings are given as under.

Sl. No	Name	Status	No of meetings held during tenure	Attendance
1.	Shri B. K. Saxena	Chairman	6	6
2.	Shri A. K. Tiwari	Chairman	2	2
3.	Shri A. K. Tiwari	Member	6	6
4.	Shri J. S. Bindra	Member	8	6
5.	Dr. Rajib Mall	Member	1	1
6.	Shri H. S. Pati	Member	1	1

* The committee has been reconstituted on 09th February, 2016 and Independent directors, Dr. Rajib Mall and Shri. H. S. Pati were introduced in the Committee.

In Audit Committee meetings, Director (Finance), Chief of Internal Audit, and Statutory Auditors are invited to clarify the matters relating to Finance, Accounts, Audit and Internal Control System.

In addition to the existing Audit Committee, following Sub-committees have been constituted in the 134th and 135th Board meeting during 2011-12, keeping in view, further strengthening of Company's strategic and technical decision making process, adherence to Corporate Governance in true letter and spirit, value addition through HR and urgency of R & R.

ii) Technical Sub-committee:**Scope of work:**

- Evaluation, appraisal and recommendation of projects for approval of MCL Board.

Composition and meeting details of the Sub-committee:

The Sub-committee met three times during the year, i.e. on 20.05.2015, 31.07.2015 and 21.09.2015 with attendance of members as under:

Sl. No	Name	Status	No of meetings held during tenure	Attendance
1.	Shri A. N. Sahay	Chairman	3	3
2.	Shri A. K. Jha	Chairman	0	0
3.	Shri B. K. Saxena	Member	3	3
4.	Shri A. K. Tiwari	Member	3	3
5.	Shri J. P. Singh	Member	3	2
6.	Shri K. K. Parida	Member	3	3

iii) CSR and Sustainable Development Sub-committee (CSR & SD):**Scope of work:**

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- Monitor the Corporate Social Responsibility Policy of the company from time to time.

Composition and meeting details of the Sub-committee:

The CGSRMSDCSR Sub-committee met four times during the year on 30.06.2015, 31.07.2015, 21.09.2015 and 16.12.2015 with attendance of members as under

Sl. No	Name	Status	No of meetings held during tenure	Attendance
1.	Shri B. K. Saxena	Chairman	4	4
2.	Shri A. K. Tiwari	Member	4	4
3.	Shri J. P. Singh	Member	4	4
4.	Shri P. C. Panigrahi	Member	4	3
5.	Shri K. K. Parida	Member	4	4
6.	Shri L. N. Mishra	Member	0	0
7.	Dr. Rajib Mall	Member	0	0
8.	Shri. H. S. Pati	Member	0	0

* The CGSRMSDCSR Sub-committee has been reconstituted on 09th February, 2016 and renamed as CSR and Sustainable Development Sub-committee and new members were introduced in the Sub-committee.

iv) Risk Management Committee (RMC):**Scope of work:**

- a. To review the Company's risk management strategy, policy, procedures if any, in existence and recommend to the Board changes required thereto.
- b. To define 'risk appetite' and 'risk tolerance' of the Company and monitor the Company's risk exposures.
- c. To review the Management's actions with regard to identifying, assessing, managing and monitoring of Company's material risks.
- d. To review the adequacy of risk management programs of the Company and recommend to the Board required changes, if any.

Composition and meeting details of the Sub-committee:

The Risk Management Committee has been formed with the following members on 09th February 2016 and no meeting was held during the year 2015-16.

Sl. No	Name	Status
1.	Shri A. K. Tiwari	Chairman
2.	Shri J. P. Singh	Member
3.	Shri K. K. Parida	Member
4.	Shri S. N. Prasad	Member

v) Nomination and Remuneration Committee:**Scope of work:**

As regards to Human Resource Management:

- a) Recommending with the Management, to the Board strategic initiatives focused to address the HR issues.
- b) Periodic reviewing with the management, of the existing Policies/Rules/ Regulations/Manuals/ Guidelines related to recruitment, transfer, promotion, training and development, retention, deputation, succession, performance, reward system and recommending to the Board regarding change if any, required therein.
- c) Recommending to the Board with the management any new HR focused policy.
- d) Recommending to the Board on undergoing foreign training by the Board level and below Board level Executives and Supervisors if so, required.
- e) Recommending with the management to the Board on the annual financial budgetary allocations towards training and development, employee welfare, public relations along with annual forecast and budget of manpower for the Company.

As regards to Remuneration:

- a. Deciding on PRP in the line with directives to be received from CIL and the concerned Ministry.
- b. Reviewing the incentive schemes if any, in vogue and recommending to the Board any change thereto.
- c. Reviewing the Production Improvement Schemes if any, in vogue and recommending to the Board any change thereto.

Any other significant pecuniary benefit payable to employees or Board level Executives that require Committee's deliberation, decision and recommendation.

Composition and meeting details of the Sub-committee:

The HRMR Sub-committee met one time during this year on 17.06.2015, with attendance of members as under:

Sl. No	Name	Status	No of meetings held during tenure	Attendance
1.	Shri A. K. Tiwari	Chairman	1	1
2.	Shri J. P. Singh	Member	1	1
3.	Shri P. C. Panigrahi	Member	1	1
4.	Shri K. K. Parida	Member	1	0
5.	Shri J. S. Bindra	Chairman	0	0
6.	Shri S. N. Prasad	Member	0	0
7.	Dr. Rajib Mall	Member	0	0
8.	Shri. H. S. Pati	Member	0	0

* The HRMR Sub-committee has been reconstituted and renamed as Nomination and Remuneration Committee on 9th February, 2016 and new members were introduced in the committee.

vi) Sub-committee for Land oustee cases:

Scope of work:

To consider and approve all the cases of employment, cash compensation etc. as per existing norms of R&R Policy being followed by the Company.

Composition and meeting details of the Sub-committees:

The Sub-committee for Land oustee cases met twelve times during this year on 04.04.2015, 24.04.2015, 19.05.2015, 06.06.2015, 22.06.2015, 04.08.2015, 16.08.2015, 19.09.2015, 03.10.2015, 12.11.2015, 14.12.2015 and 20.02.2016, with attendance of members as under:

Sl. No	Name	Status	No of meetings held during tenure	Attendance
1.	Shri A.N. Sahay	Chairman	9	9
2.	Shri A. K. Jha	Chairman	3	3
3.	Shri A. K. Tiwari	Member	12	12
4.	Shri J. P. Singh	Member	12	12
5.	Shri P. C. Panigrahi	Member	11	10
6.	Shri K. K. Parida	Member	12	10
7.	Shri L. N. Mishra	Member	01	01

STATUTORY AUDITORS

Under Section 139 of the Companies Act, 2013, the following Audit Firms were appointed as Statutory/Branch Auditors for the year 2015-16.

Statutory Auditors

M/s PAMS & Associates.
Chartered Accountants
Plot No. 506A, Unit-IX,
Odisha-751022

Branch Auditors

M/s SRB & Associates
5th Floor, IDCO Towers,
Janpath, Bhubaneswar
Odisha-751022

Type of Audit	Remuneration (Rs.)	Remarks
Statutory Audit for the year 2015-16	Rs. 8,82,812/- (Rs. 5,31,250/- for Principal Auditors and Rs. 3,51,562/- for Branch Auditors)	Out of Pocket Expenses (OPE) is Rs. 2,82,500/- (Rs. 1,70,000/- for Principal Auditors and Rs. 1,12,500/- for Branch Auditors) in addition to reimbursement/ payment of travelling expenses on actual basis and applicable Service Tax payable thereon.
Audit for consolidation	Rs. 62,500/-	Out of Pocket Expenses (OPE) Rs. 20000/- and applicable Service Tax payable thereon.
Compliance with the conditions of Corporate Governance	Rs. 30,000/-	Including Out of Pocket Expenses (OPE) and applicable Service Tax payable thereon.

General Meetings of Shareholders:

Details of the General Meetings of the Shareholders held during last 03 years are as under:

Annual General Meeting:

Year	Date	Time	Location	Special Resolution, if any
2012-13	17.05.2013	11.00 AM	Mahanadi Coalfields Limited, Jagruti Vihar, Burla, Sambalpur	Nil
2013-14	09.06.2014	11.00 AM	Mahanadi Coalfields Limited, Jagruti Vihar, Burla, Sambalpur	Nil
2014-15	08.07.2015	10.30 AM	Mahanadi Coalfields Limited, Jagruti Vihar, Burla, Sambalpur	One

Extraordinary General Meeting:

Year	Date	Time	Location	Special Resolution, if any
2013-14	Nil	Nil	Nil	Nil
2014-15	25.03.2015	11.00 AM	Mahanadi Coalfields Limited, Jagruvi Vihar, Burla, Sambalpur	One
2015-16	Nil	Nil	Nil	Nil

Code of business conduct and ethics for Board members and Senior Management Personnel in MCL.

The Board of Directors of the Company has adopted a Code of Conduct for Directors and Senior Management Personnel in its 94th meeting held on 29th March, 2008 at Kolkata and the same has been posted at Company's website www.mahanadicoal.in.

Report on Internal Financial Controls (IFC):

All the Internal Auditors of MCL has submitted their reports on Internal Financial Control prevailing in MCL. All the Auditors have opined that MCL has, in all material respects, laid down internal Financial Controls (including operational Controls) and that such controls are adequate and were operating effectively during the year 2015-16. The reports of the Auditors on Internal Financial Controls in MCL have been put up in Audit Committee and Board meeting of MCL for review.

Risk Management:

Due importance is given for risk identification, assessment and its control in different functional areas of the Company for an effective risk management process because of inherent risk, external and internal, necessary control measures are regularly taken. Acquisition of land, forest clearance, land oustee problems are some of the critical factors which are monitored continuously by the Management. Due importance is also given to the internal factors like preventive maintenance of machinery, security, industrial relations etc. for ensuring smooth operation of the Company. At an apex level, a separate Sub-committee of the Board has been formed in the year 2011-12 for reviewing the functioning of risk management mechanism at MCL. Further, to comply with the provisions of the requirements of Section 134(3)(n) of the Companies Act, 2013, the said Committee has been re-constituted on 09.02.2016 by MCL Board named as "Risk Management Committee" (RMC). General Manager (S&R), MCL has been nominated to act as Chief Risk Officer (CRO), a representative of MCL's RMC to co-ordinate and comply with the matters related to Risk Management at MCL.

Whistle Blower Policy:

Being a Govt. Company, the activities of the Company are open for audit by C&AG, Vigilance, CBI etc. However, despite the general application of CIL's Whistle Blower Policy, an adoptable version of the same for MCL is also being worked out.

Accounting Treatment:

The Financial Statements are prepared in accordance with the applicable mandatory Accounting Standards and relevant requirements under the Companies Act, 2013.

Means of Communication:

Operational and Financial Performance of the Company are published in Leading English Newspapers and in local dailies. In addition to above, the financial results are displayed in the Company's Website.

Audit Qualifications:

It is always the Company's endeavour to present unqualified Financial Statements. Management Reply to the Statutory Auditors' observations on the Accounts of the Company for the year ended 31st March, 2016 are furnished as an Annexure to Directors' Report. Comments of the Comptroller & Auditor General of India under the provisions of Section 143 of the Companies Act, 2013 on the Accounts of MCL for the year ended 31st March, 2016 is also enclosed.

Training of Board Members:

The Functional Directors, by virtue of their possessing the requisite expertise and experience in their respective functional areas, are aware of the business model of the Company as well as the risk profile of the Company's business. The Part-time Directors are fully aware of the Company's business model. However, having aimed at better familiarity with Corporate Governance practices, the Independent Directors are nominated for undergoing training programmes organised by Top Institutions. A suitable Training Policy for Directors in line with DPE Guidelines on Corporate Governance is also in place.

Compliance on Corporate Governance as per DPE Guidelines

Your Company has implemented the Guidelines issued by DPE as per OM No.DPE/14(38)/10-Fin Dated 28.06.2011 and a certificate has been given by CEO for compliance of DPE Guidelines.

Your Company has achieved an annual score of 90.69% in Corporate Governance for the year 2015-16, which entails '**Excellent**' grading.

ANNEXURE-V**Form No. MGT-9****EXTRACT OF ANNUAL RETURN****As on the financial year ended on 31/03/2016 of MAHANADI COALFIELDS LIMITED***[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]***I. REGISTRATION AND OTHER DETAILS:**

- i) CIN:- **U10102OR1992GOI003038**
- ii) Registration Date: **3/4/1992**
- iii) Company Name : **MAHANADI COALFIELDS LIMITED**
- iv) Category of the Company: -
 1 Public Company ()
 2 Private company (✓)
- v) Sub Category of the Company:- [Please tick whichever are applicable]
- | | |
|------------------------------------|-----|
| Government Company | (✓) |
| Small Company | () |
| One Person Company | () |
| Subsidiary of Foreign Company | () |
| NBFC | () |
| Guarantee Company | () |
| Limited by shares | (✓) |
| Unlimited Company | () |
| Company having share capital | (✓) |
| Company not having share capital | () |
| Company Registered under Section 8 | () |
- vi) Address : **At/Po - Jagruti Vihar, Burla**
 Town / City : **Sambalpur**
 State : **Odisha**
 Country Name : **India**
 Pin Code : **768020**
 Fax Number : **0663-2542977**
 Email Address : **cosecymcl@gmail.com**
 Website : **www.mahanadicoal.in**

vii) Whether shares listed on recognized Stock Exchange(s) - Yes/**No** ✓vii) Name, Address and Contact details of Registerer and Transfer agent, if any **Nil**

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	051-05101 and 051-05102	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/ GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	Coal India Limited 10, N.S. Road, Coal Bhawan Kolkata - 700001. West Bengal	L23109WB19 73GOI028844	Holding	100	Sec - 2 (87)
2	MNH Shakti Limited At - Anand Vihar, Po- Jajriti Vihar, Burla, Sambalpur - 768020. Odisha	U10100OR20 08GOI010171	Subsidiary	70	Sec - 2 (87)
3	MJSJ Coal Limited House No - 42, 1st Floor, Hakimpara, Po. - Angul, Angul - 759153 Odisha	U10200OR20 08GOI010250	Subsidiary	60	Sec - 2 (87)
4	Mahanadi Basin Power Limited Plot No. G-3, Gadakana Chandrasekharapur, Bhubaneswar – 751017, Odisha	U40102OR20 11GOI014589	Subsidiary	100	Sec - 2 (87)
5	Mahanadi Coal Railway LimitedM/s Mahanadi Coalfields Ltd, Corporate Office, MCL HQ, MDF Room, At/Po - Jagruti Vihar, Burla, Sambalpur – 738020.	U60100OR20 15GOI019349	Subsidiary	64	Sec - 2 (87)
6	Neelanchal Power Transmission Company Pvt. Limited C/O - Odisha Power Transmission Corporation Limited Janpath, Bhoi Nagar Bhubaneswar-751022 Odisha	U40102OR20 13PTC016434	Associate	50	Sec - 2 (6)

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	0	0	0	0	0	0	0	0	0
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	1864009	1864009	100	0	1864009	1864009	100	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	0	1864009	1864009	100	0	1864009	1864009	100	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0

2. Non-Institutions

a) Bodies Corp.

i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0

b) Individuals

i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0

c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	0	0	0	0	0	0	0	0

Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0	0	0	0	0	0
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C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
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Grand Total (A+B+C)	0	1864009	1864009	100	0	1864009	1864009	100	0
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ii) **Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	COAL INDIA LIMITED	1864009	100	0	1864009	100	0	0

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

Sl No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year				
	Coal India Limited	1864006	99.99	1864006	99.99

	Shri A.N. Sahay	1	0.00001	1	0.00001
	Shri S. Bhattacharjee	1	0.00001	1	0.00001
	Shri B.K. Saxena	1	0.00001	1	0.00001
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	Coal India Limited	1864006	99.99	1864006	99.99
	Shri A.N. Sahay(Transferred to Shri A.K. Jha)	(1)	(0.00001)	(1)	(0.00001)
	Shri A.K. Jha	1	0.00001	1	0.00001
	Shri S. Bhattacharjee	1	0.00001	1	0.00001
	Shri B.K. Saxena (Transferred to Shri S.N. Prasad)	(1)	(0.00001)	(1)	(0.00001)
	Shri S.N. Prasad	1	0.00001	1	0.00001
3	At the End of the year (or on the date of separation, if separated during the year)	1864009	100	1864009	100
	Coal India Limited	1864006	99.99	1864006	99.99
	Shri A.K. Jha	1	0.00001	1	0.00001
	Shri S. Bhattacharjee	1	0.00001	1	0.00001
	Shri S.N. Prasad	1	0.00001	1	0.00001

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

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	0	0	0	0
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
3	At the End of the year	0	0	0	0

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

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year				
	Shri A.N. Sahay	1	0.00001	1	0.00001
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	Shri A.N. Sahay	(1)	(0.00001)	(1)	(0.00001)
	Shri A.K. Jha	1	0.00001	1	0.00001
3	At the End of the year	1	0.00001	1	0.00001
	Shri A.K. Jha	1	0.00001	1	0.00001

V. INDEBTEDNESS

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

(Figures in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0.00	74000000.00	0.00	74000000.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	0.00	74000000.00	0.00	74000000.00
Change in Indebtedness during the financial year				
* Addition	0.00	9100000.00	0.00	9100000.00
* Reduction	0.00	5400000.00	0.00	5400000.00
Net Change	0.00	3700000.00	0.00	3700000.00

Indebtedness at the end of the financial year

i) Principal Amount	0.00	77700000.00	0.00	77700000.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	0.00	77700000.00	0.00	77700000.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Figures in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager							Total Amount
1	Gross salary	Sri A. K. Jha (CMD)	Sri A.N. Sahay (CMD) (upto 31.10.15)	Sri A. K. Tiwari (WTD)	Sri J. P. Singh (WTD)	Sri P.C. Panigrahi (upto 31.1.16)	Sri K. K. Parida (WTD)	Sri L. N. Mishra (WTD)	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,45,950	15,90,430	28,46,606	22,39,651	23,29,467	22,02,193	1,75,600	1,21,29899
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0	0	0	0	0
2	Stock Option	0	0	0	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0	0	0	0	0	0
5	Others, please specify	0	0	0	0	0	0	0	0
	Total (A)	7,45,950	15,90,430	28,46,606	22,39,651	23,29,467	22,02,193	1,75,600	1,21,29899
	Ceiling as per the Act	-	-	-	-	-	-	-	-

B. Remuneration to other directors:

(Figures in ₹)

Sl. no.	Particulars of Remuneration	Shri H.S. Pati	Dr. Rajib Mall	Total Amount
1	Independent Directors			
	Fee for attending board	75,000	60,000	1,35,000
	committee meetings Commission	0	0	0
	Others, please specify	0	0	0

	Total (1)	75,000	60,000	1,35,000
2	Other Non-Executive Directors	0	0	0
	Fee for attending board committee meetings	0	0	0
	Commission	0	0	0
	Others, please specify	0	0	0
	Total (2)	0	0	0
	Total (B)=(1+2)	75,000	60,000	1,35,000
	Total Managerial Remuneration	0	0	0
	Overall Ceiling as per the Act	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTB

(Figures in ₹)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel	
		Company Secretary	Total
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22,49,596	22,49,596
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission	0	0
	- as % of profit	0	0
	others, specify...	0	0
5	Others, please specify	0	0
	Total	22,49,596	22,49,596

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

MAHANADI COALFIELDS LTD.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. INDUSTRY STRUCTURE AND DEVELOPMENT:

Coal - primary source of Energy:

Coal is the dominant, sustainable and reliable source of energy. Globally, use of coal for commercial energy has been going down since 1950, largely because of environmental considerations and availability of cheap oil and gas. However, in India the scenario is totally different. Here coal is likely to play a dominant role in power generation because of its abundant reserve and cheap availability coupled with limited oil reserve within the country.

Coal Reserve:

Coal accounts for 97% of the fossil resources in our country .The National Coal Inventory places the hard coal resources at 306.595 Billion Tonne (BT) upto 1200 meter depth in 69 different coalfields as on 01.04.2015, details are as below:

SL NO	STATE	NO. OF CF	COAL RESERVE (BT)	% OF INDIA
1	JHARKHAND	12	81.049	26.44%
2	ODISHA	2	75.799	24.72%
3	CHHATTISGARH	13	54.912	17.91%
4	WEST BENGAL	4	31.435	10.25%
5	M.P.	8	26.536	8.65%
6	TELENGANA	1	21.211	6.92%
7	MAHARASHTRA	5	11.253	3.67%
8	NE STATE	21	1.598	0.52%
9	A.P.	1	1.581	0.52%
10	U.P.	1	1.062	0.35%
11	BIHAR	1	0.160	0.05%
TOTAL	69	306.596	100.00%	

Odisha stands 2nd to Jharkhand in the reserve position in India. Total coal reserve of Odisha as on 1st April 2015 is estimated to be 75.799 Billion Tonnes which is around 24.72 % of the total National coal reserve. The two coalfields of Odisha, namely Talcher and Ib-valley coalfield are under its command area of MCL, Talcher being the largest coalfield (50.969 BT) and Ib-valley being the 3rd largest (24.831 BT) coalfield of India. Out of 75.799 Billion Tonnes of coal reserve, the proved coal reserve is 30.747 BT (40.56%).

Talcher and Ib-valley coalfields of Odisha are the store house of huge thermal grade non-coking coal having most favorable quariability prospects. Demand of coal for thermal plants of existing and proposed ones of southern and western India is in a growing trend.

Coal Demand:

The Working Group for Coal & Lignite for formulation of XII Plan has assessed a coal demand of 980.50 at a Compounded Annualized Growth Rate (CAGR) of 7.09 in terminal year of XII Plan i.e. 2016-17. The detail is as given below:

Sector	2016-17
Steel (Coking)	67.20
Power (U)	682.08
Power (Captive)	56.36
Cement	47.31
Steel DRI	50.33
Others	77.22
Total Non Coking	913.30
Total	980.50

Coal off-take and dispatch:

Off-take programme for CIL the year 2016-17 has been planned for 598.60 Mt out of which share of MCL is 167.00 Mt (27.90 %).

Sector-wise actual coal off-take of MCL for XI Plan and 1st, 2nd, 3rd year & 4th year of XII Plan & Projection for 5th year of XII Plan:

(Fig. in Million Tonne)

	XI Plan						XII Plan			
	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 BE
Power	68.09	70.47	70.88	74.73	77.11	88.16	78.223	87.717	91.173	145.47
Cement	0.19	0.17	0.26	0.27	0.23	0.348	0.340	0.432	0.24	0.26
Fertilizer	-	-	-	0.02	0.026	0.060	0.0367	0.024	0.004	0.06
Others	15.35	20.06	27.01	27.07	25.16	23.396	35.742	34.828	48.797	21.21
Total	83.63	91.30	98.15	102.09	102.52	111.964	114.342	123.001	140.214	167.00

Mode-wise actual coal movement of MCL for XI Plan and 1st, 2nd, 3rd year & 4th year of XII Plan & Projection for 5th year of XII Plan:

(Fig. in Million Tonne)

	XI Plan					XII Plan				
	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 (Actual)	2016-17 BE
Rail	51.68	54.18	55.84	59.24	60.310	68.727	72.2246	81.260	89.079	122.51
Road	12.16	18.68	23.35	25.12	25.623	25.219	24.506	25.152	34.515	20.52
MGR	18.59	17.08	17.37	16.11	14.797	16.191	15.745	15.166	15.231	22.10
Others	1.20	1.36	1.59	1.62	1.791	1.819	1.866	1.423	1.389	1.87
Total	83.63	91.30	98.15	102.09	102.521	111.959	114.342	123.001	140.214	167.00

Coal Availability:

The actual coal production in the 1st, 2nd year, 3rd year & 4th year of XIIth plan period i.e 2012-13, 2013-14, 2014-15, 2015-16 and production projection during the 5th year of XIIth Plan i.e 2016-17 from existing mines, completed projects and on-going projects in MCL, is given below.

(Fig. in Million Tonne)

	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 BE
Existing Mines	1.32	1.35	1.32	1.333	0.967	0.778	1.127	0.981	0.88
Completed Projects	64.85	71.19	73.27	66.645	67.344	59.988	70.906	76.220	91.37
On-Going & New Projects	30.17	31.54	25.69	35.140	39.584	49.674	49.346	60.70	74.75
Total	96.34	104.08	100.28	103.118	107.895	110.440	121.379	137.901	167.00

Productivity:

In MCL the major share of coal production from OCPs is done contractually and OBR is done departmentally. In few projects OBR has also been outsourced. The OMS position of MCL is as below:

	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 BE
UG	1.25	1.29	1.25	1.24	0.97	0.84	0.77	0.67	0.55
OC	23.05	18.89	20.50	20.38	21.34	22.16	22.11	24.24	29.46
OVERALL	16.59	14.66	15.37	15.36	16.07	16.69	17.10	18.88	22.40

A. OPPORTUNITIES AND THREATS

Opportunities:

- Huge demand of coal in the country especially for power generation.
- Huge potentiality of coal mining in MCL
- Power Plants located in the northern India are also linked to MCL.
- To formulate a sound marketing strategy & Long term agreement with Consumers, Railways and Shippers.
- To set up washeries
- Diversification to power
- JV for coal gasification and coal to liquid (oil).

Threat:

- Coal amenable to opencast mining - requirement of more land.
- Land acquisition and consequent social displacement.
- Rehabilitation and resettlement issues.
- Proneness of opencast mining to Environmental pollution.
- Inadequacy of Railways in coal transportation.
- Majority of consumers are far away from coalfields i.e. increase in rail freight means high landed cost to the consumers.
- The Coastal based TPPs have option to use imported coal.
- Captive Mining – allotment of blocks to MCLs consumers, some Central PSUs and State PSUs, for power generation and coal mining by State Govt. companies for sale of coal in the market.

B. PERFORMANCE:

Covered in the main report

C. OUT LOOK

Members may be aware that at present, there are 34 completed projects in MCL with rated capacity of 98.08 Mt (Including capacity of exhausted mines), out of which 02 projects with rated capacity of 1.60 Mt have been exhausted during XI Plan period. There are 17 On-going projects under implementation (as on March 2016) with rated capacity of 126.33 Million tonne.

Basundhara Area (known as Gopalpur Tract) of Ib-valley coalfield has enough potentiality, but the only bottle neck is coal evacuation arrangement. Your company has planned and approved a 52 Km long railway line from Basundhara Area to Jharsuguda Rly station at capital investment of Rs 1044.47 crores. Two MOUs have been signed between MCL and SE Rly for land acquisition

and construction of the railway line. Land acquisition work is in progress and construction work has been started. The scheduled date of completion of the railway line is 36 months to be reckoned from 09.03.09. Now the project is delayed due to acquisition of forest land which is pending for want of NOC under FRA- 2006, and also construction of one major bridge over Ib river is under execution.

Similarly, in Talcher coalfield, construction of Kalinga-Angul link railway line is going on. Once this segment is completed, there will be uni-directional movement of empty rail rakes from Angul side and the loaded rakes will be evacuated through Talcher side. This will increase the rake movement capacity of Talcher coalfield by double.

D. RISKS AND CONCERNS:

Mining is site specific and location of a mine can not be changed. Following risks and concerns are involved:

- Delay in obtaining forestry clearance and environmental clearance.
- High cost of Rehabilitation and resettlement
- Demand of employment beyond the prescribed norms resulting in frequent law and order problem and obstruction of mining and coal transportation operation.
- Long lead time to procure HEMMs and other E&M items.

E. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Covered in the main report.

F. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

Covered in the main report.

G. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

Covered in the main report.

H. ENVIRONMENTAL PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, RENEWABLE ENERGY DEVELOPMENTS, FOREIGN EXCHANGE CONSERVATION.

Covered in the main report.

I. CORPORATE SOCIAL RESPONSIBILITY

Covered in the main report.

ANNEXURE-VII

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE
FINANCIAL STATEMENTS OF MAHANADI COALFIELDS LIMITED
(STANDALONE) FOR THE YEAR ENDED 31 MARCH, 2016.**

The preparation of financial statements of Mahanadi Coalfields Limited (standalone) for the year ended 31 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 auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 14.06.2016.

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 Mahanadi Coalfields Limited (standalone) for the year ended 31 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 comments upon or supplement to statutory auditors' report.

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

Sd/-

(Praveer Kumar)

**Pr. Director of Commercial Audit
& Ex-officio Member, Audit Board-II, Kolkata**

Kolkata

Dated: 27.06.2016

**PERFORMANCE EVALUATION OF MEMORANDUM OF UNDERSTANDING : 2015 – 16 WITH FORCE MAJEURE
MAHANADI COALFIELDS LIMITED**

ANNEXURE - VIII

1	Evaluation Criteria	Unit	Weight (in %)	MoU Target					Performan ce between April -15 to March-16	Rank	Score
				Excellent	Very Good	Good	Fair	Poor			
				5	4	3	2	1			
	Static / Financial Parameters										
(i)	Growth/Size/Activity(Two)										
(a)	Sales Turn over(Net sales)	Rs Cr	10	12245.85	12127.24	11520.88	10944.83	10397.57	12752.97	5	50
(b)	Gross operating Margin Rate	%	10	0.4224	0.4222	0.4011	0.3810	0.3620	0.4814	5	50
(ii)	Profitability										
(a)	PAT/Networth	Ratio	5	0.5670	0.5648	0.5366	0.5097	0.4842	0.9689	5	25
(b)	EBITDA/Net Block	Ratio	7	1.3446	1.3386	1.2717	1.2081	1.1477	2.0074	5	35
(iii)	Cost and output efficiency										
(a)	Sales Turn over/Net Block	Ratio	10	3.4576	3.4241	3.2529	3.0903	2.9357	3.9209	5	50
(iv)	Liquidity/Leverage										
(a)	Debtor Turnover ratio (No of days) (Average Collection period)		8	12.27	12.36	12.98	13.63	14.31	9.7438	5	40
	Sub Total		50.0								250.0

Contd.

Evaluation Criteria	Unit	Weight (in %)	MoU Target					Performance between April -15 to March-16	Rank	Score
			Excellent	Very Good	Good	Fair	Poor			
			5	4	3	2	1			
(i) Initiatives of Growth		13								
a Acquisition of Land	Ha	8						S.O . 2828(E) dated 07.10.2015 for 1141.477 Ha in Neelachal Coal Mining Block , Gopalji Opencast Project, Kaniha.		
ii) Notification under Sec. 7(1) of CBA	Ha	2	800.00	760.00	722.00	685.90	651.61		5	10
iii) Notification under Sec. 9(1) of CBA	Ha	2	300.00	285.00	270.75	257.21	244.35		5	10
iii) Possession of Land	Ha	4	271.00	257.45	244.58	232.35	220.73	S.O.1261(E) dated 29.03.2016 for 340.429 Ha in Gopal Prasad (Balaram Expansion OCP).	5	20
b Formulation and approval of Projects by MCL Board	Month	5								
b1 Formulation and approval of Projects by MCL Board (Gopalji-Kaniha Exp. OCP 30 Mty)	Month	3	15th December' 2015	31st December' 2015	15th January' 2016	31st January' 2016	15th Feb'2016		5	15
b2 Formulation and approval of Projects by MCL Board (Re-organisation of Bharatpur OCP 20 Mty)	Month	2	31st December' 2015	15th January' 2016	31st January' 2016	15th Feb'2016	29th Feb'2016	NOT achieved	1	2.0

Contd.

Evaluation Criteria	Unit	Weight (in %)	MoU Target					Performance between April -15 to March-16	Rank	Score
			Excellent	Very Good	Good	Fair	Poor			
			5	4	3	2	1			
(ii) II Project Management & Implementation		9								57.00
a Commissioning / Completion of Projects	Month	6								
a1 Commissioning (Start of production) of Jagannath Re-organisation OCP	Month	3	15th January' 2016	31st January' 2016	15th Feb' 2016	28th Feb' 2016	15th Mar' 2016	Since Jagannath Re-organization OCP is the extension of existing Jagannath OCP and entries into the area of Jagannath Re-organization has to be made from existing working areas, commissioning of this Project is possible only when the property of existing OCP is exhausted. Inspite of all efforts made by MCL including the discussions held with Chief Secretary of Govt. of Odisha with Secretary Coal (MOC), the handing over of balance 9.75 Ha forest land of existing Jagannath OCP could not be obtained in the year 2015-16 causing delay in completion of working of existing area. Therefore, commissioning (Start of production) of Jagannath Re-organisation OCP could not be made during 2015-16.	5	15.0

Contd.

Evaluation Criteria	Unit	Weight (in %)	MoU Target					Performan ce between April -15 to March-16	Rank	Score
			Excellent	Very Good	Good	Fair	Poor			
			5	4	3	2	1			
OC Project	Month	3	December' 2015	December' 2015	January' 2016	January' 2016	2016	Belpahar OC accepted in November, 2015	5	15.0
b Award for Procurement of HEMM (Dumper. Front End Loader. Dozer etc)	No of HEMM	1	8	7	6	5	4	Award for procurement of 25 nos dumpers to M/s BEML Limited vide S.O No.08 dated 25.05.15. Award for 1 No 400HP Dozer to M/s Komatsu Ltd vide S.O no 24 dated 22.07.15. Award for and 3 nos. Hitachi- make Front-end wheel loader having bucket capacity not less than 2.5 cu.m. vide S.O no 31 dated 12.08.15. Award for 02 no of Crawler Mounted Hydraulic Excavator vide S.O no 70 dated 11.01.2016 has been placed.	5	5.0

Contd.

Evaluation Criteria	Unit	Weight (in %)	MoU Target					Performance between April -15 to March-16	Rank	Score
			Excellent	Very Good	Good	Fair	Poor			
			5	4	3	2	1			
delivered in 2016-17.	Month	1	'15	'15	'15	December '2015	December '2015	RR prepared in Nov 2015.	3	3.0
d CAPEX	Crs	1	800.00	760.00	722.00	685.90	651.61	Capital expenditure for 2015-16 is 668.82 Crore in which expenditure made on Rail project at Basundhara Area has not been considered. Rail Project at Basundhara Area: Advance Paid-Rs.701.00 Crore Less CCDA subsidy-Rs.167.00 Crore Capital expenditure Rail project at Basundhara for the year 2015-16: (Rs.701.00-167.00 Cr)= Rs.534.00 Cr Therefore revised capital expenditure may be considered for MoU 2015-16 = Rs. 668.82 + Rs.534.00 Cr= Rs. 1202.82 Cr	5.00	5.00

Cont.....

Evaluation Criteria	Unit	Weight (in %)	MoU Target					Performance between April -15 to March-16	Rank	Score
			Excellent	Very Good	Good	Fair	Poor			
			5	4	3	2	1			
Internal Processes		12								43.0
a Utilisation of Dragline*	%	1	75.00	73.00	71.00	69.00	67.00	Utilisation of Dragline during April 15 to March 16 is 27 %.	1	1.0
b Utilisation of Shovel*	%	1	60.00	58.00	56.00	54.00	52.00	Utilisation of Shovel during April 15 to March 16 is 34 %.	1	1.0
c Utilisation of Dumper*	%	1	52.00	50.00	48.00	46.00	44.00	Utilisation of Dumpers during April 15 to March 16 is 26 %.	1	1.0
d Utilisation of Dozer*	%	1	47.00	45.00	43.00	41.00	39.00	Utilisation of Dozers during April 15 to March 16 is 26 %.	1	1.0
e Utilisation of Drill*	%	1	42.00	40.00	38.00	36.00	34.00	Utilisation of Drill during April 15 to March 16 is 20 %.	1	1.0
f System capacity Utilisation	%	1	70.54	69.13	65.67	62.39	59.27	System capacity during 2015-16 is 76.8 %	5.00	5.0

Cont.....

[136]

Evaluation Criteria	Unit	Weight (in %)	MoU Target					Performance between April -15 to March-16	Rank	Score	
			Excellent	Very Good	Good	Fair	Poor				
			5	4	3	2	1				
h	as recommended in study conducted in Bharatpur mine to be implemented Study in 2 mines for Benchmarking of Specific Power Consumption	Month	1	15th Nov'2015	30th Nov'2015	15th Dec'2015	31st Dec'2015	15th Jan'16	Work order issued to CMPDIL Ranchi for Benchmarking of specific Power Consumption in respect of Talcher Underground mine of Talcher Area and Orient Mine no.2 of Orient Area vide reference no 976 dated 24.09.2015. CMPDIL has completed the study before 15th November and submitted the report.	5	5.0
i	Study of man Productivity by National Productivity Council	Month	1	15th Nov'2015	30th Nov'2015	15th Dec'2015	31st Dec'2015	15th Jan 16	Study of man productivity completed within 30.11.2015	4	4.0
j	Seting of Cost Control Unit at subsidiary level for improvement in financial scenarios	Month	1	15th July'2015	31st July'2015	14th Aug'15	30th Aug'15	15th'Sept 15	Cost Control Unit had already been set up at MCL for improvement in financial scenarios vide office order no.- MCL/HQ/SBP/ GM(CP&P)/15/ 567 (A) dated 15/07/ 2015.	5	5.0
k	Man productivity (Output / Manshift) (commensurate to overall corresponding production target of 150 MT of MCL)	Te/ Manshift	2	17.86	16.97	16.12	15.31	14.55	18.88	5.00	10.0

Cont.....

Evaluation Criteria	Unit	Weight (in %)	MoU Target					Performance between April -15 to March-16	Rank	Score
			Excellent	Very Good	Good	Fair	Poor			
			5	4	3	2	1			
										35.76
Innovative practices		4								
a Firewall based access control mechanism	Month	1	15th Dec' 2015	31st'Dec 2015	15th Jan'2016	1st Feb'2016	15th Feb'2016	Firewall based access control mechanism has been established by 30.11.2015	5	5.00
b Safety management								Serious injury Rate per million tonne of coal production during 2014-15 is 0.082..		
c) Reduction in Serious injury Rate per million tonne of coal production w.r.t previous year	% of reduction	1	5	4	3	2	1	Serious injury Rate per million tonne of coal production during 2015-16 is 0.029.% reduction in serious injury rate is 64.63 % All The trucks/ tippers that were deployed for Coal production/ internal transportation of coal were fitted with GPS Units. % of sized coal despatch is 100%	5	5.00
d GPS Based Truck Dispatch System for all deployed trucks in dispatch,whether contracted or owned.	%	1	100%	95%	90%	85%	80%		5	5.00
e Sized coal Despatch to power sector by Rail	(%)	1	99.00	98.00	97.00	96.00	95.00		5	5.00

Cont.....

ANNEXURE-IX

INDEPENDENT AUDITORS' REPORT

To

**THE MEMBERS OF
MAHANADI COALFIELDS LIMITED**

This Audit Report supersedes the earlier Audit Report dated 26th May 2016 and is being revised mentioning financial statements instead of standalone financial statements as per letter no 02/PDCA/A/Cs/MCL/PH-III/2016-16 dated 09-06-2016 from the office of the Principal Director of Commercial Audit & Ex- Officio Member Audit Board-II, Kolkata

1. Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of MAHANADI COALFIELDS LIMITED which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. These Standalone Financial Statements include figures in respect of six mine areas and one central workshop of Talcher Field audited by Branch Auditors.

2. 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 of these Standalone Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") 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. The Board of Directors of the company is responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Standalone Financial Statements by the Directors of the Company, as aforesaid.

3. 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 provision of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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 Standalone Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Standalone Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

4. **Opinion**

Subject to our separate report given in the annexure, we report that:

- (a) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Accounting Policies (Note No.33), and the Additional Notes on Accounts (Note No.34) give the information required by the Companies Act, 2013, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2016;
 - ii. in the case of the statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii. in the case of the cash flow statement, of the cash flows for the year ended on that date.

We have placed reliance on:

- (a) The technical data submitted by the Management in respect of Advance Stripping, Coal Exposed, Average/ Standard Ratio, Current Ratio, Ratio Variance etc., in the matter of Over Burden Accounting including adjustment for variation between standard ratio and current ratio of OBR cost;

- (b) The mine closure plan prepared by Central Mine Planning & Design Institute Limited (CMPDIL) and approved by the Management of the Company for the purpose of making provision towards Mine Closure expenses.
- (c) The Management's evaluation/ estimates, whether technical or otherwise for making the provision towards impairment of fixed assets.

5. Report on Other Legal and Regulatory Requirements

- 1. a. 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 - A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

b. In compliance to the directions, issued by Comptroller and Auditor General of India u/s 143(5) of the Companies Act 2013 , the action taken on direction and its impact on the accounts and the Standalone Financial Statements of the Company are placed at Annexure-'B(i)' & Annexure-'B (ii)' attached to our report .
- 2. As required by section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Standalone Financial Statements.;
 - b. In our opinion proper books of account as required by law relating to preparation of the aforesaid Standalone Financial Statements have been kept so far as it appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from branches not visited by us] and the report of the branch auditors.
 - c. The Branch Auditor's Report on the accounts of the branch offices, viz., six mine areas and one central workshop of Talcher Field, audited under section 143 by a person other than the company's auditor has been forwarded to us as required by sub-section (8) of section 143 and have been dealt with in preparing our report in the manner considered necessary by us;
 - d. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Standalone Financial Statements[and with the audited returns received from branches not visited by us];
 - e. In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the financial transactions effected by the company does not have any adverse effect on the functioning of the company;

- g. On the basis of the written representations received from the directors of the Company as on 31st March, 2016 taken on record by the Board of Directors of the Company, none of the directors of the Company, is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act, which is not applicable to the company.
- h. In our opinion and to the best of our information and according to the explanations given to us, there is no qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;
- i. In our opinion and to the best of our information and according to the explanations given to us, the company has adequate internal financial controls system in place and has the operating effectiveness of such controls.
- j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2004, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Standalone Financial Statements disclose the impact of pending litigations on the financial position of the company - Refer Note 34 to the Standalone Financial Statements.
 - ii. Provision has been made in the Standalone Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts – Refer additional Note - 34 to the Standalone Financial Statements in respect of such items as it relates to the company.
 - iii. There were no amounts which were required to be transferred, to the Investor Education and protection Fund by the Company.

For PAMS & Associates
Chartered Accountants
Firm's registration number: 316079E.

-Sd-
Ca. Satyajit Mishra
Partner
Membership number: 057293
Place: Bhubaneswar
Date: 14.06.2016

ANNEXURE-A TO THE AUDITORS' REPORT

The Annexure referred to in paragraph (5.1) of our report of even date to the members of MAHANADI COALFIELDS LIMITED for the year ended 31st March, 2016. We report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(a) We are informed that the fixed assets of the Company have been physically verified by the Management during the year. As per information and explanations available, no material discrepancies have been observed on such verification.

(b) The Company has clear title/lease deed for freehold and leasehold lands. However for 58.984 acres of leasehold land in Anand Vihar and Jagruti Vihar in possession of the company, the company has deposited the premium and applied for sanctioning the land in its favour.

- (ii) (a) As explained to us, stocks of Coal have been physically verified by the Management at reasonable intervals and stock of stores and spare parts (excluding stock in transit and/or under inspection with suppliers / contractors) have been physically verified by the Management in accordance with the phased programme. The discrepancies between physical stocks and book records, arising out of physical verification, have been properly dealt with in the books of accounts

- (iii) According to the information and explanations given to us:

On the basis of the examination of record we notice that short term interest bearing loan are given to Coal India Limited, the holding company and Mahanadi Basin Power Limited, MJSJ Coal Limited, MNH Shakti Limited, Mahanadi Coal Railway Limited , the subsidiaries companies.

(a) On the basis of the examination of record and on the basis of the information and explanation available we report that the terms and conditions of the grant of such loans are not prejudicial to the company's interest .

(b) On the basis of the examination of record , we noticed that the schedule of repayment of principal and payment of interest has been stipulated in the case of Coal India Limited, the holding company and not stipulated in the case of Mahanadi Basin Power Limited, , MJSJ Coal Limited, MNH Shakti Limited, Mahanadi Coal Railway Limited , the subsidiaries companies. The receipts of the principal amount and interest are regular on short term loan, given to Coal India Limited, the holding Company and not regular on short term loan given to Mahanadi Basin Power Limited, MJSJ Coal Limited, MNH Shakti Limited, Mahanadi Coal Railway Limited , the subsidiaries companies.

(c) In our opinion and according to the information and explanation given to us , there is no over due amount as the repayment period is not stipulated

- (iv) According to the information and explanations given to us, the provision of Sec 185 and 186 of the Companies Act, 2013, have been complied with in respect of the loan, investment and securities
- (v) According to the information and explanations given to us, the Company has not accepted deposits from the public.
- (vi) Since an independent cost audit is being carried out by the company we have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2014, prescribed by the Central Government under Section 148 (1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained.
- (vii) (a) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other Statutory dues as applicable, with the appropriate authorities during the year. There are no outstanding dues as of the last date of financial year for a period more than six months from the date they became payable.
- (b) According to the records of the Company and the information and explanations given to us, details of disputed dues in respect of Income-Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess as at 31st March, 2016, are given below:

	Total Amount (Rs.in Crore)	Name of the Forum where dispute is pending
Sales Tax, VAT	104.86	High Court, Tribunal and Commissionerate
Income Tax	1831.49	High Court, Tribunal and Commissionerate
Central Excise Duty	113.24	High Court, Tribunal and Commissionerate

Out of the above an amount of Rs. 43.60 crores has been deposited against Sales Tax under protest, an amount of Rs. 1,161.57 crores has been deposited against Income Tax under protest, an amount of Rs. 2.86 crores has been deposited against Central Excise Duty under protest,

- (viii) Based on our audit procedures and the information and explanations given by the Management, the Company has not defaulted in repayment of dues to any financial institution or bank. The Company has not issued debentures.

- (ix) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans .Therefore , the provision of clause 3(ix) of the Order is not applicable to the company
- (x) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of such case by the Management.
- (xi) According to the records of the Company and information and explanations given to us, the Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provision of the Sec 197 read with Schedule V to the Companies Act
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the Provision of Clause 3(xii) of the Order is not applicable to the Company
- (xiii) 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 and parties , no such disclosure under the Accounting Standard (AS-18) on Related Party Disclosures is required.
- (xiv) According to the Information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. As the Company has not made any preferential allotment or private placement of shares or fully or party convertible debenture during the year under review, the compliance requirement of Section 42 of the Companies Act, 2013 with respect to the amount raised have been used for the purpose for which the funds were raised , is not applicable .
- (xv) According to the information and explanations given to us , the Company has not entered into any non-cash transaction with directors or persons connected with him. As the Company has not entered into any non cash transaction with directors or persons connected with him, the compliance of the provision of Sec 192 of the Companies Act ,2013, is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Sec 45-IA of the Reserve Bank of India Act, 1934

For PAMS & Associates
Chartered Accountants
Firm's registration number: 316079E.

-Sd-
Ca. Satyajit Mishra
Partner
Membership number: 057293
Place: Bhubaneswar
Date: 14.06.2016

ANNEXURE – ‘B(i)’

COMPANY:

MAHANADI COALFIELDS LIMITED
JAGRUTI VIHAR, BURLA, SAMBALPUR

FINANCIAL YEAR

2015-16

Report pursuant to revised directions issued by office of C & AG u/s 143(5) of the Companies Act, 2013 applicable from the year 2015-16 accounts

Sl.No.	Direction	Statutory Auditor's Reply
1.	Whether the company has clear title/ lease deeds for freehold and leasehold respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available?	The company has cleared title/lease deeds for freehold and leasehold lands. However for 58.984 acres of leasehold land in Anand Vihar and Jagruti Vihar in possession of the company ,the company has deposited the premium and applied for sanctioning the land in its favour
2.	Whether there are any cases of waiver / write off of debts/loans/interest etc., if yes, the reasons therefore and the amount involved	As per information given to us, there was no case of waiver of debt/ loans/ interest etc during the year of audit .
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.	Proper records wherever necessary are maintained for inventories lying with third parties. As informed to us the Company has not received any gift from Govt. or other authorities.

COMPANY

ANNEXURE – ‘B(ii)’

MAHANADI COALFIELDS LIMITED
JAGRUTI VIHAR, BURLA, SAMBALPUR

FINANCIAL YEAR

2015-16

Report pursuant to Additional directions issued by office of C & AG u/s 143(5) of the Companies Act, 2013 to Statutory Auditors appointed for audit of Coal India Limited and its subsidiaries for the year 2015-16

Sl.No.	Direction	Statutory Auditor's Reply
1)	Whether coal stock measurement was done keeping in view the contour map. Whether physical stock measurement reports are accompanied by contour map in all cases? Whether new heap, if any, created during the year has got the approval of the competent authority?	Yes the stock measurement has been done keeping in view of the contour map and the physical stock measurement reports are accompanied by contour map in all cases . Yes new heap created during the year has been approved by the competent authority .
2)	Whether the company conducted physical verification exercise of assets and properties at the time of merger /split/ restructure of an area. If so , whether the concerned subsidiary followed the requisite procedure	The Physical verification exercise of assets and properties are being done by independent firm of Chartered Accountants on a quarterly basis
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	Yes, 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
4)	Whether disputes , if any , as to GCV ranges as a result of sampling have been duly examined	As per stipulated guidelines of FSA if any consumer submits the analysis results of coal samples collected jointly in times and not accepted by MCL, then the results are being protested and the referee part are being sent to Govt. independent coal analysis laboratory for analysis . The result so obtain shall be binding for both seller and buyer

MAHANADI COALFIELDS LIMITED

(A Subsidiary of Coal India Limited)

FORM AOC-1

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

Statement containing salient features of the financial statement of subsidiaries**Part "A" : Subsidiaries**

(₹ in crore)

Sl No.	Particulars	Name of the Subsidiary Companies			
		MJSJ Ltd.	MNH Shakti Ltd.	MBP Ltd.	MCRL
1	Reporting Period	01.04.15 to 31.03.16	01.04.15 to 31.03.16	01.04.15 to 31.03.16	01.04.15 to 31.03.16
2	Reporting Currency	Rupees	Rupees	Rupees	Rupees
3	Share Capital	95.10	85.10	0.05	0.05
4	Reserves & Surplus	(1.01)	(0.52)	(0.02)	(0.01)
5	Total Assets	101.70	85.77	16.35	2.13
6	Total Liabilities	101.70	85.77	16.35	2.13
7	Investments	0.00	0.00	0.00	0.00
8	Turnover	0.00	0.00	0.00	0.00
9	Profit before Taxation	0.00	0.00	(0.02)	0.00
10	Provision for Taxation	0.00	0.00	0.00	0.00
11	Profit after Taxation	0.00	0.00	(0.02)	0.00
12	Proposed Dividend	0.00	0.00	0.00	0.00
13	% of Share holding as on 31.03.2016	60.00	70.00	100.00	64.00

Part "B" : Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Joint ventures

S.No	Particulars	Name of the Joint Venture
		Neelanchal Power Transmission Company Pvt. Ltd.
1	Latest audited Balance Sheet Date	-
2	Shares of Associate/Joint Ventures held by the company on the year end	-
	No.	-
	Amount of Investment in Associates/Joint Venture	-
	Extend of Holding %	-
3	Description of how there is significant influence	-
4	Reason why the associate/joint venture is not consolidated	Yet to start operation.
5	Net worth attributable to Shareholding as per latest audited Balance Sheet	-
6	Profit / Loss for the year	-
	i. Considered in Consolidation	-
	ii. Not Considered in Consolidation	-

Sd/-
A. K. Singh
 Company Secretary

Sd/-
K.K. Parida
 Director (Finance)
 DIN- 07015077

As per our report annexed
 For & on behalf of
PAMS & ASSOCIATES
 Chartered Accountants
 Firm Regd. NO. 316079E

Sd/-
CAMP MAHAPATRA
 Partner
 (Membership No. 055113)

Sd/-
V.V.K. Raju
 General Manager (Finance)

Sd/-
A.K. Jha
 Chairman-cum-Managing Director
 DIN- 06645361

Date: 26.05.2016
 Place: Bhubaneswar



A picture of celebration of International Yaga Day at MCL Headquarters, Sambalpur.



Shri A. N. Sahay, Ex-CMD, MCL along with the members of MCL Board of Directors, felicitates Ms Manaswini Maharana, brand ambassador of MCL, for winning the Bangkok Open Sail Championship held at Sandalay Surf Beach, Thailand



MCL Brand Ambassador Ms. Sania Salonika brings Bronze Medal to India in the World Youth Cadets Chess Championship 2015 held in Greece in November, 2015.



Shri A.K Jha, CMD, MCL presents a cheque for 'Coal India Goal of the Match' during a match in Hockey India League at Kalinga Stadium, Bhubaneswar.



The Kalinga Lancers team pose for a picture at the Team launching ceremony in Bhubaneswar



Jagriti Mahila Mandal, an umbrella body of women in Mahanadi Coalfields Limited (MCL), honours two rural women of Odisha's Sambalpur district, Ms. Padmawati Kissan and Ms. Anita Bag for their remarkable social work



BALANCE SHEET

As at 31st March, 2016

(₹ in Crores)

I EQUITY AND LIABILITIES	Notes	As at 31- 03- 2016	As at 31- 03- 2015
(1) Shareholders' Funds			
a) Share Capital	1	186.40	186.40
b) Reserves and Surplus	2	4,132.86	4291.17
		4,319.26	4,477.57
(2) Non-Current Liabilities			
a) Long Term Borrowings	3	7.21	6.90
b) Deferred Tax Liability (Net)		183.60	122.90
c) Other Long Term Liabilities	4	71.97	53.58
d) Long Term Provisions	5	15,387.07	12,791.00
		15,649.85	12,974.38
(3) Minority Interest		-	-
(4) Current Liabilities			
a) Short Term Borrowings	6	-	-
b) Trade Payables	7	304.18	275.26
c) Other Current Liabilities	8	3,183.98	3,120.33
d) Short Term Provisions	9	572.19	527.06
		4,060.35	3,922.65
Total		24,029.46	21,374.60
II ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
i) Tangible Assets - Gross Block	10A	6,173.27	5,754.79
Less : Depreciation, Impairment & Provisions		3,005.27	2,748.79
Net Carrying Value		3,168.00	3,006.00
ii) Intangible Assets - Gross Block	10A	297.32	288.09
Less : Depreciation, Impairment & Provisions		212.77	206.61
Net Carrying Value		84.55	81.48
iii) Capital Work-in-Progress	10B	630.67	454.00
iv) Intangible Assets under Development	10C	298.73	270.11
(b) Non-Current Investments	11	1,075.41	1,075.38
(c) Deferred Tax Asset (Net)		-	-
(d) Long Term Loans & Advances	12	805.01	552.62
(e) Other Non-Current Assets	13	529.63	425.42

Balance Sheet Contd.

(₹ in Crores)

	Notes	As at <u>31- 03- 2016</u>	As at <u>31-03- 2015</u>
(2) Current Assets			
(a) Current Investments	14	1,345.00	247.70
(b) Inventories	15	430.50	476.41
(c) Trade Receivables	16	1,123.16	447.30
(d) Cash & Cash equivalents	17	11,555.16	10,456.95
(e) Short Term Loans & Advances	18	2,347.71	3,055.49
(f) Other Current Assets	19	635.93	825.74
		17437.46	15509.59
Total		24,029.46	21,374.60

Significant Accounting Policies 33

Additional Notes on Accounts 34

The Notes referred to above form an integral part of Balance Sheet

Sd/-
A. K. Singh
Company Secretary

Sd/-
V.V.K. Raju
General Manager (Finance)

Sd/-
K.K. Parida
Director (Finance)
DIN-07015077

As per our report Annexed
For **PAMS & ASSOCIATES**
Chartered Accountants
Firm Regd. NO. 316079E

Sd/-
CA M P MAHAPATRA
Partner
(Membership No. 055113)

Sd/-
A.K. Jha
Chairman-cum-Managing Director
DIN- 06645361

Date: 26.05.2016
Place: Bhubaneswar

PROFIT & LOSS STATEMENT**For the Year ended 31st March, 2016**

(₹ in Crores)

<u>INCOME</u>	Notes	For the Year ended 31.03.2016	For the Year ended 31.03.2015
(I) <u>Revenue from Operations</u>			
A Sale of Coal	20	19,829.58	14,989.05
Less: Excise Duty		1,183.03	679.56
Other Levies		5,893.58	3,285.07
Net Sales		12,752.97	11,024.42
B Other Operating Revenue	20	770.27	704.66
Less: Excise Duty		41.70	39.71
Other Levies		22.61	20.89
Net Operating Revenue		705.96	644.06
Revenue from Operations (A+B)		13,458.93	11,668.48
(II) Other Income	21	1,346.28	1,375.14
(III) Total Revenue		14,805.21	13,043.62
<u>EXPENSE</u>			
Cost of Materials Consumed	22	542.75	604.56
Change in inventories of finished goods, work in progress and Stock- in- trade	23	38.67	33.62
Employee benefit expenses	24	2,077.96	1,997.10
Power & Fuel		123.53	122.59
Corporate Social Responsibility Expenses	25	184.64	61.30
Repairs	26	121.26	107.63
Contractual Expenses	27	1,974.05	1,787.27
Finance Costs	28	1.59	1.44
Depreciation/Amortization/Impairment		289.50	297.11
Provisions	29	132.57	123.56
Write off	30	0.10	-
Overburden Removal Adjustment		2,452.00	2,123.53
Other Expenses	31	628.49	479.89
Total Expenses		8,567.11	7,739.60
Profit/(Loss) before extraordinary items , exceptional items and tax		6,238.10	5,304.02
Prior Period Adjustment [Charges / (Incomes)]	32	(22.33)	(10.22)
Exceptional Items		-	-

(₹ in Crores)

INCOME	Notes	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Profit/(Loss) before extraordinary items and tax		6,260.43	5,314.24
Extraordinary Items [Charges/(Incomes)]		-	-
Profit/(Loss) before Tax		6,260.43	5,314.24
Less : Tax Expense			
- Current year		2014.99	1697.56
- Deferred Tax		60.70	94.82
- Earlier years		-	(32.24)
Profit/(Loss) after Tax		4,184.74	3,554.10
Basic and Diluted Earnings per Share (in Rs.)		22,450.21	19,066.97
(Face Value of Rs. 1000/- per share)			
Significant Accounting Policies	33		
Additional Notes on Accounts	34		

The Note referred to above form an integral part of consolidated Statement of Profit & Loss.

Sd/-
A. K. Singh
Company Secretary

Sd/-
V.V.K. Raju
General Manager (Finance)

As per our report Annexed
For **PAMS & ASSOCIATES**
Chartered Accountants
Firm Regd. NO. 316079E

Sd/-
K.K. Parida
Director (Finance)
DIN-07015077

Sd/-
CA M P MAHAPATRA
Partner
(Membership No. 055113)

Sd/-
A.K. Jha
Chairman-cum-Managing Director
DIN- 06645361

Date: 26.05.2016
Place: Bhubaneswar

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016**Note - 1****SHARE CAPITAL**

	As at 31.03.2016	(₹ in Crores) As at 31.03.2015
<u>AUTHORISED</u>		
(i) 2958200 Equity Shares of ₹1000/- each	295.82	295.82
(ii) 2041800 10% Cumulative Redeemable Preference shares of ₹1000/- each (Redeemed on as per terms of earliest redemption)	204.18	204.18
	500.00	500.00
<u>ISSUED, SUBSCRIBED AND PAID - UP</u>		
1864009 Equity shares of ₹1000/- each fully paid-up in cash	186.40	186.40
	186.40	186.40

NOTE - 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	1864009	100%

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016**Note - 2****RESERVES & SURPLUS**

(₹ in Crores)

	As at 31.03.2016	As at 31.03.2015
RESERVES :		
Capital Reserve :		
As per last Balance Sheet	-	-
Add : Addition during the Year	-	-
Less : Adjustment during the Year	-	-
	-	-
Capital Redemption Reserve		
As per last Balance Sheet	204.18	204.18
Add : Addition during the Year	-	-
Less : Adjustment during the Year	-	-
	204.18	204.18
Reserve for Foreign Exchange Transactions		
As per last Balance Sheet	-	-
Add : Addition during the Year	-	-
Less : Adjustment during the Year	-	-
	-	-
C.S.R. Reserve		
As per last Balance Sheet	-	21.93
Add : Addition during the Year	-	-
Less : Transfer to General Reserve	-	21.93
	-	-
Sustainable Development Reserve		
As per last Balance Sheet	-	8.34
Add : Addition during the Year	-	-
Less : Transfer to General Reserve	-	8.34
	-	-
General Reserve		
As per last Balance Sheet	3261.08	2875.40
Add : Transfer from Profit & Loss Statement	209.24	355.41
Add/Less : Adjustment during the Year	-	30.27
	3470.32	3261.08
Surplus in Profit & Loss Statement		
As per last Balance Sheet	825.91	2267.17
Less adjustment for Earlier depreciation	-	53.99
Profit/(Loss) after Tax during the Year	4184.74	3554.10
Profit/(Loss) available for appropriation	5010.65	5767.28
Appropriation		
Reserve for Foreign Exchange Transaction	-	-
Transfer to General Reserve	209.24	355.41
Transfer to CSR Reserve	-	-
Interim Dividend	3,608.45	3,841.82
Proposed Dividend on Equity Shares	-	-
Corporate Dividend Tax	734.60	744.14
Transfer to Sustainable development reserve	-	-
	458.36	825.91
Miscellaneous Expenditure (to the extent not written off)		
Preliminary expenses	-	-
Pre-Operational Expenses	-	-
TOTAL	4132.86	4291.17

Notes: General Reserve ₹ 209.24 (as at 31st March 2015, ₹ 355.41 crore) being 5% of Profit after tax is transferred to General Reserve during the year.

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016

Note - 3

LONG TERM BORROWINGS

(₹ in Crores)

	As at 31.03.2016	As at 31.03.2015
Loan from Coal India Limited		
- for IBRD	-	-
- for JBIC	-	-
Export Development Corp., Canada	-	-
Liebherr France S.A. France	7.21	6.90
Loan from Coal India Limited	-	-
Total	7.21	6.90

CLASSIFICATION - 1

Secured	-	-
Unsecured	7.21	6.90

CLASSIFICATION - 2

1. Loan Guaranteed by Directors & others

Particulars of Loan	₹ in Crore	Nature of Guarantee
Nil	Nil	Nil

2. Loans had been arranged through credit agreement with Banque Nationale De Paris and Natexis Banque for the purchase of 4 nos Hydraulic shovels from Liebherr, France. The loan outstanding as on 31.03.2016 (net after repayments) is ₹ 7.77 crore. (As at 31.03.2015 ₹ 7.40 crore).

The details of balance are as under:

	Euro	₹ in crore
Balance as on 01.04.2015	1104965.12	7.4
Repayment during the year ended on 31.03.2016	74113.58	0.54
Translation Difference	-	0.91
Balance as on 31.03.2016	1030851.54	7.77

This includes amount repayable in the year 2016-17 ₹ 0.56 crore (previous year ₹ 0.50 crore.)

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016**Note - 4****OTHER LONG TERM LIABILITIES**

	As at 31.03.2016	(₹ in Crores) As at 31.03.2015
Shifting & Rehabilitation Fund	-	-
Opening Balance	-	-
Add : Interest from Investment of the fund	-	-
Add : Contribution Received	-	-
Less : Amount utilised	-	-
	<u>-</u>	<u>-</u>
Trade Payable	-	-
Security Deposits	43.47	26.09
Refund of Cess on Coal	28.50	27.49
TOTAL	<u>71.97</u>	<u>53.58</u>

1. Cess on Coal includes principal of ₹ 8.40 crore (net of payments) and interest of ₹ 9.47 crore (net of payments) against receipts from Government of Orissa in the year 2005-06 as per directive of Hon'ble Supreme Court judgement dated 31.7.2001. The money is refundable to the customers. During the current year, the Company has provided interest of ₹ 1.01crore (for 12 months ended on 31.03.2015 ₹ 1.01 crore) calculated at the rate of 12% for the unpaid principal amount of the Cess liability. The total liability thus included therein becomes ₹ 28.50 crore (as at 31.03.2015 ₹ 27.49 crore) as at 31.03.2016. The Company could not identify the customers / parties to whom the refund is to be made. Finalisation of modalities for refunding the same to the customers / parties is yet to be done.
2. Security Deposits includes ₹ 7.18 crores i.e. deduction from Management Trainees in respect of Bond Money alongwith interest.

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016**Note - 5**

(₹ in Crores)

LONG TERM PROVISIONS

	As at 31.03.2016	As at 31.03.2015
For Employee Benefits		
- Gratuity	-	-
- Leave Encashment	222.64	213.53
- Other Employee Benefits	110.27	110.17
For Foreign Exchange Transactions (Marked to Market)	-	-
OBR Adjustment Account	14,488.04	12,036.04
Mine Closure Expenses	566.12	431.26
For Others	-	-
TOTAL	15,387.07	12,791.00

5.1 The Position of various provisions is given below:

(₹ in Crores)

Provisions	Opening Balance as on 01.04.2015	Addition/ provided for	Paid/ adjusted	Closing Balance
i For Gratuity	14.00	26.22	26.41	13.81
ii For Leave Encashment	232.51	11.47	-	243.98
iii For Other Employee Benefits	123.80	2.95	-	126.75
iv For OBR Adjustment Account	12,036.04	2,452.00	-	14,488.04
v For Mine Closure Plan	430.47	134.86	-	565.33
vi For Reclamation of land	0.79	-	-	0.79

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 ₹ 560.53 crore includes ₹ 135.11 crores, (₹ 3.26 crores has been provided during the year and ₹ 0.13 Crore for interest earned on escrow A/c for development mines) and ₹ Nil identified MCP expenses receivable has been adjusted against the provision. Escrow Account has been opened for all 25 Mines in operation having closing balance ₹ 529.63 crore (₹ 425.42 crore as on 31.03.2015) which includes interest earned ₹ 38.72 crores (₹ 37.96 crore as on 31.03.2015)
- c) Provision for Mine Closure Expenses includes ₹ 4.80 crore on account of provision taken towards stowing and stabilization of unstable workings of Deulbera colliery after adjusting current year expenditure other than salary and wages of ₹ 0.26 crore against a comprehensive scheme of ₹ 9.44 crore (Excluding departmental salary and wages for ₹ 18.21 crore). The scheme of Stabilization of unstable workings of Deulbera Colliery through sand stowing also includes cost of departmental manpower estimated at ₹ 18.21 crore is not separately provided for, as the same forms part of normal Salary & Wages charged to Profit & Loss.

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016**Note - 6****SHORT TERM BORROWINGS**

	As at 31.03.2016	(₹ in Crores) As at 31.03.2015
LOAN FROM BANK	-	-
Loans Repayable on Demand	-	-
Balance with Coal India Limited & other Subsidiaries of Coal India Limited	-	-
Overdraft against Pledge of Term Deposit	-	-
Other Loans and Advances	-	-
Deferred Credits	-	-
Total	-	-
CLASSIFICATION - 1		
Secured	-	-
Unsecured	-	-

CLASSIFICATION - 2**Loan Guaranteed by Directors & others**

Particulars of Loan	₹ in Crore	Nature of Guarantee
NIL	NIL	NIL

Cash Credit

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 MCL 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 & Machinery (Consumable, Stores & Spares), both present and future jointly and severally in favour of said Banks for a sum of ₹ 165.00 Crores. There is no credit balance in the cash credit account.

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016**Note - 7****TRADE PAYABLE**

(₹ in Crores)

	As at 31.03.2016	As at 31.03.2015
Outstanding dues of micro enterprises and small enterprises	3.85	-
Outstanding dues of creditors other than micro enterprises and small enterprises	300.33	275.26
TOTAL	<u>304.18</u>	<u>275.26</u>

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016**Note - 8****OTHER CURRENT LIABILITIES**

(₹ in Crores)

	As at 31.03.2016	As at 31.03.2015
Current Maturities of Long Term Borrowings		
Term Loan from IBRD from CIL	-	-
Term Loan from JBIC from CIL	-	-
Term Loan from Liebherr France S.A., France	0.56	0.50
Loan from Coal India Limited	-	-
Surplus Fund from Coal India Limited	-	-
Current Account with Subsidiaries	-	-
	0.56	0.50
Sundry Creditors for Capital (including stores)	614.99	640.62
For Expenses		
Salary Wages & Allowances	169.92	152.35
Power & Fuel	17.90	17.51
Others	72.54	44.52
	260.36	214.38
Statutory Dues		
Sales Tax	4.49	2.51
Sales Tax/VAT	11.92	-
Provident Fund & Pension Fund	9.05	8.99
Central Excise Duty	29.62	50.96
Royalty & Cess on Coal	31.71	37.48
Stowing Excise Duty	38.75	32.90
Clean Energy Cess	521.35	126.84
NMET u/s 9C of MMDR Act 2015	6.76	-
DMF u/s 9B of MMDR Act 2015	59.72	-
Other Statutory Levies	1.69	-
	715.06	259.68
Income Tax Deducted at Source	2.66	3.06
Security Deposit	103.50	81.05
Earnest Money	19.90	17.95
Advance & Deposit from customers/others	1,396.93	1,837.92
Interest Accrued and due on Borrowings	-	-
Interest Accrued but not due on Borrowings	-	-
Cess Equalisation Account	-	-
Current Account with IICM	-	-
Unpaid Dividend	-	-
Ex-Owner Account	-	-
Advance Deposit other Pre-Nationalisation	-	-
Gratuity	-	-
Other Liabilities	70.02	65.17
TOTAL	3,183.98	3,120.33

Note :

Loan repayment Liebherr France during 2016-17

74113.58 Euro

₹0.56 Crore

₹ 3.04 crores has been provided for (for previous year ended on 31.03.2015 ₹ 3.03 crore) after towards corpus of Coal India Sport Promotion Association (CISPA) for executing and conducting activities related to sports, recreation and culture of CIL and its subsidiaries as per decision of the Board of Directors of CIL in its 296 th meeting held on 25th March 2013.

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016

Note - 9

SHORT TERM PROVISIONS

(₹ in Crores)

	As at 31.03.2016	As at 31.03.2015
For Employee Benefits		
- Gratuity	42.10	46.00
- Leave Encashment	21.34	19.82
- PPLB	100.33	81.18
- PRP	277.93	271.24
- Other Employee Benefits	130.49	108.71
For Proposed Dividend	-	-
For Corporate Dividend Tax	-	-
For Excise duty on Closing Stock of Coal	-	-
For Others (Wealth tax)	-	0.11
TOTAL	572.19	527.06

Note: Other Employee benefits includes ₹ 114.01 crore provided for superannuation benefits @ 9.84% as on 31.03.2016

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016

Note - 10A

FIXED ASSETS

(₹ in Crores)

PARTICULARS	GROSS BLOCK				DEPRECIATION				IMPAIRMENT LOSS/OTHER LOSS				Total	NET CARRYING VALUE	
	As on 01.04.15	Addition during the year	Adj./Sales/ Transfer during the year	As on 31.03.16	As on 01.04.15	Addition during the year	Adj./Sales/ Transfer during the year	As on 31.03.16	As on 01.04.15	Addition during the year	Adj./Sales/ Transfer during the year	As on 31.03.16	Depreciation/ Impairment Loss/Other Loss	As on 31.03.16	As on 31.03.15
TANGIBLE ASSETS :															
LAND :															
(a) Freehold	30.16	-	-	30.16	-	-	-	-	-	-	-	-	-	30.16	30.16
(b) Others	2,226.86	289.10	(3.66)	2,512.30	447.59	77.71	(1.67)	523.63	-	-	-	-	523.63	1,988.67	1,779.27
Building/Water Supply/ Road & Culverts	511.30	14.73	(2.37)	523.66	195.29	9.69	(0.16)	204.82	0.34	-	-	0.34	205.16	318.50	315.67
Plant & Machinery	2,455.70	100.28	(15.01)	2,540.97	1,758.00	157.75	(9.81)	1,905.94	14.84	-	-	14.84	1,920.78	620.19	682.86
Furniture & Fittings/ Office Tools & Equipments /Electrical Fittings/Fire Arms	76.50	7.18	(2.33)	81.35	57.26	5.00	(1.78)	60.48	0.01	-	-	0.01	60.49	20.86	19.23
Railway Sidings	164.51	27.14	-	191.65	106.62	6.75	0.08	113.45	0.10	-	-	0.10	113.55	78.10	57.79
Vehicle	32.37	2.41	(0.77)	34.01	19.08	2.09	(0.62)	20.55	0.01	-	-	0.01	20.56	13.45	13.28
Telecommunication	36.50	3.41	-	39.91	16.30	4.62	-	20.92	-	-	-	-	20.92	18.99	20.20
Development including Roads & Culverts in Mining Area	201.49	(0.39)	-	201.10	121.34	6.72	0.86	128.92	0.37	-	-	0.37	129.29	71.81	79.78
Surveyed off Assets	19.40	1.08	(2.32)	18.16	-	-	-	-	11.64	0.36	(1.11)	10.89	10.89	7.27	7.76
TOTAL	5,754.79	444.94	(26.46)	6,173.27	2,721.48	270.33	(13.10)	2,978.71	21.31	0.36	(1.11)	26.56	3,005.27	3,168.00	3,006.00
Previous Year															
Tangible Fixed Assets	5,161.98	641.92	(49.11)	5,754.79	2,426.54	285.91	9.03	2,721.48	28.68	0.10	1.47	27.31	2,748.79	3,006.00	2,698.09
INTANGIBLE ASSETS															
Development	225.60	8.56	(0.29)	234.45	156.54	8.34	(3.89)	160.99	11.49	0.43	0.04	11.96	172.95	61.50	57.57
Software	2.67	0.38	-	3.05	2.67	(0.09)	-	2.58	-	-	-	-	2.58	0.47	-
Prospecting & Boring	59.82	-	-	59.82	35.89	1.33	-	37.24	0.02	-	-	0.02	36.24	22.58	23.91
TOTAL	288.09	8.94	(0.29)	297.32	195.10	9.58	3.89	200.79	11.51	0.43	0.04	11.98	212.77	84.55	81.48
G . TOTAL	6.042.88	453.88	(26.71)	6,470.59	2,916.58	279.91	(16.99)	3,179.50	38.82	0.79	(1.07)	38.54	3,218.04	3,252.55	3,087.48
Previous Year															
Intangible Fixed Assets	284.89	3.48	(0.28)	288.09	183.32	8.70	3.08	195.10	11.08	0.47	(0.04)	11.51	206.61	81.48	90.49

Note: Land - Others includes land acquired under Coal Bearing Areas (Acquisition and Development) Act, 1957 , and Land Acquisition Act, 1894 , Orissa Government Land settlement Act 1962

- The Company took over various Assets and Liabilities from Coal Mines Labour Welfare Organisation and Coal Mines Rescue Organisation for which no quantitative details are available. Adjustments, if any, will be made on finalisation of quantity and value thereof.
- Lease hold land includes land acquired under Coal Bearing Areas (Acquisition and Development) Act, 1957 and Land Acquisition Act, 1894, Orissa Government Land Settlement Act 1962. Lease hold land acquired under Coal Bearing Areas (Acquisition and Development) Act, 1957 has been capitalized on the basis of notification transferring the ownership of land to the extent for which sanction / approval has been received. Land acquired under Land Acquisition Act, 1894, Orissa Government.
- Conveyance deed of land in favour of the Company is pending for execution in most of the cases.

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016

Note - 10B

CAPITAL WORK-IN-PROGRESS

(₹ in Crores)

PARTICULARS	COST				PROVISION				IMPAIRMENT LOSS/OTHER LOSS				Total Provision / Impairment Loss/Other Loss	NET CARRYING VALUE	
	As on 01.04.15	Addition during the year	Adj./Sales/ Transfer during the year	As on 31.03.16	As on 01.04.15	Addition during the year	Adj./Sales/ Transfer during the year	As on 31.03.16	As on 01.04.15	Addition during the year	Adj./Sales/ Transfer during the year	As on 31.03.16		As on 31.03.16	As on 31.03.15
TANGIBLE ASSETS :															
Building/Water Supply/ Road & Culverts	147.01	112.71	(15.01)	244.71	0.09	-	-	0.09	-	-	-	-	0.09	244.62	146.92
Plant & Machinery	274.23	129.36	(41.95)	361.64	12.30	0.86	-	13.16	-	9.87	-	9.87	23.03	338.61	261.93
Railway Sidings	40.97	1.36	(3.54)	38.79	-	-	-	-	-	-	-	-	-	38.79	40.97
Roads & Culverts in Mining Area	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	4.18	4.83	(0.36)	8.65	-	-	-	-	-	-	-	-	-	8.65	4.18
TOTAL	466.39	248.26	(60.86)	653.79	12.39	0.86	-	13.25	-	9.87	-	9.87	23.12	630.67	454.00
Previous Year TOTAL	334.09	259.23	(126.93)	466.39	11.82	0.70	(0.13)	12.39	-	-	-	-	12.39	454.00	322.27

In case of items of Plant & Machinery, which are kept in plant pending installation and at store for more than three years, provision equivalent to depreciation is made from the 4th year followed by action for formal write-off where necessary. If any such item of plant & machinery is put to use afterwards i.e., after provisions have already been made, depreciation charged in first year of use is depreciation for the year plus provision already made against the item with due accounting adjustments between depreciation & such provision. During the year ended on 31st March 2016, an amount of ₹ 0.86 crore has been provided on this account and the cumulative provision stood at ₹ 13.16 crore.

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016

Note - 10C

INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Crores)

PARTICULARS	COST				PROVISION				IMPAIRMENT LOSS/OTHER LOSS				Total	NET CARRYING VALUE	
	As on 01.04.15	Addition during the year	Adj./Sales/ Transfer during the year	As on 31.03.16	As on 01.04.15	Addition during the year	Adj./Sales/ Transfer during the year	As on 31.03.16	As on 01.04.15	Addition during the year	Adj./Sales/ Transfer during the year	As on 31.03.16	Provision / Impairment Loss/Other Loss	As on 31.03.16	As on 31.03.15
INTANGIBLE ASSETS :															
Development	163.37	57.31	(36.22)	184.46	-	-	-	-	-	-	-	-	-	184.46	163.37
Prospecting & Boring	106.74	10.12	(2.59)	114.27	-	-	-	-	-	-	-	-	-	114.27	106.74
TOTAL	270.11	67.43	(38.81)	298.73	-	-	-	-	-	-	-	-	-	298.73	270.11
Previous Year															
Intangible Assets	209.49	60.80	(0.18)	270.11	-	-	-	-	-	-	-	-	-	270.11	209.49

Note:

- Development includes an amount ₹ 47.94 crore deposited to state authority for the work of widening of two lane road to four lane road from Bankibahal to Kanika railway siding at Basundhara Area which do not form part of Company Assets.

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016

Note - 11

NON-CURRENT INVESTMENTS - QUOTED / UNQUOTED AT COST

	Number of shares/bonds/ securities current year	Face Value per share/bond/ security current year (₹)	As at 31.03.2016 (₹ in crores)	Number of shares/bonds/ securities As at 31.03.2015	Face Value per share/bond security As at 31.03.2015 (₹)	As at 31.03.2015 (₹ in crores)
NON TRADE (UNQUOTED)	-	-	-	-	-	-
Equity Shares in Subsidiaries Companies						
MNH Shakti LTD	5,95,70,000	10.00	59.57	5,95,70,000	10.00	59.57
MJSJ Coal LTD	5,70,60,000	10.00	57.06	5,70,60,000	10.00	57.06
MBPL	50,000	10.00	0.05	50,000	10.00	0.05
MCRL	32,000	10.00	0.03	-	-	-
NON - TRADE (QUOTED)						
7.55% Secured Non - Convertible IRFC Tax						
free 2021 series 79 bonds	20,000	1,00,000	200.00	20,000	1,00,000	200.00
8% Secured Non - Convertible IRFC bonds tax free	1087537	1,000	108.75	1087537	1,000	108.75
7.22% Secured Non convertible IRFC bond tax free	4999	10,00,100	499.95	4999	10,00,100	499.95
7.22% Secured Redeemable REC bond tax free	1500000	1,000	150.00	1500000	1,000	150.00
TOTAL			1,075.41			1,075.38
Aggregate of Quoted Investments			958.70			958.70
Aggregate of Unquoted Investments			116.71			116.68
Market Value of Quoted Investments			993.69			978.68

Note: The NAV per unit of the Non Trade (quoted) Mutual Fund are equal to Face Value as specified above.

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016**Note - 12****LONG TERM LOANS & ADVANCES**

(₹ in Crores)

	As at 31.03.2016	As at 31.03.2015
ADVANCES		
For Capital		
- Secured considered good	-	-
- Unsecured considered good	766.66	513.97
- Doubtful	0.55	0.55
	<u>767.21</u>	<u>514.52</u>
Less : Provision for Bad and doubtful advances	0.55	0.55
	<u>766.66</u>	<u>513.97</u>
For Revenue		
- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	-	-
	<u>-</u>	<u>-</u>
Less : Provision for Bad and doubtful advances	-	-
	<u>-</u>	<u>-</u>
Security Deposits		
- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	-	-
	<u>-</u>	<u>-</u>
Less : Provision for Bad and doubtful deposits	-	-
	<u>-</u>	<u>-</u>
Deposit for P & T, Electricity etc.		
- Secured considered good	-	-
- Unsecured considered good	36.65	36.48
- Doubtful	-	-
	<u>36.65</u>	<u>36.48</u>
Less : Provision for Bad and doubtful deposits	-	-
	<u>36.65</u>	<u>36.48</u>

LOAN TO EMPLOYEES & OTHERS

For House Building		
- Secured considered good	1.66	2.11
- Unsecured considered good	-	-
- Doubtful	-	-
	<u>1.66</u>	<u>2.11</u>

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016**Note - 12 (Continued....)****LONG TERM LOANS & ADVANCES**

	As at 31.03.2016	(₹ in Crores) As at 31.03.2015
For Motor Car and other Conveyance		
-- Secured considered good	0.04	0.06
-- Unsecured considered good	-	-
-- Doubtful	-	-
	<u>0.04</u>	<u>0.06</u>
For Others		
- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	-	-
	<u>-</u>	<u>-</u>
Less : Provision for Bad and doubtful advances	-	-
	<u>1.70</u>	<u>2.17</u>
Loan to Subsidiaries		
- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	-	-
	<u>-</u>	<u>-</u>
TOTAL	<u>805.01</u>	<u>552.62</u>

Note :

1.	Closing Balance		Maximum Amount due at any Time	
	Current year	Previous Year	Current Year	Previous Year
Due by the Companies under the same management (With name of the Companies)	Nil	Nil	Nil	Nil
Due by the parties in which Director(s) or Company is/are interested	Nil	Nil	Nil	Nil

- 2 Deposit made with State Government amounting to ₹ 106.48 crore (as at 31.03.2015 ₹ 86.23 crore) for acquiring of land under LA Act 1894, which will be capitalized on possession given to the Company by the State Authority.
- 3 Advance to Railways amounts in total of ₹ crores ₹ 909.06 crore out of this ₹ 167.83 crore being CCDA grant (for Basundhara Area), thus showing net advance of ₹ 741.23 crores, this includes advance of revenue nature also for maintenance of railways siding (revenue work) and advance for upgradation of existing railway track and automatic signalling system etc which do not form part of Company's assets. An amount of ₹ 675.48 crore has been utilised by railways till the balance sheet date as reported by railway authority.

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016

Note - 13

OTHER NON-CURRENT ASSETS

(₹ in Crores)

	As at 31.03.2016	As at 31.03.2015
Long Term Trade Receivable		
- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	-	-
	<u>-</u>	<u>-</u>
Less : Provision for Bad and doubtful Trade Receivables	-	-
	<u>-</u>	<u>-</u>
Exploratory Drilling Work		
- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	-	-
	<u>-</u>	<u>-</u>
Less : Provision for Bad and doubtful drilling work	-	-
Receivables for mine closure expenses	-	-
Other Receivables		
- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	0.16	0.16
	<u>0.16</u>	<u>0.16</u>
Less : Provision for Bad and doubtful receivables	0.16	0.16
	<u>-</u>	<u>-</u>
Escrow Account with Bank for Mine Closure fund	529.63	425.42
TOTAL	<u>529.63</u>	<u>425.42</u>

- Bank deposits more than 3 months includes deposits held for period exceeding 12 months 529.63 425.42
- Deposits in Escrow Accounts for mine closure with Scheduled Banks with maturity exceeding 3 months for ₹ 529.63 crore made as per guidelines issued by Ministry of Coal, Government of India and after agreement with Coal Controller.

3. Note :

	Closing Balance		Maximum Amount due at any Time	
	Current year	Previous Year	Current Year	Previous Year
Due by the Companies under the same management (With name of the Companies)	Nil	Nil	Nil	Nil
Due by the parties in which Director(s) or Company is/are interested	Nil	Nil	Nil	Nil

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016

Note - 14

CURRENT INVESTMENTS - QUOTED / UNQUOTED AT COST

	Number of shares/bonds/ securities current year	Face Value per share/bond/ security current year	As at 31.03.2016 (₹ in crores)	Number of shares/bonds/sec urities as at 31.03.2015	Face Value per share/bond security as at 31.03.2015	As at 31.03.2015 (₹ in crores)
		(₹)			(₹)	
TRADE (ON QUOTED)						
Investment in Mutual Funds						
Canara Robeco Liquid Fund	6,66,335.16	1,005.50	67.00	2,48,632.52	1005.50	25.00
SBI Premier Liquid Fund	88,71,168.70	1,003.25	890.00	10,06,728.13	1003.25	101.00
UTI Money Market Fund	34,62,666.04	1,019.45	353.00	7,74,927.66	1019.45	79.00
Union KBC	3,49,772.44	1,000.65	35.00	1,99,869.96	1,000.65	20.00
TRADE (UNQUOTED)						
8.5% Tax Free Special Bonds (Fully Paid-up)	-	-	-	-	-	-
(on securitisation of Sundry Debtors)						
Maharashtra State Electricity Board	-	-	-	1,13,860.00	1000.00	11.38
West Bengal State Electricity Board	-	-	-	1,13,160.00	1000.00	11.32
TOTAL			1,345.00			247.70
Aggregate of Quoted Investments			1345.00			225.00
Aggregate of Unquoted Investments			-			22.70
Market Value of Quoted Investments			1346.31			225.60

Note: The NAV per unit of the Trade (quoted) Mutual Fund are equal to Face Value as specified above.

The Reserve Bank of India allowed partial trading of 8.5% Tax Free Power Bonds of State Electricity Boards (SEB).

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016

Note - 15

INVENTORIES

(Valuation as per Significant Accounting Policy No. 6)

(₹ in Crores)

	As at 31.03.2016	As at 31.03.2015
Stock of Coal	346.82	386.79
Coal Stock under Development	-	-
Less : Provision for deterioration	-	-
A. Stock of Coal (Net)	346.82	386.79
Stock of Stores & Spare Parts (at cost)	82.85	89.61
Stores-in-transit	2.12	0.85
Less : Provision for slow moving/obsolescence etc.	18.89	17.24
Loss of Assets	0.23	0.23
Less : Provision for Loss of Assets	0.23	0.23
B. Net Stock of Stores & Spare Parts (at cost)	66.08	73.22
Workshop Jobs		
Work-in-Progress and Finished Goods	12.10	10.80
Less : Provision for workshop jobs	-	-
C. Net stock of Workshop Jobs	12.10	10.80
D. Press		
Work-in-Progress and Finished Goods	-	-
E. Stock of Medicines at Central Hospital	0.59	0.69
F. Prospecting & Boring/Development Exp./ Coal Blocks meant for sale	4.91	4.91
Total (A to F)	430.50	476.41

- During the year, no shortage / excess is reported in respect of physical verification of stores / spares. The cumulative provision as at 31.03.2016 stands at ₹ 0.90 crore (as at 31.03.2015 ₹ 0.92 crore).
- In respect of stores and spares obsolete / unserviceable items and items which have not moved for more than five years, a provision of 100 % & 50% respectively are made as per Accounting Policy (Para.6.2.4 of Note-33). The cumulative provision as at 31.03.2016 stands at ₹ 17.99 crore (as at 31.03.2015 ₹ 16.32 crore).
- Valuation of stores and spares has been done on weighted average method as per accounting policy of the Company (as mentioned in Para 6.2.2 of Note-33). The comparison of cost so arrived, with net realizable value is neither made nor adjusted in the account due to difficulty in ascertainment of net realizable value.

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016

ANNEXURE TO NOTE - 15

(Qty. in lakh Tonnes) (Value in ₹ Lakhs)

Reconciliation of Closing Stock adopted in Account with Book Stock as at the end of the Period

Table - A

	<u>OVERALL STOCK</u>		<u>NON-VENDABLE STOCK</u>		<u>VENDABLE STOCK</u>	
	Qty.	Value	Qty.	Value	Qty.	Value
1. (A) Opening Stock as on 01.04.15	125.24	40,542.28	-	-	125.24	40,542.28
(B) Shortage beyond 5%	1.19	1,862.83	-	-	1.19	1,862.83
Stock adopted in Accounts Opening	124.05	38,679.45	-	-	124.05	38,679.45
2. Production for the year	1,379.01	12,71,637.19	-	-	1,379.01	12,71,637.19
3. Sub-Total (1A+2)	1,504.25	13,12,179.47	-	-	1,504.25	13,12,179.47
4. Off-Take for the year :						
(a) Outside Despatch	1,402.29	12,75,296.82	-	-	1,402.29	12,75,296.82
(b) Coal feed to Washeries	-	-	-	-	-	-
(c) Own Consumption	0.05	130.22	-	-	0.05	130.22
TOTAL (A)	1,402.34	12,75,427.04	-	-	1,402.34	12,75,427.04
5. Derived Stock	101.91	36,752.43	-	-	101.91	36,752.43
6. Measured Stock	99.24	34,303.36	-	-	99.24	34,303.36
7. Difference (5-6)	2.67	2,449.07	-	-	2.67	2,449.07
8. Break-up of Difference:						
(a) Excess within 5%	0.20	82.15	-	-	0.20	82.15
(b) Shortage within 5%	1.61	461.14	-	-	1.61	461.14
(c) Excess beyond 5%	-	-	-	-	-	-
(d) Shortage beyond 5%	1.26	2,070.08	-	-	1.26	2,070.08
9. Closing Stock adopted in A/c (6 - 8A + 8B)	100.65	34,682.35	-	-	100.65	34,682.35

Summary of Closing Stock of Coal

Table - B

	Raw Coal				Washed/Deshaled Coal				Other Products		Total	
	Coking		Non-Coking		Coking		Non-Coking					
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Opening Stock (Audited)	-	-	125.24	40,542.28	-	-	-	-	-	-	125.24	40,542.28
Shortage beyond5%	-	-	1.19	1,862.83	-	-	-	-	-	-	1.19	1,862.83
Less : Non-vendable Coal	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted Opening Stock (Vendable)	-	-	124.05	38,679.45	-	-	-	-	-	-	124.05	38,679.45
Production	-	-	1,379.01	12,71,637.19	-	-	-	-	-	-	1,379.01	12,71,637.19
Offtake												
(a) Outside Despatch	-	-	1,402.29	12,75,296.82	-	-	-	-	-	-	1,402.29	12,75,296.82
(b) Coal feed to Washeries	-	-	-	-	-	-	-	-	-	-	-	-
(c) Own Consumption	-	-	0.05	130.22	-	-	-	-	-	-	0.05	130.22
Closing Stock Derived	-	-	101.91	36,752.43	-	-	-	-	-	-	101.91	36,752.43
Less : Shortage	-	-	1.26	2,070.08	-	-	-	-	-	-	1.26	2,070.08
Closing Stock	-	-	100.65	34,682.35	-	-	-	-	-	-	100.65	34,682.35

Internal survey measurement teams have physically verified closing stock of coal. In some areas the same has also been verified by outside teams. The Shortage / surplus found on physical verification of coal stock within +/- 5% over book stock (mine/ colliery wise), is ignored pursuant to Accounting Policy.

Contd.....

The details of shortage beyond 5% are as under:-

AREA	MINES	Book Stock (Qty. in LTe)		Measured stock (Qty. in L Te)		% variance	
		As on 31.03.2016	As on 31.03.2015	As on 31.03.2016	As on 31.03.2015	As on 31.03.2016	As on 31.03.2015
Orient	Mine No 3	0.19	0.21	0.07	0.08	61.74	61.84
	HBM	0.70	0.62	0.40	0.32	42.88	48.06
Talcher	Nandira	1.75	1.12	1.19	0.62	31.98	44.97
	Talcher	1.54	1.23	1.26	0.97	18.63	20.98
TOTAL		4.18	3.18	2.92	1.99	-	-

In those cases, since the differences are more than +/- 5%, as per policy, measured stocks have been considered in accounts and difference quantity of 1.26 lakh tonnes (4.18 lakh tonnes less 2.92 lakh tonnes) valuing ₹ 20.70 crore as at 31.03.2016-Shortage beyond 5%.

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016

Note - 16

TRADE RECEIVABLES

(₹ in Crores)

	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	93.68	143.18
- Doubtful	37.76	41.38
	131.44	184.56
Less : Provision for Bad and doubtful Debts	37.76	41.38
	93.68	143.18
Other Debts		
- Secured considered good	-	-
- Unsecured considered good	1029.48	304.12
- Doubtful	-	-
	1029.48	304.12
Less : Provision for Bad and doubtful Debts	-	-
	1029.48	304.12
TOTAL	1,123.16	447.30

Note: The Trade receivables include an amount of ₹ 570.00 crores, which has not been confirmed by the debtors as on 31.03.2016. Since the Company has got the practice of obtaining the balance confirmation from the consumers on balances of previous quarters.

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016**Note - 17****CASH & BANK BALANCES**

(₹ in Crores)

	As at 31.03.2016	As at 31.03.2015
Cash & Cash Equivalents		
Balances with Scheduled Banks		
- SBI Dividend Account (unpaid/unclaimed dividend account)	-	-
- In Deposit Account with maturity upto 3 months	2,517.53	4,331.07
- In Current Accounts	202.61	175.43
- In Cash Credits Accounts	-	-
Balances with Non-Scheduled Banks	-	-
In Account with Banks outside India	-	-
Remittance - In transit	-	0.35
Cheques, Drafts and Stamps on hand	-	-
Cash in hand	0.04	0.04
Deposit with Scheduled Banks under Shifting and Rehabilitation Fund Scheme with maturity upto 3 months	-	-
Other Bank Balances		
Balances with Scheduled Banks		
- In Deposit Accounts with maturity more than 3 months	8,834.98	5,950.06
Deposit with Scheduled Banks under Shifting and Rehabilitation Fund Scheme with maturity more than 3 months	-	-
Deposit in Escrow A/c with Scheduled Banks under Mine Closure Plan Scheme with maturity exceeding 3 months	-	-
Total	11,555.16	10,456.95
Maximum amount outstanding with Banks other than Scheduled Banks at any time during the year	Nil	Nil
Additional Note :		
1. Balances with banks to the extent held as margin money or security against the borrowings/others	28.54	83.14
2. Bank deposits more than 3 months includes deposits held for the period exceeding 12 months	1.67	1.54
1. Fixed Deposit amounting to ₹ 13.35 crore that has been placed under lien of State Bank India for issuing letter of comfort for issuance of Bank Guarantee in favour of President of India to fulfill the terms of allocation of blocks on behalf of subsidiary company. - M/S MJSJ Coal Ltd.		
2. ₹ 1.67 crore including accrued interest of ₹ 1.08 crore being special term deposit made out of money recovered through the Hon'ble District Court Sundargarh against defalcation of cash by an officer, which is under lien to the Court pending finalization of the case.		
3. Fixed deposit includes ₹ 5.23 crore made against price difference recovered against explosive rate contracts in the year 2005-06, as per court order.		
4. Fixed deposit includes ₹ 0.19 crore made against interim order of Hon'ble High Court for encashment of BG of M/s IRC Logistics Ltd.		
5. Fixed deposit includes ₹ 0.03 crore made for issue of BG for obtaining license for captive mobile radio trunking service from Deptt of Telecommunication, Govt of India in connection with OITDS.		
6. Fixed deposit includes ₹ 0.03 crore made for against penalty recovered from M/S Shree Enterprises Coal Sales Pvt Ltd as directed by Hon'ble High Court Calcutta.		
7. Fixed deposit includes ₹ 7.89 crore made against BG encashment (FSA) by the Company in respect of M/S Videocon Industries Ltd as per interim order of Hon'ble High Court , Cuttack .		
8. Fixed deposits includes ₹ 0.15 crore made for 40% Tapering money by the Company in respect of M/S Shri Mahavir Ferro Alloys Pvt. Ltd. as per order of Hon'ble High Court , Cuttack till the final outcome of the Writ petition no. 3109 of 2015.		
9. The balance of current accounts includes current linked termed deposits which are temporarily transferred from current account.		

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016**Note - 18****SHORT TERM LOANS & ADVANCES**

(₹ in Crores)

	As at 31.03.2016	As at 31.03.2015
ADVANCES		
(Recoverable in cash or in kind or for value to be received)		
ADVANCE TO SUPPLIERS & CONTRACTORS		
For Revenue		
- Secured considered good	-	-
- Unsecured considered good	332.82	195.36
- Doubtful	2.10	2.10
	<u>334.92</u>	<u>197.46</u>
Less : Provision for Bad and doubtful advances	2.10	2.10
	<u>332.82</u>	<u>195.36</u>
ADVANCE PAYMENT OF STATUTORY DUES		
Sales Tax		
- Secured considered good	-	-
- Unsecured considered good	-	0.29
- Doubtful	-	0.29
	<u>-</u>	<u>-</u>
Less : Provision for Bad and doubtful advances	-	0.29
	<u>-</u>	<u>-</u>
Advance Income Tax/Tax Deducted at Source	5,374.59	5,735.51
Less : Provision for Income Tax	3,833.29	3,557.86
	<u>1,541.30</u>	<u>2,177.65</u>
Others		
- Secured considered good	-	-
- Unsecured considered good	34.17	28.60
- Doubtful	-	-
	<u>34.17</u>	<u>28.60</u>
Less : Provision for Bad and doubtful advances	-	-
	<u>34.17</u>	<u>28.60</u>
	<u>1,575.47</u>	<u>2,206.54</u>
ADVANCE TO EMPLOYEES		
-- Secured considered good	-	-
-- Unsecured considered good	48.52	65.39
-- Doubtful	-	-
	<u>48.52</u>	<u>65.39</u>
Less : Provision for Bad and doubtful advances	-	-
	<u>48.52</u>	<u>65.39</u>

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016**Note - 18 (Continued....)****SHORT TERM LOANS & ADVANCES**

(₹ in Crores)

	As at 31.03.2016	As at 31.03.2016
Deposit with Coal India Limited	347.81	556.36
Current Account with Coal India Limited & other Subsidiaries of Coal India Limited and MCL's Subsidiaries	26.69	20.07
LOAN ACCOUNT WITH SUBSIDIARIES		
- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	-	-
	<u>-</u>	<u>-</u>
Less : Provision for Bad and doubtful Advances	-	-
	<u>-</u>	<u>-</u>
Claims Receivables		
- Secured considered good	-	-
- Unsecured considered good	0.03	0.03
- Doubtful	-	-
	<u>0.03</u>	<u>0.03</u>
Less : Provision for Bad and doubtful Claims	-	-
	<u>0.03</u>	<u>0.03</u>
Prepaid Expenses	16.37	11.74
	<u>439.42</u>	<u>653.59</u>
TOTAL	<u>2,347.71</u>	<u>3,055.49</u>

Note :

1.	Closing Balance		Maximum Amount due at any Time	
	Current year	Previous Year	Current Year	Previous Year
Due by the Companies under the same management				
- MJSJ Coal Limited	7.40	6.04	7.40	6.04
- MNH Shakti Limited	1.11	0.63	1.11	0.63
- Mahanadi Basin Power Limited	16.10	13.40	16.10	13.40
- MCRL	2.08	-	2.08	-
Due by the parties in which the Director(s) or Company is/are interested	Nil	Nil	Nil	Nil

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016**Note - 19****OTHER CURRENT ASSETS**

(₹ in Crores)

	As at 31.03.2016	As at 31.03.2015
Interest Accrued on		
- Investment	33.17	33.29
- Deposit with Banks	485.64	557.85
- Others	2.17	2.59
Ex Owner's Account	-	-
Other Advances	-	-
Less : Provision for Bad and doubtful advances	-	-
DEPOSITS		
Deposit for Customs Duty, Port Charges etc.		
Deposit for Royalty, Cess & Sales Tax	112.58	230.88
Less : Provision for Bad and doubtful Deposits	-	-
	<u>112.58</u>	<u>230.88</u>
Others	-	-
Less : Provision for Bad and doubtful for others	-	-
	<u>-</u>	<u>-</u>
Amount Receivable from Govt. of India for transactions on behalf of Ex-Coal Board	-	-
Other Receivables	2.37	1.13
Less : Provision for bad and doubtful receivables	-	-
	<u>2.37</u>	<u>1.13</u>
TOTAL	<u>635.93</u>	<u>825.74</u>

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2016

Note - 20

REVENUE FROM OPERATIONS

	(₹ in Crores)	
	For the Year ended 31.03.2016	For the Year ended 31.03.2015
A Sales of coal	19,829.58	14,989.05
Less :Excise Duty	1,183.03	679.56
Less :Other Levies		
Royalty	1,694.82	1,395.72
NMET u/s 9C of MMDR Act 2015	19.97	
DMF u/s 9B of MMDR Act 2015	223.80	
Cess on Coal	-	-
Stowing Excise Duty	140.23	123.00
Central Cess Tax	187.75	124.80
Clean Energy Cess	3,065.26	1,179.14
State Sales Tax / VAT	499.62	404.16
Orissa Entry Tax	62.13	58.25
TOTAL LEVIES	7,076.61	3,964.63
Net sales (A)	12,752.97	11,024.42
B Facilitation Charges for coal import	-	-
C Subsidy for sand stowing and protective works	-	-
D Loading and additional transportation charges	770.27	704.66
Less : Excise Duty	41.70	39.71
Less : Other Levies	22.61	20.89
Other Operating Revenue (B)	705.96	644.06
E Revenue From Operations (A+B)	13,458.93	11,668.48

Note : Sale of Coal includes differential excise duty of ₹ 339.89 crore and consequential increase in State Sales Tax/VAT of ₹ 9.70 crore, Central Sales tax of ₹ 2.80 crore and Entry tax of ₹ 1.48 crore respectively pertains to earlier periods, billed and paid during the reporting period on account of change in basis while arriving at the Transaction Value for Computation of Excise duty retrospectively from 1st March 2011 based on an opinion sought dated 5th June 2015 from Additional Solicitor General of India.

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2016

Note - 21

OTHER INCOME

	(₹ in Crores)	
	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Income from Long Term Investments		
Dividend from Joint Ventures	--	--
Interest from :		
-- Government Securities (8.5% Tax Free Special Bonds)(Trade)	--	3.38
-- Non convertible IRFC/REC Tax Free Bonds 2021 series (Non-trade)	70.92	70.72
Income from Current Investments		
Dividend from Mutual Fund Investments	92.29	54.98
Interest from :		
-- Government Securities (8.5% Tax Free Special Bonds)(Trade)	1.45	--
-- 7.55% Non convertible IRFC Tax Free Bonds 2021 series (Non-trade)	--	--
Income from Others		
Interest :		
-- From Deposits with Banks	1,042.62	1,123.14
-- From Loans and Advances to Employees	0.01	0.06
-- From Income Tax Refunds	42.21	--
-- From CIL on Parking of Fund	44.56	33.87
-- Others	5.20	8.06
Apex Charges	--	--
Profit on Sale of Assets	1.94	0.92
Gain on Foreign Exchange Transactions	--	--
Exchange Rate Variance	--	1.79
Lease Rent	1.30	1.27
Liability Write Backs	(0.01)	1.04
Guarantee Fees from Subsidiaries	--	--
Other Non-operating Income	43.79	75.91
Total	1,346.28	1,375.14

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2016**Note - 22****COST OF MATERIALS CONSUMED**

	(₹ in Crores)	
	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Explosives	107.14	113.64
Timber	0.34	0.22
P O L	261.53	304.68
HEMM Spares	116.92	124.51
Others Consumables Stores & Spares	56.82	61.51
TOTAL	542.75	604.56

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2016

Note - 23

CHANGE IN INVENTORIES OF FINISHED GOODS,
WORK IN PROGRESS AND STOCK IN TRADE

	(₹ in Crores)	
	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Closing Stock of Coal	346.82	386.79
Less : Deterioration of Coal	-	-
Total (1)	346.82	386.79
Opening Stock of Coal	386.79	418.53
Less : Deterioration of Coal	-	-
Total (2)	386.79	418.53
(A) Change in Inventory of Closing Stock (2 - 1)	39.97	31.74
Closing Stock of Workshop made finished goods and WIP	12.10	10.80
Less : Provision	-	-
Total	12.10	10.80
Opening Stock of Workshop made finished goods and WIP	10.80	12.68
Less : Provision	-	-
Total	10.80	12.68
(B) Change in Inventory of Closing Stock of workshop	(1.30)	1.88
Press Closing Job		
i. Finished Goods	-	-
ii. Work in Progress	-	-
Less : Press Opening Job		
i. Finished Goods	-	-
ii. Work in Progress	-	-
(C) Change in Inventory of Closing Stock of Press Jobs made finished goods and WIP	-	-
Closing Stock of Medicines (Central Hospital)	-	-
Less : Opening Stock of Medicines (Central Hospital)	-	-
(D) Change in Inventory of Stock of Medicines at Central Hospitals	-	-
Total Change in Inventory of Stock (A + B + C + D)	38.67	33.62

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2016**Note - 24****EMPLOYEE BENEFIT EXPENSES**

(₹ in Crores)

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Salary, Wages, Allowances, Bonus & Benefits	1497.23	1410.53
Ex-Gratia	111.11	90.63
PRP	30.47	38.93
Contribution fo P.F. & Other Funds	195.69	186.30
Gratuity	26.19	48.03
Leave Encashment	59.93	71.56
VRS	0.27	0.01
Workmen Compensation	0.03	0.55
Medical expenses for existing employees	39.45	38.79
Medical expenses for retired employees	6.80	1.26
Grants to School & Institutions	27.77	21.85
Sports & Recreation	3.84	5.48
Canteen & Creche	1.06	0.91
Power - Township	57.53	60.19
Hire Charges of Bus, Ambulance etc.	3.17	3.37
Other Employee Benefits	17.42	18.71
TOTAL	2,077.96	1,997.10

1. Contribution to Provident Fund and other fund of ₹ 195.69 crore includes ₹ 3.92 crore paid to Ex-NCDC employees which have been charged to Revenue on cash basis under Employees Benefit Expenses
2. Pension Management in respect of employees of the Company, is done by Coal Mines Provident Fund Authority (an independent body)

Note - 25**CORPORATE SOCIAL RESPONSIBILITY EXPENSES**

(₹ in Crores)

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
CSR Expenses	184.64	61.30
TOTAL	184.64	61.30

Gross Amount required to be spent by the Company during the year : ₹ 165.64 crore (includes 2% of average profits of last three years amounts to ₹ 112.97 crore and ₹ 52.67 crore towards an unspent amount for the year 2014-15 .

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2016

Note - 26

REPAIRS

(₹ in Crores)

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Building	69.89	66.39
Plant & Machinery	47.67	38.07
Others	3.70	3.17
TOTAL	121.26	107.63

Note - 27

CONTRACTUAL EXPENSES

(₹ in Crores)

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Transportation Charges :		
- Sand	-	-
- Coal & Coke	1,049.78	981.81
- Stores & Other etc.	-	-
Wagon Loading	70.53	74.33
Hiring of Plant & Machinery	799.57	662.87
Other Contractual work	54.17	68.26
TOTAL	1,974.05	1,787.27

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2016

Note - 28

FINANCE COSTS

	(₹ in Crores)	
	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Interest Expense		
Deferred Payments	0.09	0.08
Bank Overdraft/Cash Credit	-	-
Interest of IBRD & JBIC Loan	-	-
CIL Fund Loan Interest	-	-
Interest to Subsidiaries	-	-
Others	1.50	1.36
Total (A)	<u>1.59</u>	<u>1.44</u>
Other Borrowing Costs		
Guarantee Fees on (IBRD & JBIC) Loan	-	-
Other Expenses / Bank Charges	-	-
TOTAL (B)	<u>-</u>	<u>-</u>
TOTAL (A + B)	<u>1.59</u>	<u>1.44</u>

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2016

Note - 29

PROVISIONS

	For the Year ended 31.03.2016	(₹ in Crores) For the Year ended 31.03.2015
(A) Provision Made for		
Doubtful debts	0.26	6.66
Doubtful Advances & Claims	-	-
Foreign Exchange Transaction	-	-
Stores & Spares	1.67	2.40
Reclamation of Land/Mine Closure Expenses	134.40	115.41
Surveyed off Fixed Assets / Capital WIP	0.86	-
Others	-	-
Total (A)	137.19	124.47
(B) Provision Written Back		
Doubtful debts	3.38	-
Doubtful Advances & Claims	-	0.24
Foreign Exchange Transaction	-	-
Stores & Spares	-	-
Reclamation of Land/Mine Closure Expenses	-	-
Surveyed off Fixed Assets / Capital WIP	0.74	0.67
Others / Loss of Assets	-	-
TOTAL (B)	4.62	0.91
TOTAL (A-B)	132.57	123.56

Note - 30

WRITE OFF

	For the Year ended 31.03.2016	(₹ in Crores) For the Year ended 31.03.2015
Doubtful debts	-	-
Doubtful advances	-	-
Others	0.10	-
TOTAL	0.10	-

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2016

Note - 31

OTHER EXPENSES

(₹ in Crores)

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Travelling Expenses		
- Domestic	19.06	13.28
- Foreign	0.01	0.04
Training Expenses	10.82	8.94
Telephone & Postage	3.68	3.07
Advertisement & Publicity	3.35	3.79
Freight Charges	0.09	0.08
Demurrage	3.07	2.23
Donation/Subscription	0.07	0.06
Security Expenses	60.86	57.29
Service Charges of CIL	69.14	60.69
Hire Charges	34.44	32.23
CMPDI Expenses	27.53	20.29
Legal Expenses	1.37	1.28
Bank Charges	0.01	0.01
Guest House Expenses	2.41	1.86
Consultancy Charges	2.37	1.18
Under Loading Charges	30.55	16.38
Loss on Sale/Discard/Surveyed of Assets	0.15	0.74
Auditor's Remuneration and Expenses		
- For Audit Fees	0.20	0.17
- For Taxation Matters	-	-
- For Company Law Matters	-	-
- For Management Services	-	-
- For Other Services	0.05	0.07
- For Reimbursement of Expenses	0.35	0.27
Internal Audit Fees and Expenses	1.85	2.12
Rehabilitation Charges	84.13	73.81
Royalty & Cess	0.20	0.18
Central Excise Duty	5.77	(9.11)
Rent	0.82	0.82
Rates & Taxes	12.25	35.61
Insurance	0.36	0.34
Loss on Exchange Rate Variance	0.91	-
Lease Rent	0.02	-
Rescue/Safety Expenses	3.06	2.51
Dead Rent / Surface Rent	0.24	0.29
Siding Maintenance Charges	52.78	42.76
Land/Crops Compensation	0.06	0.05
Wealth Tax	-	0.11
R & D expenses	2.07	22.92
Environmental & Tree Plantation Expenses	12.44	12.78
Miscellaneous Expenses	181.95	70.75
TOTAL	628.49	479.89

- Consequent upon fluctuation in the value of foreign currency deferred credit, the rupee liability of the Company in respect of such deferred credit/loans has increased by ₹ 0.91 crore (as at 31.03.2015, decreased by ₹ 1.79 crore) and the same amount of ₹ 0.91 crore (as at 31.03.2015, gain on exchange rate variance for ₹ 1.79 crore- Note 21) has been shown as " Loss on Exchange Rate Variance".
- Miscellaneous Expenses includes ₹ 125.00 crore i.e. payment made to State Authorities towards water tax.

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2016

Note - 32

PRIOR PERIOD ADJUSTMENTS

(₹ in Crores)

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
(A) Expenditure		
Sale of Coal	-	-
Stock of Coal	-	-
Other Income	-	-
Consumption of Stores & Spares	-	-
Employees Remuneration & Benefits	-	-
Power & Fuel	-	-
Welfare Expenses	-	-
Repairs-	-	-
Contractual Expenses	-	-
Other Expenditure	2.53	0.11
Interest and other financial charges	-	-
Depreciation	-	-
TOTAL (A)	2.53	0.11
(B) Income		
Sale of Coal	14.76	7.85
Stock of Coal	-	-
Other Income	2.93	-
Consumption of Stores & Spares	-	-
Employees Remuneration & Benefits	-	-
Power & Fuel	-	-
Welfare Expenses	-	-
Repairs	1.43	-
Contractual Expenses	4.81	-
Other Expenditure	0.29	-
Interest and other financial charges	-	-
Depreciation	0.64	2.48
TOTAL (B)	24.86	10.33
TOTAL (A - B)	(22.33)	(10.22)

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 liabilities 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 the 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.

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 carried at cost. However, when there is a decline, other than temporary, in the value of the 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 / drilling camps/ 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. Similarly stock of stationary at printing press and medicines at central hospital 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.

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:

Transactions 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 the exchange rate prevailing on the date of the transaction.

Exchange differences arising on the settlement of monetary items or on reporting an 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 recognised 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 Employee benefits:

10.1 Short term benefits

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

10.2 Post-employment benefits and other long term employee benefits:

a) Defined contributions plans:

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 is net of statutory dues and accepted deduction made by customer on account of quality of coal.

11.2 **Interest**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

11.3 **Dividend**

Dividend income is recognised 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 capitalised. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognised as expenses in the period in which they are incurred.

13.0 Taxation:

Provision of current income tax is made in accordance with the Income Tax Act., 1961. Deferred tax liabilities and assets are recognised 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 recognised 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 recognised nor disclosed in the financial statements.

15.0 Earning per share:

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

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 Mill.Cu. Mtr.)
Less than 1 Mill. CUM	+/- 5%	0.03
Between 1 and 5 Mill. CUM	+/- 3%	0.20
More than 5 Mill. CUM	+/- 2%	-

However, where the variance is beyond the permissible limits as above, the measured quantity is considered.

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. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Mahanadi Coalfields Limited was incorporated on 3rd April, 1992 as a 100% Subsidiary of Coal India Limited (CIL) upon taking over of assets and liabilities of South Eastern Coalfields Limited in respect of mines in the State of Orissa.

2. APPLICABILITY OF INDIAN ACCOUNTING STANDARDS:

The Ministry of Corporate Affairs (MCA) vide its notification in the Official Gazette dated February 16, 2015 notified the Indian Accounting Standards (Ind AS) applicable to certain classes of companies. Ind AS would replace the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the companies (Accounts) Rules, 2014. For MCL and its subsidiaries, Ind AS would be applicable for the accounting periods beginning April 1, 2016, with a transition date of April 1, 2015.

3. APPLICABILITY OF ACCOUNTING STANDARDS:

a) 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.

b) Subsidy : (AS-12) (Refer Note No. 20)

Subsidy received from Coal Controller Development Authority on account of infrastructural development has been adjusted against the relevant head of account of capital nature. ₹ 34.52 crore of CCDA grant has been deducted from Long Term Capital Advance(Note-12) and in case of revenue expenditure, the company recognized ₹ Nil as Income from Stowing and Protective Subsidy (₹ Nil as on 31.03.2015), the same is shown under other operating revenue.

c) 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, Company 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 ₹ 384.54 Crores.

The Actuarial liability as on 31.03.2016

(₹ In Crores)			
Head	Opening Actuarial Liability as on 01.04.2015	Incremental Liability	Closing Actuarial Liability as on 31.03.2016
Gratuity	14.00	(0.19)	13.81
Earned Leave	187.43	15.49	202.92
Half Pay Leave	45.08	(4.02)	41.06
Life Cover Scheme- Executive	0.43	(0.01)	0.42
Life Cover Scheme - Non-Executive	4.88	(0.04)	4.84
Settlement Allowance Executives	0.27	3.53	3.80
Settlement Allowance Non-Executives	15.29	(7.01)	8.28
Company Personal Accident Insurance Scheme	0.11	-	0.11
Leave Travel Concession - Executive	9.20	1.17	10.37
Leave Travel Concession – Non-Executive	22.81	0.64	23.45
Medical Benefits	57.73	4.65	62.38
Post-Retirement Medical Benefit for non-executives	-	0.11	0.11
Compensation to dependents in case of mine accidental death	13.08	(0.09)	12.99
TOTAL	370.31	14.23	384.54

(1) Gratuity: Actuarial Assumptions:

The disclosure as per actuary's certificate for funded employee benefits for Gratuity is given below:

ACTUARIAL VALUATION OF GRATUITY LIABILITY AS AT 31.03.2016
CERTIFICATE AS PER ACCOUNTING STANDARD 15 (Revised 2005)

Table 1: DISCLOSURE ITEM 120 (c)

(₹ In Crores)

Present Value of Obligations	As at 31.03.2016	As at 31.03.2015
Present value of obligation at beginning of the year	679.69	642.71
Acquisition Adjustment	0.00	0.00
Interest Cost	51.31	48.60
Past Service Cost	0.00	0.00
Current Service Cost	49.08	38.42
Curtailment Cost	0.00	0.00
Settlement Cost	0.00	0.00
Benefits paid	76.71	70.51
Actuarial Gain / Loss on obligations	-17.37	20.47
Present Value of Obligations as at 31.03.2016	686.00	679.69

Table 2: DISCLOSURE ITEM 120 (e)

(₹ In Crores)

Fair Value of Plan Assets	As at 31.03.2016	As at 31.03.2015
Fair value of Plan Assets at beginning of the year	665.69	659.09
Acquisition Adjustment	0.00	0.00
Excepted Return on Plan Asset	53.26	52.73
Contributions	26.41	17.76
Benefits Paid	76.71	70.50
Actuarial Gain /Loss on Plan Asset	0.96	6.61
Fair value of Plan Asset as at 31.03.2016	669.61	665.69

Table 3: DISCLOSURE ITEM 120 (f)

(₹ In Crores)

Funded Status	As at 31.03.2016	As at 31.03.2015
Present Value of obligation as at 31.03.2016	686.00	679.69
Fair value of Plan Assets as at 31.03.2016	669.61	665.69
Funded Status	-16.39	-14.00
Un-recognized Actuarial gain / Loss at end of the Year	0.00	0.00
Net Asset (Liability) Recognised in Balance sheet	-16.39	-14.00

Table 4: DISCLOSURE ITEM 120 (g)

(₹ In Crores)

Expenses Recognized in Statement of Profit & Loss	As at 31.03.2016	As at 31.03.2015
Current Service Cost	49.08	38.42
Past Service Cost	0.00	0.00
Interest Cost	51.31	48.60
Expected Return on Plan asset	53.26	52.73
Curtailment Cost	0.00	0.00
Settlement Cost / Benefit paid	0.00	0.00
Actuarial Gain/Loss Recognised in the year	-18.33	13.86
Expense Recognised in statement of Profit /Loss	28.80	48.15

Table 5: DISCLOSURE ITEM 120 (i)

(₹ In Crores)

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. 6 above age 45 3 between age 29 and 45 1 below age 29	10 per Thousand P.A. 6 above age 45 3 between age 29 and 45 1 below age 29
Discount Rate	8.00%	8.50%
Inflation rate	6.25%	6.25%
Return on assets	8.00%	8.00%
Remaining working life	11 Years	14 Years
Formula used	Projected Unit Credit Method	Projected Unit Credit Method

Table 6: DISCLOSURE ITEM 120 (o)

(₹ In Crores)

Movements in the Liability Recognized in Balance Sheet	As at 31.03.2016	As at 31.03.2015
Opening Net Liability	14.00	-16.38
Expenses as above	28.80	48.14
Contributions	26.41	17.76
Closing Net Liability	16.39	14.00
Closing Fund/Provision as at 31.03.2016	686.00	679.69

ACTUARIAL VALUATION OF LEAVE ENCASHMENT BENEFIT (EL/HPL)**AS AT 31.03.2016**

CERTIFICATE AS PER ACCOUNTING STANDARD 15 (Revised 2005)

Table 1: DISCLOSURE ITEM 120 (c)

(₹ In Crores)

Present Value of Obligations	As at 31.03.2016	As at 31.03.2015
Present value of obligation at beginning of the year	232.52	204.63
Acquisition Adjustment	0.00	0.00
Interest Cost	17.57	15.67
Past Service Cost	0.00	0.00
Current Service Cost	36.00	41.79
Curtailment Cost	0.00	0.00
Settlement Cost	0.00	0.00
Benefits paid	25.64	17.51
Actuarial Gain / Loss on obligations	-16.47	-12.06
Present Value of Obligations as at 31.03.2016	243.98	232.52

Table 2: DISCLOSURE ITEM 120 (g)

(₹ In Crores)

Expenses Recognized in Statement of Profit & Loss	As at 31.03.2016	As at 31.03.2015
Current Service Cost	36.00	41.79
Past Service Cost	0.00	0.00
Interest Cost	17.57	15.67
Expected Return on Plan asset	0.00	0.00
Curtailment Cost	0.00	0.00
Settlement Cost / Benefit paid	0.00	0.00
Actuarial Gain/Loss Recognised in the year	-16.47	-12.06
Expense Recognised in statement of Profit /Loss	37.10	45.40

Table 5: DISCLOSURE ITEM 120 (I)

(₹ In Crores)

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. 6 above age 45 3 between age 29 and 45 1 below age 29	10 per Thousand P.A. 6 above age 45 3 between age 29 and 45 1 below age 29
Discount Rate	8.00%	8.00%
Inflation rate	6.25%	6.25%
Return on assets	N/A	8.00%
Remaining working life	14 Years	14 Years
Formula used	Projected Unit Credit Method	Projected Unit Credit Method

Table 6: DISCLOSURE ITEM 120 (o)

(₹ In Crores)

Movements in the Liability Recognized in Balance Sheet	As at 31.03.2016	As at 31.03.2015
Opening Net Liability	0.00	0.00
Expenses as above	37.10	45.40
Contributions	0.00	0.00
Closing Net Liability	37.10	45.40
Closing Fund/Provision as at 31.03.2016	243.98	232.52

d) SEGMENT REPORTING (AS-17)

The Company is primarily engaged in a single Segment business of production and sale of coal and there is no reportable primary segment identifiable in accordance with the Accounting Standard (AS-17) on Segment Reporting.

e) 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.

f) EARNING PER SHARE (AS-20)

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
(i) Profit after Tax (₹ In Crore)	4184.74	3554.10
(ii) Profit attributable to Equity Shareholders (₹ In Crore)	4184.74	3554.10
(iii) No. of Equity Shares for Basic & diluted EPS	1864009	1864009
(iv) Nominal value of Equity share (₹)	1000	1000
(v) Basic & Diluted Earnings per Share (₹)	22450.21	19066.97

g) INVESTMENTS IN SUBSIDIARIES (AS-21)

The Position of investment and other current accounts in the subsidiaries as at 31.03.2016 are as under:

Name of subsidiary	Stake inSubsidiary	Date of incorporation	Investment in equity shares (₹ in crore)	Balance in Current accounts (₹ in crore)
1) MNH Shakti Ltd	70 %	16.07.2008	59.57	1.11
2) MJSJ Coal Ltd	60%	13.08.2008	57.06	7.40
3) Mahanadi Basin Power Limited	100%	02.12.2011	0.05	16.10
4) Mahanadi Coal Railway Limited	64%	31.08.2015	0.03	2.08
Total			116.71	26.69

All the subsidiaries are in development stage.

h) 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 31st March, 2016 and as at 31st March 2015 is given below:-

	As at 31.03.2016	As at 31.03.2015
	(₹ In Crores)	
Deferred Tax Liability:		
Related to Fixed Assets	-2.68	45.20
Deferred Tax Asset:		
Provision for doubtful Debts, claims, etc.	9.15	10.41
Employee separation and retirement	83.52	81.19
Others	-278.95	-169.30
Total deferred tax Assets	-186.28	-77.70
Net Deferred Tax Asset/ (Deferred Tax Liability)	(183.60)	(122.90)

j) Financial Reporting of Interests in Joint Ventures (AS-27)

On 8th January 2013 a joint venture company named Neelanchal Power transmission Company Pvt Limited was incorporated by virtue of a joint venture agreement between the company and Odisha Power Transmission Corporation Ltd. Up to 31.03.2016, the company has incurred ₹ 0.02 crore(for previous year ₹ 0.02 crore) for miscellaneous expenses incidental for incorporation and the same has been included in claim receivables (Note - 18). There is no investment in the joint venture company upto 31.03.2016.

k) Impairment of Assets (AS-28)

During the year, the impairment loss of assets of ₹ 9.87 Crores in respect of Bharatpur Mines for SILO and ₹ 0.43 crores in respect of continuous loss making mines is debited to Statement of Profit & Loss(₹ 0.47 Crores as on 31.03.2015).

l) Contingent Liabilities, Commitments and Contingent Assets (AS-29)

11.1 i) The details of Contingent liability are given below:-

Particulars.	As at 31.03.2016 ₹ in crore	As at 31.03.2015 ₹ in crore
Central Government	1396.50	2487.65
State Govt and Local Authority	3378.57	1765.08
CPSEs	0.00	0.00
Others	171.88	151.69
Total	4946.95	4404.42

- ii) Outstanding letters of Credits as on Balance Sheet date amounted to ₹ 4.36 Crores (₹ 0.10 Crores as at 31.03.2015).
- iii) The Company has given Bank Guarantees of ₹ 13.38 Crore (₹ 66.77 Crore as at 31.03.2015) 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 ₹ 620.46.Crores (₹ 893.37 Crores as at 31.03.2015).
- (ii) The amount remaining to be executed on revenue account not provided for is ₹ 3568.37Crores (₹ 4151.62 Crores as at 31.03.2015).

4(a) VALUE OF IMPORTS ON CIF BASIS: (₹ In Crores)

Details	For the year ended 31.03.2016	For the year ended 31.03.2015
Raw Material	NIL	NIL
Capital Goods	NIL	NIL
Stores & Spares	0.02	0.05

4(b) TOTAL CONSUMPTION OF STORES (Refer Note No. 22) (₹ In Crores)

Particulars	For the year ended 31.03.2016		For the year ended 31.03.2015	
	Amount ₹ in Crores	% of Total Consumption	Amount ₹ in Crores	% of Total Consumption
Imported	0.02	0.00	0.05	0.01
Indigenous	542.73	100.00	604.51	99.99
Total	542.75	100.00	604.56	100.00

4(c). EXPENDITURE INCURRED IN FOREIGN CURRENCY ON ACCOUNT OF: (₹ In Crores)

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Traveling Expenses	0.01	0.04
Interest	0.09	0.08
Others	NIL	NIL

5. DIRECTORS'/ KMPs REMUNERATION (₹ In Crores)

For Whole Time Directors	For the year ended 31.03.2016	For the year ended 31.03.2015
(i) Salary	1.17	1.09
(ii) Contribution to PF & Other Funds	0.16	0.11
(iii) Medical Benefits	0.01	0.01
For Part Time Directors		
(iv) Sitting Fees	0.00	0.00
For Company Secretary	0.24	0.20

6. EFFECTS OF REVISION OF AVERAGE STRIPPING RATIO:

Pursuant to revision of average stripping ratio of Belpahar and Lingaraj Mines, the net impact on profit is ₹ 188.07 crore.

7. 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.

8. 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.

9. 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 correspond to period of the previous year. Note 1 to 19 form part of the Balance Sheet as at 31st March, 2016 and note 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.

For and on behalf of Board of Directors

Sd/-
A. K. Singh
Company Secretary

Sd/-
K.K. Parida
Director (Finance)
DIN- 07015077

As per our report of annexed
for & on behalf of
PAMS & ASSOCIATES
Chartered Accountants
Firm Regd. NO. 316079E

Sd/-
CA M P MAHAPATRA
Partner
(Membership No. 055113)

Sd/-
V.V.K. Raju
General Manager (Finance)

Sd/-
A.K. Jha
Chairman-cum-Managing Director
DIN- 06645361

Date: 26.05.2016
Place: Bhubaneswar

Cashflow Statement for the year ended on 31.03.2016

	For the year ended on 31.03.2016 (₹ in Crores)	For the year ended on 31.03.2015 (₹ in Crores)
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax and extraordinary items	6,260.43	5,314.24
Adjustment for :		
Depreciation & Impairment	272.51	251.79
Exchange Rate Fluctuation	0.91	0.72
OBR Adjustment	2,452.00	2,123.53
Interest / Dividend (Received)	(1,294.05)	(1,286.09)
Interest /financial charges (Paid)	1.59	1.44
Prov. against Debtors/Inventories/Other CA/ Loans & Advances etc	188.09	232.69
Operating Profit before Working Capital changes	7,881.48	6,636.88
Adjustments for :		
Changes in inventories	44.26	43.17
Changes in trade receivables	(672.24)	(155.57)
Changes in long term/non current Loan & advance/Assets	(356.60)	(602.43)
Changes in short term /current Loans and Advances/ Assets	52.69	(64.66)
Changes in trade payable/ Current Liabilities/long term liabilities	110.90	513.42
Cash generated from operations	7,060.49	6,371.35
Direct taxes paid	(2,113.24)	(3,269.99)
Cash Flow before extraordinary items	4,947.25	3,101.36
Extraordinary items	-	-
Net Cash from operating activities	4,947.25	3,101.36
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(643.73)	(788.93)
Short Term Deposit with CIL	208.55	(114.95)
Miscellaneous receipts	-	-
Acquisition of Companies	-	-
Purchase of New Investments (Current/Non-Current)	(1,097.33)	450.70
Interest received	1,201.76	1,231.11
Dividend from Mutual Funds received (non trade)	92.29	54.98
Net Cash used in investing activities	(238.46)	832.91
C CASH FLOW FROM FINANCING ACTIVITIES:		
World Bank Loans through CIL	-	-
Deferred Credit Loan	0.37	(2.35)
Exchange Rate Fluctuation	(0.91)	0.72
Repayment of CIL Loan	-	-
Redemption of preference share capital	-	-
Interest and financial charges	(1.59)	(1.44)
Dividend paid	(3,608.45)	(3,841.82)
Net Cash used in financing activities	(3,610.58)	(3,844.89)
Net increase in cash and cash equivalents	1,098.21	89.38
Cash and cash equivalents as at beginning of the year	10,456.95	10,367.57
Cash and cash equivalents as at the end of the period	11,555.16	10,456.95

The aforesaid statement is prepared on indirect method.

The figures of the previous year have been reclassified to confirm to current period classification.

Note: Cash & cash equivalents amounting to ₹ 558.17 crore (as at 31.03.2015, ₹ 508.56 crore) (refer para 7.0 of Additional notes on accounts) are not available for use by the company .

Sd/-
A.K.Singh
Company Secretary

Sd/-
K.K. Parida
Director (Finance)
DIN- 07015077

For and on behalf of Board of Directors

Sd/-
V.V.K. Raju
General Manager (Finance)
Sd/-
A.K. Jha
Chairman-cum-Managing Director
DIN- 06645361

As per our report Annexed
For PAMS & ASSOCIATES
Chartered Accountants
Firm Regd. NO. 316079E

Sd/-
(CA M P MAHAPATRA)
Partner
(Membership No. 055113)

Date : 26.05.2016
Place: Bhubaneswar



MCL celebrated its Deepawali in a unique way by inviting hundreds of underprivileged children of nearby area. Collectors and many District Administrative Officials of Sambalpur and neighbouring districts also took part in the celebration.



Team MCL marches ahead at "Run for Excellence" to mark Silver Jubilee of the Company.



Mahanadi Coalfields Limited felicitates 3 Padmashree awardees of Odisha on the occasion of celebration of its Silver Jubilee day. Dr. Nisha Thakur, First lady of MCL and President, Jagriti Mahila Mandal felicitates Padmashree Tulshi Munda Shri A. K. Tiwari, Director (Tech./Op.), MCL felicitates Padmashree Halder Nag and Shri J. P. Singh, Director (Tech./P&P), MCL felicitates Padmashree Dr. P. K. Jena.



Shri Piyush Goyal, Hon'ble Minister of State (IC) for Coal, Power and New & Renewable Energy facilitates Shri A. K. Tiwari, Director (Tech/Operation), MCL excellent performance in construction of toilets by MCL under Swachh Vidyalaya Abhiyan.

Shri P. Ranganatheeswar, Dy. DGMS and Shri A.K. Jha, CMD, MCL in the presence of Shri J. P. Singh, Director (Tech/P&P), MCL and other Officials of the Company inaugurate Man Riding System in Nandira Colliery, Talcher Area.



Amul chief Shri R. S. Sodhi and PRSI National President Dr. Ajit Pathak present PRSI National Awards-2015 to MCL. MCL bags three first prizes in PRSI National Awards-2015 at the 37th All India Public Relations Conference held in Ahmadabad, Gujarat in December, 2015.

**CONSOLIDATED ACCOUNTS
OF
MAHANADI COALFIELDS LIMITED
WITH ITS SUBSIDIARIES,
MNH SHAKTI LTD., MJSJ COAL LTD.,
MAHANADI BASIN POWER LTD. & MAHANADI
COAL RAILWAY LTD.
AS ON 31ST MARCH, 2016**

JAGRUTI VIHAR, BURLA
SAMBALPUR, ODISHA - 768020

BALANCE SHEET
As at 31st March, 2016

(₹ in Crores)

I EQUITY AND LIABILITIES	Notes	As at 31- 03- 2016	As at 31- 03- 2015
(1) Shareholders' Funds			
a) Share Capital	1	186.40	186.40
b) Reserves and Surplus	2	<u>4,131.30</u>	<u>4,289.64</u>
		4,317.70	4,476.04
(2) Non-Current Liabilities			
a) Long Term Borrowings	3	7.21	6.90
b) Deferred Tax Liability (Net)		183.60	122.90
c) Other Long Term Liabilities	4	71.97	53.58
d) Long Term Provisions	5	<u>15,387.07</u>	<u>12,791.00</u>
		15,649.85	12,974.38
(3) Minority interest		63.62	63.60
(4) Current Liabilities			
a) Short Term Borrowings	6	-	-
b) Trade Payables	7	304.18	275.27
c) Other Current Liabilities	8	3,184.35	3,120.56
d) Short Term Provisions	9	<u>572.31</u>	<u>527.16</u>
		4,060.84	3,922.99
Total		<u>24,092.01</u>	<u>21,437.01</u>
II ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
i) Tangible Assets - Gross Block	10A	6,244.99	5,826.50
Less : Depreciation, Impairment & Provisions		<u>3,013.84</u>	<u>2,755.66</u>
Net Carrying Value		3,231.15	3,070.84
ii) Intangible Assets - Gross Block	10A	297.32	288.09
Less : Depreciation, Impairment & Provisions		<u>212.77</u>	<u>206.61</u>
Net Carrying Value		84.55	81.48
iii) Capital Work-in-Progress	10B	633.30	456.63
iv) Intangible Assets under Development	10C	370.76	338.91
(b) Non-Current Investments	11	958.70	958.70
(c) Deferred Tax Asset (Net)		-	-
(d) Long Term Loans & Advances	12	805.77	553.38
(e) Other Non-Current Assets	13	529.63	425.42

BALANCE SHEET
As at 31st March, 2016
(Contd....)

			(₹ in Crores)
	NOTES	As at 31.03.2016	As at 31.03.2015
2. Current Assets			
(a) Current Investments	14	1,345.00	247.70
(b) Inventories	15	430.50	476.41
(c) Trade Receivables	16	1,123.16	447.30
(d) Cash & Cash Equivalents	17	11,611.96	10,514.68
(e) Short Term Loans & Advances	18	2,329.25	3,038.17
(f) Other Current Assets	19	<u>638.28</u>	<u>827.39</u>
		17478.15	15551.65
	Total	<u>24,092.01</u>	<u>21,437.01</u>
Significant Accounting Policies	33		
Additional Notes on Accounts	34		

The Notes referred to above form an integral part of Balance Sheet

For and on behalf of Board of Directors

Sd/-
A. K. Singh
Company Secretary

Sd/-
V.V.K. Raju
General Manager (Finance)

Sd/-
K.K. Parida
Director (Finance)
DIN- 07015077

As per our report annexed
For **PAMS & ASSOCIATES**
Chartered Accountants
Firm Regd. NO. 316079E

Sd/-
CA M P MAHAPATRA
Partner
(Membership No. 055113)

Sd/-
A.K. Jha
Chairman-cum-Managing Director
DIN- 06645361

Date: 26.05.2016
Place: Bhubaneswar

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Crores)

	NOTES	FOR THE YEAR ENDED ON 31.03.2016	FOR THE YEAR ENDED ON 31.03.2015
INCOME :			
(i) Revenue from Operations			
(A) Sale of Coal	20	19,829.58	14,989.05
Less : Excise Duty		1,183.03	679.56
Other Levies		5,893.58	3,285.07
Net Sales		12,752.97	11,024.42
(B) Other Operating Revenue	20	770.27	704.66
Less : Excise Duty		41.70	39.71
Other Levies		22.61	20.89
Net Operating Revenue		705.96	644.06
Revenue from Operations(A+B)		13,458.93	11,668.48
(ii) Other Income	21	1,346.28	1,375.14
(iii) Total Revenue		14,805.21	13,043.62
EXPENSE :			
Cost of Materials Consumed	22	542.75	604.56
Change in inventories of finished goods, work in progress and Stock in trade	23	38.67	33.62
Employee benefit expenses	24	2,077.96	1,997.10
Power & Fuel		123.53	122.59
Corporate Social Responsibility Expenses	25	184.64	61.30
Repairs	26	121.26	107.63
Contractual Expenses	27	1,974.05	1,787.27
Finance Costs	28	1.59	1.44
Depreciation/amortization/impairment		289.50	297.11
Provisions	29	132.57	123.56
Write off	30	0.10	-
Overburden Removal Adjustment		2,452.00	2,123.53
Other Expenses	31	628.51	479.89
Total Expenses		8,567.13	7,739.60
Profit/(Loss) before extraordinary items, exceptional items and tax		6,238.08	5,304.02
Prior period Adjustment {charges/(Incomes)}	32	(22.33)	(10.22)
Exceptional Items		-	-
Profit/(Loss) before extraordinary items and tax		6,260.41	5,314.24
Extraordinary items [charges / (incomes)]		-	-
Profit/(Loss) before tax		6,260.41	5,314.24
Less : Tax Expenses			
--- Current year		2014.99	1697.56
--- Deferred Tax		60.70	94.82
--- Earlier years		-	(32.24)
Profit/(Loss) after tax		4,184.72	3,554.10
Basic and Diluted Earning per share (in ₹)		22,450.11	19,066.97
(Face Value of ₹ 1000/- per share)			
Significant Accounting Policies	33		
Additional Notes on Accounts	34		
The Notes referred to above form integral part of Profit & Loss Statement.			

For and on behalf of Board of Directors

Sd/-
A.K. Singh
 Company Secretary
K.K. Parida
 Director (Finance)
 DIN- 07015077
 Date: 26.05.2016
 Place: Bhubaneswar

As per our report annexed
 For **PAMS & ASSOCIATES**
 Chartered Accountants
 Firm Regd. NO. 316079E
 Sd/-
CA M P MAHAPATRA
 Partner
 (Membership No. 055113)

Sd/-
V.V.K. Raju
 General Manager (Finance)

Sd/-
A.K. Jha
 Chairman-cum-Managing Director
 DIN- 06645361

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016

Note - 1

SHARE CAPITAL

(₹ in Crores)

	As at 31.03.2016	As at 31.03.2015
AUTHORISED		
(i) 2958200 Equity Shares of ₹1000/- each	295.82	295.82
(ii) 2041800 10% Cumulative Redemable Preference shares of ₹1000/- each (Redeemed on as per terms of earliest redemption)	204.18	204.18
	500.00	500.00
ISSUED, SUBSCRIBED AND PAID - UP		
(i) 1864009 Equity shares of ₹1000/- each fully paid-up in cash	186.40	186.40
	186.40	186.40

NOTE - 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
CIL (Holding company) and its Nominees	1864009	100

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016

Note - 2

RESERVES & SURPLUS

(₹ in Crores)

	As at 31.03.2016	As at 31.03.2015
RESERVES :		
Capital Reserve :		
As per last Balance Sheet	-	-
Add : Addition during the Year	-	-
Less : Adjustment during the Year	-	-
	-	-
Capital Redemption Reserve		
As per last Balance Sheet	204.18	204.18
Add : Addition during the Year	-	-
Less : Adjustment during the Year	-	-
	204.18	204.18
Reserve for Foreign Exchange Transactions		
As per last Balance Sheet	-	-
Add : Addition during the Year	-	-
Less : Adjustment during the Year	-	-
	-	-
C.S.R. Reserve		
As per last Balance Sheet	-	21.93
Add : Addition during the Year	-	-
Less : Transfer to General Reserve	-	21.93
	-	-
Sustainable Development Reserve		
As per last Balance Sheet	-	8.34
Add : Addition during the Year	-	-
Less : Transfer to General Reserve	-	8.34
	-	-
General Reserve		
As per last Balance Sheet	3261.08	2875.40
Add : Transfer from Profit & Loss Statement	209.24	355.41
Add/Less : Adjustment during the Year	-	30.27
	3470.32	3261.08
Surplus in Profit & Loss Statement		
As per last Balance Sheet	825.91	2267.17
Less: Adjustment for earlier depreciation	-	53.99
Profit/(Loss) after Tax during the Year	4184.72	3554.10
Profit/(Loss) available for appropriation	5010.63	5767.28
Appropriation		
Reserve for Foreign Exchange Transaction	-	-
Transfer to General Reserve	209.24	355.41
Transfer to CSR Reserve	-	-
Interim Dividend (Special)	3,608.45	3,841.82
Proposed Dividend on Equity Shares	-	-
Corporate Dividend Tax	734.60	744.14
Transfer to Sustainable development reserve	-	-
	458.34	825.91
Miscellaneous Expenditure (to the extent not written off)		
Preliminary expenses	1.54	1.53
Pre-Operational Expenses	-	-
TOTAL	4131.30	4289.64

Notes: General Reserve ₹209.24 (as at 31st March 2015, ₹355.41 crore) being 5% of Profit after tax is transferred to General Reserve during the year.

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016

Note - 3

LONG TERM BORROWINGS

(₹ in Crores)

	As at 31.03.2016	As at 31.03.2015
Loan from Coal India Limited		
- for IBRD	-	-
- for JBIC	-	-
Export Development Corp., Canada	-	-
Liebherr France S.A. France	7.21	6.90
Loan from Coal India Limited	-	-
Total	7.21	6.90
CLASSIFICATION - 1		
Secured	-	-
Unsecured	7.21	6.90

CLASSIFICATION - 2

- Loan Guaranteed by Directors & others

Particulars of Loan	₹ in Crore	Nature of Guarantee
Nil	Nil	Nil

- Loans had been arranged through credit agreement with Banque Nationale De Paris and Natexis Banque for the purchase of 4 nos Hydraulic shovels from Liebherr, France. The loan outstanding as on 31.03.2016 (net after repayments) is ₹ 7.77 crore. (As at 31.03.2015 ₹ 7.40 crore).

The details of balance are as under:

	Euro	₹ in crore
Balance as on 01.04.2015	1104965.12	7.4
Repayment during the year ended on 31.03.2016	74113.58	0.54
Translation Difference	-	0.91
Balance as on 31.03.2016	1030851.54	7.77

This includes amount repayable in the year 2016-17 ₹ 0.56 crore (previous year ₹ 0.50 crore.)

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016

Note - 4

OTHER LONG TERM LIABILITIES

	As at 31.03.2016	(₹ in Crores) As at 31.03.2015
Shifting & Rehabilitation Fund	-	-
Opening Balance	-	-
Add : Interest from Investment of the fund	-	-
Add : Contribution Received	-	-
Less : Amount utilised	-	-
	<u>-</u>	<u>-</u>
Trade Payable	-	-
Security Deposits	43.47	26.09
Refund of Cess on Coal	28.50	27.49
TOTAL	<u>71.97</u>	<u>53.58</u>

1. Cess on Coal includes principal of ₹ 8.40 crore (net of payments) and interest of ₹ 9.47 crore (net of payments) against receipts from Government of Orissa in the year 2005-06 as per directive of Hon'ble Supreme Court judgement dated 31.7.2001. The money is refundable to the customers. During the current year, the group has provided interest of ₹ 1.01crore (for 12 months ended on 31.03.2015 ₹ 1.01 crore) calculated at the rate of 12% for the unpaid principal amount of the Cess liability. The total liability thus included therein becomes ₹ 28.50 crore (as at 31.03.2015 ₹ 27.49 crore) as at 31.03.2016. The Group could not identify the customers / parties to whom the refund is to be made. Finalisation of modalities for refunding the same to the customers / parties is yet to be done.
2. Security Deposits includes ₹ 7.18 crores i.e. deduction from Management Trainees in respect of Bond Money alongwith interest.

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016

Note - 5

(₹ in Crores)

LONG TERM PROVISIONS

	As at 31.03.2016	As at 31.03.2015
For Employee Benefits		
- Gratuity	-	-
- Leave Encashment	222.64	213.53
- Other Employee Benefits	110.27	110.17
For Foreign Exchange Transactions (Marked to Market)	-	-
OBR Adjustment Account	14,488.04	12,036.04
Mine Closure Expenses	566.12	431.26
For Others	-	-
TOTAL	15,387.07	12,791.00

The Position of various provisions is given below:

(₹ in Crores)

Provisions	Opening Balance as on 01.04.2015	Addition/ provided for	Paid/ adjusted	Closing Balance
i For Gratuity	14.00	26.22	26.41	13.81
ii For Leave Encashment	232.51	11.47	-	243.98
iii For Other Employee Benefits	123.80	2.95	-	126.75
iv For OBR Adjustment Account	12,036.04	2,452.00	-	14,488.04
v For Mine Closure Plan	430.47	134.86	-	565.33
vi For Reclamation of land	0.79	-	-	0.79

5.2 Provision for Mine Closure

- Provision is made as per the guidelines received for preparation of Mine Closure Plan from the Ministry of Coal, GOI.
- Provision for Mine Closure Plan ₹ 560.53 crore includes ₹ 135.11 crores, (₹ 3.26 crores has been provided during the year and ₹ 0.13 Crore for interest earned on escrow A/c for development mines) and ₹ Nil identified MCP expenses receivable has been adjusted against the provision. Escrow Account has been opened for all 25 Mines in operation having closing balance ₹ 529.63 crore (₹ 425.42 crore as on 31.03.2015) which includes interest earned ₹ 38.72 crores (₹ 37.96 crore as on 31.03.2015)
- Provision for Mine Closure Expenses includes ₹ 4.80 crore on account of provision taken towards stowing and stabilization of unstable workings of Deulbera colliery after adjusting current year expenditure other than salary and wages of ₹ 0.26 crore against a comprehensive scheme of ₹ 9.44 crore (Excluding departmental salary and wages for ₹ 18.21 crore). The scheme of Stabilization of unstable workings of Deulbera Colliery through sand stowing also includes cost of departmental manpower estimated at ₹ 18.21 crore is not separately provided for, as the same forms part of normal Salary & Wages charged to Profit & Loss.

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016

Note - 6

SHORT TERM BORROWINGS

	As at 31.03.2016	(₹ in Crores) As at 31.03.2015
LOAN FROM BANK	-	-
Loans Repayable on Demand	-	-
Balance with Coal India Limited & other Subsidiaries of Coal India Limited	-	-
Overdraft against Pledge of Term Deposit	-	-
Other Loans and Advances	-	-
Deferred Credits	-	-
Total	-	-
CLASSIFICATION - 1		
Secured	-	-
Unsecured	-	-

CLASSIFICATION - 2

Loan Guaranteed by Directors & others

Particulars of Loan	₹ in Crore	Nature of Guarantee
NIL	NIL	NIL

Cash Credit

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 MCL 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 & Machinery (Consumable, Stores & Spares), both present and future jointly and severally in favour of said Banks for a sum of ₹ 165.00 Crores. There is no credit balance in the cash credit account.

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016
Note - 7

(₹ in Crores)

TRADE PAYABLE

	As at 31.03.2016	As at 31.03.2015
Outstanding dues of micro enterprises and small enterprises	3.85	-
Outstanding dues of creditors other than micro enterprises and small enterprises	300.33	275.27
TOTAL	304.18	275.27

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016**Note - 8****OTHER CURRENT LIABILITIES**

(₹ in Crores)

	As at 31.03.2016	As at 31.03.2015
Current Maturities of Long Term Borrowings		
Term Loan from IBRD from CIL	-	-
Term Loan from JBIC from CIL	-	-
Term Loan from Liebherr France S.A., France	0.56	0.50
Loan from Coal India Limited	-	-
Surplus Fund from Coal India Limited	-	-
Current Account with Subsidiaries	-	-
	0.56	0.50
Sundry Creditors for Capital (including stores)	614.99	640.62
For Expenses		
Salary Wages & Allowances	170.04	152.35
Power & Fuel	17.90	17.51
Others	72.65	44.71
	260.59	214.57
Statutory Dues		
Sales Tax	4.49	2.51
Sales Tax/VAT	11.92	-
Provident Fund & Pension Fund	9.05	8.99
Central Excise Duty	29.62	50.96
Royalty & Cess on Coal	31.71	37.48
Stowing Excise Duty	38.75	32.90
Clean Energy Cess	521.35	126.84
NMET u/s 9C of MMDR Act 2015	6.76	-
DMF u/s 9B of MMDR Act 2015	59.72	-
Other Statutory Levies	1.69	-
	715.06	259.68
Income Tax Deducted at Source	2.70	3.06
Security Deposit	103.55	81.06
Earnest Money	19.92	17.96
Advance & Deposit from customers/others	1,396.93	1,837.92
Interest Accrued and due on Borrowings	-	-
Interest Accrued but not due on Borrowings	-	-
Cess Equalisation Account	-	-
Current Account with IICM	-	-
Unpaid Dividend	-	-
Ex-Owner Account	-	-
Advance Deposit other Pre-Nationalisation	-	-
Gratuity	-	-
Other Liabilities	70.05	65.19
TOTAL	3,184.35	3,120.56

Note :

Loan repayment Liebherr France during 2016-17

74113.58 Euro

₹0.56 Crore

₹ 3.04 crores has been provided for (for previous year ended on 31.03.2015 ₹ 3.03 crore) after towards corpus of Coal India Sport Promotion Association (CISPA) for executing and conducting activities related to sports, recreation and culture of CIL and its subsidiaries as per decision of the Board of Directors of CIL in its 296 th meeting held on 25th March 2013.

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016

Note - 9

SHORT TERM PROVISIONS

(₹ in Crores)

	As at 31.03.2016	As at 31.03.2015
For Employee Benefits		
- Gratuity	42.10	46.00
- Leave Encashment	21.34	19.82
- PPLB	100.35	81.20
- PRP	277.93	271.24
- Other Employee Benefits	130.49	108.71
For Proposed Dividend	-	-
For Corporate Dividend Tax	-	-
For Excise duty on Closing Stock of Coal	-	-
For Others (Wealth tax)	0.10	0.19
TOTAL	572.31	527.16

Note: Other Employee benefits includes ₹ 114.01 crore provided for superannuation benefits @ 9.84% as on 31.03.2016

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016

Note - 10A

FIXED ASSETS

(₹ in Crores)

PARTICULARS	GROSS BLOCK		DEPRECIATION		IMPAIRMENT LOSS/OTHER LOSS		Total Depreciation/ Impairment Loss/Other Loss	NET CARRYING VALUE	
	As on 01.04.15	Addition during the year	Adj./Sales/ Transfer during the year	As on 31.03.16	As on 01.04.15	Addition during the year	Adj./Sales/ Transfer during the year	As on 31.03.16	As on 31.03.15
TANGIBLE ASSETS :									
LAND :									
(a) Freehold	30.16	-	-	30.16	-	-	-	30.16	30.16
(b) Others	2,298.05	289.10	(3.66)	2,583.49	454.25	79.34	(1.67)	2,051.57	1,843.80
Building/Water Supply/ Road & Culverts	511.34	14.73	(2.37)	523.70	195.29	9.70	(0.16)	318.53	315.67
Plant & Machinery	2,455.70	100.28	(15.01)	2,540.97	1,758.00	157.75	(9.81)	620.19	682.86
Furniture & Fittings/ Office Tools & Equipments /Electrical Fittings/FireArms	76.98	7.21	(2.35)	81.84	57.47	5.06	(1.78)	21.08	19.50
Railway Sidings	164.51	27.14	-	191.65	106.62	6.75	0.08	78.10	57.79
Vehicle	32.37	2.41	(0.77)	34.01	19.08	2.09	(0.62)	13.45	13.28
Telecommunication	36.50	3.41	-	39.91	16.30	4.62	-	18.99	20.20
Development including Roads & Culverts in Mining Area	201.49	(0.39)	-	201.10	121.34	6.72	0.86	71.81	79.78
Surveyed off Assets	19.40	1.08	(2.32)	18.16	-	-	-	7.27	7.76
TOTAL	5,826.50	444.97	(26.48)	6,244.99	2,728.35	272.03	(13.10)	3,231.15	3,070.84
Previous Year									
Tangible Fixed Assets	5,233.62	642.00	(49.12)	5,826.50	2,431.69	287.63	6.09	3,070.84	2,773.25
INTANGIBLE ASSETS									
Development	225.60	8.56	0.29	234.45	156.54	8.34	(3.89)	61.50	57.57
Software	2.67	0.38	-	3.05	2.67	(0.09)	-	0.47	-
Prospecting & Boring	59.82	-	-	59.82	35.89	1.33	-	22.58	23.91
TOTAL	288.09	8.94	0.29	297.32	195.10	9.58	3.89	84.55	81.48
G . TOTAL	6,114.59	453.91	(26.19)	6,542.31	2,923.45	281.61	(16.99)	3,315.70	3,152.32
Previous Year									
Intangible Fixed Assets	284.89	3.48	(0.28)	288.09	183.32	8.70	3.08	81.48	90.49

Note: Land - Others includes land acquired under Coal Bearing Areas (Acquisition and Development) Act, 1957, and Land Acquisition Act, 1894, Orissa Government Land settlement Act 1962

- The Group took over various Assets and Liabilities from Coal Mines Labour Welfare Organisation and Coal Mines Rescue Organisation for which no quantitative details are available. Adjustments, if any, will be made on finalisation of quantity and value thereof.
- Lease hold land includes land acquired under Coal Bearing Areas (Acquisition and Development) Act, 1957 and Land Acquisition Act, 1894, Orissa Government Land Settlement Act 1962. Lease hold land acquired under Coal Bearing Areas (Acquisition and Development) Act, 1957 has been capitalized on the basis of notification transferring the ownership of land to the extent for which sanction / approval has been received. Land acquired under Land Acquisition Act, 1894, Orissa Government Land Settlement Act 1962 has been capitalized on the basis of possession certified by State Authorities.
- Conveyance deed of land in favour of the group is pending for execution in most of the cases.

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016

Note - 10B

CAPITAL WORK-IN-PROGRESS

PARTICULARS	COST			PROVISION			IMPAIRMENT LOSS/OTHER LOSS			Total Provision / Impairment Loss/Other Loss	NET CARRYING VALUE	
	As on 01.04.15	Addition during the year	Adj./Sales/ Transfer during the year	As on 01.04.15	Addition during the year	Adj./Sales/ Transfer during the year	As on 01.04.15	Addition during the year	Adj./Sales/ Transfer during the year		As on 31.03.16	As on 31.03.15
TANGIBLE ASSETS :												
Building/Water Supply/Road & Culverts	147.01	112.71	(15.01)	244.71	0.09	-	0.09	-	-	0.09	244.62	146.92
Plant & Machinery	274.23	129.36	(41.95)	361.64	12.30	0.86	13.16	-	9.87	23.03	338.61	261.93
Railway Sidings	43.60	1.36	(3.54)	41.42	-	-	-	-	-	-	41.42	43.60
Roads & Culverts in Mining Area	-	-	-	-	-	-	-	-	-	-	-	-
Others	4.18	4.83	(0.36)	8.65	-	-	-	-	-	-	8.65	4.18
TOTAL	469.02	248.26	(60.86)	656.42	12.39	0.86	13.25	-	9.87	23.12	633.30	456.63
Previous Year TOTAL	336.72	259.23	(126.93)	469.02	11.82	0.70	12.39	-	-	12.39	456.63	324.90

In case of items of Plant & Machinery, which are kept in plant pending installation and at store for more than three years, provision equivalent to depreciation is made from the 4th year followed by action for formal write-off where necessary. If any such item of plant & machinery is put to use afterwards i.e., after provisions have already been made, depreciation charged in first year of use is depreciation for the year plus provision already made against the item with due accounting adjustments between depreciation & such provision. During the year ended on 31st March 2016, an amount of ₹ 0.86 crore has been provided on this account and the cumulative provision stood at ₹ 13.16 crore.

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016

Note - 10C

INTANGIBLE ASSETS UNDER DEVELOPMENT							(₹ in Crores)		
	COST		PROVISION		IMPAIRMENT LOSS/OTHER LOSS		Total Provision / Impairment Loss/Other Loss	NET CARRYING VALUE	
	As on 01.04.15	Addition during the year	As on 01.04.15	Addition during the year	Adj./Sales/ Transfer during the year	As on 31.03.16		As on 31.03.16	As on 31.03.15
PARTICULARS									
INTANGIBLE ASSETS :									
Development	205.53	60.54	(36.22)	229.85	-	-	-	229.85	205.53
Prospecting & Boring	133.38	10.12	(2.59)	140.91	-	-	-	140.91	133.38
TOTAL	338.91	70.66	(38.81)	370.76	-	-	-	370.76	338.91
Previous Year Intangible Assets	273.50	65.59	(0.18)	338.91	-	-	-	338.91	273.50

Note:

- Development includes an amount ₹ 47.92 crore deposited to state authority for the work of widening of two lane road to four lane road from Bankibahal to Kanika railway siding at Basundhara Area which do not form part of Group Assets.

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016

Note - 11

NON-CURRENT INVESTMENTS - QUOTED / UNQUOTED AT COST

	Number of shares/bonds/ securities current year	Face Value per share/bond/ security current year (₹)	As at 31.03.2016 (₹ in crore)	Number of shares/bonds/ security As at 31.03.2015	Face Value per share/bond security As at 31.03.2015 (₹)	As at 31.03.2015 (₹ in crore)
NON - TRADE (QUOTED)						
7.55% Secured Non - Convertible IRFC Tax free 2021 series 79 bonds	20,000	1,00,000	200.00	20,000	1,00,000	200.00
8% Secured Non - Convertible IRFC bonds tax free	1087537	1,000	108.75	1087537	1,000	108.75
7.22% Secured Non convertible IRFC bond tax free	4999	10,00,100	499.95	4999	10,00,100	499.95
7.22% Secured Redeemable REC bond tax free	1500000	1,000	150.00	1500000	1,000	150.00
TOTAL			958.70			958.70
Aggregate of Quoted Investments			958.70			958.70
Aggregate of Unquoted Investments						
Market Value of Quoted Investments			993.69			978.68

Note: The NAV per unit of the Non Trade (quoted) Mutual Fund are equal to Face Value as specified above.

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016

Note - 12

LONG TERM LOANS & ADVANCES

(₹ in Crores)

	As at 31.03.2016	As at 31.03.2015
ADVANCES		
For Capital		
- Secured considered good	-	-
- Unsecured considered good	766.66	513.97
- Doubtful	0.55	0.55
	<u>767.21</u>	<u>514.52</u>
Less : Provision for Bad and doubtful advances	0.55	0.55
	<u>766.66</u>	<u>513.97</u>
For Revenue		
- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	-	-
	<u>-</u>	<u>-</u>
Less : Provision for Bad and doubtful advances	-	-
	<u>-</u>	<u>-</u>
Security Deposits		
- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	-	-
	<u>-</u>	<u>-</u>
Less : Provision for Bad and doubtful deposits	-	-
	<u>-</u>	<u>-</u>
Deposit for P & T, Electricity etc.		
- Secured considered good	-	-
- Unsecured considered good	37.41	37.24
- Doubtful	-	-
	<u>37.41</u>	<u>37.24</u>
Less : Provision for Bad and doubtful deposits	-	-
	<u>37.41</u>	<u>37.24</u>
LOAN TO EMPLOYEES & OTHERS		
For House Building		
- Secured considered good	1.66	2.11
- Unsecured considered good	-	-
- Doubtful	-	-
	<u>1.66</u>	<u>2.11</u>

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016

Note - 12 (Continued....)

LONG TERM LOANS & ADVANCES

	As at 31.03.2016	(₹ in Crores) As at 31.03.2015
For Motor Car and other Conveyance		
-- Secured considered good	0.04	0.06
-- Unsecured considered good	-	-
-- Doubtful	-	-
	<u>0.04</u>	<u>0.06</u>
For Others		
- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	-	-
	<u>-</u>	<u>-</u>
Less : Provision for Bad and doubtful advances	-	-
	<u>1.70</u>	<u>2.17</u>
Loan to Subsidiaries		
- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	-	-
	<u>-</u>	<u>-</u>
TOTAL	<u>805.77</u>	<u>553.38</u>

Note :

1.	Closing Balance		Maximum Amount due at any Time	
	Current year	Previous Year	Current Year	Previous Year
Due by the Companies under the same management (With name of the Companies)	Nil	Nil	Nil	Nil
Due by the parties in which Director(s) or Company is/are interested	Nil	Nil	Nil	Nil

- Deposit made with State Government amounting to ₹ 106.48 crore (as at 31.03.2015 ₹ 86.23 crore) for acquiring of land under LA Act 1894, which will be capitalized on possession given to the Group by the State Authority.
- Advance to Railways amounts in total of ₹ crores ₹ 909.06 crore out of this ₹167.83 crore being CCDA grant (for Basundhara Area),thus showing net advance of ₹ 741.23 crores, this includes advance of revenue nature also for maintenance of railways siding (revenue work) and advance for upgradation of existing railway track and automatic signalling system etc which do not form part of group's assets. An amount of ₹ 675.48 crore has been utilised by railways till the balance sheet date as reported by railway authority.

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016

Note - 13

OTHER NON-CURRENT ASSETS

(₹ in Crores)

	As at 31.03.2016	As at 31.03.2015
Long Term Trade Receivable		
- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	-	-
	<u>-</u>	<u>-</u>
Less : Provision for Bad and doubtful Trade Receivables	-	-
	<u>-</u>	<u>-</u>
Exploratory Drilling Work		
- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	-	-
	<u>-</u>	<u>-</u>
Less : Provision for Bad and doubtful drilling work	-	-
Receivables for mine closure expenses	-	-
Other Receivables		
- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	0.16	0.16
	<u>0.16</u>	<u>0.16</u>
Less : Provision for Bad and doubtful receivables	0.16	0.16
	<u>-</u>	<u>-</u>
Escrow Account with Bank for Mine Closure fund	529.63	425.42
TOTAL	<u>529.63</u>	<u>425.42</u>

- 1 Bank deposits more than 3 months includes deposits held for period exceeding 12 months 529.63 425.42
- 2 Deposits in Escrow Accounts for mine closure with Scheduled Banks with maturity exceeding 3 months for ₹ 529.63 crore made as per guidelines issued by Ministry of Coal, Government of India and after agreement with Coal Controller.

3. Note :

	Closing Balance		Maximum Amount due at any Time	
	Current year	Previous Year	Current Year	Previous Year
Due by the Companies under the same management (With name of the Companies)	Nil	Nil	Nil	Nil
Due by the parties in which Director(s) or Company is/are interested	Nil	Nil	Nil	Nil

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016

Note - 14

CURRENT INVESTMENTS - QUOTED / UNQUOTED AT COST

	Number of shares/bonds/ securities current year	Face Value per share/bond/ security current year (₹)	As at 31.03.2016 (₹ in crores)	Number of shares/bonds/sec urities as at 31.03.2015	Face Value per share/bond security as at 31.03.2015 (₹)	As at 31.03.2015 (₹ in crores)
TRADE (UNQUOTED)						
Investment in Mutual Funds						
Canara Robeco Liquid Fund	6,66,335.16	1,005.50	67.00	2,48,632.52	1005.50	25.00
SBI Premier Liquid Fund	88,71,168.70	1,003.25	890.00	10,06,728.13	1003.25	101.00
UTI Money Market Fund	34,62,666.04	1,019.45	353.00	7,74,927.66	1019.45	79.00
Union KBC	3,49,772.44	1,000.65	35.00	1,99,869.96	1,000.65	20.00
TRADE (UNQUOTED)						
8.5% Tax Free Special Bonds (Fully Paid-up) (on securitisation of Sundry Debtors)	-	-	-	-	-	-
Maharashtra State Electricity Board	-	-	-	1,13,860.00	1000.00	11.38
West Bengal State Electricity Board	-	-	-	1,13,160.00	1000.00	11.32
TOTAL			1,345.00			247.70
Aggregate of Quoted Investments			1345.00			225.00
Aggregate of Unquoted Investments			-			22.70
Market Value of Quoted Investments			1346.31			225.60

Note: The NAV per unit of the Trade (quoted) Mutual Fund are equal to Face Value as specified above.

The Reserve Bank of India allowed partial trading of 8.5% Tax Free Power Bonds of State Electricity Boards (SEB).

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016

Note - 15

INVENTORIES

(Valuation as per Significant Accounting Policy No. 6)		(₹ in Crores)	
	As at 31.03.2016	As at 31.03.2015	
Stock of Coal	346.82	386.79	
Coal Stock under Development	-	-	
Less : Provision for deterioration	-	-	
A. Stock of Coal (Net)	346.82	386.79	
Stock of Stores & Spare Parts (at cost)	82.85	89.61	
Stores-in-transit	2.12	0.85	
Less : Provision for slow moving/obsolescence etc.	18.89	17.24	
Loss of Assets	0.23	0.23	
Less : Provision for Loss of Assets	0.23	0.23	
B. Net Stock of Stores & Spare Parts (at cost)	66.08	73.22	
Workshop Jobs			
Work-in-Progress and Finished Goods	12.10	10.80	
Less : Provision for workshop jobs	-	-	
C. Net stock of Workshop Jobs	12.10	10.80	
D. Press			
Work-in-Progress and Finished Goods	-	-	
E. Stock of Medicines at Central Hospital	0.59	0.69	
F. Prospecting & Boring/Development Exp./ Coal Blocks meant for sale	4.91	4.91	
Total (A to F)	430.50	476.41	

- During the year, no shortage / excess is reported in respect of physical verification of stores / spares. The cumulative provision as at 31.03.2016 stands at ₹ 0.90 crore (as at 31.03.2015 ₹ 0.92 crore).
- In respect of stores and spares obsolete / unserviceable items and items which have not moved for more than five years, a provision of 100 % & 50% respectively are made as per Accounting Policy (Para.6.2.4 of Note-33). The cumulative provision as at 31.03.2016 stands at ₹ 17.99 crore (as at 31.03.2015 ₹ 16.32 crore).
- Valuation of stores and spares has been done on weighted average method as per accounting policy of the group (as mentioned in Para 6.2.2 of Note-33). The comparison of cost so arrived, with net realizable value is neither made nor adjusted in the account due to difficulty in ascertainment of net realizable value.

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016 ANNEXURE TO NOTE - 15

(Qty. in lakh Tonnes) (Value in ₹ Lakhs)

Reconciliation of Closing Stock adopted in Account with Book Stock as at the end of the Period

Table - A

	OVERALL STOCK		NON-VENDABLE STOCK		VENDABLE STOCK	
	Qty.	Value	Qty.	Value	Qty.	Value
1. (A) Opening Stock as on 01.04.15	125.24	40,542.28	-	-	125.24	40,542.28
(B) Shortage beyond 5%	1.19	1,862.83	-	-	1.19	1,862.83
Stock adopted in Accounts Opening	124.05	38,679.45	-	-	124.05	38,679.45
2. Production for the year	1,379.01	12,71,637.19	-	-	1,379.01	12,71,637.19
3. Sub-Total (1A+2)	1,504.25	13,12,179.47	-	-	1,504.25	13,12,179.47
4. Off-Take for the year :						
(a) Outside Despatch	1,402.29	12,75,296.82	-	-	1,402.29	12,75,296.82
(b) Coal feed to Washeries	-	-	-	-	-	-
(c) Own Consumption	0.05	130.22	-	-	0.05	130.22
TOTAL (A)	1,402.34	12,75,427.04	-	-	1,402.34	12,75,427.04
5. Derived Stock	101.91	36,752.43	-	-	101.91	36,752.43
6. Measured Stock	99.24	34,303.36	-	-	99.24	34,303.36
7. Difference (5-6)	2.67	2,449.07	-	-	2.67	2,449.07
8. Break-up of Difference:						
(a) Excess within 5%	0.20	82.15	-	-	0.20	82.15
(b) Shortage within 5%	1.61	461.14	-	-	1.61	461.14
(c) Excess beyond 5%	-	-	-	-	-	-
(d) Shortage beyond 5%	1.26	2,070.08	-	-	1.26	2,070.08
9. Closing Stock adopted in A/c (6 - 8A + 8B)	100.65	34,682.35	-	-	100.65	34,682.35

Summary of Closing Stock of Coal

Table - B

	Raw Coal				Washed/Deshaled Coal				Other Products		Total	
	Coking		Non-Coking		Coking		Non-Coking					
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Opening Stock (Audited)	-	-	125.24	40,542.28	-	-	-	-	-	-	125.24	40,542.28
Shortage beyond 5%	-	-	1.19	1,862.83	-	-	-	-	-	-	1.19	1,862.83
Less : Non-vendable Coal	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted Opening Stock (Vendable)	-	-	124.05	36,679.45	-	-	-	-	-	-	124.05	36,679.45
Production	-	-	1,379.01	12,71,637.19	-	-	-	-	-	-	1,379.01	12,71,637.19
Offtake												
(a) Outside Despatch	-	-	1,402.29	12,75,296.82	-	-	-	-	-	-	1,402.29	12,75,296.82
(b) Coal feed to Washeries	-	-	-	-	-	-	-	-	-	-	-	-
(c) Own Consumption	-	-	0.05	130.22	-	-	-	-	-	-	0.05	130.22
Closing Stock Derived	-	-	101.91	36,752.43	-	-	-	-	-	-	101.91	36,752.43
Less : Shortage	-	-	1.26	2,070.08	-	-	-	-	-	-	1.26	2,070.08
Closing Stock	-	-	100.65	34,682.35	-	-	-	-	-	-	100.65	34,682.35

Internal survey measurement teams have physically verified closing stock of coal. In some areas the same has also been verified by outside teams. The Shortage / surplus found on physical verification of coal stock within +/- 5% over book stock (mine/ colliery wise), is ignored pursuant to Accounting Policy.

The details of shortage beyond 5% are as under:-

AREA	MINES	Book Stock (Qty. in LTe)		Measured stock (Qty. in L Te)		% variance	
		As on 31.03.2016	As on 31.03.2015	As on 31.03.2016	As on 31.03.2015	As on 31.03.2016	As on 31.03.2015
Orient	Mine No 3	0.19	0.21	0.07	0.08	61.74	61.84
	HBM	0.70	0.62	0.40	0.32	42.88	48.06
Talcher	Nandira	1.75	1.12	1.19	0.62	31.98	44.97
	Talcher	1.54	1.23	1.26	0.97	18.63	20.98
TOTAL		4.18	3.18	2.92	1.99	-	-

In those cases, since the differences are more than +/- 5%, as per policy, measured stocks have been considered in accounts and difference quantity of 1.26 lakh tonnes (4.18 lakh tonnes less 2.92 lakh tonnes) valuing ₹ 21.40 crore as at 31.03.2016- Shortage beyond 5%.

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016

Note - 16

TRADE RECEIVABLES

(₹ in Crores)

	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	93.68	143.18
- Doubtful	37.76	41.38
	<u>131.44</u>	<u>184.56</u>
Less : Provision for Bad and doubtful Debts	37.76	41.38
	<u>93.68</u>	<u>143.18</u>
Other Debts		
- Secured considered good	-	-
- Unsecured considered good	1029.48	304.12
- Doubtful	-	-
	<u>1029.48</u>	<u>304.12</u>
Less : Provision for Bad and doubtful Debts	-	-
	<u>1029.48</u>	<u>304.12</u>
TOTAL	<u>1,123.16</u>	<u>447.30</u>

Note: The Trade receivables include an amount of ₹ 570.00 crores, which has not been confirmed by the debtors as on 31.03.2016. Since the group has got the practice of obtaining the balance confirmation from the consumers on balances of previous quarters.

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016

Note - 17

CASH & BANK BALANCES

(₹ in Crores)

	As at 31.03.2016	As at 31.03.2015
Cash & Cash Equivalents		
Balances with Scheduled Banks		
- SBI Dividend Account (unpaid/unclaimed dividend account)	-	-
- In Deposit Account with maturity upto 3 months	2,517.53	4,331.27
- In Current Accounts	226.51	199.47
- In Cash Credits Accounts	-	-
Balances with Non-Scheduled Banks	-	-
In Account with Banks outside India	-	-
Remittance - In transit	-	0.35
Cheques, Drafts and Stamps on hand	-	-
Cash in hand	0.04	0.04
Deposit with Scheduled Banks under Shifting and Rehabilitation Fund Scheme with maturity upto 3 months	-	-
Other Bank Balances		
Balances with Scheduled Banks		
- In Deposit Accounts with maturity more than 3 months	8,867.88	5,983.55
Deposit with Scheduled Banks under Shifting and Rehabilitation Fund Scheme with maturity more than 3 months	-	-
Deposit in Escrow A/c with Scheduled Banks under Mine Closure Plan Scheme with maturity exceeding 3 months	-	-
Total	11,611.96	10,514.68
Maximum amount outstanding with Banks other than Scheduled Banks at any time during the year	Nil	Nil
Additional Note :		
1. Balances with banks to the extent held as margin money or security against the borrowings/others	28.54	83.14
2. Bank deposits more than 3 months includes deposits held for the period exceeding 12 months	1.67	1.54

- Fixed Deposit amounting to ₹ 13.35 crore that has been placed under lien of State Bank India for issuing letter of comfort for issuance of Bank Guarantee in favour of President of India to fulfill the terms of allocation of blocks on behalf of subsidiary company. - M/S MJSSJ Coal Ltd.
- ₹ 1.67 crore including accrued interest of ₹ 1.08 crore being special term deposit made out of money recovered through the Hon'ble District Court Sundargarh against defalcation of cash by an officer, which is under lien to the Court pending finalization of the case.
- Fixed deposit includes ₹ 5.23 crore made against price difference recovered against explosive rate contracts in the year 2005-06, as per court order.
- Fixed deposit includes ₹ 0.19 crore made against interim order of Hon'ble High Court for encashment of BG of M/s IRC Logistics Ltd.
- Fixed deposit includes ₹ 0.03 crore made for issue of BG for obtaining license for captive mobile radio trunking service from Deptt of Telecommunication, Govt of India in connection with OITDS.
- Fixed deposit includes ₹ 0.03 crore made for against penalty recovered from M/S Shree Enterprises Coal Sales Pvt Ltd as directed by Hon'ble High Court Calcutta.
- Fixed deposit includes ₹ 7.89 crore made against BG encashment (FSA) by the Company in respect of M/S Videocon Industries Ltd as per interim order of Hon'ble High Court , Cuttack .
- Fixed deposits includes ₹ 0.15 crore made for 40% Tapering money by the Company in respect of M/S Shri Mahavir Ferro Alloys Pvt. Ltd. as per order of Hon'ble High Court , Cuttack till the final outcome of the Writ petition no. 3109 of 2015.
- The balance of current accounts includes current linked termed deposits which are temporarily transferred from current account.

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016

Note - 18

SHORT TERM LOANS & ADVANCES

(₹ in Crores)

	As at 31.03.2016	As at 31.03.2015
ADVANCES		
(Recoverable in cash or in kind or for value to be received)		
ADVANCE TO SUPPLIERS & CONTRACTORS		
For Revenue		
- Secured considered good	-	-
- Unsecured considered good	334.82	195.36
- Doubtful	2.10	2.10
	<u>336.92</u>	<u>197.46</u>
Less : Provision for Bad and doubtful advances	2.10	2.10
	<u>334.82</u>	<u>195.36</u>
ADVANCE PAYMENT OF STATUTORY DUES		
Sales Tax		
- Secured considered good	-	-
- Unsecured considered good	-	0.29
- Doubtful	-	0.29
	<u>-</u>	<u>-</u>
Less : Provision for Bad and doubtful advances	-	0.29
	<u>-</u>	<u>-</u>
Advance Income Tax/Tax Deducted at Source	5,378.17	5,737.42
Less : Provision for Income Tax	3,833.29	3,557.86
	<u>1,544.88</u>	<u>2,179.56</u>
Others		
- Secured considered good	-	-
- Unsecured considered good	36.63	28.60
- Doubtful	-	-
	<u>36.63</u>	<u>28.60</u>
Less : Provision for Bad and doubtful advances	-	-
	<u>36.63</u>	<u>28.60</u>
	<u>1,581.51</u>	<u>2,208.45</u>
ADVANCE TO EMPLOYEES		
-- Secured considered good	-	-
-- Unsecured considered good	48.71	65.75
-- Doubtful	-	-
	<u>48.71</u>	<u>65.75</u>
Less : Provision for Bad and doubtful advances	-	-
	<u>48.71</u>	<u>65.75</u>

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016

Note - 18 (Continued....)

SHORT TERM LOANS & ADVANCES

(₹ in Crores)

	As at 31.03.2016	As at 31.03.2015
Deposit with Coal India Limited	347.81	556.36
Current Account with Coal India Limited & other Subsidiaries of Coal India Limited and MCL's Subsidiaries	-	-
LOAN ACCOUNT WITH SUBSIDIARIES		
- Secured considered good	-	-
- Unsecured considered good	-	-
- Doubtful	-	-
	<u>-</u>	<u>-</u>
Less : Provision for Bad and doubtful Advances	-	-
	<u>-</u>	<u>-</u>
Claims Receivables		
- Secured considered good	-	-
- Unsecured considered good	0.03	0.51
- Doubtful	-	-
	<u>0.03</u>	<u>0.51</u>
Less : Provision for Bad and doubtful Claims	-	-
	<u>0.03</u>	<u>0.51</u>
Prepaid Expenses	16.37	11.74
	<u>412.92</u>	<u>634.36</u>
TOTAL	<u>2,329.25</u>	<u>3,038.17</u>

Note :

1.	Closing Balance		Maximum Amount due at any Time	
	Current year	Previous Year	Current Year	Previous Year
Due by the Companies under the same management				
- MJSJ Coal Limited	7.40	6.04	7.40	6.04
- MNH Shakti Limited	1.11	0.63	1.11	0.63
- Mahanadi Basin Power Limited	16.10	13.40	16.10	13.40
- MCRL	2.08	-	2.08	-
Due by the parties in which Director(s) or Company is/are interested	Nil	Nil	Nil	Nil

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016

Note - 19

OTHER CURRENT ASSETS

(₹ in Crores)

	As at 31.03.2016	As at 31.03.2015
Interest Accrued on		
- Investment	34.38	33.29
- Deposit with Banks	486.75	559.50
- Others	2.17	2.59
Ex Owner's Account	-	-
Other Advances	-	-
Less : Provision for Bad and doubtful advances	-	-
DEPOSITS		
Deposit for Customs Duty, Port Charges etc.		
Deposit for Royalty, Cess & Sales Tax	112.58	230.88
Less : Provision for Bad and doubtful Deposits	-	-
	112.58	230.88
Others	-	-
Less : Provision for Bad and doubtful for others	-	-
	-	-
Amount Receivable from Govt. of India for transactions on behalf of Ex-Coal Board	-	-
Other Receivables	2.40	1.13
Less : Provision for bad and doubtful receivables	-	-
	2.40	1.13
TOTAL	638.28	827.39

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2016

Note - 20

REVENUE FROM OPERATIONS

	(₹ in Crores)	
	For the Year ended 31.03.2016	For the Year ended 31.03.2015
A Sales of coal	19,829.58	14,989.05
Less : Excise Duty	1,183.03	679.56
Less : Other Levies		
Royalty	1,694.82	1,395.72
NMET u/s 9C of MMDR Act 2015	19.97	
DMF u/s 9B of MMDR Act 2015	223.80	
Cess on Coal	-	-
Stowing Excise Duty	140.23	123.00
Central Cess Tax	187.75	124.80
Clean Energy Cess	3,065.26	1,179.14
State Sales Tax / VAT	499.62	404.16
Orissa Entry Tax	62.13	58.25
TOTAL LEVIES	7,076.61	3,964.63
Net sales (A)	12,752.97	11,024.42
B Faciliation Charges for coal import	-	-
C Subsidy for sand stowing and protective works	-	-
D Loading and additional transportation charges	770.27	704.66
Less : Excise Duty	41.70	39.71
Less : Other Levies	22.61	20.89
Other Operating Revenue (B)	705.96	644.06
E Revenue From Operations (A+B)	13,458.93	11,668.48

Note : Sale of Coal includes differential excise duty of ₹ 339.89 crore and consequential increase in State Sales Tax/VAT of ₹ 9.70 crore, Central Sales tax of ₹ 2.80 crore and Entry tax of ₹ 1.48 crore respectively pertains to earlier periods, billed and paid during the reporting period on account of change in basis while arriving at the Transaction Value for Computation of Excise duty retrospectively from 1st March 2011 based on an opinion sought dated 5th June 2015 from Additional Solicitor General of India.

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2016

Note - 21

OTHER INCOME

	(₹ in Crores)	
	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Income from Long Term Investments		
Dividend from Joint Ventures	--	--
Interest from :		
-- Government Securities (8.5% Tax Free Special Bonds)(Trade)	--	3.38
-- Non convertible IRFC/REC Tax Free Bonds 2021 series (Non-trade)	70.92	70.72
Income from Current Investments		
Dividend from Mutual Fund Investments	92.29	54.98
Interest from :		
-- Government Securities (8.5% Tax Free Special Bonds)(Trade)	1.45	--
-- 7.55% Non convertible IRFC/REC Tax Free Bonds 2021 series (Non-trade)	--	--
Income from Others		
Interest :		
-- From Deposits with Banks	1,042.62	1,123.14
-- From Loans and Advances to Employees	0.01	0.06
-- From Income Tax Refunds	42.21	--
-- From CIL on Parking of Fund	44.56	33.87
-- Others	5.20	8.06
Apex Charges	--	--
Profit on Sale of Assets	1.94	0.92
Gain on Foreign Exchange Transactions	--	--
Exchange Rate Variance	--	1.79
Lease Rent	1.30	1.27
Liability Write Backs	(0.01)	1.04
Guarantee Fees from Subsidiaries	--	--
Other Non-operating Income	43.79	75.91
Total	1,346.28	1,375.14

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2016
Note - 22
COST OF MATERIALS CONSUMED

	(₹ in Crores)	
	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Explosives	107.14	113.64
Timber	0.34	0.22
P O L	261.53	304.68
HEMM Spares	116.92	124.51
Others Consumables Stores & Spares	56.82	61.51
TOTAL	542.75	604.56

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2016

Note - 23

CHANGE IN INVENTORIES OF FINISHED GOODS,
WORK IN PROGRESS AND STOCK IN TRADE

	(₹ in Crores)	
	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Closing Stock of Coal	346.82	386.79
Less : Deterioration of Coal	-	-
Total (1)	346.82	386.79
Opening Stock of Coal	386.79	418.53
Less : Deterioration of Coal	-	-
Total (2)	386.79	418.53
(A) Change in Inventory of Closing Stock (2 - 1)	39.97	31.74
Closing Stock of Workshop made finished goods and WIP	12.10	10.80
Less : Provision	-	-
Total	12.10	10.80
Opening Stock of Workshop made finished goods and WIP	10.80	12.68
Less : Provision	-	-
Total	10.80	12.68
(B) Change in Inventory of Closing Stock of workshop	(1.30)	1.88
Press Closing Job		
i. Finished Goods	-	-
ii. Work in Progress	-	-
Less : Press Opening Job		
i. Finished Goods	-	-
ii. Work in Progress	-	-
(C) Change in Inventory of Closing Stock of Press Jobs made finished goods and WIP	-	-
Closing Stock of Medicines (Central Hospital)	-	-
Less : Opening Stock of Medicines (Central Hospital)	-	-
(D) Change in Inventory of Stock of Medicines at Central Hospitals	-	-
Total Change in Inventory of Stock (A + B + C + D)	38.67	33.62

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2016

Note - 24

EMPLOYEE BENEFIT EXPENSES

(₹ in Crores)

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Salary, Wages, Allowances, Bonus & Benefits	1497.23	1410.53
Ex-Gratia	111.11	96.63
PRP	30.47	38.93
Contribution fo P.F. & Other Funds	195.69	186.30
Gratuity	26.19	48.03
Leave Encashment	59.93	71.56
VRS	0.27	0.01
Workmen Compensation	0.03	0.55
Medical expenses for existing employees	39.45	38.79
Medical expenses for retired employees	6.80	1.26
Grants to School & Institutions	27.77	21.85
Sports & Recreation	3.84	5.48
Canteen & Creche	1.06	0.91
Power - Township	57.53	60.19
Hire Charges of Bus, Ambulance etc.	3.17	3.37
Other Employee Benefits	17.42	18.71
TOTAL	2,077.96	1,997.10

- Contribution to Provident Fund and other fund of ₹ 195.69 crore includes ₹ 3.92 crore paid to Ex-NCDC employees which have been charged to Revenue on cash basis under Employees Benefit Expenses
- Pension Management in respect of employees of the group, is done by Coal Mines Provident Fund Authority (an independent body)

Note - 25

CORPORATE SOCIAL RESPONSIBILITY EXPENSES

(₹ in Crores)

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
CSR Expenses	184.64	61.30
TOTAL	184.64	61.30

Gross Amount required to be spent by the group during the year : ₹ 165.64 crore (includes 2% of average profits of last three years amounts to ₹ 112.97 crore and ₹ 52.67 crore towards an unspent amount for the year 2014-15 .

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2016

Note - 26

REPAIRS

(₹ in Crores)

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Building	69.89	66.39
Plant & Machinery	47.67	38.07
Others	3.70	3.17
TOTAL	121.26	107.63

Note - 27

CONTRACTUAL EXPENSES

(₹ in Crores)

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Transportation Charges :		
- Sand	-	-
- Coal & Coke	1,049.78	981.81
- Stores & Other etc.	-	-
Wagon Loading	70.53	74.33
Hiring of Plant & Machinery	799.57	662.87
Other Contractual work	54.17	68.26
TOTAL	1,974.05	1,787.27

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2016
Note - 28
FINANCE COSTS

	(₹ in Crores)	
	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Interest Expense		
Deferred Payments	0.09	0.08
Bank Overdraft/Cash Credit	-	-
Interest of IBRD & JBIC Loan	-	-
CIL Fund Loan Interest	-	-
Interest to Subsidiaries	-	-
Others	1.50	1.36
Total (A)	<u>1.59</u>	<u>1.44</u>
Other Borrowing Costs		
Guarantee Fees on (IBRD & JBIC) Loan	-	-
Other Expenses / Bank Charges	-	-
TOTAL (B)	<u>-</u>	<u>-</u>
TOTAL (A + B)	<u>1.59</u>	<u>1.44</u>

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2016

Note - 29

PROVISIONS

	For the Year ended 31.03.2016	(₹ in Crores) For the Year ended 31.03.2015
(A) Provision Made for		
Doubtful debts	0.26	6.66
Doubtful Advances & Claims	-	-
Foreign Exchange Transaction	-	-
Stores & Spares	1.67	2.40
Reclamation of Land/Mine Closure Expenses	134.40	115.41
Surveyed off Fixed Assets / Capital WIP	0.86	-
Others	-	-
Total (A)	137.19	124.47
(B) Provision Written Back		
Doubtful debts	3.38	-
Doubtful Advances & Claims	-	0.24
Foreign Exchange Transaction	-	-
Stores & Spares	-	-
Reclamation of Land/Mine Closure Expenses	-	-
Surveyed off Fixed Assets / Capital WIP	0.74	0.67
Others / Loss of Assets	-	-
TOTAL (B)	4.62	0.91
TOTAL (A-B)	132.57	123.56

Note - 30

WRITE OFF

	For the Year ended 31.03.2016	(₹ in Crores) For the Year ended 31.03.2015
Doubtful debts	-	-
Doubtful advances	-	-
Others	0.10	-
TOTAL	0.10	-

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2016

Note - 31

OTHER EXPENSES

(₹ in Crores)

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Travelling Expenses		
- Domestic	19.06	13.28
- Foreign	0.01	0.04
Training Expenses	10.82	8.94
Telephone & Postage	3.68	3.07
Advertisement & Publicity	3.35	3.79
Freight Charges	0.09	0.08
Demurrage	3.07	2.23
Donation/Subscription	0.07	0.06
Security Expenses	60.86	57.29
Service Charges of CIL	69.14	60.69
Hire Charges	34.44	32.23
CMPDI Expenses	27.53	20.29
Legal Expenses	1.37	1.28
Bank Charges	0.01	0.01
Guest House Expenses	2.41	1.86
Consultancy Charges	2.37	1.18
Under Loading Charges	30.55	16.38
Loss on Sale/Discard/Surveyed of Assets	0.15	0.74
Auditor's Remuneration and Expenses		
- For Audit Fees	0.20	0.17
- For Taxation Matters	-	-
- For Company Law Matters	-	-
- For Management Services	-	-
- For Other Services	0.05	0.07
- For Reimbursement of Expenses	0.35	0.27
Internal Audit Fees and Expenses	1.85	2.12
Rehabilitation Charges	84.13	73.81
Royalty & Cess	0.20	0.18
Central Excise Duty	5.77	(9.11)
Rent	0.82	0.82
Rates & Taxes	12.25	35.61
Insurance	0.36	0.34
Loss on Exchange Rate Variance	0.91	-
Lease Rent	0.02	-
Rescue/Safety Expenses	3.06	2.51
Dead Rent / Surface Rent	0.24	0.29
Siding Maintenance Charges	52.78	42.76
Land/Crops Compensation	0.06	0.05
Wealth Tax	-	0.11
R & D expenses	2.07	22.92
Environmental & Tree Plantation Expenses	12.44	12.78
Miscellaneous Expenses	181.95	70.75
TOTAL	628.51	479.89

- Consequent upon fluctuation in the value of foreign currency deferred credit, the rupee liability of the Group in respect of such deferred credit/loans has increased by ₹ 0.91 crore (as at 31.03.2015, decreased by ₹ 1.79 crore) and the same amount of ₹ 0.91 crore (as at 31.03.2015, gain on exchange rate variance for ₹ 1.79 crore- Note 21) has been shown as " Loss on Exchange Rate Variance".
- Miscellaneous Expenses includes ₹ 125.00 crore i.e. payment made to State Authorities towards water tax.

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2016

Note - 32

PRIOR PERIOD ADJUSTMENTS

(₹ in Crores)

	For the Year ended 31.03.2016	For the Year ended 31.03.2015
(A) Expenditure		
Sale of Coal	-	-
Stock of Coal	-	-
Other Income	-	-
Consumption of Stores & Spares	-	-
Employees Remuneration & Benefits	-	-
Power & Fuel	-	-
Welfare Expenses	-	-
Repairs-	-	-
Contractual Expenses	-	-
Other Expenditure	2.53	0.11
Interest and other financial charges	-	-
Depreciation	-	-
TOTAL (A)	2.53	0.11
(B) Income		
Sale of Coal	14.76	7.85
Stock of Coal	-	-
Other Income	2.93	-
Consumption of Stores & Spares	-	-
Employees Remuneration & Benefits	-	-
Power & Fuel	-	-
Welfare Expenses	-	-
Repairs	1.43	-
Contractual Expenses	4.81	-
Other Expenditure	0.29	-
Interest and other financial charges	-	-
Depreciation	0.64	2.48
TOTAL (B)	24.86	10.33
TOTAL (A - B)	(22.33)	(10.22)

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 liabilities 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 the 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.

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 carried at cost. However, when there is a decline, other than temporary, in the value of the 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 / drilling camps/ 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. Similarly stock of stationary at printing press and medicines at central hospital 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.

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:**

Transactions 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 the exchange rate prevailing on the date of the transaction.

Exchange differences arising on the settlement of monetary items or on reporting an 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 recognised 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 **Employee benefits:**

10.1 Short term benefits

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

10.2 Post-employment benefits and other long term employee benefits:

- a) Defined contributions plans:

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 is net of statutory dues and accepted deduction made by customer on account of quality of coal.

11.2 Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

11.3 Dividend

Dividend income is recognised 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 capitalised. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognised as expenses in the period in which they are incurred.

13.0 Taxation:

Provision of current income tax is made in accordance with the Income Tax Act., 1961. Deferred tax liabilities and assets are recognised 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 recognised 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 recognised nor disclosed in the financial statements.

15.0 Earning per share:

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

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 Mill.Cu. Mtr.)
Less than 1 Mill. CUM	+/- 5%	0.03
Between 1 and 5 Mill. CUM	+/- 3%	0.20
More than 5 Mill. CUM	+/- 2%	-

However, where the variance is beyond the permissible limits as above, the measured quantity is considered.

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

1. 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 ending 31st March, 2016.
2. 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 Mahanadi Coalfields Limited and proportionate stake in its four subsidiaries M/S MNH Shakti Limited, M/S MJSJ Coal Limited, Mahanadi Basin Power Limited and Mahanadi Coal Railway Limited..
- 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.

The position of investment and other current account as at 31.03.2016 is as under:

Name of subsidiary	Address	Stake of parent Group	Date of incorporation	Minority interest as per Consolidated Accounts as at 31.03.2016 (₹ in crore)
1) MNH Shakti Ltd	Anand Vihar, Burla, Sambalpur	70 %	16.07.2008	25.53
2) MJSJ Coal Ltd	House No 42, 1 st floor, Anand Nagar, Hakimpura. Angul	60%	13.08.2008	38.07
3) Mahanadi Basin Power Limited	Plot no G -3 Mancheswar Railway colony, Bhubaneswar	100%	02.12.2011	-
4) Mahanadi Coal Railway limited	MDF Room, Corporate Office, MCL HQ, Jagriti Vihar, Burla, Sambalpur	64%	31.08.2015	0.02
Total				63.62

All the subsidiaries are in development stage.

1. APPLICABILITY OF INDIAN ACCOUNTING STANDARDS:

The Ministry of Corporate Affairs (MCA) vide its notification in the Official Gazette dated February 16, 2015 notified the Indian Accounting Standards (Ind AS) applicable to certain classes of companies. Ind AS would replace the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the companies (Accounts) Rules, 2014. For MCL and its subsidiaries, Ind AS would be applicable for the accounting periods beginning April 1, 2016, with a transition date of April 1, 2015.

1. APPLICABILITY OF ACCOUNTING STANDARDS:

a) 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.

b) Subsidy : (AS-12) (Refer Note No. 20)

Subsidy received from Coal Controller Development Authority on account of infrastructural development has been adjusted against the relevant head of account of capital nature. ₹ 34.52 crore of CCDA grant has been deducted from Long Term Capital Advance(Note-12) and in case of revenue expenditure, the group recognized ₹ Nil as Income from Stowing and Protective Subsidy (₹ Nil as on 31.03.2015), the same is shown under other operating revenue.

c) 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 ₹ 384.54 Crores.

The Actuarial liability as on 31.03.2016

(₹ In Crores)			
Head	Opening Actuarial Liability as on 01.04.2015	Incremental Liability	Closing Actuarial Liability as on 31.03.2016
Gratuity	14.00	(0.19)	13.81
Earned Leave	187.43	15.49	202.92
Half Pay Leave	45.08	(4.02)	41.06
Life Cover Scheme- Executive	0.43	(0.01)	0.42
Life Cover Scheme - Non-Executive	4.88	(0.04)	4.84
Settlement Allowance Executives	0.27	3.53	3.80
Settlement Allowance Non-Executives	15.29	(7.01)	8.28
Group Personal Accident Insurance Scheme	0.11	-	0.11
Leave Travel Concession - Executive	9.20	1.17	10.37
Leave Travel Concession – Non-Executive	22.81	0.64	23.45

Medical Benefits	57.73	4.65	62.38
Post-Retirement Medical Benefit for non-executives	-	0.11	0.11
Compensation to dependents in case of mine accidental death	13.08	(0.09)	12.99
TOTAL	370.31	14.23	384.54

(2) Gratuity: Actuarial Assumptions:

The disclosure as per actuary's certificate for funded employee benefits for Gratuity is given below:

ACTUARIAL VALUATION OF GRATUITY LIABILITY AS AT 31.03.2016
CERTIFICATE AS PER ACCOUNTING STANDARD 15 (Revised 2005)

Table 1: DISCLOSURE ITEM 120 (c)

(₹ In Crores)

Present Value of Obligations	As at 31.03.2016	As at 31.03.2015
Present value of obligation at beginning of the year	679.69	642.71
Acquisition Adjustment	0.00	0.00
Interest Cost	51.31	48.60
Past Service Cost	0.00	0.00
Current Service Cost	49.08	38.42
Curtailment Cost	0.00	0.00
Settlement Cost	0.00	0.00
Benefits paid	76.71	70.51
Actuarial Gain / Loss on obligations	-17.37	20.47
Present Value of Obligations as at 31.03.2016	686.00	679.69

Table 2: DISCLOSURE ITEM 120 (e)

(₹ In Crores)

Fair Value of Plan Assets	As at 31.03.2016	As at 31.03.2015
Fair value of Plan Assets at beginning of the year	665.69	659.09
Acquisition Adjustment	0.00	0.00
Excepted Return on Plan Asset	53.26	52.73
Contributions	26.41	17.76
Benefits Paid	76.71	70.50
Actuarial Gain /Loss on Plan Asset	0.96	6.61
Fair value of Plan Asset as at 31.03.2016	669.61	665.69

Table 3: DISCLOSURE ITEM 120 (f)

(₹ In Crores)

Funded Status	As at 31.03.2016	As at 31.03.2015
Present Value of obligation as at 31.03.2016	686.00	679.69
Fair value of Plan Assets as at 31.03.2016	669.61	665.69
Funded Status	-16.39	-14.00
Un-recognized Actuarial gain / Loss at end of the Year	0.00	0.00
Net Asset (Liability) Recognised in Balance sheet	-16.39	-14.00

Table 4: DISCLOSURE ITEM 120 (g)

(₹ In Crores)

Expenses Recognized in Statement of Profit & Loss	As at 31.03.2016	As at 31.03.2015
Current Service Cost	49.08	38.42
Past Service Cost	0.00	0.00
Interest Cost	51.31	48.60
Expected Return on Plan asset	53.26	52.73
Curtailment Cost	0.00	0.00
Settlement Cost / Benefit paid	0.00	0.00
Actuarial Gain/Loss Recognised in the year	-18.33	13.86
Expense Recognised in statement of Profit /Loss	28.80	48.15

Table 5: DISCLOSURE ITEM 120 (i)

(₹ In Crores)

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. 6 above age 45 3 between age 29 and 45 1 below age 29	10 per Thousand P.A. 6 above age 45 3 between age 29 and 45 1 below age 29
Discount Rate	8.00%	8.50%
Inflation rate	6.25%	6.25%
Return on assets	8.00%	8.00%
Remaining working life	11 Years	14 Years
Formula used	Projected Unit Credit Method	Projected Unit Credit Method

Table 6: DISCLOSURE ITEM 120 (o)

(₹ In Crores)

Movements in the Liability Recognized in Balance Sheet	As at 31.03.2016	As at 31.03.2015
Opening Net Liability	14.00	-16.38
Expenses as above	28.80	48.14
Contributions	26.41	17.76
Closing Net Liability		
Closing Fund/Provision as at 31.03.2016	16.39	14.00

ACTUARIAL VALUATION OF LEAVE ENCASHMENT BENEFIT (EL/HPL)**AS AT 31.03.2016**

CERTIFICATE AS PER ACCOUNTING STANDARD 15 (Revised 2005)

Table 1: DISCLOSURE ITEM 120 (c)

(₹ In Crores)

Present Value of Obligations	As at 31.03.2016	As at 31.03.2015
Present value of obligation at beginning of the year	232.52	204.63
Acquisition Adjustment	0.00	0.00
Interest Cost	17.57	15.67
Past Service Cost	0.00	0.00
Current Service Cost	36.00	41.79
Curtailment Cost	0.00	0.00
Settlement Cost	0.00	0.00
Benefits paid	25.64	17.51
Actuarial Gain / Loss on obligations	-16.47	-12.06
Present Value of Obligations as at 31.03.2016	243.98	232.52

Table 2: DISCLOSURE ITEM 120 (g)

(₹ In Crores)

Expenses Recognized in Statement of Profit & Loss	As at 31.03.2016	As at 31.03.2015
Current Service Cost	36.00	41.79
Past Service Cost	0.00	0.00
Interest Cost	17.57	15.67
Expected Return on Plan asset	0.00	0.00
Curtailment Cost	0.00	0.00
Settlement Cost / Benefit paid	0.00	0.00
Actuarial Gain/Loss Recognised in the period	-16.47	-12.06
Expense Recognised in statement of Profit /Loss	37.10	45.40

Table 5: DISCLOSURE ITEM 120 (I)

(₹ In Crores)

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. 6 above age 45 3 between age 29 and 45 1 below age 29	10 per Thousand P.A. 6 above age 45 3 between age 29 and 45 1 below age 29
Discount Rate	8.00%	8.00%
Inflation rate	6.25%	6.25%
Return on assets	N/A	8.00%
Remaining working life	14 Years	14 Years
Formula used	Projected Unit Credit Method	Projected Unit Credit Method

Table 6: DISCLOSURE ITEM 120 (o)

(₹ In Crores)

Movements in the Liability Recognized in Balance Sheet	As at 31.03.2016	As at 31.03.2015
Opening Net Liability	0.00	0.00
Expenses as above	37.10	45.40
Contributions	0.00	0.00
Closing Net Liability	37.10	45.40
Closing Fund/Provision as at 31.03.2016	243.98	232.52

d) SEGMENT REPORTING (AS-17)

The Group is primarily engaged in a single Segment business of production and sale of coal and there is no reportable primary segment identifiable in accordance with the Accounting Standard (AS-17) on Segment Reporting.

e) 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.

f) EARNING PER SHARE (AS-20)**For the Year ended
31.03.2016****For the Year ended
31.03.2015**

(i) Profit after Tax (₹ In Crore)	4184.74	3554.10
(ii) Profit attributable to Equity Shareholders (₹ In Crore)	4184.74	3554.10
(iii) No. of Equity Shares for Basic & diluted EPS	1864009	1864009
(iv) Nominal value of Equity share (₹)	1000	1000
(v) Basic & Diluted Earnings per Share (₹)	22450.11	19066.97

g) 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 31st March, 2016 and as at 31st March 2015 is given below:-

	As at <u>31.03.2016</u>	As at <u>31.03.2015</u>
Deferred Tax Liability:		
Related to Fixed Assets	-2.68	45.20
Deferred Tax Asset:		
Provision for doubtful Debts, claims, etc.	9.15	10.41
Employee separation and retirement	83.52	81.19
Others	-278.95	-169.30
Total deferred tax Assets	-186.28	-77.70
Net Deferred Tax Asset/ (Deferred Tax Liability)	(183.60)	(122.90)

(₹ In Crores)

h) Financial Reporting of Interests in Joint Ventures (AS-27)

On 8th January 2013 a joint venture company named Neelanchal Power transmission Company Pvt Limited was incorporated by virtue of a joint venture agreement between the company and Odisha Power Transmission Corporation Ltd. Up to 31.03.2016, the group has incurred ₹ 0.02 crore (for previous year ₹0.02 crore) for miscellaneous expenses incidental for incorporation and the same has been included in claim receivables (Note -18). There is no investment in the joint venture company upto 31.03.2016.

i) Impairment of Assets (AS-28)

During the year, the impairment loss of assets of ₹ 9.87 Crores in respect of Bharatpur Mines for SILO and ₹ 0.43 crores in respect of continuous loss making mines is debited to Statement of Profit & Loss(₹ 0.47 Crores as on 31.03.2015).

j) Contingent Liabilities, Commitments and Contingent Assets (AS-29)

i) The details of Contingent liability are given below:-

Particulars.	As at 31.03.2016 ₹in crore	As at 31.03.2015 ₹in crore
Central Government	1397.58	2489.68
State Govt and Local Authority	3378.57	1765.08
CPSEs	0.00	0.00
Others	171.88	151.69
Total	4948.03	4406.46

MAHANADI COALFIELDS LIMITED AND ITS SUBSIDIARIES

- ii) Outstanding letters of Credits as on Balance Sheet date amounted to ₹ 4.36 Crores (₹ 0.10 Crores as at 31.03.2015).
- iii) The Group has given Bank Guarantees of ₹ 22.28 Crore (₹ 111.26 Crore as at 31.03.2015) for which there is a floating charge on Current Assets of the Group.

Commitments:

- (i) The amount remaining to be executed on capital account not provided for is ₹ 650.83.Crores (₹ 893.37 Crores as at 31.03.2015).
- (ii) The amount remaining to be executed on revenue account not provided for is ₹ 3568.37Crores (₹ 4151.62 Crores as at 31.03.2015).

3(a) VALUE OF IMPORTS ON CIF BASIS: (₹ In Crores)

Details	For the year ended 31.03.2016	For the year ended 31.03.2015
Raw Material	NIL	NIL
Capital Goods	NIL	NIL
Stores & Spares	0.02	0.05

3(b) TOTAL CONSUMPTION OF STORES (Refer Note No. 22) (₹ In Crores)

Particulars	For the year ended 31.03.2016		For the year ended 31.03.2015	
	Amount ₹ in Crores	% of Total Consumption	Amount ₹ in Crores	% of Total Consumption
Imported	0.02	0.00	0.05	0.01
Indigenous	542.73	100.00	604.51	99.99
Total	542.75	100.00	604.56	100.00

3(c). EXPENDITURE INCURRED IN FOREIGN CURRENCY ON ACCOUNT OF: (₹ In Crores)

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Traveling Expenses	0.01	0.04
Interest	0.09	0.08
Others	NIL	NIL

4. DIRECTORS'/ KMPs REMUNERATION (₹ In Crores)

For Whole Time Directors	For the year ended 31.03.2016	For the year ended 31.03.2015
(i) Salary	1.17	1.09
(ii) Contribution to PF & Other Funds	0.16	0.11
(iii) Medical Benefits	0.01	0.01
For Part Time Directors		
(iv) Sitting Fees	0.00	0.00
For Company Secretary	0.24	0.20

5. EFFECTS OF REVISION OF AVERAGE STRIPPING RATIO:

Pursuant to revision of average stripping ratio of Belpahar and Lingaraj Mines, the net impact on profit is ₹ 188.07 crore.

6. 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.

7. 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.

8. 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 correspond to period of the previous year.

Note 1 to 19 form part of the Balance Sheet as at 31st March, 2016 and note 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/-
A. K. Singh
Company Secretary

Sd/-
K.K. Parida
Director (Finance)
DIN- 07015077

For and on behalf of Board of Directors

As per our report annexed
For & on behalf of
PAMS & ASSOCIATES
Chartered Accountants
Firm Regd. NO. 316079E

Sd/-
C A M P MAHAPATRA
Partner
(Membership No. 055113)

Sd/-
V.V.K. Raju
General Manager (Finance)

Sd/-
A.K. Jha
Chairman-cum-Managing Director
DIN- 06645361

Date: 26.05.2016
Place: Bhubaneswar

Cashflow Statement for the year ended on 31.03.2016

	For the year ended on 31.03.2016 (₹ in Crores)	For the year ended on 31.03.2015 (₹ in Crores)
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax and extraordinary items	6,260.41	5,314.24
Adjustment for :		
Depreciation & Impairment	274.21	253.51
Preliminary expenses	(0.01)	
Exchange Rate Fluctuation	0.91	0.72
OBR Adjustment	2,452.00	2,123.53
Interest / Dividend (Received)	(1,294.05)	(1,286.09)
Interest /financial charges (Paid)	1.59	1.44
Prov. against Debtors/Inventories/Other CA/ Loans & Advances etc	188.11	232.56
Operating Profit before Working Capital changes	7,883.17	6,638.47
Adjustments for :		
Changes in inventories	44.26	43.71
Changes in trade receivables	(672.24)	(155.57)
Changes in long term/non current Loan & advance/Assets	(356.60)	(602.44)
Changes in short term /current Loans and Advances/ Assets	54.82	(63.64)
Changes in trade payable/ Current Liabilities/long term liabilities	111.03	513.53
Cash generated from operations	7,064.44	6,374.06
Direct taxes paid	(2,114.91)	(3,270.85)
Cash Flow before extraordinary items	4,949.53	3,103.21
Extraordinary items	-	-
Net Cash from operating activities	4,949.53	3,103.21
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(646.94)	(793.79)
Short Term Deposit with CIL	208.55	(114.95)
Miscellaneous receipts	-	-
Acquisition of Companies	-	-
Purchase of New Investments (Current/Non-Current)	(1,097.30)	450.70
Interest received	1,201.76	1,231.11
Dividend from Mutual Funds received (non trade)	92.29	54.98
Net Cash used in investing activities	(241.67)	828.05
C CASH FLOW FROM FINANCING ACTIVITIES:		
World Bank Loans through CIL	-	-
Deferred Credit Loan	0.37	(2.35)
Exchange Rate Fluctuation	(0.91)	0.72
Repayment of CIL Loan	-	-
Redemption of preference share capital	-	-
Interest and financial charges	(1.59)	(1.44)
Dividend paid	(3,608.45)	(3,841.82)
Net Cash used in financing activities	(3,610.58)	(3,844.89)
Net increase in cash and cash equivalents	1,097.28	86.37
Cash and cash equivalents as at beginning of the year	10,514.68	10,428.31
Cash and cash equivalents as at the end of the period	11,611.96	10,514.68

The aforesaid statement is prepared on indirect method.

The figures of the previous year have been reclassified to confirm to current period classification.

Note: Cash & cash equivalents amounting to ₹ 558.17 crore (as at 31.03.2015, ₹ 508.56 crore) (refer para 7.0 of Additional notes on accounts) are not available for use by the company .

Sd/-
A.K.Singh
Company Secretary

Sd/-
K.K. Parida
Director (Finance)
DIN- 07015077

For and on behalf of Board of Directors

Sd/-
V.V.K. Raju
General Manager (Finance)

Sd/-
A.K. Jha
Chairman-cum-Managing Director
DIN- 06645361

As per our report annexed
For PAMS & ASSOCIATES
Chartered Accountants
Firm Regd. NO. 316079E

Sd/-
(CA M P MAHAPATRA)
Partner
(Membership No. 055113)

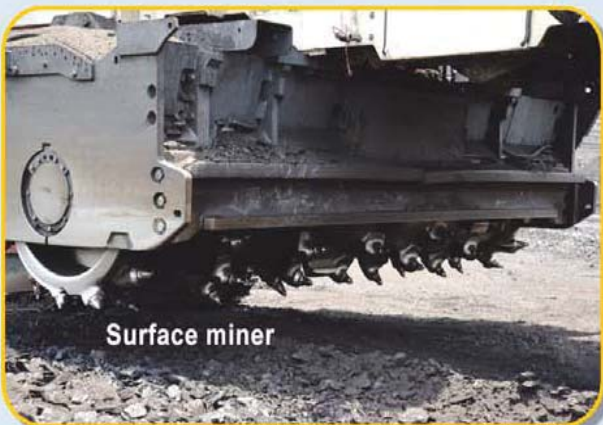
Date : 26.05.2016
Place: Bhubaneswar



Ripper dozer



A photo of mining operation in Samaleswari OCP, MCL



Surface miner



Dragline the king of opencast



Miners at work in an underground mine of MCL



A man riding system in MCL's Orient mine



Coal movement through conveyor belt



A picture of 2MW solar power plant at MCL, Burla

MAHANADI COALFIELDS LIMITED

(A subsidiary of Coal India Limited)

At/PO - JAGRUTI VIHAR, BURLA, SAMBALPUR -768020 (ODISHA)

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