

# ANNUAL REPORT & ACCOUNTS 2010 - 11



**Coal India Limited**

A Maharatna Company

[www.coalindia.in](http://www.coalindia.in)



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## Important Communication to Members

The Ministry of Corporate Affairs has taken a **"Green Initiative in the Corporate Governance"** by allowing paperless compliances by the companies and has issued circulars, stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants.

## Board of Directors



Shri N. C. Jha



Shri Alok Perti



Ms. Anjali Anand Srivastava



Prof. S. K. Barua



Dr. A. K. Rath



Dr. Sheela Bhide



Shri Kamal R. Gupta



Dr. R. N. Trivedi



Shri Mohd. Anis Ansari



Ms. Sachi Chaudhuri



Shri R. Mohan Das



Shri A K Sinha

## Permanent Invitees



Shri D. C. Garg



Shri A. K. Singh



Shri Pradeep Bhatnagar

# Members of the Board

as on 12th July, 2011

## Functional Directors :

Shri N. C. Jha	:	Chairman (Additional Charge)
Shri N. C. Jha	:	Technical
Shri N. C. Jha	:	Marketing (Additional Charge)
Shri R. Mohan Das	:	Personnel & Industrial Relations
Shri A. K. Sinha	:	Finance

## Part-Time Official Directors :

Shri Alok Perti	:	Special Secretary, Ministry of Coal.
Smt. Anjali Anand Srivastava	:	Joint Secretary and Financial Advisor, Ministry of Coal.

## Independent Directors :

1. Prof. S. K. Barua
2. Dr. A. K. Rath
3. Dr. (Smt.) Sheela Bhide
4. Shri Kamal R. Gupta
5. Dr. R. N. Trivedi
6. Sri Mohd. Anis Ansari
7. Ms. Sachi Chaudhuri

## Permanent Invitees :

Sri D. C. Garg	:	Chairman-cum-Managing Director, Western Coalfields Limited.
Sri A. K. Singh	:	Chairman-cum-Managing Director, Central Mine Planning & Design Institute Limited.
Sri Pradeep Bhatnagar	:	Additional Member (Traffic Transportation), Railway Board.

## Chief General Manager(F)/Company Secretary :

Dr. H. Sarkar



## Management During 2010-11

Shri Partha S. Bhattacharyya	: Chairman (From 01.10.2006 to 28.02.2011)
Shri N. C. Jha	: Chairman [Additional Charge] (From 01.03.2011)

### Functional Directors

Shri N. C. Jha	: Director (Technical) (From 01.01.2007)
Shri R. Mohan Das	: Director (P&IR) (From 01.06.2007)
Dr A. K. Sarkar	: Director (Marketing) (From 17.03.2009)
Shri A. K. Sinha	: Director (Finance) (From 13.03.2010)

### Part Time Official Directors

Shri Alok Perti	: Special Secretary, Ministry of Coal (From 27.01.2010)
Shri Sanjeev Kumar Mittal	: Joint Secretary & Financial Advisor, Ministry of Coal (From 10.09.2007 to 31.12.2010)
Smt. Anjali Anand Srivastava	: Joint Secretary & Financial Advisor, Ministry of coal (From 20.01.2011)

### Independent Directors

Shri P. K. Banerjee	: (From 24.08.2007 to 23.08.2010)
Shri Arvind Pande	: (From 24.08.2007 to 23.08.2010)
Shri S. Murari	: (From 24.08.2007 to 23.08.2010)
Prof. S. K. Barua	: (From 24.08.2007)
Dr. A. K. Rath	: (From 27.04.2010)
Dr. (Smt.) Sheela Bhide	: (From 04.08.2010)
Shri Kamal R. Gupta	: (From 04.08.2010)
Dr. R.N. Trivedi	: (From 24.08.2010)
Shri. Mohd. Anis Ansari	: (From 24.08.2010)
Ms. Sachi Chaudhuri	: (From 24.08.2010)

### Permanent Invitees

Shri D. C. Garg	: CMD, Western Coalfields Limited (From 21.08.2008)
Shri A. K. Singh	: CMD, Central Mine Planning & Design Institute Limited (From 21.08.2008)
Shri Pradeep Bhatnagar	: Addl. Member (Traffic Transportation) Railway Board (From 07.09.2010)

### Chief General Manager (F) /Company Secretary :

Dr. H. Sarkar	: (From 30.09.1997)
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## Bankers, Auditors and Regd. Office

### Bankers

- 1) STATE BANK OF INDIA
- 2) PUNJAB NATIONAL BANK
- 3) BANK OF BARODA
- 4) UNITED BANK OF INDIA
- 5) BANK OF INDIA
- 6) ORIENTAL BANK OF COMMERCE
- 7) UNION BANK OF INDIA
- 8) CANARA BANK
- 9) ALLAHABAD BANK
- 10) ICICI BANK
- 11) HDFC BANK
- 12) CITI BANK
- 13) BNP PARIBAS
- 14) DEUTSCHE BANK
- 15) ROYAL BANK OF SCOTLAND
- 16) STANDARD CHARTERED BANK
- 17) HSBC
- 18) CREDIT AGRICOLE CORPORATE & INVESTMENT BANK
- 19) BANK OF MAHARASHTRA
- 20) IDBI BANK
- 21) CENTRAL BANK OF INDIA
- 22) UCO BANK

### Statutory Auditors

M/s Deoki Bijai & Co.  
Chartered Accountants  
213C, Jabakusum House  
34, Chittaranjan Avenue  
Kolkata-700012

### Registered Office

Coal Bhawan  
10, Netaji Subhas Road  
Kolkata-700001  
India

### Website

[www.coalindia.in](http://www.coalindia.in)



## Notice

No. CIL:X1(D):04043:2011:2754

Dated 12th July, 2011

### Notice of the Thirty-Seventh Annual General Meeting of Coal India Limited

Notice is hereby given to the Members of Coal India Limited that the Thirty-Seventh Annual General Meeting of the Company will be held on **Tuesday, the 20th Sept, 2011 at 11-00 AM** at the Science City, Main Auditorium, JBS Haldane Avenue, Kolkata - 700 046 to transact the following business.

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011, Profit and Loss Account for the financial year ended on that date together with the Reports of Statutory Auditor & Comptroller & Auditor General of India and Directors' Report.
2. To confirm payment of Interim dividend paid and to declare Final Dividend on equity shares for the Financial Year 2010-11.
3. To appoint a Director in place of Prof. S.K.Barua, who retires by rotation in terms of Article 33(d) of the Articles of Association of the Company and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Alok Perti, who retires by rotation in terms of Article 33(d) of the Articles of Association of the Company and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Dr. A.K.Rath, who retires by rotation in terms of Article 33(d) of the Articles of Association of the Company and being eligible, offers himself for reappointment.

By order of the Board

( Dr. H. Sarkar )  
Chief General Manager (F)/ Company Secretary

Registered Office :  
10, N.S.Road,  
Kolkata-700 001. India.

## NOTES :-

1. Brief resume of the Directors seeking re-appointment as mandated under Clause 49 of the Listing Agreement with the Stock Exchanges is annexed hereto and forms part of the notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE, THE PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE ANNUAL GENERAL MEETING. BLANK PROXY FORM IS ENCLOSED.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **Monday, the September 12, 2011 to Friday, the September 16, 2011 (both days inclusive)**. The Final dividend on equity shares, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid on and from **7th Oct' 2011** to the Members or their mandates whose names appear in the Company's Register of Members on September 16, 2011 in respect of physical shares. In respect of dematerialized shares, the dividend will be payable to the beneficial owners of the shares whose names appear in the Statement of Beneficial Ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on September 9, 2011.
4. Members are requested to:-
  - i) note that copies of Annual Report will not be distributed at the Annual General Meeting.
  - ii) bring their copies of Annual Report, Notice and Attendance Slip duly completed and signed at the meeting.
  - iii) deliver duly completed and signed Attendance Slip at the entrance of the meeting venue as entry to the Hall will be strictly on the basis of the entry slip available at the counters at the venue to be exchanged with the attendance slip.
  - iv) quote their Folio / Client ID & DP ID Nos. in all correspondence.
  - v) note that due to strict security reasons, eatables and other belongings are not allowed inside the Auditorium.
5. Members are advised to submit their Electronic Clearing System (ECS) mandates, to enable the Company to make remittance by means of ECS. Those holding shares in physical form may obtain and send the ECS mandate form to M/s. Link Intime India Pvt. Ltd., Registrar & Share Transfer Agent (RTA) of the Company. Those holding shares in Electronic Form may obtain and send the ECS mandate form directly to their Depository Participant (DP). Those who have already furnished the ECS Mandate Form to the Company/ RTA /DP with complete details need not send it again.
6. Members may avail of the facility of nomination in terms of Section 109A of the Companies Act, 1956 by nominating in the Form-2B as prescribed in the Companies (Central Government's) General Rules and Forms, 1956, any person to whom their shares in the Company shall vest on occurrence of events stated in the Form. Form-2B is to be submitted in duplicate to M/s. Link Intime India Pvt. Ltd., RTA of the Company. In case of shares held in dematerialized form, the nomination has to be lodged with the respective Depository Participant.
7. Corporate Members intending to send their authorized representative(s) to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
8. Members are requested to notify immediately any change of address:
  - i) to their Depository Participants (DP) in respect of shares held in dematerialized form, and
  - ii) to the Company at its Registered Office or to its RTA, M/s. Link Intime India Pvt. Ltd. in respect of their physical shares, if any, quoting their folio number.
9. The Board of Directors in its meeting held on February 14th, 2011 had declared an interim dividend @ 35% (₹ 3.50 per share) on the paid-up equity share capital of the company which was paid on and from February 25th, 2011. Members who have not received or not encashed their dividend warrants may approach M/s. Link Intime India Pvt. Ltd, Registrar & Share Transfer Agent of the Company, for obtaining Demand Draft.





10. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the dividend amount which remain unpaid / unclaimed for a period of seven years, are required to be transferred to Investors Education & Protection Fund of the Central Government. After such transfer, there remains no claim of the members whatsoever on the said amount. Therefore, Members are advised to encash their Dividend warrants immediately on receipt.
11. Pursuant to Section 619(2) of the Companies Act, 1956, the Auditors of a Government Company are to be appointed or re-appointed by the Comptroller and Auditor General of India (C & AG) and in terms of Clause (aa) of sub-section 8 of Section 224 of the Companies Act, 1956, their remuneration has to be fixed by the Company in the Annual General Meeting or in such manner as the Company in General Meeting may determine. The Members of the Company in its 27th Annual General Meeting held on 29th September, 2001 authorised the Board of Directors to fix the remuneration of Statutory Auditors.
12. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days (barring Saturdays and Sundays) between 11.00 a.m to 1.00 p.m prior to the Annual General Meeting.
13. The address of Registrar and Transfer Agents of the company is as follows :

**M/S. Link Intime India Pvt. Ltd.**

Unit : Coal India Limited,  
C-13, Pannalal Silk Mills Compound,  
LBS Marg, Bhandup (West),  
Mumbai - 400 078.  
Phone No. 022-2596-3838 Fax: 022-2594-6969  
E-mail : cil.registry@linkintime.co.in

&

**M/S. Link Intime India Pvt. Ltd.**

Unit: Coal India Limited,  
59C, Chowringhee Road,  
3rd floor, Kolkata - 700 020.  
Phone No. 033-2289-0540 Fax : 033-2289-0539  
E-mail : kolkata@linkintime.co.in

By order of the Board

(Dr. H. Sarkar)  
Chief General Manager(F)/  
Company Secretary

Dated: The 12th July, 2011  
Registered Office : 10, N. S. Road,  
Kolkata - 700 001, India.

Brief resume of the Directors seeking re-appointment at the 37th AGM.

Name of the Director	Prof. S.K. Barua	Dr. A.K. Rath	Shri Alok Perti
Date of Birth	23/09/1951	09/01/1949	15/05/1952
Nationality	Indian	Indian	Indian
Date of appointment on the Board	24/08/2007	27/04/2010	27/01/2010
Qualifications	<ul style="list-style-type: none"> <li>● Master's degree in Technology from the Indian Institute of Technology, Kanpur</li> <li>● Doctorate in management from the Indian Institute of Management, Ahmedabad</li> </ul>	<ul style="list-style-type: none"> <li>● IAS</li> <li>● Master's degree in Physics from Delhi University</li> <li>● Doctorate in Business Administration from KIIT University, Bhubaneswar.</li> </ul>	<ul style="list-style-type: none"> <li>● IAS</li> <li>● Master's degree in physics from the University of Allahabad</li> <li>● Master's course in Social Planning and Policy in Developing Countries from London School of Economics, United Kingdom</li> </ul>
List of Directorship held in other Companies	<ul style="list-style-type: none"> <li>● Bharat Petroleum Corporation Limited</li> <li>● Securities Trading Corporation Limited</li> <li>● Torrent Power Limited</li> <li>● IOT Infrastructure and Energy Services Limited.</li> </ul>	<ul style="list-style-type: none"> <li>● Mangalore Refinery &amp; Petrochemical Limited</li> <li>● Mahanadi Coalfields Limited.</li> </ul>	<ul style="list-style-type: none"> <li>● Neyveli Lignite Corporation Limited.</li> </ul>



## CHAIRMAN'S STATEMENT

### Friends,

I have great pleasure in welcoming you to the 37th Annual General Meeting of Coal India Limited. The report of the Directors, audited accounts for the year ended 31st March, 2011 together with the report of the Statutory Auditors and the report and review of the Comptroller & Auditor General of India, are already with you.

The Financial Year 2010-11 was particularly special for Coal India as it made a spectacular debut on the bourses on Nov 4, 2010 being listed its shares with both the Stock Exchanges viz. BSE and NSE. It has been an enthralling experience not only for the Government and CIL, but also for the Indian capital market. In terms of size, it has been the largest IPO having garnered around ₹ 15,200 crores by selling only 10% of the equity. It gives me immense pleasure to state that at present, with the share price of ₹ 394.25 (as on 7th July, 2011) CIL is the country's second largest company in terms of market capitalisation of around ₹ 2.50 lakh crore, second only to Reliance Industries Ltd. Due to this BSE has announced on 17th June, 2011, CIL's shares will be included in the Benchmark Sensex from 8th August, 2011.

On 11th April, 2011, Govt. of India conferred "**MAHARATNA STATUS**" to Coal India Ltd. This is only the 5th PSU to have been conferred with such status. The Maharatna status will provide greater financial autonomy to expand its operations both domestically and globally. In four years' time from a normal profit making PSU, CIL attained the status of Mini Ratna on 15th March, 2007, Navaratna on 24th October, 2008 and now Maharatna, the highest status.

### 1. Importance of Coal in Indian Economy

Today, India is among the fastest growing economies in the world. Energy is one of the major inputs for the economic development of any country. In developing countries, the energy sector assumes a critical importance in view of the ever-increasing energy needs requiring huge investments to meet them. Coal dominates the energy mix in India, contributing over 50% of the total primary energy production and is expected to continue to be crucial to India's future energy needs.

In fiscal 2011, coal produced by Coal India Limited accounted for 81.1% of coal production of India. There appears to be no dearth of market for coal, if it can be produced at a reasonable cost on a sustainable basis. Coal Industry in India shall continue its dominance as the primary source of energy for most part of the 21st century.

### 2. Vision

The strategic vision of the company is to place itself on a path of accelerated growth with enhancement in productivity, competitiveness and profitability while meeting the growing demand of coal in the country in an environmentally and socially sustainable manner. CIL has formulated a 'Coal Vision 2020' document, to chart out a roadmap aimed to bring in the necessary transformation in the key areas to enable the company sustain its role as the largest coal provider to one of the world's fast growing economy.

### 3. Activities

We are the largest coal producing company in the world, based on our raw coal production of 431.32 million tonnes in the fiscal ended March 2011. Our coal production operations are primarily carried out through seven of our wholly-owned Subsidiaries in India. In addition, another wholly owned Subsidiary, CMPDIL, carries out exploration activities for our Subsidiaries and provides technical and consultancy services for our operations as well as to third-party clients for coal exploration, mining, processing and related activities. We have also established a wholly-owned subsidiary in Mozambique, Coal India Africana Limitada ("CIAL"), to pursue coal mining opportunities in Mozambique. CIL has over three and a half decades of core competence across the entire coal business value chain starting from exploration, planning and design, operations, beneficiation and marketing. The principal product of CIL is raw coal, primarily non-coking. CIL is also looking for diversification opportunities in the areas of Coal Bed Methane, Coal Gasification, Coal Liquefaction and Power Generation.

#### 4. Performance Highlights

Production of raw coal during 2010-11 was 431.32 million tonnes as against 431.26 million tonnes produced in 2009-10. Overburden removed during 2010-11 was 732.13 million cubic metres as against 682.03 million cubic metres in 2009-10 thereby recording a growth of 7.3%. Off-take of raw coal continued to maintain its upward trend and reached 424.50 million tonnes for fiscal ended March, 2011, surpassing previous highest figure of 415.96 million tonnes achieved during the last year. Although growth in coal production was marginal due to environmental constraints, off-take increased by 2.1% over last year.

CIL and its subsidiaries have achieved an aggregate pre-tax profit of ₹16463.23 crores in 2010-11 against a pre-tax profit of ₹13964.93 crores in 2009-10. Your Directors recommended dividend payment of ₹2463.38 crores @ ₹3.90 per share of ₹10/- each. Out of total dividend, Govt of India gets ₹2217.04 crores and other investors get ₹246.34 crores.

#### 5. Growth Profile

There are 149 ongoing projects in CIL having sanctioned capacity of 438.73 MTY with total sanctioned capital of ₹ 25,938.77 Crores. Out of these, 85 projects have contributed 206.94 MT in 2010-11 and altogether 100 projects are expected to contribute 237.67 MT during 2011-12. In the terminal year of XII Plan period, i.e. 2016-17, the ongoing projects are estimated to contribute 326.85 MT of coal.

Out of 145 projects identified to be taken up during XI Plan, 80 projects having ultimate sanctioned capacity of 195.78 MTY and sanctioned capital of ₹ 11,293.27 Crores have already been approved and are in various stages of implementation. Out of these, 37 projects have already contributed 80.11 MT in 2010-11 and altogether 42 projects are expected to contribute 88.71 MT in 2011-12. Balance 65 identified projects of XI Plan period having total estimated capacity of 196.14 MTY and estimated capital of ₹ 25,660.09 Crores are yet to be approved.

#### 6. Coal Beneficiation

In order to supply improved quality and sized coal, CIL operates 17 coal washeries with a total capacity of 39.4 MTY. Out of these, 12 are coking coal washeries with a total capacity of 22.18 MTY and 5 are non coking coal washeries with a total capacity of 17.22 MTY.

As a step towards reducing environmental pollution, CIL has decided to supply washed coal to all the non-pit head consumers in 1st phase. In this direction, we have taken action to set up 20 coal washeries with a total throughput capacity of 111 MTY in 1st phase and tender for 3 washeries for a capacity of 20 MTY has been finalized. The washed coal from these washeries will be supplied to Steel, Power, Cement industries. Increased use of washed coal will not only help in reduction of pollution level but also, apart from significant saving of transportation cost, leads to important operational spin-offs which directly contribute to improvement in plant performance thus leading to economic gain.

CIL is also planning to construct more washeries in the 2nd phase to supply washed coal to as much consumers as possible. In search of state-of-the-art and new technologies for coal beneficiation, CIL's efforts are on for implementation of various R&D projects. The old and outlived coal washeries of CIL are also undergoing the process of modernisation / renovation.

#### 7. Strategy for abandoned mines

18 abandoned mines with estimated reserves of over 1600 Million Tonnes of high quality coking and thermal coal have been identified for developing under a Joint Venture arrangement in association with internationally reputed global underground mining companies having reasonable expertise and financial backgrounds.

After a pre-NIT meeting with the short-listed parties and subsequent to the receipt of Govt. guidelines in February, 2010, model NIT document was finally approved.

In the first round of limited tendering, no short-listed parties responded. Rather, some of the parties gave some suggestions for softer tendering conditions. Those suggestions were examined and accepted to the extent possible. Second round of limited tendering is in process. It has been decided that if the second round of tendering also yields no result, open global tendering route will be resorted to.



## **8. Refocus on Underground Mining**

One of the most important strategic initiatives that CIL undertook is to bring into focus the need for enhanced underground mining activities.

A special purpose NIT document was formulated for developing 7 high capacity underground mines on long-term turnkey contract basis. The tenders were issued to short-listed parties. In absence of any response from the parties, subsidiaries were advised to reframe NIT document to make it more attractive for bidders and go for open global tender. One subsidiary has been able to finalise bids for 4 underground mines.

## **9. Initiatives for acquiring the assets of MAMC (in liquidation) and its revival to support underground mining activities with indigenous mining equipment.**

With a view to increase underground coal production in coming years and to ensure availability of supporting indigenous underground mining equipment, CIL had entered into an agreement with BEML and DVC for acquiring the assets of erstwhile Mining and Allied Machinery Corporation (MAMC) and its revival by restarting manufacturing of underground mining equipment etc. Equity participation of BEML, CIL & DVC was 48%, 26% and 26% respectively.

The assets and properties of the erstwhile MAMC were acquired by the consortium companies in July, 2010 for offered price of ₹ 100 crores at the auction conducted by the Hon'ble Calcutta High Court.

Finalization of the Share Holders Agreement (SHA), Articles of Association (AoA) & Memorandum of Association (MoA) are under process. After finalisation of the above a JV company named as 'MAMC Industries Ltd', would be formed.

After revamping the Durgapur plant of the erstwhile MAMC, manufacturing of equipment would commence in this plant soon.

## **10. Foreign Venture Initiatives**

### **A. Some Structured Deals**

Coal Videsh Division of CIL is pursuing its foreign venture initiatives through some structured deals in order to import coal to India for securing energy security of the nation. A global Expression of Interest (EOI) was floated by CIL to select Strategic Partner(s) in preferred destination countries like Australia, USA, South Africa and Indonesia to acquire stakes in the existing or Greenfield coal resources under the following deal structures:

- a. Model - I: Equity investment by CIL in brown field coal projects with long-term offtake contract at a price less than prevailing import price.
- b. Model - II: Only long-term offtake contract on cost plus basis at a price less than prevailing import price, with financial assistance (if required) by way of loan from CIL for production augmentation.
- c. Model - III: Formation of JV for exploration, development and operation of greenfield coal assets in any of the destination countries.

As an outcome of this initiative, conditions precedent non-binding offers have been sent to the identified coal companies in USA, Australia and Indonesia under Model-I and Model-III. Further confirmatory due diligence process in relation to the identified coal assets are in progress.

A global Expression of Interest for Contract for Long-term Off-take (CLTO EOI) under Model-II was floated in August 2010 consisting of two stages (i) Stage -I, inviting responses to Request for Qualification (RFQ) to short-list companies for long-term off-take contracts as per eligibility criteria agreed by CVC and (ii) Stage-II, Request for Proposal (RFP) from Stage-I shortlisted bidders.

On completion of Stage-I, Request for Proposal (RFP) were sent to the qualified bidders to furnish the quantity, quality, price and relevant port details for further evaluation of their proposals. The responses received against the RFP (19 proposals from 5 companies) are currently being examined and evaluated.

## B. Coal blocks in Mozambique

Coal India Africana Limitada (CIAL) will shortly be taking up exploratory works in the two allocated blocks A-1 and A-2 in Mozambique.

### 11. Safety – always a priority

We have always given the highest priority towards Safety which is, in CIL, considered as a part of its core production process. CIL has well defined Safety Policy and formed multidisciplinary Internal Safety Organization (ISO) in every subsidiary company and also at CIL (HQ) to monitor implementation of safety policy.

Over the years the safety standard in CIL has been significantly improved due to commitment of the management, workers, regulators, well thought out and conscientious safety awareness drives, advanced and continuous training of the workforce, technological advances in the field of mining methods and equipment, strong oversight and required assistance from the Ministry of Coal. For instance, fatality rate per million tonne of coal produced in CIL has been reduced by 92% from 2.62 (in 1975 the year of formation of CIL) to 0.21 (2010).

To improve safety standard, CIL have vigorously pursued several measures in the year 2010-11 along with on-going safety related activities / initiatives apart from compliance of statutory requirements for safety.

### 12. Steps towards Environment

We subscribe to the view of sustainable development and are, therefore, committed to follow environmentally responsible practices and abide by relevant environmental laws and regulations. Though our mining operations involve degradation of land, we ensure to restore the degraded land by preparing a detailed Mine Closure Plan, which consists of progressive mine closure as well as final Mine Closure Plan, for all operating mines. Accordingly the mined out areas are reclaimed both technically and biologically by planting local species of plants. Back filling of mining voids by the overburden material, spreading of topsoil, its storing and preservation are the integrated part of the mining operation cycle.

The subsidiaries of CIL have planted around 74 million of trees, as a part of its afforestation programme. As per study taken up by forest department, on analysis of meteorological data for 1985 to 1995 and 1996 to 2002 in Singrauli Coalfields, annual average minimum and maximum temperatures have decreased and average annual rainy days as well as rainfall have increased, as a result of extensive plantation done by NCL.

In order to monitor the land reclamation work, CIL has introduced Satellite Surveillance Programme. Presently 163 OC projects are in operation in CIL out of which 49 major OCPs, excavating > 5 million cum. per year are monitored every year. Remaining 114 projects are being monitored once in 3 years. The satellite data compared on year-to-year basis shows the marked improvement in this field of land reclamation.

Coal India has taken a very serious proactive views on land reclamation and mine closure. Each subsidiary has been advised to identify one demonstration mine for model mine closure for implementation in the current year.

Besides, in all the subsidiaries, various mitigation measures against pollution of air, water and noise are taken. All the pollution parameters are monitored regularly to ensure compliance of requisite standards. In pursuit of maintaining high Environment standards and in a drive towards environmentally sustainable coal mining, every year we are obtaining accreditation of ISO 14001 for many mines and other units. So far, 71 projects/units have been accredited.

### 13. Corporate Social Responsibility (CSR)

CIL believes in 'mining with a human face' through a socially sustainable inclusive development. It pursues a structured CSR policy in and around the coal mining areas to improve quality of life with community consensus and inclusive participation. CSR activities include development of community infrastructure like school buildings, community hall, village roads, wells, tube wells, school furniture as well as Mahila Mandal Activities, Sports and Cultural activities, Medical Camps etc.

During 2010-11 an amount of ₹ 262.28 crores has been allocated for undertaking CSR activities by the coal companies.



#### **14. Corporate Governance**

CIL has complied with the conditions of corporate Governance as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises, Govt. of India and as provided in Clause 49 of the Listing Agreement. As required under the said guidelines and provisions, a separate section on Corporate Governance has been added to the Directors' Report and a Certificate regarding compliance of conditions of Corporate Governance obtained from the practicing Company Secretary.

#### **15. Expectation**

I am confident that CIL shall continue its move for achieving greater heights in the future and meet the expectation of all the stake holders and the nation at large with the dedicated performance at all levels as in the past.

#### **16. Acknowledgement**

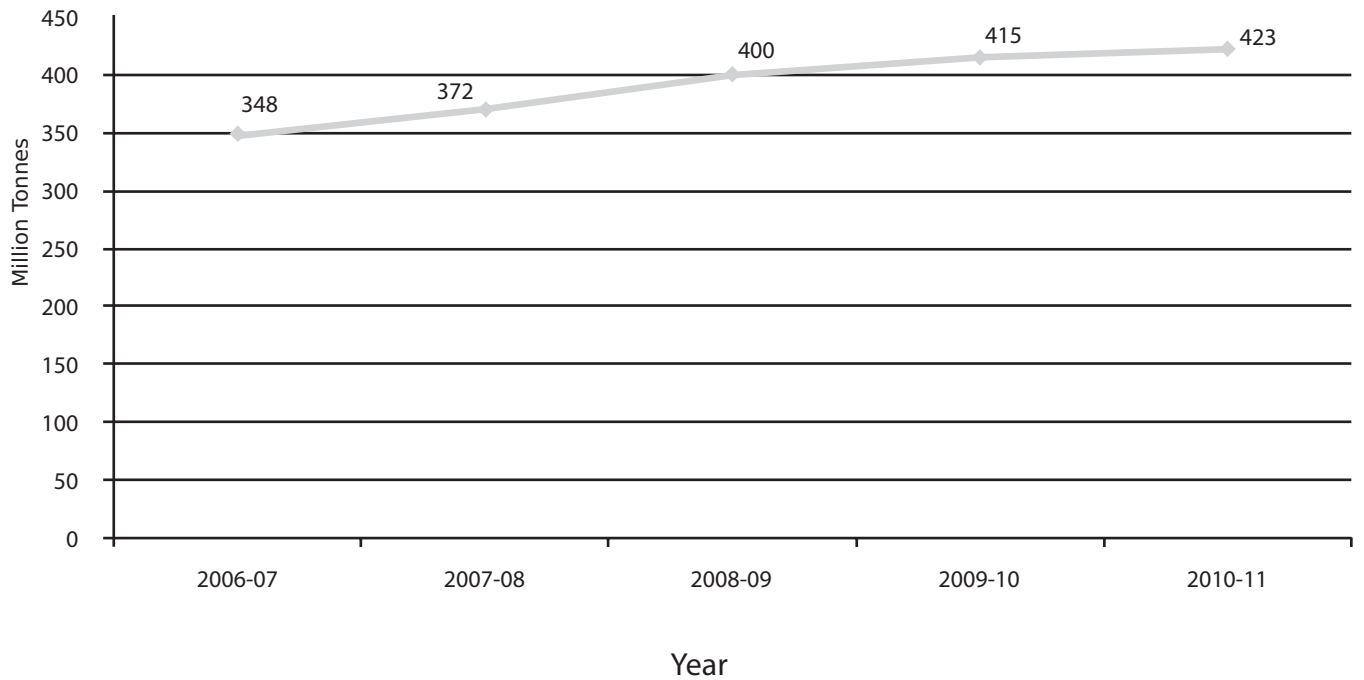
I express my sincere thanks to all the shareholders, Ministry of Coal, other Central Government Ministries and Departments, State Governments, all employees, Trade Unions, consumers and suppliers for their unstinted support and relentless co-operation.

N.C.Jha  
Chairman

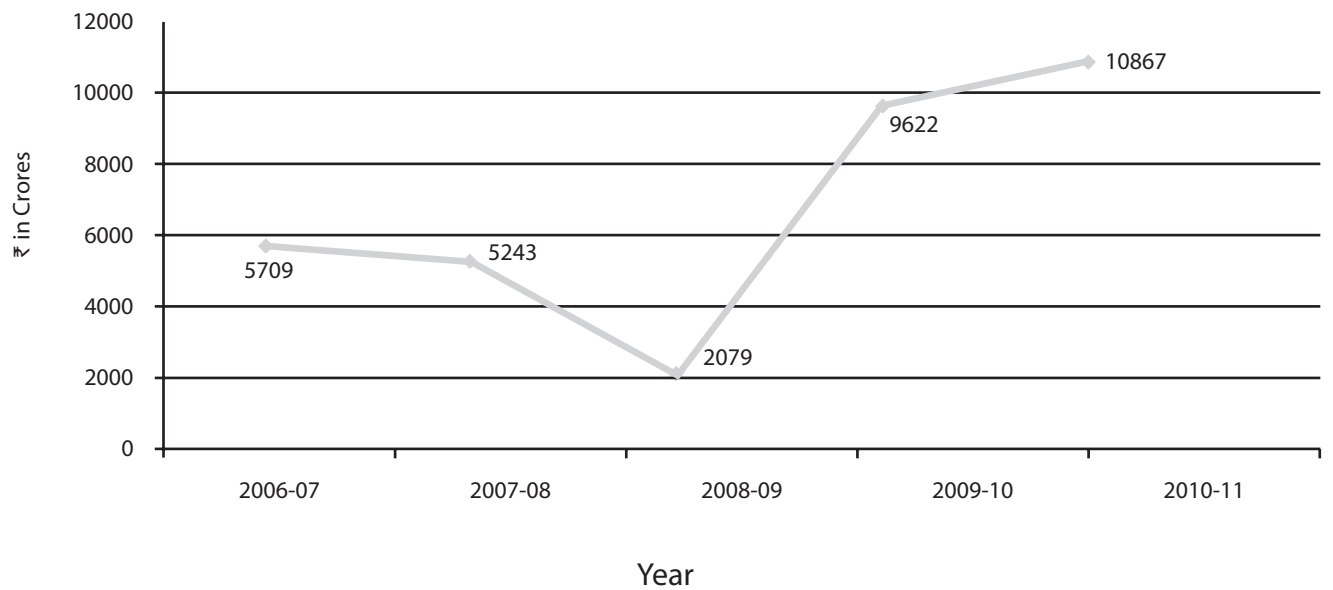
Kolkata

Dated: 12th July 2011

## Despatch of Coal



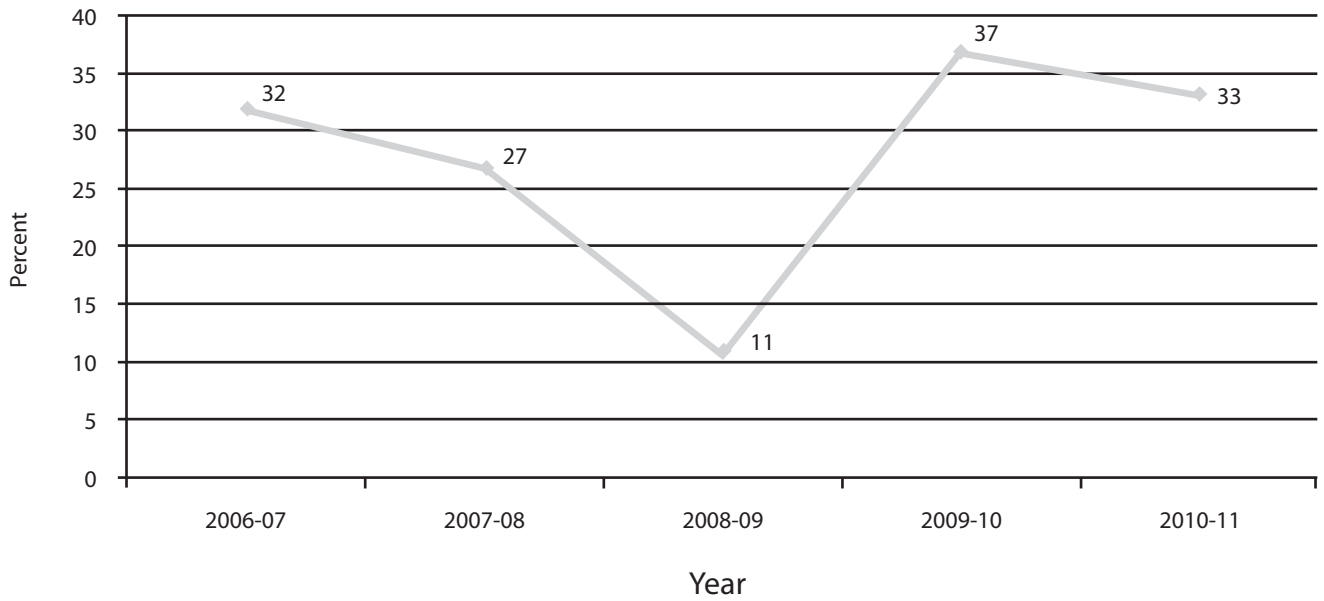
## Net Profit



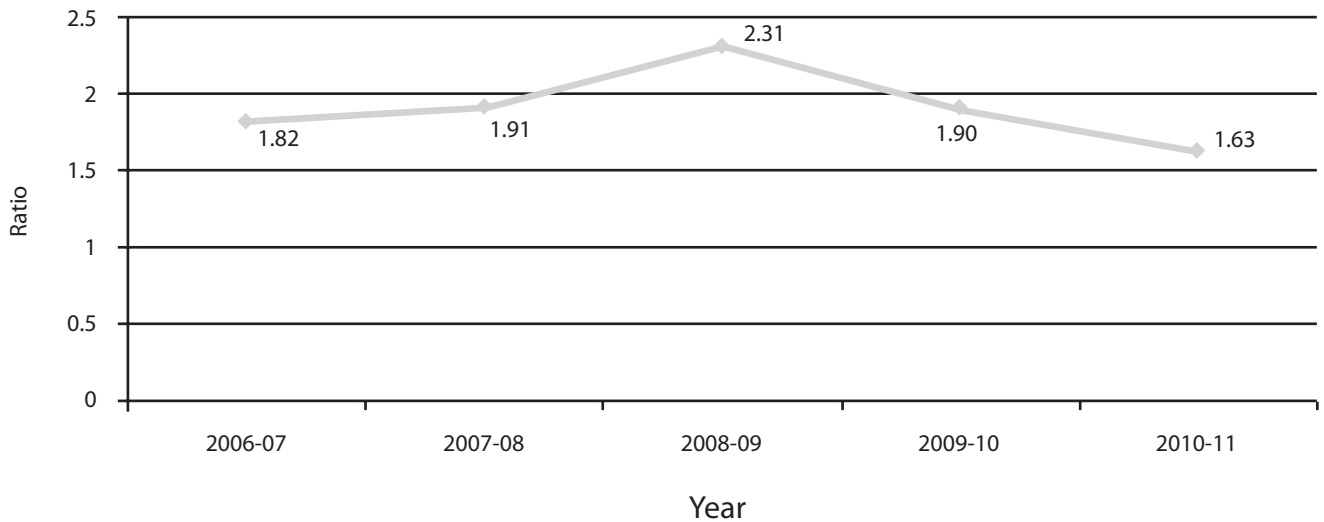




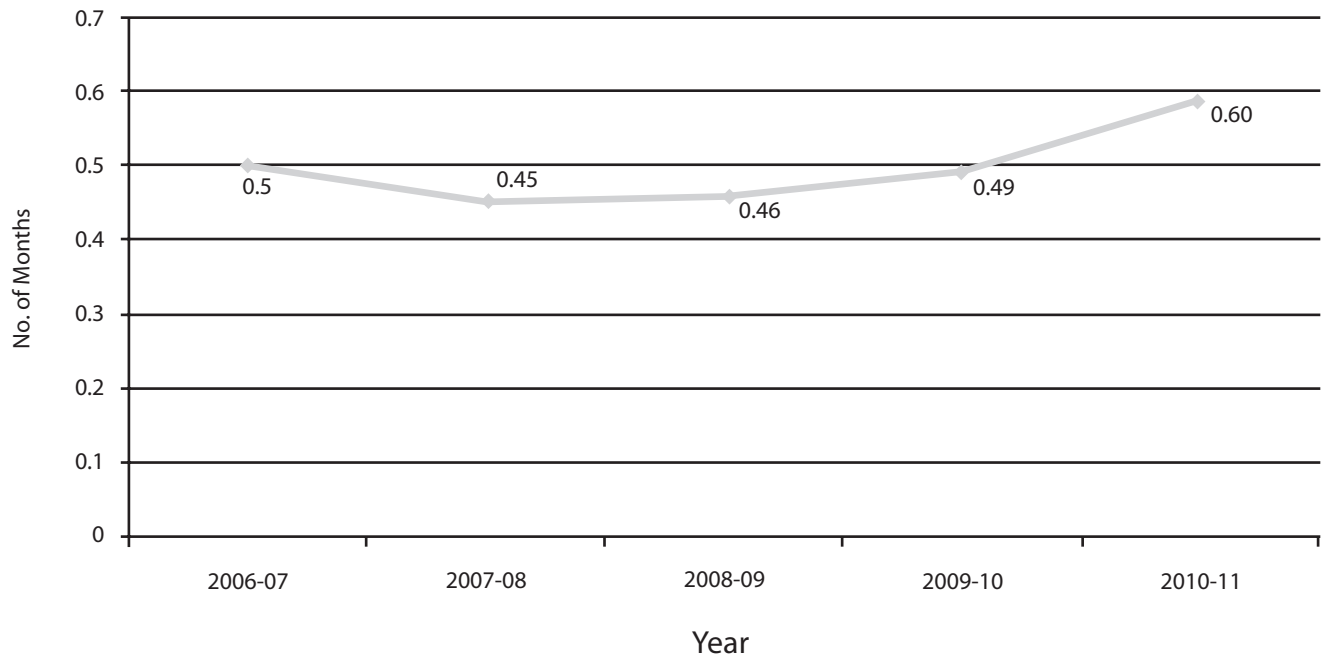
## Net Profit to Net Worth



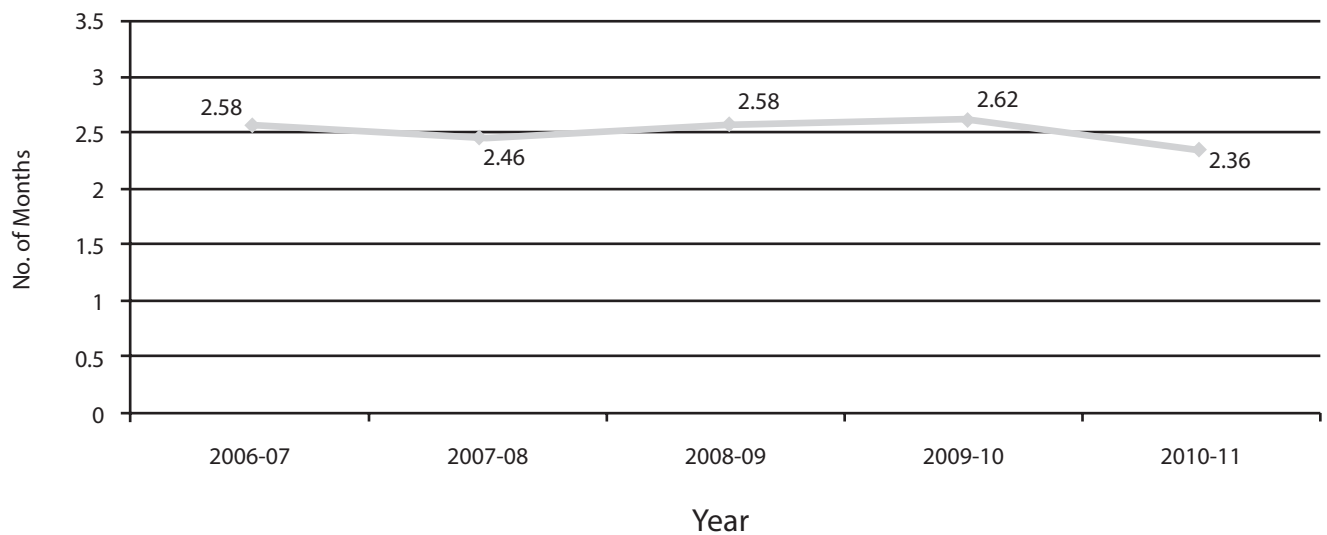
## Sales(Net) to Capital Employed



## Debtors in Months Sales

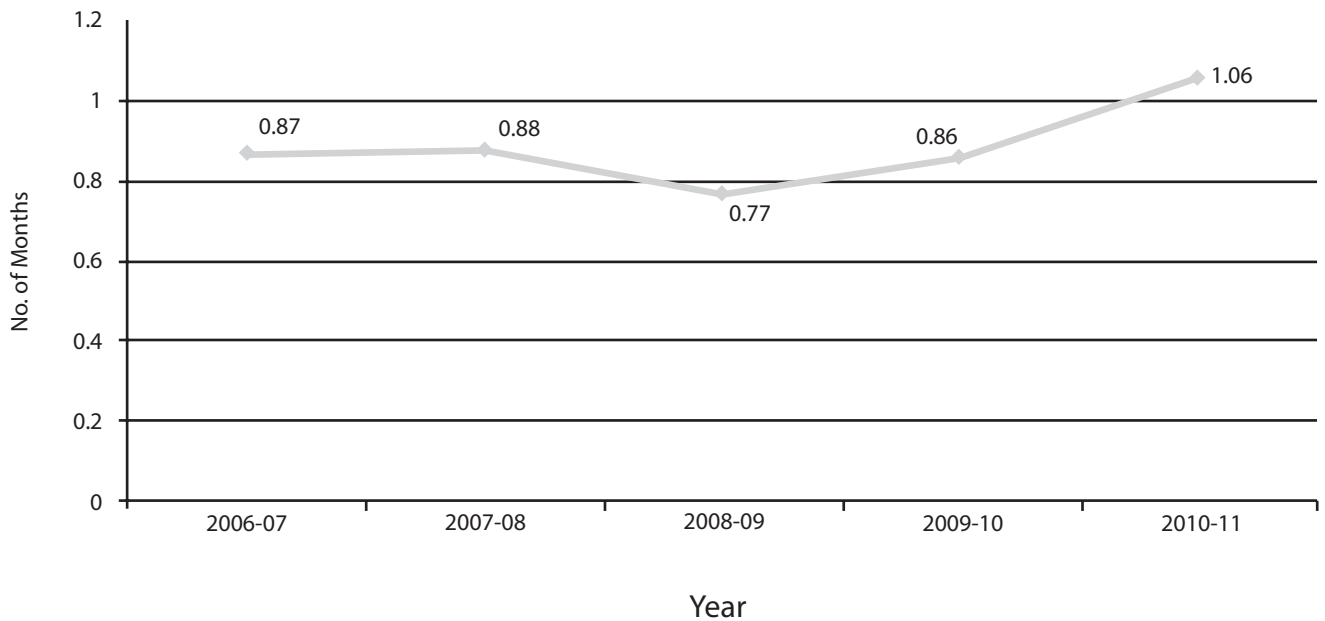


## Stock of stores in Months Consumption

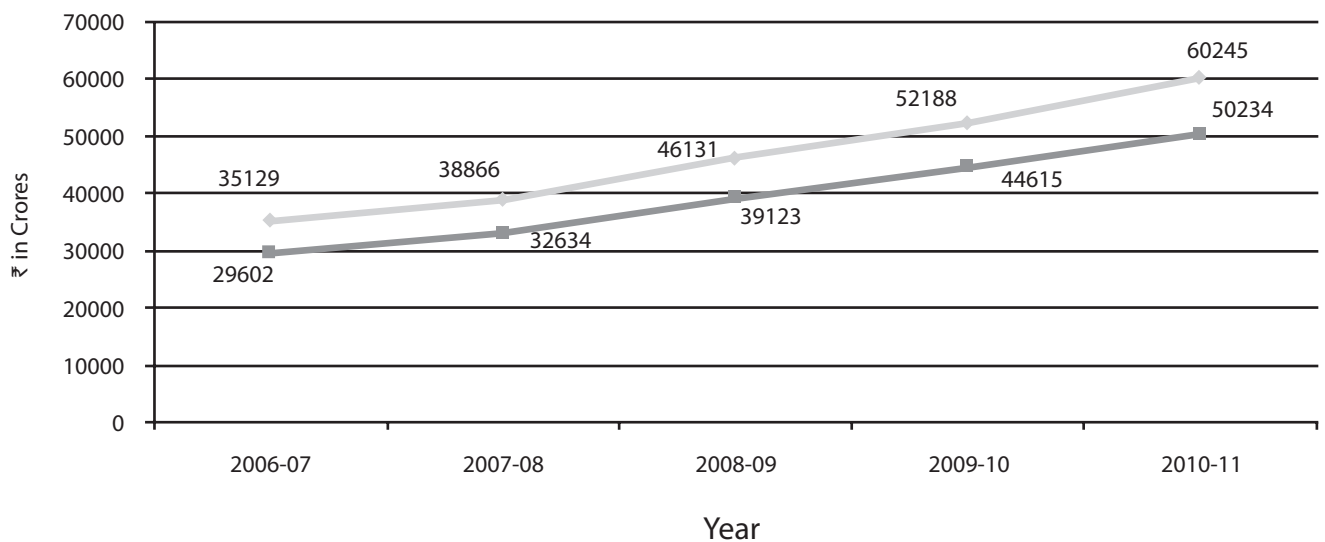




## Stock of Coal as no. of Months Net Sales



## Gross Sales and Net Sales



## OPERATIONAL STATISTICS

### Year Ending 31st March

1. (a) Production of Raw Coal  
(MillionTonnes)  
Underground  
Opencast

#### Total

- b) Overburden Removal  
(million Cum)

2. Off take (Raw Coal)  
(MillionTonnes)

Power  
Steel/Hard Coke  
Railway  
Others

#### Total

3. Average Manpower

4. Year-end Manpower

5. Productivity

- A) Average per Man per Year (tonnes)
- B) Output per manshift (OMS)
  - i) Under Ground (Tonnes)
  - ii) Open Cast (Tonnes)
  - iii) Overall (Tonnes)

	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
	40.02	43.25	43.96	43.54	43.32	45.82	47.04	47.44	48.42	49.22
	391.30	388.01	359.77	335.92	317.59	297.57	276.54	258.92	242.27	230.43
	<b>431.32</b>	<b>431.26</b>	<b>403.73</b>	<b>379.46</b>	<b>360.91</b>	<b>343.39</b>	<b>323.58</b>	<b>306.36</b>	<b>290.69</b>	<b>279.65</b>
	732.13	682.03	645.13	607.56	537.65	533.94	516.11	497.00	501.20	490.13
	304.30	298.87	296.74	280.15	262.14	256.65	248.86	234.23	219.93	217.18
	9.50	8.92	9.00	10.01	9.85	10.02	11.70	12.18	12.28	12.37
	110.70	108.09	95.72	85.17	79.15	66.99	60.99	58.03	57.01	52.88
	<b>424.50</b>	<b>415.88</b>	<b>401.46</b>	<b>375.33</b>	<b>351.14</b>	<b>333.66</b>	<b>321.55</b>	<b>304.44</b>	<b>289.22</b>	<b>282.43</b>
	390243	404744	419214	432710	445815	460369	476577	493061	510671	530987
	383347	397138	412350	426077	439343	452287	468450	484703	501419	519922
	1125.10	1085.93	979.11	890.59	821.48	759.23	652.70	632.06	569.23	526.65
	0.77	0.78	0.76	0.73	0.71	0.71	0.69	0.68	0.69	0.64
	10.06	9.51	8.95	8.60	8.00	7.51	7.18	6.67	6.30	6.08
	4.73	4.47	4.09	3.79	3.54	3.26	3.05	2.82	2.67	2.45



## FINANCIAL POSITION (BASED ON CONSOLIDATED ACCOUNTS OF COAL INDIA LTD. & ITS SUBSIDIARIES)

### OPERATIONAL STATISTICS

#### For the Ending 31st March

(₹ in Crores)

	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
(A) What is owned										
Gross Fixed Assets	36721.12	34945.32	33256.13	31856.91	30257.42	29223.34	28057.55	27622.92	26812.12	26054.82
Less Depreciation & Impairment	23878.21	22909.88	22234.89	21360.32	20040.56	19080.62	17899.98	16523.06	15377.60	13882.07
(1) Net fixed Assets	12842.91	12035.44	11021.24	10496.59	10216.86	10142.72	10157.57	11099.86	11434.52	12172.75
(2) Capital Work-in-progress	2218.05	2210.67	1919.49	1620.09	1335.18	1205.95	1347.45	1188.57	1288.94	1130.87
(3) Deferred tax Asset	873.22	960.39	926.77	977.72	690.63	650.88	590.13	131.91	167.86	
(4) Misc. Expend. & other payable		0.20								
(5) Investment (internal)	1063.69	1282.14	1505.18	1717.90	2025.88	2244.52	2244.52	2244.52	80.08	80.08
(6) Current Assets										
(i) (a) Inventory of Coal, Coke etc.	4439.82	3186.49	2514.98	2381.24	2137.04	1889.50	1405.72	1175.25	1138.65	1057.23
(b) Inventory of Stores & Spares etc.	1038.97	1087.54	1055.51	909.36	900.67	921.92	915.75	931.64	950.66	1002.47
(c) Other Inventories	106.85	127.74	112.39	93.36	82.76	90.40	95.71	85.01	92.08	86.32
(ii) Sundry Debtors (Incl. CWPDL)	3025.56	2168.65	1826.14	1657.06	1586.41	1804.47	2072.14	2484.34	4245.61	4503.81
(iii) Cash & Bank Balances	45862.28	39077.76	29695.01	20961.48	15929.27	13427.24	7986.95	2966.55	1590.84	1131.84
(iv) Loans & Advances	9922.54	8676.20	11244.51	10304.29	8191.88	6278.10	5059.72	4361.32	3648.99	3875.70
Total Current Assets (6)	64396.02	54324.38	46448.54	36306.79	28828.03	24411.63	17535.99	12004.11	11666.83	11657.37
(7) Less Current Liab. & Prov.	46493.90	42909.08	40505.80	29695.18	22820.97	21741.25	18341.40	14478.96	12464.22	12602.59
Net Current Assets (6-7)	17902.12	11415.30	5942.74	6611.61	6007.06	2670.38	-805.41	-2474.85	-797.39	-945.22
<b>TOTAL (A)</b>	<b>34899.99</b>	<b>27904.14</b>	<b>21315.41</b>	<b>21423.91</b>	<b>20275.61</b>	<b>16914.45</b>	<b>13534.26</b>	<b>12190.01</b>	<b>12174.01</b>	<b>12438.48</b>
(B) What is owed										
(1) 10% Redeemable Pref. Shares										
(2) Govt. Loan					0.18	71.62	107.09	125.23	143.36	812.72
(3) Interest Accrued & Due							71.62	98.65	98.47	816.86
(4) Inter corporate Loan										
(5) Term Loan (F. Intt. & Banks)										
(6) Bonds										
(7) Deferred tax liability				197.64	242.41	480.64	25.00	36.00	47.07	58.06
(8) Others (foreign loan, incld. deferred credit)			1980.53	1675.48	1835.88	2018.41	2343.10	2526.14	2849.13	3228.55
<b>SUB-TOTAL (1 TO 7)</b>	<b>1520.96</b>	<b>1623.68</b>	<b>1980.53</b>	<b>1873.12</b>	<b>2078.47</b>	<b>2584.67</b>	<b>3193.60</b>	<b>3293.34</b>	<b>3666.60</b>	<b>4983.59</b>
(9) Bank Borrowings (Incl. O. D. & Oth.)	32.60	463.17	167.94	208.43	307.84	214.96	202.32	353.23	1147.70	1271.47
<b>TOTAL (B)</b>	<b>1553.56</b>	<b>2086.85</b>	<b>2148.47</b>	<b>2081.55</b>	<b>2386.31</b>	<b>2799.63</b>	<b>3395.92</b>	<b>3646.57</b>	<b>4814.30</b>	<b>6255.06</b>
(C) Minority Interest										
Net Worth (A-B-C)	32.61	23.61	1.90							
Represented by:										
(1) Equity Capital (including pending allotment)	6316.36	6316.36	6316.36	6316.36	6316.36	6316.36	6316.36	6316.36	6316.36	7220.54
(2) Reserves	11693.29	10044.70	8615.86	7676.20	6798.49	5893.98	5279.37	4820.91	4699.50	4098.41
(3) Profit/Loss	15307.55	9434.15	4232.84	5349.80	4774.45	1904.48	-1457.39	-2593.83	-4560.33	-5135.53
(4) Misc. Expenditure (D/Liab.)	(3.38)	(1.53)	(0.02)							
Net Worth (1 to 4)	33313.82	25793.68	19165.04	19342.36	17889.30	14114.82	10138.34	8543.44	7359.71	6183.42
Capital Employed	30745.03	23450.74	16963.98	17108.20	16223.74	12741.48	9280.54	8526.36	10618.74	10490.75

**Note :** The Consolidated Accounts have been prepared according to the provisions of the Accounting Standard – 21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India. Since the non-recognition of interest etc. in Holding Company's Accounts, from one of its subsidiaries (as per Accounting Standard – 9) has been ignored in such consolidation, the profit shown in Consolidated Accounts may be read with such deviation. The Consolidated Accounts are presented here as an additional information to the users and are not mandatory as per the provisions of the Companies Act, 1956.

# INCOME AND EXPENDITURE STATEMENT (BASED ON CONSOLIDATED ACCOUNTS OF COAL INDIA LTD. & ITS SUBSIDIARIES)

## OPERATIONAL STATISTICS

### For The Year Ending 31 st March

(A) Earned From :

Gross Sales  
Less: Coal from development Mines  
Less: Levies (Royalties, cesses etc.)

(1) Net Sales  
(2) Accretion/Decretion in Stocks  
(3) Boiler & Domestic Consumption  
(4) Other Revenue Receipts :

C. M. P. D. I. L.  
Others (Aft. Adj. Trans. & Recov. & Contrs)

### TOTAL (A)

(B) Paid to/Provided for

Employees Remu. & benefits (Gross-Rev.)  
Less: Trans. to other revenue heads

(1) Net S & Wages (excl'd. V.R.S. Payment)  
(2) V.R.S. Payment (Net of Grant Recvd.)  
(3) Social Overheads (Incl'd. LLTC & Dom. Coal)  
Less : Social Overhead Dep. & Intt.  
Social Overheads (Excl'd. Depr. & Intt.)  
(4) Stores & Spares (Gross-Rev.)  
Less: trans. to oth. rev. heads  
Stores & Spares (Net)  
(5) (i) Power & Fuel (excl'd.coalconsumed)  
(ii) Boiler & Colliery Consumption  
(6) Contractors (trans & repairs)  
(7) Misc. Expenses  
(8) Provision for D/Debts, Obsol. Etc.  
(9) Interest (Incl'd. S/O&P. P)  
(10) Depreciation(Incl'd. S/O, P & Impairment.)  
(11) O. B. R. Adjustment  
(12) P. P. Adj.

### TOTAL (B)

Profit/loss for the year (A-B)  
Investment Allowance Reserve  
Tax on Profit  
Proposed dividend  
Tax on Dividend  
Trans. to General Reserve/CSR Reserve  
Pref. Shares & Bond Redmpt Fund/Forex  
Other Adj (deferred tax, excess prov of tax)  
Adjustment on B/F profit  
Cummul. profit/loss from Last year  
Cummul. profit/loss to B/Sheet  
Current Profit/Loss & Reserve

(₹ in Crores)

	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
<b>TOTAL (A)</b>	<b>58665.80</b>	<b>52592.29</b>	<b>46057.38</b>	<b>38616.70</b>	<b>35005.42</b>	<b>34008.78</b>	<b>29887.12</b>	<b>25763.09</b>	<b>23586.95</b>	<b>22035.64</b>
(B) Paid to/Provided for										
Employees Remu. & benefits (Gross-Rev.)	18845.45	17191.46	20219.59	12939.48	10350.39	9985.69	11263.67	9191.73	8195.15	8157.62
Less: Trans. to other revenue heads	670.09	572.60	518.76	378.76	355.02	332.06	305.94	279.70	269.66	262.73
(1) Net S & Wages (excl'd. V.R.S. Payment)	18175.36	16618.86	19700.83	12560.72	9995.37	9653.63	10957.73	8912.03	7925.49	7894.89
(2) V.R.S. Payment (Net of Grant Recvd.)	35.68	36.66	40.69	74.44	102.16	134.36	152.36	271.52	246.54	359.31
(3) Social Overheads (Incl'd. LLTC & Dom. Coal)	2316.73	2049.47	1909.63	1642.15	1491.93	1380.39	1344.94	1280.09	1185.41	1159.57
Less : Social Overhead Dep. & Intt.	46.61	31.98	22.32	19.29	13.88	12.65	12.51	11.34	13.66	13.78
Social Overheads (Excl'd. Depr. & Intt.)	2270.12	2017.49	1887.31	1622.86	1478.05	1367.74	1332.43	1268.75	1171.75	1145.79
(4) Stores & Spares (Gross-Rev.)	5278.60	4975.78	4914.03	4432.11	4182.28	3939.97	3373.26	3246.50	3105.97	2946.47
Less: trans. to oth. rev. heads	47.15	48.86	52.73	53.55	56.68	51.22	46.14	42.87	44.51	42.28
Stores & Spares (Net)	5231.45	4926.92	4861.30	4378.56	4125.60	3888.75	3327.12	3203.63	3061.46	2904.19
(5) (i) Power & Fuel (excl'd.coalconsumed)	1754.62	1739.59	1595.05	1593.70	1600.35	1551.33	1502.14	1480.17	1435.38	1378.36
(ii) Boiler & Colliery Consumption	2341.29	1972.11	1992.15	1950.86	1848.05	2013.67	1739.23	1394.18	1391.42	1277.40
(6) Contractors (trans & repairs)	5177.80	4579.78	4125.92	3342.95	2758.31	2624.68	2346.09	1927.40	1794.00	1581.03
(7) Misc. Expenses	2224.88	1953.09	1942.59	1506.70	1287.16	1356.40	1108.07	949.42	762.61	752.46
(8) Provision for D/Debts, Obsol. Etc.	577.91	209.37	176.00	232.01	116.86	34.41	202.26	17.38	417.31	560.44
(9) Interest (Incl'd. S/O&P. P)	61.92	136.46	156.50	149.93	84.93	90.90	190.15	147.90	303.60	447.93
(10) Depreciation(Incl'd. S/O, P & Impairment.)	1672.89	1329.45	1690.90	1560.65	1357.81	1357.38	1355.01	1397.60	1393.39	1450.98
(11) O. B. R. Adjustment	2618.47	3053.92	2177.19	1564.03	1686.58	1209.89	852.74	497.48	344.47	207.44
(12) P. P. Adj.	60.18	53.66	(33.15)	-659.17	-38.28	-62.82	-72.26	-383.49	206.74	35.44
<b>TOTAL (B)</b>	<b>42202.57</b>	<b>38627.36</b>	<b>40313.28</b>	<b>29878.24</b>	<b>26402.95</b>	<b>25220.32</b>	<b>24993.07</b>	<b>21083.97</b>	<b>20454.16</b>	<b>19995.66</b>
Profit/loss for the year (A-B)	16463.23	13964.93	5744.10	8738.46	8602.47	8788.46	4894.05	4679.12	3132.79	2039.98
Investment Allowance Reserve								16.35	31.22	
Tax on Profit	(5595.88)	(4342.48)	(3665.41)	(3495.19)	(2893.74)	(2896.94)	(2376.35)	(1797.74)	(1410.83)	(1213.94)
Proposed dividend	(2463.38)	(2210.00)	(1705.42)	(1705.42)	(1500.00)	(1263.27)	(274.55)	(181.32)	(90.42)	(90.42)
Tax on Dividend	(897.75)	(777.13)	(549.36)	(885.34)	(534.43)	(475.64)	(247.79)	(202.15)	(124.50)	(124.50)
Trans. to General Reserve/CSR Reserve	(1642.42)	(1426.31)	(933.92)	(889.74)	(904.61)	(798.68)	(557.31)	(503.16)	(257.43)	(256.86)
Pref. Shares & Bond Redmpt Fund/Forex	(7.74)	(7.26)	(6.99)	(6.74)	(13.80)	(3.09)	87.46	(44.60)	(211.41)	(326.97)
Other Adj (deferred tax, excess prov of tax)				(1180.66)	114.08	11.03	69.75	(458.82)	(494.22)	
Adjustment on B/F profit	17.33	(0.43)	0.03				(458.82)			
Cummul. profit/loss from Last year	9434.16	4232.84	5349.81	4774.44	1904.48	(1457.39)	(2593.83)	(4560.33)	(5135.53)	(5287.32)
Cummul. profit/loss to B/Sheet	15307.55	9434.16	4232.84	5349.81	4774.45	1904.48	(1457.39)	(2593.83)	(4560.33)	(5135.53)
Current Profit/Loss & Reserve	27000.84	19478.85	12848.70	13026.01	11572.94	7798.46	3821.98	2227.08	139.17	(1037.12)

**Note :** The Consolidated Accounts have been prepared according to the provisions of the Accounting Standard -21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India. Since the non-recognition of interest etc. in Holding Company's Accounts, from one of its subsidiaries (as per Accounting Standard - 9) has been ignored in such consolidation, the profit shown in Consolidated Accounts may be read with such deviation. The Consolidated Accounts are presented here as an additional information to the users and are not mandatory as per the provisions of the Companies Act, 1956.





## OPERATIONAL STATISTICS

### IMPORTANT FINANCIAL INFORMATION

(As per Consolidated Audited Accounts)

#### For The Year Ending 31st March

##### (A) Related to Assets & Liabilities

- (1) (i) No. of Equity Shares (CII) of ₹ 10 each / ₹ 1000 each
- (ii) 10% Non. Cum. Rd. Pref. Shares of ₹ 1000 each
- (iii) Shareholder's Funds

##### (a) Equity

- (b) Reserves
- (c) Accumulated Profit/Loss
- (d) Misc. Expend. (D/Liab.)

##### Net Worth

- (2) Loan
- (3) Capital Employed
- (4) (i) Net Fixed Assets
- (ii) Current Assets
- (iii) Net Current Assets (W/C)
- (5) Current Liabilities

##### (Excl. Intt. accrued & Due)

##### (6) (a) Sundry Debtors (Net)

##### (b) Cash & Bank

##### (7) Closing Stock of :-

##### (a) Stores & Spares (Net)

##### (b) Coal/Cokes etc. (Net)

##### (8) Average Stock of Stores & Spares (Net)

##### (B) Related to Profit/Loss

##### (1) (a) Gross Margin (PBDIT)

##### (b) Gross Profit

##### (c) Net Profit (before Tax & Inv't Allow. etc)

##### (d) Net Profit (After Tax)

##### (e) Net Profit (After Tax & Div. on Pref. & Equity)

##### (2) (a) Gross Sales

##### (b) Net Sales (after levies & dev. etc)

##### (c) Sale value of Production

##### (3) Cost of Goods Sold (Sales-Profits)

##### (4) (a) Total expenditure (excl. recoveries)

##### (b) Sal & Wages (Gross-rev only)

##### (c) Stores & Spares (Gross-rev only)

##### (d) Power & Fuel

##### (e) Int. & Depreciations (Gross-rev only)

##### (5) Avg. Consump. of Stores & Spares (gross) per month

##### (6) (a) Average Manpower Employed during the year

##### (b) Social Overheads (incl. LTC/LLTC)

##### (c) Overhead expnd. per employee (₹ 000)

##### (7) (a) Value added

##### (b) Value added per employee (₹ 000)

	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
6316364400	6316364400	6316364400	63163644	63163644	63163644	63163644	63163644	63163644	63163644	63163644
(a) Equity	6316.36	6316.36	6316.36	6316.36	6316.36	6316.36	6316.36	6316.36	6316.36	6316.36
(b) Reserves	11693.29	10044.70	8615.86	7676.20	6798.49	5893.98	5279.37	4820.91	7220.54	7220.54
(c) Accumulated Profit/Loss	15307.55	9434.15	4232.84	5349.80	4774.45	1904.48	-1457.39	-2593.83	-4560.33	-5135.53
(d) Misc. Expend. (D/Liab.)	3.38	1.53	0.02						9041.800	9041.800
33313.82	25793.68	19165.04	19342.36	19342.36	17889.30	14114.82	10138.34	8543.44	7359.71	6183.42
1520.96	1623.68	1980.53	1675.48	1836.06	1836.06	2104.03	2439.72	2660.79	2994.67	4103.47
30745.03	23450.74	16963.97	17108.20	16223.74	12741.48	9280.54	9280.54	8526.36	10618.74	10490.75
12842.91	12035.44	11021.23	10496.59	10216.86	10142.72	10157.57	11099.86	11434.52	11434.52	12172.75
64396.02	54324.38	46448.55	36306.79	28828.03	24411.63	17535.99	12004.11	11666.83	11666.83	11657.37
17902.12	11415.30	5942.74	6611.61	6007.06	2670.38	-805.41	-2474.85	-797.39	-945.22	-945.22
46493.90	42909.08	40505.81	29695.18	22820.97	21741.25	18341.40	14478.96	12464.22	12464.22	12602.59
2979.83	2110.40	1780.71	1456.43	1459.29	1459.29	1690.93	1954.58	2375.68	4165.10	4417.58
45862.28	39077.76	29695.01	20961.48	15929.27	15929.27	13427.24	7986.95	2966.55	1590.84	1131.84
1038.97	1087.54	1055.51	909.36	900.67	900.67	921.92	915.75	931.64	950.66	1002.47
4439.82	3186.49	2514.98	2381.24	2137.04	2137.04	1889.50	1405.72	1175.25	1138.65	1057.23
1063.26	1071.53	982.44	905.02	911.30	911.30	918.84	923.70	941.15	976.57	1051.78
18198.04	15430.84	7591.50	10449.04	10045.21	10045.21	10236.74	6439.21	6224.62	4829.78	3938.89
16525.15	14101.39	5900.60	8888.39	8687.47	8687.47	8879.36	5084.20	4827.02	3436.39	2487.91
16463.23	13964.93	5744.10	8738.46	8602.47	8788.46	8788.46	4894.05	4679.12	3132.79	2039.98
10867.35	9622.45	2078.69	5243.27	5708.73	5891.52	5891.52	2517.70	2881.38	1721.96	826.04
8403.97	7412.45	373.27	3537.85	4208.73	4628.25	4628.25	2243.15	2700.06	1631.54	735.62
60245.21	52187.79	46131.24	38865.70	35129.17	33997.19	33997.19	30659.46	26234.17	24228.06	22686.86
50233.59	44615.25	39123.48	32633.86	29602.19	28701.83	28701.83	25862.86	21900.01	20397.28	19304.24
53869.50	47351.45	41279.07	34852.60	31790.21	31239.64	31239.64	27913.08	23505.01	22039.31	20730.23
33770.36	30650.32	33379.38	23895.40	20999.72	19913.37	19913.37	20968.81	17220.89	17264.49	17264.26
38566.66	35891.16	38157.69	27659.50	24214.93	22682.51	22682.51	22942.85	19478.97	18812.13	18569.67
18845.45	17191.46	20219.59	12939.48	10350.39	9985.69	9985.69	11263.67	9191.73	8195.15	8157.62
5278.60	4975.78	4914.03	4432.11	4182.28	3939.97	3939.97	3373.26	3246.50	3105.97	2946.47
1754.62	1739.59	1595.05	1593.70	1600.33	1551.33	1551.33	1502.14	1480.17	1435.38	1378.36
1734.81	1465.91	1847.40	1710.58	1442.74	1448.28	1448.28	1545.16	1545.50	1696.99	1898.91
439.88	414.65	409.50	369.34	348.52	328.33	328.33	281.11	270.54	258.83	245.54
390243	404744	419214	432710	445815	460369	460369	476577	493061	510671	530987
2316.73	2049.47	1909.63	1642.15	1491.93	1380.39	1380.39	1344.94	1280.09	1185.41	1159.57
59.37	50.64	45.55	37.95	33.47	29.98	29.98	28.22	25.96	23.21	21.84
44542.14	38712.83	32830.57	26929.48	24216.21	23785.89	23785.89	21344.59	17427.03	16151.05	15170.28
1141.40	956.48	783.15	622.34	543.19	516.67	516.67	447.87	353.45	316.27	285.70

**Note :** The Consolidated Accounts have been prepared according to the provisions of the Accounting Standard -21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India. Since the non-recognition of interest etc. in Holding Company's Accounts, from one of its subsidiaries (as per Accounting Standard -9) has been ignored in such consolidation, the profit shown in Consolidated Accounts may be read with such deviation. The Consolidated Accounts are presented here as an additional information to the users and are not mandatory as per the provisions of the Companies Act, 1956.

## OPERATIONAL STATISTICS

### IMPORTANT FINANCIAL RELATIVE RATIOS (As per Consolidated Audited Accounts)

#### For The Year Ending 31st March

##### (A) PROFITABILITY RATIOS

###### (1) AS % NET SALES

- (a) Gross Margin
- (b) Gross Profit
- (c) Net Profit

###### (2) AS % TOTAL EXPENDITURES

- (a) Sal & Wages(Gross-Rev.)
- (b) Stores&spares(Gross-Rev.)
- (c) Power & Fuel
- (d) Interest & Depreciation(Gross-Rev.)

###### (3) AS % CAPITAL EMPLOYED

- (a)Gross Margin
- (b)Gross Profit
- (c)Net Profit

##### (4) OPERATING RATIO (SALES-PROFIT/SALES)

##### (B) LIQUIDITY RATIOS

###### (1) Current Ratio

(Current Asset/Current Liability)

###### (2) Quick Ratio

(Quick Asset/Current Liability)

##### (C) TURNOVER RATIOS

###### (1) Capital Turnover Ratio

(Net Sales/Capital Employed)

###### (2) Sundry Debtors(Net) as no of months

(a) Gross Sales

(b) Net Sales

###### (3) As Ratio of Net Sales

(a) Sundry Debtors

(b) Coal Stocks

###### (4) Stock of Stores & Spares

(a) Avg. Stock/Annual Consumption

(b) C. Stocks in terms of no.of Months Consumpt.

(5) Stock of Coal/Coke/W/coal etc.

(a) As no ofMonths Value of production

(b) As no of Months of cost of goods sold.

(c) As no of months NetSales

##### (D) STRUCTURAL RATIOS

(1) Debt : Equity

(2) Debt : NetWorth

(3) Networth : Equity

(4) Net Fixed Assets : Net Worth

##### (E) SHARE HOLDER'S INTEREST

(1) Book Value of Shares(₹)

(Networth /No of Equity) (₹ 10 from 2009-10)

(2) Dividend per Share(₹) (₹ 10 from 2009-10)

	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
(A) PROFITABILITY RATIOS										
(1) AS % NET SALES										
(a) Gross Margin	36.23	34.59	19.40	32.02	33.93	35.67	24.90	28.42	23.68	20.40
(b) Gross Profit	32.90	31.61	15.08	27.24	29.35	30.94	19.66	22.04	16.85	12.89
(c) Net Profit	32.77	31.30	14.68	26.78	29.06	30.62	18.92	21.37	15.36	10.57
(2) AS % TOTAL EXPENDITURES										
(a) Sal & Wages(Gross-Rev.)	48.86	47.90	52.99	46.78	42.74	44.02	49.09	47.19	43.56	43.93
(b) Stores&spares(Gross-Rev.)	13.69	13.86	12.88	16.02	17.27	17.37	14.70	16.67	16.51	15.87
(c) Power & Fuel	4.55	4.85	4.18	5.76	6.61	6.84	6.55	7.60	7.63	7.42
(d) Interest & Depreciation(Gross-Rev.)	4.50	4.08	4.84	6.18	5.96	6.39	6.73	7.93	9.02	10.23
(3) AS % CAPITAL EMPLOYED										
(a)Gross Margin	59.19	65.80	44.75	61.08	61.92	80.34	69.38	73.00	45.48	37.55
(b)Gross Profit	53.75	60.13	34.78	51.95	53.55	69.69	54.78	56.61	32.36	23.72
(c)Net Profit	53.55	59.55	33.86	51.08	53.02	68.98	52.73	54.88	29.50	19.45
(4) OPERATING RATIO (SALES-PROFIT/SALES)	0.67	0.69	0.85	0.73	0.71	0.69	0.81	0.79	0.85	0.89
(B) LIQUIDITY RATIOS										
(1) Current Ratio	1.39	1.27	1.15	1.22	1.26	1.12	0.96	0.83	0.94	0.92
(Current Asset/Current Liability)										
(2) Quick Ratio	1.05	0.96	0.78	0.75	0.76	0.70	0.54	0.37	0.46	0.44
(Quick Asset/Current Liability)										
(C) TURNOVER RATIOS										
(1) Capital Turnover Ratio	1.63	1.90	2.31	1.91	1.82	2.25	2.79	2.57	1.92	1.84
(Net Sales/Capital Employed)										
(2) Sundry Debtors(Net) as no of months										
(a) Gross Sales	0.60	0.49	0.46	0.45	0.50	0.60	0.77	1.09	2.06	2.34
(b) Net Sales	0.71	0.57	0.55	0.54	0.59	0.71	0.91	1.30	2.45	2.75
(3) As Ratio of Net Sales										
(a) Sundry Debtors	0.06	0.05	0.05	0.04	0.05	0.06	0.08	0.11	0.20	0.23
(b) Coal Stocks	0.09	0.07	0.06	0.07	0.07	0.07	0.05	0.05	0.06	0.05
(4) Stock of Stores & Spares										
(a) Avg. Stock/Annual Consumption	0.20	0.22	0.20	0.20	0.22	0.23	0.27	0.29	0.31	0.36
(b) C. Stocks in terms of no.of Months Consumpt.	2.36	2.62	2.58	2.46	2.58	2.81	3.26	3.44	3.67	4.08
(5) Stock of Coal/Coke/W/coal etc.										
(a) As no ofMonths Value of production	0.99	0.81	0.73	0.82	0.81	0.73	0.60	0.60	0.62	0.61
(b) As no of Months of cost of goods sold.	1.58	1.25	0.90	1.20	1.22	1.14	0.80	0.82	0.79	0.73
(c) As no of months NetSales	1.06	0.86	0.77	0.88	0.87	0.79	0.65	0.64	0.67	0.66
(D) STRUCTURAL RATIOS										
(1) Debt : Equity	0.24	0.26	0.31	0.27	0.29	0.33	0.39	0.42	0.41	0.57
(2) Debt : NetWorth	0.05	0.06	0.10	0.09	0.10	0.15	0.24	0.31	0.41	0.66
(3) Networth : Equity	5.27	4.08	3.03	3.06	2.83	2.23	1.61	1.35	1.02	0.86
(4) Net Fixed Assets : Net Worth	0.39	0.47	0.58	0.54	0.57	0.72	1.00	1.30	1.55	1.97
(E) SHARE HOLDER'S INTEREST										
(1) Book Value of Shares(₹)	52.74	40.84	3034.19	3062.26	2832.21	2234.64	1605.09	1352.59	1019.27	856.36
(Networth /No of Equity) (₹ 10 from 2009-10)										
(2) Dividend per Share(₹) (₹ 10 from 2009-10)	3.90	3.50	270.00	270.00	237.50	200.00	43.00	16.00		

**Note:** The Consolidated Accounts have been prepared according to the provisions of the Accounting Standard – 21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India. Since the non-recognition of interest etc. in Holding Company's Accounts, from one of its subsidiaries (as per Accounting Standard – 9) has been ignored in such consolidation, the profit shown in Consolidated Accounts may be read with such deviation. The Consolidated Accounts are presented here as an additional information to the users and are not mandatory as per the provisions of the Companies Act, 1956.





## BRIEF PROFILE OF DIRECTORS

**Sri Nirmal Chandra Jha** (59) in addition to being Director (Technical), Coal India Limited assumed the additional charge of Chairman, CIL on 1st March 2011. Till then for 9 months Mr. Jha also held the additional charge of Chairman-cum-Managing Director of Bilaspur based South Eastern Coalfields Limited, the largest coal producing subsidiary of CIL, which he relinquished upon assuming the charge as Chairman, CIL. At present, he is also holding the additional charge of Director (Marketing) from 1st May, 2011. Mr. Jha, is a Post-Graduate in Mining Engineering from Indian School of Mines, Dhanbad and also holds First Class Mine Manager's Certificate of Competency (Coal). He has a rich and varied experience in Coal Industry for over three decades. He joined BCCL in January 1975 and served in Central Mine Planning and Design Institute Limited (CMPDIL) for 25 years. During his tenure in CMPDIL he planned number of underground and opencast projects for BCCL, which led this company to grow. He has worked in various departments of CIL as General Manager and Chief General Manager and as Technical Secretary to Chairman, CIL. He worked as Director (Technical) in CMPDIL before taking over as Director (Technical) of CIL. As Director (Tech), CIL he played a pivotal role in introduction of many mining oriented initiatives that led the company to greater heights. Mr. Jha has been conferred "National Geo Science Award 2009" by the Vice President of India for his outstanding contribution in the field of Mining Technology. He is a Member of the Coal Mining Task Force of Asia Pacific Partnership of Clean Development and Climate. He had also led Mining Geological & Metallurgical Institute as its President for two years (2008-2010).

**Sri R. Mohan Das** (54) is the Director (Personnel & Industrial Relations) of our Company. Holding a post graduate degree in social work from Madurai University, Mr. Mohan Das began his professional career over three decades ago with Bharat Heavy Electricals Limited in their human resources department. Mr. Mohan Das has also participated in the 'Advanced Management Programme' at Queens' College, Cambridge, United Kingdom and the 'Management Development programme' at Wharton School, University of Pennsylvania, United States of America. In the course of his career at Bharat Heavy Electricals Limited, Mr. Mohan Das is credited with various human resource initiatives such as the introduction of an 'Integrated Human Resource Information System' to usher in the concept of paper-less office in the Nagpur unit and was involved in development and piloting of the 'E-Enabled Performance Management System' for officers with linkage to balance scorecard during his stint in the Bhopal office. Prior to joining our Company, Mr. Mohan Das was the General Manager (Personnel & Administration) of the state owned Madras Fertilizers Limited, where he concluded long pending promotion policy agreement with unions. Mr. Mohan Das has training as a lead auditor for the 'ISO Quality System' and lead assessor for 'Total Quality Management'. As Director (Personnel & Industrial Relations) of our Company, Mr. Mohan Das is responsible for the formulation and implementation of personnel policies of our Company.

**Sri Asok Kumar Sinha** (58) is the Director (Finance) of our Company. Mr. Sinha graduated with honours in physics from Belur Ramakrishna Vidyamandir, Calcutta University in 1971 and became a member of the Institute of Chartered Accountants of India in 1977. He has also obtained a bachelor's degree in law from Calcutta University in 1976. Mr. Sinha has over three decades of experience as a finance executive in the mining industry. He was associated with ECL in various capacities from 1977 to 2001 and was also the General Manager (Finance) of BCCL and Director (Finance) of ECL. Mr. Sinha joined our Company as Director (Finance) on March 13, 2010 and is responsible for overall financial management and audit functions of our Company and our Subsidiaries and in advising the Board on all financial matters. Mr. Sinha is experienced in the field of management accounting and has held the post of chairman of Asansol Chapter of Chartered Accountants. He has also participated in the 'Advanced Management Programme' at Queens' College, Cambridge, United Kingdom and has completed the 'Scope-IMI Global Leadership Advance Management Programme' on strategic issues of national and international leadership.

**Sri Alok Perti** (58) is a non executive, non independent nominee Director of Gol, on our Board. He holds a bachelor's degree in science and a master's degree in physics from the University of Allahabad. Mr. Perti has also completed a master's course in Social Planning & Policy in Developing Countries from the London School of Economics, United Kingdom. He joined Indian Administrative Service in 1977 and has worked in various capacities with the Central Government and the Assam Government. In Central Government, he has worked in the Ministry of Health and Welfare and in the Ministry of Defence and with the Assam Government, he has served in departments such as health and family welfare, transport and public enterprises. He was also a member secretary to the Kelkar Committee set up by the Ministry of Defence to suggest modifications to defence acquisitions, WHO consultant for conducting study and validation of National Immunization Programme in Bhutan and also served as a consultant to UNICEF to develop a material management systems for supply in Myanmar. During his tenure with the Ministry of Health and Family Welfare, he was responsible

for establishing a network of vaccine movement and storage system (cold chain) throughout the country over a period of five years. Mr. Perti is presently Special Secretary in MoC, Gol and is also on the board of directors of Neyveli Lignite Corporation Limited.

**Ms. Anjali Anand Srivastava** (52) is an Indian Audit & Accounts Service officer of 1982 batch. She joined the service after completing her LLB from Lucknow University in 1981. Smt. Anjali Anand Srivastava has held various important posts like Executive Director (Pers.), Food Corporation of India, Principal Director of Audit (Railways) in the office of Comptroller & Auditor General of India, Professor (Audit) & Financial Advisor in National Institute of Financial Management, Faridabad, Director of Audit in Northern Railways, Economic and Service Ministries and Andaman & Nicobar Islands and also worked as Director (Finance) in Ministry of Environment and Forests. Smt. Srivastava as Member Secretary of the Task Force which overhauled the General Financial Rules, 1963 was responsible for drafting the new General Financial Rules, 2005 of Government of India. She was also closely associated with preparation of Manuals on procurement of goods and consultancies on behalf of Ministry of Finance, Government of India. She is a certified trainer in Public Expenditure Management from the Asian Development Bank Institute, Tokyo (Japan). Smt. Anjali Anand Srivastava is, at present, on deputation to the Government of India and is working as Joint Secretary & Financial Advisor in the Ministry of Coal and in addition looking after the work of Joint Secretary & Financial Advisor of the Ministry of Mines and Ministry of Youth Affairs & Sports. Smt. Anjali Anand Srivastava is also a Government nominated part time Director on the Board of Directors of Hindustan Copper Limited (HCL), Hindustan Zinc Limited (HZL) and Bharat Aluminium Company Limited (BALCO).

**Prof. S.K. Barua** (59) is an independent Director on the Board of our Company. Prof. Barua holds a master's degree in technology from the Indian Institute of Technology, Kanpur and has a doctorate in management from the Indian Institute of Management, Ahmedabad. Prof. Barua has been on the faculty of Indian Institute of Management, Ahmedabad, for the past 30 years and having held various administrative positions, is currently, the director of Indian Institute of Management, Ahmedabad. Other than being an independent Director on the Board of our Company, Prof. Barua is also an independent director on the Board of corporates such as Bharat Petroleum Corporation Limited, Securities Trading Corporation Limited, IOT Infrastructure and Energy Services Ltd. and Torrent Power Limited.

**Dr. A. K. Rath** (62) is an independent Director on the Board of our Company. He holds a master's degree in physics from Delhi University and a doctorate in Business Administration from KIIT University, Bhubaneswar. He joined the Indian Administrative Services in the 1973 and held various positions in his three decades long career with the Indian Administrative Services, including Joint Secretary in the Department of Public Enterprises, Gol, Special Secretary and Financial Advisor, Ministry of Steel and Secretary, Department of School Education & Literacy. During his stint in the Department of Public Enterprises, he played an active role in introducing reform in the governance of central public sector enterprises, and while with the Department of School Education & Literacy, he was involved in shaping the Right of Children to Free and Compulsory Education Bill, 2008. During his stint with the Ministry of Steel, he was also on the board of certain public sector companies such as SAIL and NMDC. Dr. Rath is currently professor and chairman (public policy) at Management Development Institute, Gurgaon, member of the academic council of Central University, Orissa and is currently on the board of directors of Mangalore Refinery & Petrochemical Limited and Mahanadi Coalfields Ltd.

**Dr. (Smt.) Sheela Bhide** (62) is an independent Director on the Board of our Company. Smt. Bhide holds a doctorate in international trade from the Institute of International Studies, Geneva and also holds a master's degree in economics from George Mason University, United States of America, a master's in public policy from John F. Kennedy School of Government, Harvard University, United States of America. Smt. Bhide joined the Indian Administrative Service in 1973 and in the course of her 36 years long career has held various posts such as Chairman and Managing Director, India Trade Promotion Organization, Ministry of Commerce, Gol, Additional Secretary and Financial Advisor, Ministry of External Affairs, Gol, Additional Secretary and Financial Advisor, Ministry of Defence, Gol and Joint Secretary, Ministry of Corporate Affairs, Gol. She also holds directorship in Northern Coalfields Ltd, Suryodaya Microfinance Pvt. Ltd and L&T Metro Rail (Hyderabad) Ltd.

**Dr. R.N. Trivedi** (63) is an independent Director on the Board of our Company. Dr. Trivedi holds a bachelor's degree in technology from the Indian Institute of Technology, Kanpur and also holds a master's degree in arts (economics), a doctorate in economics and a doctorate in science (agricultural economics) from CSJM University, Kanpur. Dr. Trivedi joined the Indian Administrative Services in 1972 and in the course of his career has held various significant posts such as Collector of Farrukhabad, Lakhimpur Kheri and Lucknow, Principal Secretary to the Government of Uttar Pradesh and Director General Training, Government of Uttar Pradesh. Dr. Trivedi was also the Managing Director of certain public sector undertakings such as, Uttar Pradesh Financial Corporation, Uttar Pradesh State Industrial Development Corporation and Uttar Pradesh Co-operative Spinning Mills Federation. Dr. Trivedi is an independent director in M/s. Frontier Springs Ltd., Kanpur.



**Sri Mohd. Anis Ansari** (62) is an independent Director on the Board of our Company. Mr. Ansari holds a bachelor's degree in arts, a bachelor's degree in law and a master's degree in law from Aligarh Muslim University, Aligarh. He joined the Indian Administrative Services in 1973 and in the course of his over three decades long career has held various significant posts such as Agriculture Production Commissioner, Government of Uttar Pradesh, Secretary, Department of Agriculture, Government of Uttar Pradesh, Principal Secretary of Labour Department and Rural Development Department, Government of Uttar Pradesh and Chairman and Managing Director of U.P. Food and Essential Commodities Corporation. Mr. Ansari has also been a member of the board of directors of Bombay Mercantile Co-operative Bank Limited. Mr. Ansari is presently the Vice Chancellor of U.P. Urdu, Arabi and Farsi University, Lucknow. Mr. Ansari is also a member of various social and cultural organizations, including the All India Management Association, Lucknow Management Association and was the founder chairman of Asma Hussain Institute of Fashion Technology, Lucknow. Mr. Ansari has received numerous literary and other awards including the 'Top Professional Manager of the Year Award' for the year 1994 from the Institute of Marketing and Management, New Delhi and has published eight collections of his poems in Urdu and Hindi.

**Sri Kamal R. Gupta** (57) is an independent Director on the Board of our Company. He holds a bachelor's degree in science from CSJM University, Kanpur and became a member of the Institute of Chartered Accountants of India in 1977. Mr. Gupta has over 33 years of experience in the field of taxation and finance consultancy. Other than being an independent Director on the Board of our Company, Mr. Gupta is also a director on the board of Corporate Consultants Private Limited and Govind Polymers Private Limited.

**Sri Sachi Chaudhuri** (61) is an independent Director on the Board of our Company. Ms. Chaudhuri graduated in Economics (Honours), with subsidiary Mathematics from Presidency College, Calcutta University and has pursued Post Graduate studies in Economics with specialization in Econometrics, Statistics and Mathematical Economics from Calcutta University through Presidency College. She joined the Indian Revenue Services in 1975 and in the course of her career has held various significant posts such as Chief Commissioner of Income Tax, Delhi, Directorate of Income Tax (IT & Audit), Central Board of Direct Taxes, Commissioner of Income Tax, Joint Secretary, Financial Advisor, All India Council for Technical Education, Ministry of Human Resources Development, Joint Secretary level post in a Schedule 'A' public sector undertaking under the Ministry of Commerce, Government of India, Director (Finance), Department of Biotechnology, Ministry of Science & Technology, Gol. She was a faculty member at the National Academy of Direct Taxes, Nagpur and also a Departmental Representative before the Income Tax Appellate Tribunal. Ms. Chaudhuri has also held ex-cadre posts in the Cabinet Secretariat, Department of Biotechnology, Ministry of Science & Technology and Ministry of Finance. In addition, Ms. Chaudhuri was also the Executive Director (Vigilance) of MMTC Limited, and was responsible inter alia for investigation of vigilance cases and submission of reports to the Central Vigilance Commission and other investigative agencies. Presently, Ms. Chaudhuri is also a special director on BIFR.

**Sri Dinesh Chandra Garg** (56) well known for administrative acumen and astute leadership in mining industry in India, holds the post of Chairman cum Managing Director of Western Coalfields Limited since 1st May 2007. During the period, Shri Garg has galvanized WCL as a company which has maintained appreciable growth in coal production, excelled in corporate governance, earned consistent profits, performs better than previous best every year and at the same time maintained sustainability of environment-physical as well as social. Prior to his joining WCL, he was Director (Personnel), Bharat Coking Coal Limited, Dhanbad since 15th Oct, 2004. As Chairman cum Managing Director of Western Coalfields Limited and also a Government Director in the Board of Singareni Collieries Company Limited, and permanent invitee at Coal India Limited Board, Shri Garg, holds impact on the nationalized coal sector in India.

As a member of Executive Board at Standing Conference of Public Enterprises (SCOPE), Shri Garg adds value to the movement for rejuvenation and transformation of formidable Public Enterprises fuelling the growth of Indian Economy. A business leader with keen strategic insight, Shri Garg has rich experience in all facets of Coal Mining Industry over three decades. Turnaround of BCCL was added by the expeditious initiatives undertaken by Shri Garg during his tenure as Director Personnel, in revamping personnel function of the Company, which instilled confidence amongst the workmen of perennially sick company. In pursuit of corporate excellence, Shri Garg has attended a short course in General Management from Ashridge Management College, UK during 1992 and Executive Development Program at Wharton Business School, University of Pennsylvania, USA, in May 2009. Shri Garg has visited UK, US, Canada, France, Australia, Egypt, Jordan, Czech Republic, Germany, China, Thailand, Cambodia and Far East Countries in official and personal capacities and also travelled widely in India.

**Sri Ashok Kumar Singh** (59) has a B.Tech. in Mining Engineering (in 1974) from Indian School of Mines (ISM), Dhanbad, India and was awarded Gold Medal of ISM and Pickering Medal of Mining, Geological & Metallurgical Institute of India (MGMI). He also did Post Graduate Certificate in Industrial Engineering & Mine Management in 1976 and Post Graduate Diploma in Longwall Mine Mechanisation

(DISM) in 1990 from ISM. He has working experience of over three and half decades in coal mining sector, wherein, he served in various capacities in production and planning and management in different subsidiaries of Coal India Ltd. viz. Bharat Coking Coal Limited (BCCL), Central Coalfields Limited (CCL), Central Mine Planning and Design Institute Ltd. (CMPDIL), Northern Coalfields Limited (NCL). He also served as Chairman-cum-Managing Director of Mahanadi Coalfields Limited (MCL). A. K. Singh is currently the Chairman-cum-Managing Director of Central Mine Planning and Design Institute (CMPDI) with additional charge of Chairman-Cum-Managing Director of South Eastern Coalfield Limited (SECL). He has been conferred with National Mineral Award (2007) of Govt. of India for outstanding contribution in the field of mining technology and he represents India in the Technical Sub-Committee on Coal Mine Methane of M2M Partnership of USEPA as member as well as Co-chair and is also a member of Indo-US Working Group; Executive Board & Academic Council of Indian School of Mines (ISM); Governing Council of Indian Institute of Coal Management (IICM); Standing Scientific Research Committee (SSRC); R&D Board of CIL; Mining, Geological & Metallurgical Institute of India (MGMI) and Indian Mine Manager's Association (IMMA). A.K. Singh has presented a large number of technical papers in Conferences / Symposia / Seminars as well as referred in standard journals. He has travelled widely to many countries like USA, UK, Russia, China, Germany, France, Indonesia, Australia, etc.

**Sri Pradeep Bhatnagar** (59) holds a degree of M.A. (History) from Lucknow University. He joined Indian Railway Traffic Service in 1975. Shri Pradeep Bhatnagar has a rich and varied experience in almost all the business segments of Indian Railways having worked in key positions like Divisional Railway Manager, Chief Operations Manager, Chief Commercial Manager, Advisor (Infrastructure) and is now working as Additional Member (Traffic Transportation) Railway Board. He was also the Executive Director Traffic Transportation in-charge of food grain movement and operations between neighbouring Railways both Bangladesh and Pakistan. As Advisor (Infrastructure), he was the nodal officer for planning and implementation of Dedicated Freight Corridor and PPP Projects in Indian Railways. As Additional Member (Traffic Transportation), he is the nodal officer for operational matters for Railway freight and passenger traffic. Shri. Bhatnagar is also Chairman of Kutch Railway Company Ltd., part-time Government Director on the Board of Konkan Railway Company Ltd. and a Permanent Invitee on the Board of Directors of Coal India Ltd.



## DIRECTORS' REPORT

To  
The Members,  
Coal India Limited.

Ladies & Gentlemen,

On behalf of the Board of Directors, I have great pleasure in presenting to you, the Thirty-seventh Annual Report of Coal India Limited (CIL) and Audited Accounts for the year ended 31st March, 2011 together with the reports of Statutory Auditors and the Comptroller and Auditor General of India thereon.

Coal India Limited (CIL) is a 'Maharatna' Public Sector Undertaking under Ministry of Coal, Government of India with headquarters at Kolkata, West Bengal. CIL is the single largest coal producing company in the world and the largest corporate employer with a manpower of 383347 (as on 31st March, 2011). CIL operates through 81 mining areas spread over 8 provincial states of India. CIL has 471 mines of which 273 are underground, 163 opencast and 35 mixed mines. CIL further operates 17 coal washeries, (12 coking coal and 5 non-coking coal) and also manages 200 other establishments like workshops, hospitals etc. CIL has 26 training Institutes. Indian Institute of Coal Management (IICM) as a 'Centre of Excellence' operates under CIL and imparts multi disciplinary Management Development Programmes to executives. Coal India's major consumers are Power and Steel sectors. Others include Cement, Fertiliser, Brick Kilns and a host of other industries.

During the year the company continued to have eight fully owned Indian subsidiary companies viz.:

Eastern Coalfields Limited (ECL),  
Bharat Coking Coal Limited (BCCL),  
Central Coalfields Limited (CCL),  
Western Coalfields Limited (WCL),  
South Eastern Coalfields Limited (SECL),  
Northern Coalfields Limited (NCL),  
Mahanadi Coalfields Limited (MCL) and  
Central Mine Planning & Design Institute Limited (CMPDIL).

In addition, CIL has a foreign subsidiary in Mozambique namely Coal India Africana Limitada (CIAL).

The mines in Assam i.e. North Eastern Coalfields continue to be managed directly by CIL. Similarly, Dankuni Coal Complex also continues to be on lease with South Eastern Coalfields Limited during the year under review.

MCL has two subsidiaries viz. MNH Shakti Ltd. and MJSJ Coal Ltd. with 70% and 60 % equity holding respectively.

### 1.0 NOTABLE ACHIEVEMENTS

#### 1. Maharatna Status to Coal India

On 11th April'2011, Govt. of India had conferred Coal India Ltd. "Maharatna Status". Chairman, CIL received the certificate from Her Excellency 'The President of India' in a function organised by SCOPE and Department of Public Enterprises at New Delhi. The Maharatna status provides greater financial autonomy to expand operations both domestically and globally. In four years' time from a normal profit making PSU, CIL became Mini Ratna, Navaratna and Maharatna.

#### 2. Coal India's IPO - a resounding success

21st October 2010, the day CIL's IPO closed, would be etched as a historic event in the annals of Coal India Limited. The day unravelled the value and the true potential of CIL. Innumerable road shows involving countless man hours of effort across the country and in US, Europe and other markets had resulted in the grand success of CIL's IPO.

CIL's IPO the largest so far in Indian capital market was over-subscribed 15.2 times. The resounding success of record breaking result of the company's public offer with the aggregate funds amounted to ₹ 2,35,276.55 crores was so far unheard of in the Indian capital market. The over-subscription of the issue happened in all the three major segments i.e. Qualified Institutional Buyers (QIB), High Networth Individuals (HNI) and Retail. The QIB for which there was a reservation of 50% of the net issue of the shares, the over-subscription was as much as 24.62 times. Around 784 QIB investors had put in over US dollar 38 billion i.e. ₹ 171469.64 crores which by itself is also an all time high in the history of Indian IPO. In the retail segment nearly 16.36 lakhs applications were received - the highest among all PSU IPOs so far amounting to ₹ 63639.26 crores. This is also the highest so far in the Indian capital market. Interestingly, the foreign investors alone had put in around US \$ 27 Billion which is equal to first ten months of FII investment in India this year.

#### 3. Coal India's IPO gets top grading

CRISIL the leading credit rating agency in the country had assigned maximum grading of 5 to CIL's IPO - the best for any public sector. The grading indicated that the fundamentals of the IPO were strong compared to other listed securities in the country. Similar grading was given by other credit rating agencies like ICRA & CARE. Not many companies have this kind of rating.



#### 4. Coal India Shares listed in Stock Exchanges

4th November 2010, CIL's stock was listed in stock exchanges i.e. BSE and NSE. It was a historic day for CIL. CIL share was listed at ₹291/- and closed over ₹ 342/- on the first day of trading against the offer price of ₹ 245/-. Most importantly, a national asset was offered to public as "peoples' ownership" in PSUs.

On 17th May, 2011, CIL became the most valuable PSU with a market capitalisation of ₹ 2.51 lakh crore. CIL also became the second highest market capitalization company in India from that date. BSE has announced on 17th June, 2011 to include CIL's shares in its benchmark Sensex from 8th August, 2011.

#### 5. Dow Jones Safe 100 Index

CIL made it to 'Dow Jones SAFE 100 Index', when the leading global index provider announced the results of annual review of Dow Jones SAFE 100 Index, on 10 March 2011 in New York. CIL is one among the 5 Indian companies to have made it to the Index. The Dow Jones SAFE 100 Index measures the performance of 100 blue-chip companies in five of the eight member states of the South Asian Federation of Exchanges (SAFE).

#### 6. FE 500

CIL had featured in "FE 500" a Financial Express Research Bureau Project brought out by 'The Indian Express', a news daily in March 2011. In fact, CIL is among the super league of top 10 firms and occupies a composite rank of 5 (for 2010). In terms of Gross Profit CIL is ranked 5th and CIL had also entered the top 10 in terms of market capitalization.

#### 7. Coal India and Shipping Corporation of India sign MoU

In order to bridge the increasing gap between availability from domestic production of CIL and quantity committed through Fuel Supply Agreements and Letter of Assurances already issued, which is likely to touch 250 million tonnes by the end of XII Plan, CIL has planned to import coal for supply to its consumers. CIL is in process of sourcing coal through long-term off-take contracts with overseas mining companies, apart from acquisition of mining properties abroad.

Currently imported coal is supplied by both private and PSU players at consuming ends, particularly to power stations, with comprehensive quality and quantity assurance, whereas, in case of indigenous coal, CIL's term of sale is Free on Rail at Colliery. In order to create comprehensive end-to-end logistic solution from load port to consuming end, CIL signed a Memorandum of Understanding with The Shipping Corporation of India Limited in December 2010 for promoting a Joint Venture Company (JVC).

Primary objective of the JVC are

- i) Owning/chartering of vessels
- ii) Draft surveying
- iii) Inspection of cargo
- iv) Stevedoring at unloading port in India including

unloading of vessels, customs clearance, shore clearance and stacking

- v) Indenting wagons from railways, loading of wagons, quality analysis and delivery of coal at power stations

#### 8. CMPDI sets up a Lab

Central Mine Planning & Design Institute, Ranchi based Mine Consultancy subsidiary of Coal India Limited had established a Cement and Resin Capsule Testing Lab, which was inaugurated on 15th August'10. It will help in testing and establishing the quality of cement and resin capsules which enhances the safety in underground mines.

#### 9. Coal India scholarship for Below Poverty Line Students

Coal India Limited as a part of its CSR activity had introduced 'Coal India Scholarship' to 100 Below Poverty Line (BPL) students and 25 wards of land losers to pursue Engineering in IITs, NITs, select Government Engineering colleges and Medical in Central Government Medical colleges. The scholarships, which will be awarded every year, came into effect from the academic session 2010-11 onwards. The scholarship covers cost of the education, hostel fees, incidental fee to the tune of ₹10000 per year. This is being done on pan India basis.

#### Awards & Accolades for Coal India Limited in 2010-11

**CQE International Award:** CIL bagged a prestigious International Award in Geneva on 7th March 2011. CIL was conferred with the "Century International Quality ERA Award (CQE)" in the Gold Category in recognition of commitment to Quality, Leadership, Technology and Innovation. It was stated that Coal India represents success for India in the Business world. The awards were given by Business Initiative Directions (BID) - a leading private organization focused on the Quality Mix Plan.

**CMPDI SCOPE Meritorious Award:** Central Mine Planning and Design Institute Limited (CMPDIL), the Mini Ratna consultancy arm of Coal India Limited had bagged the prestigious "SCOPE Meritorious Award for R&D, Technology Development & Innovation" for the year 2009-10. Incidentally, CMPDIL is the first subsidiary of CIL to have been awarded coveted SCOPE trophy.

**National Geo-Science Award to Shri N C Jha:** Shri N C Jha Chairman, Coal India Limited was conferred the coveted "National Geo-Science Award", in February 2011 (then Director - Technical, CIL), instituted by Ministry of Mines, Government of India. The award was presented by Shri Hamid Ansari, Hon'ble Vice-President of India.

**National Award to Shri Partha S Bhattacharyya:** Shri. Partha S Bhattacharyya, (the then) Chairman, Coal India Limited was conferred with the coveted National Award in the Corporate Excellence category on 13th January 2011 at Siri Fort Auditorium, New Delhi in an award function organized by 'Ramakrishna - Vivekananda International Foundation'.



#### **SCOPE Special Jury Award to Shri Partha S Bhattacharyya:**

Sri Partha S Bhattacharyya, (the then) Chairman, Coal India Limited on 15th December 2010 received the coveted "SCOPE Special Award of the Jury" from Dr. Manmohan Singh, Hon'ble Prime Minister of India in an official award ceremony "MoU Excellence Awards & SCOPE Excellence Awards 2008-09" held in New Delhi. The function was jointly organized by Department of Public Enterprises and Standing Conference of Public Enterprises (SCOPE).

**India Pride Awards:** CIL was conferred with "India Pride Awards 2010" in two categories that the company had participated in. CIL received the Gold Trophy in 'Energy & Power' category and Silver Trophy in 'CSR & Environment' category. The awards have been initiated by Dainik Bhaskar, a leading Hindi language media house along with DNA - the English language news daily, aimed to recognize the outstanding contribution made by PSUs.

**Shenhua Cup:** CIL had won five medals at the Shenhua Cup, an international mining skill competition held in China, organized by Shenhua Group Corporation Limited, the largest coal company in China. Coal India won one Gold medal in 16G Grader, three silver medals in D 475A Dozer, DMH Drill and in underground continuous miner and one bronze medal in Longwall.

**National President NIPM, Shri R Mohan Das:** Sri R. Mohan Das, Director (Personnel & Industrial Relations), CIL has been elected as National President of NIPM (National Institute of Personnel Management) in their National Council biennial election for the year 2010-12.

**HR Awards:** CIL has bagged five awards for its Human Resources Practices at Asia's Best Employer Brand Awards at Suntec Centre in Singapore. While (the then) Chairman, CIL, Shri Partha S Bhattacharyya was honoured with "CEO with HR Orientation Award", Shri R Mohan Das, Director (Personnel & Industrial Relations), CIL was bestowed with "HR Leadership Award" for his contribution in the field of Human Resources. In the organizational category, CIL received awards for its best HR Strategy in line with Business, Continuous innovation in HR Strategy at work and Excellence in Training.

**Industrial Relations Award:** CIL was conferred the "Best Practices in Industrial Relations Award (IR)" for 2010-11 in an Annual Awards function organized by Hooghly Chamber of Commerce & Industry. CIL bagged the award in recognition of its commendable efforts in managing its IR functions.

**CII President's Award:** Sri Partha S Bhattacharyya, (the then) Chairman, Coal India Limited, was awarded the Confederation of Indian Industry (CII) President's Award for Outstanding Contribution to CII for 2009-10 at a function in New Delhi on 11 May 2010.

## **2.0 FINANCIAL PERFORMANCE**

### **2.1 Financial Results**

CIL is one of the largest profit making, tax and dividend paying enterprises. CIL and its subsidiaries have achieved an aggregate pre-tax profit of ₹16463.23 crores in the year 2010-11 against a pre-tax profit of ₹13964.93 crores in the year 2009-10.

Company-wise position with regard to profit (+) earned or loss (-) during 2010-11 vis-à-vis in 2009-10 are given in the table appended below:-

Company	2010-11		Figures in ₹crores 2009-10	
	Profit (+) / Loss (-)		Profit (+) / Loss (-)	
ECL	(+)	106.57	(+)	333.40
BCCL	(+)	1093.69	(+)	793.93
CCL	(+)	1860.22	(+)	1533.05
NCL	(+)	3956.36	(+)	3766.30
WCL	(+)	1067.97	(+)	931.02
SECL	(+)	3777.12	(+)	3063.57
MCL	(+)	4039.30	(+)	2953.90
CMPDIL	(+)	23.69	(+)	19.61
CIL/NEC	(+)	4723.37	(+)	3870.40
<b>Sub-Total</b>	<b>(+)</b>	<b>20648.29</b>	<b>(+)</b>	<b>17265.18</b>
<b>Less : Dividend from Subsidiaries</b>	<b>(-)</b>	<b>4237.41</b>	<b>(-)</b>	<b>3367.36</b>
<b>Total</b>	<b>(+)</b>	<b>16410.88</b>	<b>(+)</b>	<b>13897.82</b>
Adjustment for deferred Revenue income (*)	(+)	52.35	(+)	67.11
<b>Overall Profit as per Consolidation of Accounts</b>	<b>(+)</b>	<b>16463.23</b>	<b>(+)</b>	<b>13964.93</b>

(\*) Recognition of revenue in respect of interest claim and apex charges attributable to BCCL in years' account have been deferred by CIL in consistence with the provision of AS-9 of ICAI of Revenue Recognition.

## Highlights of Performance

The highlights of performance of Coal India Limited including its Subsidiaries in the year 2010-11 compared to previous two years are shown in the table below:

	2010-11	2009-10	2008-09
Production (in million tonnes)	431.32	431.26	403.73
Off-take of Coal (in million tonnes)	424.50	415.96	401.46
Sales (Gross) (₹/Crores)	60245.21	52187.79	46131.24
Gross Profit (₹/Crores)	16525.15	14101.39	5900.60
Capital Employed (₹/Crores)	30745.03	23450.74	16963.98
Net Worth (₹/Crores)	33313.82	25793.68	19165.04
Profit before Tax (₹/Crores)	16463.23	13964.93	5744.10
Profit after Tax (₹/Crores)	10867.35	9622.45	2078.69
Gross Profit / Capital Employed (in %)	53.75	60.13	34.78
Profit before Tax / Net Worth (in %)	49.42	54.14	29.97
Profit after Tax / Net Worth (in %)	32.62	37.31	10.85
Earning Per Share			
(Considering Face Value of ₹ 10 per share)	17.19	15.22	3.28
Dividend per Share			
(Considering Face Value of ₹ 10 per share)	3.90	3.50	2.70
Coal Stock (Net) (in terms of No. of months of net sales)	1.06	0.86	0.77
Sundry Debtors (Net) (in terms of No of months of gross sales)	0.60	0.49	0.46

**Note :** The Consolidated Accounts have been prepared according to the provisions of the Accounting Standard –21 on “Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India. Since the non-recognition of interest etc. in Holding Company’s Accounts, from one of its subsidiaries (as per Accounting Standard – 9) has been ignored in such consolidation, the profit shown in Consolidated Accounts may be read with such deviation.

## 2.2 Dividend Income and Pay Outs

Dividend income of CIL accounted for during the year under review, based on the recommendations from five profit making subsidiaries namely, CCL, NCL, WCL, SECL and MCL was ₹ 4237.41 crores as against dividend of ₹3367.36 crores in previous year, the subsidiary-wise break-up of which are as under:-

Name of the Subsidiary	₹ In Crores
CCL	386.32 (195.97)
NCL	1295.06 (1176.56)
WCL	387.42 (201.26)
SECL	1099.60 (753.57)
MCL	1069.01 (1040.00)

Figures in brackets are for previous year.

Your Directors recommended dividend payment of ₹ 2463.38 crores @ ₹ 3.90 (approx) per share on 6316364400 Equity Shares of ₹ 10/- each fully paid valued at ₹ 6316.36 crores. Out of total dividend, Govt of India gets ₹ 2217.04 crores and other investors get ₹ 246.34 crores.





### 3.0 Coal Marketing

#### 3.1 (a) Off-take of Raw Coal

Off take of raw coal continued to maintain its upward trend and reached 424.50 million tonnes for fiscal ended March, 2011, surpassing previous highest figure of 415.96 million tonnes achieved during the last year. Although coal production growth was marginal due to environmental constraints, off take however increased by another 2.1 % over last year. Against original off take target which was based on production target of 460.50 million tonnes, actual off take was 92.2 %. The off-take could have improved further but for certain impediments like less availability of rolling stock in certain coal fields of MCL, SECL, deteriorating law and order situation in coalfields of CCL, MCL which played spoil sport for coal off take in this year.

#### Company-wise coal off-take:

Company-wise target vis-à-vis actual off-take for 2010-11 and 2009-10 are shown below: -

(Figs. In Mt)

Company	2010-11		2009-10		Growth over last year	
	Target	Achieved	% Achieved	Achieved	Abs.	%
ECL	33.00	29.74	90.1	29.19	0.55	1.9
BCCL	29.00	29.39	101.3	25.11	4.28	17.0
CCL	50.00	46.38	92.8	44.21	2.17	4.9
NCL	72.00	64.21	89.2	66.65	-2.44	-3.7
WCL	46.50	42.56	91.5	45.51	-2.95	-6.5
SECL	112.00	109.02	97.3	106.07	2.95	2.8
MCL	116.75	102.10	87.5	98.15	3.95	4.0
NEC	1.25	1.10	88.0	1.07	0.03	2.8
CIL	460.50	424.50	92.2	415.96	8.54	2.1

From above it may be seen that BCCL had not only outperformed its target but also exceeded last year's level. Barring NCL and WCL all other coal companies registered a positive growth in off-take. While in case of NCL, less availability of coal was the main contributor, in case of WCL accident in Umrer mines and consequent less production, occasional transport bottlenecks, shut down of Chandrapura power plant and consequent less dispatches are attributable to less dispatches. In case of ECL shortfall against target may be ascribed to derailment in Kahalgaon route for quite sometime and consequent less placement of MGR rakes at Rajmahal, and less availability of coal at Ranigunj. While in case of CCL, adverse law and order situation, affecting transportation of coal to sidings, less acceptance of medium coking coal by SAIL stood in the way of higher dispatches, in the case of MCL apart from law and order situation, less supply of wagons, less acceptance of coal by Talcher STPS through MGR, took a toll in dispatches. Offtake in SECL could not go further up due to heavy rain in 2nd quarter, less supply of wagons at Korba area and less offtake of coal by private washeries.

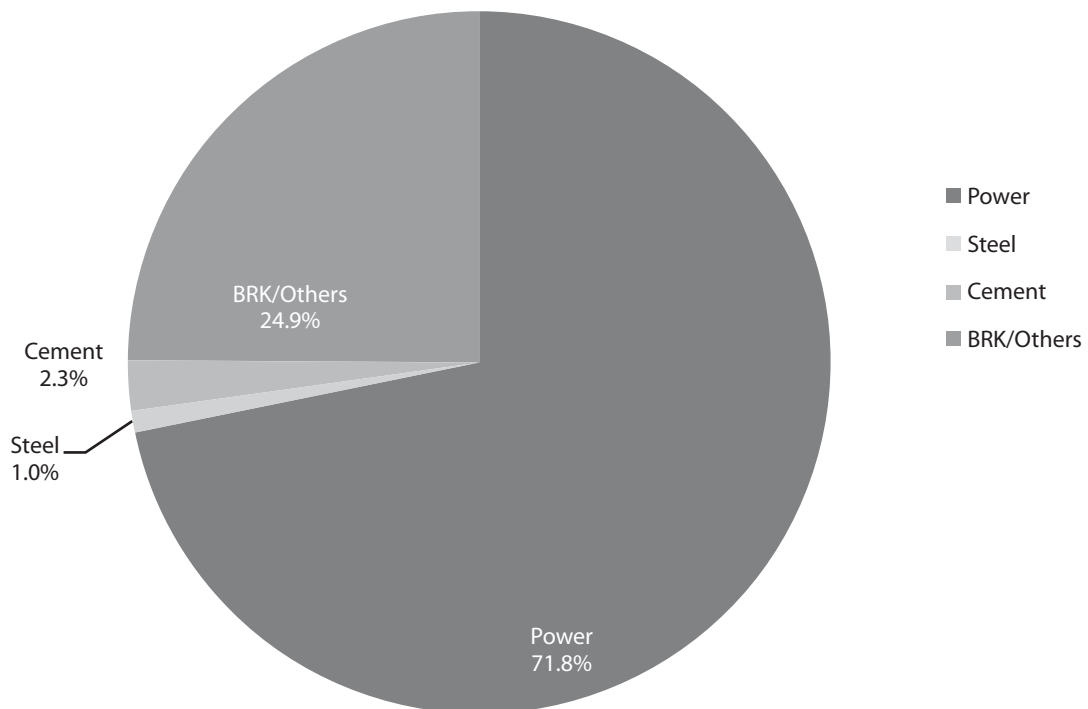
**(b) Sectorwise dispatch of coal & coal products:**

Sector-wise break-up of dispatch of coal & coal products for 2010-11 against target and last year's actual is given below:

(Figs. in million tonnes)

Year	2010 -11			2009-10	Growth over Last Year	
Sector	Target	Despatch	% Satn.	Actual	Abs.	%
Power (Util)	332.78	304.15	91.4	298.03	6.12	2.1
Steel	4.37	4.21	96.4	3.78	0.43	11.5
Cement	7.51	9.69	129.0	9.25	0.44	4.7
Fertilizer	3.01	2.78	92.4	2.61	0.17	6.5
Export	0.02	0.00		0.01	-0.01	
Others	109.82	102.61	93.4	101.46	1.15	1.1
Despatch	457.51	423.44	92.6	415.14	8.30	2.0

**Consuming Sector Profile : 2010-11**





### 3.2 Dispatch of coal and coal products by various modes:

Dispatch of coal and coal products during 2010-11 went up to 423.44 million tonnes from 415.14 million tonnes registering a growth of 2%. Barring MGR and other modes, all other modes saw dispatches being more than last year. In case of ropeways, less availability of coal at Dudhichua and less lifting by Chandrapur power stations affected dispatches. In case of MGR less acceptance

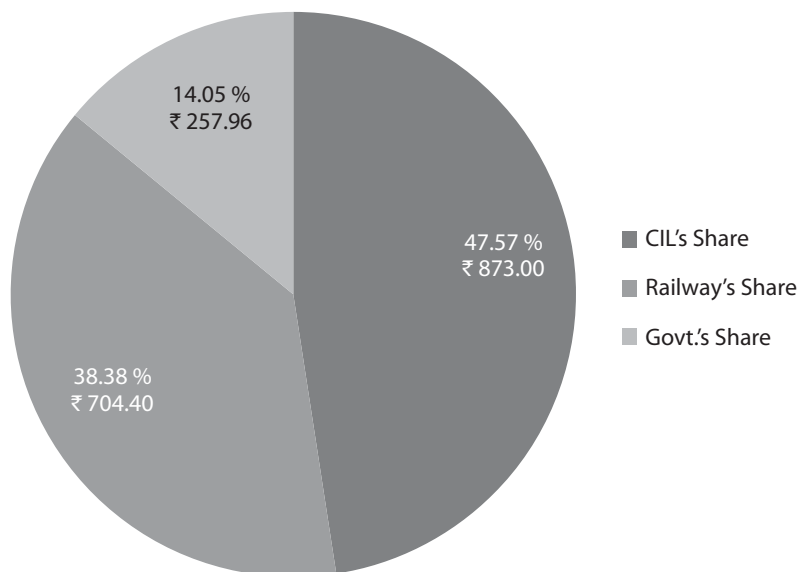
of coal by Kahalgaon, Talcher STPS reduced chances of better dispatch. Major increase continued to be in road despatches because of increased movement of coal by road to private washeries and e-auction dispatched by road to Goods Sheds of Railways for rebooking in wagons.

Dispatch of coal and coal products by various modes for the years 2010-11 and 2009-10 is given below:

(Figs. in million tonnes)

Year	2010-11			2009-10	Growth over Last Year	
Mode	Target	Despatch	% Satn.	Actual	Abs.	%
Rail	256.03	215.81	84.3	210.37	5.44	2.6
Road	94.24	112.35	119.2	105.63	6.72	6.4
MGR	96.54	83.62	86.6	86.58	-2.96	-3.4
Other Modes	10.70	11.66	109.0	12.56	-0.90	-7.2
Overall	457.51	423.44	92.6	415.14	8.30	2.0

### Producer's share in destination price of coal (As on 1.4.2011) CCL/Grade E Coal for a Haul distance of 750 km.



### 3.3 Wagon Loading

Sustained efforts and regular coordination with railways at different levels saw wagon loading improve by another 306 boxes per day over last year. However in relation to target, materialization was 87.5%. Company wise performance shows ECL, BCCL and NEC not only exceeding last years level of loading but also surpassed their target. Major deviation from target had taken place in CCL, MCL, WCL and SECL. While the loading potentials of BCCL, SECL-Korba and MCL-Ib could not be utilised due to inadequate and

timely supply of empty wagons, in some of the coalfields like CCL-Karanpura and MCL-Talcher desired level of rail dispatch was affected due to less transportation of coal to sidings arising out of deteriorating law & order conditions. Dispatch at WCL was also affected due to constraints in production, transportation bottleneck and shut down of Chandrapur TPS in the 1st half of the year.

Figs. in Box/Day

Company	2010-11			2009-10	Growth over last year	
	Target	Achieved	% Achieved	Achieved	Abs.	%
ECL	749	802	107.1	755	47	6.2
BCCL	1101	1107	100.5	931	176	18.9
CCL	1782	1423	79.9	1372	51	3.7
NCL	1029	1013	98.4	980	33	3.4
WCL	916	820	89.5	969	-149	-15.4
SECL	2019	1796	89.0	1791	5	0.3
MCL	3284	2540	77.3	2402	138	5.7
NEC	37	50	135.1	45	5	11.1
<b>CIL</b>	<b>10917</b>	<b>9552</b>	<b>87.5</b>	<b>9246</b>	<b>306</b>	<b>3.3</b>

### 3.4 Consumer satisfaction

- (i) In order to ensure enhanced customer satisfaction, special emphasis had been given to quality management. Steps were taken to monitor quality right at the coalface apart from bringing further improvements in crushing, handling, loading and transport system.
- (ii) CIL had built up coal handling plants with a capacity of about 258 MT per annum so as to maximize dispatches of crushed/sized coal to the consumers. In addition, the washeries at BCCL, CCL, WCL and NCL have adequate crushing/sizing facilities to the tune of about 39.4 million tonnes.
- (iii) Measures like picking of shale/stone, selective mining by conventional mode as well as by surface miners, adopting proper blasting procedure/technique for reducing the possibility of admixture of coal with over-burden materials, improved fragmentation of coal etc. are being taken for improving coal quality.
- (iv) Surface Miners have been deployed by CIL for selective mining at some of the mines to improve the quality of coal. Action is being taken for deployment of more surface miners in other mines where geo-mining condition permits. Already 24 Surface Miners have been deployed in MCL, CCL and SECL at opencast mines and are working satisfactorily.
- (v) Joint sampling system is in vogue for major consuming sectors e.g. power (utilities as well as captive), steel, cement, sponge iron covering more than 95% of total production of CIL. On overall basis, large consumers having annual quantity of 0.4 MT or more and having FSA have been covered for sampling. The achievement of grade conformity in respect of sampling and analysis has been to the tune of 93.3 % in respect of supplies to power sector during 2010-11. Consumers covered under the agreed sampling arrangement are required to pay as per the analyzed grade of coal. This system is working satisfactorily.
- (vi) Electronic weighbridges with the facility of electronic printout have been installed at rail loading points to ensure that coal despatches are made only after proper weighment. For this purpose, Coal Companies have installed 166 weighbridges in the Railway Sidings and 474 weighbridges for weighment of trucks. Coal Companies have also taken actions for installation of standby weighbridges to ensure 100% weighment.  
During 2010-11, about 98.3% of coal despatches to powerhouses have been weighed as compared to about 98.25% during 2009-10. Sized coal dispatches to powerhouses during 2010-11 had been 98.6 % compared to about 98.5% during 2009-10.



### 3.5 Steps Taken Towards Liberal Marketing of Coal:

Almost all provisions contained in New Coal Distribution Policy have been successfully implemented by CIL. Status of implementation of different provisions under New Coal Distribution Policy (NCDP) is as under:

(i) At the end of March, 2011, against 306 million tonnes allocated by CEA for all power stations existing and drawing coal as on 31.3.09, total quantity covered under FSA had been 286.335 million tonnes thereby showing a materialization of 94%. Regular follow up was made with concerned power utilities to ensure that entire quantity gets covered under FSA. Apart from above, for new power stations (post NCDP) who are to draw coal through Letter of Assurance (LOA) route followed by FSA/ MOU, a quantity of 9.932 million tonnes per annum is the entitlement. Further, power stations having pre NCDP linkage are also entitled to draw coal under MOU for a quantity of 20.299 million tonnes per annum.

(ii) Out of 1211 valid linked units other than power and steel plants with eligible FSA quantity of 64.95 million tonnes, 1189 units have executed FSAs for 64.27 million tonnes.

(iii) For supply of coal to SME sector, 8 million tonnes was earmarked by CIL for allocation to agencies nominated by the State Govts/ UTs. During the current fiscal, 21 states / UTs sent their nomination of 28 state agencies for the year 2010-11 of which 23 state agencies have signed FSA for 4.1 million tonnes and drawing coal accordingly.

iv) After implementation of NCDP, 658 new consumers in power, sponge iron, Captive power and cement sector were served notices with a request to deposit commitment guarantee (CG) out of which 543 units submitted CG. 539 units were issued LOA for completion of necessary milestones. 277 units completed their milestones and executed FSAs.

(v) In case of those new Consumers who are not covered by SLC (LT), allocation of coal through LOA route has been kept on hold due to limited coal availability after meeting contractual obligations of existing consumers and new consumers covered under SLC (LT) through LOA route. Consumption norms developed by Central Industrial Mining & Fuel Research are also under process of finalization. Model LOAs developed for consumers not covered under SLC (LT) are also yet to be approved.

(vi) After sustained efforts, Forward E Auction scheme is gradually getting stabilized. During the year ended March, 2011, quantity allocated through auction was 5.61 million tonnes as against 0.55 million tonnes allocated in last year. No. of bidders who participated also went up to 264 from 22 in last year. The quantity allocated under spot e auction also maintained its rising trend. During the period under review, 46.56 million tonnes of coal was allocated under spot e- auction to the successful bidders as against 45.73 million tonnes of coal allocated last year. The margin earned over notified price for sale through E-auctions also improved to 80.7% during the year as compared to 59.8% during last year thereby showing the popularity of the scheme.

### 3.6 Coal Beneficiation

In order to supply improved quality and sized coal, CIL operates 17 coal washeries with a total capacity of 39.4 Mty. Out of these, 12 are coking coal washeries with a total capacity of 22.18 Mty and 5 are non coking coal washeries with a total capacity of 17.22 Mty. Considering the increasing demand for washed coal and drive for a cleaner environment, CIL has initiated action through Global tender to establish 20 coal washeries with a total capacity of 111.1 Mty, out of which 6 are coking coal washeries with a total capacity of 19.1 Mty and 14 are non coking coal washeries with a total capacity of 92.00 Mty.

### 3.7 Stock of Coal, Coke etc.

Net adjusted value of the pithead stock of coal and other products at the close of the year 2010-11 after provision for stock deterioration etc. was ₹4439.82 crores, which was equivalent to 1.06 month value of net sales. The company-wise position of stocks held on 31.03.2011 and on 31.03.2010 are given below:

Figures in ₹ Crores

Company	Net Value of stock	Net Value of stock	Stock in terms of no. of months of Net Sales	
	as on 31.03.2011	as on 31.03.2010	As on 31.03.11	As on 31.03.10
ECL	430.58	320.68	0.88	0.74
BCCL	1025.94	852.70	2.00	2.27
CCL	1292.31	1006.38	2.57	2.20
NCL	199.81	75.05	0.31	0.12
WCL	360.37	218.26	0.72	0.45
SECL	624.63	348.25	0.70	0.45
MCL	473.47	340.99	0.76	0.65
NEC/CIL	32.71	24.17	0.95	0.72
<b>Total</b>	<b>4439.82</b>	<b>3186.48</b>	<b>1.06</b>	<b>0.86</b>

### 3.8 Coal Sales Dues

Net Coal Sales dues outstanding as on 31.03.2011 after providing of ₹ 1484.52 crores (previous year ₹ 1453.75 crores) for bad and doubtful debts, was ₹ 2979.83 crores (previous year ₹ 2110.42 crores) which is equivalent to 0.60 months combined gross sales of CIL as a whole (previous year 0.49 months). Subsidiary-wise break-up of coal sale dues outstanding as on 31.03.2011 as against 31.03.2010 are shown below:-

Figures in ₹ Crores

Company	Coal Sales dues		Coal Sales dues	
	as on 31.03.2011		as on 31.03.2010	
	Gross	Net	Gross	Net
ECL	1044.61	959.20	840.86	746.79
BCCL	1131.47	618.13	849.67	393.80
CCL	1461.94	941.64	1008.18	512.45
NCL	104.66	99.40	128.25	123.00
WCL	147.37	25.20	263.31	109.18
SECL	461.23	255.33	434.47	212.35
MCL	102.30	80.92	28.66	12.83
NEC/CIL	10.77	0.01	10.77	0.02
<b>Total</b>	<b><u>4464.35</u></b>	<b><u>2979.83</u></b>	<b><u>3564.17</u></b>	<b><u>2110.42</u></b>

### 3.9 Payment of Royalty, Cess and Sales Tax, Stowing Excise Duty & Entry Tax

During the year 2010-11, CIL and its Subsidiaries paid/adjusted ₹ 9923.27 crores (previous year ₹ 7499.94 crores) towards Royalty, Cess, Sales Tax and other levies as detailed below:-

Figures in ₹ Crores

	2010 - 11	2009 - 10
Royalty	4799.52	4697.68
Cess & Others	1339.07	804.86
Sales Tax / VAT	1757.81	1542.20
Stowing Excise Duty	424.36	410.41
Central Excise Duty	233.49	-
Clean Energy Cess	1286.61	-
Entry Tax	82.41	44.79
<b>Total</b>	<b><u>9923.27</u></b>	<b><u>7499.94</u></b>



**State-wise & Company-wise breakup of Payment of Royalty, Sales Tax, SED, Cess and other levies during 2010 -11 are given below:**

Figures in ₹ Crores

Company	Particulars	MP	Chattisgarh	WB	Jharkhand	Maharashtra	UP	Orissa	Assam	CCO/GOI	2010-11
ECL	Royalty			9.61	152.08						161.69
	Cess & Others			778.06	37.50						815.56
	Sales Tax/VAT			170.95	39.00						209.95
	Stowing Excise Duty									29.19	29.19
	Central Excise Duty			32.53	1.39						33.92
	Clean Energy Cess			45.15	37.50						82.65
	Entry tax										
	<b>Total</b>			<b>1036.30</b>	<b>267.47</b>					<b>29.19</b>	<b>1332.96</b>
BCCL	Royalty			0.05	508.28						508.33
	Cess & Others			5.79							5.79
	Sales Tax/VAT			7.62	158.09						165.71
	Stowing Excise Duty									28.33	28.33
	Central Excise Duty				23.55						23.55
	Clean Energy Cess				84.98						84.98
	Entry tax										
	<b>Total</b>			<b>13.46</b>	<b>774.90</b>					<b>28.33</b>	<b>816.69</b>
CCL	Royalty				613.28						613.28
	Cess & Others										
	Sales Tax/VAT				180.89						180.89
	Stowing Excise Duty									45.56	45.56
	Central Excise Duty				6.42						6.42
	Clean Energy Cess				163.36						163.36
	Entry tax										
	<b>Total</b>				<b>963.95</b>					<b>45.56</b>	<b>1009.51</b>
NCL	Royalty	578.54					167.72				746.26
	Cess & Others	12.20					11.34				23.54
	Sales Tax/VAT	110.14					132.68				242.82
	Stowing Excise Duty									64.16	64.16
	Central Excise Duty	31.57					8.58				40.15
	Clean Energy Cess	132.38					51.22				183.60
	Entry tax	7.17					12.78				19.95
	<b>Total</b>	<b>872.00</b>					<b>384.32</b>			<b>64.16</b>	<b>1320.48</b>
WCL	Royalty	96.02				499.82					595.84
	Cess & Others										
	Sales Tax/VAT	43.98				174.65					218.63
	Stowing Excise Duty									43.38	43.38
	Central Excise Duty	5.18				23.10					28.28
	Clean Energy Cess	21.98				117.54					139.52
	Entry tax	10.61									10.61
	<b>Total</b>	<b>177.77</b>				<b>815.11</b>				<b>43.38</b>	<b>1036.26</b>
SECL	Royalty	189.09	1024.26								1213.35
	Cess & Others	379.22	108.59	0.02							487.83
	Sales Tax/VAT	87.56	349.25	4.33							441.14
	Stowing Excise Duty									108.96	108.96
	Central Excise Duty	13.97	42.63	0.11							56.71
	Clean Energy Cess	39.92	282.64								322.56
	Entry tax										
	<b>Total</b>	<b>709.76</b>	<b>1807.37</b>	<b>4.46</b>						<b>108.96</b>	<b>2630.55</b>
MCL	Royalty							932.44			932.44
	Cess & Others										
	Sales Tax/VAT							287.92			287.92
	Stowing Excise Duty									104.78	104.78
	Central Excise Duty							41.37			41.37
	Clean Energy Cess							305.19			305.19
	Entry tax							51.85			51.85
	<b>Total</b>							<b>1618.77</b>		<b>104.78</b>	<b>1723.55</b>

Figures in ₹ Crores

Company	Particulars	MP	Chhattisgarh	WB	Jharkhand	Maharashtra	UP	Orissa	Assam	CCO/GOI	2010-11
<b>CIL/NEC /Others</b>	Royalty								28.33		28.33
	Cess & Others								6.35		6.35
	Sales Tax/VAT								10.75		10.75
	Stowing Excise Duty										
	Central Excise Duty								3.09		3.09
	Clean Energy Cess								4.75		4.75
	Entry tax										
	<b>Total</b>								<b>53.27</b>		<b>53.27</b>
<b>Overall</b>	Royalty	863.65	1024.26	9.66	1273.64	499.82	167.72	932.44	28.33		4799.52
	Cess & Others	391.42	108.59	783.87	37.50		11.34		6.35		1339.07
	Sales Tax/VAT	241.68	349.25	182.90	377.98	174.65	132.68	287.92	10.75		1757.81
	Stowing Excise Duty									424.36	424.36
	Central Excise Duty	50.72	42.63	32.64	31.36	23.10	8.58	41.37	3.09		233.49
	Clean Energy Cess	194.28	282.64	45.15	285.84	117.54	51.22	305.19	4.75		1286.61
	Entry tax	17.78					12.78	51.85			82.41
	<b>Total</b>	<b>1759.53</b>	<b>1807.37</b>	<b>1054.22</b>	<b>2006.32</b>	<b>815.11</b>	<b>384.32</b>	<b>1618.77</b>	<b>53.27</b>	<b>424.36</b>	<b>9923.27</b>





## 4. Coal Production

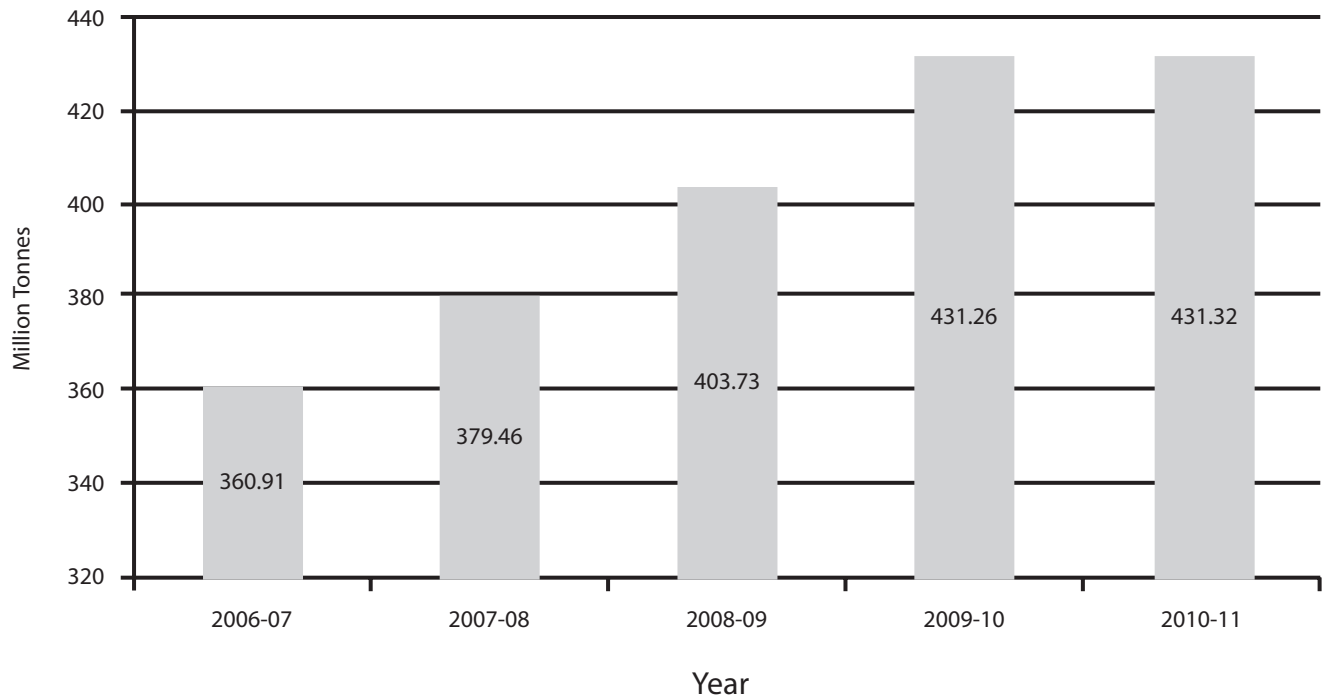
### 4.1 Raw coal production

Production of raw coal during 2010-11 was 431.32 million tonnes as against 431.26 million tonnes produced in 2009-10. The company-wise production is given below:

(Figures in million tonnes)

Company	Coking		Non-Coking		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
ECL	0.05	0.06	30.75	30.00	30.80	30.06
BCCL	25.29	19.16	3.72	8.35	29.01	27.51
CCL	15.45	16.21	32.07	30.87	47.52	47.08
NCL	0.00	0.00	66.25	67.67	66.25	67.67
WCL	0.40	0.55	43.25	45.19	43.65	45.74
SECL	0.16	0.15	112.55	107.86	112.71	108.01
MCL	0.00	0.00	100.28	104.08	100.28	104.08
NEC	0.00	0.00	1.10	1.11	1.10	1.11
<b>CIL</b>	<b>41.35</b>	<b>36.13</b>	<b>389.97</b>	<b>395.13</b>	<b>431.32</b>	<b>431.26</b>

### Raw Coal Production



## 4.2 Production from underground and opencast mines.

Coal production from underground mines in 2010-11 was 40.02 million tonnes compared to 43.25 million tonnes in 2009-10. Production from open cast mines during 2010-11 was 90.7% of total coal production. Company-wise production is as under:

(Figures in Million tonnes)

Company	Underground Production		Opencast Production		Total Production	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
ECL	7.37	8.23	23.43	21.83	30.80	30.06
BCCL	3.70	3.90	25.31	23.61	29.01	27.51
CCL	1.27	1.47	46.25	45.61	47.52	47.08
NCL	0.00	0.00	66.25	67.67	66.25	67.67
WCL	8.71	9.62	34.94	36.12	43.65	45.74
SECL	16.80	17.83	95.91	90.18	112.71	108.01
MCL	2.17	2.20	98.11	101.88	100.28	104.08
NEC	0.002	0.00	1.10	1.11	1.10	1.11
<b>CIL</b>	<b>40.02</b>	<b>43.25</b>	<b>391.30</b>	<b>388.01</b>	<b>431.32</b>	<b>431.26</b>

## 4.3 Hard Coke and Washed Coal (Coking) Production

Subsidiary-wise production of Hard coke and Washed coal (coking) is given below:

(Figures in lakh tonnes)

Company	Hard Coke		Washed Coal(Coking)	
	2010-11	2009-10	2010-11	2009-10
ECL	-	-	-	-
BCCL	0.00	0.00	15.49	13.26
CCL	-	-	14.53	13.92
NCL	-	-	-	-
WCL	-	-	1.91	2.46
SECL	-	-	-	-
MCL	-	-	-	-
NEC	-	-	-	-
<b>CIL</b>	<b>0.00</b>	<b>0.00</b>	<b>31.93</b>	<b>29.64</b>

## 4.4 Overburden Removal

Overburden removed during 2010-11 was 732.13 million cubic meters as against 682.03 million cubic meters in 2009-10 thereby recording a growth of 7.3%. Company-wise details of overburden removal is shown below:

(Figures in Million Cubic Mtrs.)

Company	2010-11	2009-10
ECL	56.25	49.74
BCCL	83.23	61.63
CCL	62.52	56.05
NCL	182.22	177.98
WCL	115.83	133.97
SECL	137.57	129.80
MCL	88.70	66.07
NEC	5.81	6.79
<b>CIL</b>	<b>732.13</b>	<b>682.03</b>



## 5. Population of Equipment

The population of major Opencast Equipment (Heavy Earth Moving Machinery) as on 1.4.2011 and on 1.4.2010 alongwith their performance status in terms of availability & utilisation expressed as percentage of CMPDIL norm is tabulated below:

Equipment	No. of Equipment		Indicated as % of CMPDIL Norm			
	As on	As on	Availability		Utilisation	
	1.4.2011	1.4.2010	2010-11	2009-10	2010-11	2009-10
Dragline	40	40	92	92	91	99
Shovel	754	747	90	91	78	85
Dumper	3217	3366	99	99	70	73
Dozer	981	991	93	92	59	60
Drill	709	713	98	99	74	77

## 6. Capacity Utilisation

### SYSTEM CAPACITY UTILISATION

The overall system capacity utilisation of CIL as a whole for the year 2010-11 was 89.31 %. It was 90.25 % during 2009-10. Subsidiary-wise details in term of percentage vis-à-vis preceding year was as under:

in %

Company	2010 -11	2009 -10
ECL	94.88	97.58
BCCL	115.78	94.46
CCL	94.88	91.72
NCL	71.68	76.23
WCL	92.94	113.19
SECL	105.39	98.32
MCL	83.20	80.55
NEC	66.66	76.93
<b>Total CIL</b>	<b>89.31</b>	<b>90.25</b>

## 7. Productivity: Output per Manshift (OMS)

Output per Manshift (OMS) during 2010-11 improved to 4.73 Tonnes from 4.47 Tonnes of previous year. Company-wise position is given in the following table:

(Figures in Tonnes)

Company	Underground OMS		Opencast OMS		Overall OMS	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
ECL	0.45	0.47	8.14	7.29	1.60	1.46
BCCL	0.39	0.39	5.64	4.85	2.09	1.85
CCL	0.34	0.35	5.45	5.24	3.88	3.66
NCL	0.00	0.00	13.52	13.19	13.52	13.19
WCL	1.09	1.12	4.13	4.12	2.65	2.64
SECL	1.32	1.33	20.22	18.89	6.47	5.96
MCL	1.25	1.29	20.50	18.89	15.37	14.66
NEC	0.004	0.00	7.10	7.85	2.16	2.00
CIL	0.77	0.78	10.06	9.51	4.73	4.47

## 8 PROJECT FORMULATION:

**8.1 Preparation of Reports (PR):** As prioritized by subsidiary companies of Coal India Limited, preparation of Project Reports for new/expansion/re-organization mines was carried out during the year 2010-11 for building additional coal production capacity. Revision of PRs/Cost Estimates for projects was also taken up along with the new PRs. Thrust was laid on preparation of reports for identified Projects of XI Plan & Master Plans of various coalfields. An exercise was also carried out for identification of XII plan projects.

### Other Important jobs undertaken during the year:

1. Feasibility reports/Conceptual reports and customization of bid document for coal washeries.
2. Operational plans for large OC mines.
3. Environment management plans.
4. Mine closure plan.
5. Reports for dealing with fire.
6. Detailed designing & drawing, NIT, tender scrutiny.
7. Mine capacity assessment of UG & OC mines of CIL.
8. Technical studies related to operation of UG & OC mines of CIL.
9. Performance analysis of HEMMs.
10. Preparation of global bids for deployment of Continuous Miner, PSLW, High speed Incline drive & shaft sinking in UG mines of CIL.
11. Preparation of Model Bid Document & Conceptual report for setting up of FBC based thermal power plants using washery rejects.

**Expert consultancy services:** During the year 2010-2011, expert consultancy services were also provided to subsidiary companies of Coal India Limited in the field of Environmental Management and Monitoring, Remote Sensing, Energy Audit (Diesel & Electrical), Benchmarking of Diesel & Electrical Consumption and Fixation of Diesel & Electrical Consumption norms of Opencast and Underground mines, Physico-mechanical tests on Rock and Coal Samples, Subsidence Studies, Strata Control, Non-Destructive Testing (NDT), Controlled Blasting & Vibration Studies and Explosive Utilization, Ventilation / Gas Survey of UG mines, Mining Electronics, Petrography and Cleat Study on coal samples, Coal Core Processing & Analysis, Washability tests, OBR Survey, Man Riding System, Soil Erosion Study, Effluent Treatment Plants & Illumination Survey etc.

In all, during the year under review, CMPDI had prepared 383 reports which included 19 Geological Reports, 37 Project Reports/Revised Cost Estimates, 14 Operation Plans, 162 Other Reports and 151 Environment Management Plans (including 126 applications as per Form-I for EMP clearance).



## 8.2 PROJECT IMPLEMENTATION:

- (a) The following 6 coal projects, each costing ₹ 20 crores & above, with ultimate capacity of 13.65 Mty and sanctioned capital of ₹ 314.18 Crs. were completed during 2010-11:

SL.	Cos	Name of Projects	Type	Sanctioned Capacity (MTY)	Sanctioned Capital (₹ Crs.)
1	SECL	SEAM III ANJAN HILL	UG	0.42	46.75
2	SECL	JHIRIA	UG	0.33	32.07
3	SECL	CHAAL	OC	3.00	50.38
4	SECL	GAYATRI	UG	0.30	21.92
5	MCL	BASUNDHARA WEST EXPN	OC	4.60	46.52
6	MCL	LAKHANPUR PH II	OC	5.00	116.54
		<b>TOTAL</b>		<b>13.65</b>	<b>314.18</b>

- (b) Another 8 coal projects, each costing ₹ 20 crores & above, with an ultimate capacity of 15.88 Mty and sanctioned capital of ₹ 956.81 Crs. had started contributing production during the year 2010-11:

SL.	Cos	Name of Projects	Type	Sanctioned Capacity (MTY)	Sanctioned Capital (₹ Crs.)
1	ECL	SARPI AUG	UG	0.76	147.86
2	CCL	TARMI	OC	1.00	35.54
3	CCL	GOVINDPUR PH II	OC	1.20	142.11
4	WCL	URDHAN	OC	0.50	43.50
5	SECL	HALDIBARI UG	UG	0.42	47.92
6	SECL	AMERA	OC	1.00	42.83
7	SECL	AMGAON	OC	1.00	39.28
8	MCL	KANIHA	OC	10.00	457.77
		<b>TOTAL</b>		<b>15.88</b>	<b>956.81</b>

### Status of Ongoing Projects:

Presently there are 117 mining and 13 non-mining projects, costing ₹ 20 crores & above, under different stages of implementation. Out of 117 mining projects, 76 are on schedule & 41 are delayed. Out of 13 non-mining projects, 10 are on schedule, 3 are delayed

Projects	Total projects	Projects on schedule	Projects delayed
Mining	117	76	41
Non Mining	13	10	03
<b>Total</b>	<b>130</b>	<b>86</b>	<b>44</b>

### Reasons of delay:

#### Mining Projects:

SL.	REASONS FOR DELAY	NO OF PROJECTS
1	ADVERSE GEOMINING CONDITION	02
2	LAND ACQUISITION	24
3	MISCELLANEOUS	15
	<b>Total</b>	<b>41</b>

#### Non-mining Projects:

SL.	REASONS FOR DELAY	NO OF PROJECTS
1	ADVERSE GEOMINING CONDITION	-
2	LAND ACQUISITION	1
3	MISCELLANEOUS	2
	<b>Total</b>	<b>3</b>

### 8.3 PROJECTS SANCTIONED:

- (a) No Advance Action proposal had been sanctioned by Government during 2010-11.
- (b) No Expansion Project had been sanctioned by the Govt. during 2010-11.
- (c) One OC project, costing more than ₹ 20 Crs, with an ultimate sanctioned capacity of 10.00 Mty & sanctioned capital of ₹ 1008.12 Crs had been sanctioned by CIL Board during 2010-11.

SL.	Cos	Name of Projects	Type	Sanctioned Capacity (MTY)	Sanctioned Capital (₹ Crs.)
1	SECL	GEVRA EXPN OC (25-35 Mty)	OC	10.00(Incr)	1008.12(Incr)
		<b>Total</b>		<b>10.00</b>	<b>1008.12</b>

- (d) 2 Non-mining projects (both washeries) with a capacity of 10.00 Mty & sanctioned capital of ₹ 432.63 Crs had also been approved by CIL Board during 2010-11.

SL.	Cos	Name of Projects	Sanctioned Capacity (MTY)	Sanctioned Capital (₹ Crs.)
1	BCCL	MADHUBANDH WASHERY	5.00	262.99
2	BCCL	PATHERDIH WASHERY	5.00	169.64
		<b>Total</b>	<b>10.00</b>	<b>432.63</b>

- (e) Under their delegated powers to sanction projects, the Subsidiary Company Board had sanctioned one OC project costing more than ₹ 20 Crs, with an ultimate capacity of 5.00 Mty & sanctioned capital of ₹ 27.82 Crs, during 2010-11:

SL.	Cos	Name of Projects	Type	Sanctioned Capacity (MTY)	Sanctioned Capital (₹ Crs.)
1	MCL	SAMLESWARI IV	OC	5.00	27.82
		<b>Total</b>		<b>5.00</b>	<b>27.82</b>

- (f) 5 Non Mining projects, costing more than ₹ 20 Crs, had also been sanctioned by the subsidiary companies during the year 2010-11, with a capacity of 61.00 Mty & Sanctioned capital of ₹ 819.36 Crs.

SL.	Cos	Name of Projects	Sanctioned Capacity (MTY)	Sanctioned Capital (₹ Crs.)
1	MCL	CONSTRUCTION & COMMISSIONING OF IB VALLEY WASHERY	10.00	181.00
2	MCL	CONSTRUCTION & COMMISSIONING OF HINGULA WASHERY	10.00	181.00
3	MCL	CONSTRUCTION OF SILO DISPATCH KULDA OC (FOR BASUNDHRA WASHERY)	10.00	35.95
4	MCL	COAL TRANSPORT & SILO ARRANGEMENT AT ANANTA SPUR SIDING V&VI	15.00	183.86
5	MCL	COAL TRANSPORT & SILO ARRANGEMENT AT LINGRAJ OCP	16.00	237.55
		<b>Total</b>	<b>61.00</b>	<b>819.36</b>



#### 8.4 REVISED PROJECT REPORT / REVISED COST ESTIMATES:

- (a) No RPR / RCEs were sanctioned by Government during 2010-11.
- (b) No RPR / RCEs were sanctioned by CIL during 2010-11.
- (c) RPR / RCEs for 1 OCP & 2 UG projects were sanctioned by Subsidiary Company Boards during 2010-11, with an ultimate sanctioned capacity of 3.25 Mty & a sanctioned capital of ₹ 205.75 Crs.

SL.	Cos	Name of Projects	Type	Sanctioned Capacity (MTY)	Sanctioned Capital (₹ Crs.)
1	WCL	GONDEGAON-GHATRONA EXPN	OC	2.00	73.88
2	SECL	BAGDEVA EXPN RPR	UG	0.75	87.12
3	SECL	JHILMILI RPR	UG	0.50	44.75
		Total		3.25	205.75

#### 9. CAPITAL EXPENDITURE

Overall Capital Expenditure during 2010-11 was ₹ 2539.72 crores as against ₹ 2809.99 crores in the previous year, subsidiary-wise details of which are given below:-

Figures in ₹ Crores

Company	2010-11		2009-10	
	(BE)	Actual	(BE)	Actual
ECL	400.00	184.93	210.00	165.02
BCCL	350.00	320.94	230.00	293.35
CCL	350.00	200.76	420.00	321.31
NCL	800.00	310.53	730.00	545.45
WCL	350.00	239.74	230.00	252.34
SECL	600.00	581.87	730.00	770.67
MCL	650.00	608.10	200.00	404.19
CMPDIL	15.00	10.74	15.00	11.42
NEC/CIL/Others	285.00	82.11	135.00	46.24
<b>Total</b>	<b>3800.00</b>	<b>2539.72</b>	<b>2900.00</b>	<b>2809.99</b>

Capital Expenditure incurred during 2010-11 is about 66.83% of BE (96.90% in 2009-10).

#### 10. CAPITAL STRUCTURE

The authorized share capital of the company as on 31.03.2011 was ₹ 8904.18 crores, distributed between Equity and Non-cumulative redeemable preference shares as under:

(i) 90,41,800 Non-cumulative 10% redeemable Preference Shares of ₹ 1000/- each (Previous Year 90,41,800 Non-cumulative 10% Redeemable Preference Shares of ₹ 1000/- each)	₹ 904.18 crores
(ii) 800,00,00,000 Equity Shares of ₹ 10/- each (Previous Year 800,00,00,000 Equity Shares of ₹ 10/- each)	₹ 8000.00 crores
	<b>₹ 8904.18 crores</b>

**Note:** During the year 2009-10, the equity shares have been split from ₹ 1000/- per share to ₹ 10/- per share. The paid-up equity capital as on 31.03.2010 was ₹ 6316.36 crores, out of which ₹ 6316.36 issued in favour of the Government of India (Gol), including ₹ 256.93 crores worth of Equity Shares issued towards value of land acquired.

Pursuant to disinvestment of 10% of total equity shares held by Govt. of India, to the public, the shares of Coal India Ltd. has been listed in major Stock Exchange viz. BSE and NSE with effect from 4th November 2010.

Total investment by the Government of India in CIL and its subsidiaries as on 31.03.2011 was ₹ 5684.73 crores as against ₹ 6316.36 crores in the previous year as detailed below:-

Figures in ₹ Crores

	As on 31.03.2011	As on 31.03.2010
<b>Share Capital - Equity</b>		
Investment by Govt	5684.73	6316.36
Other Investors	631.63	-
<b>Total</b>	<b>6316.36</b>	<b>6316.36</b>

## 11. BORROWINGS

Aggregate borrowings of CIL, excluding bank borrowings of ₹ 32.60 Cr. (₹ 463.17 Cr.) has reduced to ₹ 1520.96 Cr. in 2010-11 from ₹ 1623.68 Cr in 2009-10 as detailed below:

Figures in ₹ Crores

Particulars	As on 31.03.2011	As on 31.03.2010
Foreign Loans including deferred credits		
IBRD/JBIC	1370.42	1464.30
EDC Canada	141.56	146.55
CME China	-	3.74
Liebherr France SA., France	8.98	9.09
<b>TOTAL</b>	<b>1520.96</b>	<b>1623.68</b>

Decrease in outstanding was mainly because of repayment of principal and reduction in equivalent foreign currency of outstanding loan over previous year. The debt servicing had been duly met.

## 12. FOREIGN COLLABORATION

Coal India is looking for foreign collaboration with a view to:

- Bring in proven technologies and advanced management skills for running UG and OC mines and coal preparation.
- Exploration of coal reserve.
- Exploration and exploitation of Coal Bed Methane, UG Coal Gasification etc.
- Locating overseas countries interested in Joint Venture in the field of coal mining with special thrust on coking coal mining.
- Exploring financial assistance for import of equipment and other investment needs of the coal industry in India.

Keeping the above objectives in view, discussions are being held from time to time with countries like USA, Canada, UK, Russia, Germany, France, Poland, Belarus, South Africa, Mozambique, Iran, Turkey, China, Japan, Australia etc. to identify the areas of mutual cooperation for India in general and Coal India Limited in particular.

The important areas identified include modern technologies for mass production in both UG and OC mining, dealing with fire and subsidence, mine safety, coal preparation, extraction of Coal Bed Methane, UG Coal Gasification, application of Geographical Information System, Satellite Surveillance, Environmental Control, overseas ventures in coal mining.

While CIL would endeavor to acquire suitable technology through international bidding on risk/gain sharing basis, bilateral cooperation may also be encouraged for locating availability of cost effective and latest technologies in the aforesaid areas, if the technology proves to be discernibly advantageous. CIL, therefore, has been following both these routes, albeit in varied measures. Followings are the details of activities took place with different countries during 2010-11:

### Indo-US Collaboration:

The meeting of the Indo-US Coal Working Group (CWG) was held on 1st April 2008. The following R&D project proposals, developed by CWG, had been finalized for CIL.

- Cost-effective Technology for Beneficiation and Recovery of fine coal
- Beneficiation Technology for Low Volatile Coking Coal
- Development of a Coal Preparation Plant Simulator.

The new areas identified by the CWG for possible cooperation were as follows:

- Underground Coal Gasification,
- Dry Coal Beneficiation,
- CBM / CMM/AMM.
- Coal Resource Characterization,





- Study for developing a model to increase usable quantum of energy from indigenously mined coal,
- Study on revival of selected abandoned mines in CIL companies.

The 8th Indo-US coal working group was held on 24/3/2011 at New Delhi. Ongoing CWG activities and project proposal for funding under Indo-US CWG was presented by Chairman CIL. Deliberations were held for enhancing technical capability of professionals from CMPDI in the area of Geospatial Technology for effective mine land reclamation and Sustainable Development of coal resources in India.

#### **Indo-German Collaboration:**

17th meeting of the Indo-German Working Group on Coal was held in Kolkata on 07.11.2008. The areas identified to strengthen the working group cooperation efforts are as under:

- Developing technology, essential for deep shaft sinking for extraction of deep seated coal,
- Technology for Hard Roof Management in coal mines,
- Establishing techniques to assess and extract CBM & CMM,
- Underground Coal Gasification (UCG) for coal resources at greater depth/isolated deposits,
- 3D Seismic Survey with Borehole Imaging System,
- Ventilation Air Methane - mitigation and utilization of Indian Mining scenario,
- In Seam Seismic Survey for underground coal mining operation,
- Joint Venture for mining abroad with technological cooperation from Germany,
- Cooperation in capacity building specially in UG mines.

Indo-German Coal Industry Interface meeting was held on 9th November 2010 at Kolkata where delegates from CIL and German side presented the scope towards industrial and scientific cooperation.

#### **Indo- Belarus Collaboration:**

The 4th meeting of the Indo-Belarus Inter Governmental Commission for Economic, Trade, Industrial, Scientific, Technical and Cultural Co-operation was held in New Delhi on 17th & 18th November, 2008. Both the sides negotiated and discussed the issues of cooperation on the basis of mutual and equal interest.

Further, a meeting was held between MOS (I/C) Coal and First Deputy Prime Minister of Republic of Belarus on 25/10/2010 where Chairman, Coal India Limited was also present. It was suggested that, for HEMM, Belarus should develop suitable after sale service mechanism including provision for training of HEMM operators through simulators as the contracts will be for a period of 12 years including maintenance and repair contracts of equipment.

Honourable Minister (I/C), Coal and senior officials from the

ministry were invited to visit Belarus to have on site inspection of their equipment manufacturing facilities in Belarus.

#### **Indo- Australia Collaboration:**

The 6th meeting of the India-Australia JWG on Energy and Minerals was held in New Delhi on 16-17th March, 2009. The working group discussed on recent trade and investment developments, implications of the global financial crisis on the resources and energy sectors, recent energy and mineral policy developments.

The Joint Working Group also agreed to activities in 2009-11 under the five Actions Plans signed between Australia and India in November, 2008 viz Mining and Minerals, Coal, New and Renewable Energy, Power, Petroleum and Natural Gas. The workshops hosted by concerned ministries on 16.03.2009 also produced constructive dialogues around the key themes of **Joint Action Plan**, signed between MOC and Department of Resource Energy & Tourism, Govt of Australia on 05.11.2008.

A Joint Sub-Group/Task Force with Joint Secretary, MOC, as Chairperson was constituted by MOC for developing bilateral opportunities and continuity of all key areas enumerated in Joint Action Plan signed in November 2008.

The meeting of the Task Force under India-Australia Joint Working Group and Energy and Minerals Forum was held in Australia from 7th to 10th June 2010.

The 7th Indo-Australia Joint working group meeting on Energy & Minerals was held from 17th to 18th May, 2011 at Sydney, Australia.

#### **Indo- Mozambique Collaboration:**

MOU for co-operation in the area of coal mining exists between Govt. of India and Govt. of Mozambique. Till date two meetings of Indo-Mozambique Joint Working Group on Coal have been held, one in Mozambique and the 2nd in New Delhi.

CIL leveraged the bi-lateral platform of Indo-Mozambique JWG on coal to acquire prospecting license (PL) of two coal blocks in Mozambique, namely A1 and A2, covering an area of 22400 hectares. It emerged as the successful bidder in the global tender process run by Govt. of Mozambique based on its proven core competence over the entire gamut of coal business value chain. The licenses will allow CIL to explore and develop the coal blocks over a period of 5 years. A 100% wholly owned subsidiary of CIL namely, **Coal India Africana Limitada (CIAL)**, has been registered in August 2009 in Mozambique for investment in coal resources.

CIL intends to start drilling and exploration activities in the leasehold area of the aforesaid coal blocks for which a tender was floated in the month of February, 2011 to undertake prospect in these coal blocks. Bids from the interested bidders have been received and the same are under evaluation. Meanwhile initiatives have also been taken to operationalize CIAL to oversee exploration and development of the coal blocks already under possession and to venture into further acquisition initiatives in Mozambique.

## Asia Pacific Partnership:

Seven countries namely Australia, China, India, Japan, The Republic of Korea, USA and Canada of the Asia Pacific Partnership on Clean Development and Climate have decided to cooperate in the increased energy needs and associated challenges, including those related to air pollution, energy security and greenhouse gas intensities. The partnership has established eight task forces in key sectors.

- 6th meeting of CMTF was held from 10-12th March, 2010 at Pokolbin, Hunter Valley, Australia. In the aforesaid meeting Indian side made a brief presentation on the status of implementation of various on-going projects and also highlighted other issue or problem in respect of on-going projects.
- CMTF meeting held on 14-16th September 2010 at Whistler, Canada was the last meeting of CMTF. The PIL decided to phase out CMTF at Bonn, Germany. In the meeting, it was agreed to transfer some of the existing projects which are to be completed through other existing bilateral fora. It was noted that all ongoing projects could be covered by the proposed changeover.

## 13. WORLD BANK FINANCED PROJECTS FOR 2010-11

The net utilization of loan disbursed by IBRD and JBIC was to the tune of USD 245.73 million and JPY 28440.82 million respectively, for procurement of equipment and technical assistance under **Coal Sector Rehabilitation Project (CSR)**. The disbursement for funding of procurement by IBRD and JBIC was completed in December 2003. As such, there was no drawal of loan since January 2004.

With the repayment of loan of USD 104.25 million to IBRD and JPY 15097.35 million to JBIC till 2010-11, the total CSR loan as on 31st March, 2011 stands at USD 141.48 million (equivalent to ₹ 638.67 crore) on account of IBRD and JPY 13343.47 million (equivalent to ₹ 731.75 crore) on account of JBIC. Thus, a total amount of ₹ 1370.43 crore is lying outstanding under CSR Loan as on 31st March 2011.

## COAL VIDESH DIVISION, CIL

### 1. A. Status on EOI - Initiative for selection of Strategic partner (s)

- 1.1 Coal India Limited (CIL) is pursuing its foreign venture initiatives to acquire coal mines/blocks abroad, develop and produce from such mines in order to import the coal produced to India with the strategic initiatives of securing energy security of the nation.
- 1.1.1 A global Expression of Interest (EOI) was floated by CIL to select Strategic Partner(s) in preferred destination countries like Australia, USA, South Africa and Indonesia to acquire stakes in the existing or Greenfield coal resources under the following deal structures:

- a. Model - I: Equity investment by CIL with long-term offtake contract at a price less than prevailing import price.
- b. Model - II: Only long-term offtake contract on cost plus basis at a price less than prevailing import price, with financial assistance (if required) by way of loan from CIL for production augmentation.
- c. Model - III: Formation of JV for exploration, development and operation of coal assets in any of the destination countries.

- 1.2 The global Expression of Interest (EOI) floated by CIL to select Strategic Partner(s) in Australia, USA, South Africa and Indonesia had an encouraging response. Firms from USA, Australia, South Africa and Indonesia were short-listed by the Evaluation Committee at the first instance for a detailed presentation before the Empowered Board Level Committee constituted for the purpose. The Committee had been entrusted to finalize the evaluation criteria for assessment of presentation to be made by the short-listed firms and recommend the companies to be selected as Strategic Partner/s in Australia, USA, South Africa and Indonesia.
- 1.3 The recommendations of the Empowered Board Level Committee was subsequently placed before the CIL Board for directives on further course of action with regard to the EOI process.
- 1.4 As per the directives of the Board, technical due diligence of the identified five (5) proposals in select countries, namely, Australia, Indonesia and USA in association with empanelled Technical Consultant and Merchant Banker was undertaken by Coal India.
- 1.5 After an initial due diligence in association with Technical Consultant and Merchant Bankers of the identified coal assets in Indonesia, USA & Australia, non-binding indicative offer was sent to selected companies in Indonesia, USA and Australia. Further confirmatory due diligence process in relation to the identified coal assets are in progress.

### B. Contract for long-term coal off-take (CLTO) under Model-II

- 1.1 The long-term coal off-take proposed by CIL under Model-II was reviewed by Central Vigilance Commission. It was advised to invite fresh Expressions of Interest (EOI) specifically for long term off-take contracts mentioning that it is not necessary for those parties to apply who had already been shortlisted for Model-II on the basis of earlier EOI invited for Strategic Partnership.
- 1.2 A global Expression of Interest (EOI) in two stages (i) Stage -I, inviting responses to Request for Qualification (RFQ) to short-list companies for long-term offtake contracts as per eligibility criterion agreed by CVC and (ii) Stage-II, Request for Proposal (RFP) was floated in August 2010. Firms have been shortlisted, i.e. Stage-I is complete. Issuance of RFP to the short-listed firms (Stage-II) is under progress.



## 2. Acquisition of coal blocks in Mozambique

- 2.1 Govt. of Mozambique has allotted exploration license for two nos. of Coal blocks, A-1 and A-2 covering an area of about 224 sq. Km in the Moatize district of Tete province to Coal India Ltd (CIL) through bidding process.
- 2.2 Coal India Africana Limitada (CIAL) has been registered as a wholly owned subsidiary of CIL in August 2009. CIL shall shortly be taking up the exploratory works in the allotted coal blocks.

## 3. International Coal Ventures Limited (ICVL)

CIL is also participating in the Joint Business Development Group (JBDG) and is associated with International Coal Ventures Ltd (ICVL), a joint Venture Company of SAIL, CIL, RINL, NMDC and NTPC with interest in seeking acquisition of large thermal & coking coal reserves overseas. ICVL is also pursuing acquisition of coking coal assets in Indonesia, Mozambique and Australia.

## 14 Master Plan for dealing with fire, subsidence & rehabilitation.

### Approval of the Master Plan for Dealing with fire, subsidence and rehabilitation in the lease hold of BCCL

The Master Plan for Dealing with fire, subsidence and rehabilitation in the lease hold of BCCL was approved on 12th Aug., 2009 by Govt. of India. The initial two years are for pre-implementation activities i.e. socio-economic survey, land acquisition, thermal survey, town planning etc. which are going on as per the provision of Master Plan.

The implementation of Master Plan is being monitored by High Power Central Committee. In this regard last Quarterly Meeting was held on 15.2.2011 under the Chairmanship of Secretary (Coal), Ministry of Coal.

### (i) Fire, Subsidence Control and Rehabilitation Schemes

As a protective measure to prevent /control fire and subsidence, 6 Fire Schemes with a sanctioned cost of ₹ 97.50 crores had been formulated through CMPDI as per the approved Master Plan which were at different stages of implementation. Out of this, 2 fire schemes had been completed.

In addition BCCL had also taken advance action for dealing with active fires through hiring HEMM in different patches.

### (ii) Demonstration Project at Belgoria

A Demonstration Scheme for "Shifting of people from most endangered areas of BCCL" is going on for an amount of ₹ 61.09 Crores for rehabilitation of people from endangered areas of Jharia Coalfield. The details are as below:-

	BCCL	Non-BCCL (being done by JRDA)
<b>Target Constructed</b>	1500 houses 344 houses at Bhuli, Bhimkanali, Nichitpur and Katras Coal Dump in triple stories blocks <ul style="list-style-type: none"> <li>■ Till date 204 employees have already shifted to these quarters.</li> <li>■ Work Order has been issued in favour of M/s Kamla Construction on 22.10.10 for construction of 1152 Triple Stories quarters (96 Blocks each of 12 units) at Kusunda, Katras, Sijua and Lodna Areas of BCCL. Foundation work is completed in 60 Blocks. Plinth work is completed in 45 Blocks and Brick work upto lintel level is completed in 15 Blocks.</li> </ul>	3100 houses 2352 houses are completed in Jharia Vihar, Belgoria. 789 families have already shifted in these quarters. <ul style="list-style-type: none"> <li>■ Construction of 748 houses could not be started due to land problem with local people and paucity of fund also.</li> </ul>
Sanctioned amount (₹ Cr.)	35.89	25.19
Expenditure incurred (₹ Cr.)	7.36	25.19

Electric power supply and water distribution to the houses is already made by JRDA.

- (a) 789 families (encroachers) of Bokapahari, Kukurtopa sites (Kustore Area), LUJ Pit Area (Lodna Area), PB Area and Ghanoodih Colliery/ fire sites (Bastacolla Area) had already shifted to Jharia Vihar, Belgoria Township.
- (b) 422 nos. of affected families (encroachers) had already been handed over cheque amounting ₹10,000/- (each) as shifting allowance.
- (c) 321 nos. of affected families (encroachers) had already been given payment of minimum wages for 125 days (i.e. applicable for six months period only) amounting to ₹13875/- only to each affected family.

### (iii) Demographic/Socio-Economic Survey

CIMFR and ISM, Dhanbad were entrusted with the job of demographic / socio-economic survey of fire affected/ subsidence prone areas for identification of families living in these areas. Survey of 298 sites (119 sites by CIMFR and 179 sites by ISM) had been completed till 28.2.2011, in which 30000 (18540 by CIMFR and 11460 by ISM) families were identified and photo identity cards completed for 14513 families. Distribution of photo identity cards is in progress.

- (i) Survey / Demolition of BCCL houses  
Survey/ demolition of BCCL houses is under process and 2765 BCCL houses have been demolished till 28.2.2011.
- (ii) Railway and Road diversion  
RITES has submitted a proposal for an amount of ₹ 26.0 crores for diversion of rail, road etc..RITES has further submitted justification for terms and conditions to the proposal submitted by them for railway lines / roads diversion. A meeting between JRDA Board and RITES was held on 15.10.09 at Hazaribag,. Draft Agreement has been signed.  
As per preliminary survey report of RITES Ltd. following routes has been approved by Govt. of Jharkhand as an alternate to NH-32 on 29.6.10.
  - (a) Short Term Measure : Strengthening and widening of road from Mahuda More –Nawagarh-Dumra-Gomoh to Topchanchi. Brief report of Discussion Plan for road diversion for short term measures has been prepared and submitted by RITES which is being scrutinized by different Stakeholders.
  - (b) Long Term Measures : Mahuda-Mahespur-Bhatmurna-Kako More(via Hirak Road)- Gol Bhawan (NH-32).
- (iii) Discussion Plan for proposed rail routes has been submitted by RITES. Comments from all stakeholders have been asked by JRDA. BCCL has submitted their comments on 1.12.2010.
- (iv) Township Planning  
Two agencies, namely M/s Gherzi Eastern Ltd. and M/s Burchill VDM Pvt.Ltd. have participated in the tender floated by JRDA for taking up the job of township planning for non-BCCL families. Price bid has already been opened and M/s Gherzi Eastern Ltd. is L1 party. A report on lucrative town planning was sought by JRDA from M/s Gherzi Eastern Ltd on business model. M/s Gherzi Eastern Ltd has submitted the report, but it was not found satisfactory and hence cancelled.
- (v) Land Acquisition for Satellite Township for non-BCCL people & encroachers  
An estimated 1105 ha. of land would be required for resettlement of non-BCCL families. Proposals for 1001.08 acres Raiyti land sent to the DLAO, Dhanbad by JRDA. Proposal to 363.98 acres of Government land sent to the Addl. Collectorate, Dhanbad by JRDA. Further 680 acres (Raiyti and Govt.) land has been surveyed for acquisition / transfer by JRDA

### Master Plan dealing with Fire, Subsidence and Rehabilitation in the Leasehold of Eastern Coalfields Limited.

- In pursuance of the direction of the Hon'ble Supreme Court of India in its order dt. 18.01.2008, a High Powered Central Committee (HPCC) was constituted on 11.03.2008 by MOC / GOI, to ensure remedial measures for fire, subsidence and rehabilitation as per the prepared Master / Action Plan under the chairmanship of Secretary (Coal) MOC, with members as Adviser (Projects) MOC, Director General, DGMS, Representatives of Govt. of W.B. & Jharkhand, CMD, CMPDIL, CMD, ECL, CMD, BCCL, Director (Tech.) CIL. & Director (Tech.) MOC. HPCC meetings held on 10.11.2009 (1st), 05.03.2010 (2nd), 27.08.2010 (3rd) & 15.02.2011(4th).
- The Master Plan for dealing with fire, subsidence, rehabilitation and diversion of infrastructure from the identified unstable locations in the leasehold of ECL was approved by the Government of India in August 2009. The implementation time fixed was 10 years in 2 phases of 5 years each.
- The ongoing stabilization process by hydro-pneumatic sand stowing through bore holes under EMSC scheme stopped & dove-tailed in Master Plan as Expert committee constituted by DGMS opined that it may not be possible to certify that the areas thus stabilized can stand unaffected for a long time. The sand stowed by this method will however certainly lessen the risk of subsidence and may allow some time by which permanent measures like evacuation / rehabilitation of the area can be undertaken.



- Total Capital Requirement assessed as: - ₹ 2661.73 Crores. Funding arrangement for implementation of Master Plan decided in the meeting of Cabinet Secretary held on 18.03.2003 at New Delhi. There it was decided that an amount of ₹120 crores per year will be generated from coal cess, ₹165 crores from CIL, ₹30 crores from EMSC provision & ₹ 80 crores from unspent fund lying with MOC. But this total of ₹ 395 crores per year for both ECL & BCCL is inadequate as the average requirement of ECL only will be ₹ 266 crores per year.  
As per action plan decided in a meeting at CIL on dt 17.12.2009, funding arrangement will be through ₹ 350 crores per annum from internal resources of CIL & the balance amount from the collection of stowing Excise duty under CCDA Act. The ratio of total contribution was determined as CIL: CCDAC:: 43:57.
- Asansol Durgapur Development Authority, a state Govt. organization has been identified as implementing agency for Rehabilitation of Non-ECL houses. Contingency charges @ 3% & Supervision charges @ 5% (total 8%) to be paid to ADDA for implementation, which is included in the assessed capital requirements.  
The salient features of approved Master Plan are as follows.

- No. of unstable sites proposed for Rehabilitation : **139**
- No. of houses / families assessed for Rehabilitation : **33196**  
(**18136** nos. in Phase-I & **15060** nos. in Phase-II)
- Requirement of Land assessed for Rehabilitation : **896.29 Ha.**
- No. of Locations identified for Diversion of Infrastructure : **7**  
(Railway lines, Roads & IOC pipe lines.)
- Total nos. of surface fire areas identified : **7**
- Capital Requirement estimated for Rehabilitation : **₹ 2610.10 Crores.**  
(**₹ 1424.84 Crs. & ₹ 1185.26 Crs.** respectively in Phases I & II.)
- Capital Requirement estimated for Diversion projects : **₹ 11.35 Crores.**  
(Equally divided in 5 years of Phase –I.)
- Capital Requirement estimated for Fire schemes : **₹ 40.28 Crores.**  
(Equally divided in 5 years of Phase –I.)
- Total Capital Requirement assessed as : **₹ 2661.73 Crores.**  
(**₹1476.47 Crs. & ₹ 1185.26 Crs.** respectively in Phases I & II, each of 5 years.)
- Total cost of resettlement land assessed : **₹ 159.72 Crores.**
- Total Amount required for Compensation assessed as : **₹ 196.94 Crores.**
- Total cost for development of Infrastructure at Resettlement sites : **₹ 320.20 Crores.**
- Total cost for arrangement of Power supply : **₹121.89 Crores.**
- Total Shifting allowance assessed as : **₹ 348.56 Crores.**
- Total amount assessed for Demographic survey, Valuation etc : **₹ 0.932 Crores.**
- The R & R Package for Non-ECL people are :

- (a) Cash compensation equivalent to assessed cost of homestead land & other super structure / infrastructure within the homestead land. In addition a plot of 100 Sq.m free of cost at resettlement site having all amenities and infrastructural facilities. Extra plot if required may be provided on payment basis up to a maximum limit of owned land at unstable site or in lieu a constructed flat of 41.82 Sq.m. as super built up area having two rooms, a kitchen and a toilet in a triple storey building. In such case no other cash compensation shall be paid.
- (b) A cash compensation in lieu of free plot along with the entitled compensation to be offered if a house

- owner refuses to be resettled at the proposed township.
- (c) No cash compensation to be paid to encroacher/settlers. Head of each such family will be provided a constructed flat of 30 sq.m. as super built up area.
- (d) Head of each family will be paid a minimum wage of 250 days per year for two years for income generation due to displacement/shifting.
- (e) A shifting allowance of ₹10,000/- will be paid to each family to be resettled at new townships.
- (f) No employment shall be offered for any rehabilitation under the Master Plan.



- The major Implementation Activities proposed to be completed in Phase I & II are :-
  - i) Demographic Survey of affected people, Valuation of homestead land & houses including all structures/ infrastructures in that land, Preparation/ Distribution of photo-identity cards etc.
  - ii) Identification & Acquisition of land for proposed townships.
  - iii) Tendering & Awarding of work for land survey and township planning.
  - iv) Surveying of land.
  - v) Township planning.
  - vi) Tendering & Award of work for townships.
  - vii) Construction of approach road, Development of land & infrastructural facilities, Demarcation of plots, construction of flats.
  - viii) Allotment of plots / flats for resettlement.
  - ix) Shifting of people from unstable sites.
  - x) Demolition of super structures / infrastructures at unstable sites.

## 15 Environmental Management.

### 15.1 Environmental Impact Assessment (EIA)/Environmental Management Plan (EMP)

EIA/EMPs for all new and expansion projects as per EIA Notification SO 1533 dated 14th September, 2006 of MoEF are prepared for peak and normative capacities and environmental clearance is obtained. EIA/EMPs for mines requiring renewal of lease and falling under violations are also prepared for environmental clearance. EIA/EMPs on cluster basis for smaller and contiguous mines of ECL, BCCL and CCL are also being prepared for environmental clearances. During the year, CMPDI has prepared 126 Form-I (including 15 clusters consisting of 106 mines) and 25 draft EIA/EMPs (including 1 cluster consisting of 3 mines), whereas Terms of Reference (TOR) were received for 104 mines (including 16 clusters consisting of 95 mines). 23 nos. of environmental clearance were also obtained from MoEF for different projects of CIL.

### 15.2 Pollution Control Measures and their Efficacy

Measures are being taken to ensure that mining and coal beneficiation operations have minimum impact on the surrounding air quality, water quality, noise level and soil quality, hydro-geology, land use pattern and socio-economic profile of the nearby population. The mitigation measures include dust suppression in mines through fixed and mobile water sprinklers. Effluent treatment facilities for mine effluent, workshop effluent and CHP effluent like oil & grease traps, sedimentation ponds and facilities for storage of treated water and its reuse have been provided for all the major projects. Domestic wastewater treatment facilities have also been provided to deal with the domestic effluent. The level of pollutants is being monitored on routine basis to ascertain the efficacy of the pollution control measures being taken in the projects. Additional remedial

measures are taken, if required, to keep the pollutant level within the limits prescribed by regulatory bodies.

Technical and biological reclamation of the mined out areas and the external overburden dumps are being taken by planting native species of plants for restoring the ecology.

The level of pollutants is being monitored regularly as per the statutory guidelines to ascertain the efficacy of the pollution control measures and for taking corrective actions as required.

### 15.3 ISO: 14001 System

Actions have been initiated for implementation of ISO:14001 in CIL mines. In 2010-11, a total of 19 projects have got certification. With this, a total of 58 units got the certification till date which includes opencast projects, workshops, hospitals and washery. In addition, Northern Coalfields Limited (NCL), as a company also got SA8000 certification.

### 15.4 Monitoring of Mines through Remote Sensing

CMPDI, through, Coal India Limited has introduced a Satellite Surveillance System for monitoring of backfilling & reclamation of land for all the opencast mines producing more than 5 million cu. m. per annum of coal plus overburden (OB) together. During 2010-11, 50 coal mines (as per approved action plan) were mapped for land reclamation.

The above reports, based on satellite data, were uploaded in the website of CIL, CMPDI and respective coal companies in the public domain.

### 15.5 R&R Policy of CIL

CIL is pursuing an inclusive model of growth by ensuring that PAPs are included in the decision making process underlining the need for wider contribution in R&R policies of communities affected due to mining. The aim is to pursue best practice in Corporate Social Responsibility (CSR) around the coal mining areas and improve the 'quality of life' with community consensus and active participation of people involved. Necessary amendments are also made from time to time.

### 15.6 Mine Closure Plans

In terms of the guidelines issued by Ministry of Coal (MoC), CMPDI prepared 95 nos. of mine closure plans for CIL mines during the year. In addition, 7 nos. of Mine closure plans for other clients namely Steel Authority of India Limited, Rajdhani Mineral Corporation, Mohan Ram & Company, Goodwill Mineral Corporation, S.P. Sethi, Jai Minerals and S.A. Minerals were also prepared, which included 6 nos. of silica sand mines, situated in Aravali Hill region of Faridabad District in the State of Haryana.

### 15.7 Research & Development

The R&D projects in the emerging areas are continuously undertaken. One research project viz. development of cost effective treatment technology through constructed wetland for treatment of acid mine drainage has been completed, whereas another research project viz. Fly ash characterization for mine void reclamation is under progress.



The R&D projects on assessment of population exposure to respirable particulates in opencast mines (health study), Damodar River Pollution Quantification & Dynamics and water management in coal washery plants through IIT Delhi, Newcastle University UK and CMPDI have been identified and the proposals are being finalized for approval by the Board.

## **16. COAL BED METHANE (CBM) / COAL MINE METHANE(CMM)**

### **16.1 Coalbed Methane Recovery and Commercial Utilisation Project**

Under R&D efforts, a demonstration project on “Coalbed Methane Recovery & Commercial Utilization” has been successfully implemented at Moonidih coal mines of BCCL in Jharia Coalfield in the state of Jharkhand.

The project was taken up by Govt. of India in collaboration with United Nations Development Programme (UNDP)/Global Environment Facility (GEF) and successfully implemented by Central Mine Planning & Design Institute Ltd. (CMPDI) and Bharat Coking Coal Ltd (BCCL) on behalf of the Ministry of Coal.

This demonstration project is a path finder for coal mine methane development in Indian mining scenario as methane gas embedded in coal seams have been successfully recovered through vertical wells and the recovered gas is being used as fuel in the gas based generator for electricity generation and generated electricity is being supplied to Moonidih colony since 27th June, 2008.

Keeping in view the fact that the key objectives of the project were successfully achieved and the project's funds have been fully utilized, Ministry of Coal vide letter no. 34012/7/2007-CRC (Part) dated 5th July, 2010 has decided to formally close the project. A completion report of the project was also submitted.

#### **Achievement of the Project**

This high technology demonstration project was successfully implemented at Moonidih with all-out effort of the entire team of CIL. Being implemented for the first time in the country, the project has created enough awareness in the Indian coal mining industry and the industry is now at a threshold of replicating such projects in other suitable areas. The project will open a new era in harnessing and utilization of coal mine methane, which is otherwise a wasted clean energy resource. The other achievements of the project are summarized as under:

- Capacity built-up both in terms of equipment and manpower
- The project was successfully implemented through the in-house efforts of CMPDI & BCCL team
- Proving the efficacy of the technology for CMM extraction and its utilization in Indian mining scenario.
- Utilization potential of recovered methane has been established and electricity is being generated from the harnessed CMM has created enough awareness among the local populace.
- The cost of electricity generated from the recovered gas is comparable with that from fossil fuel even in this demonstration project.

### **16.2 Collaborative development of CBM prospects in Jharia & Raniganj coalfields by the consortium of CIL & ONGC**

In terms of Govt. of India CBM Policy, consortium of CIL and ONGC has been allotted 2 blocks, one each in Jharia and Raniganj coalfields for development of coalbed methane. These projects are being implemented by CMPDI on behalf of CIL.

#### **16.2.1 Jharia CBM Block**

The Govt. of Jharkhand granted Petroleum Exploration License (PEL) to the consortium of CIL-ONGC on 28th August '03 for Jharia CBM block after which the work as detailed in the Minimum Work Programme was taken up.

Slimhole drilling (depth range 1000 to 1400m) has been carried out by CMPDI and a report was submitted, based on this drilling and other available drilling and gas related data, to ONGC in Feb'08. This report has facilitated formulation of Development Plan by ONGC.

ONGC has submitted Development Plan having budgetary outlay of ₹ 1290 crores for Parbatpur Sector of Jharia CBM Block to DGH in Sep. '09 for consideration and competent approval. However, DGH has asked ONGC to submit an integrated Development Plan for the entire Jharia CBM Block including Parbatpur Sector immediately in the 11th Steering Committee Meeting held on 3.12.2010. In the meantime sale of incidentally produced gas has started in the Jharia block, consequent to the approval of the Govt.

The participating interest (PI) of CIL in Jharia CBM block is 10% with an option to increase it to 26% from Development Phase. Increasing the PI of CIL to 26% is under consideration.

#### **16.2.2 Raniganj CBM Block**

The Govt. of West Bengal granted Petroleum Exploration License (PEL) for Raniganj CBM block on 09.06.04.

The drilling of slimholes by CMPDI has been completed in Nov'07. A report based on slimhole drilling & other available data has been prepared by CMPDI and submitted to ONGC in March'09. ONGC has completed drilling of envisaged exploratory well in the block wherein CBM specific tests are being carried out.

#### **16.2.3 Completion of CIL R&D Project**

The Apex Committee for R&D Board of CIL has accepted the project completion of CIL R&D Project titled “Development of CIL/CMPDI's capacity for pursuing exploration for CBM in deep-seated coal deposits of Jharia and Raniganj coalfields”- CIL and ONGC collaborative project (Project code: CIL/R&D/1/16/04) on 08.03.2011.

The above project was started in February 2004 with total approved cost of ₹ 1991.92 lakh with schedule date of completion in January 2011. It may be mentioned that the CIL part of the committed work as per Operating Agreement between CIL and ONGC in the Jharia and Raniganj CBM blocks allotted to the consortium of CIL and ONGC has been completed successfully and achieved its objective and target.

### 16.3 CBM Related Studies under Promotional Exploration during XI Plan

CMPDI is carrying out studies related to "Assessment of Coalbed Methane Gas-in-Place Resource of Indian Coalfields/Lignite fields" through boreholes being drilled under promotional exploration (XI Plan period). This study will enlarge the CBM resource base of the country and facilitate delineation of more blocks for CBM development.

A total of 50 boreholes (30 by CMPDI and 20 by GSI) are to be taken up for studies during the XI Plan Period with a total plan expenditure of ₹ 8.59 crore. So far studies have been carried out in 40 boreholes during XI Plan Period (24 by CMPDI and 16 by GSI).

During 2010-11, a total of 8 boreholes located in different coal/lignite fields were taken up for studies by CMPDI and samples collected for desorption and other tests. Further, three assessment reports have been completed during 10-11 by CMPDI.

### 16.4 Coal Mine Methane (CMM) R&D project

A CIL R&D project titled "Development of CMPDI capacity for delineation of viable Coal Mine Methane (CMM) / Abandoned Mine Methane (AMM) blocks in the existing and would be mining areas having partly de-stressed coal in virgin coal seams" is under progress.

As envisaged in the project, five prospective CMM areas in coalfields of BCCL and CCL have been identified. Detailed assessment of these blocks have been completed and Data Dossiers for 5 CMM blocks (3 in BCCL area and 2 in CCL area) have been prepared incorporating all technical details including coal/gas in place resource etc.

#### 16.4.1 Commercial development of CMM

To expedite the commercial development, an Expression of Interest (Eoi) was floated on 22nd Jan.'10 for identification of a suitable service provider for development of CMM. Ten responses were received against this Eoi. A Meeting with the respondents of the EOI and CMPDI officials was held on 06.04.2010 in CMPDI to discuss the terms and conditions to be incorporated in the Tender Document to be formulated by CMPDI for award of blocks for development of CMM projects within CIL command area.

The draft tender document and bid evaluation criteria have been prepared by the consultant hired for the purpose. The tender document was deliberated in pre-NIT meeting held on 20.9.2010 and the document has been modified based on the acceptable inputs from the respondents. The draft document has been sent to CIL for competent approval for identification of a suitable developer through bidding for harnessing CMM from the prospective blocks.

CIL has approved the Tender document and the tender for identification of a suitable developer through bidding for harnessing CMM from the prospective blocks shall be floated by CMPDI on behalf of CIL/concerned Coal Company in April 2011.

### 16.5 Assessment of CMM potential related to large opencast mines

Reports on "Assessment of CMM Potentiality in dip-side of operating opencast mines, Moher Sub-basin of Singrauli Coalfield, NCL" and "Assessment of CMM Potentiality in dip-side of operating opencast mines of Korba Coalfield, SECL" have been prepared by CMPDI and submitted on 01.03.2011.

### 16.6 Development of Ventilation Air Methane (VAM) Projects

CMPDI has also generated VAM specific data in few selected gassy coal mines of ECL, BCCL and CCL. Few areas have been found to be suitable for development of VAM project. For commercial development of VAM, an Expression of Interest (Eoi) for identification of suitable collaborator has been floated. Ten offers have been received till the last date i.e. 19.3.2010. A meeting with the respondents of the EOI and CMPDI officials was held in April, 2010 to discuss the terms and conditions to be incorporated in the Tender Document to be formulated by CMPDI for award of blocks for development of VAM projects within CIL command area. A draft tender document is under formulation at CMPDI.

### 16.7 Activities taken up by CBM Lab

CBM Lab has carried out the field desorption study at the borehole sites for 24 boreholes and has generated total gas content and gas composition data. In addition, 1068 mine air samples received from different collieries of CCL, ECL and BCCL have been tested and the results submitted. Sample collection and analysis for ventilation air methane (VAM), CMM etc. were also taken up by the CBM lab.

### 16.8 CMM/CBM Clearinghouse in India

A CMM/CBM clearinghouse was established at CMPDI, Ranchi under the aegis of Ministry of Coal and US EPA on 17th Nov '08. The clearinghouse is functioning as the nodal agency for collection and sharing of information on CMM/CBM related data of the country and help in the commercial development of CMM Projects in India by public/private participation, technological collaboration and bringing financial investment opportunities.

The clearinghouse has been established with financial support from Coal India Ltd. on behalf of Ministry of Coal and US EPA. A website of India Clearinghouse, <http://www.cmmclearinghouse.cmpdi.co.in>, encompasses all the important information viz. EOI notifications, newsletters in addition to information regarding opportunities existing for development of CMM, VAM, etc.

## 17. DEVELOPMENT OF UNDERGROUND COAL GASIFICATION (UCG)

### 17.1 CIL ONGC Collaborative project in Kasta UCG Block

Consequent to signing of MoU between CIL & ONGC in Nov.2006 for taking up pilot scale studies for UCG, CMPDI prepared data packages for 5 prospective UCG sites. Out of the five sites, one





Kasta block in Raniganj coalfield was identified by Skochinsky Institute of Mining (SIM), Russia, the consultant appointed by ONGC, for generation of additional data for examining possibility of taking up pilot scale UCG project.

Drilling of boreholes in Kasta UCG block commenced on 17.04.2009 for generation of UCG specific additional data. All the 12 boreholes involving 3199.80m drilling have been completed by November'09. The assessment of data has been completed, draft report has been sent to ONGC in Dec.'10 and ONGC team is expected for deliberation.

### **17.2 Commercial development of UCG in CIL command area**

An EOI for commercial development of UCG within CIL command area was floated on 30.11.2009. Six offers were received and the meeting with respondents held on 26.2.2010. A draft tender document for award of the identified UCG blocks was prepared and circulated by CMPDI to the respondents of the EOI and the concerned coal companies. A pre-NIT meeting was held on 17.05.2010 and the draft tender document based on the accepted views of the participants has been prepared by CMPDI and approved by CIL.

CMPDI on behalf of CIL, floated global tender on 27.12.2010 for selection of developers for UCG development in two coal blocks viz. Kaitha block in CCL Command area and Thesgora 'C' block in WCL Command area. 8 offers for Kaitha and 6 offers for Thesgora block have been received. The Part-I of the offer was opened on 16.03.2011. Technical scrutiny of offers received is in progress.

### **17.3 CIL R&D Project to ascertain recoverability of CBM from deep seated coal and lignite**

CIL R&D Project entitled "An investigation on absorption characteristics of Indian coal to ascertain recoverability of CBM from deep seated coal & lignite resources" (Project Code CIL/R&D/1/40/10) has been taken up and work is in progress.

### **17.4 CIL R&D Project for assessment of prospect of shale gas in Gondwana basin**

The Apex Committee for R&D Board of CIL in its 13th meeting held on 08.03.2011 approved the new project titled "Assessment of prospect of Shale Gas in Gondwana basin with special reference to CIL areas" with an estimated cost of ₹ 400.00 lakhs. The project will be implemented by CMPDI and Advance Resources International, USA will be sub-implementing agency. The project has been deemed to come into effect from 1st April 2011 with an approved duration of 2 ½ years.

## **18. Geological Exploration & Drilling**

CMPDI continued to carry out coal exploration activities in 2010-11 also, mainly in CIL and Non-CIL/Captive Mining blocks. Exploration in CIL blocks was taken up to cater the needs of project planning/production support of subsidiaries of CIL whereas exploration in Non-CIL/Captive Mining blocks was undertaken to facilitate allotment of coal blocks to prospective entrepreneurs. CMPDI has substantially improved the capacity of drilling during XI plan period. As against the achievement of 2.09 lakh metre in 2007-08, CMPDI has achieved 4.92 lakh metre in 2010-11 through

departmental resources and outsourcing. For capacity expansion through modernization of departmental drills, Supply Order for 7 drills has been placed, out of which 5 drills have been received. Fresh tenders for procurement of 13 more drills have been floated and Supply Order for 8 drills placed. Additionally, 20 trucks and 21 Mud-pumps have been procured in 2010-11. To meet the increasing work load, recruitment of geologists was continued and 11 geologist and 6 geophysicist were inducted by direct recruitment through campus interview. Shortage of non-executive staff is being met through transfers from other subsidiaries of CIL.

Under outsourcing, tender for exploration of one block, involving 0.38 lakh metre of drilling, has been floated whereas re-tendering of 7 additional blocks involving 4.37 lakh metre of drilling was done. To fulfill the enhanced requirement of coal core analysis due to increase in drilling, the capacity expansion of CMPDI & CIMFR labs has been taken up and is under various stages of execution. Besides routine Geophysical logging and surface survey work, CMPDI intends to introduce 3-D Seismic Survey in coal exploration as a part of R&D project. A Project Proposal, in consultation with ONGC, was submitted for the purpose. However, Apex Committee of CIL R&D Board decided that initially small area should be taken up for 3-D Seismic Survey. ONGC is to be contacted for this purpose to take up work on turn-key basis. It has also been visualized that 3-D Seismic data collected by Hindustan Oil Exploration Corporation in coalfields of NE area will also be studied for this purpose.

### **18.1 Drilling Performance in 2010-11**

CMPDI deployed its departmental resources for exploration of CIL/Non-CIL/Promotional blocks whereas State Govts. of MP and Orissa deployed resources in CIL blocks only. Besides, four other contractual agencies have also deployed resources for detailed drilling/exploration in CIL/Non-CIL blocks. A total of 100 to 123 drills were deployed in 2010-11 out of which 55 were departmental drills. Apart from it, CMPDI continued the technical supervision of Promotional Exploration work undertaken by MECL in Coal Sector (CIL & SCCL areas) and monitored work of GSI for Promotional Exploration in Coal Sector (CIL area) on behalf of MoC.

In 2010-11, CMPDI and its contractual agencies took up exploratory drilling in 96 blocks/mines of 22 coalfields situated in 7 States. These coalfields are Raniganj (7 blocks/mines), Rajmahal (1), Jharua (4), W.Bokaro (5), Ramgarh (2), Tawa Valley/Pathakhera (6), Pench Kanhan (1), Kamptee (2), Nand-Bander (1), Wardha (8), Singrauli (7), Sohagpur (10), Sendurgarh (1), Johilla (1), Mand Raigarh (13), Korba (4), Hasdo-Arand (1), Birsampur (5), Sonhat (1), Talcher (9), Ib Valley (5) and Makum (2 blocks). Out of 96 blocks/mines, 18 were Non-CIL/Captive blocks, 2 Promotional blocks, 1 Consultancy block and 75 CIL blocks/mines. Departmental drills of CMPDI took up exploratory drilling in 65 blocks/mines whereas contractual agencies drilled in 31 blocks/mines.

Under Promotional (Regional) Exploration Programme, MECL has undertaken Promotional drilling in 9 blocks (3 blocks in Katol CF, 4 in Mand Raigarh, 1 in Wardha Valley & 1 in Godavari Valley) and GSI has undertaken 11 blocks for Promotional drilling (5 blocks in Talcher CF, 2 in Ib Valley, 2 in Sohagpur, 1 in Raniganj & 1 in Tatapani Ramakola) in Coal Sector.

The overall performance of exploratory drilling in 2010-11 is given below:

Agency		Target 2010-11 (metre)	Performance of Exploratory Drilling in 2010-11			Achieved Prev. Year: 2009-10 (m)	Growth %
			Achieved (metre)	Achieved (%)	+/- (m)		
A. Detailed Drilling by CMPDI (including Promotional Drilling)*:							
(i)	Departmental	2,40,000	2,68,059	112%	+28,059	2,65,134	1%
(ii)	Outsourcing:						
	State Govts.	5,000	7,206	144%	+ 2,206	9,101	-21%
	MECL (MOU)	42,500	28,160	66%	- 14,340	24,145	17%
	Tendering (CIL blocks)	16,000	14,581	91%	- 1,419	31,780	-54%
	Tendering (non-CIL blocks)	96,500	1,73,785	180%	+ 77,285	1,40,102	24%
	Total Outsourcing	160,000	223,732	140%	+ 63,732	205,128	9%
Total A:		4,00,000	4,91,791	123%	+ 91,791	4,70,262	5%
B. Promotional Drilling by MECL, GSI & Nagaland Govt. in Coal Sector:							
	MECL	59,800	29,920	50%	- 29,880	33,102	-10%
	GSI 14,850	13,943	94%	- 907	13,192	6%	
	DGM, Nagaland	Unschedule	83	-	83	-	-
	Total B:	74,650	43,946	59%	- 30,704	46,294	-5%
	Total A+B:	4,74,650	5,35,737	113%	+ 61,087	5,16,556	4%

\* In 2010-11, departmental drills have carried out 1,318m of drilling in Promotional blocks, 2,01,016m in CIL blocks, 64,685m in Non-CIL/Captive Mining Blocks and 1,040m for consultancy work.

In 2010-11, CMPDI achieved its departmental and overall drilling targets by 112% and 123% respectively. The performance of departmental drilling was better than previous year with 1% growth and recording average operational drills productivity of 407m/drill/month. Non-availability of permission to explore in forest areas has affected the performance of outsourced drilling. MECL and GSI could not achieve the targets of Promotional drilling in coal sector due to forest problems.

## 18.2 Geological Reports:

In 2010-11, a total of 19 Geological Reports (excluding IGRs) were prepared on the basis of detailed exploration conducted in previous years. The prepared Geological Reports have brought about 2.2 Billion Tonnes of coal resources under 'Proved' category. Under Promotional Exploration Programme, GSI and MECL have submitted 9 Geological Reports on coal blocks, estimating about 4.6 Billion Tonnes of coal resources, mainly in 'Indicated' category, above specified thickness.

## 19. OUTSIDE – CIL CONSULTANCY SERVICES:

During the year 2010-11, 38 consultancy jobs were completed for 29 organisations outside CIL. Some of the major clients/organisations for whom jobs were completed are Steel

Authority of India Ltd., Tata Steel Ltd., National Thermal Power Corporation Ltd., Singareni Collieries Company Ltd., Mineral Exploration Corporation Ltd., Essar Mineral Resources Ltd. (Mahan Coal Company), Field Mining & Ispat Ltd., Central Electricity Authority, Neyveli Lignite Corporation Ltd., UCM Coal Company Ltd., Jindal Steel & Power Ltd., Adani Mining Pvt. Ltd., etc.

Presently, 37 outside-CIL consultancy jobs are in hand for 33 organisations like Steel Authority of India Ltd., National Thermal Power Corporation Ltd., Neyveli Lignite Corporation Ltd., Baitarni West Coal Company Ltd., Goa Industrial Development Corporation, Manganese Ore (India) Ltd., National Aluminium Company Ltd., Bihar Sponge Iron Ltd., Naini Coal Company Ltd., Punjab State Electricity Board, Ultratech Cement, etc.

During the year 2010-11, 63 outside-CIL consultancy jobs worth ₹ 13.16 crores from 44 organisations were awarded to CMPDI. Some of the major jobs obtained are:

- Preparation of Mining Plan (inclusive of Mine Closure Plan), Project Report and EIA/EMP for Macherkunda coal block for M/s Bihar Sponge Iron Ltd.
- Consultancy services inclusive of design and preparation of tender document for sinking of 7.5m dia shaft at Balaghat mines for M/s Manganese Ore (India) Ltd.



## 20. RESEARCH & DEVELOPMENT PROJECTS

### 20.1 R&D Projects under S&T Grant of Ministry of Coal

The R&D activity in Coal sector is administered through an apex body namely, Standing Scientific Research Committee (SSRC) with Secretary (Coal) as its Chairman. The other members of this apex body include Chairman CIL, CMDs of CMPDI, SCCL and NLC, Director of concerned CSIR laboratories, representatives of Department of S&T, Planning Commission and educational institutions, amongst others. The main functions of SSRC are to plan, programme, budget and oversee the implementations of research projects and seek application of the findings of the R&D work done.

The SSRC is assisted by a Technical sub-committee headed by CMD, CMPDI. The committee deals with research proposals related to coal exploration, mining, mine safety, coal beneficiation & utilisation and also the project proposals on mine environment and reclamation.

CMPDI acts as the Nodal Agency for co-ordination of research activities in the coal sector, which involves identification of 'Thrust Areas' for research activities, identification of agencies, which can take up the research work in the identified fields, processing the proposals for Government approval, monitoring the progress of implementation of the projects, preparation of budget estimates, disbursement of funds, etc.

Total no. of S&T projects taken up (till 31.3.2011) - 368  
Total no. of S&T projects completed (till 31.3.2011) - 295

### 20.2 Physical performance

The status of Coal S&T projects during 2010-11 is as under:

(i) Projects on-going as on 1.4.2010	23
(ii) Projects sanctioned by Gol during 2010-11	02
(iii) Projects completed during 2010-11	08
(iv) Project terminated/foreclosed during 2010-11	01
(v) Projects on-going as on 1.4.2011	16

Following Coal S&T projects were completed during 2010-11:

- Stability of parting between coal pillars workings in level contiguous seams during depillaring.
- Investigation of cavability of overlying strata and development of guidelines of support capacity for longwall faces.
- High resolution seismic monitoring for early detection of slope failures in opencast mines.
- Production of {60} {70} fullerenes, heterofullerenes and carbon nanotubes from coal.
- Re-design and fabrication of biomass gasification plant coal fuel utilisation.

- Development of suitable biological waste water treatment technology through constructed wetlands for treatment of acid mine drainage from coal projects.
- Study on blasting dust management system in an opencast coal mine.
- Development and use of fly ash based pesticides.

### 20.3 Financial status

Budget provisions vis-à-vis actual fund disbursement during the period are given below:

(₹ in Crores)

2009-10		2010-11	
RE	Actual	RE	Actual
11.00	11.64	10.00	10.06

### 20.4 CIL R&D Projects

For in-house R&D work of CIL, R&D Board headed by Chairman, CIL is also functioning. CMPDI acts as the Nodal Agency for co-ordination of research activities funded by CIL R&D Board.

In order to enhance R&D base in command areas of CIL, the CIL Board in its meeting held on 24th March 2008 has delegated substantial powers to the Apex Committee and CIL R&D Board. The Apex Committee is now empowered to sanction individual research project having outlay upto ₹ 5.0 crore and ₹25.0 crore per annum considering all the projects together. CIL R&D Board which earlier had the power to sanction individual project upto ₹ 10.0 crore can now sanction individual project upto ₹ 50.0 crore. Altogether CIL R&D Board can now sanction research project upto ₹ 500.0 crore in a year.

So far, 58 projects have been taken up under the funds of CIL R&D Board, out of which 30 projects have been completed till March, 2011.

The status of CIL R&D Board Projects during 2010-11 is as follows:

(i) Projects on-going as on 1.4.2010	-	20
(ii) Projects sanctioned during 2010-11	-	08
(iii) Projects completed during 2010-11	-	02
(iv) Projects terminated during 2010-11	-	02
(v) Projects on-going as on 1.4.2011	-	24

Following R&D projects were completed during 2010-11:

- Development of CIL/CMPDI's capacity for pursuing exploration of CBM in deep seated coal deposit of Jharia and Raniganj Coalfields.
- Inventory and monitoring of underground and surface coal mines fire for modelling fire dynamics and rate of fire movement, Jharia Coalfields, Jharkhand using satellite thermal remote sensing data.

The disbursement of fund for CIL R&D Projects during 2010-11 was ₹ 30.20 crore.

## 21. Telecommunication System

Continuous efforts in updating communication and IT solutions are being made by CIL, and subsidiary companies. To excel in productivity, sales and marketing, utilization of human resources and to achieve optimum efficiency in the back drop of rapidly changing events of the industry, the following actions have been undertaken.

1. In order to implement an Enterprise Resource planning system with connectivity to all units of operations, like mines, stores, Weigh bridges, area offices, hospitals, training centres etc, with Coal India HQ via area offices and subsidiary head quarters SAP ERP software along with communication infrastructure was approved by CIL board. Action has been taken for implementation of SAP based ERP and open tender has already been floated for the same.
2. In order to enhance the operational efficiency of large opencast mines in various subsidiary companies, GPS based Operator Independent Truck Dispatch System (OITDS) is under implementation stage in 11 open cast projects with high speed data and voice communication along with GUI.
3. The dedicated web portal of Coal India Limited has been established in bilingual version with separate section for internet as well as intranet users. Apart from better look, the portal is updated with recent information and the tender display section has been made more user friendly. Online grievance posting, registration and customer corner facility have been created in web portal to have better interaction with the stakeholders and other users in general. The portal also facilitates integration of some application viz corporate e- mail system, web to SMS services. Action has also been taken for on line receipt of application in Coal India Portal and the same is under implementation stage.
4. Centralized mail messaging system along with proper network security is already installed at CIL (HQ) and has become operational to provide official e-mail facility to all executives of CIL (HQ) and Sr. executives of subsidiary companies. Action has been taken for implementation of corporate mail messaging system for 20000 users catering all the executives and key official of CIL & subsidiary cos.

and the same is in tendering stage. Provisioning of high speed internet over LAN at CIL (HQ) & CIL (Mktg) has already been made and upgradation of LAN with proper security and manageability is also completed.

5. State of the art IP based EPABX with support of convergent technology (using voice and data through same backbone) as a replacement of old hotline exchange at Coal Bhawan and 15, Park Street office has already been installed and extended to subsidiary companies for voice communication.
6. Subsidiary cos. have made considerable progress in extending voice and data communication facilities from H/Qtrs. to Area Offices, Weigh Bridges, Regional stores, workshop etc. using state of the art convergent technology based on optical fiber cable, ip based radio link, BSNL's leased line etc.

## 22. MINES SAFETY

### 22.1 Trend of Fatal Accidents & Fatalities:

Coal India Ltd has always given the highest priority towards "Safety". Safety is considered as a part of its core production process and is embodied in the mission statement. CIL has well defined Safety Policy and formed multidisciplinary Internal Safety Organization (ISO) in every subsidiary company and also at CIL (HQ) to monitor implementation of safety policy.

Over the years the safety performance of CIL has improved. For instance, in the last year (2010) fatalities in CIL mines were 90 in comparison to 249 in the year 1976. This improvement in safety is attributed to the following reasons:

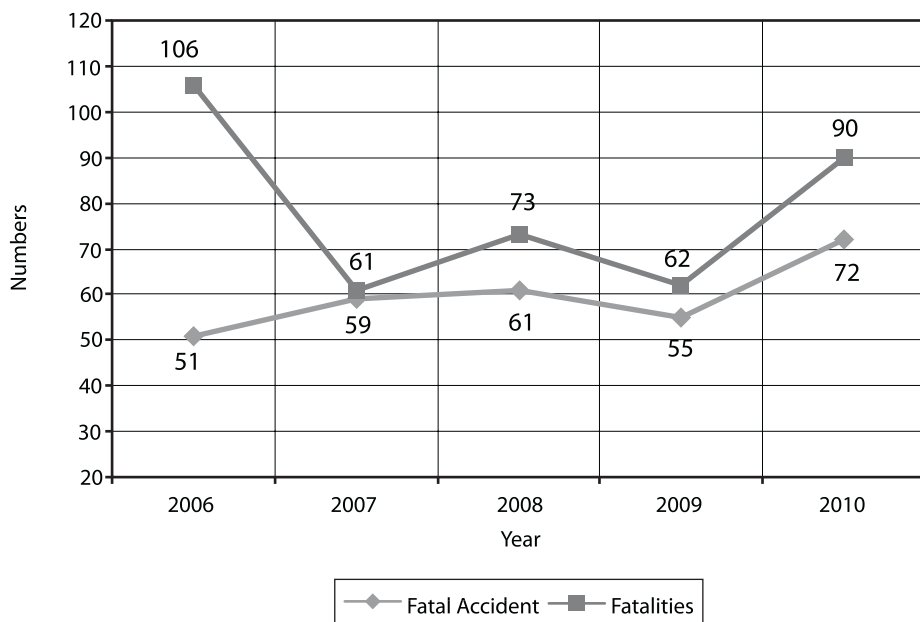
- Commitment and support by the management, workers and regulators.
- Technological advances in the field of mining method and machinery design.
- Continuous training of the workforce and conscientious safety awareness drive.
- Strong oversight and assistance from various institutions.

During the year 2010, there were 72 fatal accidents involving 90 fatalities in CIL mines, compared to 55 and 62 respectively in 2009. Thus the number of fatal accidents and fatalities in 2010 compared to 2009 were increased. But the figures are much less than the average yearly fatal accident (110) and fatalities (134) of CIL's mine since 1975.



The trend of fatal accidents and fatalities in the last five years in CIL is given in a Graph below:

**Trend of Fatal Accidents & Fatalities for last 5 years from 2006 to 2010**



**Note:** Figures are updated after reconciliation except 2009 & 2010, which are provisional and subject to reconciliation with DGMS

## 22.2 Safety Statistics

**A. Overall:** - Accident Statistics for CIL in 2010 compared to 2009 are given below: -

Table: A			
Sl. No.	Parameters	2010	2009
1	Numbers of fatal accidents	72	55
2	Numbers of fatalities	90	62
3	Numbers of serious accidents	262	248
4	Numbers of serious injuries	280	252
5	Fatality Rate per million ton of coal production	0.21	0.15
6	Fatality Rate per 1000 persons employed	0.26	0.18
7	Fatality Rate per 3 lakhs manshift deployed	0.31	0.21
8	Serious injury Rate per mt. ton of coal production	0.64	0.60
9	Serious injury Rate per 1000 persons employed	0.82	0.71
10	Serious injury Rate per 3 lakhs man shift deployed	0.95	0.82

**Note:** 1. Accident Statistics are maintained calendar year-wise in conformity with DGMS practice  
2. Figures are subject to reconciliation with DGMS

**B. Company-wise Break-up of Accidents:-** The Company-wise fatal accidents, fatalities, serious accidents, and serious injuries in 2010 compared to 2009 are given below: -

<b>Table: B</b>								
<b>Company</b>	<b>Fatal Accidents &amp; Fatalities</b>				<b>Serious Accidents &amp; Injuries</b>			
	<b>Accidents</b>		<b>Fatalities</b>		<b>Accidents</b>		<b>Serious Injuries</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
ECL	12	8	12	9	88	74	88	75
BCCL	7	13	7	17	60	50	61	50
CCL	8	6	10	6	11	12	11	12
NCL	11	4	11	4	11	11	11	11
WCL	11	11	14	13	42	46	46	46
SECL	20	10	33	10	44	47	57	50
MCL	2	3	2	3	6	8	6	8
NEC	1	0	1	0	0	0	0	0
<b>CIL</b>	<b>72</b>	<b>55</b>	<b>90</b>	<b>62</b>	<b>262</b>	<b>248</b>	<b>280</b>	<b>252</b>

**Note:** All figures are subject to reconciliation

**C. Company-wise Break-up of Fatality Rates:-** The company-wise fatality rates in 2010 compared to 2009 are given below:

<b>Table: C</b>						
<b>Fatality Rates</b>						
<b>Company</b>	<b>Per MT of coal production</b>		<b>Per 3 lakh manshifts</b>		<b>Per 1000 persons employed</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
ECL	0.39	0.30	0.18	0.13	0.16	0.12
BCCL	0.28	0.65	0.17	0.37	0.15	0.35
CCL	0.21	0.13	0.27	0.16	0.19	0.11
NCL	0.15	0.06	0.80	0.32	0.68	0.25
WCL	0.32	0.28	0.26	0.22	0.27	0.24
SECL	0.3	0.10	0.55	0.16	0.42	0.12
MCL	0.02	0.03	0.13	0.20	0.10	0.15
NEC	0.94	0.00	0.46	0.00	0.38	0.00
<b>CIL</b>	<b>0.21</b>	<b>0.15</b>	<b>0.31</b>	<b>0.20</b>	<b>0.26</b>	<b>0.18</b>

**D. Company-wise Break-up of Serious Injury Rates:** The company-wise serious injury in 2010 compared to 2009 are given below:

<b>Table: - D</b>						
<b>Serious Injury Rates</b>						
<b>Company</b>	<b>Per MT</b>		<b>Per 3 lakh manshifts</b>		<b>Per 1000 persons employed</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
ECL	2.86	2.51	1.34	1.08	1.21	0.97
BCCL	2.1	1.79	1.31	1.01	1.33	1.03
CCL	0.23	0.25	0.30	0.32	0.21	0.22
NCL	0.17	0.17	0.88	0.88	0.68	0.68
WCL	1.05	1.01	0.84	0.78	0.89	0.86
SECL	0.51	0.48	0.95	0.80	0.73	0.62
MCL	0.06	0.08	0.39	0.52	0.29	0.40
NEC	0	0.00	0.00	0.00	0.00	0.00
<b>CIL</b>	<b>0.64</b>	<b>0.60</b>	<b>0.95</b>	<b>0.82</b>	<b>0.82</b>	<b>0.71</b>





### 22.3 Activities for further improvement in Safety in Mines undertaken in 2010

To improve the safety standard, CIL have vigorously pursued several measures in 2010 along with on-going safety related activities / initiatives apart from compliance of statutory requirements for safety, which are given below.

**Disaster Prevention:** The primary thrust of the Safety Strategy of CIL has been towards averting accidents with a large number of casualties (accidents involving more than 10 fatalities are termed disasters in Indian mining parlance). Towards this end the following activities were taken:

- Monsoon Preparation Plan for controlling inundation: Before monsoon, Action Plan for preventive measures against inundation were prepared, implemented and monitored.
- To control Mine Fire & Explosion:
- More thrust on construction of sectionalization stoppings for reduction of mine fire.
- Fresh Pressure Quantity Survey
- Initiated action to introduce Indigenous Chromatograph with software in place of age-old chemical method of mine air sampling for better accuracy.
- Use of Local Methane Detector (LMD) for early and accurate detection of methane below ground.
- Use of fireproof foam materials for quick setting of stoppings.
- Risk assessment based safety management plan by identifying principle hazards.

**Strata Management:** Roof & Side fall is still one of the major causes of fatal accident and fatality in underground mines. Thrust on prevention of roof & side fall accidents was continued.

Main thrust areas are:

- Manual loading will be phased out in all mines in CIL by 2012 except those of high gradient.
- Mechanisation of roof drilling using resin bolts has been planned to be adopted in all mines by the financial year 2013.
- Laboratory has been commissioned for testing of resin and cement capsules at CMPDI, Ranchi.
- Initiatives have been taken to develop device with appropriate audio-visual alarm to monitor the behaviour of overlying roof strata. One R&D project for development of indicators for monitoring impending load on roof in collaboration IIT- Kharagpur is in progress.
- Several roof-monitoring devices have been developed at Area / Mine level workshop and tried to use it in underground mines.
- Creating awareness through extensive training of support personnel, dressers and supervisors.

#### Safety Training:

- Developed and introduced Special Module for training of executives and supervisors at Area level.

Arranged special training programme on:

- Procedure on how to conduct an enquiry that reveals the root causes by a Professor of Cambridge University specialized on Industrial Psychology at Kolkata
- Training programme on Spontaneous heating & mine fire at NIT, Rourkela
- Twenty executives were imparted advanced trainer training in safety at SIMTARS, Australia. They will impart training to others for disseminating knowledge gained in Australia.

In addition to this the following measures were taken and/or continued:

- For spreading technical knowledge and promoting safety awareness Quarterly Safety Bulletin is being published.
- S&R Division of CIL developed a format for conducting enquiry to reveal the root causes of accident as well as find out the cost of accident.
- Introduced lightweight LED type Cap Lamp for underground miners.
- Prepared Action plan for Dust Control with Environment department of CIL.

### 23. MINES RESCUE SERVICES

A well-equipped Rescue Service Organization staffed by rescue personnel trained in modern training galleries and equipped with modern rescue equipment is maintained by the subsidiary companies of CIL. At present there are 6 Rescue Stations, 15 Rescue Rooms-with-Refresher Training facilities and 18 Rescue Rooms in CIL.

### 24. HUMAN RESOURCE DEVELOPMENT

#### 24.1 Overall performance

In all 48488 employees were trained during 2010-11, out of which 11452 were executives, 7847 were supervisors and 29189 were workmen. These trainings include in-house training (training at subsidiary training centers and also at IICM), training in other reputed Institutes outside the company and training abroad.

#### 24.2 In-house Training

In-house training was organized at subsidiary HQs, 27 Training Centers and also 102 VT Centers across Coal India and also at IICM. Respective HRD Division organized these trainings after assessing the training need in the respective category of employees within the subsidiary. Special attention was given for improving skill of the employees keeping in mind the need of the industry. Details of in-house training are listed below:

Category	Training	Short Training	Workshop/ Seminar	Total
Executive	2847	3616	2384	8847
Supervisor	2795	4275	138	7208
Workmen	18812	10179	29	29020
<b>Total</b>	<b>24454</b>	<b>18070</b>	<b>2551</b>	<b>45075</b>

## 24.3 Training outside company

### i) Within the Country

Besides in-house training at our Training Institutes, VT Centers and IICM, employees were trained within the country at reputed training institutes, in their respective field of operations and also supplementing our in-house training efforts. Employees from eight subsidiary companies and from CIL HQ have been trained in those reputed institutes. The break-up is given below:

Category	Training	Short Training	Workshop/ Seminar	Total
Executive	883	522	1080	2485
Supervisor	567	28	41	636
Workmen	137	20	4	161
<b>Total</b>	<b>1587</b>	<b>570</b>	<b>1125</b>	<b>3282</b>

### ii) Training abroad

Coal India has sent 120 Executives, 3 Supervisors and 8 workers in different countries from all the subsidiary companies and CIL (HQ) during the year 2010-2011.

Category	Training	Workshop/Seminar	Total
Executive	104	16	120
Supervisor	-	3	3
Worker	-	8	8
<b>Total</b>	<b>104</b>	<b>27</b>	<b>131</b>

## 24.4 Special efforts of HRD during 2010-11

CIL has been recruiting fresh and dynamic young bloods in different disciplines for the last few years consistently. This year, about 550 Management Trainees have been recruited in all major disciplines. Special attention has been given to grooming these young and energetic persons in their respective fields throughout the year. In addition to the introductory concept on Coal Industry, they have been trained on basic Management Techniques (MAP) and also in their respective Technical fields (TAP) through regular courses organized by IICM with the reputed faculties. Special attention has also been given in tuning them in their respective specialized working areas by on-the-job training throughout the year. Their probation is closed after appearing for the examination at the end of the year successfully.

- Safety executives across Coal India (Selected from 50 such executives given training in 2009-10 by Simtars) in two batches (10 in each batch), 1 UG and 1 OCP, were sent for training at Queensland, Australia for four weeks this year.
- 8 Functional Directors have been trained on Advance Management techniques in four batches in reputed Institute in Europe, namely Cambridge and under supervision of MDI, Gurgaon, ASCI, Hyderabad and IMI and SCOPE etc.

- 24 senior executives were sent for Advanced Management programme at China conducted by IICM, Ranchi.
- 1 executive was sent for "Leadership in Management" under Fullbright Scholarship at USA.
- 7 executives were sent under AUS-AID Public Sector Linkage Programme at Queensland, Australia for two weeks.
- About 27 Doctors have been given exposure in Occupational Health at Kolkata and Ahmedabad.
- More than 50 executives have been given formal training in Project Management in different places, like IICM (Conducted by Duke University), IIT, Kharagpur etc.
- Special programmes were held for Safety executives across Coal India organized by Safety Division, CIL.

## 25. MANPOWER

**25.1** The total manpower of the Company including its subsidiaries as on 31.03.2011 is 3,83,347 as against 3,97,138 as on 31.3.2010. Subsidiary company wise position of manpower is as below:-

Company	As on	Total
ECL	31.3.2011	81128
	31.3.2010	85617
BCCL	31.3.2011	67934
	31.3.2010	71838
CCL	31.3.2011	52285
	31.3.2010	54057
WCL	31.3.2011	59043
	31.3.2010	60870
SECL	31.3.2011	78009
	31.3.2010	79781
MCL	31.3.2011	21425
	31.3.2010	20978
NCL	31.3.2011	16209
	31.3.2010	16373
NEC	31.3.2011	2622
	31.3.2010	2820
CMPDIL	31.3.2011	3102
	31.3.2010	3156
DCC	31.3.2011	582
	31.3.2010	600
CIL(HQ)	31.3.2011	1008
	31.3.2010	1048
<b>CIL as a whole</b>	<b>31.3.2011</b>	<b>383347</b>
	<b>31.3.2010</b>	<b>397138</b>





**25.2** The presidential directives for Scheduled Castes/Scheduled Tribes/OBC have been implemented in all the subsidiaries/units of Coal India Limited.

The representation of SC/ST employees in total manpower of CIL and its Subsidiary Companies as on 1.1.2011 and 1.1.2010 are given below:-

As on	Total	Scheduled Caste		Scheduled Tribe	
	Manpower	Nos.	Percentage	Nos.	Percentage
1.1.2011	386530	79096	20.46	45568	11.79
1.1.2010	401510	85057	21.84	46776	11.65

### 25.3 WAGE NEGOTIATIONS

The National Coal Wage Agreement-VIII was signed on 24.01.2009 for a period of 5 years i.e. from 01-07-2006 to 30-06-2011 for the non-executive employees of Coal Industry and arrear payment has been made on 9th April, 2010.

## 26. INDUSTRIAL RELATIONS AND EMPLOYEES' PARTICIPATION IN MANAGEMENT

The Industrial Relations scenario in CIL & its subsidiaries during the financial year remained cordial. JCCs and different Bipartite Committees at Unit/Area levels and Subsidiary (HQ) levels continued to function normally. Meetings of Standardisation Committee and Apex JCC were held at regular intervals at CIL.

### Strikes and Bundhs

Company-wise details of strikes, mandays lost and production loss and other incidents are furnished in the following table:-

Company	No. of Strikes/Bundhs		No. of other incidents		Mandays lost		Production Loss In tonnes	
	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11
ECL	0	2+2*	68	26	0	144345	0	174878
BCCL	0	1+0	1	6	0	0	0	0
CCL	0	1+0	136	48	0	146060	0	146060
WCL	0	2+0	4	3	0	44000	0	44000
SECL	0	1+0	2	0	0	25590	0	48721
NCL	0	1+0	25	0	0	44376	0	20836
MCL	0	1+0	12	0	0	5928	0	75000
NEC	0	1+0	0	0	0	2002	0	796
CMPDI	0	1+0	0	0	0	353	0	0
<b>Total</b>	<b>0</b>	<b>2+2</b>	<b>248</b>	<b>86</b>	<b>0</b>	<b>246899</b>	<b>0</b>	<b>510291</b>

\* Industrial Strike called by CITU on 5.5.2010; Strike called by BMS & HMS on 18.10.2010

\* Bharat Bandh called by Political party on 27.4.2010 & 4.7.2010 for 24 Hours.

## 27. Employees' Welfare and Social Security Schemes

### 1) EMPLOYEES WELFARE SCHEME

The focus of our Welfare Activities is the welfare of our employees and their families. The coal companies are paying greater attention to the welfare of their workers. Every effort is being made to improve the living conditions of the coal miners. In order to create a sense of belonging and involvement in work, top priority is

## 25.4 Performance Based Management system – Balanced Scorecard

Coal India Limited has taken the initiative to revamp the existing Performance Based Management system.

Right Management has been appointed for a tenure of "eighteen" months to design and implement a new Performance Based Management system in accordance with the Balanced Scorecard framework.

The design phase of the project is undergoing field trial in the following areas:

- Unique Position List of CIL and its subsidiaries (Approx 971 unique positions have been identified)
- Inventory of Key Performance Indicators (KPI) for all Departments (approx. 34) of CIL and its subsidiaries.
- Draft scorecard for all unique positions of CIL
- Revised PMS Form and PMS Manual.

The next phase is of creation of awareness amongst the employees and implementation of the new system. SECL has been identified as the subsidiary for pilot implementation of the project

given by the management to provide housing, medical, educational facilities etc.

### 2) HOUSING

At the time of Nationalisation, in Coal India Limited and its subsidiaries there were only 1,18,366 houses including sub-standard houses. The availability of these houses has increased to 4,19,594 (up to 31.03.2011). The percentage of housing satisfaction has now reached 100%.

### 3) WATER SUPPLY

Coal India Ltd. & its subsidiaries as against 2.27 Lakhs population having access to potable water at the time of Nationalisation in 1973, presently a populace of 22,95,688 (up to 31.03.2011) has been covered under water supply scheme.

### 4) MEDICAL FACILITIES

Coal India Ltd and its subsidiaries are extending medical facilities to its employees and their families through various medical establishments from the Dispensary level to the Central and Apex Hospitals in different parts of the coalfields.

There are 86 Hospitals with 5,835 Beds, 423 Dispensaries, 640 Ambulance and 1524 Doctors including Specialists in CIL and its subsidiaries to provide medical services to the employees. Besides 12 Ayurvedic Dispensaries are also being run in the Subsidiaries of Coal India Limited to provide indigenous system of treatment to workers.

In addition, subsidiary companies have also been organizing different medical camps for the benefit of the villagers/Community. During 2010-11, 7,225 Medical Camps have been organized by the subsidiary companies where 7,79,019 beneficiaries in and around the coalfields areas have been provided free medical treatment.

In addition, special emphasis has also been given on Occupational Health, HIV/AIDS awareness programme for the employees and their families.

### 5) EDUCATIONAL FACILITIES

The primary responsibility of providing educational facilities lies with the State Governments. However, the subsidiary companies of CIL have been providing financial assistance and infrastructure facilities to certain schools like DAV Public Schools, Kendriya Vidyalaya, Delhi Public School etc and also providing occasional financial assistance to other recognized educational institutions. As a part of Corporate Social Responsibility (CSR) financial assistance by way of recurring grant-in-aid in packages at the cost of ₹514.64 Lakhs and also some infrastructure have been provided to 284 privately managed schools operating in the coalfield areas of ECL, BCCL and CCL.

Further occasional grant-in-aid at the cost of ₹1773.42 Lakhs and some infrastructure have also been provided to 197 Privately Committee Managed Educational Institution operating in and around coalfield areas of the Subsidiary Companies as a part of CSR activities of CIL.

In addition, Coal India Limited has also provided following types of scholarship as per scheme to the employees wards as a part of educational facilities details of which are as under:-

#### (a) Coal India Scholarship Scheme (Revised – 2001) :

In order to encourage the sons and daughters of the employees of Coal India Limited two types of Scholarship namely Merit and General Scholarship, are being provided every year under

prescribed terms and conditions:-

#### Merit Scholarship:

Admissible strictly to the students securing 1st to 20th position in Madhyamik/H.S. or any State Board or securing 95% and above marks in ICSE/CBSE/ISC Exam (Class – X and XII) where merit is not declared.

#### General Scholarship:

Admissible to the students studying Class-V onwards up to Graduation/Post-graduation level in any discipline subject to prescribed percentage of marks.

As per above Scheme during 2010-11, 24 employees wards have been provided Merit Scholarship at the cost of ₹ 2.69 Lakhs and 15,120 general scholarship (Class-V onwards including Engineering and Medical students) at the cost of ₹154.28 Lakhs have also been provided to the sons and daughters of the employees.

#### (b) Cash Award and certificate of appreciation:

Every year Cash Award of ₹5000/- and ₹7000/- respectively are provided to the Meritorious Wards of CIL employees who secure 90% or above Marks in aggregate in 10th and 12th Standard Board level Examination. During 2010-11, 369 employees wards have been provided Cash Award at the cost of ₹12.90 Lakhs.

(c) Considering the high cost of technical and medical education in the country, Coal India Limited is providing financial assistance towards meeting the cost of education of the dependent children of Wage Board Employees to the extent of Tuition Fees and Hostel Charges who secure Admission in Engineering in such Colleges viz. IITs, NITs, ISM etc which are short listed by CIL for conducting campus selection and also dependent children securing Admission in Govt. Medical Colleges from the Academic Session 2010-11 onwards.

During 2010-11, 193 Engineering students of employees wards have been provided financial assistance of ₹66.84 Lakhs and 125 Medical students studying MBBS Course have also been provided financial assistance to the tune of ₹34.42 Lakhs towards meeting their above cost of education.

(d) Payment of Coal India Scholarship to 100 Nos. of students who belongs to BPL category and 25 Nos. of wards of land oustees/displaced persons for pursuing degree course (Graduation course) in IITs, NITs and other selected Govt. Engineering Colleges and Central Govt Medical Colleges(MBBS Course) from 2010-11 onwards.

As per the eligibility of the Scheme number of Scholarship awarded during 2010-11 are given below:

Name of the Company	Engg. Students (IITs, NIATs, BE, B.Tech in Selected Govt. Engg. Colleges)	Amount
CIL(Hqrs.)	06 (B. Tech/B.E)	₹ 3,24,600



## 6) Statutory Welfare Measures:

- In accordance with the provisions of the Mines Act 1952 and Rules and Regulations framed thereunder, subsidiaries of Coal India Limited are maintaining various statutory welfare facilities for the coal miners such as Canteen, Rest Shelters and Pit Head Baths etc.

## 7) Corporate Social Responsibility (CSR)

CIL has formulated CSR Policy for implementation from 2010-11 onwards. As per the CSR Policy fund has been allocated to each company based on 5% of the retained earning of previous year subject to a minimum Rs.5/- per tonne of coal production in previous year for implementation of CSR activities in and around mining areas within the radius of 15 Kms for the benefit of the villagers and community at large including Scheduled Castes (SC) and Scheduled Tribes (ST). Further CIL Board is authorized to initiate specific projects abroad under special circumstances.

The works include development of community infrastructure like school buildings, community hall, village roads, wells, tube wells, school furniture, Mahila Mandal Activities, Sports and Cultural activities, Medical Camps etc. CMDs of subsidiary companies have been authorized to consider CSR activities depending on the need accessed for the people. During 2010-11 an amount of ₹262.28 Crores has been allocated for undertaking CSR activities by the coal companies. Company-wise status are as under:-

(₹ in crore)

COMPANY	ALLOCATION
ECL	05.00
BCCL	13.75
CCL	25.69
WCL	23.00
SECL	54.00
MCL	52.04
NCL	36.00
CMPDIL	00.20
CIL & OTHERS	52.60
<b>TOTAL</b>	<b>262.28</b>

## 8) Non-statutory Welfare Measures Co-operative Stores and Credit Societies:

In order to supply essential commodities and consumer goods at a cheaper rate in the Collieries, Central Co-operatives and Primary Co-operative Stores are functioning in the coalfield areas of CIL. In addition, Co-operative Credit Societies are also functioning in the Coal Companies.

## 9) Banking Facilities

The Management of Coal Companies are providing infrastructure facilities to the various Nationalised Banks for opening their Branches and Extension Counters in the Coalfields for the benefit of their workers. Workers are educated to draw their salaries through 485 Number of Bank/ Extension Counters and they are also encouraged to practice thrift for the benefit of their families.

## 10) Welfare Measures

Mining of coal has profound impact on the communities living in the areas where the mines are established. The obvious impact of the introduction of any industrial activities in such areas is change in the traditional lifestyle of the original inhabitants and indigenous communities and also change in the socio-economic profile of the area. In the above context, Coal India strongly believes that the people living in mining areas are an important stakeholder in the process of mine development and for sustainable development they have to be given share of the benefits of development of the mining projects.

In view of the above as a part of Corporate Social Responsibility Coal India and its Subsidiary companies are undertaking different welfare activities in and around the coalfield areas for the benefit of Scheduled Castes(SC) and Scheduled Tribes(ST). The following programme/schemes have been undertaken for benefiting SCs & STs in the coal bearing areas:-

- (a) Creation of Community assets (Infrastructure) like provision of drinking water, construction of school buildings, dams, village roads, link roads and culverts, dispensaries and health center, community centre, market place etc.
- (b) Awareness programme and Community activities like Health camp, Medical aids, Family welfare camps, Aids awareness programme, Immunization camps, Sports & Cultural activities, Plantation etc.

## 11) Welfare, Development and Empowerment of Women

### A. FORUM OF WOMEN IN PUBLIC SECTOR (WIPS)

With the intention of pursuing the objectives of Directive Principle of State Policy, the Forum of Women in Public Sector (WIPS) was formed.

A forum of Women in Public Sector (WIPS) was established on 12th February 1990 under the aegis of Standing Conference of Public Enterprises (SCOPE). The idea of "WIPS" was conceived when the Bureau of Public Enterprises in collaboration with SCOPE organized a National Convention of women in Public Sector in October 1989, in New Delhi with a view to analyze the problems of women in the Indian context. At this convention, it was decided to create a national network, a support system that would help women employees to harness their full potential and to enhance their contribution in the national development process in general and public enterprises in particular.

This forum operates at a National level through its Central apex body at New Delhi and function through four regional centers at Mumbai, Chennai, Kolkata and New Delhi. Aims and objectives of this forum are :

- To promote growth and development of women in Public Sector.
- To assist the Public Undertaking in organizing the full potential in women employees.
- To play a catalytic role in improving the status of women in and around Public Undertakings.

With a view to have a well coordinated action at enterprise/regional units and an effective network with the regional chapters and

Apex Body, WIPS Cells are set up in each enterprise headed by co-ordinators nominated by respective enterprise. The co-ordinator of each cell keeps liaison with the respective region and apprises them of the activities to mobilize public sector units to become members of the forum, as also to encourage lady employees of their units to create WIPS Cells. The forum celebrates WIPS Day every year in February by organizing a National Meet, which is attended by delegates from all over India, nominated by their respective companies.

In Coal India Limited there is a Forum for Women in Public Sector Cell at Company Headquarter- Kolkata and five subsidiary companies viz. ECL, BCCL, CCL, SECL & CMPDI. Each WIPS Cell is headed by a Coordinator who plans and executes the various activities of the Forum with the help of a duly appointed Executive Committee. The company extends active support to the various activities of WIPS comprising of welfare activities, training & development activities, seminars, cultural programmes, industrial awareness visits, health awareness programme etc for the WIPS members, women workers, their families and society at large.

Coal India Ltd and its subsidiary companies are extending full fledged support and patronage to the National Conference of Forum of WIPS held every year in February at predetermined locations by sponsorship of the event, nomination of maximum number of delegates and also by competing for the BEST ENTERPRISE award. In previous years SECL, ECL & BCCL have won the coveted award for outstanding women oriented/gender friendly activities. In recent years the WIPS cell have done commendable work in reaching out to the grass root level women employees, empowering them by suggesting gainful redeployment, training and uplifting their morale by recognizing outstanding achievement, recognizing and honoring the exceptional talent.

## B. WELFARE SCHEMES FOR WOMEN

The Mines Crèche Rules 1946 aims at providing healthy growth and welfare of children of women employees. There are provisions for special care and protection of children up to the age of six years. The Mines Act and the Mines Crèches Rules prescribe detailed norm of women employees, number of staff, well-ventilated rooms as per specification given, toilets, medical facilities and medical check-up of children, proper drinking water facilities and proper diet for children. Special emphasis has been given on cleanliness to safeguard the health of the children. The provisions of Maternity Benefit Act and Equal Remuneration Act are being implemented benefiting the women employees of the Company.

## C. OTHER WELFARE MEASURES

- Female employees are also employed on other jobs, as para-medical staff, doctors, computer professionals, security personnel etc.
- CIL has established nurse training institutes where training is imparted to the trainee nurses to find opportunity in or around the industry.
- Mahila Mondals, Mahila Samity and other such forums are working in different units/establishments and

coalfield areas to look after the welfare of female employees and female spouses/female dependents. They organise symposiums, seminars, training programme and cultural activities from time to time for women.

- Women employees take active part in the sports events organised by CIL. Ms.Sumita Laha has won laurels for the country in power lifting in various international meets.
- As per the Wage Agreement, female dependant of the employee who dies while in service is provided with employment or monetary compensation.
- Based on the guidelines of National Commission for Women and Gol, a Women's Cell has been constituted to look into the complaints of women employees for discrimination and sexual harassment.
- In accordance with the judgment by the Hon'ble Supreme Court in the case of Vishakha and others – vs- State of Rajasthan, CIL and its subsidiaries have made amendment in the service rules/standing orders of employees.

## 28. Tree Plantation/Afforestation

In order to provide better environment, Coal India Ltd and its Subsidiary Companies have planted 15.6 lakhs seedlings during 2010-11 in the Coalfield Areas under the afforestation programme.

## 29. Progressive use of Hindi

Keeping with the spirit of the constitution, Management of Coal India Ltd. is committed to implement the provisions of the Official Languages Act, Rules and Regulations. For this, periodical meetings and reviews are done regularly by the top officials. As a result of which Coal India Ltd. is able to speed up the pace of implementation of Rajbhasha gradually.

### Hindi workshop/Hindi Seminar :-

With a view to create working atmosphere of Official Language, Hindi workshops were organized regularly for the employees who have working knowledge of Hindi so that they may be aware of the use of Hindi words, Hindi notings and drafting in their regular official works. During the year, sufficient nos. of persons were trained in such workshops. As per directives of the Govt. of India, focus is given to provide Hindi typing training on computer. For this purpose 5 persons were nominated for Hindi typing training at Typing and Stenography training Centre, Govt. of India, Rajbhasha Vibhag, 1, Council House Street, Kolkata. Apart from this, on 24.08.2010, Coal India sponsored half yearly meeting of Town Official Language Implementation Committee (PSUs), Kolkata where CEOs and Hindi Officers of 106 offices participated along with the representatives of the Govt. of India, Rajbhasha Vibhag, Eastern Region.

### Hindi Diwas and Hindi Fortnight:-

As per directives of Govt. of India, on 14th September, 2010 Hindi Diwas was celebrated in a befitting manner. Starting from





14th September, Hindi Fortnight was observed in all offices of Coal India Limited. During the fortnight, various Hindi competitions/programme viz. Hindi notings Drafting, Essay writing, Translation, Dictation, Hindi typing, Debate in Hindi etc. were organized where large nos. of employees participated enthusiastically. The winners were honoured with cash awards by D(P&IR). This had brought collective awareness towards use of Rajbhasha in official works.

#### **Inspections:-**

Inspection of offices is also a part of implementation. During the year, the 3rd Sub Committee of Parliamentary Committee on Official Language inspected Coal India Ltd. (HQ) on 07.04.2010 where Chairman, Coal India Ltd. assessed implementation of Rajbhasha. Apart from this, sub-committee also visited WCL, Nagpur on 12th February, 2010 and Regional Sales Office, Coal India Ltd., Chandigarh on 09.06.2010. The officials of Rajbhasha Vibhag, Coal India Ltd. also inspected some offices of subsidiary companies and RSOs regarding progressive use of Hindi. The shortcomings seen during inspection towards implementation were corrected and concerned officials were advised to do more work in Hindi as per instructions given in Annual Programme.

#### **Awards:-**

Coal India Ltd. bagged "Rajbhasha Shield" award by Town Official Language Implementation Committee (PSUs), Kolkata during its half yearly meeting on 24th August, 2010 in the area of outstanding performance towards implementation of Official Languages Acts, Rules and Regulations.

#### **Literature & Help Literature:-**

With a view to use Hindi easily in Official works English - Hindi Dictionary has been made available to each and every section of Coal India (HQ). Apart from this, other help literature and pocket books were provided to the sections on their indent. As per decision taken in OLIC meeting, 10 sets of seven selected Hindi magazines were purchased, distributed to different departments with a view to enhance Hindi knowledge of employees.

### **30. Vigilance**

The anti-corruption activities in CIL and its subsidiary companies have been institutionalized by setting up Vigilance Department in CIL and eight subsidiary companies each of which is headed by a Chief Vigilance Officer (CVO), appointed by the Govt. of India in consultation with Central Vigilance Commission (CVC) on tenure basis, drawn from various government services.

During the year 2010-11, 37 Intensive Examinations of Works / Contracts were undertaken by CIL and its subsidiary companies. In addition, 148 Surprise Inspections were carried out and 241 investigation cases were completed by them. Besides, 56 Departmental Inquiries were disposed of which resulted in punitive actions against 181 officials of CIL and subsidiary companies. Such examinations/investigations have resulted in initiation of various system improvement measures.

Vigilance Awareness Period - 2010 was observed at CIL,

Kolkata from 25.10.10 to 03.11.10. As part of the observance, a seminar on 'leveraging technology-e-procurement & reverse auction' was held on 27.10.10. Chairman, FDs and CVO, CIL, CMDs and CVOs of Subsidiary Companies, G.M.(MMs) and Nodal Officers of CIL & Subsidiary Companies, officials of CIL Vigilance Divn. were present in the seminar. Among the guests were the Addl. Secretary (Coal), MoC, Vigilance Commissioner, CVC, Secretary, CVC and CTE, CVC.

As a step towards leveraging of technology, e-procurement and reverse auction, e-payment, e-auction of coal, e-auction for scrap disposal were also in place.

All tenders requiring approval of CMDs of subsidiary companies/CIL and or their Boards were brought under the purview of Integrity Pact (IP). The purchase/procurement wings of the respective subsidiary companies/CIL remained the focal point in respect of IP programme.

### **31. Particulars of Employees**

No employee had received remuneration during the year 2010-11 either equal to or in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with the companies (particulars of employees) Rules, 1975 as amended.

### **32. Board of Directors**

Shri Partha S. Bhattacharyya was appointed as Chairman w.e.f. 1.10.2006 and continued upto 28th February 2011. On attaining the age of superannuation he relinquished the charge of the office of chairman-cum-Managing Director of the Company from February 28, 2011 (evening). In terms of Ministry of Coal and CIL orders both dated February 28, 2011, Sri. N. C. Jha, Director (Technical), Coal India Ltd. has been entrusted with the additional charge of Chairman-Cum-Managing Director of Coal India Ltd. with effect from March 01, 2011 (FN).

Shri N. C. Jha, Director (Technical), R. Mohan Das, Director (P&IR), Shri A K Sinha, Director (Finance), and Dr A K Sarkar, Director (Marketing) were on the Board throughout the year.

Shri Alok Perti, Special Secretary, MOC continued as part-time Official Director on the Board during the year. Shri Sanjeev Kumar Mittal, Joint Secretary & Financial Advisor, Ministry of Coal, who was in the Coal India Board as a nominee of Ministry of Coal from September 10, 2007, on his transfer on December 31, 2010 afternoon ceased to be a Director on CIL Board. Ministry of Coal has appointed Ms. Anjali Anand Srivastava, Joint Secretary & Financial Advisor, New Delhi as a part time Director of the Company with effect from 20th Jan'2011.

Prof. S. K. Barua continued as Independent Director till 3rd Aug'2010 and was reappointed for 3 years w.e.f. 4th Aug'2010. During the year Dr. A.K. Rath (w.e.f. 27th April'2010), Dr. (Smt.) Sheela Bhide, (w.e.f. 4th Aug'2010), Shri Kamal R. Gupta (w.e.f. 4th Aug'2010), Dr. R.N. Trivedi, (w.e.f. 24th Aug'2010), Shri Mohd. Anis Ansari (w.e.f. 24th Aug'2010) and Ms. Sachi Chaudhuri (w.e.f. 24th Aug'2010) were appointed as Independent Directors.

On completion of their tenures S/Sri P. K. Banerjee, Arvind Pande and S. Murari ceased to be Independent Directors w.e.f. 23rd Aug'2010.

Sri D.C. Garg, CMD, Western Coalfields Limited and Sri A.K. Singh, CMD, Central Mine & Design Institute Limited continued on the Board as Permanent Invitees during the year. Sri Pradeep Bhatnagar, Addl. Member (Traffic Transportation), Railway Board was appointed as permanent invitee to the Board from 7th Sept'2010.

Your Directors wish to place on record their deep sense of appreciation for the valuable guidance and services rendered by the Directors during their tenure, who ceased to be Directors during the year.

In terms of Articles 33(d) of the Articles of Association of the Company, one third of the Directors liable to retire by rotation shall retire at the ensuing Annual General meeting and they are eligible for reappointment.

The Board of Directors held 12 meetings during the year 2010-11.

### 33. Directors' Responsibility Statement

In terms of section 217(2AA) of the Companies Act, 1956, read with the significant accounting policy at part A and Notes of Accounts at part B of Schedule M forming part of accounts, it is confirmed :

- i) That in preparation of the Annual Accounts, applicable Accounting Standards have been followed and that no material departures have been made from the same;
- ii) That such accounting policies have been selected and applied consistently through judgments and estimates that are reasonable and prudent, to give a true and fair view of state of affairs of the company at the end of the financial year and Profit & Loss of the company for that period;
- iii) That proper and sufficient care have been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) That annual accounts have been prepared on a going concern basis.

### 34. Accounts of the Subsidiaries

In terms of General Circular No. 2/2011 dated 8th Feb 2011 from Ministry of Corporate Affairs that Annual Accounts of the subsidiary companies and the related information shall be made available to the shareholders seeking such information.

### 35. B.I.F.R and BRPSE Status

#### 35.1 Eastern Coalfields Limited (ECL)

As on 31st March, 1997 accumulated losses of the company exceeded its networth by ₹ 251.20 crores. Hence company was referred to BIFR in October, 1997 in terms of Section 15(1) of SICA. Due to financial restructuring done by CIL on 31st May 1998 by converting unsecured loan of ₹ 1179.45 crore into equity, the net worth of the company became positive as on that date and company came out of BIFR. Since the company continued to incur

losses year after year the networth of the company again became negative as on 31st March, 1999 and hence company was again referred to BIFR in November, 1999. Company's case was registered as case no. 501/2000.

BIFR declared the company as sick company in February, 2001 and appointed State Bank of India as its operating agency for formulating a Rehabilitation Scheme. After detailed deliberations with the stakeholders company prepared a Rehabilitation Scheme dated 31st January, 2004. This was discussed in a joint meeting held on 3rd March, 2004 and all the stakeholders supported the scheme. Hence operating agency submitted a fully tied up Draft Rehabilitation Scheme of Eastern Coalfields Limited (March 2004) to BIFR. As per scheme, net worth of the company was slated to become positive in 2008-09 with concessions from CIL. BIFR sanctioned the scheme in November, 2004 for implementation. The scheme was also examined by the office of Controller General of Accounts. They had also recommended the scheme for revival of the company.

BIFR's sanctioned Rehabilitation Scheme was revised as per the advice of BRPSE due to enhancement of coal prices from 16th June 2004, signing of NCWA-VII on 15th July, 2005 for a period of 5 years from 1st July, 2001 and delay in implementation of some of the projects. As per the Revised Scheme, networth of the company was slated to become positive in 2009-10. This Revised Scheme was heard by Board for Reconstruction of Public Sector Enterprises (BRPSE) in August, 2005. They had recommended the scheme subject to Eastern Coalfields Limited achieving physical and financial parameters as envisaged in the Scheme. The recommendations of BRPSE was also heard by Committees of Secretaries (COS) under the chairmanship of Cabinet Secretary on 13th January, 2006. They had also recommended the Scheme for the revival of the Company. Cabinet Committee on Economic Affairs (CCEA) had approved the BRPSE recommended Revival Plan of ECL on 6th October, 2006.

After obtaining the approval of CCEA, company had submitted the Revised Rehabilitation Scheme to the Monitoring Agency and BIFR in October 2006 with a request to approve the Revised Rehabilitation Scheme for implementation. BIFR reviewed the Eastern Coalfields Limited's case on 12th June, 2007 and advised the company to submit Govt. approved Revival Plan to Monitoring Agency with a copy to them within 60 days as Draft Modified Revival Plan (DMRP). Company had submitted the same to Monitoring Agency with a copy to BIFR on 7th August, 2007. BIFR is yet to approve the same.

In the meantime NCWA-VIII agreement was signed on 24th January, 2009 for a period of 5 years from 1st July, 2006 for non-executive employees. Govt. of India had announced revised salary to board level and below board level executives in Central Public Sector Enterprises from 1st January, 2007 for a period of 10 years. Company informed the same to Monitoring agency with a copy to BIFR. In June, 2009 BIFR advised the company to revise the Draft Modified Revival Plan submitted earlier. BIFR further advised the company to send a copy of CCEA approval of DMRP to be submitted.

Hence company prepared a Revised Revival Plan taking into



account the delay in implementation of many of the projects. This Revised Revival Plan was discussed in 230th ECL board meeting held on 31st August 2009 and 1st Sept, 2009. As per the Revised Revival Plan net worth of the company was slated to become positive in 2014-15 with the concessions from CIL. However, coal prices were enhanced from 16th October, 2009. Due to delay in implementation of various projects, Functional Directors in its meeting held on 5th Jan'10 advised to revise the physical parameters from 2010-11 to 2016-17.

Hence the financial projections earlier made were revised. As per the revised financial projections the networth of the company is slated to become positive in 2016-17 with waiver of CIL loan and conversion of current account balance into equity. In the 237th ECL board meeting held on 5th August, 2010, ECL board approved the Draft Modified/Revised Proposal (DMRP) - June, 2010 for revival of ECL. BRPSE reviewed the ECL's case on 27th August, 2010. Company presented the DMRP (June, 2010). BRPSE advised the company to revise the physical and financial projections by exploring the possibility of advancing the project completion to enable the company to come out of BIFR. Hence the revised DMRP (November, 2010) was prepared with cut-off date of 31st March, 2010. As per DMRP (November, 2010) the company is expected to come out of BIFR in 2014-15. The revised DMRP (November, 2010) was submitted to BIFR in its meeting held on 22nd November, 2010 with copies to all stakeholders and BRPSE. BIFR advised the Monitoring Agency to examine the proposal with the help of the expertise, if required, and to submit a fully tied up MDRS to the BIFR for further action. The Monitoring Agency is examining the DMRP (November, 2010) and getting the TEV study conducted by the consultant.

The last hearing with BIFR was held on 09.03.2011. The Board directed the all the unions who are willing to submit their suggestions including working on UG and OC mining to the Monitoring Agency (SBI) within a period of two weeks. The Board also directed the Monitoring Agency (SBI) to consider the submission of the workers unions while getting the TEV Study conducted and submit the comprehensive TEV Report along with modified DMRP within a period of 10 weeks. The next hearing is scheduled on 08.06.2011.

The company is implementing the DMRP, due to which the Company was able to achieve a Profit of ₹ 333.40 Crores in 2009-10. During 2010-11 Company made a profit of ₹106.57 Crores.

### **35.2 Bharat Coking Coal Limited (BCCL)**

BCCL was referred to BIFR as a sick company consequent upon its net worth becoming negative and was registered vide Reg. No. 504/95 dated 18.12.95.

With a capital restructuring by conversion of CIL loan of ₹996 Cr. into Equity, the net worth of the company was made positive and the Company came out of BIFR in December 1997. However, after completion of accounts for the year 1999-2000, the net worth of the company again became negative. The company was referred to BIFR and was registered as a sick company vide Registration no 502/2001.

As directed, BCCL submitted its Revival Plan to BIFR as on 12.04.2004 for its consideration.

Subsequently, after formation of BRPSE, BCCL submitted its Revival Plan to BRPSE in April'05 suitably modifying the Revival Plan submitted earlier to BIFR on 12.04.2004.

BRPSE recommended the Revival Plan of BCCL to BIFR for concurrence as confirmed vide OM no. 38039/1/2008-CA-II(Pt-I) dt. 3/10/2008 of Director MOC.

In its hearing held on 18.05.2009, BIFR directed BCCL to submit updated Revival Scheme/ Proposal for revival of BCCL. Accordingly a Draft Rehabilitation Scheme (DRS) was submitted to BIFR on 11.08.2009. The said Draft Rehabilitation Scheme has since been approved by BIFR as communicated by Bench Officer- II, BIFR on 28.10.2009 and the same has also been vetted by MOC, Govt. of India as communicated by Under Secretary to Govt. of India, MOC vide reference no. 13011/4/2004-CA-II(Vol.II) dt. 25.02.2010. A review hearing was held on 28.09.2010 to review the progress of implementation of the Revival Plan. In the said hearing, the company was directed by BIFR to continue to submit the compliance report(s) from time to time. The Company has been submitting the progress Report to BIFR with an information to MOC.

### **36. Acknowledgement**

The Board of Directors of your Company wishes to record their deep sense of appreciation for the sincere efforts put in by the employees of the company and the Trade Unions. Your Directors also gratefully acknowledges the co-operation, support and guidance extended to the company by the various Ministries of the Government of India in general and Ministry of Coal in particular, besides the State Governments. Your Directors also acknowledges with thanks the assistance and guidance rendered by the Auditors, the Comptroller and Auditor General of India and the Registrar of Companies, West Bengal and wishes to place on record their sincere thanks to the Consumers for their patronage.

### **37. Addenda**

The following are annexed.

- (i) The comments and review of the Comptroller and Auditor General of India.
- (ii) Replies to the observations made by the Statutory Auditors on the Accounts for the year ended 31st March, 2011.
- (iii) Statement pursuant to Sec. 212(i) (e) of the Companies Act, 1956.
- (iv) Foreign Exchange Earning and Outgo (Annexure I)
- (v) Details about research and development of the Company (Annexure II)

For and on behalf of the Board of Directors

N. C. Jha  
Chairman

Kolkata, 12th July, 2011

## **COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF COAL INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2011.**

The preparation of financial statements of Coal India Limited for the year ended 31st March 2011 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 12.05.2011. I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the financial statements of Coal India Limited for the year ended 31st March 2011. This supplementary audit has been carried out independently without access to the working paper of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors report under section 619(4) of the Companies Act, 1956.

For and on behalf of the  
Comptroller & Auditor General of India

A handwritten signature in black ink, appearing to read "Saurav Kumar Jaipuriyar".

(Saurav kumar Jaipuriyar)

Pr. Director of Commercial Audit &  
Ex-officio Member, Audit Board-II  
Kolkata

Kolkata

Dated: 19.05.2011





## AUDITORS' REPORT

## MANAGEMENT'S REPLY

### To the Members of Coal India Limited

1. We have audited the attached Balance Sheet of COAL INDIA LIMITED as at 31<sup>st</sup> March, 2011, the Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, on the basis of such checks as considered appropriate and according to the information and explanations given to us during the course of the audit, we give in the Annexure hereto, a statement on the matters specified in the paragraphs 4 and 5 of the said order.
4. Without qualifying our report, attention is drawn to Note No. 3.1 to Notes on Accounts in Schedule – L. Revival plan of the subsidiaries namely Bharat Coking Coal Limited and Eastern Coalfields Limited have been approved by the Board for Industrial & Financial Reconstruction. In the opinion of the management the implementation of the revival schemes will substantially improve the financial position of these companies.
5. Without qualifying our report, attention is drawn to Note No.12.11 to notes on account in schedule L. As per Govt. of India order the company is required to obtain approval of mine closure plan from competent authority. The company is yet to obtain approval of mine closure plan. The company has provided for mine closure expenses as per the guidelines prescribed.
6. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) 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;
  - (iii) The Balance Sheet, Profit & Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account;

## AUDITORS' REPORT

## MANAGEMENT'S REPLY

- (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement read with significant Accounting Policy and Notes to Accounts as referred in Schedule – L comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies act, 1956.
- (v) As per Notification No. GSR 829 (E) dated 21-10-2003 provisions of clause (g) of sub-section (1) to Section 274 are not applicable to the company.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said Statements of Account read together with significant accounting policies and Notes to Accounts as referred in Schedule – L give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March, 2011;
  - (b) in the case of Profit & loss Account of the profit for the year ended on that date; and
  - (c) in the Cash Flow Statement of the Cash Flows for the year ended on that date.

For **DEOKI BIJAY & CO.**  
Chartered Accountants  
FRNo. 313105E

Sd/-  
(CA. D. N. Agrawal)  
Partner  
Member No. 051157  
Place: Kolkata  
Date: the 12th day of May, 2011.



## ANNEXURE TO THE AUDITORS' REPORT

**(Referred to in paragraph 3 of our report of even date).**

- |  |   |
|--|---|
| i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. However, certain details as purchase order reference; date of commissioning etc. are absent there. Records for the current year's purchases/ sales are not incorporated in full. Reconciliation of the said Register with General Ledger is under progress.  | Necessary steps have been taken to incorporate complete details etc. as mentioned by the Audit.   |
| (b) Fixed Assets located at North Eastern Coalfields, the production unit of the company, has been physically verified by the management periodically in phased manner and no material discrepancies have been noticed as confirmed by the Management. Fixed assets located elsewhere remain unverified.   | No further comments. However, necessary steps will be taken to increase the coverage of verifications of assets.  |
| (c.) No substantial part of fixed assets has been disposed off during the year, which has bearing on the going concern assumption.   | This being a statement of fact calls for no comment separately.   |
| ii. (a) Physical verification of Inventory has been conducted at reasonable intervals during the year by the management, except for inventories kept at stockyard of Regional Sales Offices.   | Coal stock at stockyard is very old and fully provided for in the Accounts.   |
| (b) In our opinion, the procedures of physical verification of Inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.   | This being a statement of fact calls for no comment separately  |
| (c) The Company has maintained proper records of Inventory. No material discrepancies were noticed on physical verification.   | This being a statement of fact calls for no comment separately  |
| iii. (a) According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clause 4 (iii) (b) to (d) of the Order are not applicable.   | This being a statement of fact calls for no comment separately  |
| (b) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clause 4 (iii) (f) to (g) of the Order are not applicable.   | This being a statement of fact calls for no comment separately  |
| iv. On the basis of checks carried out during the course of audit and as per explanations given to us, we are of the opinion that there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of Inventory and Fixed Assets and for the Sale of goods and services. During the course of our audit no major weakness in internal control has been noticed except for certain small advance / receivable accounts where details/ schedules are absent for a long time and the adjustments made there against are basically affected on adhoc basis leading to the emergence of credit balances often. | This being a statement of fact calls for no comment separately.<br><br>Steps have been taken to prepare details/ Schedules for various advance Accounts, during the current year 2011-12 as mentioned by the Audit. |

- v. In our opinion and according to the information and explanations given to us, there are no contracts and arrangements as referred to in section 301 of the Companies Act, 1956, particulars of which need to be entered into a register maintained under section 301 of the said Act. Accordingly, clause 4 (v) (b) of the Order is not applicable. This being a statement of fact calls for no comment separately
- vi. The Company has not accepted any deposits from the public within the meaning of the provisions of Section 58A and 58AA or any other relevant provision of the companies act , 1956 and rules made there under. This being a statement of fact calls for no comment separately
- vii. The Company has an Internal Audit system, which in our opinion needs to be strengthened. Steps will be taken to increase the coverage of areas of Internal Audit System.
- viii. The maintenance of cost records has not been prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956 for the Company. This being a statement of fact calls for no comment separately
- ix. (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other Statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as on 31.03.2011 for a period more than six months from the date they became payable. This being a statement of fact calls for no comment separately
- (b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty, Cess and Other Statutory dues which have not been deposited on account of any dispute except for the following: The disputes have been contested at appropriate forums. Necessary payment if any will be made only after the case is settled
- | Nature of Dues | Amount<br>Rs. In Lakhs | Forum where<br>Dispute is Pending     |
|----------------|------------------------|---------------------------------------|
| Municipal Tax  | 249.41                 | Kolkata Municipal<br>Corpn./ Tribunal |
- x. The Company does not have any accumulated losses at the end of financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year. This being a statement of fact calls for no comment separately
- xi. The Company has not defaulted in repayment of dues to Financial Institutions or Banks. This being a statement of fact calls for no comment separately
- xii. According to information and explanations given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities. This being a statement of fact calls for no comment separately
- xiii. The Company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society. This being a statement of fact calls for no comment separately



- |        |  |  |
|--------|--|--|
| xiv.   | The Company is not in the business of dealing or trading in shares. The Company has investments in shares of its wholly owned subsidiaries and SPV Joint Venture only and maintained proper records of transactions and contracts in respect thereof and timely entries have been made therein. The Company, in its own name, has held all these shares. | This being a statement of fact calls for no comment separately |
| xv.    | In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by its subsidiaries from banks and financial institutions are not prima facie prejudicial to the interest of the Company.   | This being a statement of fact calls for no comment separately |
| xvi.   | Based on information and explanations given to us by the management, no term loan has been availed during the year. However, the term loans availed by the company in earlier years have been utilized for the purposes for which the said loan has been taken.  | This being a statement of fact calls for no comment separately |
| xvii.  | On the basis of our overall examination of the Cash Flow Statement, the funds raised on short-term basis have not been used for long-term Investment   | This being a statement of fact calls for no comment separately |
| xviii. | During the year under audit the Company has not made any preferential allotment of shares.   | This being a statement of fact calls for no comment separately |
| xix.   | The Company has not issued any debenture during current or earlier year (s).   | This being a statement of fact calls for no comment separately |
| xx.    | The Company had made an Initial Public offering of shares in October, 2010 and the shares were listed on Bombay Stock Exchange and National Stock Exchange on 04.11.2010. Since this was a divestment made by the Govt. of India, the proceeds of the same is used by Govt. of India and not by the company.   | This being a statement of fact calls for no comment separately |
| xxi.   | Based upon the audit procedures performed and on the basis of information and explanations provided by the management, we report that no fraud, on or by the Company has been noticed or reported during the year.   | This being a statement of fact calls for no comment separately |

For **DEOKI BIJAY & CO.**  
Chartered Accountants  
FRNo. 313105E

Sd/-  
(CA. D. N. Agrawal)  
Partner  
Memb. No. 051157  
Place: Kolkata  
Date: the 12th day of May, 2011.

## Statement pursuant to Section 212(1) (E) of the Companies Act, 1956 as at 31st March, 2011

Subsidiary (Fully Owned)	No. of Equity Shares held by Coal India Ltd.	No. of Equity Shares held by CIL in nominees' name	Total paid-up value ₹ in Crores	Pre-tax Profit for the year ended 31.03.2011 ₹ in Crores	Profit (+) Loss (-) cumulative balance as on 31.03.2011 (after all appropriations) ₹ in Crores
Eastern Coalfields Limited	22,184,500	3	2218.45	106.57	(-) 8127.42
Bharat Coking Coal Limited	21,180,000	3	2118.00	1093.68	(-) 6427.19
Central Coalfields Limited	94,00,000	3	940.00	1860.22	1305.83
Western Coalfields Limited	29,71,000	3	297.10	1067.97	1988.79
Northern Coalfields Limited	17,76,728	3	177.67	3956.36	5573.77
South Eastern Coalfields Limited	35,97,000	3	359.70	3777.12	3994.09
Mahanadi Coalfields Limited	18,64,009	3	186.40	4039.30	4570.88
Central Mine Planning & Design Institute Limited	1,90,400	3	19.04	23.69	57.46
CIL				4723.37	7468.61
				<b>20648.28</b>	<b>10404.82</b>
<b>Sub-Total</b>					
Less: Income from dividend received from subsidiaries included in the profit of CIL				4237.41	
				<b>16410.87</b>	
<b>Total</b>					
Adjustment for Deferred Revenue Income etc.				52.36	
Overall profit as per Consolidation of Accounts				16463.23	

[Further Coal India Ltd. has a 100% owned subsidiary in Republic of Mozambique, named "Coal India Africana Limitada". The paid up capital as on 31<sup>st</sup> March 2011 which was contributed since formation (known as "Quota Capital") was ₹0.49 lakhs (US\$ 1000)]



## Financial Information of Subsidiary Companies (Pursuant to S.212(8) of Companies Act, 1956)

Sl.No.	Name of Subsidiary Company	Reporting Currency	Capital	Reserve	Total Assets	Total Liabilities	Investments	Turn over	Profit Before Taxation	Provision for Taxation	Profit After Taxation	₹ in Lacs Proposed Dividend
1	Eastern Coalfields Limited	INR	221845.00	(812742.45)	1260425.71	1260425.71	24.50	588259.77	10657.29	-	10657.29	-
2	Bharat Coking Coal Limited	INR	211800.00	(642719.23)	1127104.41	1127104.41	6928.00	615711.23	109368.56	-	109368.56	-
3	Central Coalfields Limited	INR	94000.00	209800.78	897440.06	897440.06	4711.52	604169.96	186021.68	61,338.81	124682.87	74810.00
4	Northern Coalfields Limited	INR	17767.28	791821.31	1472638.70	1472638.70	5728.00	765535.32	395636.41	151,091.52	244544.89	106726.93
5	Western Coalfields Limited	INR	29710.00	297347.23	910369.97	910369.97	16045.00	599427.19	106796.56	52,966.07	53830.49	32324.48
6	South Eastern Coalfields Limited	INR	35970.00	573313.02	1464616.06	1464616.06	61581.03	1065755.60	377711.94	147,629.51	230082.43	108017.91
7	Mahanadi Coalfields Limited	INR	18640.09	636174.00	1723302.25	1723302.25	11351.00	743124.48	403930.18	142,998.52	260931.66	117000.00
8	Central Mine Planning & Design Institute Limited	INR	1904.00	6850.70	54789.72	54789.72	-	42909.19	2368.90	836.97	1531.93	-
9	Coal India Africana Limitada (Mozambique) (MZN in Lacs)	INR MZN	0.49 0.25	- -	64.61 44.25	64.61 44.25	- -	- -	- -	- -	- -	- -

MCL, a subsidiary of CIL has further two Subsidiaries, details of which are given below

Sl.No.	Name of Subsidiary Company	Reporting Currency	Capital	Reserve	Total Assets	Total Liabilities	Investments	Turn over	Profit Before Taxation	Provision for Taxation	Profit After Taxation	₹ in Lacs Proposed Dividend
1	MNH Shakti Limited	INR	2510	-	2510	2510	-	-	-	-	-	-
2	MJSJ Limited	INR	4010	-	4010	4010	-	-	-	-	-	-

### Note

MCL holds 70% stake in MNH Shakti Ltd & 60% stake in MJSJ Ltd.

As on 31.03.2011: 1 MZN = ₹ 1.4572



## Annexure I

### COAL INDIA LIMITED (Standalone) Expenditure / earning in foreign exchange – 2010-11

#### Expenditure incurred in Foreign Currency on account of:

(₹ in 00,000)

	Current Year	Previous Year
(i) Interest & commitment charges	2112.08	2666.17
(ii) Commission to Foreign Agents	8.84	7.50
(iii) Travelling / Training Expenses	252.77	176.28
(iv) Advertisement	1.72	8.46
(v) Consultancy	35.78	52.29
(vi) Subscription	49.84	-
<b>Total</b>	<b>2461.03</b>	<b>2910.70</b>

#### Earning in Foreign Exchange on account of:

(₹ in 00,000)

	Current Year	Previous Year
(i) Export of Goods (Calculated on FOB basis)	NIL	NIL
(ii) Exchange Variation (net)	774.05	726.17
(iii) Miscellaneous	NIL	NIL

## Annexure II

### FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

#### RESEARCH & DEVELOPMENT (R&D)

##### 1. Specific area in which R&D carried out

The Government of India through its Coal Science & Technology (S&T) Plan and Coal India Limited through its R&D Board have launched R&D activities for improvement in production, productivity and safety in coal mines, coal beneficiation and utilization and protection of environment and ecology. Substantial funds are being earmarked annually by the Ministry of Coal and CIL R&D Board to carry out research work on the above subjects in coal and lignite sector.

##### 2. Benefits derived as a result of the above R&D

Notable advances have been made through these R&D efforts in application of coal exploration techniques, trial of mining methods like “blasting gallery and cable bolting” for recovery of coal in thick seams and shortwall mining which was introduced successfully at SECL with an output of more than 1000T per day is now being replicated in more panels. “Controlled blasting” which was also introduced through R&D is now being used for removal of overburden rocks and coal in opencast mines as close as to 50m from surface structures without endangering safety of the inhabitants and over 125 Mt of coal so far has been extracted in more than 100 mines which otherwise would have remained sterilized.

A quantified assessment of roof strata called Rock Mass Rating (RMR) developed under R&D is now being used for support design in underground mines. So far, over 600 districts in about 350 underground coal mines have been covered.

4X800 T capacity chock shield has been developed under a recently concluded S&T project. Cost of imported support having same capacity of 800T is around ₹ 1.08 crore, whereas, this indigenously developed support unit costs around ₹ 53 lakh i.e 49% of imported, and it can be further reduced.

A number of research projects have yielded considerable gains in the area of land reclamation after mining and utilization of fly ash. Humic acid from lignite as a fertilizer in agriculture has shown 35% increase of yield in case of capsicum, and tomato crops and also substantial increase in other crops. NLC has set up a plant of 7.2 lakh litre/annum and is supplying to farmers in Tamil Nadu, Andhra Pradesh, Karnataka and Kerala.



A multi institutional funded (UNDP/GEF, CIL and MoC) demonstration research project on “Coal Bed Methane Recovery and Commercial Utilization” has successfully concluded at Moonidih Underground Project, BCCL with encouraging results. The gas recovered under this project is almost 98% pure methane which is utilized to run gas based generators to supply electricity to Moonidih mine residential colony.

One of the on going projects for conversion of lignite into clean fuel has shown 14% possible extraction of alcohol from lignite, yet these are to be established through pilot scale studies.

Significant improvement has been achieved in both “coking and non-coking coal washing” and “recovery of fine coals”. Encouraging results have also been obtained from research related to “combustion techniques” for effective utilization of high-ash coals.

While some research projects have produced tangible impact on the industry directly, there are others, which have strengthened mine planning, design and technical services required by both operating mines and future mining projects. A number of research projects have been taken up in the area of environment and ecology to integrate coal mining activities with ecological conservation and hazards due to mining. The findings of these research projects have made a significant impact on the industry resulting in the adoption of proper environment control.

Further, meaningful studies have been carried out for improvement in coal beneficiation techniques, especially for high ash Indian coals. Significant results have also been obtained from research related to combustion techniques for effective utilisation of high – ash coals. Focus has been concentrated on dry beneficiation technologies for conserving water resources. Major R&D projects on the subject are under implementation under CIL R&D funding. New areas, like application of robotics and latest two-way communication Systems for rescuing miners trapped in underground mines, CBM/Coal Mine Methane/Abandoned Mine Methane recovery and utilization, are being addressed through ongoing research projects.

### 3. Future Plan of Action:

For enhancing the quantum of research work needed to address the complexity of operations of the coal industry and wider involvement of research organizations including private organizations with adequate infrastructure and expertise, the CMPDI on behalf of Ministry of Coal has invited Expression of Interest (Eoi) for a few areas related to coal production, productivity and safety, improvement in production, productivity and safety in coal mines, coal beneficiation and utilization and protection of environment and ecology.

Future R&D efforts will address frontier areas like liquidation of developed pillar in underground mines, pit and dump slope stability in opencast mines, hydraulic mining, high wall mining, Early warning systems for roof prediction and

dump & highwall failures, assessment of shale gas potentiality in Indian coal fields, CBM reserves estimation, CBM from fugitive emissions from opencast mines, in-situ coal gasification, coal liquefaction, and predictive models for air quality and pollution etc.

Emphasis on “coal to oil” conversion technology. The prevailing level of prices of crude oil and petroleum products warrants a fresh look at coal liquefaction processes. The rising costs and questions related to adequate and assured supply of oil from overseas sources have a significant bearing on both the national economy and energy security. One important project for development of indigenous catalyst for coal – to - liquid (CTL) is under implementation with an objective to eliminate the dependence on technology provider for supply of catalysts for future CTL plants likely to be established in India.

### 4. Expenditure on R&D:

It is difficult to work out expenditure on capital separately where a huge number of research projects are being implemented, hence, total expenditure including revenue may be considered for the purpose.

#### Expenditure for R&D during 2006-2010:

(₹ in Crore)

Year	Expenditure
2006-07	16.75
2007-08	23.56
2008-09	22.21
2009 -10	37.42
2010 -11	40.04

### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts, in brief, made towards technology absorption, adaptation and innovation

**The R&D in coal sector is mainly for improvement of efficiency parameters in mining operations including mine safety and related activities like coal beneficiation/utilization and also on control of mine environment.**

2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.

**Ref. the reply to the Point no. 2 above.**

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished.

Not Applicable

(i) Technology Imported

(ii) Year of Import

(iii) Has technology been fully absorbed?

(iv) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.

# REPORT ON CORPORATE GOVERNANCE

## 1. Company's Philosophy :

Corporate Governance is for ensuring values, ethical business conduct, transparency, disclosures as per laws, rules and guidelines. CIL is committed to observe Corporate Governance practices at different levels and to achieve its objectives.

## 2. Board of Directors :

### 2.1 Size of the Board

Coal India Limited. is a Government Company within the meaning of section of 617 of the Companies Act, 1956. As per Articles of Association, the power to appoint Directors vests with the President of India. The Chairman shall be appointed by the President and the terms and conditions of his appointment shall be determined by the President. However, in addition to the Chairman , the President shall also appoint Vice Chairman, Managing Director , whole time Functional Directors and other Directors in consultation with the Chairman who shall not be liable to retire by rotation . No consultation will be necessary in case of Directors representing the Government.

In terms of the Articles of the Company , the number of Directors of the Company shall not be less than three and not more than fifteen. These Directors may be either whole time functional Directors or part time Directors.

### 2.2 Composition of Board

As on 31st March, 2011, the Board of Directors comprised a Chairman ( Additional Charge), 4 Functional Directors and 9 Non-Executive Directors ( 2 Government Nominees and 7 Independent Directors). In addition, there are 3 Permanent Invitees in the Board.

### 2.3 Age limit and tenure of Directors

The age limit of the Chairman & Managing Director and other whole –time functional Directors is 60 Years.

The Chairman & Managing Director and other whole-time Functional Directors are appointed for a period of five years from the date of taking charge or till the date of superannuation of the incumbent or till further instructions from the Government of India , whichever event occurs earlier.

Government Nominee Directors representing Ministry of Coal, Government of India retire normally from the Board on ceasing to be officials of the Ministry of Coal.

Independent Directors are appointed by the Government of India usually for a tenure of three years.

### 2.4 Board Meetings

During the year, 12 Board meetings were held on 03-05-2010, 31-05-2010, 05-08-2010, 21-08-2010, 25-09-2010, 25-10-2010, 22-11-2010, 14-12-2010, 01-02-2011, 14-02-2011, 25-02-2011 and 12-03-2011.



Details of number of Board Meetings attended by Directors , attendance at the last Annual General Meeting , number of other Directorship etc. during the year 2010-11 were as follows :-

Sl. No.	Name of the Director.	Category of Directorship	No. of Board meetings attended during 2010-11	Attended at the last AGM	No. of other Directorship as on 31.3.2011
1 *	Shri Partha S. Bhattacharyya	Chairman	11	Yes	NIL
2 *	Shri N. C. Jha	Chairman (Additional Charge)	1	No	NIL
	Shri N.C. Jha	Director (Tech)	11	Yes	3
3	Shri R. Mohan Das	Director(P&IR )	10	Yes	2
4	Dr. A. K. Sarkar	Director (Mktg.)	7	No	2
5	Shri A.K. Sinha	Director (Finance)	12	Yes	2
6	Shri Alok Perti	Non-Executive Director	12	Yes (Through Proxy)	1
7 *	Shri Sanjiv Mittal	Non-Executive Director	7	Yes (Through Proxy)	3
8*	Shri P.K.Banerji	Non-Executive Director	3	No	1
9*	Shri Arvind Pande	Non-Executive Director	1	No	4 and Chairmanship in one Company
10*	Shri S. Murari	Non-Executive Director	3	No	1
11*	Prof. S.K.Barua	Non-Executive Director	6	No	4
12*	Dr. A.K. Rath	Non-Executive Director	11	No	1
13*	Dr. Sheela Bhide	Non-Executive Director	9	No	NIL
14*	Shri Kamal R. Gupta	Non-Executive Director	10	No	2
15*	Dr. R. N. Trivedi	Non-Executive Director	7	No	NIL
16*	Ms.Sachi Chowdhury	Non-Executive Director	8	No	NIL
17*	Md. Anis Ansari	Non-Executive Director	7	No	NIL
18*	Ms. Anjali Anand Shrivastava	Non-Executive Director	4	No	3

Sl. 1(\*) Retired on 28-02-2011 , Sl 2 (\*) appointed on 01-03-2011. Sl. 7(\*) Cessation of Directorship w.e.f 31-12-2010 consequent upon his transfer, Sl.8(\*) Cessation from Board w.e.f. 23-08-2010, Sl.9(\*) Cessation from Board w.e.f. 23-08-2010, Sl.10(\*) Cessation from Board w.e.f. 23-08-2010, Sl. 11 (\*) Re –Appointed on 04-08-2010, Sl.12 (\*) Appointed on 27-04-2010 , Sl. 13 (\*) Appointed on 04-08-2010, Sl. 14(\*) Appointed on 04-08-2010, Sl. 15(\*) Appointed on 24-08-2010 Sl. 16(\*) Appointed on 24-08-2010 , Sl. 17(\*) Appointed on 24-08-2010 Sl. 18(\*) Appointed on 20-01-2011.

## 2.5 Information placed before the Board of Directors:

The Board has complete access to any information within the Company . The information regularly supplied to the Board , inter-alia, includes the following:

- Annual operating Plans and Budgets and updates.
- Capital Budget and updates.
- Annual Accounts , etc.
- Review of progress of ongoing projects including critical issues and areas needing management attention.
- Minutes of the meetings of Audit Committee and other Committees of the Board.
- Quarterly financial results for the company.
- Minutes of the Meetings of the Board of Directors of subsidiary companies together with Significant Transactions and arrangements entered into by the subsidiary companies.
- Fatal or serious accidents ,dangerous occurrences ,etc.
- Operational activities of the Company.
- Major investments, formation of subsidiaries and Joint Ventures ,etc.
- Award of large contracts.
- Disclosure of Interest by Directors about directorship and committee positions occupied by them in other companies.
- Any significant development in Human Resources/Industrial Relations like Revision of pay/ wage agreement , etc.
- Short term investment of surplus funds.
- Highlights of important events from last meeting to the current meeting.

## 3. Committees of the Board of Directors

The Board has constituted the following Committees of the Board:-

- (i) Audit Committee.
- (ii) Empowered Sub-Committee for Evaluation Appraisal and Approval of Projects.
- (iii) Remuneration Committee.
- (iv) Shareholders' / Investors' Grievance Committee.
- (v) Share Transfer Committee.
- (vi) Foreign Acquisition Committee.
- (vii) Review of Treasury Management Committee of CIL.
- (viii) Appeal Committee.
- (ix) IPO Sub- Committee.

### 3.1 Audit Committee

#### (a) Composition :

CIL in pursuance of excellence in corporate governance formed an Audit Committee of its Board of Directors w.e.f. 20-07-2001 and the present Audit Committee, re-constituted by the Board in its 264th Meeting held on 01.02.2011 , consists of five Independent Directors , one Functional Director and one Government Nominee Director . One of the Independent Directors, a Practicing Chartered Accountant is the Chairman of the Committee . They are:-

1.	Sri Kamal R. Gupta	Chairman	Independent Director
2.	Ms. Anjali Anand Shrivastava	Member	J S & F. A , Ministry of Coal
3.	Prof. S. K. Barua	Member	Independent Director
4.	Dr. R. N. Trivedi	Member	Independent Director
5.	Sri Md. Anis Ansari	Member	Independent Director
6.	Ms. Sachi Choudhuri	Member	Independent Director
7.	Sri R. Mohan Das	Member	Director, P&IR , CIL

Director(Finance), Head of Internal Audit and the Statutory Auditors are invited to the Audit Committee Meetings. Company Secretary is the Secretary to the Committee. Senior Functional executives are also invited as and when required to provide necessary clarifications to the committee. Internal Audit Department provides necessary support for holding and conducting Audit Committee meeting.



**(b) Meetings and Attendance of the Audit Committee.**

Six Meetings of the Audit Committee were held during the Financial Year 2010-11 on 03-05-2010 , 21-08-2010 , 22-11-2010, 18-12-2010 , 14-02-2011 & 26-03-2011 The details of the Meetings of Audit Committee attended by the members was as under:-

	<b>Name of the Directors</b>	<b>Status</b>	<b>No. of meetings attended</b>
1.	Shri P.K.Banerji	Chairman (upto 23-08-2010)	2
2.	Shri Kamal R Gupta	Chairman (w.e.f. 25-09-2010)	4
3.	Shri Sanjiv Mittal	Member (upto 31-12-2010)	4
4.	Shri S. Murari	Member (upto 23-08-2010)	2
5.	Prof. S. K. Barua	Member (w.e.f 24-11-2007)	4
6.	Shri R. Mohan Das	Member (w.e.f 25-09-2010)	3
7.	Dr. R.N. Trivedi	Member (w.e.f 25-09-2010)	4
8.	Md. Anis Ansari	Member (w.e.f 25-09-2010)	2
9.	Ms. Anjali Anand Shrivastava	Member (w.e.f 01-02-2011)	2
10.	Ms. Sachi Chowdhury	Member (w.e.f 25-09-2010 )	4
11.	Shri Arvind Pande	Member ( upto 23-08-2010)	-
12.	Dr. A.K. Sarkar	Member (upto 24-09-2010)	-
13.	Dr. A.K. Rath	Member (from 31-05-2010) to 24-09-2010 )	-

**(c) Powers:**

The Audit Committee shall have powers commensurate with its role including the following :

1. To investigate any activity within its terms of reference.
2. To seek information from any employee .
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if considered necessary.
5. To protect whistle blowers.

**(d) Scope of Audit Committee :**

The Scope of Audit Committee are as follows :-

1. Over seeing of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board the fixation of audit fees.
3. Recommendation to the Board for payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to :
  - a) Matters required to be included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
  - b) Changes, if any, in accounting policies and practices and reasons for the same;
  - c) Major accounting entries involving estimates based on the exercise of judgement by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with legal requirements relating to financial statements;
  - f) Disclosure of any related party transactions; and
  - g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, performance of internal auditors and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditor and / or auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors / auditors / agencies into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the Board.
10. Discussion with statutory aditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

11. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders ( in case of non payment of declared dividends ) and creditors.
12. Reviewing the functioning of the Whistle Blower Mechanism.
13. Reviewing the follow up action on the audit observations of the C & A G audit.
14. Reviewing the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.
15. Providing an open avenue of communication between the independent auditor, internal auditor and the Board of Directors.
16. Reviewing and pre-approve all related party transactions in the company. For this purpose, the Audit Committee may designate a member who shall be responsible for pre-approving related party transactions.
17. Reviewing with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
18. Considering and reviewing the following with the independent auditor and the management : The adequacy of internal controls including computerized Information System Controls and security, and Related findings and recommendations of the independent auditor and internal Auditor, together with the management responses.
19. Considering and reviewing the following with the management, internal auditor and the independent auditor.  
Significant findings during the year, including the status of previous audit recommendations.  
Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.
20. Reviewing the financial statements of the subsidiary companies.

### 3.2 Empowered Sub-Committee for Evaluation Appraisal and Approval of Projects

An Empowered Sub-Committee for evaluation, appraisal and approval of the projects re-constituted by CIL Board of Directors in its 260 th Board meeting held on 25-09-2010 . During the year 2010-11, only one Sub-Committee Meeting for evaluation, appraisal and approval of the projects was held on 03-01-2011 .The Committee consists of following Directors and their attendance was as follows:

	Name of the Directors	Status	Nos. of Meeting attended
1.	Chairman, CIL	Chairman	1
2.	Director(Finance), CIL	Member	1
3.	Director(Technical), CIL	Member	1
4.	Jt. Secretary & FA, MOC	Member	-
5.	Dr. Sheela Bhide	Member	1
6.	Shri Mohd. Anis Ansari	Member	-
7.	Ms. Sachi Chowdhury	Member	1
8.	CMD, CMPDIL	Permanent Invitee	1
9.	CMD of Subsidiary Company, whose projects are under consideration	Invitee	1

### 3.3 Remuneration Committee

CIL being a Central Public Sector Undertaking, the appointment , tenure and remuneration of Directors are fixed by the President of India . Hence , the Board does not decide the remuneration of the Directors.

A Remuneration Committee constituted by the CIL Board of Directors in its 249th meeting held on 10-04-2009 was further re-constituted by the Board in its 264th Board meeting held on 01-02-2011. The reconstituted Remuneration Committee consists of following Directors:

	Name of the Directors	Status
1.	Prof. S.K. Barua	Chairman
2.	Ms. Anjali Anand Srivastava	Member
3.	Shri Kamal R Gupta	Member
4.	Dr. R. N. Trivedi	Member
5.	Ms. Sachi Choudhury	Member
6.	Shri R. Mohan Das	Permanent Invitee

No meeting of this committee was held during the year.





### 3.4 Shareholders' / Investors' Grievance Committee.

A Shareholders' / Investors' Grievance Committee was constituted by the CIL Board of Directors in pursuance of the Listing Agreement in its 258th meeting held on 05-08-2010. The Shareholders'/Investors, Grievance Committee shall be responsible for :

- (a) Redressal of investors' complaints;
- (b) Non-receipt of declared dividends, balance sheets of the Company etc;
- (c) Carrying out any other function contained in the Listing Agreement as and when amended from time to time.

During the year 2010-11 two meetings of this Sub- Committee were held on 25-02-2011 and 25-03-2011 .

The Shareholders' / Investors' Grievance Committee consists of following Directors and their attendance was as follows :

	Name of the Directors	Status		Nos. of Meeting attended
1.	Dr.A. K. Rath	Independent Director	Chairman	2
2.	Shri Kamal R Gupta	Independent Director	Member	2
3.	Shri R. Mohan Das	Director(P&IR)	Member	2
4.	Shri A. K. Sinha	Director ( Finance)	Member	1

### 3.5 Share Transfer Committee.

A Share Transfer Committee was constituted by the CIL Board of Directors in its 262nd meeting held on 22-11-2010. The Share Transfer Committee looks into the following:

- (a) Transfer or Transmission of Shares .
- (b) Issue Duplicate Certificates and new Certificates on split /consolidation/renewal etc.

During year 2010-11, six meetings of the committee were held on 14-12-2010 , 05-01-2011, 01-02-2011, 14-02-2011, 25-02-2011 and 12-03-2011. The Share Transfer Committee consists of following Directors and the attendance of the members was as follows:

	Name of the Directors	Status		Nos. of Meeting attended
1.	Shri A. K. Sinha	Director ( Finance),	Chairman	6
2.	Shri N. C. Jha.	Director (Technical),	Member	6
3.	Shri R. Mohan Das.	Director (Personnel),	Member	4

### 3.6 Foreign Acquisition Committee.

A Foreign Acquisition Committee was constituted by the CIL Board of Directors in its 260th meeting held on 25-09-2010. Further, Dr. R.N. Trivedi , Independent Director of CIL Board was nominated as Chairman of the Foreign Acquisition Committee by the CIL Board of Directors in its 263rd meeting held on 14th December , 2010 . During the year 2010-11 , 2 Nos Foreign Acquisition Committee meetings were held on 13-02-2011 & 12-03-2011. The Committee has been constituted for:

- (a) Review proposals put up by the management including inter-alia risk return profile related to acquisition of coal projects/getting coal from abroad ,suggest changes, if any, and recommend or otherwise to the Board of Directors of CIL.
- (b) Review matters related to "long - term Off - take Contract " put up by the management and suggest changes, if any, and recommend or otherwise such proposals to the Board of Directors of CIL.
- (c) Any other matter from Coal Videsh Division , which CIL Management decides to refer for Committee's Advice.

The Foreign Acquisition Committee consists of following Directors and the attendance of the members was as follows:

	Name of the Directors	Status		Nos. of Meeting attended
1.	Dr. R. N. Trivedi	Independent Director	Chairman	2
2.	Dr. Sheela Bhide	Independent Director	Member	2
3.	Shri Mohd. Anis Ansari	Independent Director	Member	2
4.	Shri N. C. Jha	Director (Technical),	Member	2
5.	Shri A. K. Sinha	Director ( Finance),	Member	2

### 3.7 Review of Treasury Management Committee of CIL

A Review of Treasury Management of CIL was constituted by the CIL Board of Directors in its 265th meeting held on 14-02-2011. The Committee has been constituted to review the Treasury Management Policy of CIL in view of Government Guidelines to invest up to 30% of surplus funds of PSUs in Mutual Funds owned by Public Sectors Banks. The Treasury Management Committee consists of the following members.

	Name of the Directors	Status	
1.	Shri Kamal R Gupta	Independent Director	Chairman
2.	Ms. Anjali Anand Srivastava	JS & FA , MOC	Member
3.	Dr. R. N. Trivedi	Independent Director	Member
4.	Shri Mohd. Anis Ansari	Independent Director	Member
5.	Ms. Sachi Choudhury	Independent Director	Member
6.	Shri A. K. Sinha	Director ( Finance), CIL	Member

No meeting of this committee was held during the year .

### 3.8 Appeal Committee

An Appeal Committee was constituted by the CIL Board of Directors in its 250th meeting held on 18-05-2009. The Committee has been constituted for disposal of those appeals in cases where penalty was imposed by the disciplinary Authority who later on became the Appellate Authority. The Appeal Committee consists of following :

1.	Director(Finance), CIL	Member
2.	Director (Technical), CIL	Member
3.	Director(P&IR), CIL	Member

No meeting of this committee was held during the year .

### 3.9 IPO Sub- Committee

The IPO Sub- Committee was constituted by the CIL Board of Directors in its 255th meeting held on 17-03-2010. The Committee has been constituted for various issues related to IPO of Coal India Limited. During the year four meetings of IPO Sub- Committee were held i.e. on 03-07-2010 , 05-08-2010, 10-10-2010 and 30-10-2010. The IPO Sub- Committee consists of following Members and their attendance was as follows :

	Name of the Directors	Status		Nos. of Meeting attended
1.	Shri Partha S. Bhattacharyya	Chairman,	Chairman	4
2.	Shri Sanjiv Kumar Mittal	JS & FA, MOC	Member	4
3.	Shri A. K. Sinha	Director(Finance),	Member	4

### 4. Remuneration of Directors

The remuneration of the Functional Directors is decided by the Government of India . Sitting Fee payable to the Independent Directors is fixed by Board of Directors of CIL in pursuance of DPE guidelines and Companies Act, 1956 . Accordingly , the Board has decided the payment of sitting fee of Rs.15,000/- and of Rs. 10,000/- for each meeting of the Board and Committees of the Board to each Independent Director in its 253rd meeting held on 22-12-2009 and Rs. 20,000/- for each meeting of the Board and Committees of the Board to each Independent Director in its 263rd meeting held on 14th December , 2010.

Details of remuneration of functional Directors of the Company paid for the financial Year 2010-11:

(in ₹)

Sl.	Name of the Directors	Salary	Benefits	Total
1.	Shri Partha S. Bhattacharyya	20,04,365/-	8,62,820/-	28,67,185/-
2.	Shri N.C. Jha	23,19,992/-	4,12,420/-	27,32,412/-
3.	Shri R. Mohan Das	15,44,448/-	7,95,551/-	23,39,999/-
4.	Dr. A.K. Sarkar	13,12,382/-	8,79,799/-	21,92,181/-
5.	Shri A.K. Sinha	18,38,600/-	5,30,473/-	23,69,073/-



Details of sitting fee paid to Independent Directors during the Year 2010-11 are given below:

(in ₹)

Name of the Independent Directors	Sitting Fees for Board Meeting	Sitting Fees for Committee Meeting	Total
Shri Arvind Pande	15,000/-	-	15,000/-
Shri P.K. Banerjee	45,000/-	40,000/-	85,000/-
Shri S. Murari	45,000/-	40,000/-	85,000/-
Prof S.K. Barua	1,05,000/-	60,000/-	1,65,000/-
Dr. A.K. Rath	1,90,000/-	40,000/-	2,30,000/-
Dr. Sheela Bhide	1,60,000/-	60,000/-	2,20,000/-
Shri Kamal Raj Gupta	1,75,000/-	1,10,000/-	2,85,000/-
Dr. R.N. Trivedi	1,25,000/-	1,10,000/-	2,35,000/-
Ms. Sachi Chowdhury	1,45,000/-	90,000/-	2,35,000/-
Md. Anis Ansari	1,30,000/-	70,000/-	2,00,000/-

## 5. Accountability of Directors

**Memorandum of Understanding** (MoU), a mutually negotiated agreement and contract between the **Management** of CIL (CPSE) and the MoC (Administrative Ministry/Government of India) is signed before commencement of ensuing financial year as laid down in the DPE Guidelines. Under this agreement, CIL undertakes to achieve the targets set in the agreement at the beginning of the year and it is intended to evaluate performance of CIL at the end of the year vis-à-vis the targets fixed in the beginning of the year. In line with this MoU between CIL and MoC, CIL further signs MoU with all its Subsidiaries in its fold.

It is done by adopting a system of "five point scale" and "criteria weight" which ultimately result in calculation of "composite score" or an index of the audited performance of the enterprise. The composite score is forwarded to DPE through the administrative ministry viz. MoC by August of the succeeding financial year in line with the guidelines prescribed by DPE for their ratification. The MoU system enables CIL to perform efficiently as there are a variety of parameters both financial and non-financial in nature. The non-financial parameters compose an appropriate mix of Dynamic, Sector Specific and Enterprises specific parameters. CIL has been vigorously perusing this system since 1988-89, which has helped immensely in fulfillment of its long ranging objectives and aspirations and overall growth over the period. The entire process also ensures transparency as well as accountability towards stakeholders.

## 6. General Body Meetings

Date, time and venue of the last 3 Annual General Meetings held are as under:-

Financial Year	Date	Time	Location
2009-2010	25-05-2010	11.00 A.M.	Coal Bhawan, 10, N.S. Road, Kolkata –1
2008-2009	28-07-2009	11.30 A.M.	Coal Bhawan, 10, N.S. Road, Kolkata –1
2007-2008	29-07-2008	11.30 A.M.	Coal Bhawan, 10, N.S. Road, Kolkata –1

## 7. Disclosures

There were no transactions by the company of material nature with Promoters, Directors or the Management, their relatives, etc. that may have potential conflict with the interests of company at large. The Non-Executive Directors had no pecuniary relationships or transactions with the company during the year except receipt of sitting fees for attending meetings of the Board/Board Sub-committee. None of the Non-Executive Directors held any share of the Company. ( except two who hold 100 shares each value of Rs. 10/- each as Nominee Shareholders )

## CEO/CFO Certification

As required by Clause 49 of the Listing Agreement (s) , the Certificate duly signed by Shri N.C. Jha, ( Additional Charge ) and Shri A.K. Sinha , Director(Finance) was placed before the Board of Directors in its 269<sup>th</sup> Meeting held on 12-05-2011 and is annexed to the Corporate Governance Report.

## 8. Means of Communication

The Company communicates with its shareholders through its Annual Report, General Meetings and disclosures through website. The Company also communicates with its institutional shareholders through a combination of analysts briefing and individual discussions as also participation at investor conferences from time to time. Financial results are discussed by way of conference calls regularly after the close of each quarter.

Information and latest updates and announcement regarding the company can be accessed at company's website: [www.coalindia.in](http://www.coalindia.in).

### Official Releases and Presentations

In order to make the general public aware of the achievements of the company, a press conference is held after finalisation of results of each quarters where highlights of the company for each quarter are briefed to the Press for information of the stakeholders with intimation to the Stock Exchanges.

## 9. Shareholding Pattern of CIL

As on 31st March, 2011, 90% Shares of Coal India Ltd. is held by President of India and balance 10% are held by FIIs (6.0933%), Public (1.6308%), Banks & FI (0.5018%), Private Corporate Bodies (0.5074%), Mutual Funds (1.2022%), NRI/OCBs (0.0261%) and Others (0.0381%).

## 10. Details of Subsidiaries of Coal India Ltd and its Location

Coal India Ltd. is at present having nine wholly owned Subsidiaries. (Seven Coal Producing Companies, One Service Oriented Company and One Foreign Subsidiary Company). The Company's Subsidiaries are located at :

### (A) Coal Producing Companies:

Name of the Subsidiary Company	Location
(i) Eastern Coalfields Ltd.	Sanctoria, Disergarh, West Bengal
(ii) Bharat Coking Coal Ltd.	Dhanbad, Jharkhand
(iii) Central Coalfields Ltd.	Ranchi, Jharkhand
(iv) Western Coalfields Ltd.	Nagpur, Maharashtra
(v) South Eastern Coalfields Ltd.	Bilaspur, Chhatisgarh
(vi) Northern Coalfields Ltd.	Singurali, Madhya Pradesh
(vii) Mahanadi Coalfields Ltd.	Sambalpur, Orissa

### (B) Service Oriented Company:

Name of the Subsidiary Company	Location
(viii) C.M.P.D.I. L.	Ranchi, Jharkhand

### (C) Foreign Subsidiary Company:

Name of the Subsidiary Company	Location
(ix) Coal India Africana Limitada	Mozambique

## 11. Code of Conduct

The Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management and the same has been hosted on the Company's website.

Further, all the Board Members of Coal India Limited and Senior Management Personnel have affirmed compliance with the code of conduct as on 31st March, 2011.



### **Declaration as required under clause 49 of the Listing Agreement.**

All the members of the Board and Senior Management Personnel have affirmed the compliance of the Code of Conduct for the financial year ended on March, 31, 2011.

( N. C. Jha )

Chairman & Managing Director

Kolkata  
12th July, 2011

### **12. Code of Internal procedures and conduct for Prevention of Insider Trading.**

In pursuance to Regulation 12(1) of the Securities Exchange Board of India ( Prohibition of Insider Trading) Regulations, 1992 , CIL has adopted " CODE OF INTERNAL PROCEDURES AND CONDUCT FOR PREVENTION OF INSIDER TRADING AND DEALING WITH SECURITIES OF COAL INDIA LIMITED" with the objective of preventing purchase and/or sale of the shares of the CIL by an insider on the basis of unpublished price sensitive information . Under this code , Insiders( Officers , Designated Employees) are prevented to deal in the company's shares during the closure of Trading Window. To deal in Securities beyond limits specified , permission of Compliance Officer is required. All Directors / Officers/Designated Employees are also required to disclose related information periodically as defined in the Code . Company Secretary has been designated as Compliance officer for this Code.

### **13. SHAREHOLDERS' INFORMATION**

#### **i) Annual General Meeting.**

**Date: 20th September , 2011**

**Time : 11-00 A.M.**

**Venue: Science City , Main Auditorium ,  
JBS Haldane Avenue , Kolkata – 700 046.**

#### **ii) Financial Calendar for FY 2011-12**

Particulars	Date
Accounting period	April 1 , 2011 to March 31 , 2012
Un audited Financial Results for the first three quarters	Announcement within 45 days from the end of each quarter
Fourth Quarter Results	Announcement of Audited Accounts on or before May , 31, 2012
AGM (Next Year)	September 2012 (Tentative)

#### **(iii) Book Closure**

The Register of Members and Share transfer Books of the Company will remained closed from 12th September, 2011 to 16th September, 2011 ( both days inclusive).

#### (iv) Payment of Dividend

The Board of Directors of the CIL has recommended payment of a final Dividend of Re. 0.4 per share (4% on the Paid - Up Share Capital) for the Financial Year Ended March, 31, 2011 in addition to Interim Dividend of Rs. 3.50 per share (35% on the paid up share capital) paid on and from 25-02- 2011.

The date for the payment of Final Dividend is on and from 7th October, 2011.

#### (v) Dividend History

Year	Total Paid up Share Capital (Rs. in crore)	Total amount of dividend paid (Rs. in crore)	Date of AGM in which dividend was declared	Rate of Dividend
2005-06	6316.3644	1263.27	13-09-2006	20%
2006-07	6316.3644	1500.00	18-09-2007	23.748%
2007-08	6316.3644	1705.42	29-07-2008	27%
2008-09	6316.3644	1705.42	28-07-2009	27%
2009-10	6316.3644	2210.00	25-05-2010	35%
2010-11	6316.3644	2463.38 (*)	20-09-2011 (including Interim Dividend declared & paid earlier)	39% (proposed)

(\*) Subject to the approval of Shareholders at AGM

#### (vi) Listing on Stock Exchanges

CIL equity shares are listed on the following Stock Exchanges:

##### National Stock Exchange of India Limited

Scrip Code : COAL INDIA,  
Stock Code: ISIN: INE522FO1014

##### Bombay Stock Exchange Limited

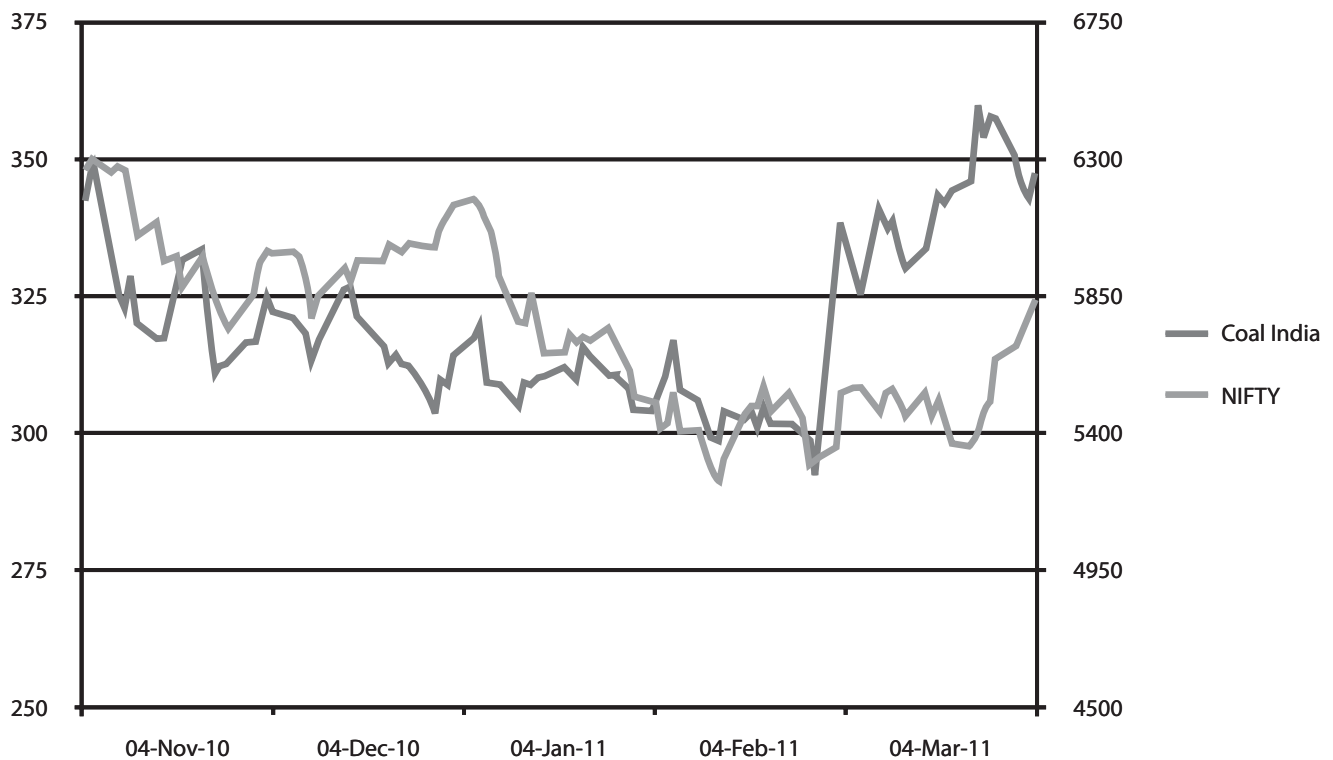
Scrip Code: 533278

Annual Listing fees for the year 2011-12 has already been paid to both the Stock Exchanges.



**(vii) Market Price Data - NSE:**

Month	High(Rs.)	Low(Rs.)	Closing (Rs.)
Nov' 2010	356.50	291.00	317.25
Dec' 2010	331.00	301.00	314.75
January' 2011	320.00	300.55	304.35
February' 2011	331.75	289.00	327.70
March'2011	371.40	318.40	346.50

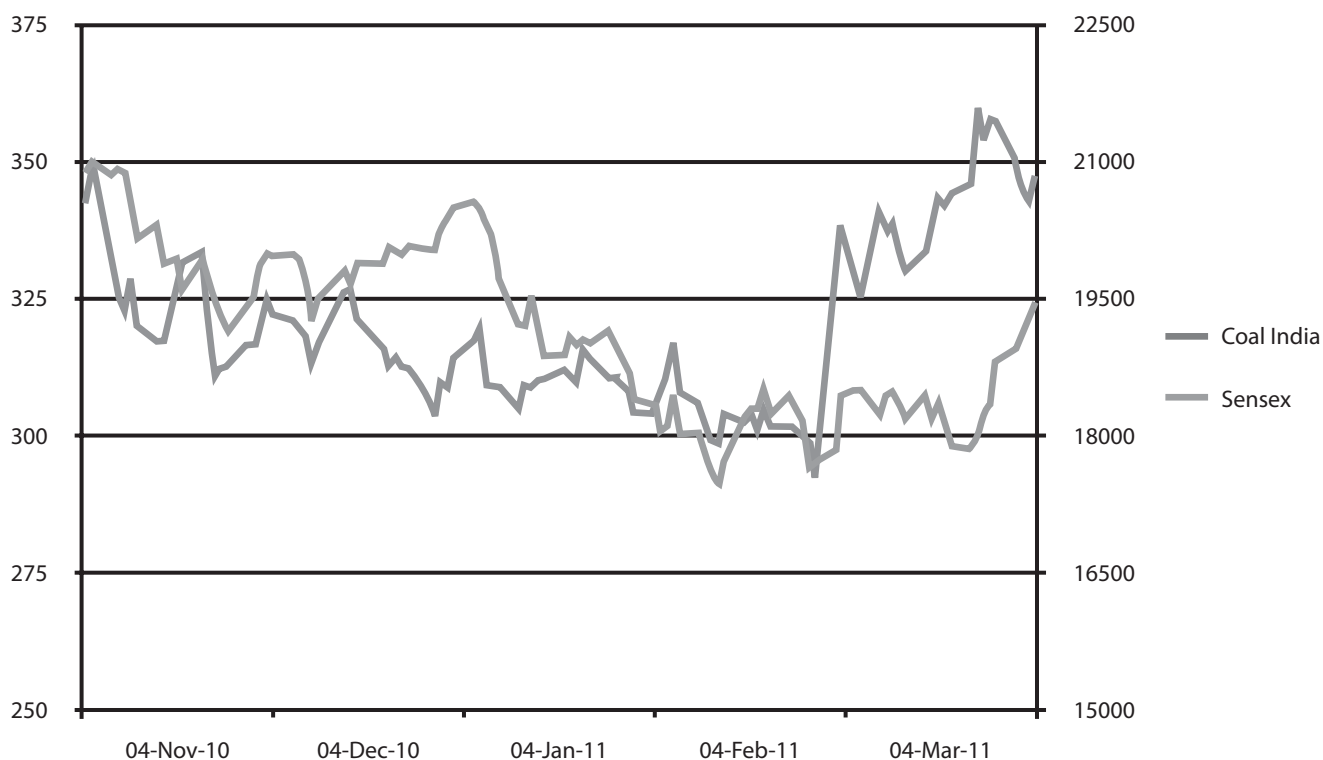


**Stock Performance of Coal India vis –a –vis Nifty (Based on closing Price)**



**(viii) Market Price Data- BSE:**

Month	High(Rs.)	Low(Rs.)	Closing(Rs.)
Nov' 2010	357.60	287.45	316.50
Dec' 2010	331.80	300.70	314.50
January' 2011	320.00	301.00	304.00
February' 2011	331.75	288.95	328.15
March' 2011	370.90	318.25	347.10



**Stock Performance of Coal India vis –a –vis Sensex (Based on closing Price)**



**(ix) Registrar and Share transfer Agent**

Link Intime India Private Limited,  
Registered Office: C-13 , Pannalal Silk Mills Compound ,  
L.B.S. Marg, Bhandup(W),  
Mumbai – 400 078  
Telephone No: 91 22 25963838  
Fax No: 91 22 25946969  
E-mail: cil.registry@linkintime.co.in

**(x) Share Transfer System**

The share transfer activities under physical segment are being carried out by Link Intime India Private Limited. The share transfer system consists of activities like receipt of shares along with transfer deed from transferees, its verification , preparation of Memorandum of transfers, etc. Shares transfers are approved by Sub- Committee of the Board .

**(xi) Distribution of Shareholding**

Shares held by different categories of shareholders and size of holdings as on 31st March , 2011 are given below:

**a. Shareholding pattern as on March , 31 , 2011**

Category	Total no. of shares	% of Equity
GOI	5684727960	90.0000
FIs	384874952	6.0933
Indian Public	103008732	1.6308
Banks & FI	31696178	0.5018
Private Corporate Bodies	32050434	0.5074
Mutual Funds	75939210	1.2022
NRI/ OCBs	1654204	0.0261
Others	2412730	0.0381

**b. Distribution of shareholding according to size , % of holding as on March, 31 , 2011:**

Number of Shares	Number of Shareholders	% of Shareholders	Total No of shares	% of shares
1-5000	731625	98.8014	810275790	1.2828
5001-10000	4310	0.5820	32330200	0.0512
10001-20000	1865	0.2519	27560490	0.0436
20001-30000	603	0.0814	15199210	0.0241
30001-40000	284	0.0384	9998570	0.0158
40001-50000	247	0.0334	11478010	0.0182
50001-100000	481	0.0650	35293390	0.0559
100001 and above	1086	0.1467	62221508340	98.5084
<b>Total</b>	<b>740501</b>	<b>100.00</b>	<b>63163644000</b>	<b>100.00</b>

### c. Major Shareholders

Details of shareholders holding more than 10% of the paid up capital of the Company as on March 31, 2011 are given below:

Name of Shareholder	No of Shares	% to Paid – up Capital	Category
Government of India	5684727960	90%	Promoter

#### (xii) Dematerialization of Shares and Liquidity

10% of the Shares of the Company issued to the Public are in dematerialized segment and are available for trading system of both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd(CDSL)

Secretarial Audit Report for reconciliation of the share capital of the Company obtained from practicing Company Secretary has been submitted to Stock Exchanges within the stipulated time.

#### No of shares held in dematerialized and physical mode

Mode of holding	No. of shares	% of total capital issued
Held in dematerialized form in CDSL	32585230	0.52
Held in dematerialized form in NSDL	599049993	9.48
Physical	5684729177	90.00
<b>Total</b>	<b>6316364400</b>	<b>100.00</b>

#### The names and address of the Depositories are as under:

1. National Securities Depository Ltd.  
Trade World, 4th Floor,  
Kamala Mills Compound,  
Senapati Bapat Marg,  
Lower Parel , Mumbai-400 013.
2. Central Depository Services ( India ) Limited.  
Phiroze Jeejeebhoy Towers,  
28th Floor, Dalal Street, Mumbai – 400 023.

Custodial Fees for the year 2011-12 have been paid to NSDL and CDSL.

#### (xiii) Joint Venture Companies of CIL:

- a) CIL NTPC Urja Pvt Ltd.
- b) International Coal Ventures ( P ) Ltd.
- c) MAMC Industries Limited.

#### (xiv) Address for Correspondence.

Coal India Limited,  
10, N.S. Road,  
Kolkata- 700 001.  
Phone: 033-2262 2776 ,  
Fax : 033- 2231 5060.  
E –mail : complianceofficer @coalindia.in



## Non - Mandatory Requirements

Besides the mandatory requirements as mentioned in preceding pages, the status of compliance with non-mandatory requirements of Clause 49 of the Listing Agreement is produced below:

1. **The Board:** The Company is headed by an Executive Chairman . No independent Director has been appointed for the period exceeding, in the aggregate, a period of nine years, on the Board of the Company.
2. **Remuneration Committee:** Please refer to Para 3.3 of this Report.
3. **Shareholder Rights:** The quarterly Financial Results of the Company are published in leading newspapers. Financial Results are discussed by way of conference calls regularly after the close of each quarter and also hosted on the website of the Company . These results are not separately circulated .
4. **Audit Qualification :** It is always Company's endeavour to present unqualified financial statements.
5. **Training to Board Members :** The Board of Directors are fully briefed on all business related matters , associated risk, new initiatives etc of the Company. The Independent Directors sponsored for Training on Corporate Governance from time to time.
6. **Whistle Blower Policy :** The Company is in the process of formulating a Whistle Blower Policy.

## CEO AND CFO CERTIFICATION

To  
The Board of Directors,  
Coal India Limited.

The financial statements of CIL (consolidated) for the year ended 31st March, 2011 are placed herewith before the Board of Directors for their consideration and approval.

The financial statements for the above mentioned period for the subsidiaries of Coal India Ltd have been prepared by the respective subsidiaries and have been approved by their respective Boards. The respective CEO/CFO certification on the financial statements of the subsidiaries for the said period as submitted to the respective Board are also placed for kind perusal.

The Standalone Financial Statements for the above period also forms a part of the above Consolidated Financial Statements.

In the light of above, we N. C. Jha, Chairman and A. K. Sinha, Director (Finance), of Coal India Limited responsible for the Finance function certify that—

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2011 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the company during the year ended 31st March, 2011 are fraudulent, illegal or violative of the company's code of conduct,
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee:
  - (i) There has not been any significant changes in internal control over financial reporting during the quarter under reference.
  - (ii) There has not been any significant changes in accounting policies during the year ; and
  - (iii) We are not aware of any instance of significant fraud with involvement therein of the management or an employee having a significant role in the company's internal control system over financial reporting.



Director (Finance)



Chairman

Date : 25.05.2011  
Kolkata



# PS & ASSOCIATES

225D, A.J.C Bose Road, Kolkata - 700020. India

Tel: +91 33 2280-9045 Fax: +91 33 2287-6329

Email: ps@gravityirifotech.com

## CORPORATE GOVERNANCE CERTIFICATE

### To The Members

### Coal India Limited

We have examined the compliance of conditions of Corporate Governance by Coal India Limited (the "company") for the year ended 31st March 2011 as required under clause 49 of the Listing Agreement and as stipulated in the Guidelines on Corporate Governance (the "guidelines") for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises, Govt. of India, vide OM No. 18(8)/2005-GM dated 14th May, 2010

1. 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 the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
2. The company has taken steps for reviewing of compliance of laws. An elaborate system is in place for management of currency as well as interest rate risk relating to foreign loan and steps have been taken in other areas of integration and alignment of risk management with corporate and operational objectives.
3. In our opinion and to the best of our information and according to the explanations given to us, subject to our observation in paragraph 2 above, we certify that the Company has complied with the conditions of Corporate Governance as required under clause 49 and stipulated in the Guidelines as mentioned above.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Kolkata

Dated : 12th July, 2011

For PS & Associates

Company Secretaries

Swati Bajaj

Partner

(C.P. No. 3502)

ACS: 13216

# MANAGEMENT DISCUSSION AND ANALYSIS

## INDUSTRY STRUCTURE AND DEVELOPMENT

### Overview of the Indian economy

With an estimated GDP, on a purchasing power parity basis, India is the fifth largest economy in the world after the European Union, the United States, China and Japan (Source: CIA World Fact book). India is also one of the fastest growing economies in the world. Coal is the one of the prime fuels in India and has met approximately 52 % of India's total energy needs and will continue to be crucial to India's future energy needs. (Source: CRISIL Coal Outlook).

### Global coal industry and reserves

The world coal reserves as per the rate of production in 2009 are estimated to suffice for the next 119 years (Source: BP Statistics). According to CRISIL Coal Outlook, India is the third largest coal producing country in the world after China and United States. Although coal deposits are widely distributed across the world, 80% of the world's recoverable reserves are located in five regions: the United States (28.0%), Russia (19.0%), China (14.0%), certain non-OECD countries in Europe and Eurasia (primarily former Soviet countries) (10.0%), and Australia, New Zealand (9.0%) (Source: International Energy Outlook, May 2009). According to the IEO 2010, India accounted for 6.7% of the world's recoverable reserves.

### Global coal production and consumption

China is the largest producer of coal producing 3,050.0 million tonnes (44.0% of the total worldwide production in 2009), followed by the United States 973.2 million tonnes (14.0% of the total worldwide production in 2009). (Source: BP Statistical Review World Energy June 2010) whereas India's coal production was approximately 533.08 million tonnes, in fiscal 2011 (Source: Prov. Coal Statistics 2010-11 of CCO, MoC). Asia is the biggest market for coal and currently accounts for 65.0% of global coal consumption, owing to China and India, who are the primary consumers. Approximately 29.4% of the world's primary energy needs was met through coal in 2008, and coal was used to generate 41.0% of electricity used throughout the world. Further, about 13.00% of the total hard coal production is used by the steel industry (Source: CRISIL Coal Outlook). In addition, coal's share of total world energy consumption is projected to increase to 28.0% in 2035 while its share in the power generation sector is projected to be approximately 43.0% in 2035 (Source: IEO 2010).

### Indian coal industry and reserves

As of April 2010, the geological resource of Indian coal was 276.81

billion tonnes (Source: GSI, Gol). In India, coal is the prime fuel used to fire thermal power plants due to its availability and affordability.

Coal is the dominant source of energy and met 52.4%, while oil and natural gas met approximately 41.6% of the total primary energy requirement of India in fiscal 2009 (Source: BP Statistics). As projected by the Planning Commission of the Gol in the Integrated Energy Policy, 2006, coal is projected to meet over 50.0% of the primary commercial energy requirement by fiscal 2032. The coal sector in India is primarily dominated by the PSUs under the central and the state governments, as more than 90.0% of the coal produced in India in fiscal 2009 was by government owned companies (Source: CRISIL Coal Outlook).

### Coal production and consumption in India

According to CRISIL Coal Outlook, India is the third largest producer of coal in the world. The total coal production in India during fiscal 2008, 2009, 2010 and 2011 was 457.00 million tonnes, 492.76 million tonnes, 532.06 million tonnes and 533.08 million tonnes, respectively, representing a growth rate of 6.1%, 7.8%, 8.0% and 0.19% during the said period. In addition, India is the third largest consumer of coal in the world. Coal meets 52.4% of the energy needs in India. Approximately 73.1% of the total coal in India was consumed only by the power sector during fiscal 2011, for generation of electricity in the country. In addition coal is also used in other industries such as steel, cement, fertilizers, bricks manufacturing, textiles and chemicals. Demand of coal from captive plants is projected to grow at a high rate, thereby increasing its share in total demand by fiscal 2014 (Source: CRISIL Coal Outlook). The primary energy consumption in India has grown by approximately 700.0% in the last four decades (Source: MoC, Gol).

### Coal Imports/Exports

As per the current import policy, coal is allowed to be freely imported under the Open General License by consumers directly. In fiscal 2010, India imported about 67.74 million tonnes of coal, which is 11.69 % of its total coal consumption. However, only 44.28 million tonnes of non-coking coal was imported during fiscal 2010 (Source: Provisional Coal Statistics 2009-10, Coal Controller's Organization, MoC).

In fiscal 2010, India exported about 2.17 million tonnes of coal (Source: Economic Survey 2010-11).





## Power, Steel, Cement and Other Sectors

In India, coal is the prime fuel used to fire thermal power plants due to its availability and affordability. As on June 2010, the total installed power generation capacity in India was 162,366.8 MW and the total installed thermal power generation capacity was 104,423.98 MW, of which coal was 86,003.38 MW i.e. 82.4% of the total thermal power generation capacity. (Source: CEA, "Power Scenario at a Glance," June 2010). CRISIL Research believes that the total capacity addition in the power sector during the next five years (fiscal 2010 to 2014) which is expected to be approximately 66 GW of which coal based capacity additions are expected to be approximately 52 GW. This is expected to take the total capacity of coal-based power plants by 2013-14 to approximately 130 GW. Further, more than 90.0% of the capacity additions scheduled to be commissioned by private players is expected to be coal-based (Source: CRISIL Research). In the steel sector, coking coal is used as a reducing agent, where it is mixed with iron ore to make steel. Coal offtake in the cement industry increased from 13.6 million tonnes in fiscal 2004 to 15.3 million tonnes in fiscal 2009, which represented a growth of 3.1%. The offtake from the chemical, bricks and textiles industries during fiscal 2009 was 83.3 million tonnes, approximately 17.0% of the total offtake of coal (Source: CRISIL Coal Outlook).

## STRENGTH AND WEAKNESS

### Our Competitive Strengths

- The largest coal producer and reserve holder in the world.
- Well positioned to capitalize on the high demand for coal in India.
- Track record of growth and cost efficient operations.
- Strong track record of financial performance.
- Strong capabilities for exploration, mine planning, research and development.
- Experienced senior management team and large pool of skilled employees.

### Statement of Breakup of offtake (in Million Tonnes):

Particulars	2010 -11	%	2009 -10	%	Growth %
Off-take	424.50	100 %	415.96	100 %	(+) 2.07 %
Less : Own Consumption	0.83	0.20%	0.65	0.16 %	
Less : Feed to Washeries	19.75	4.65 %	19.96	4.80 %	(-) 1.07 %
Less : Despatch under MoU	5.56	1.31%	4.09	0.98%	(+) 35.94%
Less : E-auction	47.72	11.24 %	43.08	10.36 %	(+)10.78 %
Despatch to Outsiders under FSA (incl. NLW coal)	350.64	82.60 %	348.18	83.70 %	(+) 0.73 %

### Statement of Breakup of Sales ( in ₹ crores) :

Particulars	2010 -11	%	2009 -10	%	Growth %
Sales	50233.59	100.00%	44615.24	100.00%	(+)12.59%
less: E-auction Sales	8810.45	17.54%	6634.60	14.87%	(+) 32.80%
less: MoU Sales	2212.00	4.40%	1701.07	3.81%	(+) 30.04%
less: Washed Coal & Washery Products	3926.63	7.82%	3160.36	7.08%	(+) 24.25%
less: DCC Sales/Hard Coke	132.32	0.26%	138.94	0.31%	(-) 4.76%
Sales to FSA (incl. NLW coal)	35152.19	69.98%	32980.27	73.92%	(+) 6.59%

## Weakness

- High cost of production in under ground coal mines rendering them largely loss making.
- Evacuation of coal largely dependent on external agencies which is often constraints.
- Dominance of low grade coals in available resources.

## OPPORTUNITIES AND THREATS

### Opportunities:

- Strong economic growth in India and resultant demand for energy.
- Coal is cheapest source of energy and thus demand will continue to remain strong, comparative to alternate energy sources available in India.
- Imported coal presents huge opportunity for CIL in view of mismatch in quantity and quality of domestic coal available in India.

### Threats:

- Most of the coal reserves are under forest and tribal inhabited areas, increasingly making it difficult to excavate.
- Large tract coal bearing areas in India is in disturbed areas, thus prone to operational disruptions.
- Change in policies/ regulations governing the sector e.g. private participation can negatively impact CIL's performance.
- A potential large-scale negative impact of climate change initiatives on the use of coal will have a direct impact on the business.

## SEGMENT-WISE OR PRODUCT WISE PERFORMANCE

### Off take

	2010-2011	2009-2010
Off take (Mill Te)	424.50	415.96
Growth	2.1%	-

## Coal Supplies to Major Sectors ( in terms of Raw Coal)

Our customers include large companies, including thermal power generating companies, steel producers and industrial companies both in the public and the private sector with whom we have longstanding relationships. A significant majority of our coal is used in the thermal power sector in India. The following table sets forth, for the periods indicated, raw coal dispatch by industry:

(In Million Tonnes)

	Power (utilities)	Steel	Cement	Fertilizer	Others (including colliery consumption)	Overall CIL
April-March 2011(Actual)	304.15	4.21	9.69	2.78	102.61	423.44
April-March 2010(Actual)	298.03	3.78	9.25	2.61	101.47	415.14
Growth (Absolute)	6.12	0.43	0.44	0.17	1.14	8.30
Growth	2.1%	11.5%	4.7%	6.5%	1.1%	2.0%

## Transportation, Infrastructure and Logistics

Following the extraction of coal from a mine/working face, coal is transported to dispatch points primarily through tipping trucks and conveyor belts. In case of certain pit head, coal is transported directly from the mine face through conveyor belts or ropeways. Coal is delivered to the customers from the dispatch points primarily through rail, road or dedicated rail MGR systems owned and operated by the customers. We also transport coal from the mine/working face and/or from the dispatch points to different internal consumption centers such as our beneficiation facilities, coke-oven plants and boilers.

For long distance transportation, coal is loaded onto rail cars at our sidings connecting our mines with railway lines. All consignments dispatched are weighed at weighbridges available at all our dispatch points.

Our sales are either "free on rail" or "free on road" from the designated dispatch points, and transportation is arranged by the customers at their cost. Customers may choose the mode of transport between rail and road. In India, rail transportation is generally less expensive than road transportation. The cost of transportation of coal from the mines to designated dispatch points (either at rail-head or at road-head) is borne by us provided such dispatch points are located within three kilometers from the mines. If the dispatch point from our mines is more than three kilometers but within 20 kilometers, the customers bear such transportation cost at specified rates as notified by us from time to time. In circumstances where the distance from the dispatch point is greater than 20 kilometers from our mines, the customer bears the actual cost of transportation.

The following table sets forth certain information relating to various modes of transportation utilized for raw coal dispatch (raw coal dispatch includes raw coal sold to customers and raw coal used as feedstock for production of beneficiated coal) from our mines in the periods indicated:

Particulars	April 2010 to March 2011		2010-2011 2009-2010	
	Raw Coal Dispatch	Percentage of Coal Dispatch	Raw Coal Dispatch	Percentage of Coal Dispatch
	(Million tonnes)	(%)	(Million tonnes)	(%)
Rail	215.81	50.97	210.37	50.67
MGR	83.62	19.75	86.58	20.86
Road	112.35	26.53	105.63	25.44
Others	11.66	2.75	12.56	3.03
<b>Total</b>	<b>423.44</b>	<b>100</b>	<b>415.14</b>	<b>100.00</b>

Our dispatch is dependent on the availability of adequate coal transportation capacities and the efficiency of coal handling and loading infrastructure at our mines. The success of our expansion projects will also depend on our ability to access or develop adequate additional coal transportation and coal handling and loading infrastructure.

We are also dependent on third party road transportation providers including truckers for the supply of materials, the supply of coal from our stockpiles and coal crushing and handling plants to the dispatch points and for the supply of our coal to customers.



## Production

	2010 -2011	2009 -2010
OCP - Coal (Mill Te)	391.30	388.01
Underground Coal (Mill Te)	40.02	43.25
Total (Mill Te)	431.32	431.26
Growth	0.01%	-
OBR- (MCUM)	738.13	682.03
Growth	98.23%	-
Composite Production-OCP (M CUM)	1044.37	988.22
Growth	5.68%	-

## CEPI Scenario

- The Ministry of Environment and Forests (MOEF) had introduced the CEPI (Comprehensive Environmental Pollution Index) to categorise the environmental quality at given locations and conducted a nation-wide assessment of industrial clusters.
- In a notification on January 13,2010 the MOEF had imposed a temporary moratorium till August 31, 2010 on development projects in 43 clusters labeled critically polluted. In a circular on October 26, 2010 the MOEF in 38 clusters out of above, further extended the moratorium till March 31, 2011.
- Out of above, vide Office Memorandum No. J-11013/5/2010-IAII (I) dated 31st March, 2011 the MoEF have lifted the moratorium on consideration of projects for environmental clearance in 20 industrial clusters/ areas.(Moratorium for consideration of projects for EC/ToR in respect of projects in Talcher-Angul has been lifted.)
- In the remaining 23 identified critically polluted industrial clusters/ areas the moratorium has been further extended upto 30th Sept 2011. The above moratorium has adversely impacted on the coal production of the company during the financial year 2010-11.
- Thereafter, vide Office Memorandum dated 5th July, 2011 the MoEF on the recommendation of the CPCB, decided to lift the moratorium on consideration of projects for environmental clearance in respect of projects located in the 2 clusters namely I) Singrauli II) Ib Valley, Jharsuguda subject to the fulfillment of some conditions.

## Washed coal production

Figs. in Mill Te

	Actual 2010 -2011	Actual 20109 -2010
Washed Coking Coal	3.19	2.97
Washed Non-coking Coal	12.31	11.62
Total	15.50	14.59
Growth	6.24%	

## Beneficiation Facilities

We currently operate 17 coal beneficiation facilities, comprising five non-coking coal beneficiation facilities with an aggregate designed feedstock capacity as of March 31, 2011 of 17.22 million tonnes per annum and 12 coking coal beneficiation facilities with an aggregate designed feedstock capacity as of March 31,2011 of 22.18 million tonnes per annum. We also produce middling, as a by-product of our beneficiation of coking coal. We supply beneficiated non-coking coal to thermal power plants, cement plants and other customers beneficiated coking coal to iron and steel plants and send middling to thermal power plants from our coking coal beneficiated facilities.

We generally provide washed or beneficiated coal to our customers based on their requirements. Our coal beneficiation facilities are generally located in close proximity to our mines to cater to our customers' requirements. Capacity utilization at our beneficiation facilities and production of beneficiated coal has been constrained by the older technology at some of our existing beneficiation facilities as well as deterioration in raw coal input quality for which the beneficiation plant was designed. In order to enhance the capacity utilization and to improve the performance of our existing beneficiation facilities, several of our beneficiation facilities are being modified and/or upgraded. As part of our expansion plans, we also intend to develop 20 additional coal beneficiation facilities, comprising 14 non-coking coal beneficiation facilities and six coking coal beneficiation facilities. We intend to develop 18 of these proposed facilities on a Build Operate Maintain (BOM) basis and the remaining two facilities on a turnkey basis. We expect that these 20 additional coal beneficiation facilities, with an aggregate additional proposed feedstock capacity of 111.10 million tonnes per annum, will be completed in phases during the 12th Five-Year Plan (2013-2018) period. The estimated capital expenditure for our proposed 20 beneficiation facilities is approximately ₹ 23,275.00 million.

Four washeries with a capacity of 30.00 Mty & sanctioned capital of ₹ 794.63 Crores had been sanctioned during the year 2010-11.

SL	Cos	Name of Projects	Sanctioned Capacity (MTY)	Sanctioned Capital (₹ Crs.)
1	MCL	Construction & Commissioning of IB Vally Washery	10.00	181.00
2	MCL	Construction & Commissioning of Hingula Washery	10.00	181.00
3	BCCL	Madhubandh Washery	5.00	262.99
4	BCCL	Patherdih Washery	5.00	169.64
		<b>Total</b>	<b>30.00</b>	<b>794.63</b>

## OUTLOOK

### Overview of Coal India Limited

We are the largest coal producing company in the world (Source: CRISIL Research), based on our raw coal production of 431.32 million tonnes in fiscal 2011. We are also the largest coal reserve holder in the world (Source: CRISIL Research) based on our reserve base as of April 1, 2011 i.e. 285.86 billion tonnes. According to the audited reserve and resource estimates carried out by SRK Mining Services (India) Private Limited and SRK Consulting (UK) Limited (collectively, "SRK"), independent mining and geological consultancy firms, and classified in accordance with the 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code"), we had a total of 64,218.0 million tonnes of Total Resources, comprising 51,326.3 million tonnes, 9,924.4 million tonnes and 2,967.3 million tonnes of Measured Resources, Indicated Resources and Inferred Resources, respectively, as of April 1, 2010.

India is the world's third largest producer and consumer of coal. (Source: CRISIL Coal Outlook) Coal produced by us accounted for approximately 81.9% of coal production in India in fiscal 2009 (Source: CRISIL Coal Outlook). According to CRISIL Coal Outlook, the power generation sector in India consumed 77.0% of the total coal produced in fiscal 2009. Further, in fiscal 2009, coal met 52.4%, while oil and natural gas met 41.6%, of the total primary energy requirement of India. (Source: BP Statistics).

### Business Strategies

- Continue to increase production and capitalize on the significant demand-supply gap for coal in India
- Improve realizations through increased sales of beneficiated coal and higher quality coal, and the use of e-auction
- pricing mechanisms
- Enhance our profitability and maintain our competitiveness by improving operating and cost efficiencies
- Continue to increase our reserve base in India

- Acquire strategic international resources or mining rights and identify joint development opportunities
- Continue to focus on developing environmentally and socially sustainable operations

### Pricing of Coal

The pricing of coal was deregulated pursuant to the Colliery Control Order 2000 with effect from January 1, 2000 subsequent to which the coal producing companies were entitled to fix the coal prices on their own and revise the same periodically. The pricing of coal is also based on factors such as the type of coal, its net calorific value, the content level of impurities. The coal price is revised considering the escalation in input cost, inflation and landed cost of imported coal. The final customer price includes freight and other charges (royalties, sales tax and others). Coal is mostly sold under the long-term fuel supply agreements ("FSAs") that set the price of coal over the term of the contract, which is periodically revised and adjusted. In addition, coal is also sold pursuant to the E-auction scheme introduced in accordance with the New Coal Distribution Policy ("NCDP") issued in 2007. Pricing of coal in India completely deregulated from January 1, 2000; since then CIL has revised its prices five times and the latest revision is in February 2011.

### Distribution and Marketing Policy

NCDP has been issued on October 18, 2007 with an objective to meet the demand of coal from consumers of different sectors of the economy, both on short term and long term basis, in an assured, sustained transparent and efficient manner with built-in commercial discipline. Salient features of the NCDP are as follows:

- Existing classification of core and non-core sector was dispensed with under this new distribution Policy. Each sector/consumers would be treated on merit keeping in view regulatory provision applicable thereto and coal will accordingly be supplied through FSAs;



- Power (utilities), including Independent Power Producers ("IPP")/Captive Power Plants ("CPP"), the fertilizer sector, the defence and the railway sector would receive 100% of their normative coal requirement, while the other consumers would receive 75%.
- Supply of coal to steel plants would be based on FSA and pricing would be on import parity pricing.
- Consumers in the small and medium sector, requiring coal less than 4200 tonnes annually will take coal either from the State Government Notified Agencies or from CIL through FSAs;
- Linkage system will be replaced by FSA;
- New consumers such as power utilities, IPP, CPP, fertilizer and cement manufacturers will be issued with a Letter of Assurance ("LOA"), with a validity of 24 months which can be converted to an FSA on successfully meeting certain criteria;
- The Existing Standing Linkage Committee will continue to recommend LOAs in respect of power utilities, IPP, CPP, cement and steel manufacturers.

### **E-Auction Scheme**

The E-Auction scheme of coal has been introduced to provide access to coal for customers who were not able to source their coal requirement through the available institutional mechanisms under the NCDP for various reasons, for example, due to a less than full allocation of their normative requirement under NCDP, seasonality of their coal requirement and limited requirement of coal that does not warrant a long-term linkage. The quantity of coal to be offered under E-Auction is reviewed from time to time by the MoC. Currently approximately 10.0% of our aggregate raw coal production may be offered under the E-Auction scheme. The E-auction scheme also provides an avenue for additional coal procurement by some of our existing industrial customers.

### **Fuel Supply Agreements**

As contemplated in and in accordance with the terms of the NCDP, we enter into legally enforceable FSAs with our customers or with State Nominated Agencies that in turn enters into appropriate distribution arrangements with end customers. Our FSAs can be broadly categorized into:

- FSAs with customers in the power utilities sector, including State power utilities, private power utilities ("PPUs") and independent power producers ("IPPs");
- FSAs with customers in non-power industries (including captive power plants ("CPPs") and
- FSAs with State Nominated Agencies.

In addition to the FSA discussed above, WCL currently supplies coal under certain "cost plus" coal supply agreements.

### **Research and Development**

Our wholly owned subsidiary CMPDIL is an established coal mine designed and planning Institute in India and provides comprehensive technical and consultancy services for our operations as well as 3rd party clients for geological exploration and drilling, mine planning and design, coal beneficiation and utilization, allied engineering services, human resource development, environmental engineering, information and communication technology, research and development and laboratory and field services.

The Standing Scientific Research Committee (SSRC) administers the research and development activities in the coal sector, which includes planning, programming and supervising the implementation of the research projects for the overall development of the coal sector. A technical sub-committee headed by the Chairman- cum- Managing Director of CMPDIL assists SSRC amongst other things, for scrutiny of the research proposals, in processing Government approvals for these proposals and monitoring progress of the implementation of the projects.

The Research and Development (R&D) Board of our company has been established to promote research and development efforts funded by our Company. The projects are formulated and implemented by educational institutes, research/technical organizations, other PSEs, international technical service providers/ research organizations. CMPDIL acts as a nodal agency for coordination of the research activities, disbursement of funds as well as monitoring of progress of our research and development activities. Our R & D team has conducted trials of mining method such as 'Blasting gallery and cable bolting', for recovery of coal from thick seams and 'Shortwall mining', which was introduced successfully in SECL. 'Controlled blasting', which was also introduced through our R&D initiatives is now being used for removal of over burden rocks and coal in opencast mines closed to surface structure without endangering the safety of the inhabitants.

Our R&D Department has also developed a quantified assessment of roof strata called Rock Mass Rating (RMR), which is currently being used for support design in underground mines. Our R&D department has recently developed a 4x800 tonnes capacity chock shield at a lower cost than what it would have cost us to import similar equipment. Other research projects conducted include projects on land reclamation after mining and utilization of fly ash. Further, a number of research project have been taken up in the area of environment and ecology to integrate coal-mining activities with ecological conservation and hazards due to mining. CMPDI have taken up a R&D project for capacity building of deep drilling in CBM potential block area and taken initiatives for prognostic assessment of resources. Recently R&D projects have also taken up by CMPDI in clean coal technology (CCT) in dry coal beneficiation sector.



## Performance of Research projects funded by MoC & CIL R&D during 2010-11

Scheme	Annual Target (₹ in Cr.)	Expd. (₹ in Cr.)	No of projects for Completion		No of New Projects	
			Target	Achieved	Target	Achieved
S & T of MoC	10.00	10.06	08	09	02	02
R&D of CIL	30.00	30.20	02	02	03 (with capital outlay of ₹ 60 Cr)	08 (3 projects with outlay of ₹ 66.34 Cr. and 5 projects with outlay of ₹ 8.65 cr.)

Certain of CMPDIL's mine sites are ISO-9001:2000 certified by Certification International (UK Limited) for activities such as consultancy in mineral exploration and environmental management and planning and design in mining.

### Memorandum of Understanding between Coal India Limited and Ministry of Coal

For every financial year Coal India enters into a MoU with Ministry of Coal to set various parameters for physical and financial performances. The achievements are graded on a scale of 1 to 5; excellent being the grade 1 and poor as 5. During the last 3 years Coal India has obtained overall "EXCELLENT" grading.

### JV for acquiring the assets of MAMC and re-starting manufacturing operations:

- Non-availability of modern underground mining equipment is a major constraint in enhancing underground production.

- CIL, DVC and BEML have signed an Agreement to form a JV to revive MAMC which was under liquidation in Calcutta High Court
- Agreement modified for acquiring assets of MAMC through joint participation in the High Court auction sale proceedings.
- The consortium succeeded in the open auction for a sum of ₹ 100 crore.
- Auctioned assets of MAMC taken over by the consortium members.
- Provisional handing over of 193.67 acres of factory land by ADDA to BEML.
- Process on for incorporating "MAMC Industries Limited", taking over Township from ADDA, formation of Interim Board of Management and formulation and signing of a Shareholders Agreement with equity share-holding pattern 48:26:26 between BEML, CIL & DVC, CIL's share being ₹ 32.50 crore of a total paid up capital of ₹ 125.00 crore.

### Details of other Joint Ventures

Sl.No.	Joint Ventures	Particulars
1.	Joint Venture Agreement dated October 12, 2009 with NTPC	Formed a Joint Venture in the name of 'CIL NTPC Urja Private Limited' ("CNUL") for the purpose of jointly undertaking development, operation and maintenance of Brahmini coal block, Chichro Patsimal coal Blocks, and Integrated Coal based Power Plants, if found feasible.
2.	Joint Venture Agreement dated January 14, 2009 with Steel Authority of India Limited, Rashtriya Ispat Nigam Limited, NMDC Limited and NTPC Limited	Formed a Joint Venture in the name of 'International Coal Ventures Private Limited' ("ICVL") for the purpose of , securing metallurgical coking coal and thermal coal assets from overseas.
3.	Memorandum of Understanding dated January 10, 2008 with GAIL (India) Limited ("GAIL") and memorandum of Intent dated December 14, 2009 with GAIL and Rashtriya Chemicals and Fertilizers Limited ("RCF").	MOU for the joint development of a surface coal gasification projects for the production of synthesis gas to be used as feedstock for fertilizer and ammonium nitrate production.



### **Coal India Africana Limitada (CIAL)**

Coal India emerged as successful bidder in the global tender process run by Govt. of Mozambique based on its proven core competence over the entire gamut of coal business value chain. The license will allow CIL to explore and develop the coal blocks over a period of 5 years. A 100% wholly owned subsidiary of CIL namely, Coal India Africana Limitada (CIAL), has been registered in August 2009 in Mozambique for investment in coal resources. CIL intends to start drilling and exploration activities in the leasehold area of the aforesaid coal blocks for which a tender was floated in the month of February, 2011 to undertake prospect in these coal blocks. Bids from the interested bidders have been received and the same are under evaluation. Meanwhile initiatives have also been taken to operationalize CIAL to oversee exploration and development of the coal blocks already under possession and to venture into further acquisition initiatives in Mozambique.

### **RISKS AND CONCERNS**

#### **The major risk and concerns of CIL are outlined below: -**

- Coal mining by its inherent nature is subject to multiple operational risks like weather, natural disasters and poor mining conditions.
- CIL being a public sector company is further constrained by stringent labour regulations. The company also has a ageing workforce.
- CIL may face difficulties in the acquisition of land in a timely manner, particularly in respect of land owned by private parties and forest land, resulting in delays in some of their projects.
- Success of expansion projects depends on various factors including obtaining government permits, licenses and approvals to proceed with its expansion programmes.
- Most of the coal available in India, including CIL's reserves, is lower quality non-coking or thermal coal used primarily in the power generation sector. If CIL's customers, particularly thermal power generation companies, are required to upgrade their power generation facilities for use of higher value coal with lower ash content and higher GCV values, they may require coal of higher quality for their operations.
- "Rail transportation, operated by the Indian Railways, is the main transportation mode utilized by CIL for coal transportation, particularly for long distance supply arrangements. CIL's sales volumes have in the past been constrained by inadequate transportation capacities, including non-availability of adequate railway infrastructure.

#### **Apart from above the following risks are also identified:-**

##### **Commodity risk**

The price of our raw coal and products sold at negotiated prices pursuant to our memoranda of understanding with customers and the price of raw coal sold under our E-Auction schemes, and consequently our revenues, are subject to the risk of fluctuation in prices of coal and coal products in the international markets. In addition, we use significant quantities of petroleum-based fuel and lubricants, explosives, tires, steel and other raw materials and

consumables in our mining operations, and are exposed to fluctuations in the prices of these materials. We do not enter into any derivative transactions to hedge against our exposure to movements in such commodity prices.

##### **Operating risk**

Our operations are subject to various operating risks that may materially increase our cost of mining operations and delay or disrupt production at particular mines either permanently or for varying lengths of time, which could have a material adverse effect on our business, results of operations and financial condition. We currently only maintain insurance for our business premises and cash-in-transit insurance. We may not maintain insurance coverage in accordance with applicable Indian and International industry standards and do not have full coverage for all risks facing our operations and facilities discussed above. We also do not maintain insurance coverage for loss of our assets such as our equipment, plant and machinery nor do we maintain third party insurance.

##### **Currency exchange risk**

Changes in currency exchange rates may affect our results of operations. Approximately 95% was denominated in foreign currencies, most significantly the U.S. dollar and the Japanese Yen, and we expect that a portion of our future indebtedness will continue to be denominated in foreign currencies. We also expect our future capital expenditure in connection with our proposed expansion plans to include expenditure in foreign currencies for imported equipment and machinery. Depreciation of the Indian rupee against the U.S. dollar, the Japanese Yen and other foreign currencies may adversely affect our results of operations by increasing the cost of financing any debt denominated in foreign currency or any proposed capital expenditure in foreign currencies. Our foreign currency exposure is not significant. We however selectively enter into hedging transactions to minimize our currency exchange risks. There can be no assurance that such measures will enable us to avoid the effect of any adverse fluctuations in the value of the Indian rupee against the U.S. dollar, the Japanese Yen or other relevant foreign currencies. In addition, since we enter into transactions in derivative financial instruments that are sensitive to movements in certain interest and currency exchange rates, and changes in the fair values of our derivative financial instruments are recognized in our financial statement at the end of each financial reporting period, any resulting decrease in the fair value of such derivative financial instruments could adversely affect our results of operations.

##### **Interest rate risk**

Changes in interest rates could affect our results of operations and financial condition. Approximately 85% of our total indebtedness were at floating rate of interest. If the interest rates for our existing or future borrowings increase significantly, our cost of funds will increase. We do not enter into any derivative transactions to hedge against our exposure to interest rate risks.



## Effect of Inflation

Inflation has a direct impact on our cost as employees' remuneration cost forms around 50% of the total cost of the company and major part of which i.e. Dearness Allowance is directly linked to inflation and rose by 65% in the current year. Apart from this power & fuel, stores etc. also have an impact of inflation.

## INTERNAL CONTROL SYSTEMS

Coal India Limited (CIL) has robust internal systems and processes in place for smooth and efficient conduct of business and complies with relevant laws and regulations. A comprehensive delegation of power exists for smooth decision-making. Elaborate guidelines for preparation of accounts are followed consistently for uniform compliance. In order to ensure that all checks and balances are in place and all internal control systems are in order, regular and exhaustive internal audits are conducted by experienced firms of chartered accountants in close co-ordination with company's Internal Audit Department. Besides, the company has Audit Committee to keep a close watch on compliance with Internal Control Systems. A well-defined Internal Control Framework has been developed identifying key controls and supervision of operational efficiency of designed key control by internal audit.

## DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

### FINANCIAL DISCUSSION AND ANALYSIS

#### Results of Operations

(₹ crores)

Particulars	2010 -11	2009 -10	Growth %
Gross Sales	60245.21	52187.79	(+) 15.44 %
Less: Levies	10011.62	7572.54	(+) 32.21 %
Net Sales	50233.59	44615.25	(+) 12.59%
Other Income	4796.30	4900.64	(-) 2.13 %
<b>Total Income</b>	<b>55029.89</b>	<b>49515.89</b>	<b>(+) 11.14 %</b>

#### Expenditure

#### Break up of Major Heads: -

(₹ Crores)

Particulars	2010-11	2009-10	Growth	Growth %
(Accretion) / Decretion in stock	(1253.34)	(667.16)	(586.18)	(+)87.86%
Stores & Spares	5231.45	4981.01	250.44	(+)5.03%
Salary & Wages	18211.04	16655.52	1555.52	(+) 9.34%
Power & Fuel	1754.62	1739.60	15.02	(+)0.86%
Social Overhead	2270.12	2017.49	252.63	(+) 12.52%
Contractual Exp/Repairs	5177.80	4388.63	789.17	(+) 17.98%
Other Expenditure	2166.46	1700.85	465.61	(+)27.38%
Interest & Finance Charges	79.06	88.62	(9.56)	(-)10. 79 %
OBR Adjustmet	2618.47	3053.92	( 435.45)	(-)14.26%
Depreciation/Impairment	1672.89	1329.45	343.44	(+)25.83%
Provision	577.91	209.37	368.54	(+) 176.02%
Prior Period Expenditure	60.18	53.66	6.52	(+) 12.15 %
<b>Total Expenditure</b>	<b>38566.66</b>	<b>35550.96</b>	<b>3015.70</b>	<b>(+) 8.48 %</b>

The total income of the Company primarily comprises of income from sale of Coal, other incomes, and interest earned on investments such as term deposits. The total income for fiscal 2011 is ₹ 55029.89 crores as against ₹ 49515.89 crores in the previous year registering an increase of 11.14%. Major elements of income are discussed below:

#### Income from Sale of Coal

Sales is presented as gross sales net of (i) various statutory levies comprising royalty, cess on coal, central excise duty and stowing excise duty; and (ii) sales tax. The Income from sale of coal is mainly dependent on the pricing and production of coal and distribution thereof.

#### Other Income

Other income primarily includes (i) interest income from banks, employees and others, (ii) interest on our investments in the 8.5% Tax Free RBI Power Bonds (which resulted from the securitization of our sundry debtors), (iii) recovery of transportation and loading charges that we charge our customers, (iv) any income from our workshops and press jobs, (v) any liquidated damages or penalty payments by our suppliers and third party contractors, and (vi) any profit on sale of coal block/geological reports on third party blocks relating to coal blocks renounced by us pursuant to direction of the MoC, Gol. Other income also includes stowing subsidies granted by the Coal Controller of India, rental income, any income from sale of scrap, and any profit on sale of assets. Other income also includes any write back of provisions and liabilities made in previous years and any gain on foreign exchange variations relating to our operations, primarily relating to our financing arrangements and bank deposits denominated in foreign currencies. Other/miscellaneous income primarily includes income from water charges supplied to third party contractors and other miscellaneous income from our operations.



Our expenditure comprises: (i) consumption of stores and spares; (ii) employee's remuneration and benefits; (iii) power and fuel; (iv) social overhead; (v) contractual expenses/ Repairs; (vi) miscellaneous expenses; (vii) interest & Finance Charges; (viii) overburden removal adjustments; (ix) depreciation/Impairment; (x) provisions.

### **Stores and Spares**

Consumption of stores and spares relate to materials used in our coal mining and processing operations, primarily petrol oil and lubricant (including diesel), explosives, and timber. Other consumables used in our coal mining operations include tires, spares for heavy earthmoving machineries, other plant and machinery relating to our coal handling plants and beneficiation facilities, vehicles, and other miscellaneous stores and spares.

Consumption of stores and spares increased by ₹ 250.44 crores, or 5.03%, from ₹ 4981.01 crores in fiscal 2010 to ₹ 5231.45 crores in fiscal 2011 due to increase in POL cost and increase in explosive cost for increase in composite production.

### **Employees' Remuneration and Benefits**

Employees' remuneration and benefits include salary, wages and allowances, any provisions relating to employees remuneration and benefits, contributions to provident fund and gratuity, overtime payments, leave encashment, attendance bonus, productivity and performance linked bonus and other incentives, and other employee benefits.

Employees remuneration and benefits, which represents the largest component of our expenditure, increased by ₹ 1555.52 crores, or 9.34%, from ₹ 16655.52 crores in fiscal 2010 to ₹ 18211.04 crores in fiscal 2011.

Increase in salary is mainly because of increase in Dearness Allowance. Increase in DA also increases the cost towards PF & others and also increases the cost of actuarial benefits.

Output per man shift, calculated as total coal production divided by man shift (of eight hours per day), increased from 4.47 tonnes in fiscal 2010 to 4.73 tonnes in fiscal 2011.

### **Power and Fuel**

Power and fuel represents cost of electricity consumed in our operations, including electricity purchased from external sources and cost of internal power generation relating to diesel generator sets.

Power and fuel expenses increased by ₹ 15.02 crores, or 0.86%, from ₹ 1739.60 crores in fiscal 2010 to ₹ 1754.62 crores in fiscal 2011.

### **Social Overhead**

Social overhead represents various expenses associated with non-cash components of employee benefits, social welfare activities and expenses associated with medical facilities (including medical reimbursements) and educational institutions operated by us. Expenses towards community development and environmental

expenditure are also reflected under social overhead expenses.

Social overhead increased by ₹ 252.63 crores, or 12.52 %, from ₹ 2017.49 crores in fiscal 2010 to ₹ 2270.12 crores in fiscal 2011 primarily on account of an increase in salaries, wages and allowances for employees associated with our employee benefits and social welfare activities, expenses associated with medical facilities (including medical reimbursements) and educational institutions operated by us.

### **Contractual Expenses/ Repairs**

Contractual charges primarily consist of transportation charges for coal, sand and materials carried out through third party contractors, contractor expenses relating to wagon loading operations, hiring charges for plant and machinery and heavy earthmoving machinery representing cost of coal extraction and overburden removal activities outsourced to third party contractors, and other miscellaneous works carried out through third party contractors such as for road maintenance and temporary lighting. Repairs consist of cost of repair and maintenance of plant and machinery relating to our operations, rehabilitation of heavy earthmoving machinery, office equipment, vehicles and other miscellaneous assets.

Contractual Expenses/Repairs increased by ₹ 789.17 crores, or 17.98 %, from ₹ 4388.63 crores in fiscal 2010 to ₹ 5177.80 crores in fiscal 2011. Contractual Expenses/Repairs has increased mainly because of increase in price of diesel and increased volume of production of OB through contractual means.

### **Miscellaneous Expenses**

Miscellaneous expenses include various operational, selling and administrative expenses, most significantly under-loading expenses paid to Indian Railways, mine rehabilitation expenses, security expenses, royalty and cess payable on coal used for internal consumption and rent, rates and taxes. Miscellaneous expenses also include traveling expenses, employee training expenses, cost of printing and stationery, communication, advertisement and publicity related expenses, freight charges for equipment and machinery and materials, demurrage paid to Indian Railways and equipment and materials freight carriers, land/crop compensation and hire charges for office administration equipment. Other miscellaneous expenses include expenses incurred for land reclamation relating to rehabilitation and resettlement of affected communities.

Miscellaneous Expenses increased by ₹ 465.61 crores, or 27.38 %, from ₹ 1700.85 crores in fiscal 2010 to ₹ 2166.46 crores in fiscal 2011. Miscellaneous Expenses has increased mainly because of excise duty amounting to ₹ 363.96 Crores introduced w.e.f. March 2011.

### **Interest & Finance Charges**

Interest expenses include interest paid on our financing arrangements with IBRD and JBIC, transfers made to the Shifting and Rehabilitation Fund established by the GoI for the

implementation of certain rehabilitation plans in the Jharia coalfield, interest on bank overdrafts and cash credit, interest on deferred credit arrangements with the Export Development Corporation of Canada and Liebherr France S.A. of France, and other interest expenses such as pension fund interest. Interest expenses are presented net of interest income received for any loans advanced. Finance and commitment charges include fees paid to the GoI for guarantees issued by the GoI in connection with the IBRD and JBIC loans, and other bank expenses and charges.

Interest & Finance Charges decreased by ₹ 9.56 crores, or 10.79%, from ₹ 88.62 crores in fiscal 2010 to ₹ 79.06 crores in fiscal 2011, primarily on account of decrease in interest expense relating to our IBRD and JBIC financing arrangements.

### Overburden Removal Adjustment

In open cast mines, with rated capacity of one million tonnes per annum and above, the cost of overburden removal expenses is charged on technically evaluated average ratio (coal: overburden) at each mine with due adjustment for advance stripping and ratio variance account after the mines are brought to revenue. The net of balances of advance stripping and ratio variance at the end of the relevant period is shown as cost of removal of overburden under the head current assets or current liabilities, as applicable. Overburden Removal Adjustment decreased by ₹ 435.45 crores, or 14.26%, from ₹ 3053.92 crores in fiscal 2010 to ₹ 2618.47 crores in fiscal 2011.

### Depreciation/ Impairment

Depreciation on our fixed assets is provided on straight line method at the rates and manner specified in Schedule XIV of the Companies Act. Impairment loss is recognized 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 recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased.

Depreciation/ Impairment increased by ₹ 343.44 crores, or 25.83 %, from ₹ 1329.45 crores in fiscal 2010 to ₹ 1672.89 crores in fiscal 2011.

### Provisions

Provisions/write-off include any provisions for doubtful debts and advances, provisions for stores and spares inventory, provisions relating to impairment of assets, provisions for any marked to market losses on our outstanding foreign currency derivatives, and any other miscellaneous provisions. We also make provision

for any shortfall for land reclamation for open cast mines and stowing for underground mines as on the relevant balance sheet date.

Provisions made are presented net of any write back of provisions. Write-offs include write-offs for doubtful debts, doubtful advances and other write-offs.

Provisions increased by ₹ 368.54 crores, or 176.02%, from ₹ 209.37 crores in fiscal 2010 to ₹ 577.91 crores in fiscal 2011. Provisions has increased mainly due to provision for mine closure

### Taxation

Income tax expense comprises current tax expense and deferred tax expense or credit computed in accordance with the relevant provisions of the LT. Act, as amended. Provision for current taxes is recognized based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the LT. Act. Fringe benefit tax has been discontinued from April 1, 2009.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits shown in our financial statements. Deferred tax assets and liabilities are measured using tax rates and tax regulations enacted or substantively enacted up to the balance sheet date. The effect on deferred tax assets and liabilities due to a change in tax rates is recognized in the financial statement of the relevant fiscal year of change of rate. Deferred tax assets in respect of carry forward losses are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. Other deferred tax assets are recognized only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably /virtually certain (as the case may be) to be realized.

### PROFITABILITY

(₹ in Crores)

Particulars	2010 -11	2009-10
Profit Before Tax (PBT)	16463.23	13964.93
Income Tax	(5595.88)	(4342.48)
Profit After Tax (PAT)	10867.35	9622.45

The Profit Before Tax (PBT) increased by ₹ 1498.30 crores, or 17.89%, from ₹ 13964.93 crores in fiscal 2010 to ₹ 16463.23 crores in fiscal 2011.

The Profit After Tax (PAT) increased by ₹ 1244.90 crores, or 12.94%, from ₹ 9622.45 crores in fiscal 2010 to ₹ 10867.35 crores in fiscal 2011.



## Cash Flows

(₹ in Crores)

	For the year ended 31st March 2011	For the year ended 31st March 2010
Opening Cash & cash equivalents	39078.21	29695.01
Net cash from operating activities	8997.39	10595.57
Net cash from investing activities	697.45	949.71
Net cash used In financing activities	- 2910.77	- 2162.53
Change In Cash and cash equivalents	6784.07	9382.75
Closing cash & cash equivalents	45862.28	39077.76

Net cash from operating activities for the year ended March 31, 2011 decreased by 15.08% from the previous year. Net cash from operating activities was ₹ 10595.57 crores as against ₹ 8997.39 crores for the previous year.

Net cash from investing activities for the year ended March 31, 2011 decreased by 26.56% from the previous year. Net cash from investing activities was ₹ 949.71 crores as against ₹ 697.45 crores for the previous year.

Net cash used in financing activities for the year ended March 31, 2011 increased by 34.60 % from the previous year. Net cash used in financing activities was ₹ 2162.53 crores as against ₹ 2910.77 crores for the previous year.

## The various ratios related to the financials of Coal India :-

Ratios	As on 31st Mar 2011	As on 31st March 2010
As % Net Sales		
Gross Profit	32.93	31.50
Net Profit	32.77	31.30
As % Total Expenditure		
Salaries & Wages	43.21	43.56
Stores & Spares	12.41	13.03
Power & Fuel	4.16	4.55
Contractual Expenditure	10.87	10.05
Interest & Depreciation	4.16	3.71
All Other Expenditure	25.19	25.10
Operating Ratio (sales-profit)/sales	0.67	0.69
Liquidity Ratios		
Current Ratio	1.39	1.26
Quick Ratio	1.05	0.96
Sundry Debtors as no. of Days sales	18	15
Stock of Coal as no. of Days of production (Qty)	59	56
Structural Ratios		
Debt : Equity	0.24	0.26
Debt : Net Worth	0.05	0.06
Net Worth : Equity Capital	5.27	4.08

## Dividend

During the financial year 2010-11 interim dividend paid is ₹ 2210.73 Crores and proposed final dividend of ₹ 252.65 Crores.

The Dividend works out to ₹ 3.90 per share (Face Value- ₹ 10 per share) Out of above dividend Gol gets ₹ 2217.04 crores (90%) and other investors gets ₹ 246.34 Crores.

## MATERIAL DEVELOPMENT IN HUMAN RESOURCES

The total manpower of the company including its subsidiaries as on 31.03.2011 is 3,83,347 as against 3,97,138 as on 31.03.2010.

### Productivity

Output per Manshift (OMS) during 2010-11 improved to 4.73 tonnes from 4.47 tonnes of previous year.

The majority of our employees are members of several unions including Indian National Trade Union Congress, the All India Trade Union Congress, the Hind Mazdoor Sabha, the Bhartiya Mazdoor Sangh and the Confederation of Indian Trade Unions. The MoC on February 28, 2007 authorized us to constitute the Joint Bipartite Committee for Coal Industry ("JBCCI")-VIII in consultation with the members of JBCCI-VII. Accordingly, JBCCI-VIII was constituted providing adequate representation to the major labour unions. The Wage Settlement under the National Coal Wage Agreement (NCWAVIII) was signed on January 24, 2009 at New Delhi and covers all the categories of our employees other than executive employees for a period of five years from July 1, 2006. As a public sector undertaking, salaries, wages and benefits of our executive employees are determined by the GoI and are fixed for a period of ten years. The current compensation level for our executive employees was finalized in May 2009 and is effective for a period of ten years from January 1, 2007.

### Training

We aim to provide continuous training for our employees. We established the Indian Institute of Coal Management ("IICM") in 1994 to provide training and development opportunities to our middle and senior management executives, other level officers and our management trainees. IICM offers training programs such as advanced management programmes, leadership development programmes, general management programmes and young managers' programmes. The areas covered included advanced maintenance practices, general management program, management development programme, training and coaching, career development for junior officers and communication skills. In addition, our company has arranged for a significant number of executives to attend external training programmes and sent our employees (including directors, senior executives and non-executive employees) for a number of international training sessions outside India.

In all 48488 employees were trained during 2010-11, out of which 11452 executives, 7847 supervisors and 29189 workmen. These trainings include in-house training (training at subsidiary training centers and also at IICM).

## ENVIRONMENTAL PROTECTION AND CONSERVATION

### Environmental Matters and Mine Reclamation

Our operations are subject to numerous environmental laws and regulations relating to air emission, water discharge, hazardous substances, waste management, mining site reclamation and restoration, and ground water quality and availability. Our corporate environmental and social management systems, and resettlement and rehabilitation policies comply with all applicable Indian laws and regulations. We believe these policies are consistent with internationally accepted standards.

We seek to follow environmentally responsible practices and abide by relevant environmental laws and regulations in all aspects of our business. We conduct non-mining projects before seeking environmental clearance and environmental impact assessment for all our mining and coal washery projects. Installation for the prevention and control of pollution at mining and washery projects are designed, built and commissioned together with the project.

We have developed mine reclamation and rehabilitation strategies for our mines which are mine specific. The geological characteristics of each of our mines are taken into account in developing and implementing these strategies. Reclamation of mined out areas is carried out in accordance with the Environmental Management Plan approved by the MoEF. When overburden is removed, the initial overburden is dumped out of the pit while subsequent overburden is dumped into the pit as backfilling. Erosion control

systems, perimeter drains and water-settling ponds are constructed to intercept and treat water discharged from the mining site. Topsoil is first removed and dumped in an identified site and subsequently/concurrently utilized for reclamation. Topsoil is provided on overburden, which has been graded and contoured for plantation with native multi species of plants including fruit bearing, medicinal and commercial categories. Concurrent reclamation and rehabilitation of mined out areas (subject to technical feasibility as per geo-mining conditions) are carried out for gainful land use. The reclamation and rehabilitation planning of mines are reviewed at regular basis.

As reclaimed areas reach their design profile, they are graded, topsoil is spread on the surface and rapidly growing trees are planted. We also have implemented afforestation programs to improve the environmental conditions in certain areas in which we have ceased our mining activities. We have initiated the process of integrating environment management system (ISO:14001) along with quality management system (ISO:9001) and as of June 2010, 53 of our projects including one coal beneficiation plant have been accredited with ISO: 14001 certification. We intend to integrate these systems in including those resulting from geo-mining conditions and mining operations.





Time-bound action programmes have been implemented for the elimination, reduction and avoidance of identified risks for each mine. These programmes are reviewed from time to time. We conduct safety audits in our mines to identify deficiencies and recommend remedial measures. In addition, we have developed rescue service organizations staffed by trained rescue personnel and equipped with modern rescue equipment. We also maintain periodical medical examination centers staffed with doctors trained in occupational health services in accordance with International Labor Organization specifications.

In addition to the statutory safety monitoring carried out by the DGMS, Pit Safety Committee and Workman Inspectors, our safety standards are also monitored by various agencies including the Standing Committee for Safety in Coal Mines, safety audits and various Parliamentary Committees. Several of our mines have received the National Mine Safety Awards in recognition for maintaining superior safety standards. We also periodically organize safety-related informational programmes in our mines to educate workers on mine safety.

Central Mine Planning & Design Institute, Ranchi based Mine consultancy subsidiary of Coal India Limited had established a Cement and Resin Capsule Testing Lab, which was inaugurated on 15th August' 10. It will help in testing and establishing the quality of cement and resin capsules, which enhances the safety in underground mines.

In addition, as part of our CSR initiatives for education, we support technical and vocational educational institutions, provide assistance to primary, middle and higher secondary school, provide parental counseling, run awareness programs for education of girls, and provide scholarships. We have also established educational institutions that offer courses in engineering, nursing, management studies, medicines and other technical courses. As of March 31, 2010, we supported 590 educational institutions, provided 85 hospitals with 1,565 doctors and 5,835 hospital beds and 424 dispensaries. We also provide water supplies (including drinking water supplies) by installing hand pumps, tube wells, rain-water harvesting schemes, digging or renovating wells. In order to fund our CSR activities under each subsidiary, we allocate 5.0% of the subsidiary's profit in the previous fiscal year (subject to a minimum of ₹ 5.00 per ton of raw coal production in the previous fiscal year), of which 4.0% is allocated towards CSR activities within a radius of 15 kilometers of the project site and the balance 1.0% is allocated towards CSR initiatives to be carried out by the respective Subsidiaries in the state in which they operate. In order to fund our Company's CSR activities, 2.5% of the retained profit of the previous fiscal year is allocated for CSR activities, of which 1.5% is allocated towards CSR activities in the states that are not covered by our Subsidiaries as well as for supporting CSR activities of Subsidiaries that may not have recorded a profit in the previous fiscal year, and the remaining 1.0% is allocated towards local CSR initiatives.

In March 2008, we adopted a rehabilitation and resettlement policy. The main objectives of our resettlement and rehabilitation policies are to improve the standard of living of the project affected persons by providing them educational, medical and other facilities, to avoid disturbance to local communities and to resettle project affected persons in close association with non-governmental organizations. The policy also aims to pursue best practices for CSR initiatives in the vicinity of coalfields and to ensure community involvement and participation. Our resettlement and rehabilitation activities involve offering project affected persons employment and rehabilitation packages, compensation to persons whose houses are acquired, self employment to sharecroppers, land lessees, tenants and day labourers, self employment to landless tribals who are dependent on forest produce and community facilities and activities under our CSR initiatives.all our mines in phases.

We have also implemented satellite surveillance for land reclamation and restoration and reforestation and rehabilitation activities. The satellite surveillance system was introduced in fiscal 2009 to monitor the land reclamation and reforestation of our major open cast mines. Of the 163 open cast mines currently operated by us, our satellite surveillance has identified 49 open cast projects producing more than 5.0 million cum (which includes coal and the overburden) per annum, which will be monitored once a year whereas the remaining 114 open cast projects producing less than 5.0 million cum (which includes coal and the overburden) per annum will be monitored once in three years. Our monitoring indicates that we have made significant reclamation of the mined out areas of 49 major open cast mines. Mine closure forms an important aspect of land restoration. We seek environment clearance in accordance with our mine closure plans and intend to allocate funds for such mine closure plans in accordance with the guidelines of the MoC. Amount provided in financial year 2010-11 towards mine closure plan was ₹ 353.58 crores. As per the said guidelines of the MoC, the amount is to be kept in an escrow account earmarked for such expenses. Such fund shall be withdrawn from escrow account for mine closure activities as per the scheme. The mine closure plan is to be embedded in all the future projects. We are reclaiming and restoring some of our abandoned/mined-out areas. We continue to implement more environment friendly mining technologies such as surface miners in open cast mines, which reduces the drilling, blasting and crushing operations in coal production and hence limits pollution caused due to these operations. In addition, we work towards conserving water resources by means of ground water re-charging and rainwater harvesting. Some of our open cast mine voids act as water bodies and a major source of ground water re-charge after cessation of mining. We also have effluent treatment facilities to clean the water and try to re-use the water after treatment.

## CORPORATE SOCIAL RESPONSIBILITY

### Social and Community Welfare Programmes and Resettlement and Rehabilitation

We actively promote various programmes for the enhancement of the health, education and economic well-being of the communities located near our mines. Our corporate social responsibilities ("CSR") initiatives are principally focused on project affected persons and persons living within a radius of 15 kilometers of our project sites to provide welfare measures based on immediate and long term social and community development programmes. In addition, we have developed a policy for community and peripheral development, pursuant to which we support infrastructure programmes, including sports facilities, roads, schools, places of worship, clinics and water facilities near our mines. We also provide skills development and capacity building programmes such as vocational training programmes, income generation programmes and entrepreneurship development programmes. In addition, we conduct awareness programmes and community activities such as health camps, medical aides, family welfare camps, AIDs awareness programmes, sports and cultural activities and immunization camps. We also conduct literacy programmes, adult education programmes, assist in the formation of village working groups and other women groups. We work with local non-governmental organizations to develop farming and cottage industries, which provide economic independence to the local communities near our mines.

### Continue to focus on developing environmentally and socially sustainable operations

We seek to continue to focus on developing environmentally and socially sustainable operations.

### Health and Safety Standards

We seek to continue to focus on maintaining a safe work environment through the implementation of our safety policy and a structured multidisciplinary internal safety oversight body to oversee safety in our operations. We continue to focus on reducing employee injury incident rates and avoid lost time injuries. We continue to invest in advanced equipment and technology for increased mechanization of our coal mining operations to enhance the safety of our workforce.

Although mining is an inherently hazardous activity due to varying geology and geo mining conditions, we seek to minimize the risk of accidents, injuries and illness to our employees and our contractors' employees by improving health and safety standards

and closely monitoring our operations. We continue to focus on maintaining a safe work environment through the implementation of our safety policy and a structured multidisciplinary "Internal Safety Organization" to oversee safety in our operations. Our system for the safe operation of our mines includes safety management plans, rules, codes of practice, manuals and procedures with which our employees and our contractors' employees are required to comply.

We have implemented various safety programmes, safety training of our workforce, technologically advanced mining methods and use of advanced equipment. We believe that our commitment to safety and avoidance of lost time injuries fosters good relationship with our employees, regulatory agencies and regional administrative authorities, which ultimately enhance our business. We have invested and continue to invest in advanced equipment and technology for increased mechanization of extraction and enhance the safety environment of our workforce.

We have completed risk assessment for most of our mines and identified potential hazards associated with mining activities, including those resulting from geo-mining conditions and mining operations.

Time-bound action programmes have been implemented for the elimination, reduction and avoidance of identified risks for each mine. These programmes are reviewed from time to time. We conduct safety audits in our mines to identify deficiencies and recommend remedial measures. In addition, we have developed rescue service organizations staffed by trained rescue personnel and equipped with modern rescue equipment. We also maintain periodical medical examination centers staffed with doctors trained in occupational health services in accordance with International Labor Organization specifications.

In addition to the statutory safety monitoring carried out by the DGMS, Pit Safety Committee and Workman Inspectors, our safety standards are also monitored by various agencies including the Standing Committee for Safety in Coal Mines, safety audits and various Parliamentary Committees. Several of our mines have received the National Mine Safety Awards in recognition for maintaining superior safety standards. We also periodically organize safety-related informational programmes in our mines to educate workers on mine safety.

Central Mine Planning & Design Institute, Ranchi based Mine consultancy subsidiary of Coal India Limited had established a Cement and Resin Capsule Testing Lab, which was inaugurated on 15th August' 10. It will help in testing and establishing the quality of cement and resin capsules, which enhances the safety in underground mines.





In addition, as part of our CSR initiatives for education, we support technical and vocational educational institutions, provide assistance to primary, middle and higher secondary schools, provide parental counseling, run awareness programmes for education of girls and provide scholarships. We have also established educational institutions that offer courses in engineering, nursing, management studies, medicines and other technical courses. As of March 31, 2010, we supported 590 educational institutions, provided 85 hospitals with 1,565 doctors and 5,835 hospital beds and 424 dispensaries. We also provide water supplies (including drinking water supplies) by installing hand pumps, tube wells, rain-water harvesting schemes, digging or renovating wells. In order to fund our CSR activities under each subsidiary, we allocate 5.0% of the subsidiary's profit in the previous fiscal year (subject to a minimum of ₹ 5.00 per tonne of raw coal production in the previous fiscal year), of which 4.0% is allocated towards CSR activities within a radius of 15 kilometers of the project site and the balance 1.0% is allocated towards CSR initiatives to be carried out by the respective Subsidiaries in the state in which they operate. In order to fund our Company's CSR activities, 2.5% of the retained profit of the previous fiscal year is

allocated for CSR activities, of which 1.5% is allocated towards CSR activities in the states that are not covered by our Subsidiaries as well as for supporting CSR activities of Subsidiaries that may not have recorded a profit in the previous fiscal year, and the remaining 1.0% is allocated towards local CSR initiatives.

In March 2008, we adopted a rehabilitation and resettlement policy. The main objectives of our resettlement and rehabilitation policies are to improve the standard of living of the project affected persons by providing them educational, medical and other facilities, to avoid disturbance to local communities and to resettle project affected persons in close association with non-governmental organizations. The policy also aims to pursue best practices for CSR initiatives in the vicinity of coalfields and to ensure community involvement and participation. Our resettlement and rehabilitation activities involve offering project affected persons employment and rehabilitation packages, compensation to persons whose houses are acquired, self employment to sharecroppers, land lessees, tenants and day labourers, self employment to landless tribals who are dependent on forest produce and community facilities and activities under our CSR initiatives.



# Annual Accounts for the year ended on 31st March 2011

(Consolidated CIL & Its Subsidiaries)

**Notes:**

The Consolidated Accounts have been prepared according to the provisions of the Accounting Standard 21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India. Since the non-recognition of interest etc. in Holding Company's Accounts, from one of its subsidiaries (as per Accounting Standard-9) has been ignored in such consolidation, the profit shown in Consolidated Accounts may be read with such deviation. The Consolidated Accounts are presented here as an additional information to the users and are not mandatory as per the provisions of the Companies Act, 1956.

**BALANCE SHEET (CONSOLIDATED)**

As at 31st March, 2011

		(₹ in 00,000)	
	Schedule	As at 31-03-11	As at 31-03-10
<b>I SOURCES OF FUND</b>			
Shareholders' Fund			
a) ShareCapital	A	631,636.44	631,636.44
b) Reserves & Surplus	B	2,700,084.27	1,947,885.32
<b>Shifting and Rehabilitation Fund</b>	C	162,137.03	147,742.66
<b>Loan Fund</b>			
a) Secured	D	3,259.58	34,319.87
b) Unsecured	E	152,096.66	161,994.23
<b>Minority Interest</b>		3,260.71	2,360.71
<b>Total</b>		<b>3,652,474.69</b>	<b>2,925,939.23</b>
<b>II APPLICATION OF FUND</b>			
<b>Fixed Assets</b>	F		
a) Gross Block		3,672,111.64	3,494,531.80
Less : Depreciation		2,343,133.80	2,248,666.23
Less : Impairment		44,649.16	42,284.15
Less : Other Provisions		37.33	37.33
		<b>1,284,291.35</b>	<b>1,203,544.09</b>
b) Capital Work-in-Progress		208,691.77	209,087.90
c) Surveyed Off Assets		13,113.57	11,978.96
<b>Investment</b>	G	106,369.05	128,214.05
<b>Deferred Tax Assets</b>		87,321.65	96,038.84
(Ref Note 14.8 Sch M Part B)			
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	H	558,563.98	440,177.09
Sundry Debtors	I	302,556.21	216,864.76
Cash & Bank Balances	J	4,586,228.03	3,907,820.56
Loans & Advances	K	992,254.23	867,620.24
		<b>6,439,602.45</b>	<b>5,432,482.65</b>
<b>Less: Current Liabilities &amp; Provisions</b>	L	4,487,253.44	4,155,571.53
Net Current Assets		<b>1,952,349.01</b>	<b>1,276,911.12</b>
Miscellaneous Expenditure			
(to the extent not written off)			
Preliminary Expenses		154.84	153.47
Pre Operative Expenses		183.45	10.80
(Ref Note 15.5 Sch M Part B)			
<b>Total</b>		<b>3,652,474.69</b>	<b>2,925,939.23</b>
Significant Accounting Policies and Notes on Accounts	M		
The Schedules referred to above form an integral part of Accounts			

sd/-  
( Dr. H Sarkar )  
CGM (F) / Company Secretary

sd/-  
( D K Ghosh )  
Chief General Manager (F)

sd/-  
(A K Sinha )  
Director (Finance)

sd/-  
(N.C. Jha)  
Chairman

As per our report annexed  
For Deoki Bijay & Co.  
Chartered Accountants  
F.R.No. 313105E

Date : 25 May 2011  
Place : Kolkata

sd/-  
(CA. D. N. Agrawal)  
Partner  
Membership No. 051157

# PROFIT & LOSS ACCOUNT (CONSOLIDATED)

For the Year ended 31st March, 2011

	Schedule	For the Year ended 31.03.11	(₹ in 00,000) For the Year ended 31.03.10
<b>INCOME</b>			
Sales	1	5,023,359.23	4,461,525.05
Coal Issued for other Purposes	2(a)	238,257.42	206,904.44
Accretion /(Decretion) in Stock	3	125,333.55	66,715.82
Other Income	4	479,629.56	490,064.45
<b>Total</b>		<b>5,866,579.76</b>	<b>5,225,209.76</b>
<b>EXPENDITURE</b>			
Internal Consumption of Coal	2(b)	234,129.38	201,500.52
Consumption of Stores & Spares	5	523,144.70	498,101.23
Employees' Remuneration & Benefits	6	1,821,104.11	1,665,552.24
Power & Fuel	7	175,461.80	173,959.49
Social Overhead	8	227,012.08	201,748.70
Repairs	9	59,776.85	54,472.14
Contractual Expenses	10	458,002.72	384,391.25
Other Expenditure	11	220,773.53	175,489.19
Interest	12	6,191.51	6,912.72
Overburden Removal Adjustment		261,846.59	305,391.77
Finance Charges/Commitment Charges	13	1,714.91	1,949.54
Depreciation / Impairment		167,289.10	132,945.28
Provisions	14(a)	51,748.02	19,034.60
Write-off	14(b)	6,043.24	1,902.33
<b>Total</b>		<b>4,214,238.54</b>	<b>3,823,351.00</b>
<b>PROFIT FOR THE YEAR</b>		<b>1,652,341.22</b>	<b>1,401,858.76</b>
Prior Period Adjustment	15	(6,018.17)	(5,365.95)
<b>PROFIT BEFORE TAX</b>		<b>1,646,323.05</b>	<b>1,396,492.81</b>
Provision for Income Tax		529,101.63	443,324.74
Provision for Deferred Tax (written back)		(1,030.11)	(3,362.34)
Provision for Income Tax for earlier year		51,924.56	5,760.20
Excess Provn. for Income Tax written back (earlier period)		(20,408.32)	(11,474.46)
<b>PROFIT AFTER TAX</b>		<b>1,086,735.29</b>	<b>962,244.67</b>
Profit (Loss) brought forward from previous year	943,415.64		423,284.44
Add: Adjustment on brought forward profit	1,733.09		-
Less: Transitional Provision for Retirement Medical Benefit	-		(42.67)
		945,148.73	423,241.77
<b>PROFIT / (LOSS) AVAILABLE FOR APPROPRIATION</b>		<b>2,031,884.02</b>	<b>1,385,486.44</b>
(Carried Down)			



# PROFIT & LOSS ACCOUNT (CONSOLIDATED)

For the Year ended 31st March, 2011

(₹ in 00,000)

Schedule	For the Year ended 31.03.11	For the Year ended 31.03.10
<b>PROFIT / (LOSS) AVAILABLE FOR APPROPRIATION</b> (Brought Down)	<b>2031884.02</b>	<b>1385486.44</b>
<b>APPROPRIATION</b>		
Reserve for Foreign Exchange Transaction	774.05	726.17
Transfer to General Reserve	147,194.68	126,712.18
Transfer to CSR Reserve	17,046.55	15,919.26
Interim Dividend	221,072.75	221,000.00
Proposed Dividend ( Final )	25,265.46	-
Tax on Dividend	89,775.18	77,713.19
<b>BALANCE CARRIED TO BALANCE SHEET</b>	<b>1530755.35</b>	<b>943415.64</b>
<b>Basic and Diluted Earnings per share (in Rupees)</b> (Face value of ₹ 10 per share)	<b>17.19</b>	<b>15.22</b>

(Ref. Note No.14.6 in part B to Schedule - M)

Significant Accounting Policies and Notes on Accounts

M

The Schedules referred to above form an integral part of Accounts.

sd/-  
(Dr. H Sarkar )  
CGM (F) / Company Secretary

sd/-  
( D K Ghosh )  
Chief General Manager (F)

sd/-  
( A K Sinha )  
Director (Finance)

sd/-  
(N.C. Jha)  
Chairman

Date : 25 May, 2011  
Place : Kolkata

As per our report annexed  
For Deoki Bijay & Co.  
Chartered Accountants  
F.R.No. 313105E

sd/-  
(CA. D. N. Agrawal)  
Partner  
Membership No. 051157

# The Cash Flow Statement (indirect Method)

For the Year ended 31st March, 2011

		(₹ in 00,000)
	<b>For the Year ended 31.03.11</b>	<b>For the Year ended 31.03.10</b>
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	1,646,323.05	1,396,492.81
Adjustment for :		
Depreciation / Impairment of Fixed Assets	167,289.10	67,499.20
Interest	(290,406.00)	(270,703.79)
Profit/Loss on sale of fixed assets	(77.71)	(2,153.11)
Provisions Made During the year	57,791.26	20,936.93
Provisions/Liability Write Back During the year	2,971.95	(44,179.46)
OBR Adjustment made	261,846.59	305,391.77
Profit/Loss on exchange rate variance	(1,553.86)	(726.17)
<b>Operating Profit before Working Capital changes</b>	<b>(A) 1,844,184.38</b>	<b>1,472,558.18</b>
Adjustment for :		
Sundry Debtors	(85,691.45)	(34,250.29)
Inventories	(118,386.89)	(71,888.61)
Loans & Advances	(58,515.11)	256,831.18
Pre-Operative / Preliminary Expenses	(174.02)	-
Current Liabilities & Provisions	(119,398.19)	(163,794.57)
<b>Cash Generated from Operations</b>	<b>(B) (382,165.66)</b>	<b>(13,102.29)</b>
Income Tax Paid/Refund/Adjustment for earlier years	(562,279.58)	(399,898.55)
<b>Net Cash Flow from Operating Activities</b>		
[(A) + (B) - Tax Paid]	<b>(C) 899,739.14</b>	<b>1,059,557.34</b>
<b>II CASH FLOW FROM INVESTING ACTIVITIES</b>		
Increase of Fixed Assets	(248,697.13)	(198,036.57)
Redemption of Power Bond	21,845.00	22,303.90
Interest pertaining to Investing Activities	296,597.51	270,703.79
<b>Net Cash used in Investing Activities</b>	<b>(D) 69,745.38</b>	<b>94,971.12</b>
<b>III CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment/Increase of Secured Loan	(31,060.29)	28,644.58
Repayment/Increase of Un-Secured Loan	(9,897.57)	(34,807.42)
Interest pertaining to Financing Activities	(6,191.51)	(14,448.96)
Receipt of Shifting & Rehabilitation Fund from Subsidiaries	14,394.37	25,358.38
Dividend Paid	(258,322.05)	(221,000.00)
<b>Net Cash used in Financing Activities</b>	<b>(E) (291,077.05)</b>	<b>(216,253.42)</b>
Net (Increase) / Decrease in Cash & Bank Balances (C+D+E)	678,407.47	938,275.04
Cash & Bank Balance (Opening Balance)	3,907,820.56	2,969,500.91
Cash & Bank Balance (Closing Balance)	4,586,228.03	3,907,775.95

\* Cash & Bank Balance includes Fixed deposits earmarked for Shifting and Rehabilitation Fund which stood at ₹ 162137.03 as on 31.03.2011 and ₹ 147,742.66 as on 31.03.2010.

sd/-  
( H. Sarkar )  
CGM(F)/ Company Secretary

sd/-  
( D K Ghosh )  
Chief General Manager (F)

sd/-  
(A. K. Sinha)  
Director (Finance)

sd/-  
(N.C. Jha)  
Chairman

As per our report annexed  
For Deoki Bijay & Co.  
Chartered Accountants  
F.R. No. 313105E

Date: 25 May, 2011  
Place : Kolkata

sd/-  
( CA. D. N. Agrawal )  
Partner  
Membership No. 051157



## Schedules to Balance Sheet (Consolidated)

### SCHEDULE - A

	As at 31-03-11	(₹ in '00,000) As at 31-03-10
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
(i) 9041800 Non-cumulative 10% Redeemable Preference Shares of ₹ 1000/- each (Previous Year 9041800 Non-cumulative 10% Redeemable Preference Shares of ₹ 1000/- each)	90,418.00	90,418.00
(ii) 8000000000 Equity Shares of ₹ 10/- each (Previous Year 8000000000 Equity Shares of ₹ 10/- each.)	800,000.00 <b>890,418.00</b>	800,000.00 <b>890,418.00</b>
<b>Issued, Subscribed and Paid-up</b>		
(i) 6059430500 Equity Shares of ₹ 10/- each fully paid in cash (Previous Year 6059430500 Equity Shares of ₹ 10/- each.)	605,943.05	605,943.05
(ii) 256933900 Equity Shares of ₹ 10/- each allotted as fully paid up for consideration received other than cash (Previous Year 256933900 Equity Shares of ₹ 10/- each.)	25,693.39 <b>631,636.44</b>	25,693.39 <b>631,636.44</b>

**Note:** 1) During the year 2009-10 the equity shares have been split from ₹ 1000/- per share to ₹ 10/- per share  
2) Please refer Note No.16.10 in Sch. M Part B.

### SCHEDULE - B

	As at 31-03-11	(₹ in '00,000) As at 31-03-10
<b>RESERVES &amp; SURPLUS</b>		
<b>RESERVES :</b>		
Capital Reserve	888.03	1,044.08
Capital Redemption Reserve	180,836.00	180,836.00
Reserve for Foreign Exchange Transactions	13,369.18	12,595.13
CSR Reserve	29,717.63	15,190.62
General Reserve	944,518.08	794,803.85
	<b>1,169,328.92</b>	<b>1,004,469.68</b>
<b>SURPLUS :</b>		
Profit & Loss Account	1,530,755.35	943,415.64
<b>Total :</b>	<b>2,700,084.27</b>	<b>1,947,885.32</b>



## Schedules to Balance Sheet (Consolidated) Contd.

### SCHEDULE - C

	As at 31-03-11	(₹ in 00,000) As at 31-03-10
<b>SHIFTING &amp; REHABILITATION FUND</b>		
Opening Balance	147,742.66	122,384.28
Add: Interest from Investment of the fund	9,951.89	8,038.06
Add: Contribution Received	21,848.40	21,632.82
Less : Amount released	17,405.92	4,312.50
<b>Closing Balance</b>	<b>162,137.03</b>	<b>147,742.66</b>

### SCHEDULE - D

	As at 31-03-11	(₹ in 00,000) As at 31-03-10
<b>SECURED LOAN</b>		
<b>LOAN FROM SCHEDULED BANKS</b>		
Deferred Credits	-	373.71
Overdraft against Pledge of Term Deposit	3,259.58	33,946.16
<b>Total</b>	<b>3,259.58</b>	<b>34,319.87</b>

### SCHEDULE - E

	As at 31-03-11	(₹ in 00,000) As at 31-03-10
<b>UNSECURED LOAN</b>		
<b>A Deferred Credits</b>		
Export Development Corp., Canada	14,156.11	14,655.36
Liebherr France S.A., France	897.86	909.20
<b>B Loan From IBRD &amp; JBIC</b>		
(IBRD - USD 1414.87 lakhs)	63,867.09	71,693.41
(JBIC - JPY 133434.72 lakhs)	73,175.60	74,736.26
<b>Total (A+B)</b>	<b>152,096.66</b>	<b>161,994.23</b>



# Schedules to Balance Sheet (Consolidated) Contd.

## SCHEDULE - F FIXED ASSETS

PARTICULARS	COST			PROVISION			IMPAIRMENT LOSS			NET BLOCK		
	As on 01.04.10	Addition during the year	Adj./Sales/ Transfer	Total As on 31.03.11	As on 01.04.10	Addition during the year	Adj./Sales/ Transfer	Total As on 31.03.11	Total As on 31.03.11	Provision & Impairment Loss	As on 31.03.11	As on 31.03.10
<b>Land</b>												
(a) Freehold	32,992.65	3,951.49	(12,459.75)	24,484.39	10,898.41	113.77	(9,856.79)	1,155.39	-	-	23,329.00	22,094.24
(b) Leasehold	209,587.75	31,204.88	13,928.58	254,721.21	82,821.31	10,893.09	10,011.23	103,725.63	-	14.89	150,980.69	126,766.44
Building/Water Supply/ Road & Culverts	394,954.40	7,070.34	467.91	402,492.65	139,915.01	9,176.70	1,459.03	150,550.74	247.24	0	247.24	251,694.67
												254,792.15
Plant & Machinery / Stores/ CHP Furniture & fittings/ Office Equipments/ Electrical	2,243,127.81	188,600.64	(73,065.80)	2,358,662.65	1,575,093.77	127,837.73	(72,741.38)	1,630,190.12	9,115.42	227.42	8,240.18	658,918.62
Installations/ Fire Arms/ Tools & Equipment	76,827.16	2,056.59	(577.97)	78,305.78	52,917.22	2,996.59	765.27	56,679.08	6.20	0.77	6.97	23,903.98
Railway Sidings	42,124.20	2,714.08	(3.77)	44,834.51	26,130.76	1,594.31	(637.24)	27,087.83	9.69	-	17,736.99	15,983.75
Vehicle	25,719.86	1,618.77	(604.08)	26,734.55	21,689.70	650.78	(742.57)	21,597.91	1.11	0.01	0.85	4,029.05
Aircraft	1,994.84	-	-	1,994.84	1,753.30	11.61	-	1,764.91	171.81	-	171.81	69.73
Telecommunication	6,420.93	335.09	(108.62)	6,647.40	5,382.50	203.76	(128.08)	5,458.18	0.06	-	0.06	1,038.37
Development	410,789.31	16,271.58	(5,637.96)	421,422.93	293,548.05	15,014.97	(3,605.50)	304,957.52	29,071.52	3,054.72	32,264.35	88,169.74
Prospecting & Boring	47,506.40	1,681.00	(205.54)	48,981.86	36,030.95	1,405.56	(297.89)	37,138.62	3,661.10	69.94	3,693.12	7,814.35
Assets taken on Nationalisation	2,486.24	487.85	(145.22)	2,828.87	2,485.24	487.85	(145.22)	2,827.87	-	-	-	1.00
<b>Sub-Total</b>	<b>3,494,531.55</b>	<b>255,992.31</b>	<b>(78,412.22)</b>	<b>3,672,111.64</b>	<b>2,248,666.22</b>	<b>170,386.72</b>	<b>(75,919.14)</b>	<b>2,343,133.80</b>	<b>42,284.15</b>	<b>3,367.75</b>	<b>44,649.16</b>	<b>1,203,581.42</b>
Less: Other Provisions											(37.33)	(37.33)
<b>TOTAL</b>	<b>3,494,531.55</b>	<b>255,992.31</b>	<b>(78,412.22)</b>	<b>3,672,111.64</b>	<b>2,248,666.22</b>	<b>170,386.72</b>	<b>(75,919.14)</b>	<b>2,343,133.80</b>	<b>42,284.15</b>	<b>3,367.75</b>	<b>44,649.16</b>	<b>1,203,544.09</b>
<b>Previous year</b>												
Fixed Assets	3,325,612.75	240,029.16	(71,110.11)	3,494,531.80	2,179,150.97	138,233.67	(68,718.41)	2,248,666.23	44,296.02	(1,853.80)	42,284.15	1,102,165.76
											(37.33)	(41.51)
Less: Other Provisions												
<b>TOTAL</b>	<b>3,325,612.75</b>	<b>240,029.16</b>	<b>(71,110.11)</b>	<b>3,494,531.80</b>	<b>2,179,150.97</b>	<b>138,233.67</b>	<b>(68,718.41)</b>	<b>2,248,666.23</b>	<b>44,296.02</b>	<b>(1,853.80)</b>	<b>42,284.15</b>	<b>1,102,124.25</b>

Net Fixed Assets include ₹ 0.46 lacs (previous year ₹ 0.24 lacs) share of jointly controlled entities.

# Schedules to Balance Sheet (Consolidated) Contd.

## SCHEDULE - F Contd. Capital Work in Progress

PARTICULARS	COST			PROVISION			IMPAIRMENT LOSS			NET BLOCK			
	As on 01.04.10	Addition during the year	Adj./Sales/ Transfer	Total As on 31.03.11	As on 01.04.10	Addition during the year	Adj./Sales/ Transfer	Total As on 31.03.11	As on 01.04.10	Addition during the year	Total Provision & Impairment Loss	As on 31.03.11	As on 31.03.10
(₹ in 00,000)													
Building/Water Supply/ Road & Culverts	13,651.64	8,047.47	(6,582.11)	15,117.00	1,886.05	54.60	(24.45)	1,916.20	4.42	-	4.42	13,196.38	11,761.16
Plant & Machinery / Stores / CHP	79,724.18	72,091.85	(91,143.43)	60,672.60	8,636.69	185.97	(73.36)	8,749.30	756.63	78.05	9,583.98	51,088.62	75,240.33
Railway Sidings	34,646.28	3,909.18	(2,613.41)	35,942.05	3,210.93	331.99	-	3,542.92	-	-	3,542.92	32,399.13	31,435.35
Mine Development & Prospecting & Boring	91,169.42	30,615.70	(14,531.93)	107,253.19	3,396.99	2,407.27	77.84	5,882.10	192.52	396.27	6,981.68	100,271.51	84,222.19
Others	8,005.92	15,741.08	(11,988.76)	11,758.24	-	-	-	-	25.32	(3.21)	22.11	11,736.13	6,428.87
<b>TOTAL</b>	<b>227,197.44</b>	<b>130,405.28</b>	<b>(126,859.64)</b>	<b>230,743.08</b>	<b>17,130.66</b>	<b>2,979.83</b>	<b>(19.97)</b>	<b>20,090.52</b>	<b>978.89</b>	<b>471.11</b>	<b>22,051.31</b>	<b>208,691.77</b>	<b>209,087.90</b>
<b>Previous year Capital WIP</b>	200,175.65	148,419.91	(120,948.72)	227,646.84	17,110.90	1,061.33	(592.18)	17,580.05	834.88	2.36	18,558.94	209,087.90	182,229.87
<b>Current Year Surveyed off Assets</b>	<b>32,737.98</b>	<b>3,340.01</b>	<b>5,242.45</b>	<b>41,320.44</b>	<b>20,759.02</b>	<b>1,192.87</b>	<b>6,254.98</b>	<b>28,206.87</b>	-	-	-	<b>13,113.57</b>	<b>11,978.96</b>
<b>Previous year Surveyed off Assets</b>	29,772.01	2,778.73	187.24	32,737.98	20,052.79	265.36	440.87	20,759.02	-	-	20,759.02	11,978.96	9,719.22



## Schedules to Balance Sheet (Consolidated) Contd.

### SCHEDULE - G

	As at 31-03-11	As at 31-03-10
(₹ in 00,000)		
<b>A INVESTMENTS (Unquoted)</b>		
<b>8.5% Tax Free Special Bonds :</b>		
(on securitisation of Sundry Debtors)		
Major State-wise Break-up		
UP	16,701.00	20,614.00
Haryana	666.50	799.80
Maharashtra	28,359.50	34,031.40
Madhya Pradesh	37,385.50	44,862.60
Gujarat	17,574.00	21,088.80
West Bengal	5,658.00	6,789.60
Others	16.50	19.83
<b>B Others (in Co-operative Shares)</b>	8.05	8.02
<b>C Total (A+B) :</b>	<b>106,369.05</b>	<b>128,214.05</b>

### SCHEDULE - H

	As at 31-03-11	As at 31-03-10
(₹ in 00,000)		
<b>INVENTORIES</b>		
<b>(As valued and certified by the management)</b>		
<b>Stock of Stores &amp; Spare Parts (at cost)</b>		
Less : Provision	118,778.99	123,702.38
	23,810.33	23,385.03
<b>A Sub-Total (Net)</b>	<b>94,968.66</b>	<b>100,317.35</b>
Stores -in -transit	8,913.70	8,397.72
Stores Adjustment	14.91	39.20
<b>B Sub-Total</b>	<b>8,928.61</b>	<b>8,436.92</b>
<b>A+B Net Stock of Stores &amp; Spare Parts (at cost)</b>	<b>103,897.27</b>	<b>108,754.27</b>
<b>C Stock of Coal</b>	<b>443,982.08</b>	<b>318,648.53</b>
<b>D Stock of Medicine at Central Hospital</b>	104.31	109.12
<b>E Workshop Jobs :</b>		
<b>Work-in-progress and Finished Goods</b>	7,752.09	9,438.50
<b>F Press :</b>		
<b>Work-in-Progress and Finished Goods</b>	81.24	132.44
<b>G Prospecting &amp; Boring / Development Exp./ Coal blocks meant for sale</b>	2,746.99	3,094.23
<b>Total ( A to G )</b>	<b>558,563.98</b>	<b>440,177.09</b>

## Schedules to Balance Sheet (Consolidated) Contd.

### SCHEDULE - I

	As at 31-03-11	As at 31-03-10
(₹ in 00,000)		
<b>SUNDRY DEBTORS</b>		
Debts outstanding for a period exceeding 6 months	243,377.13	203,878.71
Other Debts	207,929.67	158,911.66
	<b>451,306.80</b>	<b>362,790.37</b>
Less : Provision for doubtful debts	148,750.59	145,925.61
<b>Total</b>	<b>302,556.21</b>	<b>216,864.76</b>
<b>Classification :</b>		
Considered Good	302,556.21	216,864.76
Considered Doubtful	148,750.59	145,925.61

### SCHEDULE - J

	As at 31-03-11	As at 31-03-10
(₹ in 00,000)		
<b>CASH &amp; BANK BALANCES</b>		
Cash, Cheques, Drafts, Stamps etc. in hand	4,943.70	5,813.04
Remittance - in transit	310.87	7,419.64
In Current Account with Scheduled Banks	177,313.00	276,095.70
In Cash Credit Account with Scheduled Banks	25,883.98	20,097.56
In SBI Dividend Account ( Unpaid/Unclaimd Dividend )	159.79	-
In Deposit Account with Scheduled Banks	4,377,616.31	3,598,394.25
In Account with Banks outside India	0.38	0.37
<b>Total</b>	<b>4,586,228.03</b>	<b>3,907,820.56</b>
Includes ₹ <b>189.11 lacs</b> ( previous year ₹ 44.61 lacs ) share of jointly controlled entities.		
Maximum balance with Foreign Bank at any time during the year	0.38	0.49



## Schedules to Balance Sheet (Consolidated) Contd.

### SCHEDULE - K

	As at 31-03-11	As at 31-03-10
(₹ in 00,000)		
<b>LOANS &amp; ADVANCES</b>		
<b>Loans &amp; Advances (Unsecured)</b>		
<b>(Advance Recoverable in Cash or in kind or for value to be received)</b>		
<b>ADVANCE TO SUPPLIERS</b>		
For Capital	7,606.87	15,936.81
For Others	11,318.63	10,045.72
	<b>18,925.50</b>	<b>25,982.53</b>
<b>ADVANCE TO CONTRACTORS</b>		
For Capital	507.73	1,053.01
For Others	6,052.04	14,025.27
	<b>6,559.77</b>	<b>15,078.28</b>
<b>Advance For Revival of MAMC</b>	3,130.72	32.50
<b>Mobilisation Advance to Contractor</b>	0.30	1,263.40
<b>Advance to BEML</b>	14,214.29	15,698.70
<b>ADVANCE TO EMPLOYEES</b>		
For House Building	4,774.47	5,325.43
For Motor Car and Other Conveyance	66.28	96.97
For Others	6,722.67	8,660.84
	<b>11,563.42</b>	<b>14,083.24</b>
<b>DEPOSITS</b>		
For Customs Duty, Port Charges etc.	87.71	94.87
For P&T, Electricity/Municipality etc.	34,442.37	38867.80
	<b>34,530.08</b>	<b>38,962.67</b>
<b>ADVANCE PAYMENT OF OTHER STATUTORY DUES</b>		
Sales Tax	27,421.51	19,731.85
Advance Income Tax / Tax Deducted at Source	607,913.04	541,794.16
Royalty etc.	6,400.00	6,343.87
	<b>641,734.55</b>	<b>567,869.88</b>
Short Term Loan to Body Corporate	150.00	150.00
Other Receivables	43,451.13	45,426.06
Amount Receivable from Govt of India for transactions on behalf of Ex-Coal Board	185.09	138.13
Exploratory Drilling Work at ECL etc.	7,808.57	5,587.51
Other Advances	23,544.63	20,129.76
Claims Receivable	92,222.17	84,961.90
Interest Accrued	116,712.69	53,555.41
Prepaid Expenses	2,857.68	1,810.09
	<b>286,931.96</b>	<b>211,758.86</b>
<b>TOTAL</b>	<b>1,017,590.59</b>	<b>890,730.06</b>
Less : Provision for Doubtful Advances	25,336.36	23,109.82
<b>TOTAL</b>	<b>992,254.23</b>	<b>867,620.24</b>
Includes ₹ 4.03 lacs ( previous year nil ) share of jointly controlled entities.		
<b>CLASSIFICATION</b>		
Considered Good	992,254.23	867,620.24
Considered Doubtful	25,336.36	23,109.82

# Schedules to Balance Sheet (Consolidated) Contd.

## SCHEDULE - L

	As at 31-03-11	As at 31-03-10
(A) CURRENT LIABILITIES		
<b>SUNDRY CREDITORS :</b>		
Liability Against Coal Block	-	1,465.80
For Capital Goods	33,940.34	28,813.12
For Revenue Goods	49,581.79	46,970.33
	<b>83,522.13</b>	<b>77,249.25</b>
<b>EMPLOYEES REMUNERATIONS :</b>		
Salaries & Wages	323,928.60	595,635.91
Attendance Bonus	14,551.08	14,891.41
PPLB/PPLR (Employee Bonus)	105,236.01	65,059.43
Unpaid Wages	6,363.27	6,553.70
VRS	62.96	162.00
Gratuity	555,630.23	576,820.94
Leave Encashment etc.	102,381.90	142,490.40
Life Cover scheme	1,443.88	1,613.23
Provident Fund	28,285.41	29,238.83
Employees Pension Contribution	24,202.37	22,494.55
Others	42,126.54	40,403.45
	<b>1,204,212.25</b>	<b>1,495,363.85</b>
<b>FOR EXPENSES :</b>		
Power & Fuel	35,559.50	34,147.70
Contractual Expenses	82,743.12	79,797.93
Repairs	14,541.21	12,081.43
Security Expenses	1,807.42	1,893.63
Audit Fee & Expenses	103.80	58.02
Others	95,943.11	99,729.57
	<b>230,698.16</b>	<b>227,708.28</b>
<b>STATUTORY DUES :</b>		
SalesTax	16,850.19	13,082.06
Central Excise Duty	39,171.37	-
Royalty on Coal	33,614.00	25,036.72
Cess on Coal	45,832.81	22,053.19
Water Rates	1,262.56	1,285.74
Stowing Excise Duty	10,081.12	10,158.41
Professional Tax	17.63	11.76
Deposit Link Insurance	101.24	77.56
Other Statutory Levies	67,130.98	56,918.38
	<b>214,061.90</b>	<b>128,623.82</b>
Due to GOI on Account of Ex-Owners	160.93	160.93
Interest Accrued but not due on Loan	340.23	367.18
	<b>501.16</b>	<b>528.11</b>





## Schedules to Balance Sheet (Consolidated) Contd.

### SCHEDULE - L (... Contd.)

	As at 31-03-11	(₹ in 00,000) As at 31-03-10
<b>TAX DEDUCTED AT SOURCE ( INCOME TAX ) :</b>		
Employees	10,423.34	5,131.47
Contractors	1,234.83	1,610.66
Others	4,630.67	7,643.14
	<b>16,288.84</b>	<b>14,385.27</b>
Advance & Deposit from customers / others	511,971.91	435,493.35
Cess Equilisation Account	90,591.47	94,939.37
Others Liabilities	78,464.43	60,694.94
Grants Unutilised	11,948.19	11,015.76
OBR Adjustment Account	1,463,251.73	1,201,405.16
Unpaid/ Unclaimed Dividend**	159.79	-
Current Account with IICM	13,972.87	13,291.89
	<b>2,170,360.39</b>	<b>1,816,840.47</b>
<b>TOTAL (A)</b>	<b>3,919,644.83</b>	<b>3,760,699.05</b>
<b>(B) PROVISIONS</b>		
Income Tax	397,082.98	342,067.86
Proposed Dividend	25,265.46	-
Dividend Tax	52,216.87	-
Foreign Exchange Transactions (Marked to Market)	8,770.00	3,898.00
Mine Closure	84,239.34	48,881.08
Loss of Assets	33.96	25.54
	<b>567,608.61</b>	<b>394,872.48</b>
<b>TOTAL (B)</b>	<b>567,608.61</b>	<b>394,872.48</b>
<b>TOTAL (A+B)</b>	<b>4,487,253.44</b>	<b>4,155,571.53</b>

Includes ₹ 34.39 lacs ( previous year ₹ 35.65 lacs ) share of jointly controlled entities.

\*\* No amount is due for payment to Investor Education & Protection Fund

# Schedules to Profit & Loss Account (Consolidated)

## SCHEDULE - 1

	For the Year ended 31.03.11	(₹ in 00,000) For the Year ended 31.03.10
<b>SALES</b>		
<b>GROSS SALES</b>	<b>6,024,521.48</b>	<b>5,218,778.62</b>
Less : Statutory Levies		
Royalty	481,417.17	453,807.20
Cess on Coal	270,279.32	97,097.82
Stowing Excise Duty	42,060.16	40,970.87
Central Excise Duty	26,411.11	-
Sales Tax ( VAT )		
Central	62,709.27	53,565.54
State	118,285.22	111,812.14
<b>TOTAL LEVIES</b>	<b>1,001,162.25</b>	<b>757,253.57</b>
<b>TOTAL</b>	<b>5,023,359.23</b>	<b>4,461,525.05</b>

## SCHEDULE - 2 (a)

	For the Year ended 31.03.11	(₹ in 00,000) For the Year ended 31.03.10
<b>COAL ISSUED FOR OTHER PURPOSES</b>		
Washeries	219,384.00	189,384.43
Internal/Workshop Consumption	6,331.08	5,858.35
Boiler Consumption	8,414.30	6,257.74
Free Issue of Coal to Employees	4,128.04	5,403.92
<b>TOTAL VALUES</b>	<b>238,257.42</b>	<b>206,904.44</b>



## Schedules to Profit & Loss Account (Consolidated) Contd.

### SCHEDULE - 2(b)

#### INTERNAL CONSUMPTION OF COAL

Internal/Workshop/washeries Consumption

#### TOTAL VALUES

	For the Year ended 31.03.11	(₹ in 00,000) For the Year ended 31.03.10
	234,129.38	201,500.52
	<b>234,129.38</b>	<b>201,500.52</b>

### SCHEDULE - 3

#### ACCRETION/(DECRETION) OF STOCK

##### (A) Closing Stock of Coal / Coke

Stock of Coal/Coke	485,953.28	360809.34
Less : Grade Slippage	495.33	123.23
Handling charges etc.	1,268.92	1,416.53
Deterioration of Coal	40,206.95	40,621.05

#### TOTAL (A)

**443,982.08**

**318,648.53**

##### (B) Opening Stock of Coal/Coke Stock Of Coal/Coke

	360,809.34	289,299.44
Less : Grade Slippage	123.23	112.24
Handling charges etc.	1,416.53	1,031.66
Deterioration of Coal	40,621.05	36,222.83

#### TOTAL (B)

**318,648.53**

**251,932.71**

#### TOTAL (A - B)

**125,333.55**

**66,715.82**

# Schedules to Profit & Loss Account (Consolidated) Contd.

## SCHEDULE - 4

### OTHER INCOME

#### Interest

Interest Recvd. from Bank, Employees & Others
Stowing Subsidy
Rent from Outsiders
Recovery of Transportation & Loading Cost
Profit on Sale of Assets
Sale of Scrap
Tender Fees
LD/Penalty Received
Rebates and Discounts
Gain on Foreign exchange Transactions
Recovery of Lease Rent
Provision / Liability Write Backs
Other / Misc. Income
Profit on Sale of Coal Block/GR on Non-CIL Block

#### For the Year ended 31.03.11

296,597.51
7,735.07
906.11
121,818.79
245.96
3,793.31
465.40
7,145.09
123.27
774.05
1,068.50
2,971.95
34,253.11
1,874.50

**479,772.62**

143.06

**479,629.56**

(₹ in 00,000)

#### For the Year ended 31.03.10

262665.73
8,284.76
664.96
122,958.93
2,153.11
1,908.45
504.92
5,554.49
107.74
726.17
1,179.06
44,179.46
29205.79
10,021.27

**490,114.84**

50.39

**490,064.45**

Transfer to Development

### TOTAL



## Schedules to Profit & Loss Account (Consolidated) Contd.

### SCHEDULE - 5

#### CONSUMPTION OF STORES & SPARES

	For the Year ended 31.03.11	(₹ in 00,000) For the Year ended 31.03.10
Explosives	92,491.76	93,150.95
Timber	3,949.27	3,701.15
P O L	192,566.89	172,385.88

#### OTHER CONSUMABLE STORES & SPARES

HEMM	117,764.91	114,849.09
Plant & Machinery	14,530.33	15,094.79
Vehicles	429.52	518.29
Others	106,127.56	102,925.34

#### TOTAL ( A )

**527,860.24**

**502,625.49**

Less:

Transfer to Social Overhead	1,517.76	1,655.12
Transfer to Repairs & Maintenance	283.41	326.87
Transfer to Development	444.74	171.19
Transfer to Power & Fuel	36.57	37.07
Transfer to Other Exp.	2,433.06	2,334.01

#### TOTAL ( B )

**4,715.54**

**4,524.26**

#### TOTAL ( A - B )

**523,144.70**

**498,101.23**

# Schedules to Profit & Loss Account (Consolidated) Contd.

## SCHEDULE - 6

### EMPLOYEES' REMUNERATION & BENEFITS

	For the Year ended 31.03.11	(₹ in 00,000) For the Year ended 31.03.10
Salary, Wages & Allowances	1,171,522.11	1085932.73
Normal Overtime	49,082.31	43,777.84
Sunday/Holiday Production Overtime	66,222.62	62,367.61
Sunday/Holiday Maintenance Overtime	29,733.80	26,074.12
Incentive	8,398.75	5,965.48
Leave Encashment	68,664.89	28,997.47
Attendance Bonus	59,016.26	59,999.87
Fall Back Wages	1,219.68	1,141.33
Contribution to P.F. & Other Funds	163,449.96	148,969.27
Ex-Gratia, PPLB, PPLR	85,635.84	70,258.41
LTC/LLTC/RRF	12,247.67	14,025.76
Pension	7,561.82	11,630.80
Gratuity	148,407.13	148,133.78
Workman Compensation	2,961.57	4,173.37
Life Cover Scheme	1,650.73	1,664.88
V R S	3,567.85	3,666.10
Others	8,769.89	7,841.78
<b>TOTAL ( A )</b>	<b>1,888,112.88</b>	<b>1,724,620.60</b>
Less : Transferred to		
Social Overhead	61,806.28	55051.84
Development	1,938.80	1,529.48
Power & Fuel	99.74	99.71
Repairs & Maintenance	3,163.95	2,387.33
<b>TOTAL ( B )</b>	<b>67,008.77</b>	<b>59,068.36</b>
<b>TOTAL ( A - B )</b>	<b>1,821,104.11</b>	<b>1,665,552.24</b>

## SCHEDULE - 7

### POWER & FUEL

	For the Year ended 31.03.11	(₹ in 00,000) For the Year ended 31.03.10
Purchase of Electricity	229,963.70	224189.49
Power Generation	574.89	628.92
<b>Sub-Total</b>	<b>230,538.59</b>	<b>224,818.41</b>
Less: Transfer to		
Social Overhead	55,042.41	50,846.91
Development	34.38	12.01
<b>TOTAL</b>	<b>175,461.80</b>	<b>173,959.49</b>



## Schedules to Profit & Loss Account (Consolidated) Contd.

### SCHEDULE - 8

	For the Year ended 31.03.11	(₹ in 00,000) For the Year ended 31.03.10
<b>SOCIAL OVERHEAD</b>		
Salaries, Wages & Allowances	61,806.27	55,051.84
Free Issue of Coal / LPG to Employees	4,919.82	5,957.75
<b>MEDICAL FACILITIES :</b>		
(a) Medical Reimbursement	22,266.99	17,570.11
(b) Medicines & Diet Expenses	4,360.29	4,540.28
(c) Others	944.84	511.89
<b>GRANTS TO:</b>		
(a) Schools & Institutions	8,378.87	7,705.21
(b) Sports & Recreation	647.55	579.19
Canteen & Creche	265.59	231.61
House Rent	3,734.00	3,896.38
Power	55,042.41	50,846.91
<b>REPAIRS &amp; MAINTENANCE :</b>		
(a) Townships / Buildings	20,884.87	19,940.24
(b) Plant & Machineries	204.77	313.24
(c) Vehicles	3,794.18	3,552.37
(d) Others	144.90	166.21
Consumption of Stores & Spares	1,001.23	932.09
Depreciation	6,053.93	6,149.91
Resettlement Expenses	68.54	86.34
Environmental Expenses	5,581.91	3,538.65
Uniform	376.34	337.25
Training Expenses	2,978.21	2,822.35
Hire Charges of Bus, Ambulance etc.	2,049.92	1,739.40
Water Charges	2,628.98	2,586.51
Other Welfare/CSR Expenses	23,538.26	15,891.11
<b>TOTAL (A)</b>	<b>231,672.67</b>	<b>204,946.84</b>
Less: Recoveries / Transfers		
House Rent & Electricity	2,322.27	1,292.93
Hospital Charges	651.04	550.50
Hire Charges & Others	1,600.05	1,283.19
Transfer to Development	87.23	71.52
<b>TOTAL (B)</b>	<b>4,660.59</b>	<b>3,198.14</b>
<b>TOTAL (A-B)</b>	<b>227,012.08</b>	<b>201,748.70</b>



# Schedules to Profit & Loss Account (Consolidated) Contd.

## SCHEDULE - 9

	For the Year ended 31.03.11	(₹ in 00,000) For the Year ended 31.03.10
<b>REPAIRS</b>		
<b>BUILDINGS :</b>	10,734.60	9,479.86
<b>PLANT &amp; MACHINERY :</b>		
(a) Outside Agency	39,833.64	36,092.83
(b) Salary & Wages	3,163.95	2,387.33
(c) Consumption of Stores	283.41	326.87
(d) Others	3,361.85	3,240.17
<b>REHABILITATION OF HEMM ETC.</b>	4,320.17	4,009.27
<b>OTHERS :</b>		
(a) Office Equipment	692.89	691.97
(b) Vehicle	2,420.95	2,421.87
(c) Others	9,597.10	9,070.09
<b>TOTAL (A)</b>	<b>74,408.56</b>	<b>67,720.26</b>
Less: Transfer to		
Social Overhead	11,351.50	9,943.02
Miscellaneous	445.54	493.14
Stock of Stores	2,798.04	2,695.82
Development	32.44	-
P & M	-	108.60
Power & Fuel	4.19	7.54
<b>TOTAL (B)</b>	<b>14,631.71</b>	<b>13,248.12</b>
<b>TOTAL (A-B)</b>	<b>59,776.85</b>	<b>54,472.14</b>

## SCHEDULE - 10

	For the Year ended 31.03.11	(₹ in 00,000) For the Year ended 31.03.10
<b>CONTRACTUAL EXPENSES</b>		
<b>TRANSPORTATION CHARGES :</b>		
(a) Sand	4,755.75	5,479.44
(b) Coal & Coke	171,262.70	157,445.75
(c) Stores & Others etc.	1,285.64	1,304.94
Wagon Loading	1,983.72	1,708.74
Other Contractual Work	72,237.14	53,179.44
P&M / HEMM etc. (Hiring)	206,764.03	165,396.02
<b>TOTAL</b>	<b>458,288.98</b>	<b>384,514.33</b>
Transfer to Development	286.26	123.08
<b>TOTAL</b>	<b>458,002.72</b>	<b>384,391.25</b>



## Schedules to Profit & Loss Account (Consolidated) Contd.

### SCHEDULE - 11

#### OTHER EXPENDITURE

##### TRAVELLING EXPENSES :

(a) In Country	11,740.20	10695.40
(b) Outside Country	401.95	245.82
Printing & Stationery	2,619.14	2504.67
Training Expenses	268.12	230.90
Postage	187.44	244.93
Telephone	1,378.51	1136.76

##### ADVERTISEMENT & PUBLICITY :

(a) Advertisement - others	3,259.27	2292.35
(b) Publicity	3,186.00	834.13
Freight Charges	5,136.14	5353.58
Demurrage	4,139.85	4204.61
Subscription	136.33	84.74
Security Expenses	23,762.22	18998.57

##### HIRE CHARGES

(a) Computers	1,925.82	1654.58
(b) Others	9,604.36	7677.83
Maintenance of Vehicles	4,917.71	4720.72
Legal Expenses	1,160.84	811.70
Bank Charges	231.02	385.45
Guest House Expenses	500.08	213.31
Consultancy Charges	3,707.33	3884.66
OfficeContingency Expenses	503.92	796.69
Under Loading Charges	15,525.61	26630.43
Loss on Sale/Discard/Surveyed of Assets	168.25	-
CISF Expenses	13,155.88	11983.66
Auditors' Remuneration	118.59	84.70
Travelling & Out of Pocket Expenses	70.32	49.47
Tax Audit Fees & Exp	28.23	20.73
Internal Audit Fees etc.	360.54	317.16
Rehabilitation Charges	21,886.67	21632.82
Royalty & Cess	18,790.28	15140.67
Rent, Rates & Taxes	6,976.42	7553.47
Insurance	157.18	58.75
Isolation/Ventilation	195.00	149.89
Dead Rent	20.62	99.20
Surface Rent	73.05	183.47
Loss on Exchange Rate Variance	1,553.86	-
Lease Rent - HEMM/P&M/Land/Building	149.38	174.78
Land/Crops Compensation	60.77	402.87
Siding Maintenance Charges	2,977.42	3491.39
Rescue & Safety Exp	2,044.30	2100.56
Excise Duty	36,396.33	-
Others	21,734.93	18674.62

##### TOTAL (A)

Less: Transfer to Development	435.33	230.85
Guest House	1.02	-

##### TOTAL (B)

TOTAL (A - B)	<b>221,209.88</b>	<b>175,720.04</b>
	<b>436.35</b>	<b>230.85</b>
	<b>220,773.53</b>	<b>175,489.19</b>

## Schedules to Profit & Loss Account (Consolidated) Contd.

### SCHEDULE - 12

		(₹ in 00,000)
<b>INTEREST</b>	<b>For the Year ended 31.03.11</b>	<b>For the Year ended 31.03.10</b>
Deferred Payments	13.39	76.56
Bank Overdraft / Cash Credit	164.04	1,322.03
Interest on IBRD & JBIC Loan	2,112.10	2,641.11
Others	3,901.98	2,873.02
<b>TOTAL</b>	<b>6,191.51</b>	<b>6,912.72</b>

### SCHEDULE - 13

		(₹ in 00,000)
<b>FINANCE CHARGES / COMMITMENT CHARGES</b>	<b>For the Year ended 31.03.11</b>	<b>For the Year ended 31.03.10</b>
Guarantee Fees on (IBRD & JBIC) Loan	1,644.51	1,757.16
Other Expenses / Bank Charges	70.40	192.38
<b>TOTAL</b>	<b>1,714.91</b>	<b>1,949.54</b>



## Schedules to Profit & Loss Account (Consolidated) Contd.

### SCHEDULE - 14 (a)

		(₹ in 00,000)
PROVISIONS	For the Year ended 31.03.11	For the Year ended 31.03.10
<b>(A) PROVISION MADE FOR</b>		
Doubtful debts	12,280.51	13,353.77
Doubtful advances	4,307.72	4,365.17
Foreign exchange Transaction	4,872.00	1,985.00
Stores & Spares	878.42	1,109.86
Mine Closure	35,358.26	3,018.63
Surveyed off Fixed Assets/Capital WIP	3,944.19	1,513.38
Others	6.84	221.33
<b>TOTAL (A)</b>	<b>61,647.94</b>	<b>25,567.14</b>
<b>(B) PROVISION WRITTEN BACK</b>		
Doubtful debts	9,272.52	3,972.39
Doubtful advances	322.32	1,732.19
Stores & Spares	242.43	-
Surveyed off Fixed Assets	62.65	-
Others	-	827.96
<b>TOTAL (B)</b>	<b>9,899.92</b>	<b>6,532.54</b>
<b>TOTAL (A-B)</b>	<b>51,748.02</b>	<b>19,034.60</b>

### SCHEDULE - 14 (b)

		(₹ in 00,000)
WRITE-OFF	For the Year ended 31.03.11	For the Year ended 31.03.10
Doubtful debts	5,981.19	694.98
Doubtful advances	1.28	1,140.94
Others	60.77	66.41
<b>TOTAL</b>	<b>6,043.24</b>	<b>1,902.33</b>

# Schedules to Profit & Loss Account (Consolidated) Contd.

## SCHEDULE - 15

### PRIOR PERIOD ADJUSTMENTS (Debit) / Credit

	For the Year ended 31.03.11	(₹ in 00,000) For the Year ended 31.03.10
Inventories	-	(1,598.41)
Employees Remuneration & Benefits	(3,094.50)	(54.29)
Power & Fuel	439.22	(9.24)
Repairs	(24.09)	(97.07)
Other Expenditures	(728.07)	(842.62)
Consumption of Stores & Spares	124.30	195.90
Contractual Expenses	683.41	76.62
Social Overhead	29.24	148.90
Sales	(229.47)	2,006.06
Other Income	(2,575.13)	157.78
Interest	(1,649.87)	(5,019.46)
Depreciation	1,006.79	(330.12)
<b>TOTAL</b>	<b><u>(6,018.17)</u></b>	<b><u>(5,365.95)</u></b>



## **SCHEDULE – M**

# **A. SIGNIFICANT ACCOUNTING POLICIES**

### **1.0 ACCOUNTING CONVENTION**

Financial statements are prepared on the basis of historical cost and on accrual basis following going concern concept, accounting standards and generally accepted accounting principles except otherwise stated elsewhere.

### **2.0 BASIS OF ACCOUNTING**

All expenses and incomes are booked initially in the natural heads of accounts and then transferred to functional heads wherever required.

### **3.0 SUBSIDIES / GRANTS FROM GOVERNMENT**

- 3.1 Subsidies / Grants on Capital Account are deducted from the cost of respective assets to which they relate. The unspent amount at the year end, if any, is shown as current liabilities.
- 3.2 Subsidies / Grants on Revenue Account are credited to Profit & Loss Account under the head Other Receipts and the relevant expenses are debited to the respective heads. The unspent amount at the year end, if any, is shown as Current Liabilities.

### **4.0 FIXED ASSETS :**

#### **4.1 Land :**

Value of land includes cost of acquisition, cash rehabilitation expenses and resettlement cost incurred for concerned displaced persons. Other expenditure incurred on acquisition of Land viz., compensation in lieu of employment etc. are, however, treated as revenue expenditure.

#### **4.2 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.

#### **4.3 Railway Sidings :**

Pending commissioning, payments made to the railway authorities for construction of railway sidings are shown under Capital Work-in-Progress.

#### 4.4 **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:

- (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.

#### 4.5 **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 :**

All investments, being long term in nature, are stated at cost.

### 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, cost being ascertained on annual average basis.

6.1.1 Slurry, middling of washeries are valued at net realisable value.

#### 6.2 **Stores & spares**

6.2.1 Stock of stores and spare parts at Central & Area Stores are valued at cost calculated on the basis of weighted average method. The year-end inventory of stores and spare parts lying at collieries / sub-stores / consuming centres, initially charged off, are valued at issue price of Area Stores, Cost/estimated cost. Workshop jobs including work-in-progress are valued at cost.

6.2.2 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.

6.2.3 Stores & Spare Parts include loose tools.

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.

6.3 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.





## **7.0 DEPRECIATION**

7.1 Depreciation on Fixed Assets is provided on straight line method at the rates and manner specified in Schedule XIV of the Companies Act, 1956 (as amended) except for :

(a) The Earth Science Museum	5.15%
(b) High Volume Samplers and Respiratory Dust	33.33%
(c) Telecommunication Equipments	15.83%
(d) General Communication / Instrumentation Systems	10.55%

Depreciation on such equipments is charged over the technically estimated life, at higher rates.

Further, depreciation on certain Equipments / HEMM is charged over the technically estimated life at higher rates viz. 11.88%, 13.57% and 15.83% as applicable. Depreciation on the assets added /disposed off during the year is provided on pro-rata basis with reference to the month of addition/ disposal, except on those assets attracting 100% depreciation p.a. (SLM basis), which are fully depreciated in the year of their addition.

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.

7.2 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.

7.3 Depreciation on SDL and LHD (equipments) are charged @19% p.a. and @15.83% p.a. respectively.

7.4 Depreciation after major overhauling of Helicopter is charged @ 47.5% p.a., based on its expected year of life / flying hours.

## **8.0 IMPAIRMENT OF ASSETS**

8.1 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.

8.2 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**

9.1 Year-end balance of foreign currency transactions is translated at the year-end rates and the corresponding effect is given in the respective accounts. Transactions completed during the year are adjusted on actual basis.

9.2 Transactions covered by cross currency swap options contracts to be settled on future dates are recognised at the year-end rates of the underlying foreign currency. Effects arising out of such contracts are taken into accounts on the date of settlement.

## **10.0 RETIREMENT BENEFITS / OTHER EMPLOYEE BENEFITS**

a) Defined contribution Plans :

The company makes contributions towards Provident Fund and Pension Fund to a defined contribution retirement benefit plan for qualifying employees. The Provident Fund and Pension fund are operated by the Coal Mines Provident Fund (CMPF) Authorities. As per 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 Benefit Plans :**

The year-end liability 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 actuarial valuation.

(c) **Other employee Benefits :**

Further year-end liability of certain other employee benefits viz. benefits on account of LTA/LTC; Life Cover Scheme, Group Personal Accident Insurance Scheme and Settlement Allowance, Retired Executive Medical Benefit Scheme and compensation to dependants of deceased in mine accidents, etc. are also valued on actuarial basis by applying projected unit credit method.

## 11.0 Recognition of Income and Expenditure

Income and Expenditure are generally recognised on accrual basis and provision is made for all known liabilities.

### 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.
- b) Sale of Coal are net of statutory dues and accepted deduction made by customer on account of quality of Coal.
- c) The revenue recognition is done where there is reasonable certainty of collection. On the other hand, revenue recognition is postponed in case of uncertainty as assessed by Management.

### 11.2 Dividend

Dividend income is recognised when right to receive is established.

## 12.0 BORROWING COST

Borrowing cost directly attributable to the acquisition or construction of qualifying assets are capitalised. 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, 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 :

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the balance sheet date.



## 15.0 CONTINGENT LIABILITY :

15.1 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 the 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 can not be made.

15.2 Contingent liabilities are not provided for in the accounts and are disclosed by way of Notes.

## 16.0 PRIOR PERIOD ADJUSTMENT

Income/ Expenditure items relating to prior period(s) which do not exceed Rs.5.00 lakhs in each case are treated as income/expenditure for the current year.

## 17.0 OVERBURDEN REMOVAL (OBR) EXPENSES :

In opencast 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 end of the year is shown as Cost of Removal of OB under the head Current Assets / Liabilities as the case may be.

The reported quantity of overburden as per our 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%	NIL

However, where the variance is beyond the permissible limits as above, the measured quantity is considered.

## SCHEDULE - M

# B. NOTES ON ACCOUNTS

## 1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

- 1.1 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, 2011.
- 1.2 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.

## 2 PRINCIPLES OF CONSOLIDATION

- 2.1 The consolidated financial statements relate to Coal India Limited, its wholly owned subsidiary companies, namely, Eastern Coalfields Limited (ECL), Bharat Coking Coal Limited (BCCL), Central Coalfields Limited (CCL), Northern Coalfields Limited (NCL), Western Coalfields Limited (WCL), South Eastern Coalfields Limited (SECL), Mahanadi Coalfields Limited (MCL), Central Mine planning & Design Institute Limited (CMPDIL) & Coal India Africana Limitada (Overseas Subsidiary) and proportionate stake in International Coal Venture Pvt. Limited (ICVL).  
The financial statements of MCL has been consolidated with its two subsidiary companies – MNH Shakti Limited and MJSJ Coal Limited.  
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 unrealised profits or losses in accordance with Accounting Standard– 21 “Consolidated Financial Statements” issued by the Institute of Chartered accountants of India.
- 2.2 Significant Accounting Policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to 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.
- 2.3 The consolidated financial statements include the interest of the company in joint ventures (i.e. ICVL), which has been accounted for using the proportionate consolidation method of accounting and reporting whereby the company’s share of each asset, liability of a jointly controlled entity has been considered.

## 3 FIXED ASSETS

- 3.1 The assets and liabilities taken over from Coal Mines Labour Welfare Organisation and Coal Mines Rescue Organisation, for which no quantitative details are available, have not been incorporated in the accounts pending determination of value thereof.



- 3.2 The transfer formalities from the Holding Company and other subsidiaries have not been completed and consequently some documents continue to be held in the name of the Holding Company and other subsidiaries.
- 3.3 Land acquired under Coal Bearing Areas (Acquisition and Development) Act, 1957 and Land Acquisition Act, 1984 is accounted for on payment basis and the same is shown as Leasehold land.
- 3.4 Land includes certain land taken on possession by the company for which legal formalities in respect of title deeds are pending.
- 3.5 Land in possession of North Eastern Coalfields, Assam, includes 8069.70 hectares of lease hold land for which no value has been shown in the Balance Sheet.
- 3.6 In respect of Chandrapur area of Western Coalfields Limited, till date the ownership of land valued at ₹2324.66 Lakh has not been vested with the Area, the amount paid is kept in advance account.
- 3.7 Fixed Assets comprising of Plant & Machinery of ₹218.99 Lakh and related building and other assets of ₹1625.37 Lakh, both at book value (WDV) as on 31.3.95 have been let out to Indian Institute of Coal Management, a registered society under Societies Registration Act, 1860 (for an annual lease rent of ₹153.00 Lakh) under cancellable operating lease agreement. Additions to these assets from the day of letting out to 31.03.2011 are ₹382.60 Lakh on value of plant & machinery and ₹388.41 Lakh on value of building and other assets. The cumulative provision for depreciation upto 31.03.2011 stood at ₹1214.99 Lakh (including depreciation charged for the current period of ₹64.28 Lakh). The net W.D.V. of the leased assets as per books as on 31.03.2011 is ₹1527.53 Lakh. The yearly lease rent of ₹153.00 Lakh has been recovered.
- 3.8 As per lease agreement dated 31st March 1993 executed with Dishergarh Power Supply Company Ltd., Eastern Coalfields Limited leased out 2X10MW Chinakuri Thermal Power station including land, building, plant & machinery etc. The lease agreement is for 20 years from the commencement of lease w.e.f. 01-04-1991. The gross value of Power Plant, Building and other assets is ₹4024.00 Lakh (₹4024.00 Lakh); ₹1019.64 Lakh (₹1019.64 Lakh) and ₹772.61 Lakh (₹772.61 Lakh) respectively. The cumulative depreciation upto 31.03.2011 against the above-mentioned assets is ₹3823.73 Lakh (₹3823.73 Lakh); ₹638.11 Lakh (₹606.85 Lakh) and ₹641.04 Lakh (₹640.85 Lakh) respectively.  
The lease rental for the year ₹350.00 Lakh (₹ 350.00 Lakh) has been received.
- 3.9 South Eastern Coalfields Limited in terms of License Agreement dated 19th day of March 2001 executed with M/s Apollo Hospital Enterprises Ltd., Chennai has granted the latter a right to occupy and use the fully constructed main hospital building measuring 297099.74 Sq.ft. (27611.50 Sqm) and the residential quarters measuring 55333 Sq.ft. (5142.47 Sqm) together with superstructures on the land such as sub station building, sewerage treatment plant and pump house. The License Agreement provides for a lease period of 30 years from the effective date of the commencement of the lease i.e November, 2001. The cost of the gross assets leased to Apollo Hospital Enterprises Ltd. furnished under the schedule of Fixed Assets ₹3132.21 Lakh (₹3132.21 Lakh) and accumulated depreciation as on 31.03.2011 is ₹662.84 Lakh (₹608.84 Lakh). The lease rental for the year is ₹326.80 Lakh (₹228.24 Lakh) and is shown in the Profit & Loss Account.
- 3.10 In terms of lease agreement with M/s. Imperial Fastners Pvt. Limited, Central Coal Fields Ltd. has granted a right to occupy and use the assets of the Company. The cost of gross carrying amount at the beginning of the year is ₹8019.06 Lakh. The accumulated depreciation as at the end of the year ₹7194.25 Lakh. Depreciation for the year is ₹289.59 Lakh. The future minimum lease payment receivable in the aggregate during the period of lease is ₹5810.00 Lakh.

#### **4. CAPITAL WORK IN PROGRESS**

“Prospecting & Boring” and also Development shown under Capital Work-in-Progress mostly relates to jobs awaiting completion.

## 5. INVENTORY

- 5.1 The enquiry proceeding by CBI, Dhanbad for shortage of coal at Rajmahal OCP of 19.54 Lakh tonne valuing to ₹6385.73 Lakh in 2007-08 has been completed in 2010-11 and the same has been forwarded to Chairman, CIL for information and advised the vigilance department for taking actions against the charged officers as per CBI order.
- 5.2 In Central Coal Fields Ltd. physical stock has been adopted in the following cases over the book stock, because of difference being beyond 5%, pursuant to the Accounting Policy.

Type of Coal	Name of the project	Books stock	Physical stock	Difference	
				Qty.	% age
Raw coal	Sel. Dhori QR-1	1033281	604973	(-) 428308	(-) 41.45
Raw coal	Amla	612636	301568	(-) 311068	(-) 50.78
Raw coal	Sel. Dhori QR-3	858244	421363	(-) 436881	(-) 50.90
<b>Total</b>		<b>2504161</b>	<b>1327904</b>	<b>(-) 1176257</b>	

The matter of shortage of coal stock is under investigation by the vigilance department.

- 5.3 Prospecting and boring and Development expenditure of Mahanadi Coalfields Limited and South Eastern Coalfields Limited on allotted non-CIL blocks meant for sale amounting to ₹894.38 Lakh (Previous year ₹ 626.89 Lakh) and ₹747.90 Lakh (Previous year ₹ 885.58 Lakh) respectively has been shown as "inventories" at cost.

## 6. SUNDRY DEBTORS

- 6.1 The Government of Madhya Pradesh by Gazette Notification dated 30.09.2005 has imposed a new tax under "Madhya Pradesh Gramin Avsanrachana Tatha Sadak Vikas Adhiniyam, 2005" (MPGATSVA 2005), with effect from 30.09.2005. This Adhiniyam provides for charging of tax @ 5% on annual value w.e.f. 30.09.2005. Some consumers as well as WCL moved the Hon'ble High Court of Madhya Pradesh, Jabalpur and obtained interim relief. As per the interim order dated 15.02.2006, the Hon'ble High Court, Jabalpur had directed the Company not to deposit this tax to the State Government but to keep it in a fixed deposit. The matter was later dismissed by the Jabalpur High Court in favour of MP Government. WCL has filed an SLP before the hon'ble Supreme Court and the matter is still sub judice. The Hon'ble Supreme Court of India vide its order dated 02.08.2010 directed the Company to file its returns for all the years under protest as per MPGATSVA (2005). The hon'ble Supreme Court directed the assessing officer under the Act to complete the assessments of returns filed by the Company. In compliance with the Supreme Court directions the assessing officers raised total demand of ₹ 20579.35 Lakh against the Company in the year 2010-11. The Company, as per legal advice, has deposited ₹ 10289.68 Lakh (being 50% of the total demand) and has preferred Appeals against the assessment orders with Competent Appellate Authority, Jabalpur and Bhopal. The appeal for Patherkheda Area has been decided against the Company and as per legal advice, balance 50% amount of Patherkheda Area amounting to ₹4262.17 Lakh has also been deposited, making the total deposit of ₹14551.85 Lakh.

An amount of ₹ 24550.22 Lakh has been received from customers on this account upto 31.03.2011. Term Deposit, against this receipt upto 31st March 2011 (after adjusting ₹14551.85 Lakh paid for appeal), for ₹ 9471.01 Lakh has been made upto 31st March 2011 and Term Deposit for balance ₹527.36 Lakh will be made in April 2011. The interest on fixed deposits made on this account is treated as liability.

- 6.2 South Eastern Coalfields Limited has realized from the customers on account of under noted statute and as per the orders of Hon'ble courts, the amount is kept under separate account with the banks:
- MP Gramin Adhosanrachana Tatha Sadak Vikas Upkar, 2005 – ₹ 12185.92 Lakh (Principle amount ₹ 9203.76 Lakh and interest ₹ 2982.16 Lakh) is lying in bank, excluding interest accrued but not due thereon ₹ 431.53 Lakh. Interest earned and accrued amounting to ₹ 3413.69 Lakh has been shown as liability.
  - Terminal Tax levied by various Municipal Corporations – ₹ 5201.39 Lakh (Principal amount ₹5096.23 Lakh and interest ₹ 105.16 Lakh) is lying in bank excluding ₹ 90.20 Lakh interest accrued but not due there on. Interest earned and accrued amounting to ₹195.36 Lakh has been shown as liability.



- 6.3 In pursuance of Notification No.F/19/60/04/XII-2 dated 05.08.2005 of MPGATSA, Tax @5% of the basic coal price of realizable grade w.e.f. 30.09.2005 has been levied on coal sold to customers. Northern Coalfields Limited has appealed before the Hon'ble Supreme Court of India that MPGATSA Tax for the period 01.08.2007 to 31.03.2011 to the extent not realised from the customers, amounting to ₹88180.76 Lakh is adjustable against Royalty collected and deposited, which has been shown as contingent Liability.
- 6.4 In absence of balance confirmation from some parties, the Sundry Debtors, Creditors, Loans & Advances and Deposits have been taken in the Accounts as per their book value.

## **7. LOANS AND ADVANCES**

Commercial Tax Department, Madhya Pradesh, has raised a demand of ₹31455.95 Lakh (previous year ₹27891.39 Lakh) till 31-03-2011 for Sales Tax and Entry tax, against which an appeal has been filed and ₹5222.15 Lakh (previous year ₹3925.62 Lakh) has been deposited under protest by Northern Coalfields Limited and the claim of ₹31455.95 Lakh has been shown as Contingent Liability.

## **8. CASH AND BANK BALANCES**

Cash and Bank Balance includes:

- a) ₹120.47 Lakh (as at 31.03.2010 ₹113.35 Lakh) balance with Scheduled Bank in Deposit Account which is under lien to Hon'ble District Court of Sundergarh.
- b) ₹96.60 Lakh (unclaimed OREEP Tax) received from Hon'ble Supreme Court of India towards corpus fund of trust. This amount has been kept as fixed deposit since the trust is yet to be formed. The interest accrued thereon upto 31.03.2011 is ₹36.00 Lakh (upto 31.03.2010 ₹28.96 Lakh).
- c) ₹20.00 Lakh deposits with SBI, MCL complex earmarked for corpus fund of Utkal Rangamanch Trust, interest income of which is disbursed to the Trust.
- d) Fixed deposit amounting to ₹6674.40 Lakh and ₹11131.40 Lakh have been placed under lien of State Bank of India for issuing letter of comfort for issuance of Bank Guarantee in favour of President of India to fulfil the terms of allocation of blocks on behalf of Subsidiary Companies i.e. M/s. MJSJ Coal Ltd. and M/s. MNH Shakti Ltd. respectively.

## **9. CURRENT LIABILITIES**

- 9.1 Advance from customers of Mahanadi Coalfields Limited includes Cess on Coal including principal of ₹840.27 Lakh (net of payments) and interest of ₹947.11 Lakh (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 ₹100.84 Lakh (Previous year ₹100.83 Lakh) calculated at the rate of 12% for the unpaid principal amount of the Cess liability. The total liability thus included therein as on 31.03.2011 stood at ₹2344.55 Lakh (Previous Year ₹2243.71 Lakh). The Group has not identified the customers / parties to whom the refund is to be made. Finalization of modalities for refunding the same to the customers / parties is yet to be done.
- 9.2 In the process of making payment of cess by Eastern Coalfields Limited on the annual value of coal bearing land based on average production of preceding two years valuing at a rate prevailing as on 1st April of each year and realization made from customers on the value of despatches of coal, there remains a balance accumulating to ₹90591.47 Lakh (₹94939.37 Lakh), which has been shown in Cess Equalisation Account under Current Liabilities and Provision. There is an additional demand of ₹32258.00 Lakh (₹32258.00 Lakh) arising out of the assessment made upto 2002-03 which has been shown as Contingent Liability.
- 9.3 Bazaar fees amounting to ₹16404.87 Lakh (₹12109.22 Lakh) collected by Bharat Coking Coal Limited on sale of coal/coke vide Gazette Notification No.34 dated 18th Jan'2006 but the same has not been deposited to the appropriate authority as the matter is subjudice at Jharkhand High Court under case no.6507 of 2006.
- 9.4 In Bharat Coking Coal Limited, revised agreement in respect of price of rejects and power tariff with DLF is not yet finalized. However, interest receivable/payable at this stage is not accounted for. The matter is also pending before an arbitrator. However, interest due to delay in payment to DLF has been provisionally determined as ₹1246.14 Lakh (₹1038.45 Lakh) upto year ending on 31.03.2011.



- 9.5 By virtue of enactment of Cess and Other Taxes on Mineral Validation Act, 1992, Western Coalfields Limited raised supplementary bills on customers' upto 4.4.1991. An amount of ₹295.66 Lakh (Previous Year ₹295.66 Lakh) has been shown as liability for Cess on Royalty under the head Current Liabilities & Provisions. In view of the judgment of Hon'ble High Court, Patna, Ranchi Bench, in writ petition no.CWJC/1280 of 1992, Cess is not payable. However a Special Leave Petition is pending in Supreme Court against it.

## 10. FOREIGN CURRENCY LOAN

- 10.1 The foreign currency loans drawn from IBRD and JBIC banks on account of Coal Sector Rehabilitation Project to be implemented in various subsidiaries has been shown under the head Unsecured Loan. The company has entered into swap transactions against a portion of above stated borrowing and interest thereon. Gains/ losses arising out of swap transactions are being carried as Reserve for foreign currency transactions.
- 10.2 The overall Marked to Market position of the existing hedge transactions (net of the positive values) as on 31.03.2011 stood at ₹8740.00 Lakh (negative). However, the negative Marked to Market valuation of outstanding position involving six individual foreign currency transactions as on 31.03.2011 before netting up with transactions having positive values stood at ₹8770.00 Lakh (₹3898.00 Lakh), which have been fully provided for.

## 11. PROFIT & LOSS ACCOUNT

- 11.1 Total claim of ₹4766.84 Lakh was lodged with the Director of Electricity, Govt. of West Bengal, in support of relief/concession required for revival of ECL according to BIFR's sanctioned scheme vide its letter No. 40/PA/PR.Secy./IRPE dated 30.8.2005. During the year 2010-11, ₹266.64 Lakh (₹212.88 Lakh) has been received and recovery of the balance amount of ₹2162.23 Lakh (₹2428.87 Lakh) are in process.
- 11.2 The year-end liability of certain other employee benefits like Life Cover Scheme, Settlement Allowance, Group Personal Accident Insurance Scheme, Leave Travel Concession, Medical Benefits for Retired Executives, Compensation to dependants in case of mine accidental death are valued on actuarial basis. Total liability as on 31.03.2011 based on valuation made by the Actuary, details of which are mentioned below is ₹1185109.58 Lakh.

The actuarial liability as on 31.03.2011

₹ in Lakh			
Head	Opening Actuarial Liability as on 01.04.10	Incremental Liability during 2010-11	Closing Actuarial Liability As on 31.03.11
Gratuity	902861.64	56399.11	959260.75
Earned Leave	112135.82	35227.04	147362.86
Half Pay Leave	29759.85	4762.64	34522.49
Life Cover Scheme	5799.19	(320.03)	5479.16
Settlement Allowance	331.79	73.69	405.48
Gross Personal Accident Insurance Scheme	119.81	6.75	126.56
Leave Travel Concession	11119.31	2954.92	14074.23
Medical Benefits	1199.38	1638.18	2837.56
Compensation to dependants in case of mine accidental death	17837.38	3203.11	21040.49
<b>Total</b>	<b>1081164.17</b>	<b>103945.41</b>	<b>1185109.58</b>



11.3 Against actuarial liability of Gratuity, fair value of plan assets at the end of the year is ₹460706.79 Lakh. (₹385396.91 Lakh).

11.4 Summary of actuarial assumptions are as under :-

Formula Used	Projected Unit Credit Method
Discount Rate	8.5%
Return on Assets	8%
Inflation Rate	6.0%
Mortality Table	LICI 1994-1996

11.5 Allocation of the fund for the CSR activities is based on 5% of the retained earnings of the previous year, subject to minimum of ₹5/- per tonne of coal production of previous year of coal producing subsidiary companies. In case of CIL, allocation is 2.5% of retained profit of last year of CIL for execution of CSR activities. During the year reserve for meeting expenses relating to CSR activities has been created.

11.6 Profits realised from subsidiaries of MCL (viz MNH Shakti Ltd. and MJSJ Coal Ltd) towards sale of Blocks have been recognized during the year upon issue of Equity Share by these subsidiaries to MCL, and the same have been adjusted with opening balance of Profit & Loss Brought forward .

## 12. EASTERN COALFIELDS LIMITED AND BHARAT COKING COAL LIMITED

ECL and BCCL have become sick and were referred to BIFR under Sick Industrial Companies (Special Provisions) Act, 1985. The revival plan of both ECL & BCCL has already been approved by BIFR and thereafter vetted by the concerned Ministry. The implementation of these revival schemes will substantially improve the financial positions of these companies. Accumulated Profit(Loss) and Net Worth of ECL and BCCL as on 31.03.2011 are as under:-

Company	Accumulated Profit(Loss)		Net Worth	
	As on 31.03.11	As on 31.03.10	As on 31.03.11	As on 31.03.10
ECL	(812742.45)	(823399.74)	(590897.45)	(601554.74)
BCCL	(642719.23)	(752087.79)	(430919.23)	(540287.79)

₹ in Lakh

## 13 DISCONTINUING OPERATION

### 13.1 CBE Plant, Bhandra – Western Coalfields Limited:

The Plant used to manufacture Nitro-Glycerine based Permitted Explosives used in the underground mines of the Company till its closure on 28.04.2003. Consequent upon decision of the Government of India to discontinue/ban production of NG-based explosives in the country and its adoption by the Board of Ordnance Factories of India, the Jt. Venture partner of the Plant, the Plant was closed on and from 28.04.2003.

CIL had given its approval for disposal of the Plant and the Company in its 197th Board Meeting held on 19.04.2006 had approved the disposal of P&M by tendering/e-auction and accordingly the P&M along with related stores & spares have been disposed of during 2006-07 by auction through MSTC. The Net Block of assets pending disposal is ₹ 8.14 Lakh. The liability towards Overheads after closure of the Plant till 31.03.2011 for maintenance and upkeep of the Plant is ₹39.56 Lakh.

The revenue expenses incurred during the current year is ₹ NIL (Previous Year ₹ 3.64 Lakh). Since the Plant works on No-Profit-No-Loss basis, all expenses are passed on to the Areas. Hence there is no question of profit/loss. There is a nil cash outflow attributable to operating, investing and financing of discontinuance (Previous Year ₹ 0.19 Lakh).

### 13.2 DFD Plant, Hinganghat, Western Coalfields Limited:

The Plant used to manufacture Coal Briquettes from raw coal for domestic fuel purposes till its closure in 1994. Consequent upon non-viability of the Plant as per the decision of the Board of the Company, the Plant was closed in 1994. The disposal of the Plant is under process and the exact date of completion of discontinuance is not determinable as of now. The Net Block of assets pending disposal is ₹2.57 Lakh and the liability towards Municipal Taxes is ₹3.39 Lakh. The Company has applied to the Hinganghat Nagar Palika for waiver of the Municipal Taxes for the past four years on the ground that the Plant is no more in operation. The revenue expenses incurred during the current year is ₹0.52 Lakh (Previous Year ₹0.52 Lakh). Since the Plant is inoperative for the past ten years and the final disposal of the Plant is yet to be done, there is no question of profit/loss. There is no cash outflow attributable to operating, investing and financing of discontinuance.

## 14. GENERAL

- 14.1 In Coal Mines, for compliance of AS-29, the total obligation arising out of Mine Closure plan as on 31.03.2011 is ₹84239.34 Lakh. During the year ₹ 35358.26 Lakh has been provided after netting of the provisions provided earlier for Back Filling/Land Reclamation. No separate Escrow account has been opened, as modalities have not been received from the Coal Controller Organisation and the approval of Mine Closure plan is yet to be obtained.
- 14.2 As required by section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 the following information is disclosed on the basis of information available with the company:

(₹ in Lakh)

Sl. No.	Descriptions	As on 31.03.2011
1)	Principal amount remaining unpaid	786.10
2)	Interest due thereon (interest due and / or payable)	Nil

- 14.3 Shifting and Rehabilitation Fund (Schdule-C) shown in the Balance Sheet represents the fund set-up for "Implementation of action plan for Shifting & Rehabilitation dealing with Fire & Stabilisation on Unstable Areas of Eastern Coalfields Ltd. & Bharat Coking Coal Ltd.".
- The above fund is invested in Fixed Deposit and any interest income arising thereon (net of TDS) is also transferred to the said Fund. Total interest income earned and transferred this year (net of TDS) is ₹ 9951.89 Lakh (₹8038.06 Lakh).
- 14.4 Bharat Coking Coal Limited has received JAP ,SSRC and R&D grant upto 31.03.2011 for ₹8668.98 Lakh, ₹9205.88 Lakh & ₹175.00 Lakh respectively and total expenditure incurred against these are as follows:

(₹ in Lakh)

	JAP scheme	SSRC Scheme	R&D
Capital	3269.07	3761.15	50.21
Revenue	331.79	540.77	38.88

### 14.5 Use of Estimate:

In preparing the financial statements in conformity with Accounting Principles generally accepted in India, Management is required to make estimates and assumptions that effect 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 would differ from those estimates. Any revision to such estimate is recognized in the period the same is determined.



**14.6 Earnings Per Share :**

		(₹ in Lakh)	
Sl. No.	Earning per Share particulars	As at 31.03.2011	As at 31.03.2010
i)	Profit after Taxation (₹ in Lakh)	1086735.29	962244.67
ii)	Add/(less) adjustment for Reserve for Foreign Exchange (₹ in Lakh)	(774.05)	(726.17)
iii)	Net profit after tax attributable to Equity shareholders (₹ in Lakh)	1085961.24	961518.50
iv)	Weighted average no. of shares outstanding during the year	6316364400	6316364400
v)	Basic and Diluted Earning per Share in Rupees (Face value of ₹10/- per share)	17.19	15.22

**14.7 Directors' Remuneration :**

		(₹ in Lakh)	
Particulars		2010 -11	2009-10
Salary & Allowances		717.72	612.31
Provident Fund		79.64	59.13
Sitting Fees		39.81	12.61
Others		122.03	76.75
<b>Total</b>		<b>959.20</b>	<b>760.80</b>

**14.8 Deferred Tax Assets / Liabilities:**

Deferred Tax Assets and Liability are being offset as they relate to Taxes on income levied by the same governing tax laws; Deferred Tax Asset / Liability as at year-end is given below:-

		(₹ in Lakh)	
Particulars		As at 31.03.2011	As at 31.03.2010
<b>Deferred Tax Liability</b>			
Related to Fixed Assets		60647.53	52812.74
Related to Development Expenses		6378.73	6604.40
Related to others			305.91
<b>Total</b>		<b>67026.26</b>	<b>59723.05</b>
<b>Deferred Tax Assets</b>			
Provision for doubtful debts, claims etc		54567.80	49628.66
Disallowance u/s 43B of IT Act, 1961		31814.34	21883.89
Employees Retirement / Bonus /VRS		62909.94	75242.70
Others		5055.83	9006.64
<b>Total</b>		<b>154347.91</b>	<b>155761.89</b>
<b>Deferred Tax Assets (Net)</b>		<b>87321.65</b>	<b>96038.84</b>

#### 14.9 Earning in Foreign Exchange on account of :

Sl. No.	Particulars	(₹ in Lakh)	
		Current Year	Previous Year
(i)	Export of Goods (Calculated on FOB basis)	NIL	NIL
(ii)	Exchange Variation (net)	774.05	726.17
(iii)	Miscellaneous	NIL	NIL

### 15. FINANCIAL REPORTING OF INTEREST IN JOINT VENTURE AND OVERSEAS SUBSIDIARY

- 15.1 CIL has entered into a Memorandum of Understanding (vide approval from its Board in 237th meets held on 24th November, 2007) regarding formation of Special Purpose Vehicle (SPV) through joint venture involving CIL/SAIL/RINL/NTPC & NMDC for acquisition of coal properties abroad. The formation of the SPV had been approved by the Cabinet, Govt. of India, vide its approval dated 8th November, 2007.

The aforesaid SPV viz. International Coal Ventures Pvt. Ltd. has been formed by incorporation under Companies Act, 1956 on 20th May, 2009 with an authorised capital of ₹100.00 Lakh and paid up capital of ₹70.00 Lakh. The authorised Capital and paid up Capital during the year have been increased and as on 31.03.2011 they stood at ₹110000.00 Lakh and ₹980.00 Lakh respectively. Out of above paid up capital, Coal India Ltd. is owning 2/7th share i.e. worth ₹280.00 Lakh equity shares.

- 15.2 CIL NTPC Urja Pvt. Ltd., a 50 : 50 Joint Venture Company has been formed on 27th April'2010 between CIL & NTPC. Pending allotment of shares and other formalities; amount paid to the said joint venture company has been shown as advance. Amount outstanding as on 31.03.2011 – ₹0.50 Lakh.

- 15.3 On incorporation of subsidiaries on the basis of joint venture agreement as per directives from the Ministry of Coal, Mahanadi Coalfields Ltd has deposited money / transferred debits for capital and other expenditure.

The position of investment and other current account as at 31.03.2011 is as under :-

Name of Subsidiary	Stake in Subsidiary	Date of Incorporation	Address	Minority Interest as per Consolidated Accounts as on 31.03.2011
1) MNH Shakti Ltd	70%	16.07.2008	Anand Vihar, Burla, Sambalpur	₹ 1653.00 Lakh
2) MJSJ Coal Ltd	60%	13.08.2008	House no 42, 1st Floor, Anand Nagar, Hakim Para, Angul	₹1607.71 Lakh
<b>Total</b>				<b>₹ 3260.71 Lakh</b>

Both the subsidiaries are in development stage and the related expenditure has been consolidated.

#### 15.4 Investment in Subsidiary (Overseas)

Coal India Ltd., formed a 100% owned subsidiary in Republic of Mozambique, named "Coal India Africana Limitada". The initial paid up capital on such formation (known as "Quota Capital") was ₹0.49 Lakh (USD 1000).

- 15.5 Pre operative expenses under the head, Miscellaneous Expenses (to the extent not written off) includes ₹64.03 Lakh for Coal India Africana Limitada, Mozambique and ₹119.42 Lakh (₹10.80 Lakh) for 2/7th share of ICVL.



## 16. CONTINGENT LIABILITIES / CAPITAL COMMITMENTS

- 16.1 The amount remaining to be executed on capital account not provided for is ₹224886.28 Lakh (₹ 179569.17 Lakh).
- 16.2 Claims against the company not acknowledged as debt are ₹1102849.77 Lakh (₹ 824997.42 Lakh).
- 16.3 Outstanding letters of credit amounted to ₹ 16597.07 Lakh (₹ 26744.69 Lakh).
- 16.4 The Company has given counter-guarantee to Government of India for loans obtained from JBIC & IBRD Banks and on the amount lent to its Subsidiaries. The outstanding balance of which as on 31.03.2011 stood at ₹73175.60 Lakh (₹ 74736.27 Lakh) and ₹ 63867.09 Lakh (₹ 71693.41 Lakh) respectively.
- Further, the Company has also given guarantee for loans obtained by subsidiaries the outstanding balance of which as on 31.03.2011 stood at ₹ 15404.65 Lakh (₹ 14611.70 Lakh).
- 16.5 Outstanding Deferred Payment Guarantee issued by Banks amounted to ₹ 421.84 Lakh (₹ 156.46 Lakh).
- 16.6 Pending finalisation of formalities for transfer of assets and liabilities of erstwhile CMAL and its divisions, now Coal India Ltd, the bank borrowings of Coal India Ltd. has been secured by creating charge against stock of Coal, stock of stores and spare parts and book debts and other assets of CIL and its Subsidiary Companies.
- The total working capital credit limit available to CIL as on 31.03.2011 is ₹ 55000.00 Lakh, out of which fund based limit is ₹ 25000.00 Lakh. The balance ₹ 30000.00 Lakh limit is non-fund based. The facility is secured by hypothecation of book debts, stock of raw materials, semi-finished goods, finished goods and consumable stores & spares of both present and future. Coal India Limited is contingently liable to the extent such facility is actually utilised by the subsidiaries.
- 16.7 Figures in the parentheses relates to the previous year.
- 16.8 Previous years figures have been regrouped and rearranged wherever considered necessary.
- 16.9 The Company is primarily engaged in a single segment business of Production and sale of Coal. The income from interest and other income is less than 10% of the total revenue, hence no separate segment is recognised for the same.
- 16.10 Listing of shares of Coal India Ltd. in Stock Exchange.
- Pursuant to divestment of 10% of total equity shares held by Govt. of India, to the public, the shares of Coal India Ltd. has been listed in two major Stock Exchanges of India, viz. Bombay Stock Exchange and National Stock Exchange on and from 4th November, 2010.
- Post such listing Govt. of India holds 90% of the entire equity share capital.
- 16.11 Schedule A to L form part of the Balance Sheet as at 31st March, 2011 and 1 to 15 form part of Profit & Loss Account for the year ended on that date and Schedule- M represents Accounting Policies and explanatory notes on the Accounts.

sd/-  
(Dr. H Sarkar)  
CGM(Finance) /  
Company Secretary

sd/-  
(D.K.Ghosh)  
Chief General Manager (F)

sd/-  
A.K.Sinha  
Director (Finance)

sd/-  
N. C. Jha  
Chairman

As per our Report annexed  
For Deoki Bijay & Co.  
Chartered Accountants  
F.R. No. 313105E

Dated : 25.05.2011  
Place: Kolkata

sd/-  
( CA. D.N.Agrawal )  
Partner  
Membership No.051157



## DEOKI BIJAY & CO.

### Chartered Accountants

213C Jabakusum House, 34 Chittaranjan Avenue, Kolkata - 700012

Ph: 22121110, Email: dbc\_kol@yahoo.co.in

### AUDITORS' REPORT

#### To The Board of Directors of Coal India Limited

1. We have audited the attached consolidated Balance Sheet of COAL INDIA LIMITED, ("the company") and its subsidiaries (the company and its subsidiaries constitute "the group") as at 31<sup>st</sup> March 2011, and also the consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiaries whose financial statements reflect total assets (WDV) including Capital WIP as at 31<sup>st</sup> March 2011 and total revenue and cash flows for the year then ended under :-

(₹ in Lakh)

Subsidiary	Assets	Revenue	Cash Flows
Eastern Coalfields Ltd.	125697.97	637295.94	(688.57)
Bharat Coking Coal Ltd.	143987.85	757666.37	73588.28
Central Coalfields Ltd.	179443.23	778507.57	(2423.85)
Northern Coalfields Ltd.	240507.48	842917.08	167672.31
Western Coalfields Ltd.	171619.61	660765.75	14381.44
South Eastern Coalfields Ltd.	373159.79	1158373.77	(29668.94)
Mahanadi Coalfields Ltd.	248517.66	859405.29	238814.51
Central Mine Planning & Design Institute Ltd.	7758.58	43581.86	(820.26)
Coal India Africana Limitada.	-	-	-

These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion, is based solely on the reports of other auditors.





4. Attention is drawn to note no. 2.3 to Notes on Accounts (Schedule M). In the case of Joint Venture "International Coal Venture Private Limited" (ICVL), consolidation is based on unaudited financial statements.
5. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standards (AS) 21 – "Consolidated Financial Statements", and Accounting Standards (AS) 27, "Financial Reporting of interest in Joint Venture", issued by the Institute of Chartered Accountants of India.
6. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements read together with notes on accounts give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31<sup>st</sup> March, 2011;
  - (b) in the case of the consolidated Profit & Loss Account, of the profit of the Group for the year ended on that date; and
  - (c) in the case of the consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

Place: Kolkata

Date: the 25th day of May 2011.

For **DEOKI BIJAY & CO.**  
Chartered Accountants  
FRN No 313105E

sd/-  
(CA. D. N. Agrawal)  
Partner  
Memb. No. 051157



# Annual Accounts 2010-11





# Balance Sheet

As at 31st March, 2011

		(₹ in '00,000)	
	Schedule	Current year	Previous Year
<b>I SOURCES OF FUND</b>			
<b>A Shareholders' Fund</b>			
a) Share Capital	<b>A</b>	631636.44	631636.44
b) Reserves & Surplus	<b>B</b>	1149965.34	926693.30
<b>B Shifting &amp; Rehabilitation Fund</b>	<b>C</b>	162137.03	147742.66
<b>C Loan Fund</b>			
Unsecured	<b>D</b>	137042.69	146429.68
		<b>2080781.50</b>	<b>1852502.08</b>
<b>II APPLICATION OF FUND</b>			
<b>A Fixed Assets</b>	<b>E</b>		
a) Gross Block		38745.82	37700.08
Less : Depreciation		26368.19	25815.57
		12377.63	11884.51
Less : Prov. for Impairment		2507.21	2507.21
		9870.42	9377.30
Less : Other Provisions		37.33	37.33
Net Block		9833.09	9339.97
b) Capital Work-in-Progress		5984.54	1841.68
Less: Provisions		417.09	449.40
		5567.45	1392.28
c) Surveyed off Assets		3.52	0.70
<b>B Investments</b>	<b>F</b>	631916.86	631656.86
<b>C Current Assets, Loans &amp; Advances</b>			
Inventories	<b>G</b>	3569.71	2658.68
Sundry Debtors	<b>H</b>	0.29	0.02
Cash & Bank Balances	<b>I</b>	1165951.59	913336.10
Loans & Advances	<b>J</b>	948470.31	838410.05
		2117991.90	1754404.85
Less : Current Liabilities & Provisions	<b>K</b>	684531.32	544292.58
		1433460.58	1210112.27
		<b>2080781.50</b>	<b>1852502.08</b>
Statement on Significant Accounting Policies, Notes on Accounts The Schedules referred to above form an integral part of Accounts	<b>L</b>		

sd/-  
Dr. H. Sarkar  
CGM(F) / Company Secretary

sd/-  
D. K. Ghosh  
CGM(Finance)

sd/-  
A. K. Sinha  
Director (Finance)

sd/-  
N. C. Jha  
Chairman

Dated : 12th May, 2011  
Place : Kolkata

As per our report annexed  
For Deoki Bijay & Co.  
Chartered Accountants  
FR NO.313105E

sd/-  
(CA. D. N. Agrawal)  
Partner  
Membership No.051157

# Profit & Loss Account

For the year ended 31st March, 2011

	Schedule	Current year	Previous Year
(₹ in '00,000)			
<b>INCOME</b>			
Sales	1	41375.68	39785.55
Coal Issued for other purposes	2	0.48	1.45
Other Income	3	508424.86	419558.67
Accretion of Stock	4	853.97	666.90
<b>Total</b>		<b>550654.99</b>	<b>460012.57</b>
<b>EXPENDITURE</b>			
Consumption of Stores & Spares	5	856.94	967.65
Employees' Remuneration and Benefits	7	24357.76	24268.89
Social Overhead	8	3731.09	2854.99
Power & Fuel	9	691.55	593.30
Repairs	10	460.23	645.63
Contractual Expenses	11	8647.21	8200.06
Other Expenditure	12	8897.73	5042.62
Interest	13	20340.77	23969.33
Finance Charges	14	1689.26	1794.90
Depreciation	6	557.27	898.90
Provisions	15	8069.05	3736.20
<b>Total</b>		<b>78298.86</b>	<b>72972.47</b>
<b>PROFIT FOR THE YEAR</b>		<b>472356.13</b>	<b>387040.10</b>
Prior Period Adjustment	16	(19.52)	-
<b>PROFIT BEFORE TAX</b>		<b>472336.61</b>	<b>387040.10</b>
Provision for Income Tax			
For current year		(19000.00)	(20000.00)
For earlier year		(3391.95)	(300.00)
		(22391.95)	(20300.00)
Excess Prov. for Income Tax written back ( earlier period )		19665.59	11251.49
<b>PROFIT AFTER TAX</b>		<b>469610.25</b>	<b>377991.59</b>
Add: Profit brought forward from previous year		574285.56	458952.79



## Profit & Loss Account (Contd.)

For the year ended 31st March, 2011

	Schedule	Current year	(₹ in '00,000) Previous Year
<b>PROFIT AVAILABLE FOR APPROPRIATIONS</b>		<b>1043895.81</b>	<b>836944.38</b>
<b>APPROPRIATION</b>			
Reserve for Foreign Exchange Transactions		774.05	726.17
Transfer to General Reserve		46961.02	37799.15
Reserve for CSR ( Ref. Note No. 10.6 in part B, to Sch-L )		2961.66	3133.50
Dividend on Equity Shares			
Interim	221072.75		221000.00
Final (Proposed)	25265.46		-
		246338.21	221000.00
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<b>746860.87</b>	<b>574285.56</b>
<b>Basic and Diluted Earnings per Share (in Rupees)</b>		<b>7.42</b>	<b>5.97</b>
<b>(Face Value of ₹ 10/- per share)</b>			

(Ref. Note No.12.14 in part B, to Schedule - L)

Statement on Significant Accounting

Policies, Notes on Accounts

L

The Schedules referred to above  
form an integral part of Accounts

sd/-  
Dr. H. Sarkar  
CGM(F) /Company Secretary

sd/-  
D. K. Ghosh  
CGM(Finance)

sd/-  
A. K. Sinha  
Director (Finance)

sd/-  
N. C. Jha  
Chairman

Dated :12th May,2011.  
Place : Kolkata

As per our report annexed  
For Deoki Bijay & Co.  
Chartered Accountants  
FR NO.313105E

sd/-  
(CA. D. N. Agrawal)  
Partner  
Membership No. 051157

## The Cash Flow Statement (Indirect method)

For the year ended March 31, 2011

		(₹ in '00,000)	
	Current Year	Previous Year	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit Before Tax	472336.61	387040.10	
Adjustment for:			
Depreciation	607.69	949.09	
Provisions/Write off	8069.05	3736.20	
Profit /Loss on sale of asset	(0.13)	(0.13)	
<b>Operating Profit before Working Capital changes</b>	<b>(A) 481013.22</b>	<b>391725.26</b>	
<b>Adjustment for:</b>			
Sundry Debtors	(0.27)	2.00	
Inventories	(911.03)	(706.29)	
Loans & Advance	(107275.06)	65561.58	
Current Liabilities & Provisions	101363.58	8497.04	
Purchase/Sale of Fixed Deposits	(222610.39)	(235364.57)	
<b>Cash Generated from Operations</b>	<b>(B) (229433.17)</b>	<b>(162010.24)</b>	
Income Tax paid	(9517.69)	(354.43)	
<b>Net Cash flow from Operating Activities</b>	<b>(C) 242062.36</b>	<b>229360.59</b>	
[(A) + (B) - Tax paid]			
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Investment	(260.00)	(20.49)	
Increase of Fixed Assets	(5278.67)	(2003.41)	
* Purchase of Fixed Deposits earmarked for Shifting and Rehabilitation Fund	(14394.37)	(25358.38)	
<b>Net Cash used in Investing Activities</b>	<b>(D) (19933.04)</b>	<b>(27382.28)</b>	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
* Receipt of Shifting and Rehabilitation Fund from Subsidiaries	14394.37	26847.79	
Dividend paid	(220912.96)	(221000.00)	
<b>Net Cash used in Financing Activities</b>	<b>(E) (206518.59)</b>	<b>(194152.21)</b>	
<b>Net increase/(Decrease) in Cash and Cash Equivalents C+D+E)</b>	<b>15610.73</b>	<b>7826.10</b>	
Cash & Cash equivalent (Opening Balance)	21726.52	13900.42	
Cash & Cash equivalent (Closing Balance)	37337.25	21726.52	

**N.B.:-** 1) The company is acting as the intermediary in respect of VRS loan and World Bank loan which have been obtained for the subsidiaries and hence reflected in operating activities.

\* 2) Refer Note No. 12.8 of part- B, Schedule-L

3) Previous years figures have been re-grouped / re-classified wherever necessary

### NOTES TO CASH FLOW :

1. All figures in brackets represent outflow.
2. Previous year's figures have been regrouped/recasted wherever necessary.
3. Cash and cash equivalent comprises of following :

- (a) Cash, Cheque, Draft, Stamps, etc. in hand :
  - (b) Bank Balance in Current Account :
  - (c) Bank Balance in Cash Credit Account :
  - (d) Bank Balance in SBI Unpaid Dividend Account:
- Total:**

Current Year	Previous Year
3.78	3.41
12007.82	9249.81
25165.86	12473.30
159.79	-
<b>37337.25</b>	<b>21726.52</b>

sd/-  
Dr. H. Sarkar  
CGM(F)/ Company Secretary

sd/-  
D. K. Ghosh  
CGM (Finance)

sd/-  
A. K. Sinha  
Director(Finance)

sd/-  
N. C. Jha  
Chairman  
As per our report annexed  
For Deoki Bijay & Co.  
Chartered Accountants  
FR NO.313105E

Dated :12th May,2011  
Place :Kolkata

sd/-  
(CA. D. N. Agrawal)  
Partner  
Membership No.051157



## Schedules to Balance Sheet

As at 31st March, 2011

### SCHEDULE - A

SHARE CAPITAL	(₹ in '00,000)	
	Current Year	Previous Year
<b>Authorised</b>		
i) 9041800 Non-cumulative 10% Redeemable Preference Shares of ₹ 1000/- each (Previous Year 9041800 Non-Cumulative 10% Redeemable Preference Shares of ₹ 1,000/- each)	90418.00	90418.00
ii) 8000000000 Equity Shares of ₹ 10/- each (Previous year 8000000000 Equity Shares of ₹ 10/- each).	800000.00	800000.00
	<b>890418.00</b>	<b>890418.00</b>
<b>Issued, Subscribed and Paid up</b>		
i) 6059430500 Equity Shares of ₹ 10/- each fully paid in cash ( Previous Year 6059430500 Equity Shares of ₹ 10/- each).	605943.05	605943.05
ii) 256933900 Equity Shares of ₹ 10/- each allotted as fully paid up for consideration received other than cash. (Previous Year 256933900 Equity Shares of ₹ 10/- each).	25693.39	25693.39
	<b>631636.44</b>	<b>631636.44</b>
<b>TOTAL</b>		

**Note:**

- During the year 2009-10, the Equity Shares have been split from ₹ 1000/- per Share to ₹ 10/- per Share.
- Please refer to note no: 12.20 of Schedule L Part B.



## Schedule to Balance Sheet (Contd.)

### SCHEDULE - B

		(₹ in '00,000)	
RESERVE & SURPLUS		Current Year	Previous Year
<b>A. RESERVES</b>			
(a) CAPITAL REDEMPTION RESERVE		90418.00	90418.00
(b) RESERVE FOR FOREIGN EXCHANGE TRANSACTIONS			
Balance as per last Accounts	12595.13		11868.96
Add: Amount transferred from Profit and Loss Accounts	774.05		726.17
		13369.18	12595.13
(c) GENERAL RESERVE			
Balance as per last account	246261.11		208461.96
Add: Amount transferred from Profit & Loss Accounts	46961.02		37799.15
Amount transferred from CSR reserve	869.12		-
		294091.25	246261.11
(d) RESERVE FOR CSR			
Balance as per last account	3133.50		-
Add: Amount transferred from Profit & Loss Accounts	2961.66		3133.50
	6095.16		3133.50
Less: Transferred to General Reserve(Utilisation)	869.12		-
		5226.04	3133.50
<b>B. SURPLUS</b>			
Profit & Loss Account		746860.87	574285.56
<b>TOTAL (A+B)</b>		<b>1149965.34</b>	<b>926693.30</b>



## Schedules to Balance Sheet (Contd.)

### SCHEDULE - C

		(₹ in '00,000)	
<b>SHIFTING AND REHABILITATION FUND</b>		<b>Current Year</b>	<b>Previous Year</b>
Opening Balance as on 01.04.10	147742.66		122384.28
Add: Interest from investment of the fund: (Net of TDS)	9951.89		8038.06
Add: Contribution from Subsidiaries	<u>21848.40</u>	<u>179542.95</u>	<u>21632.82</u>
		179542.95	152055.16
Less: Transferred to Subsidiaries		17405.92	4312.50
<b>TOTAL</b>		<b><u>162137.03</u></b>	<b><u>147742.66</u></b>

### SCHEDULE - D

		(₹ in '00,000)	
<b>UNSECURED LOAN</b>		<b>Current Year</b>	<b>Previous Year</b>
<b>Loan From World Bank</b>			
<b>(Guaranteed by Govt. of India)</b>			
JBIC (JPY 133434.72 lakhs)		73175.60	74736.27
IBRD (USD 1414.87 lakhs)		63867.09	71693.41
<b>TOTAL</b>		<b><u>137042.69</u></b>	<b><u>146429.68</u></b>

# Schedules to Balance Sheet (Contd.)

## SCHEDULE - E

### FIXED ASSETS

(₹ in '00,000)

Particulars	Gross Block			Depreciation			Impairment Loss			Net Block	
	Upto 31.03.10	Addition during the Year	Adj./Sales/ Transfer during the year	As on 31.03.11	Upto 31.03.10	Addition during the Year	Adj./Sales/ Transfer during the year	As on 31.03.11	Upto 31.03.10	Addition during the Year	As on 31.03.11
<b>LAND</b>											
(a) Freehold	1181.31	-	-	1181.31	-	-	-	-	-	-	1181.31
(b) Leasehold	133.79	-	-	133.79	35.12	1.32	-	36.44	-	-	97.35
<b>BUILDING</b>	7738.05	492.76	(5.00)	8225.81	2674.03	151.44	(0.08)	2825.39	164.08	-	5236.34
<b>PLANT &amp; MACHINERY</b>	18984.74	368.78	(22.81)	19330.71	15662.26	341.55	(21.67)	15982.14	898.09	-	2450.48
<b>FURNITURE &amp; FITTINGS/</b>											
<b>OFFICE EQUIPMENT</b>	1792.04	42.43	(1.39)	1833.08	1434.63	41.35	(1.33)	1474.65	5.79	-	352.64
<b>RAILWAY SIDING</b>	771.25	-	-	771.25	689.88	5.65	-	695.53	-	-	75.72
<b>VEHICLES</b>	498.75	-	(33.67)	465.08	309.84	23.20	(31.99)	301.05	-	-	164.03
<b>AIRCRAFT</b>	1994.84	-	-	1994.84	1753.30	11.61	-	1764.91	171.81	-	58.12
<b>TELECOMMUNICATION</b>	587.84	172.33	-	760.17	506.42	25.80	-	532.22	0.06	-	227.88
<b>DEVELOPMENT</b>	3198.34	32.31	-	3230.65	2204.18	5.77	-	2209.95	994.16	-	26.54
<b>PROSPECTING &amp; BORING</b>	819.13	-	-	819.13	545.91	-	-	545.91	273.22	-	-
<b>TOTAL</b>	<b>37700.08</b>	<b>1108.61</b>	<b>(62.87)</b>	<b>38745.82</b>	<b>25815.57</b>	<b>607.69</b>	<b>(55.07)</b>	<b>26368.19</b>	<b>2507.21</b>	<b>-</b>	<b>9870.42</b>
Less: Other Provisions											(37.33)
<b>TOTAL</b>	<b>37700.08</b>	<b>1108.61</b>	<b>(62.87)</b>	<b>38745.82</b>	<b>25815.57</b>	<b>607.69</b>	<b>(55.07)</b>	<b>26368.19</b>	<b>2507.21</b>	<b>-</b>	<b>9339.97</b>
<b>CAPITAL WORK-IN-PROGRESS</b>	1841.68	4848.76	(705.90)	5984.54	-	-	-	-	-	-	5984.54
Less: Provision	449.40	-	(32.31)	417.09	-	-	-	-	-	-	417.09
<b>C.W.I.P.(Net)</b>	1392.28	4848.76	(673.59)	5567.45	-	-	-	-	-	-	5567.45
<b>SURVEYED OFF ASSETS (P&amp;M)</b>	-	-	-	-	-	-	-	-	-	-	3.52
<b>FINANCIAL YEAR ENDING as on 31.03.2010</b>											0.70
<b>FIXED ASSETS</b>	36933.86	804.65	(38.47)	37700.08	24898.97	949.09	(32.49)	25815.57	2496.25	16.47	9339.97
<b>CAPITAL WORK-IN-PROGRESS</b>	180.40	1238.70	(26.82)	1392.28	-	-	-	-	-	-	1392.28
<b>SURVEYED OFF ASSETS (P&amp;M)</b>	-	-	-	-	-	-	-	-	-	-	0.70

ALLOCATION OF DEPRECIATION	CURRENT YEAR (31.03.2011)	PREVIOUS YEAR (31.03.2010)
Profit & Loss Account	557.27	898.90
Social Overhead	45.17	44.94
Power & Fuel	5.25	5.25
Prior Period Adjustment	-	-
Other Adjustment(Incl.Surveyed off Assets)	(55.07)	(32.49)
<b>TOTAL</b>	<b>552.62</b>	<b>916.60</b>



## Schedules to Balance Sheet (Contd.)

### SCHEDULE - F

#### INVESTMENT (Unquoted)- Valued at Cost.

	(₹ in '00,000)	
	Current Year	Previous Year
<b>A) IN FULLY PAID UP EQUITY SHARES OF INDIAN SUBSIDIARY COMPANIES</b>		
22184500 Equity Shares of ₹1000/- each in Eastern Coalfields Ltd. (Previous Year 22184500 Equity Shares of ₹1000/- each)	221845.00	221845.00
21180000 Equity Shares of ₹1000/- each in Bharat Coking Coal Ltd. (Previous Year 21180000 Equity Shares of ₹1000/- each)	211800.00	211800.00
9400000 Equity Shares of ₹1000/- each in Central Coalfields Ltd. (Previous Year 9400000 Equity Shares of ₹1000/- each)	94000.00	94000.00
2971000 Equity Shares of ₹1000/- each in Western Coalfields Ltd. (Previous Year 2971000 Equity Shares of ₹1000/- each)	29710.00	29710.00
190400 Equity Shares of ₹1000/- each in Central Mine Planning and Design Institute Ltd. (Previous Year 190400 Equity Shares of ₹1000/- each)	1904.00	1904.00
1864009 Equity Shares of ₹1000/- each in Mahanadi Coalfields Ltd. (Previous Year 1864009 Equity Shares of ₹1000/- each)	18640.09	18640.09
1776728 Equity Shares of ₹1000/- each in Northern Coalfields Ltd. (Previous Year 1776728 Equity Shares of ₹1000/- each)	17767.28	17767.28
3597000 Equity Shares of ₹1000/- each in South Eastern Coalfields Ltd. (Previous Year 3597000 Equity Shares of ₹1000/- each)	35970.00	35970.00
<b>B) INVESTMENT IN SUBSIDIARY(OVERSEAS)- EQUITY</b>	0.49	0.49
Coal India Africana Limitada (Ref. Note No. 6.2 in Sch-L, Part-B)		
<b>C) INVESTMENT IN JOINT VENTURE-</b>	280.00	20.00
International Coal Venture Private Limited (2800000 Equity Shares of ₹ 10/- each) (Ref. Note No. 6.1 in Sch-L, Part-B)		
<b>TOTAL</b>	<b>631916.86</b>	<b>631656.86</b>
Aggregate of Book Value of unquoted investment	<b>631916.86</b>	<b>631656.86</b>

## Schedules to Balance Sheet (Contd.)

### SCHEDULE - G

#### INVENTORIES

(As valued and certified by the Management)

Stock of Stores & Spare Parts (at cost)

445.75

418.71

Less : Provision for slow-moving/  
non-moving obsolescence/shortage

147.51

177.53

298.24

241.18

Stock of Coal  
(Valued at lower of cost or net realisable value)

3315.03

2461.06

Coke  
(Valued at lower of cost or net realisable value)

0.07

0.07

3315.10

2461.13

Less : Provisions

43.63

43.63

3271.47

2417.50

#### TOTAL

**3569.71**

**2658.68**



## Schedules to Balance Sheet (Contd.)

### PARTICULARS IN RESPECT OF COAL STOCK AS ON 31.03.2011 (For Producing Unit)

Quantity in ' 000 tonne  
Value in ₹ lakhs

PATICULARS	OVERALL STOCK		PROVISION FOR NON-VENDABLE STOCK		VENDABLE STOCK	
	QTY.	VALUE	QTY.	VALUE	QTY.	VALUE
<b>(A) Reconciliation of Book Stock and measured Stock</b>						
1. Opening Stock as on 01.04.10 (as per Accounts)	294.08	2417.50			294.08	2417.50
2. Add production for the year	1100.50	41590.57			1100.50	41590.57
<b>3. Sub Total (1 + 2)</b>	<b>1394.58</b>	<b>44008.07</b>			<b>1394.58</b>	<b>44008.07</b>
4. Less Off take for the year						
(A) Sales	1101.61	40736.12			1101.61	40736.12
(B) Coal issued for other purpose	0.02	0.48			0.02	0.48
<b>Total (4)</b>	<b>1101.63</b>	<b>40736.60</b>			<b>1101.63</b>	<b>40736.60</b>
5. Derived stock (3 - 4)	292.95	3271.47			292.95	3271.47
6. Measured Stock	289.33	3231.01			289.33	3231.01
7. Difference (5 - 6)	3.62	40.46			3.62	40.46
8. Break up of difference						
(A) Excess within 5%						
(B) Shortage within 5%	3.62	40.46			3.62	40.46
(C) Excess beyond 5%						
(D) Shortage beyond 5%						
<b>9. Closing stock adopted in Accounts (6 + 8A + 8B + 8C)</b>	<b>292.95</b>	<b>3271.47</b>			<b>292.95</b>	<b>3271.47</b>
<b>(B) Reconciliation of closing stock adopted in Accounts</b>						
Less : Net shortage of more than 5% accounted for in the Accounts but not adjusted from Book Stock pending write off						
Less : Non vendable stock including mixed stock & stock on which provision equivalent to the value has been made in accounts.						
Less : Charges for rehandling of pit head stock						
Less : Provision made in accounts to take care of future deterioration of coal stock						
<b>Stock as per Accounts after all Provisions</b>					<b>292.95</b>	<b>3271.47</b>

## Schedules to Balance Sheet (Contd.)

### SCHEDULE - H

	Current Year	Previous Year
(₹ in '00,000)		
<b>SUNDRY DEBTORS (UNSECURED)</b>		
Debts outstanding for a period exceeding 6 months	1076.91	1076.64
Other Debts	-	-
	1076.91	1076.64
Less : Provision	1076.62	1076.62
<b>TOTAL</b>	<b>0.29</b>	<b>0.02</b>
<b>CLASSIFICATION</b>		
Considered good	0.29	0.02
Considered doubtful	1076.62	1076.62

Due by the Companies under the same management with the names of the companies

Due by the parties in which the Director(s) of the companies is/are interested

Maximum amount due at any time		Closing Balance	
During Current Year	During Previous Year	During Current Year	During Previous Year
-	-	-	-
-	-	-	-

### SCHEDULE - I

	Current Year	Previous Year
(₹ in '00,000)		
<b>CASH AND BANK BALANCES</b>		
Cash, Cheque, Drafts, Stamps etc. in hand	3.78	3.41
Balance with Scheduled Banks		
In Current Account	12007.82	9249.81
In Cash Credit Account	25165.86	12473.30
In SBI Dividend Account (Unpaid/Unclaimed Dividend)	159.79	-
In Deposit Account with Scheduled Banks	1128614.34	891609.58
With Post Office Savings Bank Account	0.27	0.27
Less: Provision	0.27	0.27
	0.00	0.00
<b>TOTAL</b>	<b>1165951.59</b>	<b>913336.10</b>



## Schedules to Balance Sheet (Contd.)

### SCHEDULE - J

#### LOANS & ADVANCES

(₹ in '00,000)

##### Loans & Advances (Unsecured)

[Advance Recoverable in cash or in kind or for value to be received ]

##### ADVANCE TO SUPPLIERS

For Capital ( Ref. Note No.9.5 of Sch.-L, Part-B)

For Others

391.33

117.38

391.57

116.48

ADVANCE FOR REVIVAL OF MAMC

MOBILISATION ADVANCE TO CONTRACTOR

L&A- BEML

ADVANCE TO EMPLOYEES

For House Building

For Motor Car & Other Conveyance

For Others

508.71

3130.72

0.30

14214.29

15.57

0.01

222.78

508.05

32.50

1263.40

15698.70

19.19

0.02

206.11

238.36

225.32

##### DEPOSITS

For Custom Duty & Port Charges

For Other Deposits

87.71

371.13

94.87

345.72

Short Term Loan to Body Corporate

Other Receivable

Accrued interest

Other Advances (Ref. Note No. 12.10 of

Sch.-L, Part-B)

Amount receivable from Government of India

For transaction on behalf of Ex-Coal Board

Claims Receivable

Prepaid Expenses

TDS / Advance Tax

458.84

150.00

19958.36

17139.38

437.61

166.61

317.20

10.76

58127.40

440.59

150.00

336.74

9763.65

1533.47

138.13

314.94

12.99

45955.21

##### Balance with Subsidiaries

Loan A/c.

Current A/c.

160227.06

530552.93

160227.06

449556.98

690779.99

609784.04

##### Balance with Subs. (World Bank Loan)

Loan A/c.

Loan to Subsidiaries (VRS)

Exploratory Drilling work

Eastern Coalfields Ltd. Command Area

(Ref.note no.7.3 of Sch.-L, Part-B)

Less : Provision

137042.69

7409.00

7808.57

957898.79

9428.48

146429.68

7409.00

5587.51

845583.92

7173.87

##### TOTAL

948470.31

838410.05

##### CLASSIFICATION

Considered good

Considered doubtful

948470.31

9428.48

838410.05

7173.87



## Schedules to Balance Sheet (Contd.)

### SCHEDULE - J

#### LOANS & ADVANCES CONTD...

(₹ in '00,000)

#### AMOUNT DUE FROM SUBSIDIARY COMPANIES

	Maximum amount due at any time during the year		Closing Balance	
	Current Year	Previous Year	Current Year	Previous Year
Eastern Coalfields Limited	333597.18	259914.19	305569.55	246145.50
Bharat Coking Coal Limited	422074.67	367285.62	382360.30	357458.92
Central Coalfields Limited	-4935.02	-146.45	-4935.02	-146.45
Western Coalfields Limited	-9858.76	24262.03	-9858.76	-4545.70
Northern Coalfields Limited	-143372.86	-119917.11	-137139.41	-135764.65
South Eastern Coalfields Limited	-93221.10	60569.67	-93222.10	29811.28
Mahanadi Coalfields Limited	-161627.06	-165747.38	-141545.92	-165747.38
Central Mine Planning & Design Institute Limited	16230.04	27912.83	10195.83	13525.31
Coal India Africana Limitada	65.69	63.31	63.31	63.31
	<b>358952.78</b>	<b>454196.71</b>	<b>311487.78</b>	<b>340800.14</b>

\* House Building and cars / scooters advance for ₹ 15.58 lakhs (Previous year ₹ 19.21 lakhs) included under Loans & Advances (unsecured) considered good and are secured by equitable mortgage on assets concerned.



## Schedules to Balance Sheet (Contd.)

### SCHEDULE - K

#### CURRENT LIABILITIES & PROVISIONS

##### A. CURRENT LIABILITIES

##### SUNDRY CREDITORS

For Capital including Revenue Stores  
For Coal

968.32  
63.56

##### Current Year

₹ in '00,000)

##### Previous Year

781.39  
63.56

Advance from Customers  
Deposits  
Advance Deposit (Pre-Nationalisation)

1031.88  
6540.16  
3064.04  
20.85

844.95  
4421.89  
2676.94  
20.85

##### EMPLOYEES' REMUNERATION & BENEFITS

Salaries, Wages & Allowances

908.44

898.47

Gratuity

12620.15

12572.96

Less: Gratuity Fund with LIC

(11800.59)

(11788.08)

Ex-gratia  
Leave Encashment  
Medical Benefits- Retired employees  
Other Employee Benefits

819.56  
478.13  
4076.71  
618.37  
622.45

784.88  
360.00  
3371.29  
434.04  
495.22

7523.66

6343.90

##### OTHER EXPENSES

Power & Fuel  
Contractual Expenses  
Others

93.11  
2503.58  
9095.24

91.65  
3093.90  
8417.55

Due to Government of India  
(including ex-owner's Accounts)

1691.93  
160.93

11603.10  
160.93

Interest accrued but not due on Loan

340.23

356.70

##### SALES TAX

State  
Central

57.58  
99.49

48.98  
57.87

157.07

106.85

Excise Duty  
Royalty & Cess on Coal  
Provident Fund  
Pension Fund

684.20  
368.96  
325.56  
38.47

-  
276.55  
314.19  
38.29

##### INCOME TAX

Employees  
Contractors  
Others

215.34  
55.76  
709.06

61.43  
25.70  
2248.84

980.16

2335.97

## Schedules to Balance Sheet (Contd.)

### SCHEDULE - K

#### CURRENT LIABILITIES & PROVISIONS CONTD.

	(₹ in '00,000)	
	Current Year	Previous Year
Professional Tax	6.73	7.59
Fund from Subsidiaries	505438.10	402590.99
Subsidiaries Current Account	18305.80	20231.59
Other Liabilities	12925.42	10568.19
Unpaid/Unclaimed Dividend**	159.79	-
<b>B. PROVISIONS</b>		
Provision for Income Tax	60307.14	54926.28
Provision for NCWA-VIII	71.52	3103.38
Provision for Executive Pay Revision	0.00	1942.89
Pension & PRP	6002.39	4043.62
Proposed Dividend	25265.46	-
Provision for Mine Closure	378.00	187.05
Provision for Foreign Exchange Transactions (Marked to Market)	8770.00	3898.00
	<b>670558.45</b>	<b>531000.69</b>
Contribution from Subsidiaries towards Indian Instt. of Coal Management pending re-imburement. (Ref. Note No. 9.3 in Sch.-L, Part-B)	13972.87	13291.89
<b>TOTAL</b>	<b>684531.32</b>	<b>544292.58</b>

\*\* No amount is due for payment to Investor Education & Protection Fund



## Schedules to Profit & Loss Account

### SCHEDULE - 1

#### SALES (Raw Coal)

(₹ in '00,000)

	Current Year	Previous Year
Quantity ( in '000 M.T.)	1101.61	1070.78
Gross Sales Value	46196.51	43980.35
Add: Other Recoveries	639.56	398.85
<b>(A)</b>	<b>46836.07</b>	<b>44379.20</b>
Less : Statutory Levies		
Royalty on Coal	2925.11	2825.96
Stowing Excise Duty	110.16	107.08
Excise Duty	282.32	-
Other Cess	467.74	-
<b>SALES TAX :</b>		
Central	748.32	761.28
State	375.93	363.94
Assam Land Tax	550.81	535.39
<b>Total Levies (B)</b>	<b>5460.39</b>	<b>4593.65</b>
<b>Net Value ( A - B )</b>	<b>41375.68</b>	<b>39785.55</b>

## Schedules to Profit & Loss Account (Contd.)

### SCHEDULE - 2

#### COAL ISSUED FOR OTHER PURPOSES

	Current Year	Previous Year
	(₹ in '00,000)	
Internal Consumption ( Power & Fuel )	0.48	0.45
Free Issue to Employees ( Social Overhead )	-	1.00
<b>TOTAL</b>	<b>0.48</b>	<b>1.45</b>

### SCHEDULE - 3

#### OTHER INCOME

	Current Year	Previous Year
	(₹ in '00,000)	
Subsidy ( Stowing )	44.85	7.42
Apex Office Charges (Gross) from Subsidiaries (TDS - ₹ 2042.98 lakhs)	18520.70	18628.80
Interest/Dividend from deposits and Advances :		
Banks ( TDS ₹ 5183.22 lakhs)	60443.79	56125.18
Mutual Funds	32.65	-
Others	1423.64	2727.37
	<b>61900.08</b>	<b>58852.55</b>
Rent (Outsider)	1.89	2.80
L.D./Penalty received	3.26	4.05
Tender Fees	7.39	12.55
Provision/Liability Write backs	318.37	513.64
Let out Rent (TDS - ₹ 15.30 lakhs)	153.00	903.00
Transport and Other Recovery	795.90	894.39
Interim Dividend/ Dividend from Subsidiaries	423741.50	336735.82
Guarantee Fee from Subsidiaries	2055.64	2196.45
Profit on sale of Assets	0.13	0.13
Net Gain on Foreign Exchange Transactions	774.05	726.17
Misc. Income	108.10	80.90
<b>TOTAL</b>	<b>508424.86</b>	<b>419558.67</b>



## Schedules to Profit & Loss Account (Contd.)

### SCHEDULE - 4

#### ACCRETION OF STOCK

		(₹ in '00,000)
	Current Year	Previous Year
<b>Stock of Coal/ Coke etc.</b>		
A. Closing Stock(Revenue Mines only) as on 31.03.2011		
Raw Coal	2630.83	2461.06
Excise Duty	684.20	-
	3315.03	2461.06
Soft Coke	0.07	0.07
Less: Provision	43.63	43.63
<b>TOTAL (A)</b>	<b>3271.47</b>	<b>2417.50</b>
B. Opening Stock(Revenue Mines only) as on 01.04.2010		
Raw Coal	2461.06	1794.16
Soft Coke	0.07	0.07
Less: Provision	43.63	43.63
<b>TOTAL (B)</b>	<b>2417.50</b>	<b>1750.60</b>
<b>NET TOTAL (TOTAL A - TOTAL B)</b>	<b>853.97</b>	<b>666.90</b>

### SCHEDULE - 5

#### CONSUMPTION OF STORES & SPARES

		(₹ in '00,000)
	Current Year	Previous Year
Explosives	208.81	369.05
Timber	53.52	37.07
Petrol, Oil and Lubricants	415.09	292.36
Consumable Stores & Spares for HEMM	13.73	18.60
Other Consumable Stores & Spares	313.18	397.68
	<b>1004.33</b>	<b>1114.76</b>
Less: Transfer to		
Social Overhead	54.31	59.84
Power & Fuel	32.65	26.54
Other Expenditure	60.43	60.73
	<b>147.39</b>	<b>147.11</b>
<b>TOTAL</b>	<b>856.94</b>	<b>967.65</b>

## Schedules to Profit & Loss Account (Contd.)

### SCHEDULE - 6

#### DEPRECIATION

		(₹ in '00,000)
	Current Year	Previous Year
Total Depreciation (Schedule - E)	552.62	916.60
Less transferred to:		
Social Overhead	45.17	44.94
Power & Fuel	5.25	5.25
Other adjustment	55.07	32.49
	4.65	17.70
<b>Total (Net)</b>	<b>557.27</b>	<b>898.90</b>



## Schedules to Profit & Loss Account (Contd.)

### SCHEDULE - 7

#### EMPLOYEES REMUNERATION AND BENEFITS

			(₹ in '00,000)
		<b>Current Year</b>	<b>Previous Year</b>
<b>SALARIES, WAGES AND ALLOWANCES</b>			
Salaries & Wages (Incl. Transport Subsidy)		16013.73	14168.90
Provision for Executive PRP & Pension		1958.77	2571.41
Overtime :			
a) Normal	506.02		414.69
b) Sunday Maintenance	327.54		305.38
		833.56	720.07
Leave Encashment		1140.65	670.06
Contribution to Provident Fund and Other Funds ( including Administrative Charges )		1836.69	1503.01
Attendance Bonus		605.26	623.55
Ex-Gratia: PPLB - Non Executive		503.64	363.23
Incentive / Reward to Employees		420.53	2463.88
LTC/LLTC/RRF		177.70	173.24
Pension		107.64	107.27
Gratuity		650.60	1178.34
Workmen Compensation		13.61	-
Life Cover Scheme		31.20	28.00
V. R. S.		587.07	214.61
Other Employee Benefits		126.65	73.47
		25007.30	24859.04
Less : Transfer to			
Social Overhead	621.02		566.26
Power & Fuel	28.52		23.89
		649.54	590.15
<b>TOTAL</b>		<b>24357.76</b>	<b>24268.89</b>



## Schedules to Profit & Loss Account (Contd.)

### SCHEDULE - 8

#### SOCIAL OVERHEAD

(₹ in '00,000)

	Current Year	Previous Year
Salaries, Wages & Allowances	621.02	566.26
Free Issue of Coal to Employees		1.00
<b>MEDICAL FACILITIES :</b>		
a) Medical Reimbursement	822.24	642.81
b) Medicine	71.49	39.94
c) Diet Expenses	22.71	19.48
d) Medical Benefits- Retired Employees	340.31	219.49
	1256.75	921.72
<b>GRANTS TO :</b>		
a) Schools & Institutions	76.19	51.86
b) Sports, Recreation	30.20	30.28
	106.39	82.14
<b>CANTEEN &amp; CRECHE :</b>		
Canteen up-keep	15.52	15.67
House Rent	16.65	19.32
Power	512.88	493.30
<b>REPAIRS &amp; MAINTENANCE :</b>		
a) Township (incl. welfare buildings)	181.60	199.29
b) Plant & Machineries	0.95	3.97
	182.55	203.26
<b>MAINTENANCE OF VECHICLES :</b>		
a) Petrol & Diesel	6.33	10.01
b) Repairs	5.01	2.49
c) Insurance	0.42	0.91
	11.76	13.41
Consumption of Stores & Spares	47.98	49.83
Depreciation	45.17	44.95
Community Development	129.37	50.55
Uniform	2.76	2.25



## Schedules to Profit & Loss Account (Contd.)

### SCHEDULE - 8

#### SOCIAL OVERHEAD CONTD.

		(₹ in '00,000)
	<b>Current Year</b>	<b>Previous Year</b>
Training: Conference & Seminar.	72.05	44.49
Other Welfare Expenses	769.72	375.53
	<u>3790.57</u>	<u>2883.68</u>
Less : Recoveries		
House Rent	8.42	7.63
Hospital Charges	3.70	3.48
Electricity	<u>47.36</u>	<u>17.58</u>
	59.48	28.69
<b>TOTAL</b>	<b><u>3731.09</u></b>	<b><u>2854.99</u></b>

### SCHEDULE - 9

#### POWER & FUEL

		(₹ in '00,000)
	<b>Current Year</b>	<b>Previous Year</b>
Purchase of Electricity	1133.34	1023.36
POWER GENERATION :		
Salary & Wages	28.52	23.91
Consumption of Coal	0.48	0.45
Consumption of Stores	32.65	26.54
Repair & Maintenance	4.19	7.09
Depreciation	<u>5.25</u>	<u>5.25</u>
	71.09	63.24
	<u>1204.43</u>	<u>1086.60</u>
Less : Transfer to Social Overhead	512.88	493.30
<b>TOTAL</b>	<b><u>691.55</u></b>	<b><u>593.30</u></b>

## Schedules to Profit & Loss Account (Contd.)

### SCHEDULE - 10

#### REPAIRS

		(₹ in '00,000)
	Current Year	Previous Year
Building	109.69	227.67
Plant & Machinery (Outside Agency)	59.32	140.35
Office Equipment	36.90	37.23
Others	445.89	453.22
	<u>651.80</u>	<u>858.47</u>
Less : Transfer to		
a) Social Overhead	187.38	205.75
b) Power & Fuel	<u>4.19</u>	<u>7.09</u>
	191.57	212.84
<b>TOTAL</b>	<b><u>460.23</u></b>	<b><u>645.63</u></b>

### SCHEDULE - 11

#### CONTRACTUAL EXPENSES

		(₹ in '00,000)
	Current Year	Previous Year
<b>Transportation Charges :</b>		
Coal, Coke	31.84	58.10
Other Contractual work	8615.37	8141.96
<b>TOTAL</b>	<b><u>8647.21</u></b>	<b><u>8200.06</u></b>



## Schedules to Profit & Loss Account (Contd.)

### SCHEDULE - 12

#### OTHER EXPENDITURE

			(₹ in '00,000)
		Current Year	Previous Year
<b>TRAVELLING :</b>			
a) In country	797.30		676.13
b) Outside country	129.89		98.82
		927.19	774.95
Printing & Stationery		133.01	98.72
Postage		39.95	19.72
Telephone		83.92	91.26
<b>ADVERTISEMENT &amp; PUBLICITY :</b>			
I) Advertisement for			
a) Tender	160.58		39.61
b) Recruitment	46.14		97.37
		206.72	136.98
II) Publicity		2889.17	438.16
Demurrage		8.06	10.09
Donation		2.76	2.82
Subscriptions		78.70	37.18
Security expenses		353.59	220.98
<b>HIRE CHARGES :</b>			
a) Computer	134.74		92.25
b) Others	117.30		100.21
		252.04	192.46
<b>MAINTENANCE OF VECHICLES :</b>			
a) Petrol & Diesel	60.43		61.61
b) Repairs	11.03		9.64
c) Road Tax & Insurance	20.60		20.14
		92.06	91.39

## Schedules to Profit & Loss Account (Contd.)

### SCHEDULE - 12

#### Other Expenditure - contd.

		(₹ in '00,000)
	Current Year	Previous Year
Legal Expenses	180.38	107.79
Bank Charges	7.36	4.77
Guest House expenses	52.26	31.32
Less : Recoveries	4.96	3.99
	47.30	27.33
Consultancy fees	1003.30	1057.10
Office Contingency expenses	96.18	156.60
Underloading Charges	450.05	378.90
<b>AUDITORS' REMUNERATION :</b>		
a) Audit fees	4.05	4.05
b) Travelling & Out-of-pocket exp.	1.65	1.00
c) Tax Audit	1.35	1.35
d) Other matters	19.59	2.40
	26.64	8.80
Internal Audit fees and expenses	8.91	4.00
Royalty & Cess	0.05	0.04
Rent, Rates & Taxes	492.12	420.09
Excise Duty	684.20	-
Insurance	118.77	41.65
Dead Rent	7.61	17.61
Shunting Charge etc.	82.60	144.08
Loss on Exchange Variance	1.64	8.07
Commission & Brokerage to Selling Agents	151.68	6.50
Miscellaneous	471.77	544.58
<b>TOTAL</b>	<b>8897.73</b>	<b>5042.62</b>



## Schedules to Profit & Loss Account (Contd.)

### SCHEDULE - 13

#### INTEREST

Interest to Subsidiaries

#### TOTAL

#### Current Year

20340.77

**20340.77**

(₹ in '00,000)

#### Previous Year

23969.33

**23969.33**

### SCHEDULE - 14

#### FINANCE CHARGES

Guarantee Fees on IBRD & JBIC Loan

Other Bank Charges

#### TOTAL

#### Current Year

1644.51

44.75

**1689.26**

(₹ in '00,000)

#### Previous Year

1757.16

37.74

**1794.90**

## Schedules to Profit & Loss Account (Contd.)

### SCHEDULE - 15

#### PROVISIONS

##### A. Provision for :

	Current Year	Previous Year
Doubtful Advances	3004.80	1734.24
Impairment of Assets	-	16.47
Mine Closure	190.95	0.49
Foreign Exchange Transactions (Marked to Market)	4872.00	1985.00
Others	1.30	-
<b>Total (A)</b>	<b>8069.05</b>	<b>3736.20</b>

##### B. Write-offs :

Doubtful Advance	753.77	1140.94
(Exploratory Drilling work at ECL)	753.77	1140.94
Less : Equivalent Provision Written-back	753.77	1140.94
<b>Total (B)</b>	<b>0.00</b>	<b>0.00</b>
<b>Total ( A + B )</b>	<b>8069.05</b>	<b>3736.20</b>



## Schedules to Profit & Loss Account (Contd.)

### SCHEDULE - 16

#### PRIOR PERIOD ADJUSTMENT (EXPENDITURE)

##### Debit(-)/Credit(+)

Contractual Expenses  
Other Expenditure

##### Total

(₹ in '00,000)

Current Year	Previous Year
-33.03	-
13.51	-
<b>-19.52</b>	<b>0.00</b>



## SCHEDULE - L

### A. SIGNIFICANT ACCOUNTING POLICIES

#### 1.0 Accounting Convention :

Financial statements are prepared on the basis of historical cost and on accrual basis following going concern concept, accounting standards and generally accepted accounting principles except otherwise stated elsewhere.

#### 2.0 Basis of Accounting :

All expenses and incomes are booked initially in the natural heads of accounts and then transferred to functional heads wherever required.

#### 3.0 Subsidies / Grants from Government:

- 3.1 Subsidies / Grants on Capital Account are deducted from the cost of respective assets to which they relate. The unspent amount at the year end, if any, is shown as Current Liabilities.
- 3.2 Subsidies / Grants on Revenue Account are credited to Profit & Loss Account under the head Other Receipts and the relevant expenses are debited to the respective heads. The unspent amount at the yearend, if any, is shown as Current Liabilities.

#### 4.0 Fixed Assets :

##### 4.1 Land:

Value of Land includes cost of acquisition and cash rehabilitation expenses and resettlement cost incurred for concerned displaced persons. Other expenditure incurred on acquisition of Land viz. compensation in lieu of employment etc are, however, treated as revenue expenditure.

##### 4.2 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.

##### 4.3 Railway Siding :

Pending commissioning, payments made to the railway authorities for construction of railway sidings are shown under Capital Work-in-Progress.

##### 4.4 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 :

- (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.



**4.5 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 :**

All investments, being long term in nature, are stated at cost.

**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, cost being ascertained on annual average basis.

6.1.1 Slurry, middling of washeries are valued at net realisable value.

**6.2 Stores & Spares**

6.2.1 Stock of stores & spare parts at Central & Area Stores are valued at cost calculated on the basis of weighted average method. The year-end inventory of stores & spare parts lying at collieries / sub-stores / consuming centres, initially charged off, are valued at issue price of Area Stores, Cost / estimated cost. Workshop jobs including work-in-progress are valued at cost.

6.2.2 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.

6.2.3 Stores & spare parts include loose tools.

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 .

6.3 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.

**7.0 Depreciation :**

7.1. Depreciation on Fixed Assets is provided on straight line method at the rates and manner specified in Schedule XIV of the Companies Act, 1956 (as amended) except for telecommunication equipments. Depreciation on such equipments is charged over the technically estimated life, at higher rates, viz. :- @15.83% p.a. and @10.55% p.a.

Further, depreciation on certain Equipments/HEMM is charged over the technically estimated life at higher rates viz. 11.88% ; 13.57% and 15.83% as applicable.

Depreciation on SDL and LHD (equipments) are charged @19% p.a. and @15.83% p.a. respectively.

Depreciation after major overhauling of Helicopter is charged @ 47.5% p.a., based on its expected year of life / flying hours.

Depreciation on the assets added / disposed off during the year is provided on pro-rata basis with reference to the month of addition / disposal, except on those assets attracting 100% depreciation p.a. (SLM basis), which are fully depreciated in the year of their addition.

7.2 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.

7.3 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.

## 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:

9.1 Year-end balance of foreign currency transactions is translated at the year-end rates and the corresponding effect is given in the respective accounts. Transactions completed during the year are adjusted on actual basis.

9.2 Transactions covered by cross currency swap options contracts to be settled on future dates are recognised at the year-end rates of the underlying foreign currency. Effects arising out of such contracts are taken into accounts on the date of settlement.

## 10.0 Retirement benefits / other employee benefits:

### a) Defined contributions plans:

The company makes contributions towards Provident Fund and Pension Fund to a defined contribution retirement benefit plan for qualifying employees. The Provident Fund and Pension Fund are 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 year-end liability 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 year-end liability of certain other employee benefits viz. benefits on account of LTA/ LTC; Life Cover Scheme, Group Personal Accident Insurance Scheme, Settlement Allowance, Retired Executive Medical Benefit 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 Recognition of Income and Expenditure:

Income and Expenditure are generally recognised on accrual basis and provision is made for all known liabilities.

### 11.1 Sales

- 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.
- Sale of Coal are net of statutory dues and accepted deduction made by customer on account of quality of Coal.
- The revenue recognition is done where there is reasonable certainty of collection. On the other hand, revenue recognition is postponed in case of uncertainty as assessed by Management.

### 11.2 Dividend

Dividend income is recognised when right to receive is established.



## 12.0 Borrowing Costs:

Borrowing Cost directly attributable to the acquisition or construction of qualifying assets are capitalised. 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, 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:

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.

## 15.0 Contingent Liability:

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 can not be made.

Contingent liabilities are not provided for in the accounts and are disclosed by way of Notes.

## 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 end of the year is shown as cost of Removal of OB under the head Current Assets/ Current Liabilities 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%	Nil

However, where the variance is beyond the permissible limits as above, the measured quantity is considered.

## 17.0 Prior Period Adjustments :

Income / expenditure items relating to prior period(s) which do not exceed ₹ 5.00 Lakhs in each case are treated as income / expenditure for the current year

## B. NOTES ON ACCOUNTS

### 1. Contingent Liabilities / Capital Commitments

- 1.1 The amount remaining to be executed on Capital Account not provided for is ₹165.50 Lakh (₹481.15 Lakh).
- 1.2 Claims against the Company not acknowledged as debts are ₹13423.22 Lakh (₹1381.24 Lakh).
- 1.3 The Company has given counter-guarantee to Government of India for loans obtained from JBIC & IBRD Banks and on lent to its Subsidiaries. The outstanding balance of which as on 31.03.2011 stood at ₹73175.60 Lakh (₹74736.27 Lakh) and ₹63867.09 Lakh (₹71693.41 Lakh) respectively.  
Further, the Company has also given guarantee for loans obtained by subsidiaries the outstanding balance of which as on 31.03.2011 stood at ₹15404.65 Lakh (₹14611.70 Lakh).
- 1.4 As on 31.03.2011 outstanding letters of credits amounted to ₹4806.09 Lakh (₹2367.38 Lakh).

### 2. Fixed Assets

- 2.1 Title deeds for land acquired, in some cases, have not been executed in favour of the company and mutation in certain cases are yet to be executed.
- 2.2 **Dankuni Coal Complex / Indian Institute of Coal Management :**
  - A. Fixed Assets comprising of Power Plant of ₹6064.71 Lakh and related building and other assets of ₹3652.25 Lakh, both at book value (WDV) as on 31.3.95, continue to be let out to South Eastern Coalfields Ltd. (for a nominal lease rent of ₹1/- per annum w.e.f 1.4.2010, previously it was ₹ 750.00 Lakh) under cancellable operating lease agreement. Additions to these assets including transfer from CWIP from the day of letting out to 31.03.2011 are ₹632.44 Lakh on value of plant and ₹162.31 Lakh on value of building and other assets. The cumulative provision for depreciation upto 31.03.2011 stood at ₹11825.49 Lakh (including depreciation charged for the current period of ₹235.05 Lakh). The net W.D.V. of the leased assets as per books as on 31.03.2011 is ₹2329.98 Lakh.
  - B. Besides, Fixed Assets comprising of Plant & Machinery of ₹218.99 Lakh and related building and other assets of ₹1625.37 Lakh, both at book value (WDV) as on 31.3.95 have been let out to Indian Institute of Coal Management, a registered society under Societies Registration Act, 1860 (for an annual lease rent of ₹153.00 Lakh) under cancellable operating lease agreement. Additions to these assets from the day of letting out to 31.03.2011 are ₹382.60 Lakh on value of plant and & machinery and ₹388.41 Lakh on value of building and other assets. The cumulative provision for depreciation upto 31.03.2011 stood at ₹1214.99 Lakh (including depreciation charged for the current year of ₹64.28 Lakh). The net W.D.V. of the leased assets as per books as on 31.03.2011 is ₹1527.53 Lakh.
- 2.3 Land in possession of North Eastern Coalfields, Assam, includes 8069.70 hectares of lease hold land for which no value has been shown in the Balance Sheet.

### 3. Investment :

#### 3.1 Investment in ECL and BCCL

Investment of the Company, in share capital of Bharat Coking Coal Ltd. (BCCL) and Eastern Coalfields Ltd. (ECL) which are long term in nature amounted to ₹211800.00 Lakh (₹ 211800.00 Lakh) and ₹221845.00 Lakh (₹221845.00 Lakh) respectively as on 31.03.2011. ECL and BCCL have become sick and are referred to BIFR under Sick Industrial Companies



(Special Provisions) Act, 1985. The revival plan of both ECL and BCCL has already been approved by BIFR and thereafter vetted by the concerned Ministry.

The implementation of these revival schemes will substantially improve the financial positions of these companies. In view of the above, the decline in the value of investments, if any, is temporary in nature, and hence, are valued at cost. On the same analogy i.e. these subsidiaries on the above stated grounds will turn into viable companies; no provision on the loans outstanding from these subsidiaries are considered.

#### **4. Inventories**

- 4.1 Provision for ₹147.51 Lakh (₹177.53 Lakh) has been kept in the accounts for unserviceable or obsolete spares which is considered adequate.

#### **5. Sundry Debtors**

- 5.1 Provision for Bad & Doubtful Debts amounting to ₹1076.62 Lakh (₹1076.62 Lakh) is considered adequate.

#### **6. Investment**

6.1 Investment in SPV

CIL has entered into a Memorandum of Understanding (vide approval from its Board in 237<sup>th</sup> meets held on 24<sup>th</sup> November, 2007) regarding formation of Special Purpose Vehicle (SPV) through joint venture involving CIL/SAIL/RINL/NTPC & NMDC for acquisition of coal properties abroad. The formation of the SPV had been approved by the Cabinet, Govt. of India, vide its approval dated 8<sup>th</sup> November, 2007.

The aforesaid SPV viz. International Coal Ventures Pvt. Ltd. has been formed by incorporation under Companies Act, 1956 on 20<sup>th</sup> May, 2009 with an authorised capital of Rs.100.00 Lakh and paid up capital of Rs.70.00 Lakh. The authorised Capital and paid up Capital during the year have been increased and as on 31.03.2011 they stood at ₹110000.00 Lakh and ₹980.00 Lakh respectively. Out of above paid up capital, Coal India Ltd. is owning 2/7<sup>th</sup> share i.e. worth ₹280.00 Lakh equity shares.

6.2 Investment in Subsidiary (Overseas)

Coal India Ltd., has formed a 100% owned subsidiary in Republic of Mozambique, named "Coal India Africana Limitada". The initial paid up capital on such formation (known as "Quota Capital") was ₹0.49 Lakh (USD 1000)

#### **7. Loans & Advances**

- 7.1 The fund available with the Company against Cash, Bank Balances, Road Coupons etc. taken over by the Company from the Management period of non-coking coal mines i.e. on 1.5.1973 has been adjusted against the deposit made by the Company on behalf of the Govt of India to Commissioner of Payments on account of surplus of the Management Period in respect of such non coking coal mines.
- 7.2 Claims receivable include ₹193.95Lakh (₹193.95 Lakh) due from Railways for missing/diversion of wagons etc.
- 7.3 Funding of Exploration Services provided by Central Mine Planning & Design Institute Ltd. under Eastern Coalfields Ltd. command area:-

The expenditure incurred for carrying out exploratory drilling in blocks under Eastern Coalfields Ltd. command area by CMPDIL as per the approved Annual Action Plan of Coal India Ltd. and its subsidiaries, in view of critically weak financials of Eastern Coalfields Ltd., now under BIFR, shall initially be borne by Coal India Ltd. and accounted for suitably in Coal India Ltd.'s books for recovery thereof only when mining activities in that block is projectised and implemented. Such expenses on exploratory drilling in blocks under command area of Eastern Coalfields Ltd. is to be funded by Coal

India Ltd. and awaiting adjustments shall continue to reflect in Coal India Ltd.'s book for 5 years since they were incurred and accounted for and thereafter if remains unresolved/unadjusted for want of projectisation of mining activities, such unadjusted amounts shall be written off in the books of Coal India Ltd.

The total amount on this account upto 31.03.2011 stood at ₹ 7808.57 Lakh including current year addition of ₹2974.83 Lakh. As an abundant precaution the same has been fully provided.

Further, considering the expiry of five years from the date of incurring and accounting of such expenses an amount of ₹753.77 Lakh (₹1140.94 Lakh), for which full provision exists on the date has been written off.

## 8. Secured Loans - Cash Credit

Pending finalisation of formalities for transfer of assets and liabilities of erstwhile CMAL and its divisions, now Coal India Ltd, the bank borrowings of Coal India Ltd. has been secured by creating charge against stock of Coal, stock of stores and spare parts and book debts and other assets of C.I.L. and its Subsidiary Companies.

The total working capital credit limit available to CIL as on 31.03.2011 is ₹55000.00 Lakh, out of which fund based limit is ₹25000.00Lakh. The balance ₹30000.00 Lakh limit is non-fund based and Coal India Limited is contingently liable to the extent such facility is actually utilised by the subsidiaries.

## 9. Current Liabilities & Provisions.

- 9.1 The provisions made in the Accounts against slow moving/non-moving and obsolete stores, claims receivable, advance, doubtful debts etc. are considered adequate to cover possible losses.
- 9.2 The balance of the current account with the Subsidiaries are being reconciled on a continuous basis, and the same as on 31.03.2011 has been reconciled substantially, while reconciliation for the balance is in progress.
- 9.3 Current Account balance with Indian Institute of Coal Management (IICM) (in Current Liabilities & Provisions Schedule of Balance Sheet) represents the fund accumulated by receiving ₹0.50 per tonne of productions of Subsidiaries, net of expenditure made / Fund remitted on behalf of IICM.

During the year total contribution received from the subsidiaries on this account amounted to ₹2156.61 Lakh. Further ₹1337.93 Lakh (Net) were remitted to IICM during the year; and hire charges/ lease rent recovered from IICM amounted to ₹153.00 Lakh (Other than the Service Tax applicable thereon, TDS ₹15.30 Lakh).



9.4 The disclosures as per actuary's certificate for employee benefits for gratuity and leave encashment are given below.

## Actuarial valuation of gratuity liability as at 31-03-2011

Certificates as per accounting standard 15 (revised 2005)

₹ in Lakh

<b>Table 1 : Disclosure Item 120 (C)</b>	
<b>Table showing changes in Present Value of obligations</b>	<b>As at 31.03.2011</b>
Present Value of obligations at beginning of the year	<b>12112.84</b>
Acquisition Adjustment	0
Interest Cost	964.04
Past Service Cost	0
Current Service Cost	497.69
Curtailment Cost	0
Settlement Cost	0
Benefits Paid	1542.39
Actuarial Gain / Loss on obligations	184.40
Present Value of Obligation at the end of the year	12216.58

₹ in Lakh

<b>Table 2 : Disclosure Item 120 (e)</b>	
<b>Table showing changes in Fair Value of Plan Assets</b>	<b>As at 31.03.2011</b>
Fair Value of Plan Asset at Beginning of the year	<b>11788.08</b>
Acquisition Adjustment	0
Expected Return on Plan Asset	943.05
Contributions	442.96
Benefits Paid	1542.39
Actuarial gain/loss on Plan Asset	168.89
Fair Value of Plan Asset at end of the year	<b>11800.59</b>

₹ in Lakh

<b>Table 3 : Disclosure Item 120 (f)</b>	
<b>Table showing Funded Status</b>	<b>As at 31.03.2011</b>
Present Value of Obligation at end of the year	12216.58
Fair Value of Plan Asset at end of the year	11800.59
Funded Status	- 415.99
Unrecognised actuarial gain/loss at end of the year	0
Net Asset (Liability) recognized in Balance Sheet	- 415.99



₹ in Lakh

<b>Table 4 : Disclosure Item 120 (g) Table showing Expense Recognized in statement of Profit/Loss</b>	<b>As at 31.03.2011</b>
Current Service Cost	497.69
Past Service Cost	0
Interest Cost	964.04
Expected Return on Plan Asset	943.05
Curtailment Cost	0
Settlement Cost	0
Actuarial gain/ loss Recognised in the year	15.51
<b>Expense Recognised in Statement of Profit/Loss</b>	<b>534.19</b>

₹ in Lakh

<b>Table 7 : DISCLOSURE ITEM 120 (I) Table Showing Actuarial Assumptions</b>	<b>As at 31.03.2011</b>
Mortality Table :	LICI – 1994-1996
Superannuation Age :	60
Early Retirement & Disablement :	10 Per Thousand P.A.
:	6 above age 45
:	3 between 29 and 45
:	1 below age 29
Discount Rate :	8.50
Inflation Rate :	6.0
Return on Asset :	8.00
Remaining Working Life :	9
FORMULA USED :	Project Unit Credit Method

**Table 8 : DISCLOSURE ITEM 120 (m)**  
**Not applicable as Scheme is not related to Medical cost**

**Table 9 : DISCLOSURE ITEM 120 (n)**  
**Summary of last 4 Valuation Record company to produce.**



₹ in Lakh

<b>Table 10 : DISCLOSURE ITEM 120 (p)</b> <b>Movements in the Liability Recognised in Balance Sheet:</b>	<b>As at 31-03-2011</b>
Opening Net Liability	324.76
Expenses as above	534.19
Contributions	442.96
Closing Net Liability	415.99
<b>Closing Fund / Provision at end of the Year</b>	<b>12216.58</b>

## Actuarial valuation of leave encashment benefit(EL/ HPL) as at 31-03-2011

Certificates as per accounting standard 15 (Revised 2005)

₹ in Lakh

<b>Table 1 : Disclosure Item 120 ( C )</b> <b>Table showing changes in Present Value of obligations</b>	<b>As at 31.03.2011</b>
Present Value of obligation at beginning of the year	<b>3313.99</b>
Acquisition Adjustment	0
Interest Cost	263.83
Past Service Cost	0
Current Service Cost	495.08
Curtailement Cost	0
Settlement Cost	0
Benefits Paid	420.33
Actuarial Gain / Loss on obligations	362.73
<b>Present Value of Obligation at the end of the year</b>	<b>4015.30</b>

**Table 2 : DISCLOSURE ITEM 120(e)**  
**Table Showing Changes in Fair Value of Plan Assets:**  
**Not applicable as Scheme is unfunded**

**Table 3 : DISCLOSURE ITEM 120(f)**  
**Table Showing Funded Status**  
**Not applicable as Scheme is unfunded**

₹ in Lakh

<b>Table 4 : Disclosure Item 120 ( g )</b> <b>Table showing Expense Recognized in statement of Profit/Loss</b>	<b>As at 31.03.2011</b>
Current Service Cost	495.08
Past Service Cost	0
Interest Cost	263.83
Expected Return on Plan Asset	0
Curtailement Cost	0
Settlement Cost	0
Actuarial gain/loss recognised in the year	362.73
<b>Expenses Recognised in Statement of Profit/Loss</b>	<b>1121.64</b>



₹ in Lakh

<b>Table 7 : DISCLOSURE ITEM 120 (I)</b>		
<b>Table Showing Actuarial Assumptions:</b>		<b>As at 31-03-2011</b>
Mortality Table	:	LICI 1994-1996
Superannuation Age	:	60
Early Retirement & Disablement	:	10 per thousand PA
	:	6 above age 45
	:	3 between 29 and 45
	:	1 below age 29
Discount Rate	:	8.5
Inflation Rate	:	6.00
Return on Asset	:	0.00
Remaining Working Life	:	9
FORMULA USED	:	Project Unit Credit Method

₹ in Lakh

<b>Table 10 : DISCLOSURE ITEM 120(p)</b>		
<b>Movements in the Liability Recognised in Balance Sheet</b>		<b>As at 31-03-2011</b>
Opening Net Liability		0
Expenses as above		1121.64
Contributions		0
Closing Net Liability		1121.64
<b>Closing Fund / Provision at end of the Year</b>		<b>4015.30</b>

#### **NOTE TO APPENDIX B OF AS15 (REVISED 2005)**

AS THE SCHEME IS UNFUNDED CHARGES TO PROFIT / LOSS ACCOUNT HAS BEEN BASED ON FOLLOWING ASSUMPTIONS:-

- (1) PREVIOUS OBLIGATION WAS PROVIDED FOR AT LAST ACCOUNTING DATE
- (2) BENEFIT TO EXITS HAS BEEN PAID TO DEBIT OF ABOVE PROVISION
- (3) CURRENT OBLIGATION WILL BE PROVIDED FOR AT CURRENT ACCOUNTING DATE

9.5 Full provision has been kept in the Accounts against an old advance amounting to ₹366.93 Lakh paid to M/s MAMC for arranging supply of imported spares on behalf of BCCL, a Subsidiary Company.

9.6 There is no reported Micro, Small and Medium Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006", to whom the company owes dues.

## 10. Profit & Loss Account

- 10.1 Recognition of Revenue in respect of interest claim amounting to ₹3786.26 Lakh (₹5334.56 Lakh) and Apex Charges amounting to ₹1450.15 Lakh (₹1375.65 Lakh) attributable to Bharat Coking Coal Ltd. in year's account have been deferred. This has been done in consistence with the provision of Accounting Standard - 9 of Institute of Chartered Accountants of India of Revenue Recognition. ( Loan to BCCL for ₹108329.98 lakh already made interest free vide 229th meeting of CIL Board). Recovery of such apex office charge and interest from ECL is already waived by CIL Board as explained in Note No 13.9.
- 10.2 Interim dividend declared by three subsidiaries namely NCL, MCL and SECL amounting to ₹110036.58 Lakh (₹147120.70 Lakh) pertaining to the year 2010-11 has been accounted for as income for the year, over and above the final dividend for the year 2009-10 received during the current year from NCL, MCL, CCL, WCL and SECL amounting to ₹313704.92 Lakh (₹ 189615.12 Lakh).
- 10.3 Depreciation includes the amount charged on account of amortisation of cost of Leasehold Land.
- 10.4 As a measure of abundant precaution pending ascertainment of reliable proportionate unprovided cost of Overburden Removal vis-à-vis the relevant ratio of Coal raised year to year, a provision amounting to ₹6527.87 Lakh (₹3913.49 Lakh) has been kept in the Accounts (upto 31.03.2011) as per the existing contractual terms and period of three years.
- 10.5 The overall Marked to Market position of the existing hedge transactions (net of the positive values) as on 31.03.2011 stood at ₹8740.00Lakh (negative). However, the negative Marked to Market valuation of outstanding position involving six individual foreign currency transactions as on 31.03.2011 before netting up with transactions having positive values stood at ₹8770.00 Lakh (₹3898.00 Lakh), which have been fully provided for..
- 10.6 As per CSR Policy of the company a reserve equivalent to 2.5% of the retained profit of previous year has been created for meeting expenses relating to CSR activities. The amount utilised, being actual expenses incurred and accounted for during the year is transferred to General reserve out of CSR reserve.
- 10.7 Related party disclosure  
Key management personnel as on 31.03.2011:  
Mr. N. C. Jha, Chairman  
Mr. R. Mohan Das, Director (P&IR)  
Dr. A. K. Sarkar, Director (Marketing)  
Mr. A. K. Sinha, Director (Finance)

Sl. No.	Director's Remuneration	Amount (₹ in Lakh)
i)	Salaries	125.01
ii)	Co's Contribution to P.F. & other Fund	15.04
iii)	Medical Benefits	12.59



## 11. Foreign Currency Loan:

- 11.1 The foreign currency loans drawn from IBRD and JBIC Banks on account of Coal Sector Rehabilitation Project to be implemented in various subsidiaries has been shown under the head Unsecured Loan.(Ref. Schedule-D).  
In terms of the agreement with IBRD and JBIC Banks, Coal India Ltd. has entered into back to back loan agreements with its participating Subsidiaries and loans including effect of exchange rate variation thereon have been shown under "Loans to Subsidiaries" and all other financial charges viz. Interest, Commitment Charges etc. and interest earned are transferred through "Current Account with Subsidiaries".
- 11.2 Borrowing and other Costs (including exchange difference) in respect of foreign currency loans obtained for Subsidiary companies have been recovered from the respective Subsidiary companies. The company has entered into swap transactions against a portion of above stated borrowing and interest thereon. Gains/Losses arising out of swap transactions are being carried as reserve for Foreign Exchange Transactions. Net result of the said swap transactions will be recovered / paid to Subsidiary companies upon completion of repayment of foreign currency loans .

## 12. Others

- 12.1 In the opinion of the Management Current assets, Loans and Advances, Sundry Debtors etc. have realisable value in the course of business at least equal to the net amount at which they are stated.
- 12.2 Other liability of ₹12925.42 Lakh includes the amount of ₹457.83 Lakh deducted from employees / recovered from Subsidiaries towards National Calamity Fund .
- 12.3 Interest has been paid on Surplus Fund parked by Northern Coalfields Ltd., Mahanadi Coalfields Ltd., Western Coalfields Ltd., Central Coalfields Ltd., and South Eastern Coal fields Ltd. except on fund earmarked as interest free.
- 12.4 In absence of balance confirmation from parties, the Sundry Debtors, Creditors, Loans & Advances and Deposits have been taken in the Accounts as per their book value.
- 12.5 As per existing practice, goods purchased by Coal India Ltd. on behalf of Subsidiaries are accounted for in the books of the Subsidiary Companies.
- 12.6 a) Interest on advance to employees e.g. House Building, Purchase of Vehicle etc., are generally accounted for on realisation after recovery of principal.  
b) Insurance and escalation claims are accounted for on the basis of admission/final settlement.
- 12.7 An amount of (₹19000.00 Lakh) (₹20000.00 Lakh) has been provided in the Accounts during the current year towards Income Tax, Wealth Tax, Interest on tax payment etc.

The Company is having a deferred tax asset on the basis of calculation as per Accounting for Taxes on Income (AS-22), issued by Institute of Chartered Accountants of India. Since as per existing provisions of tax laws the dividend received from subsidiaries which accounts for the income of Coal India Ltd, is tax free w.e.f. Financial year 2003-04 and since without considering such dividend there is no virtual certainty of future taxable income, as a prudent practice no deferred tax asset is recognised in the Accounts in keeping with the provisions of AS-22, Accounting for taxes on income.

Further dividend to GOI / Other Shareholders has been paid out of dividend received from subsidiary companies of CIL, on which Dividend Distribution Tax has been paid by the respective subsidiaries. No further tax on dividend to GOI has been considered as per the provision of Income Tax Act,1961.

- 12.8 Shifting and Rehabilitation Fund (Schedule-C) shown in the Balance Sheet represents the fund set-up for "Implementation of action plan for Shifting & Rehabilitation dealing with Fire & Stabilisation on Unstable Areas of Eastern Coalfields Ltd. & Bharat Coking Coal Ltd.". The above fund is invested in Fixed Deposit and any interest income arising thereon (net of TDS) is also transferred to the said Fund. (Total interest income earned and transferred this year (net of TDS) is ₹ 9951.89 Lakh (₹ 8038.06 Lakh).

- 12.9 The Coal India Ltd. Board vide its 209<sup>th</sup> Meeting held on 29<sup>th</sup> July, 2003 (Item No.209: 4[B]) has granted relief and concession on several account for revival of Eastern Coalfields Ltd. as sought by the operating agencies. Such relief and concession inter alia includes :
- (a) Waiver of interest due on unsecured loans from Coal India Ltd. amounting to ₹135.00 Crore as outstanding on 31.03.2002.
  - (b) Waiver of future interest on unsecured loan of ₹ 519.00 Crore till Eastern Coalfields Ltd.'s net worth becomes positive.
  - (c) Waiver of service charges payable to Coal India Ltd. till Eastern Coalfields Ltd.'s net worth becomes positive.
- Accordingly, no interest on the above unsecured loans and service charges has been charged during the year.
- 12.10 Other advances of ₹ 437.61 Lakh as shown under the schedule of Loans and Advances includes ₹ 58.20 Lakh, lying with Govt. of India as refundable deposit paid on behalf of Subsidiary companies on account of land compensation. Further, the Other Advances include ₹ 0.50 Lakh paid towards formation and initial expenses of CIL NTPC Urja Pvt.Ltd., a 50:50 joint venture company formed on 27<sup>th</sup> April, 2010 between CIL and NTPC .Pending allotment of Shares and other formalities, the same has been shown as Advance.
- 12.11 In Coal Mines, for compliance of AS 29, the total obligation arising out of Mine Closure Plan as on 31.03.2011 is ₹ 378.00 Lakh. During the year ₹ 190.95 Lakh has been provided after netting of ₹ 187.05 Lakh provided earlier for Back Filling/Land Reclamation . No separate Escrow account has been opened, as modalities have not been received from the Coal Controller Organisation.
- 12.12 The position of various provisions as on 31.03.2011 is given below:

(₹ in '00,000)

Provisions	Opening Balance	Addition during the year	Write back/Adj. during the year	Closing Balance
Doubtful advance	7173.87	3004.80	750.19	9428.48
Doubtful debts	1076.62	-	-	1076.62
Impairment of assets	2507.21	-	-	2507.21
CWIP	449.40	-	32.31	417.09
Other Provisions- Fixed Assets	42.51	-	-	42.51



### 12.13 Segment Reporting:

The Company is primarily engaged in a single segment business of production and sale of Coal. However, there is significant income from dividend from Subsidiaries also. The details are given below:

#### SEGMENT REPORTING

(₹ in '00,000)

Description	Coal Mining		Other incidental Activities		Consolidation	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
<b>Revenue</b>						
External Sales	41375.68	39785.55	-	-	41375.68	39785.55
Dividend Income	-	-	423741.50	336735.82	423741.50	336735.82
<b>Total Revenue</b>	<b>41375.68</b>	<b>39785.55</b>	<b>423741.50</b>	<b>336735.82</b>	<b>465117.18</b>	<b>376521.37</b>
Segment Result	16208.34	17633.20	423741.50	336735.82	439949.84	354369.02
Add: Grant to past losses	-	-	-	-	-	-
Prior period adjustment	(33.03)	-	13.51	-	(19.52)	-
<b>Net Segment Result</b>	<b>16175.31</b>	<b>17633.20</b>	<b>423755.01</b>	<b>336735.82</b>	<b>439930.32</b>	<b>354369.02</b>
Unallocated Income/Exp (Net)	-	-	-	-	-29493.79	-26181.47
Operating Profit	-	-	-	-	410436.53	328187.55
Interest Income	196.62	138.42	61703.46	58714.13	61900.08	58852.55
Income Tax	-	-	-	-	-2726.36	-9048.51
<b>Profit from Ordinary Activities</b>	<b>196.62</b>	<b>138.42</b>	<b>61703.46</b>	<b>58714.13</b>	<b>469610.25</b>	<b>377991.59</b>
<b>Other Information</b>						
Segment Assets	28365.29	24225.51	-	-	28365.29	24225.51
Unallocated Corporate Assets	-	-	2128372.43	1767879.43	2128372.43	1767879.43
<b>Total Assets</b>	<b>28365.29</b>	<b>24225.51</b>	<b>2128372.43</b>	<b>1767879.43</b>	<b>2156737.72</b>	<b>1792104.94</b>
Segment Liabilities	31319.90	27677.69	-	-	31319.90	27677.69
Unallocated Liabilities	-	-	653211.42	516614.89	653211.42	516614.89
<b>Total Liabilities</b>	<b>31319.90</b>	<b>27677.69</b>	<b>653211.42</b>	<b>516614.89</b>	<b>684531.32</b>	<b>544292.58</b>
Segment Capital Expenditure	1267.76	1589.65	-	-	1267.76	1589.65
Unallocated Capital Expenditure	-	-	4689.61	453.70	4689.61	453.70
<b>Total Capital Expenditure</b>	<b>1267.76</b>	<b>1589.65</b>	<b>4689.61</b>	<b>453.70</b>	<b>5957.37</b>	<b>2043.35</b>
Depreciation (Including provision for impairment)	10101.30	9969.60	-	-	10101.30	9969.60
Unallocated Depreciation (Including Other provisions)	-	-	18811.43	18390.51	18811.43	18390.51
<b>Total Depreciation (Including provision for impairment)</b>	<b>10101.30</b>	<b>9969.60</b>	<b>18811.43</b>	<b>18390.51</b>	<b>28912.73</b>	<b>28360.11</b>



#### 12.14 Earnings per share :

Sl. No.	Earning per Share particulars	As at 31st March'2011	As at 31st March'2010
i)	Profit after Taxation	₹ 469610.25 Lakh	₹ 377991.59 Lakh
ii)	Less: Adjustment for Reserve For Foreign Exch.	(-) ₹ 774.05 Lakh	(-) ₹ 726.17 Lakh
iii)	Net profit after tax attributable to Equity Share Holders.	₹ 468836.20 Lakh	₹ 377265.42 Lakh
iv)	Weighted average No. of Shares Outstanding during the year.	6316364400	6316364400
v)	Basic and Diluted Earning per Share in Rupees (Face value ₹ 10/- per share)	₹ 7.42	₹ 5.97

12.15 Significant accounting policy, part A of this schedule (Sch-L) has been suitably modified/ re-drafted over previous year, as found necessary to elucidate the accounting policies adopted by the company.

12.16 Previous years' figures have been regrouped and rearranged wherever considered necessary.

12.17 Figures in the parentheses relates to 12 months period, ended 31.03.2010.

12.18 Use of estimate:

In preparing the financial statements in conformity with Accounting Principles generally accepted in India, Management is required to make estimates and assumptions that effect 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 would differ from those estimates. Any revision to such estimate is recognized in the period the same is determined.

12.19 Schedule A to K form part of the Balance Sheet as at 31st March, 2011 and 1 to 16 form part of Profit & Loss Account for the year ended on that date and Schedule - L represents Accounting Policies and explanatory notes on the Accounts. Additional information required as per Schedule - VI (Part-II and III) of the Companies Act, 1956 are given in the Annexure to Schedule - L.

12.20 Listing of shares of Coal India Ltd. In Stock Exchange.

Pursuant to divestment of 10% of total equity shares held by Govt. of India, to the public, the shares of Coal India Ltd. has been listed in two major Stock Exchanges of India, viz. Bombay Stock Exchange and National Stock Exchange on and from 4th November, 2010.

Post such listing Govt. of India holds 90% of the entire equity share capital.

Signature to Schedule A to L and 1 to 16.

sd/-

Dr. H. Sarkar

CGM(F)/Company Secretary

sd/-

D.K.Ghosh

CGM(Finance)

sd/-

A. K Sinha

Director (Finance)

sd/-

N. C. Jha

Chairman

Dated: 12th May,2011

Place: Kolkata

As per our report annexed  
For Deoki Bijay & Co.  
Chartered Accountants  
F.R. No. 313105E

sd/-

( CA. D. N. Agrawal )

Partner

Membership No. 051157



## ANNEXURE TO SCHEDULE- L

### I. Directors' Remuneration:

		(₹ in 00,000)
	<b>Current Year</b>	<b>Previous Year</b>
For Whole Time Directors		
(i) Salaries	125.01	96.56
(ii) Company's Contribution to Provident Fund & Other Funds	15.04	9.52
(iii) Medical Benefits	12.59	2.32
	<u>152.64</u>	<u>108.40</u>
For Part Time Directors		
(iv) Sitting Fees	17.55	6.05

### Notes:

- (a) Besides above, whole time Directors have been allowed to use of cars for private journey upto a ceiling of 1000 KMs on payment of ₹520 per month as per service conditions.

### II. The information required in paragraph 3 & 4 of Part (ii) of Schedule – VI of Companies Act., 1956, 3(b) value of imports on CIF basis :

		(₹ in 00,000)
	<b>Current Year</b>	<b>Previous Year</b>
(i) Raw Material	NIL	NIL
(ii) Capital Goods	5998.13	3173.59
(iii) Stores, Spares & Components	NIL	NIL

### III. Expenditure incurred in Foreign Currency on account of :

		(₹ in 00,000)
	<b>Current Year</b>	<b>Previous Year</b>
(i) Interest & commitment charges	2112.08	2666.17
(ii) Commission to Foreign Agents	8.84	7.50
(iii) Travelling / Training Expenses	252.77	176.28
(iv) Advertisement	1.72	8.46
(v) Consultancy	35.78	52.29
(vi) Subscription	49.84	-

### IV. Earning in Foreign Exchange on account of:

		(₹ in 00,000)
	<b>Current Year</b>	<b>Previous Year</b>
(i) Export of Goods (Calculated on FOB basis)	NIL	NIL
(ii) Exchange Variation (net)	774.05	726.17
(iii) Miscellaneous	NIL	NIL

## V. Total Consumption of Stores during the year:

- (i) Imported Materials
- (ii) Indigenous

### Current Year

NIL  
952.87

(₹ in 00,000)

### Previous Year

NIL  
1075.37

Additional information required in paragraph 3 & 4 of Part-II of Schedule-VI to the Companies Act, 1956 for the year ended 31st March, 2011.

### Current Year

Not Applicable  
Not Applicable

### Previous Year

Not Applicable  
Not Applicable

## VI. Statement of Opening Stock, Production, Purchases, Turnover and Closing Stock of Coal, Coke and Other Product and by-product including its trading activities:

			(₹ in 00,000)	
			(Quantity in '000 MT)	
	Current Year		Previous Year	
	Qty.	Value	Qty.	Value
<b>Opening Stock:</b>				
Coal & Coke Adjustment	299.69	2417.50	257.97	1750.60
<b>Production:</b>				
Coal	1100.50	-	1112.56	-
<b>Sales (Gross) :</b>				
Coal	1101.61	46196.51	1070.78	43980.35
<b>Own Consumption:</b>				
Free issue to employees and Internal Consumption	0.02	-	0.06	-
<b>Closing Stock:</b>				
Coal and Coke	298.56	3271.46	299.69	2417.50



**Annexure to SCHEDULE - L**

**BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE**

**I Registration Details :**

Registration No.	2	8	8	4	4	State Code	2	1
Balance Sheet Date	3	1	0	3	2	0	1	1
	Date		Month		Year			

**II Capital Raised during the Year ( Amount in ₹ '000 ) :**

Public Issue	-	-	-	-	-	-	-	-	-	Rights Issue	-	-	-	-	-	-	-	-
Bonus Issue	-	-	-	-	-	-	-	-	-	Private Placement	-	-	-	-	-	-	-	-

**III Position of Mobilisation and Deployment of Funds ( Amount in ₹ '000 ) :**

Total Liabilities	2	7	6	5	3	1	2	8	2	Total Assets	2	7	6	5	3	1	2	8	2
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**Sources of Funds :-**

Paid - Up Capital										Reserve & Surplus								
		6	3	1	6	3	6	4	4	1	1	4	9	9	6	5	3	4
Secured Loans										Unsecured Loans								
-	-	-	-	-	-	-	-	-	-		1	3	7	0	4	2	6	9

**Shifting & Rehabilitation Fund**

1	6	2	1	3	7	0	3
---	---	---	---	---	---	---	---

**Application of Funds :-**

Net Fixed Assets										Investments								
			1	5	4	0	4	0	6		6	3	1	9	1	6	8	6
Net Current Assets										Misc. Expenditure								
	1	4	3	3	4	6	0	5	8	-	-	-	-	-	-	-	-	-
Accumulated losses																		
-	-	-	-	-	-	-	-	-	-									

## BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE

### IV Performance of Company ( Amount in ₹ '000 ) :

Turnover (Net)										Total Expenditure									
			4	1	3	7	5	6	8				7	8	2	9	8	3	8
Other Income																			
		5	0	9	2	7	8	8	3										
+ -		Profit/Loss Before Tax																	
+				4	7	2	3	3			6	6	1						
+ -		Profit/Loss After Tax																	
+				4	6	9	6	1			0	2	5						
Earning per Equity share ( ₹ )										Dividend									
-	-	-	-	-	-	7	.	4	2	%									
										39									
										Equity Share									

### V Generic Name of Principal Product of the Company :

Item Code No. ( ITC Code ) - - 2 7 0 1 1 2 . 0 0

Product Description B I T U M I N O U S C O A L

Item Code No. ( ITC Code ) - - 2 7 0 4 0 0 . 0 4

Product Description C O K E S O F C O A L



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