



Nag & Associates
Chartered Accountants

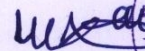
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Dhanbad Branch Office:
Gali No.11, Jaiprakash Nagar, Dhanbad
Jharkhand-826001

COMPLIANCE CERTIFICATE

We have conducted the audit of the accounts of **Bharat Coking Coal Limited**, for the year ended 31st March 2024 in accordance with the directions / sub-direction issued by the C&AG of India under Section 143 (5) of the Companies Act, 2013 and certify that we have complied with all the directions issued to us.

Place: Dhanbad
Dated: 24th April, 2024

For Nag & Associates
Chartered Accountants
FRN: 312063E



(Madan Mohan Prasad)
Partner

M.No.: 074568

UDIN: 24074568BKGOJP2638



Branch at Kolkata, New Delhi, Hyderabad



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INDEPENDENT AUDITORS' REPORT

To The Members of Bharat Coking Coal Limited

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **BHARAT COKING COAL LIMITED** ("the Company") (hereinafter BCCL), which comprise the Balance Sheet as at 31st March 2024, the Statement of Profit and loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended on that date and a summary of the significant Accounting Policies and other explanatory information (hereinafter referred to as "standalone financial statements") in which are included the returns for the year ended on that date audited by the area /units auditors of the Company's 15 (fifteen) area /units comprising (1) Barora Area; (2) Block-II Area; (3) Govindpur Area; (4) Katras Area; (5) Sijua Area; (6) Kusunda Area (including Bhuli Township Area); (7) P B Area; (8) Bastacolla Area (including Mines Rescue Station); (9) Lodna Area (including Lodna Washery); (10) Eastern Jharia Area; (11) C V Area; (12) Dahibari Washery; (13) Western Jharia Area; (14) Washery Division; (15) Madhuban Coal Washery.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024, the Profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities* for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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Emphasis of Matter

We draw attention to the following matters in the Financial Statements:

- (a) Pending confirmation / reconciliation of certain balances under Trade Receivables and Trade Payable, the consequential impact thereof, if any in the financial statements, are not ascertainable.

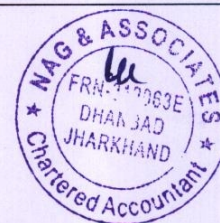
Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements as on 31st March, 2024. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No	Key Audit Matter	Auditor's Response
1	<p>New Accounting Policy on Stripping Activity:</p> <p>The process of removing overburden to access coal is referred to as stripping. Stripping is necessary to obtain access to coal and occurs throughout the life of an opencast mine. Stripping costs during development and production phases are classified as other mining infrastructure in property, plant, and equipment. Stripping costs are accounted for separately for individual mines.</p> <p>Stripping costs during the Development phase.</p> <p>These are initial overburden removal costs incurred to obtain access to coal to be extracted. These costs are capitalised when it is probable that future economic benefits will flow to the Group and costs can be measured reliably. Once the production phase begins, capitalised. development stripping costs are amortised over the mine life.</p>	<p>Principal Audit Procedures:</p> <p>We performed the following substantive procedures:</p> <ul style="list-style-type: none">• Obtained working data of Stripping Adjustment and checked accordingly as per changed policy.• The total expense incurred during the year is allocated between Coal production and Overburden. Ensured about accuracy and completeness of expenses considered in calculation of ratio.• Checked that the ratio variance is calculated on the basis of amount allocated to overburden and OB quantity extracted during the year correctly.• Performed analytical procedures and test of details for reasonableness of expenses considered stripping activity adjustment calculation.• Checked that the new accounting policy applied and management's judgments used for Stripping Activity Adjustment are appropriate.

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Stripping costs during the production phase:

These are overburden removal costs incurred after the mine has been brought to revenue as per the policy of the group. Stripping costs during the production phase can give rise to two benefits, the extraction of coal in the current period and improved access to coal which will be extracted in future periods. Stripping costs during the production phase are allocated between the inventory produced and the stripping activity asset using a standard strip ratio (overburden-to-coal). The standard strip ratio is the total volume of Overburden expected to be removed over the life of the mine against the total coal to be extracted over the life of the mine. When the actual volume of overburden removed is greater than the expected volume of overburden removal, the stripping cost for excess overburden removed over the expected overburden removal is capitalised to the stripping activity asset. The stripping activity asset is amortised over the life of the mine. Changes in geo-mining conditions may have an impact on the standard strip ratio. Changes to the ratio are accounted for prospectively. Stripping activity asset are included separately under Property, plant, and equipment. The Company recognises Stripping activity asset for stripping costs during the production phase in the mines with a rated capacity of one million Tonnes per annum and above.

Ratio Variance

The recognition of the Ratio Variance Reserve has consistently adhered to a policy instituted by CIL since its inception. This accounting method has

- The Appendix B to Ind As-16, applies to waste removal cost that are incurred in surface mining activity during the production phase of the mine ("production stripping costs")
- We have checked:
 - a) Recognition of production stripping cost as an asset.
 - b) Initial measurement of the stripping activity asset; and
 - c) Subsequent measurement of the stripping activity asset.

Based on the procedures performed, we have satisfied ourselves regarding stripping activity expenses/ adjustments.

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been substantiated and validated by a multitude of authoritative bodies and forums, including income tax authorities.

The carrying amount of the ratio variance reserve shall be reversed systematically whenever the situation of reversal of provision/asset arises. Such reversal should be specific to mines for which the same provision/asset has been recognized.

In the case of a mine, where the ratio variance reserve has a credit balance, an excess Volume of overburden extracted over the volume of overburden expected multiplied by the opening average rate of stripping activity shall be recognised as stripping activity adjustment in the statement of profit and loss with corresponding debit to the ratio variance reserve.

In the case of a mine, where the ratio variance reserve has a Debit balance, an excess of Volume of overburden expected over the volume of overburden extracted multiplied by the opening average rate of stripping activity shall be recognised as stripping activity adjustment in the statement of profit and loss with a corresponding credit to the ratio variance reserve.

Where the Volume of overburden expected is the Volume of Coal extracted multiplied by the Standard Strip ratio where the Standard Strip ratio is the Total Overburden to be extracted during the mine life divided by the Total Coal to be extracted during the mine life.

(Refer Note No. 9.1.2 & Additional Note No.16(7) to the Standalone Financial Statements.)

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2	<p>Revenue from Contracts with Customers</p> <p>The application of the Revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized during the year.</p> <p>(Refer Additional Note 16 (6)(n)-Other Matters to the Standalone Financial Statements.)</p>	<p>Principal Audit Procedures: Our audit procedures include:</p> <ul style="list-style-type: none">• Evaluated the design, the processes and internal controls relating to revenue accounting standard;• Evaluated the detailed analysis performed by management on revenue streams by selecting samples for the existing contracts with customers and considered revenue recognition policy in the current period in respect of those revenue streams.• Evaluated the appropriateness of the disclosures provided under the revenue standard and assessed the completeness and mathematical accuracy of the relevant disclosures.• During the year the Company has not recognised the Performance Incentive Income from NTPC due to recent direction given by CIL, vide its Notice Reference No. CIL/M&S/Flexi/199, dated 10.04.2024(Refer Additional Note No.16(6)(n)(vi). <p>We found that the management's estimations and judgments in the recognition of income are reasonable based on the available evidences.</p>
3	<p>Evaluation of uncertain tax positions</p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>(Refer Additional Note No. 16(1)(a) to the Standalone Financial Statements.)</p>	<p>Principal Audit Procedures: Our audit procedures include:</p> <ul style="list-style-type: none">• Evaluated the design and implementation of controls in respect of provision for current tax and the recognition and recoverability of deferred tax assets.• Considered management's assessment of the validity and adequacy of provisions for uncertain tax positions, evaluating the basis of assessments and reviewing relevant correspondence and legal advice where available including any information regarding

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		<p>similar cases with the relevant tax authority.</p> <ul style="list-style-type: none"> Assessed the appropriateness of management's assumptions and estimates including the likelihood of generating sufficient future taxable income to support deferred tax assets. <p>Based on the procedure performed above, we obtained sufficient audit evidence to corroborate management's estimates regarding current and deferred tax balances and provision for uncertain tax positions.</p>
4	<p>Valuation of defined benefits obligation for employees</p> <p>Accounting for defined benefit plans is based on actuarial assumptions which require measuring the obligation, evaluating the planned assets and calculating the corresponding actuarial gain or loss. All future cash flows discounted to present value for arriving at the obligation.</p> <p>Significant estimates including the discount rates, the inflation rates, and the mortality rate are made in valuing the company's defined benefits obligations.</p> <p>The company engages external actuarial specialist to assist them in selecting appropriate assumptions and calculate the obligations. The effect of these matters is a part of the risk assessment and valuation of the defined benefit obligations has a high degree of estimation as it is based on assumptions.</p> <p>Refer Additional Note No. 16(5) to the Standalone Financial Statements.</p>	<p>Principal Audit Procedures: Our audit procedures include:</p> <ul style="list-style-type: none"> Evaluated the key assumptions applied (discount rates, inflation rate, mortality rate) as per the Guidance Note applicable. Assessed the competence, independence, and integrity of the company's actuarial expert. The controls over the review and approval of actuarial assumptions, the completeness and accuracy of data provided to external actuary, and the reconciliation to data used in expert's calculation were tested. Discussed with the Management about the liability accrued due to defined benefit plan and to understand the business and assessed if there was any inconsistency in the assumptions. Adequacy of the company disclosure as per Ind AS 19 in the notes is verified. <p>Based on the audit procedures involved, we observed that the assumptions made by the management in relation to the valuation were supported by available evidence.</p>

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Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's Report including Annexures to Director's Report, CSR Report, R&D and Report on Corporate Governance and Management Discussion and Analysis Report but does not include the financial statements and our auditor's report thereon. The Director's Report including Annexures to Director's Report, CSR Report, R&D and Report on Corporate Governance and Management Discussion and Analysis Report, is not made available to us till the date of this report and is expected to be made available to us after the date of this Audit Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we are provided and we read the Director's Report including Annexures to Director's Report, CSR Report, R&D and Report on Corporate Governance and Management Discussion and Analysis Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable in the applicable laws and regulations.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error..

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In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the standalone financial statements/information of 15 area/ units included in the financial statements of the Company whose financial statements / financial information reflect total assets of ₹ 11,152.29 crores as at 31st March, 2024 and total income of ₹ 17,594.99 crores for the year ended on that date, as considered in the financial statements. The financial statements/information of these area / unit have been audited by the area / unit auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these area / units, is based solely on the report of such area / unit auditors.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required under section 143(5) of the Companies Act, 2013, we give in the **Annexure - I**, a statement on the Directions and the Additional directions issued by the Comptroller and Auditor General of India after complying with the suggested methodology of Audit, the action taken thereon and its impact on the accounts and Standalone financial statements of

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the Company This statement has been prepared incorporating the comments of the Area/
Unit Auditors of the Company mentioned in their Auditors' Reports

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), as amended, issued by the Central Government of India in terms of subsection (11) of section 143 of the Companies Act, 2013, we give in the **Annexure - II** a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable for the year under audit.
3. As required by Section 143 (3) of the Act, based on our audit we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company 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 the area / units not visited by us.
 - (c) The reports on the accounts of the area / units of the Company audited under Section 143 (8) of the Act by area / unit auditors have been sent to us and have been properly dealt with by us in preparing this report.
 - (d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account and with the returns received from the area / units not visited by us.
 - (e) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (f) In pursuance to the Notification No. G.S.R. 463(E) dated 05-06-2015 issued by the Ministry of Corporate Affairs, Section 164(2) of the Act pertaining to disqualification of Directors, is not applicable to the Government Company.
 - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure III**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 16(1). (a) to the standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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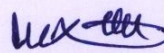


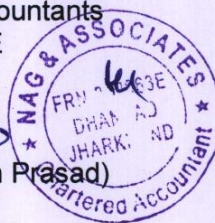
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- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv.
- (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries
- (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend is declared or paid by the Company during the year and hence compliance with section 123 of the Companies Act, 2013 is not applicable to the Company
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is existing in the Company.

For Nag & Associates
Chartered Accountants
FRN: 312063E


(Madan Mohan Prasad)
Partner
M.No.: 074568



UDIN: 24074568BKGOJO1746

Place : Dhanbad
Dated: 24th April, 2024

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Annexure-I to the Independent Auditors' Report of Bharat Coking Coal Limited, Dhanbad on Standalone Financial Statements for the year ended 31st March, 2024.

[Referred to in Paragraph 1 of "Report on Other Legal and Regulatory requirements" of our Audit Report on the Statement of Directions & Additional Directions under Section 143(5) of Companies Act, 2013 Issued by Comptroller & Auditor General of India for the year 2023-2024 as reported in the Auditor's Report of the Company.

Directions under section 143 (5) of the Companies Act 2013

Sl. No	Particulars	Observation
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transaction outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the Company has migrated to SAP, an ERP application software, from its legacy system Coal-Net to process all its accounting transactions with effect from 1st August 2021. As per the information and explanations provided to us by the management, this application covers mostly all the functionalities to run the business process smoothly and efficiently to fulfil the intense requirement of the Company.
2	Whether there is any restructuring of an existing loan or cases of waiver/ write-off of debts/ loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company)	No such cases of restructuring of an existing loan or cases of waiver / write-off of debts / Loans / interest etc. are observed during the Financial Year 2023-24.
3	Whether funds (grants/ subsidy etc.) received/ receivable for specific schemes from Central/ State Government or agencies were properly accounted for/ utilized as per its terms and conditions? List the cases of deviation.	During the year 2023-24 the company has not received funds for specific schemes from Central/State Government or agencies

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

Sl. No	Particulars	Observation
1	Whether coal stock measurement was done based on Yellow Book? Whether physical stock measurement reports accompanied by contour map in all cases? Whether approval of the competent authority was obtained for new heap, if any, created during the year.	<p>As per explanation and information given to us, the coal stock measurements of the heaps are being done as per the Yellow Book. Coal Stock dumps are being created by the collieries at prefix locations for which contour plans are prepared and approved by competent authority in advance, i.e. prior to starting dumping of coal. However, in some of the cases, small stocks whose geometrical shape are cumbersome and not fit for measurement using contour plan / level section, are being measured by conventional method, even if such stocks are having contour plans. The stock measurement reports are accompanied by contour plans.</p> <p>For the washeries the stocks of slurry, rejects and middling were building up since inception of the washery, i.e. prior to take over by BCCL. The heaps, particularly of reject, slurry, middling etc. are huge in shape and size. All these heaps are not having contour plans, as such being measured by conventional method.</p> <p>As per explanation and information given to us, new heaps created during the year are having approval of competent authority.</p>
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	As per explanations and information given to us, there are no cases of merger / split / restructure of any Area of BCCL during the Financial

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	requisite procedure.	Year 2023-24, except due to administrative decision taken by the Company for accounting conveniences, Mine Rescue Station merged with Bastacola Area and Bhuli Township Administration merged with Kusunda Area.
3	Whether separate Escrow Accounts for each mine has been maintained in CIL and its subsidiary companies. Also examine the utilization of the fund of the account.	<p>Yes, separate Mine-wise Escrow account against each Mine Closure Plan is maintained with Bank of Baroda and Union Bank of India according to guidelines issued by Ministry of Coal.</p> <p>No amount has been withdrawn from Escrow account during the financial year 2023-24.</p>
4	Whether the impact of penalty for illegal mining as imposed by the Hon'ble Supreme Court/ National Green Tribunal/ State Pollution Control Board has been duly considered and accounted for?	<p>There is no demand on account of illegal mining as imposed by the Hon'ble Supreme Court/ National Green Tribunal/ State Pollution control Board as on 31.03.2024.</p> <p>However, demand notices amounting to ₹ 17,344.46 crore have been issued in respect of 47 Projects/Mines/ Collieries of the company by State Government (District Mining Officer) in pursuance of the judgement dated 02.08.2017 of Hon'ble Supreme Court of India vide W.P. (C) No. 114 of 2014 in Common Cause vs. Union of India & Others.</p> <p>Based on the judgment received from Revisional Authority, MoC and legal opinion, the above demand has been set aside.</p> <p>The same is suitably disclosed in the Additional Notes to Accounts vide no. 16.1 (a) (I) (i)</p>

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5	Whether any independent Assessment/ Certification in respect of migration process of data from Coalnet portal to SAP has been done.	Till date no independent assessment/certification in respect of migration process of data from Coal- Net portal to SAP has been obtained by BCCL.

For Nag & Associates

Chartered Accountants

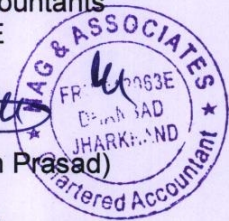
FRN: 312063E

(Madan Mohan Prasad)

Partner

M.No.: 074568

UDIN: 24074568BKGOJO1746



Place: Dhanbad

Dated: 24th April, 2024

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Annexure –II to the Independent Auditors' Report to the members of Bharat Coking Coal Limited, Dhanbad on the Standalone Financial Statements for the year ended 31st March, 2024

(Referred to in paragraph 1 of "Report on Other Legal and Regulatory Requirements" of our Independent Audit Report)

(i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of intangible assets.

(b) The Property, Plant and Equipment of the Company have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company except in the following cases: -

Description of property	Gross carrying value. (in ₹ Crores)	Held in Name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of the Company
Freehold Land	150.45	Only in case of directly purchased by the Company (1079.75 Ha)	Not Applicable	Different dates	Out of the total freehold land of 16381.09 Ha held in the possession of BCCL, 9945.88 Ha of land is under the category of vested land through Coking Coal Mines/Coal Mines Nationalisation Act, 1972 and 1973; 1090.17Ha of land is

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Description of property	Gross carrying value. (in ₹ Crores)	Held in Name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of the Company
					related to Coal Mines Labour Welfare Organisation including Central Hospital and four other Hospitals, Mines Rescue Stations of Government of India, four Washeries of SAIL, erstwhile Coal Board and Central Jharia Projects have been transferred to the Company by the Government of India; balance land of 4265.29 Ha of land is acquired under Land Acquisition Act, CBA(A&D) Act, Merger of NCDC, Government transferred land and forest diverted land. Now as per the notification of the Government of India, dated 07.04.2022, the mutation of those land acquired under Coal Mines (Nationalization) Act 1972 & 1973 as well as Coal Bearing Areas (Acquisition & Development) Act 1957, are required to be mutated with

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Description of property	Gross carrying value. (in ₹ Crores)	Held in Name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of the Company
					<p>respective State Governments in the name of the Company. But the said mutation, has not yet been completed.</p> <p>3. In case of directly purchased lands of 1,079.75 Ha by the Company, proof of mutations in favour of the Company could not be produced for our verification by the Estate Department of Head Quarter.</p> <p>4. Further, lands in the name of BCCL, HQ, measuring 542.22 acres, out of which no documentary evidences could be produced of 42.72 acres with relation to the Company's ownership.</p>
Other Land	40.43	Not Applicable	Not Applicable	Different dates	3.864 Ha of Railway land at Loyabad station is taken on lease for a period of 35 years from March 2022.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year ended 31st March, 2024.

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- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The company has physically verified inventory at reasonable intervals. No such discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- (b) Unsecured working capital limits have been sanctioned during the year in excess of five crore rupees, in aggregate, from banks or financial institutions. The detail of such sanctions is provided in the below table:

Bank Name	Sanctioned limit (Working capital demand loan/ Working capital loan/ Short term loan)	Outstanding as on 31.03.2024*
HDFC Bank Limited	₹ 350.00 Crore	Nil
AXIS Bank Limited	₹ 200.00 Crore	Nil
ICICI Bank Limited	₹ 50.00 Crore	Nil

* No amount of limit has been availed by the Company during the year.

However, the Company has not been sanctioned any working capital limits in excess of ₹ 5 crores, from bank or financial institutions based on security of current assets during the financial year 2023-24.

- (iii) During the year the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
- (iv) According to the information and explanation given to us the Company has not granted any loans, or made investments, or given guarantees, or provided any security in connection with loan taken by other body corporate or persons as per the provisions of sections 185 and 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Services Tax, Cess and other

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Statutory Dues with the appropriate authorities. According to the information and explanations given to us, there are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable, as per books of accounts of the Company as at 31st March, 2024.

(b) According to the information and explanations given to us, there are statutory dues which have not been deposited with the appropriate authorities on account of any dispute are detailed below:

Sr No	Name of the Statute	Nature of Dues	Demand Amount (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
1	Income Tax Act, 1961	Income Tax/TDS/TCS			AO, Dhanbad
			0.0496	2017-18	ACIT, DHANBAD
			0.028	2010-11 to 2014-15	JCIT TDS Dhanbad
			37.5031	2008-09 to 2019-20	CIT DHANBAD
			45.8846	2007-08 to 2016-17	CIT(A) TDS
			27.4627	2007-08 to 2019-20	CIT(A) DHANBAD
			548.8253	2006-07 to 2013-14	ITAT, RANCHI
2	JVAT ACT, 2005	Jharkhand VAT	2.233	2012-13	ACCT
			129.52	2007-08 to 2020-21	DCCT
			109.4676	1999-00 to 2016-17	JCCT
			1.3863	2010-11	CCT/Appellate
			0.1	2011-12	Tribunal Ranchi
3	BST ACT, 1959	Bihar Sales Tax	2.99	2004-05 to 2006-07	DCCT
4	CST ACT, 1956	Central Sales Tax	0.1912	2012-13 to 2014-15	ACCT
			142.3265	2004-05 to 2019-20	DCCT
			132.0213	2003-04 to 2019-20	JCCT

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			0.8929	2010-11	CCT/Appellate
			0.6582	2011-12 to 2014-15	Tribunal Ranchi
5	WB PE Act, 1973 and WBREP Act, 1976	Rural Education & Primary Education Cess	8.9122	1995-96 to 2009-10	WB Tribunal
			0.3524	2010-11 to 2011-12	Special Commissioner WB VAT Belghachia
6	MMRD ACT, 1957	Royalty	186.33	1979 to 2014-15	Certificate Officer, Dhanbad
			4.47	2005-06	Ministry of Coal
			319.31	1979-80 to 2012-13	Jharkhand High Court
			1.10	1994-95	Supreme court
7	ED ACT, 1948	Electricity Duty	6.2898	2007-08 to 2015-16	DCCT
			25.1382	2006-07 to 2016-17	JCCT Dhanbad
8	Finance Act, 1994	Service Tax	3.986	2014 to March 2017	CESTAT KOLKATA
			0.0107	2014-15 to 2016-17	Commissioner Appeals Ranchi
			2.6469	2014-15 to 2016-17	JC, Dhanbad
9	Central Excise Act, 1944	Excise Duty	9.4818	March 11 to June 2018	The Commissioner of Central Excise (Appeals), Ranchi
			248.178	2010-11 to 2017-18	Tribunal
			7.5293	March 86 to 2014-15	Jharkhand High Court
10	SGST ACT, 2017	GST	100.4524	2017-18	Jharkhand High Court
			9.8485	2017-18	Comm. Appeal

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11	HOLDING TAX	Holding Tax	252.23	2015-16	Jharkhand High Court
12	Energy Cess	Energy Cess	0.6787	2012-13 to 2015-16	JCCT Jharia Circle
	TOTAL		2,368.49		

- (viii) According to the information and explanations given to us, no transactions were related to the Company surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- (ix) (a) The company has taken loans from Bank during the year and the same has been repaid during the financial year without any default.
(b) The company has not declared a wilful defaulter by any bank or financial institution or other lender during the year.
(c) The company has not taken any term loans during the year nor there was any outstanding term loan at the beginning of the year.
(d) The company has not raised any funds on short term basis during the year.
(e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures during the year.
(f) The company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised any money by way of an initial public offer or further public offer including debt instruments) during the year.
(b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the year, except the following cases of fraud on the Company by its officers or employees, vide letter dated 03.04.2024 received from Vigilance Department

Sl No	Case No.	Brief of the Case
Case-1	CB/03/2023 Registered on 03.05.2023	Alleged irregularities in the remittance of PF and Pension contribution at Central Hospital Dhanbad
Case-2	CB/04/2023 Registered on 15.05.2023	Irregular deployment of Sunday/holiday to the drovers of water tankers and persons of auto department at Kustore colliery in PB Area even if water tanker remains breakdown.
Case-3	CB/05/2023	Alleged acquisition of asset disproportionate to his known sources

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	Registered on 15.09.2023	of income by Shri Ratnakar Mallik, Area Personnel Manage. Block-II Area of BCCL.
Case-4	CB/01/20234 Registered on 06.01.2024	Alleged corrupt practices by the officials of Katras Area.
Case-5	CB/02/2024 Registered on 28.03.2024	Alleged irregularities in issuance of NOC to retired employee without handing over his allotted Company's quarter.
Case-6	CB/04/2024 Registered on 29.03.2024	Alleged irregularities in committed by Dr. S.S. kumar while posted as Area Medical Officer, Govindpur Area

(b) No information has been received by us or come to our notice during the course of audit in relation to the report under sub-section (12) of section 143 of the Companies Act to be filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year;

(c) According to the information and explanations given to us, including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) (a) The Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditors from April 2023 to March 2024 have been considered.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with him, as covered under Section 192 of the Companies Act, 2013.

(xvi) (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).

(b) The company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) The company has not Group more than one CIC as part of the Group;
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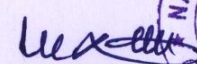


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- (xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, in our opinion that no material uncertainty exists as on the date of the audit report that the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We however state that this is not an assurance as to the future liability of the Company. We further state that our reporting is based on the facts up to date of audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) The Company has no projects other than ongoing projects. Therefore, compliance with second proviso to sub-section (5) of section 135 of the said Act is not applicable to the Company.
(b) In respect of ongoing project, the Company has not transferred the unspent CSR amount at the Balance Sheet date out of the amount that was required to spent during the year, to a special account in compliance with the provision of sub-section (6) of section 135 of the said Act till the date of our report since the time period for such transfer i.e. 30 days from the end of the financial year has not elapsed till the date of our report.
- (xxi) The Company is not required to prepare consolidated financial statement, therefore. The provision of the Clause No. 3 (xxi) Order is not applicable to the Company.

For Nag & Associates
Chartered Accountants
FRN: 312063E


(Madan Mohan Prasad)
Partner
M.No.: 074568



Place: Dhanbad
Dated: 24th April, 2024

UDIN: 24074568BKGOJO1746

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Annexure - III to the Independent Auditors' Report to the members of the Bharat Coking Coal Limited, Dhanbad on the Standalone financial statements for the year ended 31st March 2024.

[Referred to in Paragraph 3(g) of "Report on Other Legal and Regulatory Requirements" section of our Audit Report]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of Bharat Coking Coal Limited ("the Company") as of 31st March 2024 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Unit considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Unit's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment,

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including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Unit's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Unit are being made only in accordance with authorisations of management of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Branch at Kolkata, New Delhi, Hyderabad



Nag & Associates
Chartered Accountants

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Dhanbad Branch Office:

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Jharkhand-826001

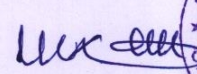
Opinion

8. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Nag & Associates

Chartered Accountants

FRN: 312063E


(Madan Mohan Prasad)
Partner

M.No.: 074568

UDIN: 24074568BKGOJO1746



Place: Dhanbad
Dated: 24th April, 2024

Branch at Kolkata, New Delhi, Hyderabad