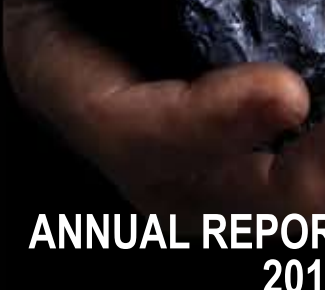


**PRODUCING QUALITY COAL.
TRANSFORMING LIVES.**



**ANNUAL REPORT & ACCOUNTS
2016-17**





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GREEN INITIATIVE IN CORPORATE GOVERNANCE

Dear Shareholder,

Pursuant to the initiatives undertaken by the Ministry of Corporate Affairs, encouraging the companies to reduce the carbon footprint by enabling them to send the Annual Report etc to the Shareholders through electronic mode, your company has already taken the following steps:-

Emails have been sent to all shareholders who have not exercised the option to receive the Annual Report 2016-17 in physical mode. They have been provided with a link (URL) to the website of COAL INDIA LIMITED for downloading the Annual Report 2016-17.

For members who have not registered their email addresses, physical copy of Annual Report 2016-17 is being sent by the permitted mode.

In case you have not yet registered your email id, we urge you to furnish your email id to NSDL/CDSL/M/s Alankit Assignments Limited(R&T Agent of Coal India Ltd) at their address indicated in the report elsewhere or email at alankit_rta@alankit.com. Please ensure that you have indicated your Folio No/DP & Client ID No as well as your consent to receive future communications from Coal India Ltd including Annual Report etc through email at your registered email address.

Please help us to save the environment.

Sd/-

M.Viswanathan
Company Secretary

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.

VISION

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

BOARD OF DIRECTORS



Shri S. Bhattacharya



Shri R.K.Sinha



Smt. Reena Sinha Puri



Shri C.K .Dey



Shri S N Prasad



Shri R R Mishra



Shri S.Saran

INDEPENDENT DIRECTORS



Ms. Loretta Mary Vas



Dr S.B.Agnihotri



Dr D.C.Panigrahi



Dr. Khanindra Pathak



Shri Vinod Jain

PERMANENT INVITEES



Shri R R Mishra



Shri S Saran



Shri A.K. Gupta



MEMBERS OF THE BOARD

as on 15th July, 2017

Functional Directors	
Shri S. Bhattacharya	: Chairman
Shri C.K Dey	: Finance
Shri S.N. Prasad	: Marketing
Shri R. R Mishra	: Personnel
Shri S. Saran	: Technical
Part-Time Official Directors:	
Shri R. K. Sinha	: Joint Secretary, MoC, New Delhi
Smt. Reena Sinha Puri	: JS & FA, MoC, New Delhi.
Independent Directors	
Ms.Loretta Mary Vas	
Dr S.B.Agnihotri	
Dr. D.C.Panigrahi	
Dr. Khanindra Pathak	
Shri Vinod Jain	
Permanent Invitees	
Shri R R Mishra	: Chairman-cum-Managing Director, WCL.
Shri S.Saran	: Chairman-cum-Managing Director, CMPDIL
Shri A. K. Gupta	: Addl. Member (Traffic Transportation), Railway Board
Company Secretary	
Shri M.Viswanathan	

**MANAGEMENT DURING 2016-17**

Shri S. Bhattacharya : Chairman (From 05.01.2015)

Functional Directors

Shri R. Mohan Das : Director (P&IR) (From 01.06.2007 till 30.03.2017)

Shri N. Kumar : Director (Technical) (From 01.02.2012 till 17.10.2016)

Shri S. Saran : Director (Technical) (From 31.10.2016)[Addl. Charge]

Shri C.K. Dey : Director (Finance) (From 01.03.2015)

Shri S.N. Prasad : Director (Marketing) (From 01.02.2016)
[Addl. Charge- Director (P) from 31.03.2017]

Part Time Official Directors

Dr A. K. Dubey : Special Secretary, MoC (From 03.04.13 till 05.08.2016)

Smt. Sujata Prasad : Joint Secretary & Financial Advisor (From 03.05.13 till 20.06.2016)

Shri R P Gupta : Joint Secretary, MoC (From 05.08.2016 to 29.08.2016)

Shri Vivek Bharadwaj : Joint Secretary, MoC (From 30.8.2016)

Shri R. K. Sinha : Joint Secretary, MoC (from 05.08.2016)

Independent Directors

Ms. Loretta Mary Vas : (From 17.11.15)

Dr S.B. Agnihotri : (From 17.11.15)

Dr D.C. Panigrahi : (From 17.11.15)

Dr. Khanindra Pathak : (From 17.11.15)

Shri Vinod Jain : (From 17.11.15)

Permanent Invitees

Shri R.R. Mishra : CMD, WCL (From 06.11.15)

Shri S. Saran : CMD, CMPDI (From 01.01.16)

Shri A. K. Gupta : Addl. Member (Traffic Transportation), Railway Board (From 05.08.16)

Company Secretary

Shri M. Viswanathan : (From 14.12.2011)



BANKERS, AUDITORS AND CORPORATE OFFICE

LIST OF BANKS AS ON 31.03.2017

- | | |
|--|--|
| 1. STATE BANK OF INDIA
2. PUNJAB NATIONAL BANK
3. UNITED BANK OF INDIA
4. CANARA BANK
5. ALLAHABAD BANK
6. UNION BANK OF INDIA
7. BANK OF BARODA
8. BANK OF INDIA
9. ORIENTAL BANK OF COMMERCE | 10. HDFC BANK
11. ICICI BANK
12. CORPORATION BANK
13. STANDARD CHARTERED BANK
14. ANDHRA BANK
15. CITI BANK
16. DEUTSCHE BANK
17. IDBI BANK
18. UCO BANK |
|--|--|

Statutory Auditor	Registered Office	Website	Registrar & Share Transfer Agent
M/s Chaturvedi and Co Chartered Accountants 60, Bentick Street, Kolkata-700069	Coal Bhawan, Premises No-04 MAR, Plot No-AF-III, Action Area-1A, New town, Rajarhat, Kolkata-700156 Phone-033-23245555 Fax-033-23246510 Email-complianceofficer.cil@ coalindia.in	www.coalindia.in	M/s. Alankit Assignment Limited Alankit Height, 1E/13, Jhandewalan Extension, New Delhi – 110 055 Phone No: 011-4254-1234/2354-1234 Fax No: 011-4154-3474 E-mail id: alankit_rta@alankit.com Website: www.alankit.com Toll free no-1860-121-2155



CHAIRMAN'S STATEMENT

Friends,

I am delighted to welcome you to the 43rd Annual General Meeting of Coal India Limited. The Directors' Report and the Financial Statement for the year ended 31st March, 2017 together with the report of Statutory Auditors and report and review of Comptroller & Auditor General of India are already with you.

1. Importance of coal and Coal India Limited

There is a perceptible shift in the country in fortifying the energy options currently. Renewable energy sources like Solar and Wind are being explored, encouraged and added as energy upgrades to meet the growing energy demand in the country. As clean energy options they are welcome. The addition from these sources, to the energy mix, can be viewed as complementary but not competitive to coal's role. They certainly can supplement but cannot substitute coal as preferred energy fuel, at least for now.

Coal has gotten immensely cleaner over the past generation. New and better ways are being found to extract energy from coal without sending its by products into the environment. HELE, that is, High Efficiency Low Emission technology is one such step in bringing down the emissions.

In India, what makes coal such a preferred energy fuel is its abundance, availability and affordability. The estimated geological resource of coal in India stood 315.149 Billion Tonnes as of 1 April, 2017. Around 73% of the entire power generated in the country is coal based.

Reliable energy is a correlate of economic growth and human development. Coal, being reliable, continues to serve the country as its primary commercial energy provider and will remain a mainstay in Indian power generation for decades to come. In fact, reliance on coal might increase in future.

Against this back backdrop, you will be proud to know that your company, Coal India Limited, spearheads the country's coal production and produces 84% of the country's entire coal output. It is Coal India which virtually fuels and empowers the power sector in the country.

2. Accomplishments 2016-17

Sustaining the growth arc in production and off-take, the company had exceeded half-a-Billion Tonne mark in both the physical facets for the second consecutive year.

During 2016-17 Coal India achieved coal production of 554.14 Million Tonnes (Mt). You will be pleased to know that company has increased its production by 15.39 million tonnes over last year. Coal production has taken a quantum jump of over 100 MTs in a five-year span, from the level of 452.21 Mt. recorded in 2012-13 to the current level. This scale of increase has never been achieved previously during a 5-year period.

The performance of NCL, CCL and BCCL merit specific mention as the three companies have achieved their respective AAP targets in coal production amid trying circumstances. SECL continues to be at the helm of coal production with 140 Mt. mark during the year, with MCL giving a close competitive run up with 139.21 Mt.

Raw coal off-take during FY 2017 was 543.32 MT, an increase of 8.82 MTs on a year-on-year comparison. NCL has achieved AAP target in off-take also despite heavy monsoon.

ECL, CCL, NCL, MCL and NEC achieved higher off-take than previous year.

Coal despatch to power utilities (including special forward e-Auction) during the year was 425.397 Mt. registering a growth of 3% compared to last year (413.11 Mt.). Despatch to NTPC clocked a growth of 4.9% over last year registering a materialization of 95% against FSA/MoU commitment. But for the regulated intake of coal by many of the GenCos, despatch of coal to power sector could have been higher.

Other positives:

- 1) You will be pleased to know that your company's Gross Sales turnover was ₹ 1,22,294.46 crores during the financial year 2016-17.
- 2) The underground production got major boost with the introduction of Longwall technology in Jhanjra Combined UG Mine (3.5 Mty.) of ECL in August'2016.
- 3) Coal India has been accredited with IS/ISO 9001:2015 (Quality Management System) and IS/ ISO 50001:2011 (Energy Management System) certification on 27th October'2016. It is now in the process of implementation of ISO 14001: 2015 (Environment Management System).



Financial Performance:

Coal India is one the highest contributors to the government ex-chequer both – Central and State governments. Coal India paid corporate taxes of ₹ 8,942.70 crores to Government of India in FY 2016-17.

Coal India and its subsidiaries had also paid/adjusted ₹ 44,070.22 crores Royalty, Cess, VAT, DMF and NMET and other levies.

During 2016-17, Coal India as a whole earned pre-tax profit of ₹ 14,433.71 crores and a Profit after Tax of ₹ 9,265.98 crores.

Your company had paid an interim dividend of ₹ 12,352.76 crores @ ₹ 19.90 per share. Of the total dividend, the share of Govt. of India was ₹ 9,736.40 crores and the rest ₹ 2,616.36 crores was given to other shareholders.

3. Strategies for Growth

Coal India is faced with meeting challenging targets in the years ahead. Going forward, in order to meet the production targets, Coal India needs to step up to a double digit growth rate.

To sustain the growth momentum in its production and off-take in future, Coal India has formulated following multi-pronged strategies.

(i) Critical Railway Links - Collaboration with State Governments & Railways.

In a move of 'Synergy for Energy' to achieve the planned growth in production and evacuation in future, your company has undertaken three major Railway Infrastructure Projects, implemented either by Railways or JV Companies formed between IRCON, Subsidiary Company and concerned State Government.

The three major Railway Infrastructure Projects are :-

- Tori – Shivpur-Kathotia New BG Line. This railway line caters to North Karanpura Area of CCL and it is Planned to evacuate about 32 MTY of coal once the line comes through.
- Jharsuguda – Barpali – Sardega Rail Link relates to the coalfields of MCL and the envisaged capacity evacuation is 70 MT/Y of coal from MCL.
- East Rail Corridor and East West rail corridor is planned for evacuation of coal of Mand- Raigarh and Korba – Gevra Coal-fields of SECL respectively. In all, about 180 MTY of coal shall be evacuated through these two corridors.

(ii) Acquisition and Possession of land

During 2016-17, total of 3826.19 Hectares of land has been taken into possession in various subsidiaries of Coal India.

In all subsidiaries of Coal India, the major portion of land is acquired under the Coal Bearing Areas (Acquisition & Development) Act, 1957.

(iii) WEB Based Online Monitoring System

Following the introduction of Web based online monitoring of coal mining projects costing more than ₹ 100 crores, so far, the monitoring of 69 projects costing more than ₹ 150 crores and capacity 3.0 MTY and above has been completed during the 2016-17.

Additionally, monitoring of 67 coal mining projects (more than ₹ 150 crores) has also been taken up during the year.

Critical issues are uploaded by CIL and its subsidiary companies on MOC's e-CPMP portal which enables MOC to follow up with the state governments and associated ministries to accelerate EC & FC approvals.

(iv) Technology Development

- Exploration capacity is planned to be augmented with more use of hydrostatic drills, geophysical loggers, 2D/3D Seismic Survey Technology and Optimization of number of coring boreholes based on the complexity of geology of the block.
- Introduction of high capacity equipment, Operator Independent Truck Dispatch Systems, Vehicle Tracking System using GPS/GPRS, CHP and SILOS for faster loading and monitoring using laser scanners have been planned to augment coal production from opencast mines.
- Introduction of Continuous Miner Technology on large scale, Long Wall Technology at selected places, Man Riding system in major mines and Use of Tele - monitoring techniques continued to receive priority to increase production from underground mines.

(v) System Improvements

Introduction of e-procurement of equipment and spares, e-tender of work and services, ERP implementation, establishment of connectivity, revision of guidelines and manuals, use of GPS for monitoring operational efficiency in road transport of coal have been planned to improve the overall system.