

ANNUAL REPORT & ACCOUNTS

2011-2012



Coal India Limited

A Maharatna Company
www.coalindia.in





MISSION

The mission of Coal India Limited is to produce the planned quantity of coal efficiently and economically with due regard to safety, conservation and quality.

VISION

Be the leading energy supplier in the country, through best practices from mine to market.

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.

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Board of Directors



Shri S. Narsing Rao



Ms. Zohra Chatterji



Ms. Anjali Anand Srivastava



Prof. S. K. Barua



Dr. A. K. Rath



Dr. (Smt.) Sheela Bhide



Dr. R. N. Trivedi



Shri Mohd. Anis Ansari



Shri Kamal R Gupta



Ms. Sachi Chaudhuri



Shri R. Mohan Das



Shri A. K. Sinha



Shri N. Kumar



Shri B. K. Saxena

Permanent Invitees



Shri D. C. Garg



Shri A. K. Singh



Shri D. P. Pande

Members of the Board

as on 31st July, 2012

Functional Directors :

Shri S.Narsing Rao	: Chairman
Shri R. Mohan Das	: Personnel & Industrial Relations
Shri A. K. Sinha	: Finance
Shri N. Kumar	: Technical
Shri B.K.Saxena	: Marketing

Part-Time Official Directors :

Ms. Zohra Chatterji	: Additional Secretary Ministry of Coal, New Delhi.
Ms. Anjali Anand Srivastava	: Joint Secretary and Financial Adviser, Ministry of Coal, New Delhi.

Independent Directors :

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

Permanent Invitees :

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

Company Secretary :

M. Viswanathan



Management During 2011-12

Ms . Zohra Chatterji	: Chairman [Additional Charge] (From 01.02.2012)
Shri N. C. Jha	: Chairman [Additional Charge] (From 01.03.2011 to 31.01.2012)

Functional Directors

Shri N. C. Jha	: Director (Technical) (From 01.01.2007 to 31.01.2012)
Shri R. Mohan Das	: Director (P&IR) (From 01.06.2007)
Dr A K Sarkar	: Director (Marketing) (From 17.03.2009 to 30.04.2011)
Shri N.C.Jha	: Director (Marketing) [Additional Charge] (From 01.05.2011 to 31.01.2012)
Ms. Zohra Chatterji	: Director (Marketing) [Additional charge] (From 01.02.2012)
Shri A K Sinha	: Director (Finance) (From 13.03.2010)
Shri N.Kumar	: Director (Technical) (From 01.02.2012)

Part Time Official Directors

Shri Alok Perti	: Special Secretary, Ministry of Coal (From 27.01.2010 to 31.08.2011)
Ms Zohra Chatterji	: Additional Secretary, Ministry of Coal (From 12.11.2011)
Shri A.K.Bhalla	: Joint Secretary, Ministry of Coal (From 20.09.2011 to 13.10.2011)
Ms. Anjali Anand Srivastava	: Joint Secretary & Financial Advisor (From 20.01.2011)

Independent Directors

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) Railway Board (From 07.09.2010 till 31.03.2012)

Company Secretary :

Dr H. Sarkar	: (From 30.09.1997 to 13.12.2011)
Shri M. Viswanathan	: (From 14.12.2011)

Bankers, Auditors and Regd. Office

Bankers

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

Statutory Auditor

De Chakraborty & Sen
Chartered Accountants
Bikaner Buildings, 1st Floor,
8-B, Lalbazar Street
Kolkata-700001
Phone : 22300171/5604
E-mail : dechasesen@vsnl.net

Registered Office

Coal Bhawan
10, Netaji Subhas Road
Kolkata - 700001
India

Website

www.coalindia.in



Notice

Dated : 31st July' 2012

Notice of the Thirty-Eighth Annual General Meeting of Coal India Limited

Notice is hereby given to the Members of Coal India Limited that the Thirty-Eighth Annual General Meeting of the Company will be held on **Tuesday, the 18th September, 2012 at 10.30 A.M** at the Kala Mandir Auditorium, 48, Shakespeare Sarani, Kolkata 700017 to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012, 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 2011-12.
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.

SPECIAL BUSINESS :

ITEM No 4.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution** :

"RESOLVED THAT pursuant to section 31 and other applicable provisions, if any, of the Companies Act 1956, the Articles of Association of the company be altered to include clause 18A after clause 18 to provide for Buy back of Shares."

Clause 18A :

"Notwithstanding anything contained in these Articles, but subject to the provisions of Companies Act and Securities and Exchange Board of India (Buy back of Securities) Regulations, as amended from time to time and other provisions of law if any, the company by special resolution or the Board of Directors of the Company, as the case may be, shall have the power subject to limits, restrictions, terms and conditions and approvals, if any, as may be required, to purchase any of its fully paid shares or any other securities as may be specified under the Act, Rules and regulations from time to time and make payment thereof out of its free reserves or securities premium account or the proceeds of any shares or other specified securities issued specially for the purpose of buy-back or any other modes as may be permitted from time to time."

ITEM No 5

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Shri S. Narsing Rao, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 and designated as Chairman cum Managing Director effective from 24th April, 2012 and holds office upto the 38th Annual General Meeting and in respect of whom, the company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company, not liable to retire by rotation."

ITEM No 6

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT Ms Zohra Chatterji, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 effective from 12th November, 2011 and holds office upto the 38th Annual General Meeting and in respect of whom, the company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member proposing her candidature for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

ITEM No 7

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT Ms. Anjali Anand Srivastava, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 effective from 20th September, 2011 and holds office upto the 38th Annual General Meeting and in respect of whom, the company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member proposing her candidature for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

ITEM No 8

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT Dr.(Smt)Sheela Bhide, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 effective from 20th September, 2011 and holds office upto the 38th Annual General Meeting and in respect of whom, the company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member proposing her candidature for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

ITEM No 9.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution :**

"RESOLVED THAT Dr. R.N.Trivedi, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 effective from 20th September, 2011 and holds office upto the 38th Annual General Meeting and in respect of whom, the company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

ITEM No 10.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT Shri. Mohd Anis Ansari, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 effective from 20th September, 2011 and holds office upto the 38th Annual General Meeting and in respect of whom, the company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

ITEM No 11.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT Shri Kamal R.Gupta, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 effective from 20th September, 2011 and holds office upto the 38th Annual General Meeting and in respect of whom, the company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."



ITEM No 12

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :

“RESOLVED THAT Ms. Sachi Chaudhuri, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 effective from 20th September, 2011 and holds office upto the 38th Annual General Meeting and in respect of whom, the company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member proposing her candidature for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

ITEM No 13

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :

“RESOLVED THAT Shri. N.Kumar, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956, and designated as Director (Technical) effective from 1st February, 2012 and holds office upto the 38th Annual General Meeting and in respect of whom, the company has received a notice in writing, under Section 257 of the companies Act, 1956 from a member proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company, not liable to retire by rotation.”

ITEM No 14

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :

“RESOLVED THAT Shri. B.K.Saxena, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956, and designated as Director (Marketing) effective from 19th June, 2012 and holds office upto the 38th Annual General Meeting and in respect of whom, the company has received a notice in writing, under Section 257 of the companies Act, 1956 from a member proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company, not liable to retire by rotation.”

Dated : 31st July '2012

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

By order of the Board

(M. Viswanathan)
Company Secretary

NOTES :-

1. Brief resume of the Director 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 10th September, 2012 to Friday, the 14th September, 2012** (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 **28th September, 2012** to the Members or their mandates whose names appear in the Company's Register of Members on **September 14th, 2012** 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 7th, 2012**.
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 12th March, 2012 had declared an interim dividend @ 95% (Rs. 9.50 per share) on the paid-up equity share capital of the company which was paid on and from March 22nd, 2012. 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
14. The Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956, in respect of above resolutions are enclosed.

By order of the Board

(M. Viswanathan)
Company Secretary

Dated : 31st July, 2012
Registered Office :
10, N. S. Road,
Kolkata – 700 001
India.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM No 4

AMENDMENT OF ARTICLES OF ASSOCIATION OF COAL INDIA LTD

Department of Public Enterprises, Govt of India vide Office Memorandum F.No DPE/14(24)/2011- Fin dated 26th March, 2012 advised the Public Sector Enterprises to amend its Articles of Association to provide for buyback of shares, if such provisions does not exist in the Articles. Coal India Limited's (CIL) Articles of Association does not contain the provisions for buyback of shares. Hence it is proposed to amend the Articles of Association of CIL to include the provisions for buyback of shares. This proposal was placed in the 284th CIL Board meeting held on 28th May, 2012 and the same was approved by the Board. Clause No 18A is to be inserted after clause No 18 to provide for buyback of shares.

None of the Directors is interested or concerned in the resolution. This will enable the company to buy-back its Securities as per the provisions of Companies Act and Securities and Exchange Board of India (Buy-Back of Securities) Regulations as amended from time to time. The Board recommends the resolution for your approval.

ITEM No 5.

APPOINTMENT OF SHRI S.NARSING RAO

Shri S.Narsing Rao was appointed as an Additional Director under Section 260 of the Companies Act, 1956 effective from 24th April, 2012 and designated as Chairman cum Managing Director on the Board of Coal India Ltd. He holds office upto the 38th Annual General Meeting of the company. The company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956 signifying intention to propose Shri S.Narsing Rao as candidate for the office of Chairman cum Managing Director. Shri S. Narsing Rao, if appointed, will not be liable to retire by rotation under Sections 255 and 256 of the Companies Act, 1956 and the Articles of Association of the company.

Shri Rao aged 54 years is an IAS officer of 1986 batch from Andhra Pradesh Cadre, was Chairman of Singareni Collieries Company Limited (SCCL), the AP based coal mining company from September 2006 till 23rd April 2012. Shri Narsing Rao as CMD of SCCL, a joint venture between Government of AP and Central Government, took the company up from a production of 36 Million Tonnes in 2006 to 53 MTs in 2011-12. Shri Rao had taken SCCL to a higher growth trajectory of 9%-10% from that of 2% to 3%. During his tenure at the helm of SCCL, the company experience the first ever strike free year (2007-08). Singareni has witnessed substantial productivity gains during his tenure. A post-graduate in Chemistry and Economics he also holds a post-graduate higher diploma in forestry. Before joining the IAS, he had undergone training in Forestry and Rural Development sectors. After joining the IAS, he had held various positions in the Government of Andhra Pradesh, both at the District Administration level and State Administration. Shri Rao has wide international exposure and his expertise includes consultant to the International Fund for Agriculture Development (IFAD), Rome, Italy and Chief Technical Adviser, United Nations Office of Project Services, Asia & Pacific Regions. He has extensive international experience in poverty alleviation and rural development in South and South East Asia. He rendered technical advise to the Governments of Bangladesh, Nepal, Bhutan, Maldives and Myanmar. He lived and functioned out of Rome (Italy), Yangon (Myanmar), Kuala Lumpur (Malaysia) and Bangkok (Thailand). Shri Rao's areas of interests include rural development, poverty alleviation, environment and ecology. He passionately worked for reforms in administration to make it responsive to the needs and aspirations of the communities.

Shri Rao holds Directorship in International Coal Ventures Private Limited.

None of the Directors except Shri S. Narsing Rao is interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Shri S. Narsing Rao, it would be in the interest of the Company to appoint him as Chairman cum Managing Director of the Company. The Board recommends the resolution for your approval.



ITEM No 6

APPOINTMENT OF MS. ZOHRA CHATTERJI.

Ms. Zohra Chatterji has been appointed as an Additional Director under Section 260 of the Companies Act, 1956 effective from 12th November, 2011. She holds office upto the 38th Annual General Meeting of the company. The company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956 signifying intention to propose Ms. Zohra Chatterji as candidate for the office of Director. Ms. Zohra Chatterji, if appointed, will be liable to retire by rotation under Sections 255 and 256 of the Companies Act, 1956 and the Articles of Association of the company.

Ms. Zohra Chatterji, aged 58 years is an officer of 1979 batch of IAS belonging to Uttar Pradesh cadre. She has held various important assignments in U.P and has been associated with the industries sector in UP for nearly 10 years and has held posts including MD of UP Small Industries Corporation and UP Handlooms. She has also served as Secretary and Director General, Tourism & Secretary and Director Industries & Labour Commissioner. Her last assignment in UP before joining Government of India was as Principal Secretary, Industries, IT & Electronics, Government of Uttar Pradesh. She was awarded the Prime Minister's Award for Excellence in Public Administration for implementing an e-governance project "Lokvani" for redressal of public grievances in UP. She also set up "E-Suvidha" in Lucknow and UP Trade Promotion Authority as its first Member Secretary. Ms. Chatterji joined the Government of India in May, 2007 on Central deputation as Joint Secretary in the Ministry of Information & Broadcasting, Government of India. On her promotion as Additional Secretary, she served as Member Secretary, National Commission for Women. She has joined as Additional Secretary, Ministry of Coal on 19th September'2011. She is a graduate in Physics (Hons.) and Post-graduate in English Literature.

Ms. Zohra Chatterji is a director on the Board of Neyveli Lignite Corporation Ltd.

None of the Directors except Ms. Zohra Chatterji is interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Ms. Zohra Chatterji, it would be in the interest of the Company to appoint her as a Director of the Company. The Board recommends the resolution for your approval.

ITEM No 7

APPOINTMENT OF MS. ANJALI ANAND SRIVASTAVA

Ms. Anjali Anand Srivastava has been appointed as an Additional Director under Section 260 of the Companies Act, 1956 effective from 20th September, 2011. She holds office upto the 38th Annual General Meeting of the company. The company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956 signifying intention to propose Ms. Anjali Anand Srivastava as candidate for the office of Director. Ms. Anjali Anand Srivastava, if appointed, will be liable to retire by rotation under Sections 255 and 256 of the Companies Act, 1956 and the Articles of Association of the company.

Ms. Anjali Anand Srivastava, aged 54 years is an Indian Audit & Accounts Service officer of 1982 batch. She joined the service after completing her LLB from Lucknow University in 1981. Ms. 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. Ms. 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). Ms. 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.

Ms. Anjali Anand Srivastava is also a Government nominated part time Director on the Boards of Hindustan Copper Limited (HCL), Hindustan Zinc Limited (HZL) and Bharat Aluminum Company Limited (BALCO).

None of the Directors except Ms. Anjali Anand Srivastava is interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Ms. Anjali Anand Srivastava, it would be in the interest of the Company to appoint her as a Director of the Company. The Board recommends the resolution for your approval.

ITEM No 8

APPOINTMENT OF DR. (SMT.) SHEELA BHIDE

Dr. (Smt.) Sheela Bhide has been appointed as an Additional Director under Section 260 of the Companies Act, 1956 effective from 20th September, 2011. She holds office upto the 38th Annual General Meeting of the company. The company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956 signifying intention to propose Dr. Sheela Bhide as candidate for the office of Director. Dr. Sheela Bhide, if appointed, will be liable to retire by rotation under Sections 255 and 256 of the Companies Act, 1956 and the Articles of Association of the company.

Dr. Sheela Bhide, aged 64 years, is an Independent Director on the Board of our Company. Dr. 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. Dr. 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.

None of the Directors except Dr. Sheela Bhide is interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Dr. Sheela Bhide, it would be in the interest of the Company to appoint her as a Director of the Company. The Board recommends the resolution for your approval.

ITEM No 9

APPOINTMENT OF DR. R. N. TRIVEDI

Dr. R.N.Trivedi has been appointed as an Additional Director under Section 260 of the Companies Act, 1956 effective from 20th September, 2011. He holds office upto the 38th Annual General Meeting of the company. The company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956 signifying intention to propose Dr. R.N.Trivedi as candidate for the office of Director. Dr. R.N.Trivedi, if appointed, will be liable to retire by rotation under Sections 255 and 256 of the Companies Act, 1956 and the Articles of Association of the company.

Dr. R.N. Trivedi, aged 64 years 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. R.N. Trivedi holds directorship in M/s. Frontier Springs Ltd., Kanpur & South Eastern Coalfields Ltd.

None of the Directors except Dr. R.N.Trivedi is interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Dr. R.N.Trivedi, it would be in the interest of the Company to appoint him as a Director of the Company. The Board recommends the resolution for your approval.



ITEM No 10

APPOINTMENT OF SHRI MOHD. ANIS ANSARI

Shri Mohd Anis Ansari has been appointed as an Additional Director under Section 260 of the Companies Act, 1956 effective from 20th September, 2011. He holds office upto the 38th Annual General Meeting of the company. The company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956 signifying intention to propose Shri. Mohd Anis Ansari as candidate for the office of Director. Shri. Mohd Anis Ansari, if appointed, will be liable to retire by rotation under Sections 255 and 256 of the Companies Act, 1956 and the Articles of Association of the company.

Shri Mohd. Anis Ansari, aged 63 years is an Independent Director on the Board of our Company. Shri 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. Shri Ansari has also been a member of the board of directors of Bombay Mercantile Co-operative Bank Limited. Shri Ansari is presently the Vice Chancellor of U.P. Urdu, Arabi and Farsi University, Lucknow. Shri Ansari is also a member of various social and cultural organizations including All India Management Association, Lucknow Management Association and was the founder Chairman of Asma Hussain Institute of Fashion Technology, Lucknow. Shri 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.

None of the Directors except Shri. Mohd Anis Ansari is interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Shri. Mohd Anis Ansari, it would be in the interest of the Company to appoint him as a Director of the Company. The Board recommends the resolution for your approval.

ITEM No 11

APPOINTMENT OF SHRI KAMAL. R. GUPTA

Shri Kamal R.Gupta has been appointed as an Additional Director under Section 260 of the Companies Act, 1956 effective from 20th September, 2011. He holds office upto the 38th Annual General Meeting of the company. The company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act 1956 signifying intention to propose Shri Kamal R.Gupta as candidate for the office of Director. Shri Kamal R.Gupta, if appointed, will be liable to retire by rotation under Sections 255 and 256 of the Companies Act, 1956 and the Articles of Association of the company.

Shri. Kamal R. Gupta, aged 58 years 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. Shri 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.

None of the Directors except Shri Kamal R. Gupta is interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Shri Kamal R. Gupta, it would be in the interest of the Company to appoint him as a Director of the Company. The Board recommends the resolution for your approval.

ITEM No 12

APPOINTMENT OF MS. SACHI CHAUDHURI

Ms. Sachi Chaudhuri has been appointed as an Additional Director under Section 260 of the Companies Act, 1956 effective from 20th September, 2011. She holds office upto the 38th Annual General Meeting of the company. The company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956 signifying intention to propose Ms. Sachi Chaudhuri as candidate for the office of Director. Ms. Sachi Chaudhuri, if appointed, will be liable to retire by rotation under Sections 255 and 256 of the Companies Act 1956 and the Articles of Association of the company.

Ms. Sachi Chaudhuri, aged 63 years 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 Adviser, All India Council for Technical Education, Ministry of Human Resources Development, Gol, Joint Secretary level post in a Schedule 'A' public sector undertaking under the Ministry of Commerce, Government of India, Gol, 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 in BIFR.

None of the Directors except Ms. Sachi Chaudhuri is interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Ms. Sachi Chaudhuri, it would be in the interest of the Company to appoint her as a Director of the Company. The Board recommends the resolution for your approval.

ITEM No 13

APPOINTMENT OF SHRI. N. KUMAR

Shri. N.Kumar has been appointed as an Additional Director under Section 260 of the Companies Act, 1956 and designated as Director (Technical) effective from 1st February, 2012. He holds office upto the 38th Annual General Meeting of the company. The company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956 signifying intention to propose Sri.N.Kumar as candidate for the office of Director. Sri.N.Kumar, if appointed, will not be liable to retire by rotation under Sections 255 and 256 of the Companies Act, 1956 and the Articles of Association of the company.

Shri Nagendra Kumar, aged 53 years is the Director (Technical) of our company. Mr. Kumar has graduated in Mining Engineering (B.Tech – Mining) from Indian School of Mines, Dhanbad in the year 1980. He joined CCL as junior Executive Trainee in 1980. In his first 20 years in CCL, he has worked for almost 6 years as Manager and 7 years as Project Officer. He was transferred to ECL in 2001 in the same capacity and assumed the charge of General Manager in 2004 and Chief General Manager in 2007. He assumed the charge of Director (Technical), ECL on 24th July, 2009. He has spent most of his career in reviving difficult underground and opencast mines and has the experience of working with almost all kind of mechanization in underground and opencast mines. He was actively associated with indigenization of Long Wall Equipment and has presented a number of papers on its successful implementation. His latest achievement is the successful operation of Continuous Miner in Jhanjra Area matching World Standards in production and safety. Shri Kumar is a member of MGMI, IMMA and Institution of Engineers. He has travelled foreign countries like South Africa, China, France, Italy and Germany. Shri Kumar is fond of cricket, books, old melody songs and Rabindra Sangeet too. Sri N.Kumar holds directorship in Bharat Coking Coal Ltd, Central Mine Planning & Design Institute Ltd & International Coal Ventures Private Ltd and Chairman of Coal India Africana Limitada, a foreign subsidiary company of Coal India Ltd.

None of the Directors except Shri N.Kumar is interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Shri N.Kumar, it would be in the interest of the Company to appoint him as a Director of the Company. The Board recommends the resolution for your approval.



ITEM No 14.

APPOINTMENT OF SHRI. BIPIN KUMAR SAXENA

Shri B.K.Saxena has been appointed as an Additional Director under Section 260 of the Companies Act, 1956 and designated as Director (Marketing) effective from 19th June, 2012. He holds office upto the 38th Annual General Meeting of the company. The company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956 signifying intention to propose Shri Saxena as candidate for the office of Director. Shri Saxena, if appointed, will not be liable to retire by rotation under Sections 255 and 256 of the Companies Act, 1956 and the Articles of Association of the company.

Shri Bipin Kumar Saxena, aged 56 years has assumed the Charge of Director (Marketing) of Coal India Limited from 19th June, 2012 (FN). Prior to this he was Director (Technical) in Western Coalfields Limited, Nagpur from 7th March, 2008. An alumni of Indian School of Mines, Dhanbad, Shri Saxena is an experienced Mining Engineer and Administrator. He has completed his B.Tech (Hons) in Mining Engineering in the year 1978 from Indian School of Mines and First Class Certificate of Competency under Indian Mines Act in the year 1981. Shri Saxena has been serving the Coal Industry since more than three decades. As Chief General Manager he was posted in Mahanadi Coalfields Ltd. in Technical Coordination Department and also in IB Valley Area. Shri Saxena has wide experience in Planning, Operation and Management of both Underground and Opencast Mines. Shri Saxena has visited United Kingdom in the year 1993 in connection with Environmental Engineering, visited Australia in 2007 with respect to appraisal of Mining in Australian Coal Industry, and visited Minsk, Belaz (Moscow) and Russian Mine sites as a part of Working Group Training in Russian Coal Mines from 21st July to 25th July, 2008. He has also visited Manila in Philippines from 18th to 22nd May, 2009 to participate in the programme on "Measuring & Mining Corporate Performance". Shri Saxena is associated with several Professional Bodies.

None of the Directors except Shri. Saxena is interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Shri. B.K.Saxena, it would be in the interest of the Company to appoint him as a Director of the Company. The Board recommends the resolution for your approval.

By order of the Board

(M. Viswanathan)
Company Secretary

Dated : The 31st July, 2012
Registered Office :
10, N. S. Road,
Kolkata – 700 001
India.

Brief resume of the Director seeking re-appointment at the 38th AGM.

Name of the Director	Prof. S. K. Barua
Date of Birth	23/09/1951
Nationality	Indian
Date of appointment on the Board	24/08/2007
Qualifications	<ul style="list-style-type: none"> ● Master's degree in technology from the Indian Institute of Technology, Kanpur ● Doctorate in management from the Indian Institute of Management, Ahmedabad
List of Directorships held in other Companies	<ul style="list-style-type: none"> ● Bharat Petroleum Corporation Limited ● Securities Trading Corporation Limited ● Torrent Power Limited ● IOT Infrastructure and Energy Services Limited. ● Axis Bank ● Prasar Bharati ● Oil and Natural Gas Corporation Ltd.



CHAIRMAN'S STATEMENT

Friends,

I have great pleasure in welcoming you to the 38th Annual General Meeting of Coal India Limited. The report of Directors, Audited Accounts for the year ended 31st March, 2012 together with the report of Statutory Auditors and report and review of Comptroller & Auditor General of India are already with you.

Coal India Limited- 'A MAHARATNA COMPANY'

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 in March'2007, Navaratna in October'2008 and now Maharatna, the highest status.

1. Importance of Coal

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 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.

Coal India accounted for about 81% of total coal produced in India during the fiscal 2012. 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.

There is a huge demand for coal in the country. The demand of coal is projected to increase to about 980.5 Mt by 2016-17, out of which thermal coal demand constitutes about 90%. As against this demand, indigenous coal availability is projected optimistically at 795 Mt. This would call for addressing major production constraints in boosting the production capacity viz. enhance drilling for coal exploration, fast-tracking land acquisition and R&R issues, avoid delays in obtaining environmental and forestry clearances, timely construction and completion of infrastructural facilities for coal evacuation and greater thrust on R&D activities in coal sector. Unless these issues are resolved in a manner conducive to exploitation, extraction and expansion of coal reserves, there will always be a gap in demand-supply of coal and coal imports would be required to bridge the shortfall.

2. Vision

The strategic vision of Coal India Limited 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. The Board of Directors of CIL had approved the recommendations of KPMG and adopted the corporate plan titled "Vision 2020". Vision 2020 envisages various measures aimed at improving coal supply and capability building. Necessary actions have been initiated to implement the suggestions. KPMG is currently engaged in providing implementation related assistance to CIL.

3. Activities

We are the largest coal producing company in the world based on our raw coal production of 435.84 million tonnes in the fiscal ended March'2012. 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 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

There has been a growth in all major physical parameters during the fiscal. Production of raw coal during 2011-12 was 435.84 million tonnes as against 431.32 million tonnes in 2010-11, a growth of 4.52 million tonnes over the last year. Off-take of raw coal was 433.08 million tonnes during 2011-12 compared to 424.50 million tonnes in 2010-11, a growth of 8.58 million tonnes over the last year. Overburden removed during the year was 735.14 million cubic metres as against 732.13 million cubic metres in 2010-11 thereby recording a growth of 3.01 million cubic metres over the previous year.

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 ₹ 21,272.66 crores in 2011-12 against a pre-tax profit of ₹ 16,463.24 crores in 2010-11 registering a growth of 29.21% over earlier year.

Your Directors have recommended dividend payment of ₹ 6,316.36 crores @ ₹ 10/- per share on 6316364400 Equity Shares of ₹ 10/- each fully paid value at ₹ 6,316.36 crores. Out of total dividend, Govt of India gets ₹ 5,684.72 crores and other shareholders get ₹ 631.64 crores.

5. Growth Profile

There are 147 on-going projects with an ultimate capacity of 437.08 Mty, in different stages of implementation. During the terminal year of XI Plan i.e. 2011-12, 85 ongoing projects have contributed 211.39 Mt and 100 ongoing projects, are planned to contribute 228.67 Mt during the 1st year of XII Plan i.e. 2012-13 & 136 ongoing projects have been planned to contribute 333.83 Mt during the terminal year of XII Plan i.e. 2016-17. Out of 147 ongoing projects, 80 projects have required forestry and environmental clearances, whereas environmental and forestry clearances are awaited for 13 & 34 projects respectively and for 20 projects both forestry and environmental clearances are awaited.

A total of 72 projects with an estimated capacity of 257.26 Mty have been identified to be taken up during XII Plan period. In addition to these projects, 59 identified XI Plan projects with an ultimate estimated capacity of 156.59 Mty and 2 X Plan identified projects shall also be taken up during XII Plan period. A total of 133 projects with an estimated capacity of 420.85 Mty are being planned to be taken up during XII Plan period. Out of these projects, 88 projects will contribute about 86 Mt during the terminal year of XII Plan i.e. 2016-17.

6. Forestry & Environmental Clearances

A total of 179 forestry proposals are awaiting forestry clearances. Out of these, 130 proposals are awaiting Stage-I and 49 proposals are awaiting Stage-II forestry clearances. The total area involved is 15656 Ha at Stage-I level and 13115 Ha at Stage-II level. Out of 179 proposals, 45 proposals are awaiting approvals at MoEF level (26 stage-I proposals and 19 Stage-II proposals). 26 forestry proposals awaiting clearance at MoEF Stage-I level are expected to contribute around 25 Mt and 19 proposals awaiting clearance at MoEF Stage-II level are expected to contribute around 69 Mt during the terminal year of XII Plan i.e. 2016-17.

57 environmental clearance proposals with an incremental capacity of 137 Mty are awaiting clearances at different levels. Out of these 57 proposals, 8 proposals with an incremental capacity of 14.44 Mt are awaiting TOR approval, 3 proposals with an incremental capacity of 21.86 Mt are awaiting dates for EAC meeting and 29 proposals, with an incremental capacity of 77.26 Mt are awaiting final clearance. Out of these 57 proposals, 15 proposals require forestry clearance (Stage-I level).

7. Other Strategies

For augmentation of underground production, manual mines are being converted to semi-mechanised bord & pillar mining with LHD (Load Haul Dumper)/SDL(Side Discharge Loader) and fully mechanized mass production technology with Continuous Miner (CM) and Power Support Longwall (PSLW) faces in phases. UDMs (Universal Drilling Machines) are being deployed to increase productivity of SDL/LHD mines as well as safety of the workers in the mines. Man-Riding system is being installed to fully utilize shift hours to increase productivity and ensuring safety of the personnel. For reworking of some of the identified abandoned mines, Company is in the process of formulating business model in line with MDO (Mine Developer & Operator) concept.



8. 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 for a cleaner environment, CIL has decided to supply washed coal mainly to non pithead consumers initially. In this direction, action has been taken to set up 20 coal washeries with a total throughput capacity of 111.1 Mty (6 coking coal- 19.1 Mty & 14 non coking coal- 92 Mty) in the 1st phase and tender for 4 washeries with a total capacity of 22.5 Mty has been finalized. The washed coal will be supplied mainly to steel plants, thermal power plants, cement plants, etc. Increase in use of washed coal will not only help to reduce pollution level but also result in saving transportation cost and improvement in steel/power plant performance thus leading to economic gain. These washeries are scheduled to be commissioned in XII Plan period.

CIL is also formulating plan to set up more coking and non coking coal washeries in the 2nd phase for supply of washed coal to more number of consumers. The search for state-of-art and innovative technologies in the field of coal beneficiation is on and in this direction, some R&D projects have been approved for implementation. The existing old washeries are also undergoing renovation.

9. Turning Point in Coal Grading & Pricing

CIL has introduced GCV based grading & pricing of coal with effect from 1st January, 2012. This is a watershed in the commercial energy pricing regime and in compliance of Government's order to switch over from the traditional Useful Heat Value (UHV) based system of grading and pricing of non-coking coal produced in the country to Gross Calorific Value (GCV) based system, which is an internationally accepted practice.

10. Foreign Venture Initiatives

Coal India Limited being the leading energy supplier of the nation has been entrusted with the responsibility of meeting the coal demand of the nation, if required, even through imports. In this direction, CIL has already acquired two coal blocks in Tete Province in Mozambique and has registered its wholly owned subsidiary, Coal India Africana Limitada (CIAL), in Mozambique for exploration and development of these coal assets. CIAL has become fully operational since last year with establishment of its office and posting of a multi-disciplinary team of senior executives in city of Tete, Mozambique. The job of Environmental Impact Assessment (EIA) and preparation of Environmental Management Plan (EMP) for drilling stage has been taken up and the drilling activities are expected to start in the next financial year. The activities for acquisition of coal block in South Africa have been initiated starting with execution of Memorandum of Understanding (MOU) with Provincial Government of Limpopo for exploration and development of coal blocks in Limpopo Province.

11. Safety – always a priority

Safety is always our highest priority. Safety is embedded in our mission statement. All our operations and systems are so planned and designed to eliminate or reduce mining hazards. Our endeavour for achieving superior standards of safety and best operational practices are continued. We encourage our employees' representatives for joint consultations on safety matters and secure their motivation and commitment in safety management. We prepare annual Safety Plan at the beginning of every calendar year, unit-wise and for the company as per respective geo-mining needs. We have also established multi-level monitoring mechanism for implementation of safety plan.

Over the years the safety standards of our mines have significantly improved due to genuine commitment by the management, workers and regulators collectively, through well thought out and conscientious safety awareness drives, advanced and continuous training of our workforce, technological advancement in the field of mining methods and machineries, strong oversight with required assistance and support from all quarters. In the last year, fatalities due to mine accidents have reduced to the lowest level (52) since the inception of our company in 1975.

To improve the safety standard, we are continuously pursuing several safety measures along with on-going safety activities and initiatives apart from compliance of statutory requirements.

12. R&R Policy of CIL, 2012

Coal India Limited recognizes that its business activities have direct and indirect impact on the society in which it operates. Therefore, as a sound business practice it gives due consideration to the interests of all its stakeholders including the project affected people. In line with the above, Company reviewed the existing R&R Policy-2008 and a revised Resettlement & Rehabilitation Policy- 2012 has been approved by the CIL Board in March, 2012.

The revised R&R Policy of CIL- 2012 has provided multiple options to the land losers and more flexibility to the Board of Subsidiary Companies to meet unique R&R problems in order to have faster land acquisition.

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.

We believe in cultivating a socially sustainable inclusive development which can contribute to build the better sustainable community through sound business activities and touching the lives of millions of people positively by supporting environmental and health-care projects and social, cultural and educational programmes. During 2011-12, an amount of Rs. 553.33 Crores has been allocated for undertaking CSR activities by the coal companies.

14. Steps towards Environment

We are committed to follow environmentally responsible practices and adhere to the relevant environmental laws and regulations in all aspects of our business from mining to marketing and striving for the continued improvement of environmental conditions in and around our operational areas. The company has adopted a Corporate Environmental Policy, duly approved in 1995. Since then, due to changing environment scenarios with promulgation of new environmental regulations/laws and considering the new methodologies and new areas to be addressed, the Environmental Policy (1995) has been improved and the revised Environmental Policy has been approved by CIL Board in March '2012.

Measures are being taken to ensure that mining and associated 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 are 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.

We are committed to restore the degraded land and the mined out areas which are reclaimed both technically and biologically by grading, top soiling and planting local species of plants. Since beginning, the subsidiaries of CIL have planted around 76 million trees over an area of around 33000 Ha. The plantation works are carried through concerned State Forest Corporations. To have a more scientific approach, in BCCL the work is being executed by Forest Research Institute, Dehradun on experimental basis.

We have developed comprehensive mine reclamation and rehabilitation strategies for each of our mines and the same is being implemented as per the Environmental Management Plan approved by MoEF. Back filling of mining voids by the overburden material, preservation of topsoil, its storing and use during the plantation are the integrated part of the mining operation cycle. Concurrent reclamation and rehabilitation of mined out areas are taken for gainful land use, wherever feasible. The land reclamation and rehabilitation operations are being monitored by Satellite Surveillance. 50 major OCPs excavating more than 5 Mm³ (Coal+OB) per annum are being monitored every year while remaining OCPs excavating less than 5 Mm³ (Coal+OB) per annum are being monitored every 3rd year. This gives a clear picture of reclamation, which otherwise is difficult to accurately estimate.



15. Wage Negotiations

The National Coal Wage Agreement-IX was signed on 31st January, 2012 for a period of 5 years i.e. from 01-07-2011 to 30-06-2016 for the non-executive employees of Coal Industry in the meeting of JBCCI-IX (Joint Bipartite Committee for the Coal Industry) held on 31st January, 2012. Coal India was the first PSU to settle the Wage Agreement within six months from the date of notification. It was based on detailed analysis of financial impact and sustainability of the industry. The entire agreement was finalized in 6 meetings.

16. 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 with the stock exchanges. 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 has been obtained from a Practicing Company Secretary.

17. Expectation

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

18. Acknowledgement

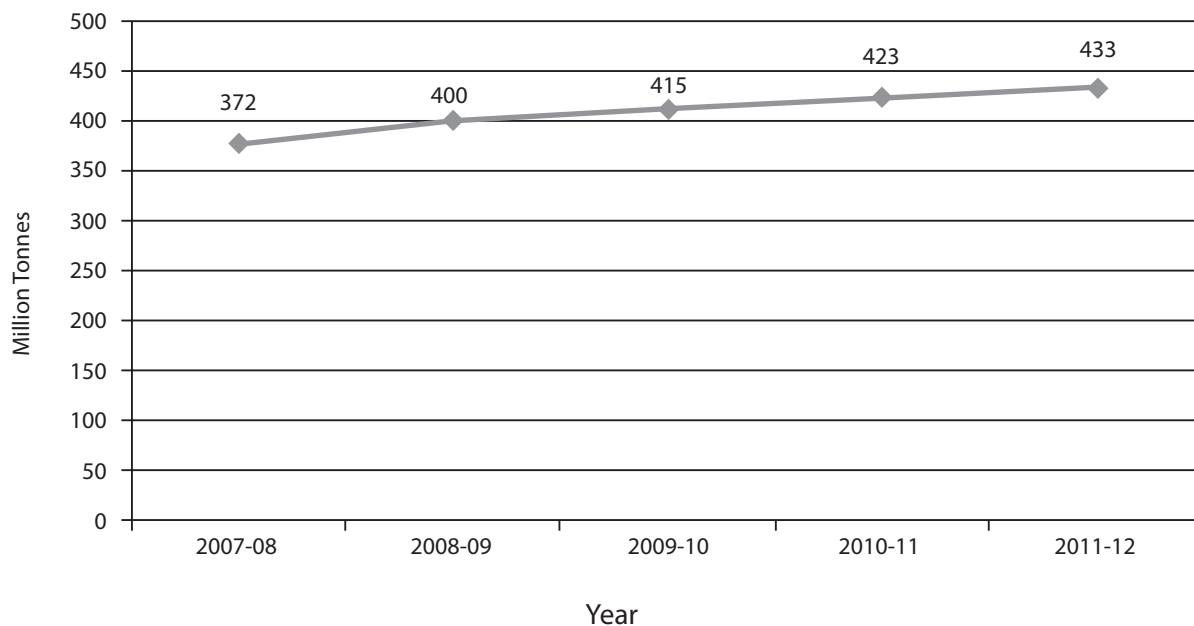
I express my sincere thanks to all the shareholders, Ministry of Coal, other Central Government Ministries and Departments, State Governments, all employees, Trade Unions, consumers and suppliers for their unstinted support and relentless co-operation.

Kolkata

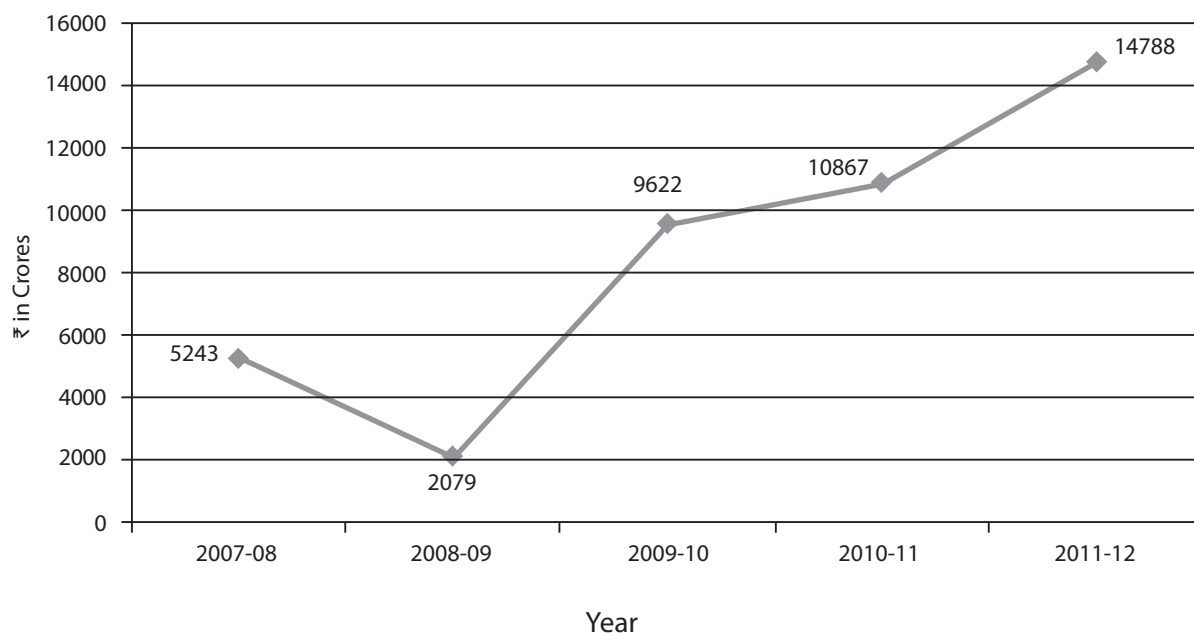
Dated : 21st July '2012

S. Narsing Rao
Chairman

Despatch of Coal

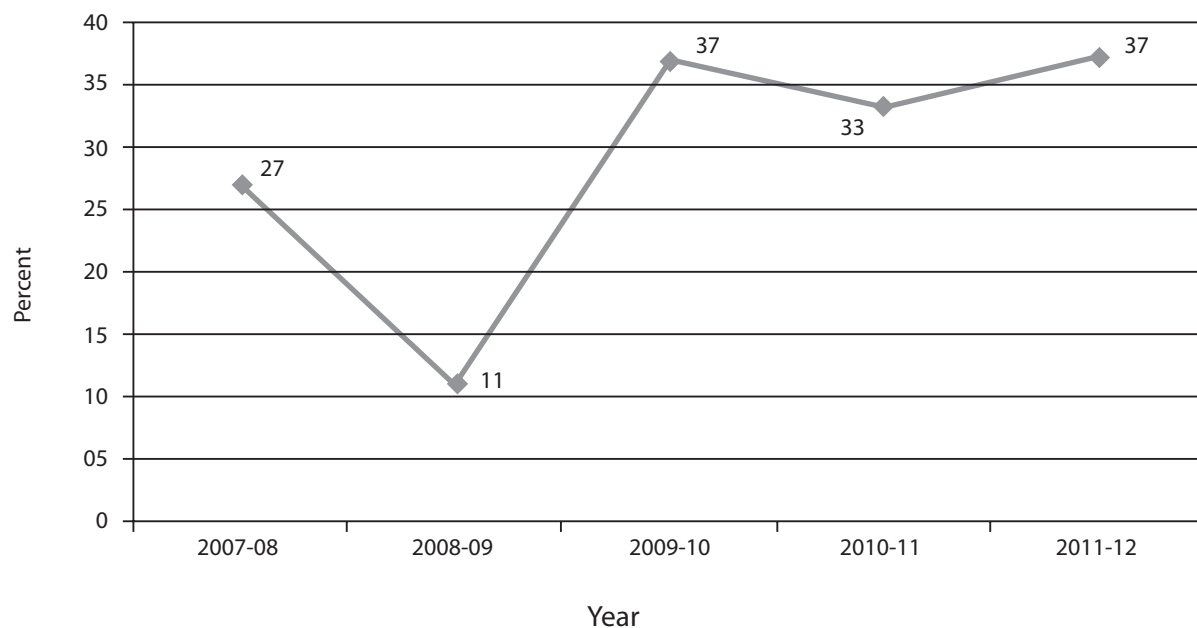


Net Profit

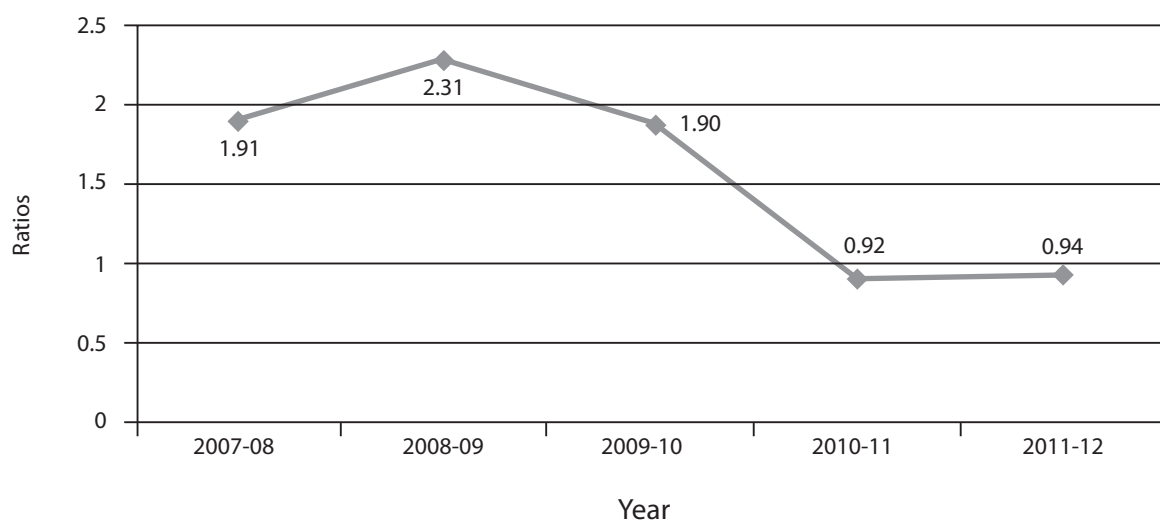




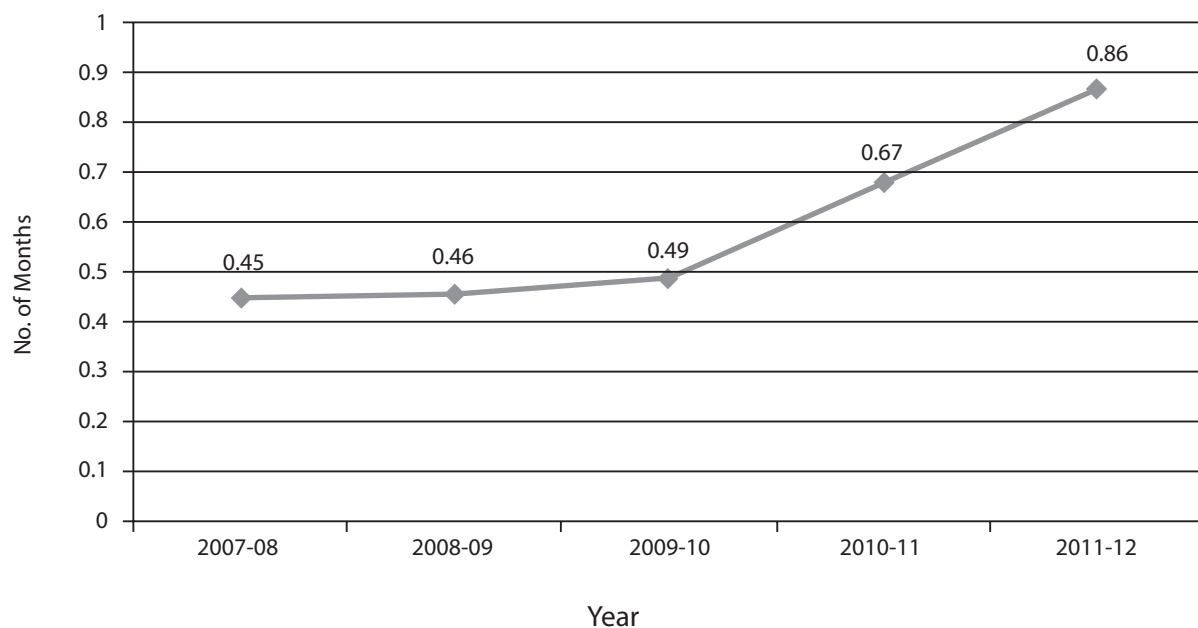
Net Profit to Net Worth



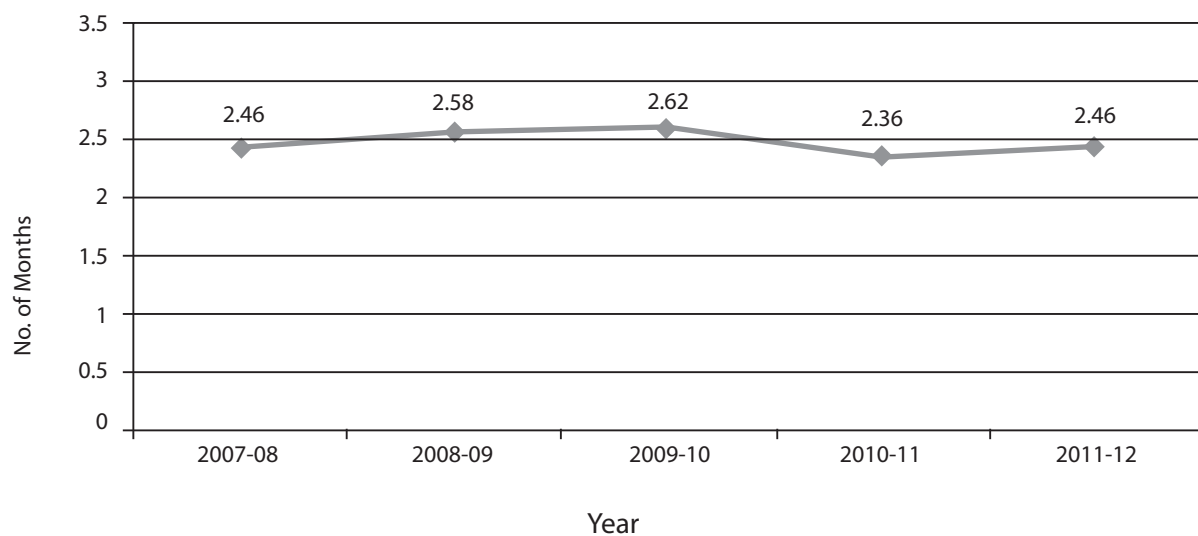
Sales (Net) to Capital Employed



Debtors in Month's Sales

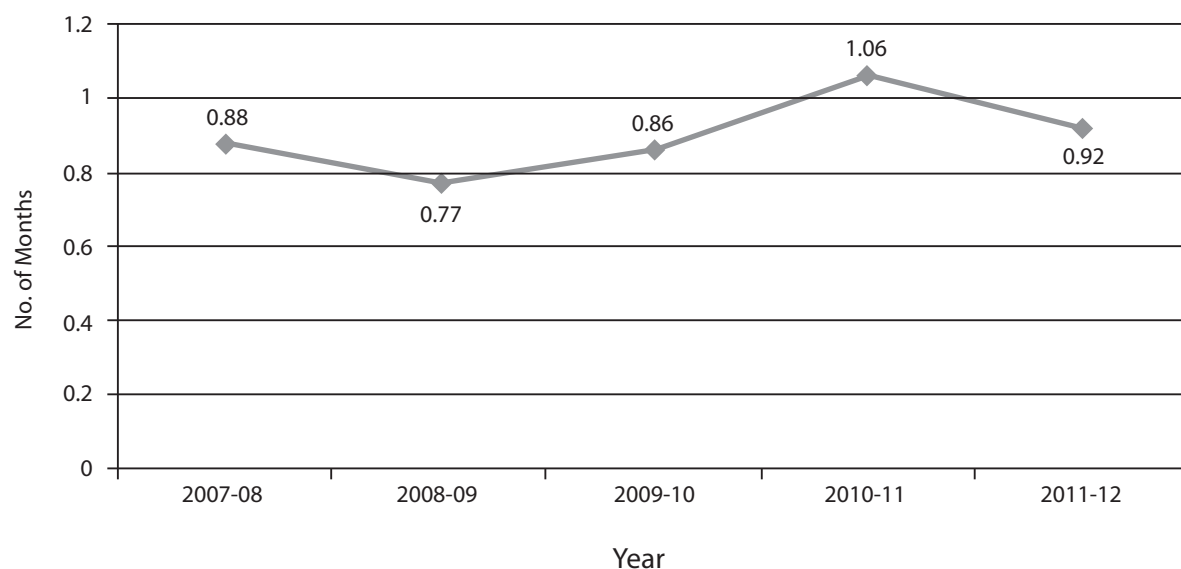


Stock of stores in Month's Consumption

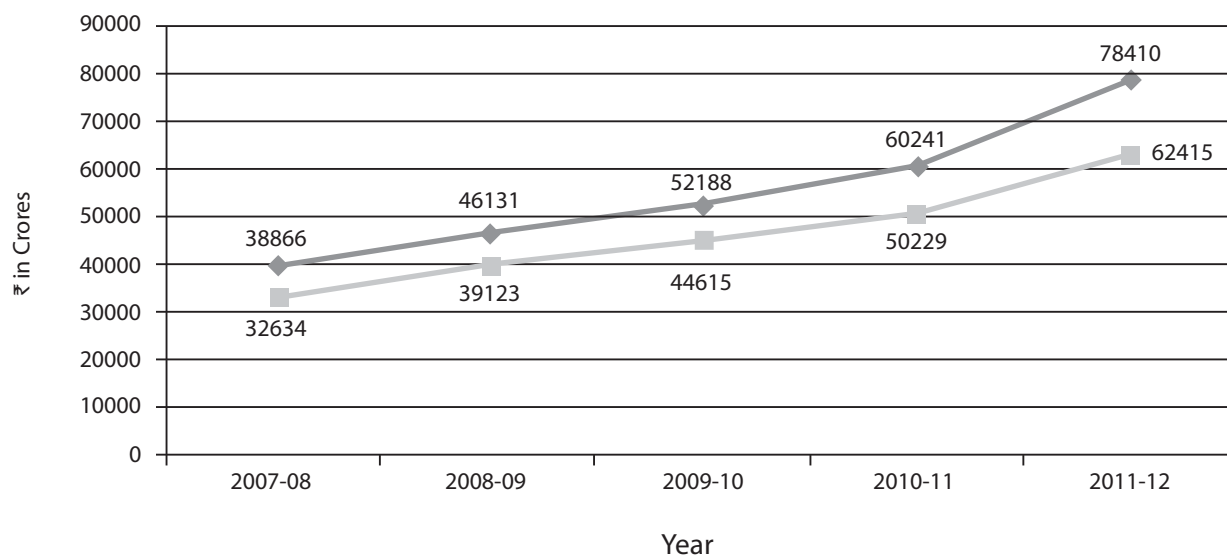




Stock of Coal as no. of Month's Net Sales



Gross Sales and Net Sales



OPERATIONAL STATISTICS

For the Year Ending 31st March

1. (a) Production of Raw Coal
(Million Tonnes)
Underground
Opencast

Total

- b) Overburden Removal
(million Cum)

2. Off take (Raw Coal)

(Million Tonnes)

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 manshit (OMS)

- i) Under Ground (Tonnes)

- ii) Open Cast (Tonnes)

- iii) Overall (Tonnes)

	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
	38.39	40.02	43.25	43.96	43.54	43.32	45.82	47.04	47.44	48.42
	397.45	391.30	388.01	359.77	335.92	317.59	297.57	276.54	258.92	242.27
Total	435.84	431.32	431.26	403.73	379.46	360.91	343.39	323.58	306.36	290.69
	735.14	732.13	682.03	645.13	607.56	537.65	533.94	516.11	497.00	501.20
	312.05	304.30	298.87	296.74	280.15	262.14	256.65	248.86	234.23	219.93
	7.76	9.50	8.92	9.00	10.01	9.85	10.02	11.70	12.18	12.28
	113.27	110.70	108.09	95.72	85.17	79.15	66.99	60.99	58.03	57.01
Total	433.08	424.50	415.88	401.46	375.33	351.14	333.66	321.55	304.44	289.22
	377.447	390.243	404.744	419.214	432.710	445.815	460.369	476.577	493.061	510.671
	371.546	383.347	397.138	412.350	426.077	439.343	452.287	468.450	484.703	501.419
	1173	1125.10	1085.93	979.11	890.59	821.48	759.23	652.70	632.06	569.23
	0.75	0.77	0.78	0.76	0.73	0.71	0.71	0.69	0.68	0.69
	10.40	10.06	9.51	8.95	8.60	8.00	7.51	7.18	6.67	6.30
	4.89	4.73	4.47	4.09	3.79	3.54	3.26	3.05	2.82	2.67



FINANCIAL POSITION

(BASED ON CONSOLIDATED ACCOUNTS OF COAL INDIA LTD. & ITS' SUBSIDIARIES)

OPERATIONAL STATISTICS

(As per Revised Schedule VI)

For The Year Ending 31st March

	2012	2011
A) What is owned		
Gross Fixed Assets	38096.41	36714.12
Less Depreciation & Impairment	24656.12	23870.81
(1) Net fixed Assets	13440.29	12843.31
(2) Capital Work-in-progress	2903.38	2057.16
(3) Deferred tax Asset	1194.06	873.23
(4) Non-Current Investment	946.99	850.96
(5) Long-Term Loans & Advances	1017.25	845.35
(6) Other Non-current Assets	69.29	76.33
(7) Current Assets		
i. a) Inventory of Coal,Coke etc.	4801.14	4439.82
b) Inventory of Stores & Spares etc.	1126.45	1038.17
c) Other Inventories	143.69	107.62
ii) Trade Receivables(Incl'd.CMPDIL)	5667.89	3418.74
iii) Cash & Bank Balances	58202.78	45806.44
iv) Current Investments	1034.41	212.73
v) Short term Loans & advances	13485.08	11180.14
vi) Other Current assets	2913.91	2114.60
Total Current Assets (7)	87375.35	68318.26
(8) Less Current Liab. & Prov.		
(a) Short Term Borrowing	-	32.60
(b) Trade Payables	829.02	645.45
(c) Other Current Liabilities	17804.23	13601.00
(d) Short Term Provisions	15555.15	12386.80
Net Current Assets (7-8)	53186.95	41652.41
TOTAL (A)	72758.21	59198.75
B) What is owed		
(a) Long Term Borrowing	1333.28	1333.76
(b) Other Long Term Liabilities	2647.03	2057.39
(c) Long Term Provisions	28271.28	22460.79
TOTAL (B)	32251.59	25851.94
C) Minority Interest	53.60	32.61
Net Worth (A-B-C)	40453.02	33314.20
Represented by :		
(1) Equity Capital	6316.36	6316.36
(2) Reserves	14035.64	11693.66
(3) Profit/Loss	20105.60	15307.55
(4) Misc.Expenditure (D\Liab.)	(4.58)	(3.37)
Net Worth (1 to 4)	40453.02	33314.20
Capital Employed	66627.24	54495.72

INCOME AND EXPENDITURE STATEMENT

(BASED ON CONSOLIDATED ACCOUNTS OF COAL INDIA LTD. & ITS' SUBSIDIARIES)

OPERATIONAL STATISTICS

(As per Revised Schedule VI)

For the Year Ending 31st March

	2012	2011
A) Earned From :		
1) Gross Sales	78410.38	60240.90
Less Levies (Royalties, cesses etc.)	15994.95	10011.62
Net Sales	62415.43	50229.28
2) Other Income (a to d)	7536.90	4872.14
a) Interest on Deposits etc.	5345.74	2964.67
b) Subsidy for Sand Stowing & Protective Works	67.48	76.83
c) Recovery of Transportation & Loading Cost	1376.04	1218.88
d) Other non-operating Income	747.64	611.76
TOTAL (A)	69952.33	55101.42
B) Paid to/Provided for		
1) Employees Remu.& benefits(Gross-Rev.) (a to e)	25253.60	18931.81
a) Salary, Wages, Allowances ,Bonus etc.	16571.73	13296.31
b) Contribution to P.F. & Other Funds	1778.31	1697.84
c) Gratuity	3944.09	1482.09
d) Leave Encashment	804.67	686.11
e) Others	2154.80	1769.46
2) Accretion/Decretion in Stock	(381.09)	(1214.97)
3) Welfare Expenses	1451.47	1301.78
4) Stores & Spares	5504.07	5272.82
5) Power & Fuel	2012.52	1749.48
6) Contractors (including Transportation & Repairs)	5546.68	5281.86
7) Finance Costs	53.98	73.70
8) Depreciation/Amortization/Impairment	1969.22	1765.40
9) Provisions & Write Off	1469.84	578.84
10) Overburden Removal Adjustment	3693.89	2618.47
11) Other Expenses	2196.64	2231.59
12) Prior Period Adj/ Exceptional Items / Extraordinary Items	(91.15)	47.40
TOTAL (B)	48679.67	38638.18
Profit/loss for the year (A-B)	21272.66	16463.24
Tax on Profit	6484.45	5595.88
Profit/loss from discontinuing operation	(0.01)	(0.01)
Proposed dividend	6316.36	2463.38
Tax on Dividend	1183.56	897.74
Trans. to General Reserve	2143.24	1471.94
Trans. to CSR Reserve	231.22	168.12
Adjustment	115.77	7.74
Cummul. profit/loss from Last year	15307.55	9449.12
Cummul. profit/loss to B/Sheet	20105.60	15307.55
Cummul. P&L (Before transfer to Reserves)	22595.83	16955.35



OPERATIONAL STATISTICS

IMPORTANT FINANCIAL INFORMATION

(As per Consolidated Audited Accounts)

(As per Revised Schedule VI)

For The Year Ending 31st March

(A) Related to Assets & Liabilities

- (1) (i) No. of Equity Shares (CIL) of ₹ 10 each
- (ii) Shareholder's Funds
 - (a) Equity
 - (b) Reserves
 - (c) Accumulated Profit / Loss
 - (d) Misc. Expend. (D/Liab.)

Net Worth

- (2) (a) Long term Borrowings incl. current maturities
- (b) Long term Borrowings excl. current maturities
- (3) Capital Employed
- (4) (i) Net Fixed Assets
- (ii) Current Assets
- (iii) Current Liabilities
- (5) (a) Sundry Debtors (Net) (Excl. CMPDIL)
- (b) Cash & Bank
- (6) Closing Stock of :-
 - (a) Stores & Spares (Net)
 - (b) Coal, Cokes etc. (Net)
- (7) Average Stock of Stores & Spares (Net)

(B) Related to Profit / Loss

- (1) (a) Gross Margin
- (b) Gross Profit
- (c) Profit before Tax
- (d) Net Profit (After Tax)
- (e) Net Profit (After Tax & Dividend)
- (2) (a) Gross Sales
- (b) Net Sales (after levies & dev. etc.)
- (c) Sale Value of Production
- (3) Cost of Goods Sold (Sales-Profit)
- (4) (a) Total Expenditures
- (b) Salaries & Wages
- (c) Stores & Spares
- (d) Power & Fuel
- (e) Finance Cost & Depreciations
- (5) Avg. Consump. of Stores & Spares (gross) per month
- (6) (a) Average Manpower Employed during the year
- (b) Welfare Expenses (incl. LTC/LLTC)
- (c) Welfare Expenditure per employee (₹ 000)
- (7) (a) Value added
- (b) Value added per employee (₹ 000)

	2012	2011
6316364400	6316364400	
6316.36	6316.36	
14035.64	11693.66	
20105.60	15307.55	
(4.58)	(3.37)	
40453.02	33314.20	
1527.38	1520.97	
1333.28	1333.76	
66627.24	54495.72	
13440.29	12843.31	
87375.35	68318.26	
34188.40	26665.85	
5616.30	3373.01	
58202.78	45806.44	
1126.45	1038.17	
4801.14	4439.82	
1082.31	1062.86	
23295.86	18302.34	
21326.64	16536.94	
21272.66	16463.24	
14788.20	10867.35	
8471.84	8403.97	
78410.38	60240.90	
62415.43	50229.28	
62796.52	51444.25	
41142.77	33766.04	
48679.67	38638.18	
25253.60	18931.81	
5504.07	5272.82	
2012.52	1749.48	
2023.20	1839.10	
458.67	439.40	
377447	390243	
1451.47	1301.78	
38.45	33.36	
55279.93	44421.95	
1464.58	1138.32	

OPERATIONAL STATISTICS

IMPORTANT FINANCIAL RELATIVE RATIOS

(As per Consolidated Audited Accounts)

(As per Revised Schedule VI)

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) Store & Spares (Gross-Rev.)
 - (c) Power & Fuel
 - (d) Interest & Depreciation (Gross-Rev.)
- (3) AS % CAPITAL EMPLOYED
 - (a) Gross Margin
 - (b) Gross Profit
 - (c) Profit before Tax
- (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) Closing Stocks in terms of no. of Months Consumption
- (5) Stock of Coal, Coke, W/coal etc.
 - (a) As no of months Value of production
 - (b) As no of months of cost of goods sold
 - (c) As no of months Net Sales

(C) STRUCTURAL RATIOS

- (1) Debt : Equity
- (2) Debt : Net Worth
- (3) Networth : Equity
- (4) Net Fixed Assets : Net Worth

(D) SHARE HOLDER'S INTEREST

- (1) Book Value of Share (₹)
(Networth / No of Equity)
- (2) Dividend per Share (₹) (₹ 10 from 2009-10)

	2012	2011
(1) AS % NET SALES		
(a) Gross Margin	37.32	36.44
(b) Gross Profit	34.17	32.92
(c) Net Profit	34.08	32.78
(2) AS % TOTAL EXPENDITURES		
(a) Sal & Wages (Gross-Rev.)	51.88	49.00
(b) Store & Spares (Gross-Rev.)	11.31	13.65
(c) Power & Fuel	4.13	4.53
(d) Interest & Depreciation (Gross-Rev.)	4.16	4.76
(3) AS % CAPITAL EMPLOYED		
(a) Gross Margin	34.96	33.58
(b) Gross Profit	32.01	30.35
(c) Profit before Tax	31.93	30.21
(4) OPERATING RATIO (SALES-PROFIT / SALES)	0.66	0.67
(B) LIQUIDITY RATIOS		
(1) Current Ratio (Current Asset / Current Liability)	2.56	2.56
(2) Quick Ratio (Quick Asset / Current Liability)	1.87	1.84
(C) TURNOVER RATIOS		
(1) Capital Turnover Ratio (Net Sales / Capital Employed)	0.94	0.92
(2) Sundry Debtors (net) as no of months		
(a) Gross Sales	0.86	0.67
(b) Net Sales	1.08	0.81
(3) As Ratio of Net Sales		
(a) Sundry Debtors	0.09	0.07
(b) Coal Stocks	0.08	0.09
(4) Stock of Stores & Spares		
(a) Avg. Stock / Annual Consumption	0.20	0.20
(b) Closing Stocks in terms of no. of Months Consumption	2.46	2.36
(5) Stock of Coal, Coke, W/coal etc.		
(a) As no of months Value of production	0.92	1.04
(b) As no of months of cost of goods sold	1.40	1.58
(c) As no of months Net Sales	0.92	1.06
(C) STRUCTURAL RATIOS		
(1) Debt : Equity	0.21	0.21
(2) Debt : Net Worth	0.03	0.04
(3) Networth : Equity	6.40	5.27
(4) Net Fixed Assets : Net Worth	0.33	0.39
(D) SHARE HOLDER'S INTEREST		
(1) Book Value of Share (₹) (Networth / No of Equity)	64.04	52.74
(2) Dividend per Share (₹) (₹ 10 from 2009-10)	10.00	3.90



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

OPERATIONAL STATISTICS

As per earlier Schedule VI

(₹ in Crores)

Year Ending 31st March	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
(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
Less Depreciation & Impairment	23878.21	22909.88	22234.89	21360.32	20040.56	19080.62	17899.98	16523.06	15377.60
(1) Net Fixed Assets	12842.91	12035.44	11021.24	10496.59	10216.86	10142.72	10157.57	11099.86	11434.52
(2) Capital Work-in-progress	2218.05	2210.67	1919.49	1620.09	1335.18	1205.95	1347.45	1188.57	1288.94
(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
(6) Current Assets									
(i) (a) Inventory of Coal, Coke etc.									
(b) Inventory of Stores & Spares etc.									
(c) Other Inventories									
(ii) Sundry Debtors (Incl'd. CMPDIL)									
(iii) Cash & Bank Balances	4439.82	3186.49	2514.98	2381.24	2137.04	1889.50	1405.72	1175.25	1138.65
(vi) Loans & Advances	1038.97	1087.54	1055.51	909.36	900.67	921.92	915.75	931.64	950.66
Total Current Assets (6)	106.85	127.74	112.39	93.36	82.76	90.40	95.71	85.01	92.08
(7) Less Current Liab. & Prov.	3025.56	2168.65	1826.14	1657.06	1586.41	1804.47	2072.14	2484.34	4245.61
Net Current Assets (6-7)	45862.28	39077.76	29695.01	20961.48	15929.27	13427.24	7986.95	2966.55	1590.84
(vii) Loans & Advances	9922.54	8676.20	11244.51	10304.29	8191.88	6278.10	5059.72	4361.32	3648.99
Total Current Assets (6)	64396.02	54324.38	46448.54	36306.79	28828.03	24411.63	17535.99	12004.11	11666.83
(7) Less Current Liab. & Prov.	46493.90	42909.08	40505.80	29695.18	22820.97	21741.25	18341.40	14478.96	12464.22
Net Current Assets (6-7)	17902.12	11415.30	5942.74	6611.61	6007.06	2670.38	(805.41)	(2474.85)	(797.39)
TOTAL (A)	34899.99	27904.14	21315.41	21423.91	20275.61	16914.45	13534.26	12190.01	12174.01
(B) What is owed									
(1) 10% Redeemable Pref. Shares									
(2) Govt. Loan					0.18	71.62	107.09	125.23	143.36
(3) Interest Accrued & Due							71.62	98.65	98.47
(4) Intercompany Loan									
(5) Term Loan (F. Intt. & Banks)									
(6) Bonds									
(7) Deferred tax liability									
(8) Others (foreign loan, incl'd. deferred credit)									
SUB-TOTAL (1 TO 7)									
(9) Bank Borrowings (Incl'd. O.D. & Oth.)									
TOTAL (B)									
(C) Minority Interest									
Net Worth (A-B-C)									
Represented by :									
(1) Equity Capital (incl'd. pending allotment)									
(2) Reserves									
(3) Profit / Loss									
(4) Misc. Expenditure (D/Lib.)									
Net Worth (1 to 4)									
Capital Employed									

(+)(-)

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

OPERATIONAL STATISTICS

For The Year Ending 31st March

As per earlier Schedule VI

(₹ in Crores)

	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
(A) Earned From :									
Gross Sales	60245.21	52187.79	46131.24	38865.70	35129.17	33997.19	30659.46	26234.17	24228.06
Less : Coal from development Mines			11.55	9.25	1.20	8.79	8.00	0.81	1.13
Less : Levies (Royalties, cesses etc.)	10011.62	7572.54	6996.21	6222.59	5525.78	5285.78	4788.60	4333.35	3829.65
(1) Net Sales	50233.59	44615.25	39123.48	32633.86	29602.19	28701.83	25862.86	21900.01	20397.28
(2) Accretion / Decretion in Stocks	1253.34	667.16	133.61	244.20	247.55	483.77	230.47	36.60	81.42
(3) Boiler & Domestic Consumption	2382.57	2069.04	2021.98	1974.54	1940.47	2054.04	1819.75	1568.40	1560.61
(4) Other Revenue Receipts	4796.30	5240.84	4778.31	3764.10	3215.21	2769.14	1974.04	2258.08	1547.64
TOTAL (A)	58665.80	52592.29	46057.38	38616.70	35005.42	34008.78	29887.12	25763.09	23586.95
(B) Paid to / Provided for									
Employees Remu. & benefits (Gorss-Rev.)	18845.45	17191.46	20219.59	12939.48	10350.39	9985.69	11263.67	9191.73	8195.15
Less : Trans. to other revenue heads	670.09	572.60	518.76	378.76	355.02	332.06	305.94	279.70	269.66
(1) Net S & Wages (excl'd. V.R.S. Payment)	18175.36	16618.86	19700.83	12560.72	9995.37	9653.37	10957.73	8912.03	7925.49
(2) V. R. S. Payment (Net of Grant Recd.)	35.68	36.66	40.69	74.44	102.16	134.36	152.36	271.52	246.54
(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
Less : Social Overhead Dep. & Intt.	46.61	31.98	22.32	19.29	13.88	12.65	12.51	11.34	13.66
Social Overheads (Excl'd. Depr. & Intt.)	2270.12	2017.49	1887.31	1622.86	1478.05	1367.74	1332.43	1268.75	1171.75
(4) Stores & Spares (Gross-Rev.)	5278.60	4975.78	4914.03	4432.11	4182.28	3939.97	3373.26	3246.50	3105.97
Less : Trans. to oth. rev. heads	47.15	48.86	52.73	53.55	56.68	51.22	46.14	42.87	44.51
Stores & Spares (Net)	5231.45	4926.92	4861.30	4378.56	4125.60	3888.75	3327.12	3203.63	3061.46
(5) (i) Power & Fuel (excl'd. coal consumed)	1754.62	1739.59	1595.05	1593.70	1600.35	1551.33	1502.14	1480.17	1435.38
(ii) Boiler & Colliery Consumption	2341.29	1972.11	1992.15	1950.86	1848.05	2013.67	1739.23	1394.18	1391.42
(6) Contractors (trans & repairs)	5177.80	4579.78	4125.92	3342.95	2758.31	2624.68	2346.09	1927.40	1794.00
(7) Misc. Expenses	2224.88	1953.09	1942.59	1506.70	1287.16	1356.40	1108.07	949.42	762.61
(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
(9) Interest (Incl'd. S/O & P. P.)	61.92	136.46	156.60	149.93	84.93	90.90	190.15	147.90	303.60
(10) Depreciation (Incl'd. S/O, PP. & Impairment)	1672.89	1329.45	1690.90	1560.65	1357.81	1357.38	1355.01	1397.60	1393.39
(11) O. B. R. Adjustment	2618.47	3053.92	2177.19	1564.03	1686.58	1209.89	852.74	497.48	344.47
(12) P. P. Adj.	60.18	53.66	(33.15)	(659.17)	(38.28)	(62.82)	(72.26)	(383.49)	206.74
TOTAL (B)	42202.57	38627.36	40313.28	29878.24	26402.95	25220.32	24993.07	21083.97	20454.16
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
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)
Proposed dividend	(2463.38)	(2210.00)	(1705.42)	(1705.42)	(1500.00)	(1263.27)	(274.55)	(181.32)	(90.42)
Tax on Dividend	(897.75)	(777.13)	(549.36)	(885.34)	(534.43)	(475.64)	(247.79)	(202.15)	(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)
Pref. Shares & Bond Redempt Fund	(7.74)	(7.26)	(6.99)	(6.74)	(13.80)	(3.09)	87.46	(44.60)	(211.41)
Other Adj. (deferred tax, excess prov. of tax)				(1180.66)	114.08	11.03	69.75		(494.22)
Adjustment of impairment Loss	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)	(5153.53)
Cummul. profit / loss to B/Sheet	15307.55	9434.16	4232.84	5349.81	4774.45	1904.48	(1457.39)	(2593.83)	(4560.33)
Current Profit / Loss & Reserve	27000.84	19478.85	12848.70	13026.01	11572.94	7798.46	3821.98	2227.08	139.17



OPERATIONAL STATISTICS

IMPORTANT FINANCIAL INFORMATION

(As per Consolidated Audited Accounts)

For The Year Ending 31st March

- (A) Related to Assets & Liabilities
- No. of Equity Shares (CIL) of ₹ 10 each
 - No. of 10% Non. Cum. Pref. Shares of ₹ 1000 each
 - Shareholder's Funds
 - Equity
 - Reserves
 - Accumulated Profit/Loss
 - Misc. Expend. (D/Liab.)

Net Worth

- Loan
- Capital Employed
- Net Fixed Assets
 - Current Assets
 - Net Current Assets (W/C)
- Current Liabilities
 - Excl. Intt. accrued & Due
 - Sundry Debtors (Net) (Excl. CMPDIL)
 - Cash & Bank
- Closing Stock of :-
 - Stores & Spares (Net)
 - Coal, Coke etc. (Net)
- Average Stock of Stores & Spares (Net)
- Related to Profit/Loss
 - Gross Margin (PBDIT)
 - Gross Profit
 - Net Profit (before Tax & Invnt. allow etc.)
 - Net Profit (After Tax)
 - Net Profit (After Tax & Div. on Pref. & Equity)
 - Gross Sales
 - Net Sales (after levies & dev. etc.)
 - Sale value of Production
 - Cost of Goods Sold (Sales - Profit)
 - Total expenditures (excl. recoveries)
 - Sal & Wages (Gross-rev. only)
 - Stores & Spares (Gross-rev. only)
 - Power & Fuel
 - Int. & Depreciations (Gross-rev. only)
 - Avg. Consump. of Stores & Spares (gross) per month
 - Average Manpower Employed during the year
 - Social Overheads (incl. LTC/LLTC)
 - S/Overhead expend. per employee (₹ 000)
 - Value added
 - Value added per employee (₹ 000)

As per earlier Schedule VI										(₹ in Crores)	
2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03			
6316364400	6316364400	63163644	63163644	63163644	63163644	63163644	63163644	63163644	63163644	9041800	
6316.36	6316.36	6316.36	6316.36	6316.36	6316.36	6316.36	6316.36	6316.36	6316.36	7220.54	
11693.29	10044.70	8615.86	7676.20	6798.49	5893.98	5279.37	4820.91	4699.50	4699.50	(4560.33)	
15307.55	9434.15	4232.84	5349.80	4774.45	1904.48	(1457.39)	(2593.83)	(4560.33)	(4560.33)		
3.38	1.53	0.02									
33313.82	25793.68	19165.04	19342.36	17889.30	14114.82	10138.34	8543.44	7359.71	7359.71		
1520.96	1623.68	1980.53	1675.48	1836.06	2104.03	2439.72	2660.79	2994.67	2994.67		
30745.03	23450.74	16963.97	17108.20	16223.74	12741.48	9280.54	8526.36	10618.74	10618.74		
12842.91	12035.44	11021.23	10496.59	10216.86	10142.72	10157.57	11099.86	11434.52	11434.52		
64396.02	54324.38	46448.55	36306.79	28828.03	24411.63	17535.99	12004.11	11666.83	11666.83		
17902.12	11415.30	5942.74	6611.61	6007.06	2670.38	(805.41)	(2474.85)	(797.39)	(797.39)		
46493.90	42909.08	40505.81	29695.18	22820.97	21741.25	18341.40	14478.96	12464.22	12464.22		
2979.83	2110.40	1780.71	1456.43	1459.29	1690.93	1954.58	2375.68	4165.10	4165.10		
45862.28	39077.76	29695.01	20961.48	15929.27	13427.24	7986.95	2966.55	1590.84	1590.84		
1038.97	1087.54	1055.51	909.36	900.67	921.92	915.75	931.64	950.66	950.66		
4439.82	3186.49	2514.98	2381.24	2137.04	1889.50	1405.72	1175.25	1138.65	1138.65		
1063.26	1071.53	982.44	905.02	911.30	918.84	923.70	941.15	976.57	976.57		
18198.04	15430.84	7591.50	10449.04	10045.21	10236.74	6439.21	6224.62	4829.78	4829.78		
16525.15	14101.39	5900.60	8888.39	8687.40	8879.36	5084.20	4827.02	3436.39	3436.39		
16463.23	13964.93	5744.10	8738.46	8602.47	8788.46	4894.05	4679.12	3132.79	3132.79		
10867.35	9622.45	2078.69	5243.27	5708.73	5891.52	2517.70	2881.38	1721.96	1721.96		
8403.97	7412.45	373.27	3537.85	4208.73	4628.25	2243.15	2700.06	1631.54	1631.54		
60245.21	52187.79	46131.24	38865.70	35129.17	33997.19	30659.46	26234.17	24228.06	24228.06		
50233.59	44615.25	39123.48	32633.86	29602.19	28701.83	25862.86	21900.01	20397.28	20397.28		
53869.50	47351.45	41279.07	34852.60	31790.21	31239.64	27913.08	23505.01	22039.31	22039.31		
33770.36	30650.32	33379.38	23895.40	20999.72	19913.37	20968.81	17220.89	17264.49	17264.49		
38566.66	35891.16	38157.69	27659.50	24214.93	22682.51	22942.85	19478.97	18812.13	18812.13		
18845.45	17191.46	20219.59	12939.48	10350.39	9865.69	11263.67	9191.73	8195.15	8195.15		
5278.60	4975.78	4914.03	4432.11	4182.28	3939.97	3373.26	3246.50	3105.97	3105.97		
1754.62	1739.59	1595.05	1593.70	1600.35	1551.33	1502.14	1480.17	1435.38	1435.38		
1734.81	1465.91	1847.40	1710.58	1442.74	1448.28	1545.16	1545.50	1696.99	1696.99		
439.88	414.65	409.50	369.34	348.52	328.33	281.11	270.54	258.83	258.83		
390243	404744	419214	432710	445815	460369	476577	493061	510671	510671		
2316.73	2049.47	1909.63	1642.15	1491.93	1380.39	1344.94	1280.09	1185.41	1185.41		
59.37	50.64	45.55	37.95	33.47	29.98	28.22	25.96	23.21	23.21		
44542.14	38712.83	32830.57	26929.48	24216.21	23785.89	21344.59	17427.03	16151.05	16151.05		
1141.40	956.48	783.15	622.34	543.19	516.67	447.87	353.45	316.27	316.27		

OPERATIONAL STATISTICS

IMPORTANT FINANCIAL INFORMATION

(As per Consolidated Audited Accounts)

For The Year Ending 31st March

- (A) PROFITABILITY RATIOS
- AS % NET SALES
 - Gross Margin
 - Gross Profit
 - Net Profit
 - AS % TOTAL EXPENDITURES
 - Sal & Wages (Gross-Rev.)
 - Store & Spares (Gross-Rev.)
 - Power & Fuel
 - Interest & Depreciation (Gross-Rev.)
 - AS % CAPITAL EMPLOYED
 - Gross Margin
 - Gross Profit
 - Net Profit
 - OPERATING RATIO (SALES PROFIT/SALES)
- (B) LIQUIDITY RATIOS
- Current Ratio
(Current Asset / Current Liability)
 - Quick Ratio
(Quick Asset / Current Liability)
- (C) TURNOVER RATIOS
- Capital Turnover Ratio
(Net Sales / Capital Employed)
 - Sundry Debtors (net) as no of months
 - Gross Sales
 - Net Sales
 - As Ratio of Net Sales
 - Sundry Debtors
 - Coal Stocks
 - Stock of Stores & Spares
 - Avg. Stock / Annual Consumption
 - C. Stocks in terms of no. of Months Consumpt.
 - Stock of Coal, Coke, W/ Coal etc.
 - As no of Months Value of production
 - As no of Months of cost of goods sold
 - As no of Months Net Sales
- (D) STRUCTURAL RATIOS
- Debt : Equity
 - Debt : Net Worth
 - Net worth : Equity
 - Net Fixed Assets : Net Worth
- (E) SHARE HOLDER'S INTEREST
- Book Value of Shares (₹)
(Networth / No of Equity) (₹ 10 from 2009-10)
 - Dividend per Share (₹) (₹ 10 from 2009-10)

As per earlier Schedule VI

(₹ in Crores)

	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
	36.23	34.59	19.40	32.02	33.93	35.67	24.90	28.42	23.68
	32.90	31.61	15.08	27.24	29.35	30.94	19.66	22.04	16.85
	32.77	31.30	14.68	26.78	29.06	30.62	18.62	21.37	15.36
	48.86	47.90	52.99	46.78	42.74	44.02	49.09	47.19	43.56
	13.69	13.86	12.88	16.02	17.27	17.37	14.70	16.67	16.51
	4.55	4.85	4.18	5.76	6.61	6.84	6.55	7.60	7.63
	4.50	4.08	4.84	6.18	5.96	6.39	6.73	7.93	9.02
	59.19	65.80	44.75	61.08	61.92	80.34	69.38	73.00	45.48
	53.75	60.13	34.78	51.95	53.55	69.69	54.78	56.61	32.36
	53.55	59.55	33.86	51.08	53.02	68.98	52.73	54.88	29.50
	0.67	0.69	0.85	0.73	0.71	0.69	0.81	0.79	0.85
	1.39	1.27	1.15	1.22	1.26	1.12	0.96	0.83	0.94
	1.05	0.96	0.78	0.75	0.76	0.70	0.54	0.37	0.46
	1.63	1.90	2.31	1.91	1.82	2.25	2.79	2.57	1.92
	0.60	0.49	0.46	0.45	0.50	0.60	0.77	1.09	2.06
	0.71	0.57	0.55	0.54	0.59	0.71	0.91	1.30	2.45
	0.06	0.05	0.05	0.04	0.05	0.06	0.08	0.11	0.20
	0.09	0.07	0.06	0.07	0.07	0.07	0.05	0.05	0.06
	0.20	0.22	0.20	0.20	0.22	0.23	0.27	0.29	0.31
	2.36	2.62	2.58	2.46	2.58	2.81	3.26	3.44	3.67
	0.99	0.81	0.73	0.82	0.81	0.73	0.60	0.60	0.62
	1.58	1.25	0.90	1.20	1.22	1.14	0.80	0.82	0.79
	1.06	0.86	0.77	0.88	0.87	0.79	0.65	0.64	0.67
	0.24	0.26	0.31	0.27	0.29	0.33	0.39	0.42	0.41
	0.05	0.06	0.10	0.09	0.10	0.15	0.24	0.31	0.41
	5.27	4.08	3.03	3.06	2.83	2.23	1.61	1.35	1.02
	0.39	0.47	0.58	0.54	0.57	0.72	1.00	1.30	1.55
	52.74	40.84	3034.19	3062.26	2832.21	2234.64	1605.09	1352.59	1019.27
	3.90	3.50	270.00	270.00	237.50	200.00	43.00	16.00	



BRIEF PROFILE OF DIRECTORS

Shri S. Narsing Rao (54) took over as Chairman, Coal India Limited effective from 24th April 2012. Prior to the top post in the state owned Maharatna coal mining monolith, Mr. Rao, an IAS officer of 1986 batch from Andhra Pradesh Cadre, was Chairman of Singareni Collieries Company Limited (SCCL), the AP based coal mining company since September 2006. Shri Narsing Rao as CMD of SCCL, a joint venture between Government of AP and Central Government, took the company up from a production of 36 Million Tonnes in 2006 to 53 MTs in 2011-12. Shri Rao had taken SCCL to a higher growth trajectory of 9%-10% from that of 2% to 3%. During his tenure at the helm of SCCL, the company experienced the first ever strike free year (2007-08). Singareni has witnessed substantial productivity gains during his tenure. A post-graduate in Chemistry and Economics, he also holds a post-graduate higher diploma in forestry. Before joining the IAS, he had undergone training in Forestry and Rural Development sectors. After joining the IAS, he had held various positions in the Government of Andhra Pradesh, both at the District Administration level and State Administration. Shri Rao has wide international exposure and his expertise includes consultant to the International Fund for Agriculture Development (IFAD), Rome, Italy and Chief Technical Advisor, United Nations Office of Project Services, Asia & Pacific regions. He has extensive international experience in poverty alleviation and rural development in South and South East Asia. He rendered technical advice to the Governments of Bangladesh, Nepal, Bhutan, Maldives and Myanmar. He lived and functioned out of Rome (Italy), Yangon (Myanmar), Kuala Lumpur (Malaysia) and Bangkok (Thailand). Shri Rao's areas of interests include rural development, poverty alleviation, environment and ecology. He passionately worked for reforms in administration to make it responsive to the needs and aspirations of the communities. He is holding Directorship at International Coal Ventures Private Limited.

Shri R. Mohan Das (55) is the Director (Personnel & Industrial Relations) of our Company. He holds a post graduate degree in social work from Madurai University. Shri 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. Shri Das began his professional career over three decades ago with Bharat Heavy Electricals Limited in their human resources department. In the course of his career at Bharat Heavy Electricals Limited, Shri 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, Shri Das was the General Manager (Personnel & Administration) of the state owned Madras Fertilizers Limited, where he concluded long pending promotion policy agreement with unions. Shri 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, Shri Das is responsible for the formulation and implementation of personnel policies of our Company. He holds Directorship at Western Coalfields Ltd. and Central Coalfields Ltd.

Shri A.K. Sinha (59) is the Director (Finance) of our Company. Shri 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. Shri 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. Shri 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. Shri 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. From September 2011, he is also holding additional charge of Chairman-cum-Managing Director of South Eastern Coalfields Ltd. He holds Directorship at South Eastern Coalfields Ltd. and Eastern Coalfields Ltd.

Shri Nagendra Kumar (53) is the Director (Technical) of our company. Shri Kumar has graduated in Mining Engineering (B.Tech – Mining) from Indian School of Mines, Dhanbad in 1980. He joined CCL as junior Executive Trainee in 1980. In his first 20 years in CCL, he has worked for almost 6 years as Manager and 7 years as Project Officer. He was transferred to ECL in 2001 in the same capacity and assumed the charge of General Manager in 2004 and Chief General Manager in 2007. Shri Kumar assumed the charge of Director (Technical), ECL on 24th July, 2009. Shri Kumar joined our company as Director (Technical) on February 01, 2012. He has spent most of his career in reviving difficult underground and opencast mines and has the experience of working with almost all kind of mechanization in underground and opencast. He was actively associated with indigenization of Long Wall Equipment and has presented a number of papers on its successful implementation. His latest achievement is the successful operation of Continuous Miner in Jhanjra Area matching World Standards in production and safety. Shri Kumar is a member of MGMI, IMMA and Institution of Engineers. He has travelled foreign countries like South Africa and China, France, Italy and Germany. Shri Kumar is fond of cricket, books, old melody songs and Rabindra Sangeet too. He holds Directorship at Bharat Coking Coal Ltd. Central Mine Planning and Design Institute Ltd. and International Coal Ventures Private Ltd. He is also holding Chairmanship of Coal India Africana Limitada.

Shri Bipin Kumar Saxena (56) has assumed the Charge of Director (Marketing) of Coal India Limited from 19th June, 2012 (FN). Prior to this he was Director (Technical) in Western Coalfields Limited, Nagpur from 7th March, 2008. An alumni of Indian School of Mines, Dhanbad, Shri Saxena is an experienced Mining Engineer and Administrator. He has completed his B.Tech (Hons) in Mining Engineering in the year 1978 from Indian School of Mines and First Class Certificate of Competency under Indian Mines Act in the year 1981. Shri Saxena has been serving the Coal Industry since more than three decades. As Chief General Manager he was posted in Mahanadi Coalfields Ltd. in Technical Coordination Department and also in IB Valley Area. Shri Saxena has wide experience in Planning, Operation and Management of both Underground and Opencast Mines. Shri Saxena has visited United Kingdom in the year 1993 in connection with Environmental Engineering, visited Australia in 2007 with respect to appraisal of Mining in Australian Coal Industry, and visited Minsk, Belaz (Moscow) and Russian Mine sites as a part of Working Group Training in Russian Coal Mines from 21st July to 25th July, 2008. He has also visited Manila in Philippines from 18th to 22nd May, 2009 to participate in the programme on “Measuring & Mining Corporate Performance”. Shri Saxena is associated with several Professional Bodies.

Ms. Zohra Chatterji (58) in addition to nominee Director of GoI, assumed the additional charge of Chairman, CIL on February 01, 2012 and held the charge till 23rd April’ 2012. Ms. Chatterji is an officer of the 1979 batch of IAS belonging to Uttar Pradesh cadre. She has held various important assignments in U.P and has been associated with the industries sector in UP for nearly 10 years and has held posts including MD of UP Small Industries Corporation and UP Handlooms. She has also served as Secretary and Director General, Tourism & Secretary and Director Industries & Labour Commissioner. Her last assignment in UP before joining Government of India was as Principal Secretary, Industries, IT & Electronics, Government of Uttar Pradesh. She was awarded the Prime Minister’s Award for Excellence in Public Administration for implementing an e-governance project “Lokvani” for redressal of public grievances in UP. She also set up “E-Suvidha” in Lucknow and the UP Trade Promotion Authority as its first Member Secretary. Ms. Chatterji joined the Government of India in May, 2007 on Central deputation as Joint Secretary in the Ministry of Information & Broadcasting, Government of India. On her promotion as Additional Secretary, she served as Member Secretary, National Commission for Women. She has joined as Additional Secretary, Ministry of Coal on 19th September’2011. She is a graduate in Physics (Hons.) and Post-graduate in English Literature. Ms. Chatterji is Government nominated part time Director at Neyveli Lignite Corporation Ltd.



Ms. Anjali Anand Srivastava (54) is an Indian Audit & Accounts Service officer of 1982 batch. She joined the service after completing her LLB from Lucknow University in 1981. Ms. 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. Ms. 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). Ms. 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. Ms. Anjali Anand Srivastava is also a Government nominated part time Director on the Boards of Hindustan Copper Limited (HCL), Hindustan Zinc Limited (HZL) and Bharat Aluminium Company Limited (BALCO).

Prof. S.K. Barua (61) 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 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, Torrent Power Limited, IOT Infrastructure and Energy Services Limited, Axis Bank, Prasar Bharati and Oil and Natural Gas Corporation Ltd.

Dr. A.K. Rath (63) 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 decade long career with the Indian Administrative Services, including Joint Secretary in the Department of Public Enterprises, GoI, Special Secretary and Financial Advisor, Ministry of Steel and Secretary, Department of School Education & Literacy. During his stint in 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, Odisha and is currently on the boards of Mangalore Refinery & Petrochemical Limited and Mahanadi Coalfields Ltd.

Dr. (Smt.) Sheela Bhide (64) is an independent Director on the Board of our Company. Dr. 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. Dr. Bhide joined the Indian Administrative Service in 1973 and in the course of her 36 year long career has held various posts such as Chairman and Managing Director, India Trade Promotion Organization, Ministry of Commerce, GoI, Additional Secretary and Financial Advisor, Ministry of External Affairs, GoI, Additional Secretary and Financial Advisor, Ministry of Defence, GoI and Joint Secretary, Ministry of Corporate Affairs, GoI. She also holds directorship in Northern Coalfields Ltd, Suryodaya Microfinance Pvt. Ltd and L&T Metro Rail (Hyderabad) Ltd.

Dr. R.N. Trivedi (64) 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 and South Eastern Coalfields Ltd.

Shri Mohd. Anis Ansari (63) is an independent Director on the Board of our Company. Shri 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. Shri Ansari has also been a member of the board of directors of Bombay Mercantile Co-operative Bank Limited. Shri 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. Shri 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.

Shri Kamal R. Gupta (58) 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. Shri Gupta has over 33 years of experience in the fields of taxation and finance consultancy. Other than being an independent Director on the Board of our Company, Shri Gupta is also on the boards of Corporate Consultants Private Limited and Govind Polymers Private Limited.

Ms. Sachi Chaudhuri (63) 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 Adviser, All India Council for Technical Education, Ministry of Human Resources Development, GoI, Joint Secretary level post in a Schedule 'A' public sector undertaking under the Ministry of Commerce, Government of India, GoI, Director (Finance), Department of Biotechnology, Ministry of Science & Technology, GoI. 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.



Shri Dinesh Chandra Garg (57) 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 profit, 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 functions 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 widely travelled in India.

Shri 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) and South Eastern Coalfield Limited (SECL), the two companies being the wholly owned subsidiaries of the holding company Coal India Limited (CIL) which is the largest coal producing company in the World. A. K. Singh is currently the Chairman-cum-Managing Director of Central Mine Planning and Design Institute (CMPDI). 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 a large number of technical papers presented 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.

Shri D. P. Pande (57) has been appointed as permanent invitee on the Board of Coal India Limited. Shri Pande is the recipient of Minister's Award and GM Awards, joined South Eastern Railways in 1977. Thereafter he was transferred to Northern Railways where he worked in Operational post and gained experience in yard operations and was associated with the studies for closure of major yards like Itarsi, TKD and GMC. He worked in the Divisional Sector as Operating Officer dealing with coaching operations, freight operations and planning at the divisional level. Thereafter he was transferred to Northern Railways Headquarters in 1995 as Dy.COM/Goods and worked there in various capacities as CPTM and CFTM. He worked in the Railway Board as ED/Planning, dealing with Five Year Plans, Corporate Plans, Annual Plans and formulation of Budget of Indian Railways. He worked as EDTT/S in Transportation directorate before moving to Bhopal as DRM from 2004-06. The division was recommended for Prime Minister Award in the Government Sector on account of innovations and changes introduced. He returned to Railway Board and worked as EDTT/M from 2006 to December 2009. In January 2009 he was promoted as Adviser (Marketing & Logistics) and as Adviser TT/M from May 2010. At present he is working as Addl. Member (Traffic Transportation).



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-Eighth Annual Report of Coal India Limited (CIL) and Audited Accounts for the year ended 31st March, 2012 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 the 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 3,71,546 (as on 1st April, 2012). CIL operates through 81 mining areas spread over 8 provincial states of India. Coal India has 467 mines of which 273 are underground, 164 opencast and 30 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 27 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, Fertilizer, 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. NOTABLE ACHIEVEMENTS

1.1 Maharatna Status

Coal India Limited was granted the 'Maharatna' status on 11th April, 2011 by the Government of India thus becoming only the 5th PSU in the country, of a total of 215 Central Public Sector Enterprises (CPSEs), to have been conferred with this status. Government of India has introduced the Maharatna scheme in February 2010 for Central Public Sector Enterprises, in order to empower the mega CPSEs to expand their operations and emerge as global giants. The objective of Maharatna is to delegate enhanced powers to the Boards of the identified large Navratna CPSEs, fulfilling the specified criteria, to facilitate expansion of their operations both in domestic as well as global markets.

1.2 Coal India joins Sensex

Coal India made it to the 30-stock Sensex, on 8th August 2011, globally considered to be the barometer of the Indian economy, in a short span of nine months since its listing on 4th November 2010. No other company has made it to the index in such a short time. And then, Coal India's raise to the top came in just seven trading sessions since its entry to SENSEX. This is considered to be a remarkable accomplishment.

1.3 Most Valued Company in the country

On 17th August 2011, Coal India emerged as the Most Valued Company in the country in terms of Market Capitalization – the pinnacle of success every business entity dreams of and aspires for. The company's value stood at a whopping ₹ 2,51,296 Crores. What made the achievement all the more significant was that a public sector company could attain such lofty heights.

1.4 CMPDI in a gas recovery project

Central Mine Planning and Design Institute (CMPDI) the Ranchi based mine consultancy subsidiary of Coal India Limited has been identified for participation in a Green House Gas recovery from coal mines and un-mineable coal beds and conversion to energy (GHG2E) - an EU funded Research Project from India along with Indian Institute of Technology, Kharagpur.

The basic objective of the project is to contribute to global greenhouse gas reduction by controlling methane emission from coal mines and maximizing utilization of produced methane. Moonidih and Sudamdih mines of BCCL have been considered for taking up this research project. The total time schedule for the project is 42 months. Officials from CMPDI participated in the kick-off meeting held in Slovakia from 6th - 9th Oct.'11. A team comprising of Prof. Sevet Durucan of Imperial College of Engineering, London and Prof. K.Pathak of IIT, Kharagpur and other representatives of both the institutions visited CMPDI on 16th Nov 2011 and discussed in details regarding the implementation of the project. The team along with CMPDI officials also visited Moonidih mine and BCCL for detailed discussions. CMPDI has received an advance payment of ₹ 47,867.35 for the Project.

1.5 Finalization of National Coal Wage Agreement IX

Coal India Limited (CIL) on 31st January 2012, finalized the wage agreement for its 3.63 Lakh strong non-executive work force by giving a 25% increase on gross wages as of 30 June 2011. The wage hike that would be effective retrospectively from 1 July 2011 is for a five-year period.

1.6 Pays Highest Interim Dividend to the shareholders

On 23rd March'2012, CIL Directors presented a cheque of ₹ 5,400.49 Crores towards the Interim Dividend for the fiscal 2011-12 to Shri Sriprakash Jaiswal, Hon'ble Union Minister of Coal, Government of India, in New Delhi in presence of Shri Alok Perti, the then Secretary, Ministry of Coal and other senior officials of MoC.

The amount of ₹ 5,400.49 Crores, the highest ever, Interim Dividend paid to Government of India so far, constitutes 90% of the total interim dividend of ₹ 6,000.55 Crores for the fiscal 2011-12. The rest 10% (₹ 600 Crores) was distributed amongst the shareholders of the company. This is at the rate of ₹ 9.50 per share against ₹ 3.50 paid in the previous fiscal registering an increase of 171.4%.

1.7 Awards & Accolades for Coal India Limited in 2011-12

Bags 'Company of the Year Award'

Coal India Limited was conferred the coveted "Company of the Year Award" by Indian Chamber of Commerce and Department of Public Enterprises (DPE) on 19th September 2011 at 2nd Summit on 'India Public Sector Agenda @2020' at New Delhi.

MoU Excellence Award

Coal India Limited received the MoU Excellence Award for Outstanding rating for the year 2009-10 in New Delhi, on 31st January 2012 in a formal awards function 'MoU Excellence Awards/SCOPE Excellence Awards' for outstanding contribution to the Public Sector Management organized by Department of Public Enterprises (DPE), Ministry of Heavy Industries & Public Enterprises.

India Pride Award 2011

Coal India Limited was conferred with "India Pride Award 2011" for the second consecutive year. CIL received the Gold Trophy in 'Energy & Power' category. The award presented by Shri Montek Singh Ahluwalia, Deputy Chairman, Planning Commission of India, was received by Shri N.C. Jha, the then Chairman, CIL in a formal award ceremony in New Delhi on 21st October 2011.

India Pride Awards have been initiated by a leading Hindi language media house and DNA – the English language news daily, aimed to recognize the outstanding contribution made by PSUs and individuals in different areas towards promoting efficiency and to encourage and motivate the individuals to achieve higher goals. The evaluation for the awards was done by ICRA, based on various business results.



2. FINANCIAL PERFORMANCE

2.1 Financial Results

CIL is one of the largest profit making and tax & dividend paying enterprises. CIL and its subsidiaries has achieved an aggregate pre-tax profit of ₹ 21,272.66 crores in the year 2011-12 against a pre-tax profit of ₹ 16,463.24 crores in the year 2010-11 registering a growth of 29.21% over earlier year.

(Figures in ₹ crores)

Company	2011-12 Profit	2010-11 Profit
ECL	(+) 962.13	(+) 106.57
BCCL	(+) 822.36	(+) 1093.69
CCL	(+) 1970.24	(+) 1860.22
NCL	(+) 4265.67	(+) 3956.36
WCL	(+) 440.50	(+) 1067.98
SECL	(+) 6002.87	(+) 3777.12
MCL	(+) 5463.69	(+) 4039.30
CMPDIL	(+) 30.79	(+) 23.69
CIL/NEC	(+) 8599.95	(+) 4723.37
Sub-Total	(+) 28558.20	(+) 20648.30
Less : Dividend from Subsidiaries	(-) 7307.20	(-) 4237.42
Total	(+) 21251.00	(+) 16410.88
Adjustment for deferred revenue income	(+) 21.59	(+) 52.36
Adjustment for exchange rate variation on Current Account overseas subsidiaries	(+) 0.07	-
Overall Profit as per Consolidation of Accounts	(+) 21272.66	(+) 16463.24

CIL has achieved post tax profit of ₹ 14,788.20 crores in 2011-12 compared to ₹ 10,867.35 crores in 2010-11 showing a growth of 36.08% over last year.

The pre-tax profit of CIL and its subsidiary companies during the year 2011-12 is ₹ 21,272.66 crores after taking into account the impact of pay revision for workmen w.e.f. 01.07.2011. Financial impact of revision of wages of Wage Board employees are ₹ 5,020.01 crores. The liability has been provided in the Accounts of 2011-12. Out of the aforementioned financial impact of ₹ 5,020.01 crores – ₹ 2,687.41 crores relates to increased employee benefit expenses for nine months and ₹ 2,332.60 crores relates to increase in actuarial liability for increased employee benefits.

Highlights of performance

The highlights of performance of Coal India Limited including its Subsidiaries for the year 2011-12 compared to previous year are shown in the table below :

	2011-12	2010-11
Production (in million tonnes)	435.84	431.32
Off-take of Coal (in million tonnes)	433.08	424.50
Sales (Gross) (₹ Crores)	78410.38	60240.90
Gross Profit (₹ Crores)	21326.64	16536.94
Capital Employed (₹ Crores)	66627.24	54495.72
Net Worth (₹ Crores)	40453.02	33314.20
Profit before Tax (₹ Crores)	21272.66	16463.24
Profit after Tax (₹ Crores)	14788.20	10867.35
Gross Profit / Capital Employed (in %)	32.01	30.35
Profit before Tax / Net Worth (in %)	52.59	49.42
Profit after Tax / Net Worth (in %)	36.56	32.62
Earning Per Share (Considering Face Value of ₹ 10 per share)	23.47	17.19
Dividend per Share (Considering Face Value of ₹ 10 per share)	10.00	3.90
Coal Stock (Net) (in terms of No. of months Net Sales)	0.92	1.06
Sundry Debtors (Net) (in terms of No of Months Gross Sales)	0.86	0.67

Note : 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 the consolidation, the profit shown in Consolidated Accounts may be read with such deviations.



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 ₹ 7,307.20 crores as against dividend of ₹ 4,237.42 crores in previous year, the subsidiary-wise break-up of which are as under :-

Name of the Subsidiary	(₹ in crores)
	Dividend Income of CIL
CCL	748.10 (386.32)
NCL	2067.27 (1295.06)
WCL	323.25 (387.42)
SECL	1992.02 (1099.60)
MCL	2176.56 (1069.02)
Total	7307.20 (4237.42)

Figures in brackets are for previous year.

Your Directors recommended dividend payment of ₹ 6,316.36 crores @ ₹ 10/- per share on 6316364400 Equity Shares of ₹ 10/- each fully paid value at ₹ 6,316.36 crores. Out of total dividend, Govt of India gets ₹ 5,684.72 crores and other shareholders get ₹ 631.64 crores. (Earlier year - Govt of India received ₹ 2,217.04 crores and other shareholders received ₹ 246.34 crores).

3. COAL MARKETING

3.1 (a) Off-take of Raw Coal

Off take of raw coal continued to maintain its upward trend and reached 433.08 million tonnes, surpassing previous highest figure of 424.50 million tonnes achieved during the last year, i.e., an increase of 2 % over last year. The Off-take achieved was 95.8% of the Annual Action Plan Target. Off-take suffered heavily in most of the coal fields, due to excessive rainfall in August-September'2011. Though there was an improvement from the month of November, inadequate wagon availability till December'11 had an adverse effect on the projected growth in off-take. Desired level of off-take was also affected due to less transportation to sidings arising out of law & order problem in CCL and MCL fields. However, CIL has registered excellent performance during the last quarter, which helped the company achieve the overall satisfactory performance.

Company-wise coal off-take :

Company-wise target vis-à-vis actual off-take for 2011-12 and 2010-11 are shown below :-

(Figs. in million tonnes)

Company	2011-12			2010-11	Growth over last year	
	Target	Achieved	% Achieved	Achieved	Abs.	%
ECL	34.00	30.83	90.7	29.74	1.09	3.7
BCCL	30.00	30.16	100.5	29.39	0.77	2.6
CCL	52.00	48.04	92.4	46.38	1.66	3.6
NCL	68.50	63.61	92.9	64.21	-0.60	-0.9
WCL	45.50	41.97	92.2	42.56	-0.59	-1.4
SECL	112.00	115.15	102.8	109.02	6.13	5.6
MCL	109.00	102.53	94.1	102.10	0.43	0.4
NEC	1.00	0.80	80.0	1.10	-0.30	-27.3
CIL	452.00	433.08	95.8	424.50	8.58	2.0

From above it may be seen that BCCL & SECL had not only outperformed their respective targets but also exceeded last year's level. Barring NCL, WCL and NEC all other coal companies registered a positive growth in off-take. Off-take from ECL & NCL was affected mainly due to less dispatch through MGR. Less transportation due to Law & order problem affected dispatch from CCL. Off-take from WCL received a serious set-back due to MAHAJENCO's decision of non-lifting of coal through road-cum-rail mode by their Washery Operator. Less transportation due to law & order problem coupled with fewer placements of MGR rakes by Talcher STPS as well as less availability of railway wagons affected the overall off-take of MCL.

(b) Sector-wise despatch of coal & coal products :

Sector-wise break-up of despatch of coal & coal products for 2011-12 against target and last year's actual is given below :

(Figs. in million tonnes)

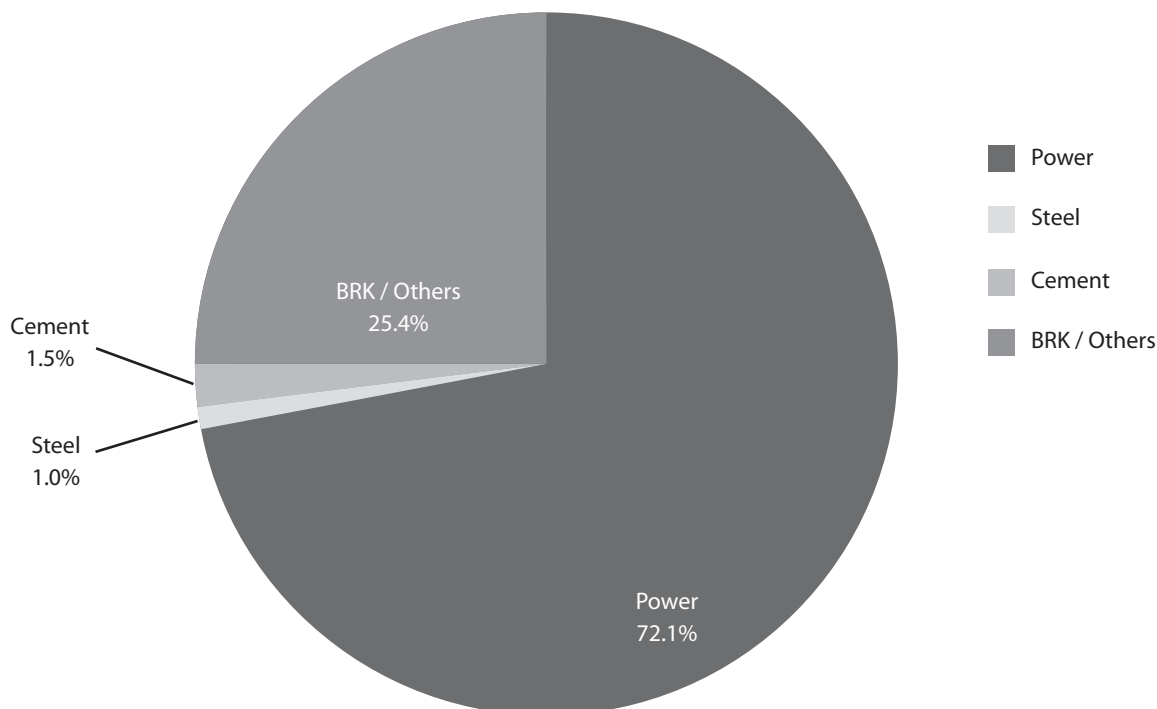
Year	2011-12			2010-11	Growth over last year	
	Target	Despatch	% Satn.	Actual	Abs.	%
Power (Util)	327.54	312.07	95.3	304.15	7.92	2.6
Steel *	4.11	4.12	100.2	4.21	-0.09	-2.1
Cement **	7.46	6.69	89.7	6.79	-0.10	-1.5
Fertilizer	2.87	2.79	97.2	2.78	0.01	0.4
Export	0.02	0.00	0.0	0.00	0.00	0.0
Others	106.26	107.28	101.0	105.51	1.77	1.7
Despatch	448.26	432.95	96.6	423.44	9.51	2.2

* despatch of washed coal, direct feed & blendable coal to steel plants.

** despatch to cement plants excluding cement cpp.



Consuming Sector Profile : 2011-12



3.2 Despatches of coal and coal products by various modes :

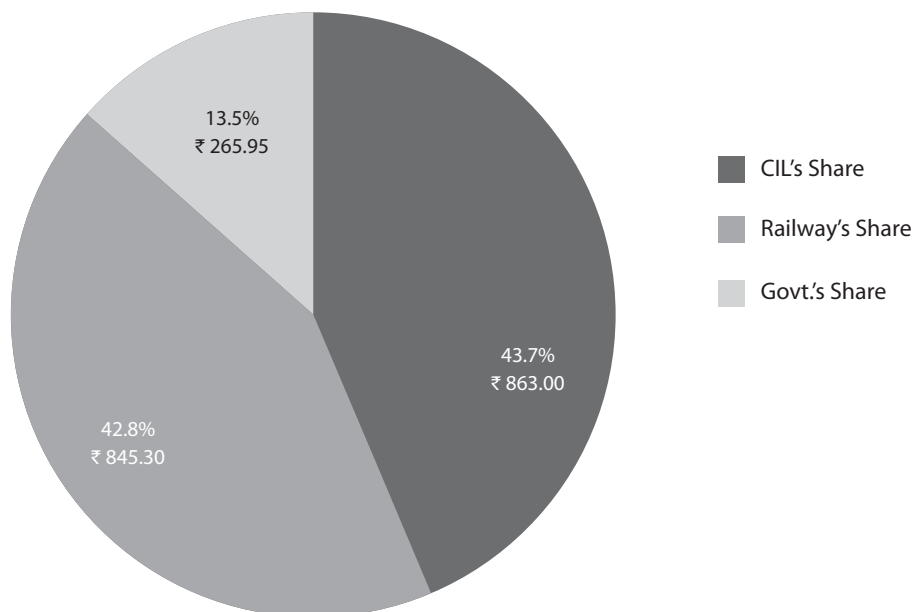
Despatches of coal and coal products during 2011-12 went up to 432.95 million tonnes from 423.44 million tonnes registering a growth of 2.2 %. Overall dispatch by Road and Rope/Belt (other modes) had been more than target though road dispatch at WCL suffered a serious set-back due to MAHAJENCO's decision of non-lifting of coal through road-cum-rail mode by their Washery Operator. MGR despatch was affected due to less placement of MGR rakes by Talcher STPS, CHP problem and unloading problem at NTPC-Kahalgao TPS. MGR off-take of NCL could not materialize to its fullest potential due to mutual arrangement between Railways and NTPC for operating BOBR rakes on NTPC rail track thus reducing the availability of MGR track for movement of MGR rakes and also due to inadequate availability of locomotives for hauling MGR rakes. This apart, MGR despatch was also affected due to preference given by NTPC for unloading of imported coal rakes, frequent derailment of MGR rakes and poor performance of MGR system at Anpara TPS.

Despatch of coal and coal products by various modes for the years 2011-12 and 2010-11 is given below :

(Figs. in million tonnes)

Year	2011-12			2010-11	Growth over last year	
Mode	Target	Despatch	% Satn.	Actual	Abs.	%
Rail	241.44	229.07	94.9	215.81	13.26	6.1
Road	102.00	113.39	111.2	112.35	1.04	0.9
MGR	94.47	79.32	84.0	83.62	- 4.30	- 5.1
Other Modes	10.35	11.17	107.9	11.66	- 0.49	-4.2
Overall	448.26	432.95	96.6	423.44	9.51	2.2

Producer's share in destination price of coal (As on 1.4.2012) for G9 grade Coal (GCV 4300-4600 Kcal / Kg) for a distance of 750 Km.



3.3 Wagon Loading

Sustained efforts and regular coordination with railways at different levels saw wagon loading increase by another 345 boxes per day over last year. Overall materialization was 96.1% of the target. Company wise performance shows that ECL, BCCL & NCL not only exceeded last years level of loading but also surpassed their target. Wagon loading at NEC was also more than the target. Major deviation from AAP target has taken place in Karanpura Field of CCL, Korba Field of SECL and both Ib and Talcher fields of MCL. The loading potentials of CCL, MCL & SECL-Korba could not be

utilized due to inadequate supply of empty wagons. In some of the coalfields like CCL-Karanpura and MCL-Talcher, desired level of rail despatch could not be achieved due to less transportation of coal to sidings arising out of law & order problem and obstruction/agitation by local people on various demands. Rail despatch at NCL could have been even better but for supply of BOBR rakes moving in close circuit within Singrauli region and non-availability of Box-N rakes.

(Figs. in box / day)

Company	2011-12			2010-11	Growth over last year	
	Target	Achieved	% Achieved	Achieved	Abs.	%
ECL	781	874	112.0	802	72.4	9.0
BCCL	1113	1167	104.9	1107	60.0	5.4
CCL	1807	1498	82.9	1423	75.4	5.3
NCL	1000	1045	104.5	1013	31.5	3.1
WCL	876	824	94.1	820	4.4	0.5
SECL	1926	1877	97.5	1796	81.3	4.5
MCL	2770	2568	92.7	2540	28.4	1.1
NEC	30	42	141.2	50	-7.6	-15.3
CIL	10303	9897	96.1	9552	344.7	3.6



3.4 Consumer Satisfaction :

- i) In order to ensure enhanced customer satisfaction, special emphasis has 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 has built up coal handling plants with capacity of about 296 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 tones.
- 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 overburden 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 31 Surface Miners have been deployed in MCL, CCL, ECL 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 million tonne 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 94.3% up to Dec'11 in respect of supplies to power sector during 2011-12. Consumers, covered under the agreed sampling arrangement are required to pay as per the analysed 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 168 weighbridges in the Railway sidings and 478 weighbridges for weighment of trucks. Coal companies have also taken actions for installation of standby weighbridges to ensure 100% weighment.

During 2011-12, about 99% of coal despatches to power houses have been weighed as compared to about 98.3% during the year 2010-11. Sized coal despatches to power houses during 2011-12 had been 98.64% compared to about 98.6% during the year 2010-11.

3.5 Steps Taken Towards Liberal Marketing of Coal :

Status of implementation of different provisions under NCDP is as under :

- i) At the end of Mar '12, against the quantity allocated by CEA of 306 million tonnes for power stations, drawing coal on 31.3.09, total quantity covered under FSA had been 301.45 million tonnes showing materialization of almost 98.5%. Regular follow up was made with concerned power utilities to ensure that entire quantity gets covered under FSA. Apart from the above, new power stations (post NCDP) who are to draw coal through LOA route followed by FSA/ MOU, quantity covered in such cases came to 22.64 million tonnes per annum. Further power stations having pre NCDP linkage is also drawing coal under MOU for a quantity of 21.06 million tonnes.
- ii) Out of 1206 valid linked units other than power and steel plants with eligible FSA quantity of 64.77 million tonnes, 1188 units have executed FSAs for 64.14 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, 18 states / UTs sent their nomination of 27 state agencies for the year 2011-12 of which 22 state agencies have signed FSA for 3.95 million tonnes and drawing coal accordingly.
- iv) After implementation of NCDP, 654 new consumers in power, sponge iron, Captive power and cement sector were served notices with a request to deposit commitment guarantee(CG), of which 551 units submitted CG. 551 units were issued LOA for completion of necessary milestones. 300 units completed milestones and executed FSA.
- v) Under Forward e-auction scheme during the year ended Mar12, quantity allocated was 7.55 million

tonnes as against 5.61 million tonnes allocated in last year. Number of bidders participated also went up to 464 from 264 in the last year. Quantity allocated under spot e-auction also maintained its rising trend. During the period under review, 49.72 million tonnes of coal was allocated under spot e-auction to the successful bidders as against 46.56 million tonnes of coal allocated last year. Premium earned through e-auction over notified price was 66.6%(5526.88 Cr.) as against 80.7%(4072.06 Cr.) of last year.

- vi) Coal India Ltd. has converted to GCV(Gross Calorific Value) based system of coal grading & pricing for non-coking coal as per Government notification with effect from 01.01.2012 from earlier UHV system, which is an internationally accepted norm for grading of coal.

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 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 in 1st phase. These washeries are scheduled to be commissioned during XII Plan period. Further, CIL is also formulating plan to set up more coking and non coking coal washeries in the 2nd phase for supply of washed coal to various consumers.

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 2011-12 after provision for stock deterioration etc. was ₹ 4,801.14 crores, which was equivalent to 0.92 month value of net sales. The company-wise position of stocks held on 31.03.2012 and on 31.03.2011 are given below :

(Figures in ₹ crores)

Company	Net Value of stock as on 31.03.2012	Net Value of stock as on 31.03.2011	Stock in terms of no. of months Net Sales	
			As on 31.03.12	As on 31.03.11
ECL	476.65	430.58	0.69	0.88
BCCL	946.79	1025.94	1.56	2.00
CCL	1379.68	1292.31	2.26	2.57
NCL	391.10	199.81	0.59	0.31
WCL	488.14	360.37	0.87	0.72
SECL	572.54	624.63	0.46	0.70
MCL	530.59	473.47	0.67	0.76
NEC/CIL	15.65	32.71	0.45	0.96
Total	4801.14	4439.82	0.92	1.06



3.8 Coal Sales Dues

Net Coal Sales dues outstanding as on 31.03.2012 after providing of ₹ 1,771.14 crores (previous year ₹ 1,484.52 crores) for bad and doubtful debts, was ₹ 5,616.30 crores (previous year ₹ 3,373.01 crores) which is equivalent to 0.86 months combined gross sales of CIL as a whole (previous year 0.67 months). Subsidiary-wise break-up of coal sale dues outstanding as on 31.03.2012 as against 31.03.2011 are shown below :-

(Figures in ₹ crores)

Company	Coal Sales dues As on 31.03.2012		Coal Sales dues As on 31.03.2011	
	Gross	Net	Gross	Net
ECL	2665.04	2459.37	1044.61	959.20
BCCL	1619.40	951.72	1131.47	618.14
CCL	1471.75	1078.66	1461.94	941.64
NCL	526.14	425.70	497.84	492.58
WCL	133.05	13.97	147.37	25.20
SECL	710.09	464.28	461.23	255.33
MCL	251.19	222.59	102.30	80.92
NEC/CIL	10.78	0.01	10.77	-
Total	7387.44	5616.30	4857.53	3373.01

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

During the year 2011-12, CIL and its Subsidiaries paid/adjusted ₹ 16,245.61 crores (previous year ₹ 9,923.27 crores) towards Royalty, Cess, Sales Tax and other levies as detailed below :-

(Figures in ₹ crores)

	2011-12	2010-11
Royalty	5315.14	4799.52
Cess & Others	2745.85	1339.07
Sales Tax / VAT	2537.05	1757.81
Stowing Excise Duty	421.75	424.36
Central Excise Duty	3040.27	233.49
Clean Energy Cess	2082.40	1286.61
Entry Tax	103.15	82.41
Total	16245.61	9923.27

State-wise & Company-wise break-up of payment of Royalty, Sales Tax, SED, Cesses and other Levies during 2011-12 are given below :-

(Figures in ₹ crores)

Company	Particulars	MP	Chattisgarh	WB	Jharkhand	Maharashtra	UP	Odisha	Assam	CCO/GOI	2011-12
ECL	Royalty			9.44	180.00						189.44
	Cess & Others			1342.51							1342.51
	Sales Tax/VAT			268.54	52.52						321.06
	Stowing Excise Duty									29.03	29.03
	Central Excise Duty			319.21	94.19						413.40
	Clean Energy Cess			79.89	87.05						166.94
	Entry tax										-
	Total			2019.59	413.76					29.03	2462.38
BCCL	Royalty			0.04	567.88						567.92
	Cess & Others			4.11							4.11
	Sales Tax / VAT			8.90	224.84						233.74
	Stowing Excise Duty									29.60	29.60
	Central Excise Duty				348.98						348.98
	Clean Energy Cess				147.10						147.10
	Entry tax										-
	Total			13.05	1288.80					29.60	1331.45
CCL	Royalty				682.66						682.66
	Cess & Others										-
	Sales Tax/VAT				255.10						255.10
	Stowing Excise Duty									47.70	47.70
	Central Excise Duty				398.12						398.12
	Clean Energy Cess				189.10						189.10
	Entry tax										-
	Total				1524.98					47.70	1572.68
NCL	Royalty	609.99					181.94				791.93
	Cess & Others	1171.80					16.75				1188.55
	Sales Tax/VAT	164.38					155.88				320.26
	Stowing Excise Duty									62.62	62.62
	Central Excise Duty	176.97					149.40				326.37
	Clean Energy Cess	181.16					132.95				314.11
	Entry tax	5.24					19.81				25.05
	Total	2309.54					656.73			62.62	3028.89
WCL	Royalty	99.07				526.30					625.37
	Cess & Others										-
	Sales Tax/VAT	59.23				257.00					316.23
	Stowing Excise Duty									42.18	42.18
	Central Excise Duty	53.87				288.23					342.10
	Clean Energy Cess	29.63				163.95					193.58
	Entry tax	10.23									10.23
	Total	252.03				1235.48				42.18	1529.69



(Figures in ₹ crores)

Company	Particulars	MP	Chattisgarh	WB	Jharkhand	Maharashtra	UP	Odisha	Assam	CCO/GOI	2011-12
SECL	Royalty	303.73	1100.80								1404.53
	Cess & Others	103.23	104.50								207.73
	Sales Tax/VAT	162.32	507.47	6.51							676.30
	Stowing Excise Duty									110.80	110.80
	Central Excise Duty	166.13	542.35	1.33							709.81
	Clean Energy Cess	69.81	503.26								573.07
	Entry tax										-
	Total	805.22	2758.38	7.84						110.80	3682.24
MCL	Royalty							1027.77			1027.77
	Cess & Others										-
	Sales Tax/VAT							402.84			402.84
	Stowing Excise Duty									99.06	99.06
	Central Excise Duty							481.68			481.68
	Clean Energy Cess							494.53			494.53
	Entry tax							67.87			67.87
	Total							2474.69		99.06	2573.75
CIL / NEC / Others	Royalty								25.52		25.52
	Cess & Others								2.95		2.95
	Sales Tax / VAT								11.52		11.52
	Stowing Excise Duty									0.76	0.76
	Central Excise Duty								19.81		19.81
	Clean Energy Cess								3.97		3.97
	Entry Tax										-
	Total								63.77	0.76	64.53
Overall	Royalty	1012.79	1100.80	9.48	1430.54	526.30	181.94	1027.77	25.52	-	5315.14
	Cess & Others	1275.03	104.50	1346.62	-	-	16.75	-	2.95	-	2745.85
	Sales Tax/VAT	385.93	507.47	283.95	532.46	257.00	155.88	402.84	11.52	-	2537.05
	Stowing Excise Duty	-	-	-	-	-	-	-	-	421.75	421.75
	Central Excise Duty	396.97	542.35	320.54	841.29	288.23	149.40	481.68	19.81	-	3040.27
	Clean Energy Cess	280.60	503.26	79.89	423.25	163.95	132.95	494.53	3.97	-	2082.40
	Entry tax	15.47	-	-	-	-	19.81	67.87	-	-	103.15
	Total	3366.79	2758.38	2040.48	3227.54	1235.48	656.73	2474.69	63.77	421.75	16245.61

4. COAL PRODUCTION

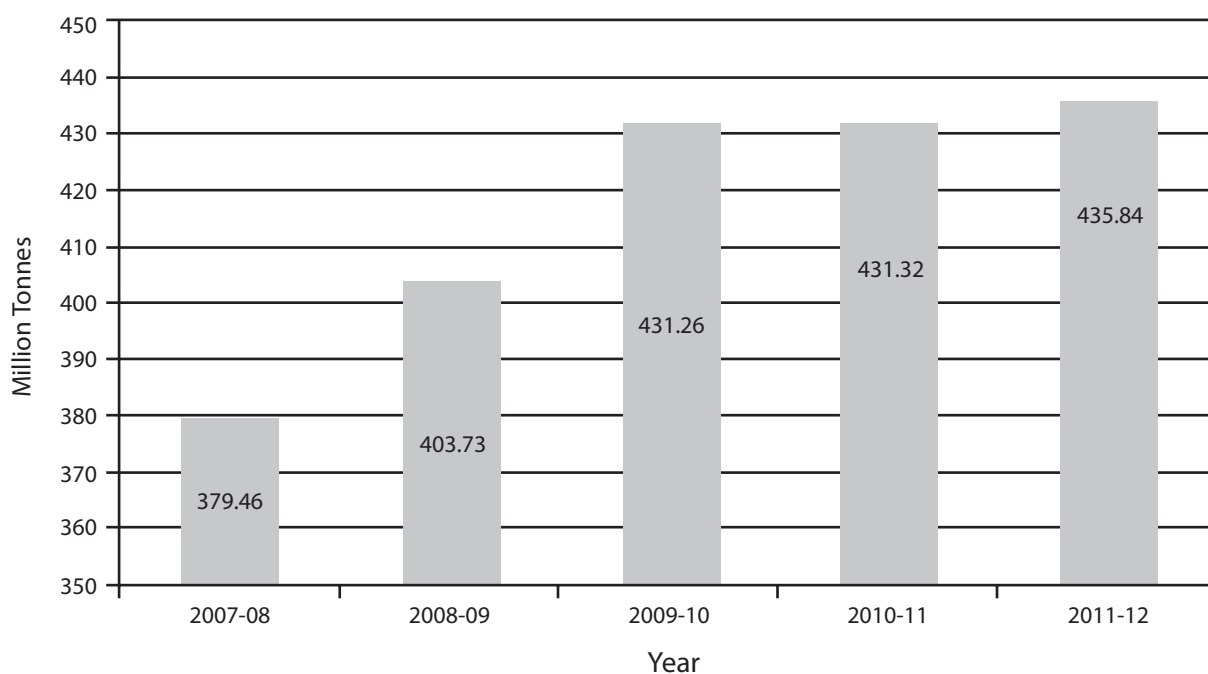
4.1 Raw coal production

Production of raw coal during 2011-12 was 435.84 Million Tonnes as against 431.32 Million Tonnes produced in 2010-11. The company-wise production is given below :

(Figure in all Million Tonnes)

Company	Coking		Non-Coking		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
ECL	0.05	0.05	30.51	30.75	30.56	30.80
BCCL	27.25	25.29	2.96	3.72	30.21	29.01
CCL	15.55	15.45	32.45	32.07	48.00	47.52
NCL	0.00	0.00	66.40	66.25	66.40	66.25
WCL	0.32	0.40	42.79	43.25	43.11	43.65
SECL	0.19	0.16	113.65	112.55	113.84	112.71
MCL	0.00	0.00	103.12	100.28	103.12	100.28
NEC	0.00	0.00	0.60	1.10	0.60	1.10
CIL	43.36	41.35	392.48	389.97	435.84	431.32

Raw Coal Production





4.2 Production from underground and opencast mines.

Coal production from underground mines in 2011-12 was 38.39 Million Tonnes compared to 40.02 Million Tonnes produced in 2010-11. Production from Open cast mines during 2011-12 was 91.2 % of total raw coal production. Company-wise production is as under:

(Figure in Million Tonnes)

Company	Underground Production		Opencast Production		Total Production	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
ECL	6.83	7.37	23.73	23.43	30.56	30.80
BCCL	3.48	3.70	26.73	25.31	30.21	29.01
CCL	1.09	1.27	46.91	46.25	48.00	47.52
NCL	0.00	0.00	66.40	66.25	66.40	66.25
WCL	8.39	8.71	34.72	34.94	43.11	43.65
SECL	16.41	16.80	97.43	95.91	113.84	112.71
MCL	2.19	2.17	100.93	98.11	103.12	100.28
NEC	0.004	0.002	0.60	1.10	0.60	1.10
CIL	38.39	40.02	397.45	391.30	435.84	431.32

4.3 Hard Coke and Washed Coal (Coking) Production

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

(Figure in Lakh Tonnes)

Company	Hard Coke		Washed Coal (Coking)	
	2011-12	2010-11	2011-12	2010-11
ECL	-	-	-	-
BCCL	0.00	0.00	14.21	15.49
CCL	-	-	13.34	14.53
NCL	-	-	-	-
WCL	-	-	1.37	1.91
SECL	-	-	-	-
MCL	-	-	-	-
NEC	-	-	-	-
CIL	0.00	0.00	28.92	31.93

4.4 Overburden Removal

Overburden Removal during 2011-12 was 735.14 Million Cubic Meter as against 732.13 Million Cubic Meter achieved in 2010-11 recording a growth of 0.4%. Company-wise details of overburden removal are shown below :

(Figure in Million Cubic Meters)

Company	2011-12	2010-11
ECL	60.31	56.25
BCCL	81.36	83.23
CCL	65.68	62.52
NCL	201.66	182.22
WCL	122.49	115.83
SECL	113.49	137.57
MCL	85.67	88.70
NEC	4.48	5.81
CIL	735.14	732.13

4.5 XI Plan Performance

As per the XI Plan document All India coal demand growth, was envisaged at 9.52% (i.e. 731 Mt) at the terminal year (2011-12), against actual growth of 5.7% in X plan period. At the Mid-term Appraisal (MTA), envisaged growth was revised to 8.99%, i.e. 713.24 Mt. In Annual Plan 2011-12 this was further revised to 649.87 Mt. Actual consumption was 635.62 Mt (growth - 6.5%)

Domestic coal production was envisaged at 680 Mt (growth 9.56%), CIL's projection estimated at 520.50 Mt (77% share), growing at 7.6%. At the MTA, this was re-assessed at 630 Mt, CIL's share being 486.5 Mt (growth 6.15%). In the Annual Plan 2011-12, CIL's coal production target was revised to 447 Mt due to constraints faced by coal sector. Coal production of CIL grew at 3.84% (435.84 Mt). In the first three years of the XI Plan, CIL's coal production showed an increasing trend with a growth rate of over 6%, which was reduced to 0.5% in the last two years on account delays in Forestry & Environmental Clearances (FC & EC), delay in land acquisition and R & R issues and coal evacuation constraints.

As per XI Plan Document, capital outlay of CIL was envisaged at ₹ 17,390.00 Cr., which was revised to ₹ 16,090.68 Cr. at MTA. The actual capital expenditure was ₹ 13,617.56 Cr.

4.6 Future Outlook

In the terminal year (2016-17), as per XII Plan Document, All India Coal demand growth rate has been envisaged at 7.09%, (980.50 Mt). Estimated Coal demand for 2012-13 is 772.84 Mt.

In the TY of XII plan (2016-17) the envisaged indigenous coal production is 795.00 Mt. Out of this, CIL's projection is 615 Mt (envisaged growth rate 7.12%), 77% share of total production. Out of this 30.2% is to come from existing mines, 54.2% from projects under implementation and 15.6% from new projects to be taken up. On date 147 projects are under implementation. Further 126 new projects are identified to be taken up in XII Plan, of which 58 are spill-over projects of X & XI Plans. Coal production target of CIL in 2012-13 is 464.10 Mt (growth 6.48%).

CIL has proposed a capital outlay of ₹ 25,400 Cr in XII plan plus an ad hoc provision of ₹ 35,000 Cr for acquisition of assets abroad and development of the acquired coal block in Mozambique.

5. POPULATION OF EQUIPMENT

The population of major Opencast Equipment (Heavy Earth Moving Machinery) as on 1.4.2012 and on 1.4.2011 alongwith their performance in terms of availability & utilisation expressed as percentage of CMPDIL norm is tabulated below :

Company	No. of Equipment		Indicated as % of CMPDIL Norm			
	As on 1.4.2012	As on 1.4.2011	Availability		Utilisation	
			2011-12	2010-11	2011-12	2010-11
Dragline	40	40	93	92	83	91
Shovel	727	754	89	90	75	78
Dumper	3280	3217	100	99	69	70
Dozer	987	981	93	93	58	59
Drill	664	709	99	98	71	74



6. CAPACITY UTILISATION

System Capacity Utilisation

The overall system capacity utilisation of CIL as a whole for the year 2011-12 has worked out to be 86.12%. It was 89.31% during 2010-11. Subsidiary-wise details in term of percentage vis-à-vis preceding year is as under :

(in %)

Company	2011-12	2010-11
ECL	129.90	94.88
BCCL	97.77	115.78
CCL	93.81	94.88
NCL	79.87	71.68
WCL	102.49	92.94
SECL	79.87	105.39
MCL	69.90	83.20
NEC	56.29	66.66
Total CIL	86.12	89.31

7. PRODUCTIVITY : OUTPUT PER MANSHIFT (OMS)

Output per manshift (OMS) during 2011-12 improved to 4.89 Tonnes per manshift from 4.73 Tonnes per manshift of previous year. Company-wise position is given in the following table :

(Figure in Tonnes)

Company	Underground OMS		Opencast OMS		Overall OMS	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
ECL	0.44	0.45	8.64	8.14	1.68	1.60
BCCL	0.36	0.39	6.57	5.64	2.20	2.09
CCL	0.32	0.34	5.79	5.45	4.19	3.88
NCL	0.00	0.00	13.55	13.52	13.55	13.52
WCL	1.08	1.09	4.22	4.13	2.70	2.65
SECL	1.30	1.32	19.32	20.22	6.44	6.47
MCL	1.24	1.25	20.38	20.50	15.36	15.37
NEC	0.01	0.004	3.79	7.10	1.23	2.16
CIL	0.75	0.77	10.40	10.06	4.89	4.73

8. PROJECT FORMULATION :

8.1 Preparation of Reports (PR) : As prioritized by subsidiary companies of Coal India Limited, preparation of Project Reports (PR) for new/expansion/re-organization mines was carried out during the year 2011-2012 for building additional coal production capacity. Revision of Project Reports/Cost Estimates for projects was also taken up along with new PRs. Thrust was given for preparation of reports of identified projects of XI Plan and Mine Closure Plans of OC and UG mines.

Other important jobs undertaken during the year :

1. Preparation & evaluation of RFQ (Request for Qualification) and RFP (Request for Proposal) documents and customization of bid document for coal washeries.
2. Operational plans for large OC mines.
3. Environment Management Plan (EMP).

4. Mining Plans of OC and UG mines.
5. Mine capacity assessment of underground & opencast mines of CIL.
6. Various technical studies relating to operation of opencast & underground mines.
7. Performance analysis of HEMM operating in OC mines of CIL.
8. Preparation of Global Bids for deployment of Continuous Miner in underground mine of CIL.
9. Preparation of Model Bid Document & Conceptual Report for setting up of FBC based thermal power plants using washery rejects.
10. Detailed design and drawings, NIT, tender scrutiny, etc.

Expert Consultancy Services: During the year 2011-2012, 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, Slope Stability Study, Effluent/Sewerage Treatment Plants, Assessment of Normative Cost of sand stowing for stowing mines, etc.

In all, during the year under review, CMPDI had prepared 275 reports which include 19 Geological Reports, 28 Project Reports, 14 Operation Plans, 150 Other Reports (includes Master Plan for North Eastern Coalfields) and 64 Draft Environment Management Plans (including 31 applications as per Form-I for EMP clearance).

8.2 Project Implementation :

- (a) The following 4 coal projects, each costing ₹ 20 crores & above, with an ultimate capacity of 2.0275 Mty and sanctioned capital of ₹ 277.35 Crs. have been completed during the year 2011-12 :

SL.	Cos	Name of the Projects	Type	Sanctioned Capacity (MTY)	Sanctioned Capacity (₹ Crs.)
1	ECL	JHANJRA 1ST SET CM	UG	0.4375	93.60
2	ECL	J K NAGAR (Foreclosure)	UG	0.29	54.06
3	SECL	NCPH SEAM V R-6	UG	0.42	30.71
4	SECL	SHEETALDHARA & KURJA	UG	0.88	98.98
		TOTAL		2.0275	277.35

- (b) 6 coal projects, each costing ₹ 20 crores & above, with an ultimate capacity of 19.085 Mty and sanctioned capital of ₹ 1,607.79 Crs. have started contributing production during the year 2011-12 :

SL.	Cos	Name of the Projects	Type	Sanctioned Capacity (MTY)	Sanctioned Capacity (₹ Crs.)
1	NCL	KHADIA EXP (6.00 MTY INCR.)	OC	6.00	1131.26
2	MCL	ANANTA EXPN PH-III	OC	3.00	207.28
3	MCL	LINGARAJ OC EXPN PH-III	OC	3.00	52.25
4	MCL	SAMLESHWARI EXPN PH-IV	OC	5.00	27.82
5	SECL	KHAIRAH	UG	0.585	88.33
6	SECL	AMLAI OC EXPN SEC-B	OC	1.50	100.85
		TOTAL		19.085	1607.79



Status of Ongoing Projects :

Presently, there are 117 mining (excluding 12 projects of WCL approved subject to finalization of Coal Supply Agreement on cost plus basis.) and 13 non-mining projects, costing ₹ 20 Crores and above, under implementation. Out of 117 mining projects, 61 projects are running on schedule & 56 are delayed. Out of 13 non-mining projects, 10 are on schedule and 3 are delayed.

Projects	Total Projects	Projects on schedule	Projects delayed
Mining	117	61	56
Non Mining	13	10	3
Total	130	71	59

Reasons for delay :

Mining Projects :

SL.	Reasons for Delay	No. of Projects
1.	ADVERSE GEOMINING CONDITION	2
2	DELAY IN LAND ACQUISITION+ R&R	37
3	MISCELLANEOUS	17
	Total	56

Non-mining Projects :

Out of 3 delayed projects, all 3 are due to land and rehabilitation problems.

8.3 Projects Sanctioned (Costing ₹ 20 Crores & Above) :

- No Advance Action proposal has been sanctioned during 2011-12.
- CIL Board has sanctioned 5 mining projects during 2011-12.

SL.	Cos	Name of the Projects	Type	Sanctioned Capacity (MTY)	Sanctioned Capacity (₹ Crs.)
1	ECL	KOTTADIH CONTINUOUS MINER	UG	0.60	127.17
2	BCCL	KAPURIA	UG	2.00	988.35
3	BCCL	MOONIDIH XV SEAM	UG	1.50	1230.27
4	CCL	AMRAPALI OCP	OC	12.00	858.11
5	NCL	KHADIA EXP (INCR. 6.00MTY)	OC	6.00	1131.26

- No Non-mining project has been approved by CIL Board during the year 2011-12.
- The Subsidiary Company Boards have not sanctioned any new/expansion mining projects under their delegated powers during the year 2011-12.
- The Subsidiary Company Boards sanctioned following 2 Non-Mining Projects under their delegated powers during the year 2011-12 :

SL.	Cos	Name of the Projects	Type	Sanctioned Capacity (₹ Crs.)
1	MCL	Construction of 4-lane 41.5 Km long road in Talcher Coalfield	NON-MINING	251.35
2	MCL	Construction of 4 lane dedicated coal corridor from Bankibahal Colliery to Bhedabhal (on SH-10) in the district of Sundargarh	NON-MINING	385.00

8.4 Revised Project Report / Revised Cost Estimates:

(a) 3 RPR / RCEs were sanctioned by CIL during 2011-12.

SL.	Cos	Name of the Projects	Type	Sanctioned Capacity (MTY)	Sanctioned Capacity (₹ Crs.)
1	ECL	JHANJRA 2ND CM(RCE)	UG	0.51	147.25
2	NCL	BLOCK-B (RPR)	OC	3.50	535.10
3	NCL	KRISHANSHILA (RPR)	OC	4.00	741.62

(b) Subsidiary Company Boards sanctioned 2 RPR / RCEs during 2011-12 :

SL.	Cos	Name of the Projects	Type	Sanctioned Capacity (MTY)	Sanctioned Capacity (₹ Crs.)
1	MCL	HBI AUG (RPR)	UG	0.95	105.84
2	SECL	JAMPALI OC (RCE)	OC	2.00	142.58

9. CAPITAL EXPENDITURE

Overall Capital Expenditure during 2011-12 was ₹ 3,727.17 crores as against ₹ 2,539.72 crores in previous year, subsidiary-wise details of which are given below :-

(Figures in ₹ crores)

Company	2011-12		2010-11	
	(BE)	Actual	(BE)	Actual
ECL	400.00	332.96	400.00	184.93
BCCL	400.00	410.72	350.00	320.94
CCL	350.00	320.99	350.00	200.76
NCL	800.00	702.11	800.00	310.53
WCL	350.00	275.72	350.00	239.74
SECL	600.00	937.65	600.00	581.87
MCL	700.00	497.95	650.00	608.10
CMPDIL	30.00	16.30	15.00	10.74
NEC/CIL/Others	590.00	232.77	285.00	82.11
Total	4220.00	3727.17	3800.00	2539.72

Capital Expenditure incurred during 2011-12 is about 88.32% of BE. (66.83% in 2010-11).



10. CAPITAL STRUCTURE

The authorized share capital of the company as on 31.03.2012 was ₹ 8,904.18 crores, distributed between Equity and Non-cumulative redeemable preference shares as under :

(i)	800,00,00,000 Equity Shares of ₹ 10/- each (Previous Year 800,00,00,000 Equity Shares of ₹ 10/- each)	₹ 8,000.00 crores
(ii)	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
		₹ 8,904.18 crores

The paid-up equity capital as on 31.03.2012 was ₹ 6,316.36 crores, which includes ₹ 256.93 crores worth of Equity Shares issued in favour of the Government of India (GoI) towards value of land acquired.

Total investment by the Government of India in CIL and its subsidiaries are as follows : -

(Figures in ₹ crores)

	As on 31.03.2012	As on 31.03.2011
Investment by GoI	5684.72	5684.72
Other Investors	631.64	631.64
Total	6316.36	6316.36

11. BORROWINGS

Aggregate borrowings of CIL has increased to ₹ 1,527.38 Cr. in 2011-12 from ₹ 1,520.97 Cr. in 2010-11, as detailed below :

(Figures in ₹ crores)

Particulars	2011-12	2010-11
Foreign Loans including deferred credits		
IBRD/JBIC	1362.72	1370.43
EDC Canada	155.63	141.56
Liebherr France SA., France	9.03	8.98
Total	1527.38	1520.97

Increase in outstanding is mainly because of increase in exchange rate even after repayment of principal and reduction in equivalent foreign currency of outstanding loan over previous year. The debt servicing has been duly met.

12. INTERNATIONAL CO-OPERATION

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 and exploitation of Coal Bed Methane, Coal Mine Methane, Abandoned Mine Methane.
- Locating overseas countries interested in Joint Venture in the field of coal mining with special thrust on coal mining under built up areas.
- 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 United Kingdom, Russia, Germany, United States, Canada, France, Poland, Belarus, South Africa, Mozambique, China, Japan, Australia etc. to identify the areas of mutual cooperation for India in general and Coal India Ltd. 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, Coal Gasification, application of Geographical Information System, Satellite Surveillance, environmental control, overseas ventures in coal mining. Besides above, emphasis is being given to transfer of modern technologies and training.

While CIL would endeavour 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, in its subsidiary companies, albeit in varied measures. Following are the details of activities that took place with different countries during 2011-12 :-

Indo-US Collaboration :

The 8th of Indo-US CWG meeting was held on 24th March 2011 at New Delhi. Chairman CIL made a presentation covering overview of India's coal industry and the role of Coal India in meeting energy requirement of the country and their efforts in acquiring coal properties abroad including US. It also emphasized the need for increased cooperation for technology in the areas of underground coal mining, coal beneficiation, Underground Coal Gasification, Coal Mine Methane, Ventilation Air Methane, Geo-Spatial Technology & Remote Sensing etc.

Indo-German Collaboration :

18th meeting of the Indo-German Working Group on Coal was held from 26th to 30th September 2011 at Essen Rhein and Ruhr area, Germany. Indian delegations participated in the meeting held at the premises of the Company DMT GmbH & Company, KG. The Director, Ministry of Coal led the Indian delegation.

The importance of Indian Market with special reference to mining equipment was brought into the discussion by the German side. General Manager (PMD), CIL made a presentation and introduced the coal mining sector of India to the German delegates. The possible areas of cooperation regarding reopening of 18 underground mines and also in respect to method of mining, mechanization in UG mines, coal washing, UG coal gasification and extraction of CBM / CMM etc. were also discussed at length.

Indo- Belarus Collaboration :

Hon'ble Minister of Coal and Chairman, Coal India visited Belarus in the month of June 2011 and requested them to participate in the tenders for supply of HEMM as and when invited by CIL.

Indo Australia Collaboration :

7th meeting of Indo Australia JWG on Energy and Minerals was held at Sydney on 17th and 18th May 2011. The Indian delegation was led by the Secretary (Mines) where Joint Secretary (Coal), Joint Secretary (Mines), Joint Secretary (Petroleum) etc. were also present. Besides Coal India Limited, many other PSUs and private companies were the part of Indian delegation. The Indian coal sector was headed by the Joint Secretary (Coal), MOC.

Major deliberation / presentations on coal mining were made in JWG meeting on following issues :

1. Resource & Energy Overview – Australia and India Perspective.
2. Recent Resources and Energy Policy Development in India.
3. Growth in mining industry and possibilities of investment / involvement by government as well as private parties in exploration and winning of coal both in Australia and India.
4. New and Renewable Energy Issues in Australia and India.
5. Coal Issues in Australia and India.
6. Future Coal Work Programme 2011-2014 in India and Australia.

Under the Joint Action plan in the coal sector, the issues like low emission coal technology, rehabilitation of abandoned coal mines, extraction of deep seated coal reserves and ground water management etc. are being taken up. A MOU is also planned to be signed between CSIRO and CMPDIL for coal research in the areas of joint strategic interest and development in the mining practices. It was also emphasized that several Indian companies have acquired or are in process of acquiring coal properties in Australia.



Indo-Indonesia Co-operation.

Second meeting of Joint Working Group Meeting on Coal between India and Indonesia was held on 24th November 2011 in New Delhi.

Area of cooperation in the different fields like Development of coal blocks, Capacity building, clean coal technologies and investment opportunities was presented from CIL side.

Indo-Czech Co-operation

In response to Ministry's letter in November 2010 a brief note on Indo-Czech bilateral relations on coal sector has been forwarded to the Ministry of Coal on 24th November 2010. Hon'ble Minister of Coal and Chairman, CIL along with other delegates visited Czechoslovakia in the month of June 2011 and both sides deliberated on different aspects of co-operation in future.

13. WORLD BANK FINANCED PROJECTS FOR 2011-12

The net utilization of loan disbursed by IBRD and JBIC is 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 (CSRP)**. The disbursement for funding of procurement by IBRD and JBIC was completed in December 2003. As such, there was no drawals of loan since January 2004.

With the repayment of loan of USD 121.03 million to IBRD and JPY 17,043.21 million to JBIC till 2011-12, the total CSRP loan as on 31st March '2012 stands at USD 124.71 million (equivalent to ₹ 642.62 crore) on account of IBRD and JPY 11,397.61 million (equivalent to ₹ 720.10 crore) on account of JBIC.

Thus, a total amount of ₹ 1,362.72 crore is lying outstanding under CSRP Loan as on 31st March '2012.

COAL VIDESH DIVISION, CIL

Initiatives undertaken for acquisition and development of coal assets abroad

A. Activities of Coal India Africana Limitada, Mozambique

The Prospecting Licences for coal having nos 3450L & 3451L and covering a total leasehold area of 224 square kms were allocated by Govt. of Mozambique in 2009 to Coal India Africana Limitada (CIAL), a 100% subsidiary of CIL registered in Mozambique and the licences are valid till August 2014. The leasehold area falling under the licences is located in Moatize district of Tete province in North western part of Mozambique. Board of Directors of Coal India Ltd in its 271st Meeting held on 28.06.2011 approved undertaking of a host of activities for operationalising CIAL.

B. Signing of Memorandum of Understanding (MoU) with the Provincial Government of Limpopo, Republic of South Africa.

CIL Board approved execution of a Memorandum of Understanding (MoU) between CIL and Provincial Government of Limpopo, Republic of South Africa for exploration and development of coal assets in Limpopo province, South Africa. The MoU was signed on 26th Sept. 2011 in New Delhi between Coal India Limited and two parastatals of Govt. of Limpopo namely Trade & Investment Limpopo (TIL) and Corridor Mining Resources (CMR).

C. Adoption of new policy issued by GOI for acquiring raw material assets abroad :

Government of India has issued guidelines to be followed by CPSEs for acquiring raw materials abroad. These policy guidelines envisage enhancing flexibilities of CPSEs in process related and other issues for acquisition of raw material assets abroad. CIL Board in its 279th Meeting held on 12th and 13th March 2012 adopted the policy which shall be followed for acquiring coal assets abroad.

14. MASTER PLAN FOR DEALING WITH FIRE, SUBSIDENCE & REHABILITATION.

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 consists of pre-implementation activities i.e. socio-economic survey, land acquisition, thermal survey, town planning etc. which are going on as per the provisions of Master Plan.

- The implementation of Master Plan is being monitored by High Powered Central Committee at regular intervals. In this regard, last Meeting was held on 23.12.2011 under the Chairmanship of Secretary (Coal), Ministry of Coal.

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

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%) are 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 nos+2(later added as per recommendation of DGMS)=141
● No. of houses / families assessed for Rehabilitation	:- 33196, nos. (18136 nos. in Phase-1 & 15060 nos. in Phase-II)
● Requirement of Land assessed for Rehabilitation	:- 896.29 Ha.
● No. of Locations identified for Diversion of Infrastructure (Railway lines, Roads & IOC pipe lines.)	:- 7
● 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.
● Average cost of house considered in the Master plan (as per cost index 2008)	:- Pucca House - ₹ 5.95 lakhs & Kutch house ₹ 2.20 lakh
* Average cost of land considered in Master plan	:- ₹ 63.66 lakhs per Hectare.

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 will be provided. 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 are to be offered if a house owner refuses to be resettled at the proposed township.
- (c) No cash compensation is to be paid to encroacher/settlers. Head of each such families will be provided a constructed flat of 30 sq.m. as super built up area.
- (d) Head of each families 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.
 - ii) For diversion of Andal- Sitarampur Railway line of Salanpur Area, a joint inspection of site with M/S RITES Ltd has been done for preparation of feasibility study and Detail Project Report of Salanpur Area has been forwarded which is under process at ECL HQ & CMPDIL R-1.
 - iii) For Diversion of 2 nos. DB Roads, ADDA has submitted their formal consent for taking up the job. Accordingly, the proposal for diversion routes has been handed over to ADDA for examining the feasibility of the route proposed and to take up the job of diversion in an urgent basis.

15. ENVIRONMENTAL MANAGEMENT.

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

EIA/EMPs for all the 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 and BCCL are also being prepared for environmental clearance. During the year, CMPDI has prepared a total of 31 nos. of Form-I and formulated 33 nos. of Draft EIA/EMPs. 11 nos. of environmental clearances were received from MoEF for different projects of CIL, which include 2 nos. of washeries during the year 2011-12.

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 in all the major projects. Domestic waste water 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.

Action taken for implementation of Master Plan for Raniganj Coalfields as on 27.03.2012

1. i) ADDA has issued work order for Demographic Survey for all the 141 (139 as per Master Plan & 2 recently added as per decisions of HPCC) unstable sites out of which M/S XISS has completed 58 sites & work is going on in 6 sites. 8 sites are with no habitation as informed by ADDA.
- ii) ADDA received West Bengal Govt. cabinet approval and has already processed LA proposal to LA collector for 1053.09 Acres of land for different mouzas of Bonjemari Township for which ECL has paid ₹ 159.72 crores to ADDA in June '2011.
2. i) For study of stability of Andal-Sainthia Chord Railway line, CIMFR Dhanbad was requested to study the a) Geo-technical Survey of the area to find out the total void below the Rly line and b) Stability analysis of the workings and prediction of any surface subsidence based on detail geo-technical investigation and analytical method & for which CIMFR submitted their consultancy fees of ₹ 14,18,661/-. The proposal is under process in ECL.

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 the year 2011-12, a total of 21 projects and 1 hospital have got certification. With this, a total of 79 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 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. Land reclamation monitoring of total 50 nos. of opencast projects having more than 5 million cum. production capacity (Coal+OB) and 37 opencast projects having less than 5 million cum. production capacity (Coal+OB) of CIL based on high resolution satellite data has been completed during the year 2011-12.

Land use / vegetation cover mapping of 5 coalfields viz. Umrer, Pench-Kanhan, Rajmahal, Raniganj and Sohagpur based on satellite data has been completed for creating Geo-Environmental database of the coalfields for assessing the regional impact of mining on land use / vegetation cover at a regular interval of three years.

15.5 R&R Policy of CIL

The revised Resettlement & Rehabilitation Policy, 2012 was finalized based on the deliberations of Inter-Ministerial Committee and CMDs meet held on 05/03/2012 at New Delhi. This has been approved by the CIL Board in its 279th meeting held on 12th and 13th March, 2012 and same has been released by the Hon'ble Minister of Coal, Govt of India on 4th April, 2012 in a Press Conference at New Delhi.

The revised R&R Policy of CIL, 2012 provides multiple options to the land losers and more flexibility to the Board of Subsidiary Companies to meet unique R&R problems. This will facilitate faster acquisition of land.

15.6 Mine Closure Plans

In terms of the guidelines issued by Ministry of Coal (MoC), CMPDI prepared 324 nos. of mine closure plans for CIL mines during the year.

15.7 Research & Development

The R&D projects in the emerging areas are continuously undertaken. One research project viz. Fly ash characterization for mine void reclamation has been completed.

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

16.1 Coalbed Methane Recovery and Commercial Utilisation Project

Under R&D efforts, Govt. of India (GoI)/United Nations Development Programme (UNDP)/Global Environment Facility (GEF) funded demonstration project on "Coalbed Methane Recovery & Commercial Utilization" has been successfully implemented at Moonidih coal mine of BCCL in Jharia Coalfield in the state of Jharkhand.

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

The total disbursed amount under GoI S&T grant has been fully utilized after which Ministry of Coal vide letter no. 34012/7/2007-CRC (Part) dated 5th July, 2010 decided to formally close the project and a completion report of the project was submitted. As decided, the project equipment were handed over to BCCL in August, 2010 for continuing activities and CMPDI is extending technical assistance to BCCL for carrying out further activities at Moonidih, Dhanbad.

16.1.1 Achievement of the Project

The successful implementation of the high technology demonstration project has created enough awareness in the Indian coal mining industry and replicating such projects in other suitable areas is being contemplated. The project has opened a new era in harnessing and utilization technique 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.
- 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 that 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 of 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. CMPDI on behalf of CIL, is implementing the CIL part of the projects.

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

ONGC has completed drilling of exploratory wells and the requisite tests are being carried out. ONGC is also continuing Horizontal multilateral in-seam drilling in the CBM block. ONGC has submitted Development Plan having budgetary outlay of ₹ 1290 crores for Parbatpur Sector of Jharia CBM Block to DGH 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. 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. This report will facilitate ONGC to prepare Development Plan.

ONGC has completed drilling of envisaged exploratory well in the block wherein CBM specific tests are being carried out.

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) were to be taken up for studies during the XI Plan Period with a total plan expenditure of ₹ 8.59 crore. As envisaged, such studies have been completed in 50 boreholes during XI Plan Period (30 by CMPDI and 20 by GSI).

During 2011-12, a total of 6 boreholes located in different coal/lignite fields were taken up for studies by CMPDI and samples collected for desorption and other tests. Further, three CBM assessment reports, based on the generated data, have been submitted during 11-12 by CMPDI.

16.4 CIL R&D Projects

16.4.1 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" having a total estimated cost of ₹ 5.22 crore has been successfully completed by CMPDI and the project completion report submitted.

Following objectives as envisaged in the project have been fulfilled :

- 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.
- The business model for taking up CMM development, keeping in view the best interest of CIL, was chalked out and a Model Tender Document was prepared with the help of a consultancy firm.
- Studies were carried out to determine the quantity of fugitive methane emission from few selected opencast mines for creation of reliable base line data.

The activities taken up in this R&D project has created confidence in the CIL/CMPDI officials to take up commercial development of CMM within the identified areas within CIL leasehold areas.

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

CMPDI successfully implemented a 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) wherein IIT, Kharagpur was a co-implementing agency. The project was completed in December, 2011 as per schedule.

16.4.3 CIL R&D Project for assessment of prospect of shale gas in Gondwana basin

Keeping in view the opportunities in development of shale gas resource, CMPDI took up a R&D project titled “Assessment of prospect of Shale Gas in Gondwana basin with special reference to CIL areas” with an estimated cost of ₹ 400.00 lakh (Rupees four hundred lakh only) and duration of 2 ½ years along with Advance Resources International, USA as sub-implementing agency. The Apex Committee of R&D Board of CIL has approved the project in March, 2011.

The project is under implementation since 1st April 2011 and envisaged actions are being taken.

16.5 Commercial development of Coal Mine Methane (CMM)

Commercial development of CMM is a priority area both at the Govt. and Coal Industry level. Successful implementation of the Demonstration Project has already proved the efficacy of the process and five suitable areas within CIL mining leasehold areas were identified. Further, MoC has made CMPDI the Nodal Agency for development of CMM in India.

Under the aforesaid background, actions for commercial development were initiated and for the purpose, an EoI was floated for identification of a suitable service provider for development of CMM and views of the respondents were taken. A tender document with bid evaluation criteria was prepared by a consultancy firm hired for the purpose. The final tender document was prepared after incorporation of the acceptable inputs from the respondents.

After competent approval, a global tender for identification of a suitable developer for harnessing CMM from the 5 identified prospective blocks (Moonidih CMM Block, Pootkee-Bullary CMM Block, Mohuda Sub-Basin CMM Block under BCCL leasehold areas and Asnapani-Jarangdih Shaft, North Kathara Phase I-III & Uchitdih under CCL leasehold areas) was floated by CMPDI on behalf of CIL/concerned Coal Company on 29.04.2011. The last date of submission of offer was however extended till further notice so that the issue related to operationalization is resolved between MoC and MoP&NG.

The matter is under deliberation at the competent level of both the ministries and is likely to be settled soon after which further steps for commercialization will be taken.

16.6 Assessment of CMM potential related to large opencast mines

CMPDI carried out ‘Assessment of CMM Potentiality in Dip-side Area of Moher Sub-basin, NCL, Singrauli and CMM Potentiality in Dip-side Area of Korba Coalfield, SECL’ and further action for commercialization will be taken after resolving the issue of operationalization between MoC and MoP & NG.

16.7 Activities taken up by CBM Lab

CBM Lab has carried out the field desorption study at the borehole sites in 6 boreholes during 2010-11 and has generated total gas content and gas composition data. The targets both for the year (6 boreholes) and XI plan period (30 boreholes) have been achieved and valuable CBM specific data have been generated which will facilitate resource assessment and commercial development.

CMPDI has created facility for Adsorption Isotherm Test. The equipment installed for the purpose in CBM lab of CMPDI is capable of testing Adsorption capacity of coal samples up to 20 MPa pressure (a pressure of about 2000m depth) and is probably first of its kind in India. With installation of this equipment, CMPDI is fully equipped for generation of complete range of CBM related data. Adsorption Isotherm test for 14 samples of Shale and coal have been carried out in the year 2011-12.

In addition to the above, 1100 mine air samples received from different collieries of CCL, ECL, BCCL have been tested and the results submitted. Sample collection and analysis for Ventilation Air Methane (VAM), CMM etc were also taken up.

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.cmmcclearinghouse.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. The initial 3 year term for US EPA grant of clearinghouse has been completed in Nov’11 and steps are being taken for further extension of the US EPA grant for the clearinghouse.



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 has been completed and an assessment of data has been sent to ONGC for examination by the experts engaged for the purpose.

17.2 Commercial development of UCG in CIL command area

CMPDI had identified two prospective areas within CIL command area and steps were initiated for commercial development of UCG. A suitable tender document had been prepared after deliberations with the prospective developers in pre-NIT meeting.

CMPDI, on behalf of CIL, floated global tender for selection of developers for UCG development in two coal blocks viz. Kaitha block, Ramgarh Coalfield (CIL Command area) and Thesgora 'C' block (WCL Command area) and the offers received were opened on 16.03.2011 (Part-I) and 26.05.2011 (Part-II) respectively. The offers were evaluated by the tender committee in June'11 and the same was sent to CIL for competent approval for award of work.

The matter was deliberated in the meeting of Functional Directors of CIL on 3rd August, 2011 in Kolkata wherein, CMPDI was advised for re-tendering the same after revisiting the technical evaluation criteria.

18. DELINEATION AND PREPARATION OF DATA-DOSSIERS FOR DGH

18.1 Delineation and preparation of Data-dossiers for six prospective Shale gas blocks within Gondwana basin for DGH

CMPDI has been awarded the work of 'Delineation and preparation of Data-dossiers for six prospective Shale gas blocks within Gondwana basin' by Director General of Hydrocarbons (DGH) in May, 2011. Such type of studies are being carried out for the first time in coal bearing Gondwana basins.

CMPDI carried out detailed shale gas related studies and requisite data related to Rock Eval Test, Ro%, etc were generated. The draft assessment reports on six Shale gas blocks have been sent to DGH in March, 2012. Final Data-dossiers on the blocks will be prepared by CMPDI after deliberations with DGH, which will facilitate commercial development of Shale gas in India.

18.2 Delineation and preparation of Data-dossiers for prospective CBM blocks for DGH

CMPDI has been awarded the work of 'Delineation and preparation of corresponding Data-dossiers on prospective CBM blocks in Cambay basin, Singrauli and Johila Coalfields for offer of these blocks under CBM Round-V global bidding' by Director General of Hydrocarbons (DGH) in May, 2011.

CMPDI carried out detailed studies in the identified areas which included studies of data generated through slimholes and also seismic data available for Cambay basin. The draft assessment reports on the studies have been sent to DGH in March, 2012. Final Data-dossiers on the blocks will be prepared by CMPDI after deliberations with DGH which will facilitate commercial development of CBM in these blocks.

19. EU FUNDED RESEARCH PROJECT TITLED "GREENHOUSE GAS RECOVERY FROM COAL MINES AND UNMINABLE COAL BEDS AND CONSERVATION OF ENERGY"(GHG2E)

A multi organizations/multi country project titled "Greenhouse Gas Recovery from Coal Mines and unminable Coal beds and conservation of Energy(GHG2E)" has been approved under partial funding scheme of European Union Research Commission. In this project there are 11 participating organizations from 7 countries and CMPDI and IIT, Kharagpur are the participating organizations from India. CMPDI has got partial funding for execution of the research project and the balance fund has been provided by CIL R&D fund which was approved in February, 2012. The project related activities has been taken up in close association with IIT, Kharagpur.

20. GEOLOGICAL EXPLORATION & DRILLING

CMPDI continued to carry out coal exploration activities in 2011-12 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 4.98 lakh metre in 2011-12 through departmental resources and outsourcing. For capacity expansion through modernization of departmental drills, 25 new Mechanical drills have been procured, out of which 8 are deployed as additional drills and 17 as replacement drills. Supply Order for 5 more Mechanical drills has been placed. In addition, 4 high capacity Hydrostatic drills have been procured and deployed as replacement drills. CMPDI has also replaced 38 mud pumps and 46 trucks in the last three years. To meet the increasing work load, recruitment of Geologists/Mechanical Engineers was continued

and 115 Geologists, 14 Geophysicists and 27 Mechanical Engineers were inducted through campus interview/open examination since 2008-09. Shortage of non-executive staff is being met through transfers from other subsidiaries of CIL.

Under outsourcing, the work of 18 blocks involving 7.28 lakh metre of drilling was awarded in 2008-09, out of which drilling has been concluded in 14 blocks. A long term MoU (5 Years), involving 1 lakh metre/annum of drilling, was also signed with MECL. To further enhance the capacity, Global Tender of 8 additional blocks involving 4.37 lakh metre of drilling was floated. Work orders for all the blocks have been issued. Work in two blocks has already started and in 2 blocks (i.e. Salaipahar & Brahmani) work could not start due to local problem. 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 MoU between CMPDI (on behalf of Coal India Ltd.) and CSIR for "Quality Evaluation of coal explored from different regions of India" was signed at CMPDI, Ranchi on 03.12.2011.

20.1 Drilling Performance in 2011-12

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 111

drills were deployed in 2011-12 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 2011-12, CMPDI and its contractual agencies took up exploratory drilling in 90 blocks/mines of 21 coalfields situated in 6 States. These coalfields are Raniganj (9 blocks/mines), Jharia (5), W.Bokaro (2), Ramgarh (1), South Karanpura (3), Pathakhara (1), Pench Kanhan (2), Kamptee (4), Nand-Bander (3), Wardha Valley (12), Sohagpur (8), Johilla (1), Mand Raigarh (14), Korba (3), Hasdo-Arand (1), Bistrampur (1), Sonhat (1), Tatapani-Ramakola (2), Singrauli (3), Talcher (10) and Ib Valley (4). Out of 90 blocks/mines, 24 were Non-CIL/Captive blocks, 1 Consultancy block and 65 CIL blocks/mines. Departmental drills of CMPDI took up exploratory drilling in 58 blocks/mines whereas contractual agencies drilled in 32 blocks/mines.

Under Promotional (Regional) Exploration Programme, MECL has undertaken Promotional drilling in 7 blocks (3 in Mand Raigarh, 1 in Wardha Valley and 3 in Godavari Valley), GSI has undertaken 12 blocks for Promotional drilling (4 in Talcher, 2 in Ib Valley, 3 in Sohagpur, 1 in Raniganj & 2 in Tatapani Ramakola) and DGM (Nagaland) has undertaken 1 block in Northern Khar for Promotional drilling in Coal Sector.

The overall performance of exploratory drilling in 2011-12 is given below :

Agency	Target 2011-12 (meter)	Performance of Exploratory Drilling in 2011-12			Achieved Prev. Year : 2010-11 (m)	Growth In %
		Achieved (metre)	Achieved (%)	+/- (m)		
A. Detailed Drilling by CMPDI (including Promotional Drilling)* :						
i. Departmental	2,50,000	2,73,018	109%	+23,018	2,68,059	2%
ii. Outsourcing :						
State Govts.	5,000	6,815	136%	+ 1,815	7,206	-5%
MECL (MOU)	83,000	96,207	116%	+13,207	28,160	242%
Tendering (CIL blocks)	12,000	17,605	147%	+5,605	14,581	21%
Tendering (non-CILblocks)	1,00,000	1,04,779	105%	+4,779	1,73,785	-40%
Total Outsourcing	2,00,000	225,406	113%	+25,406	2,23,732	1%
Total A :	4,50,000	4,98,425	111%	+ 48,425	4,91,791	1%
B. Promotional Drilling by MECL, GSI & Nagaland Govt. in Coal Sector :						
MECL	52,000	25,998	50%	-26,002	29,920	-13%
GSI	13,000	17,872	137%	+4,872	13,943	28%
DGM, Nagaland	500	289	58%	-211	83	249%
DGM, Assam	500	0	-	-500	-	-
Total B :	66,000	44,158	67%	- 21,842	43,946	0.5%
Total A+B :	5,16,000	5,42,583	105%	+ 26,583	5,35,737	1%

* In 2011-12, departmental drills have carried out 2,13,689m drilling in CIL blocks, 55,126m in Non-CIL/Captive Mining Blocks and 4,204m for consultancy work.



In 2011-12, CMPDI achieved its departmental and overall drilling targets by 109% and 111% respectively. The performance of departmental drilling was better than previous year with 2% growth and recorded average operational drills productivity of 416 m/drill/month. Non-availability of permission to explore in forest areas has affected the performance of outsourced drilling. MECL could not achieve the targets of Promotional drilling in coal sector due to forest problems.

20.2 Geological Reports :

In 2011-12, a total of 19 Geological Reports (excluding GR for PR) were prepared on the basis of detailed exploration conducted in previous years. The prepared Geological Reports have brought about 3.2 Billion Tonnes of coal resources under 'Proved' category. Under Promotional Exploration Programme, CMPDI, GSI and MECL have submitted 9 Geological Reports on coal blocks, estimating about 4.9 Billion Tonnes of coal resources, in 'Indicated' category, above specified thickness.

21. OUTSIDE – CIL CONSULTANCY SERVICES :

During the year 2011-12, 34 consultancy jobs were completed for 30 organisations outside CIL. Some of the major clients/organisations for whom jobs were completed are Steel Authority of India Ltd., National Thermal Power Corporation Ltd., Singareni Collieries Company Ltd., Mineral Exploration Corporation Ltd., Orissa Power Generation Corporation Ltd., National Aluminium Company Ltd., Baitarni West Coal Company Ltd., Ultratech Cement, Jindal Steel & Power Ltd., Naini Coal Company Ltd., Goa Industrial Development Corporation, etc.

Presently, 31 outside-CIL consultancy jobs are in hand for 16 organisations like Directorate General of Hydrocarbons, Hindustan Copper Ltd., Manganese Ore (India) Ltd., National Thermal Power Corporation Ltd., Bihar Sponge Iron Ltd., National Aluminium Company Ltd., Central Electricity Authority, Neyveli Lignite Corporation Ltd., Orissa Mining Corporation, Mahaguj Collieries Ltd., Baitarni West Coal Company Ltd., Punjab State Electricity Board, etc.

During the year 2011-12, 41 outside-CIL consultancy jobs worth ₹ 33.26 crores from 28 organisations were procured by CMPDI. Some of the major jobs are :

- Delineation and preparation of Data Package & Information Dockets of CBM blocks proposed to be offered under CBM Round-V and Delineation and preparation of corresponding Data Package for prospective Shale gas blocks within Damodar Valley basin & Sohagpur Sedimentary basin for Directorate General of Hydrocarbons (DGH).

- Preparation of Mining Plan & Expansion Project Reports for enhancement of production from Balaghat, Gumgaon & Dongri mines and vetting of TEFr for designing of vertical shaft, winding installation, etc. in respect of upcoming shaft installations at UKWA, Munsar and Gumgaon mines of M/s Manganese Ore (India) Ltd.
- Preparation of Mining Plan and Project Report of Nuagaon-Teliasahi coal block for Orissa Mining Corporation.
- Scrutiny and finalization of design and drawings of proposed deepening of existing Production Shaft and Service Shaft of Khetri Mine and proposed shaft of Kolihaan Mine and other related jobs of Crusher, Feeders, etc for Hindustan Copper Ltd.

22. RESEARCH & DEVELOPMENT PROJECTS

22.1 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, Directors 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, preparation of budget estimates, disbursement of fund, monitoring the progress of implementation of the projects, etc.

Total no. of S&T projects taken up (till 31.3.2012) - 374

Total no. of S&T projects completed (till 31.3.2012) - 302

22.2 Physical performance

During XI Plan period, a total of 45 projects have been completed by various agencies. The status of Coal S&T projects during 2011-12 is as under :

i) Projects on-going as on 1.4.2011	16
ii) Projects sanctioned by Gol during 2011-12	06
iii) Projects completed during 2011-12	07
iv) Projects on-going as on 1.4.2012	15

Following Coal S&T projects were completed during 2011-12 :

- Delineation of barrier thickness against waterlogged workings in underground coal mines.
- Model studies on gravity blind back filling method and evaluation of pre-jamming indication parameters in the field.
- Application of high strength steel roof-bolts in underground coal mines.
- Catalytic liquefaction of Neyveli Lignite.
- Biological production of clean fuels from coal.
- Fly ash characterisation for mine void reclamation.
- Carbon Sequestration in re-vegetated coal mine wastelands.

22.3 Financial status

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

(₹ in crores)

2010-11		2011-12	
RE	Actual	RE	Actual
10.00	10.06	10.62	9.64

22.4 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 processing the proposals for CIL approval, preparation of budget estimates, disbursement of fund, monitoring the progress of implementation of the projects, etc.

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, 64 projects have been taken up under the funds of CIL R&D Board, out of which 35 projects have been completed till March, 2012.

The status of CIL R&D Board Projects during 2011-12 is as follows:

i) Projects on-going as on 1.4.2011	-	24
ii) Projects sanctioned during 2011-12	-	06
iii) Projects completed during 2011-12	-	05
iv) Projects foreclosed during 2011-12	-	01
v) Projects on-going as on 1.4.2012	-	24

Following R&D projects were completed during 2011-12 :

- Indigenous development of PLC based integrated control and monitoring system for conveyors and other equipment of underground mines.
- Delineation of workings below railway lines near Ratibati colliery, stability analysis by numerical modelling and possible remedial measures.
- Development of immediate roof fall prediction system in underground mines using wireless network.
- An investigation on Adsorption Characteristics of Indian coal and to ascertain recoverability of CBM from deep-seated coal and lignite resources.
- Establishment of co-relation between physico-mechanical properties, chemical properties and bonding strength of Cement & Resin Capsules used in roof bolting.

The disbursement of fund for CIL R&D Projects during the year 2011-12 was ₹ 16.65 crore.

23. TELECOMMUNICATION SYSTEM

In order to fulfill the vision of Coal India to become a leading global player in energy sector, leveraging of Information Technology plays a crucial role. The Information and Communication technology has been identified as a core enabler in every aspect of business. Aligning this function with IT strategy for overall business goal of the company is of paramount importance. Continuous efforts are being made by CIL and its subsidiaries in updating the communication and IT solutions. To increase transparency, process efficiency, reduce operational cost along with increasing the employee, customer and investor satisfaction, the following major initiatives have been taken :-



1. CIL board has approved Implementation of Enterprise Resource Planning system along with communication infrastructure at Coal India Ltd and all its subsidiaries encompassing all areas, mines, stores, weigh bridges and hospitals etc. to improve its operational and financial efficiencies. An Open tender has already been floated for the same.
2. GPS based operator independent truck despatch system with high speed data and voice communication along with GUI is in the final stage of commissioning in eleven different high production opencast projects to optimize the operations of Heavy Earth Moving Equipment and to enhance the production and productivity of the mine to meet the energy demand of the country.
3. In order to enhance transparency and to make coal available to users, e-auction of coal is made operational through service provider by CIL. Also e-procurement of goods and services, e-filing of grievances and e-payments to employees/suppliers are already in operation to embark upon the improvement of business processes through IT initiative.
4. The dedicated web portal of Coal India Ltd has already been established in bilingual version with employee portal, Tender publications, online grievance registration, posting, investor center and customer corner facility. The portal also facilitates online receipt of career applications for recruitment and link to e-procurement/e-auction service providers. Corporate mail messaging system along with proper network security is already in operation at CIL Hqtrs to cater email facility to all the executives of CIL HQ and Sr. executives of subsidiary companies. Action has been taken for implementation of Centralised Mail Messaging System of 20000 users for all the executives of CIL and its subsidiary companies.
5. Subsidiary companies have made considerable progress in establishing network infrastructure for better communication facility for quick refund of coal value of unlifted quantities and Earnest Money as per directive of MoC using state of the art convergent technology.
6. State of the art IP based EPABX with support of convergent technology (using voice and data through same backbone) is installed and in operation at Coal Bhawan and 15 Park Street office for communication. High speed Internet over LAN at CIL HQ and CIL Mktg. has been provided with proper security and manageability.

24. MINES SAFETY

Coal India Ltd has always given the highest priority towards "Safety". In CIL, safety is considered as a part of its core production process and is embodied in the mission statement. CIL has framed 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 in CIL has been improved. For instance, in the last year (2011) fatalities in CIL mines were only 52 compared to 249 in 1976. This improvement in safety is attributed to the following reasons :

- Collective commitment shown by the management, workers and regulators.
- Technological advances in the field of mining methods and use of safer mining machineries.
- Continuous improvement knowledge and skill of our workforce through imparting quality training and conscientious safety awareness drive.
- Strong oversight and assistances from various quarters.

Trend of Fatal Accidents & Fatalities :

Fatal Accidents & Fatalities : During the year 2011, there were 50 fatal accidents and 52 fatalities in CIL mines compared to 72 and 90 respectively in 2010. Thus, the number of fatal accidents and fatalities in 2011 compared to 2010 were significantly reduced. **This is the lowest fatalities since inception of CIL in 1975.**

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

Trend of fatal accidents & fatalities in CIL for last 5 yrs.



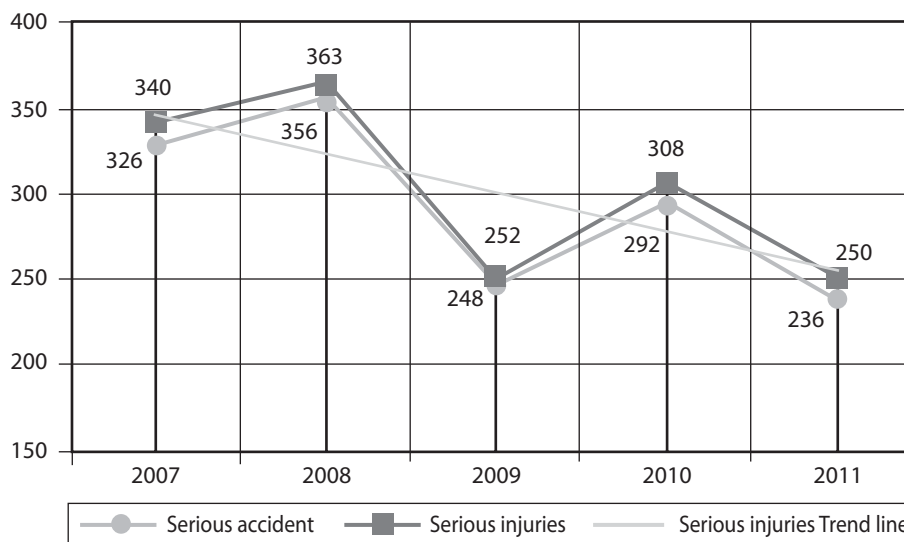
Note : Figures are provisional and subject to reconciliation with DGMS since 2010.

Salient features :

1. Overall trend of fatalities for last 5 years was reducing.
2. Intermittent inconsistency in the fatal accident statistics.

● Serious Accidents & Serious Injuries :

Serious accidents & Serious Injuries in CIL for last 5 years



Salient features :

1. Overall trend is reducing for the last five years.
2. The rate of decline is substantial.



Details of Accident Statistics

A. Overall :- Accident Statistics for CIL in 2011 compared to 2010 are given below :-

Table : A			
Sl. No.	Parameters	2010	2011
1	Numbers of fatal accidents	72	50
2	Numbers of fatalities	90	52
3	Numbers of serious accidents	292	236
4	Numbers of serious injuries	308	250
5	Fatality Rate per million ton of coal production	0.21	0.12
6	Fatality Rate per 3 lakhs manshift deployed	0.31	0.19
7	Serious injury Rate per mt. ton of coal production	0.71	0.59
8	Serious injury Rate per 3 lakhs man shift deployed	1.06	0.91

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

Highlights of Accident Statistics – all type of accidents have been reduced in 2011 vis-à-vis 2010

- Lowest fatal accidents and fatalities in CIL's history since its inception in the year 1975.
- Lowest fatality rates in CIL's history since its inception in the year 1975.
- Fatal accidents in the year 2011 have been reduced by 30.33% compared to 2010.
- Fatalities have been reduced by 42.2% compared to the same period last year.
- Serious accident reduced by 19.18 %.
- Serious injuries reduced by 18.83%.
- Fatality Rate per mill. tonne of coal produced down by 42.85%.
- Serious Injury Rate per mill. tonne of coal produced down by 16.9%.

B. Company-wise Break-up of Accidents - The Company-wise fatal accidents, fatalities, serious accidents and serious injuries in 2011 compared to 2010 are given below :-

Table : B								
Company	Fatal Accidents & Fatalities				Serious Accidents & Fatalities			
	Accidents		Fatalities		Accidents		Serious Injuries	
	2010	2011	2010	2011	2010	2011	2010	2011
ECL	12	8	12	8	111	80	111	83
BCCL	7	6	7	7	60	36	61	41
CCL	8	6	10	6	11	12	11	12
NCL	11	4	11	4	11	9	11	11
WCL	11	9	14	10	42	34	46	37
SECL	20	11	33	11	51	55	62	56
MCL	2	4	2	4	6	10	6	10
NEC	1	2	1	2	0	0	0	0
CIL	72	50	90	52	292	236	308	250

► **Major Activities for Safety & Rescue Division of CIL :**

1. Inspection of mine to review safety status & follow up action thereby.
2. Prima-facie fact finding enquiry into major incidences such as mine fire, subsidence, in-rush of water, slope failure, explosion as well as major fatal accident.
3. Organizing meeting of Safety Board of CIL and monitoring recommendations / suggestions of the Safety Board.
4. Organizing meeting of National Dust Prevention Committee (NDPC) and monitoring recommendations / suggestions of the Safety Board.
5. Framing of internal technical circulars related to safety issues and monitoring implementation thereby
6. Maintenance of accidents / major incidents statistics in Database.
7. Publication of Safety Bulletin in order to promote safety awareness.
8. Framing reply of different coal mine safety related parliamentary questions including queries raised by different standing committees such as standing committee on energy, standing committee on labour, as well as questions raised by COPU, MOC, C&AG and VIPs.
9. Monitoring safety related R&D activities in CIL.
10. Imparting training to unit level executive directly engaged in ensuring safety in mine by using SIMTARS accredited trainers.

► **Actions taken for improvement in Safety in Mines undertaken in 2011**

To improve safety standard, CIL has vigorously pursued several measures in the year 2011 along with on-going safety related activities / initiatives apart from compliance of statutory requirements for safety, which are given below.

A. 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 are continued in sustained manner on :-

- Elimination of manual loading in phased manner.
- Mechanisation of roof drilling (for bolting) planned to be adopted in all mines in phased manner.

- Switching over to use of resin capsules from cement capsules in phased manner.
- 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 with IIT- Kharagpur is on progress for depillaring district.
- Several roof-monitoring devices have been developed at Area / Mine level workshop and have been tried in underground mines.
- Creating awareness through extensive training of support personnel, dressers and supervisors.

B. Spontaneous heating, fire & explosion in mine :

- Expedite construction of sectionalization stoppings.
- Fresh Pressure Survey for checking efficacy of ventilation.
- Initiated action to introduce more number of Gas Chromatographs in addition to conventional method of mine air sampling.
- Use of Local Methane Detector (LMD) for early and accurate detection of methane.
- R&D on construction of quick setting stopping using Expansion Foam Agents.
- Risk assessment based safety management plan by identifying principle hazards including fire potential.

C. Safety Training :

- **Advanced Training By SIMTARS accredited Trainers:** Twenty executives were imparted advanced training in safety at SIMTARS, Australia. They are imparting training to unit level executives for disseminating knowledge. As on date 670 executives of different subsidiaries have been trained by them in 2011-12.
- Preparation of fresh **risk assessment based safety management plan** by the executives who are trained by SIMTARS accredited trainers for their respective mines.



D. 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.
- A format for conducting enquiry to reveal the root causes and circumstances leading to accident as well as find out the **cause of accident**.
- Introduced lightweight LED type Cap Lamp for underground miners.
- Prepared Action plan for Dust Control with Environment department of CIL.
- **Codification of Safety and Rescue items:** Codification of Safety and Rescue item for Underground mines (Revenue and Capital) has been done in consultation with Finance and MM division.

25. 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.

26. HUMAN RESOURCE DEVELOPMENT

26.1 Overall performance

In all, 59792 employees have been trained during 2011-2012. Out of which 14745 were executives and 45047 were non-executives. 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.

26.2 In-house Training

The in-house trainings were 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 were 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	5151	4409	2221	11781
Non- executive	28835	14707	910	44452
Total	33986	19116	3131	56233

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 for 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	1045	612	1267	2924
Non- executive	361	170	62	593
Total	1406	782	1329	3517

ii) Training abroad.

Coal India has sent 42 employees (40 executives and 2 non – executives) to different countries from all the subsidiary companies and CIL(HQ)) during the year 2011-2012.

Category	Training	Workshop/Seminar/ Conference	Total
Executive	28	12	40
Non- executive	2	0	2
Total	30	12	42

26.3 Initiatives

- CIL has been recruiting fresh and dynamic young bloods in different disciplines for the last few years consistently. This year, 1106 Management Trainees (Direct recruitment through examination 755 & through campus selection 351) have been recruited in all major disciplines. A special attention has been given in 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.

- 4 Functional Directors have been trained on Advanced Management techniques in reputed Institute in Europe, namely Cambridge and under supervision of ASCI, Hyderabad
- 24 senior executives were sent for Advanced Management programme at China conducted by IICM, Ranchi.
- 6 middle level executives were sent to Southern Illinois University, USA to attend a programme on Capacity Building in Remote Sensing and Geo-spatial.
- 41 Doctors have been given exposure in Occupational Health at Kolkata and Tiruchirapally.
- More than 50 executives have been given formal training in Project Management at IICM and other renowned Institute.
- 1 programme on Contract management was organized at IIM, Ahmedabad.

2 training programmes on value creation for organizational excellence and 1 programme on finance for non-finance were conducted for 70 executives in collaboration with IISWBM, Kolkata. Another training course on value administration was conducted with the help of YASHADA (Pune) at Kolkata covering about 30 executives from CIL and subsidiaries.

- A special training was organized at CIL and all subsidiaries to help the desirous non-executive employees for appearing in the examination for promotion from non-executive to executive cadre.
- CIL has bagged the prestigious **Training Excellence Award** as Second Best Enterprise competing with a vast number of public and private sectors. Shri Bhaskar Chatterjee, the then Secretary, DPE was one of the members of the Jury Board in this competition.

27. MANPOWER

27.1 The total manpower of the Company including its subsidiaries as on 31.03.2012 is 3,71,546 as against 3,83,347 as on 31.3.2011. Subsidiary company wise position of manpower is as below :-

Company	As on	Total
ECL	31.3.2012	78009
	31.3.2011	81128
BCCL	31.3.2012	64884
	31.3.2011	67934
CCL	31.3.2012	50026
	31.3.2011	52285
WCL	31.3.2012	56989
	31.3.2011	59043
SECL	31.3.2012	76078
	31.3.2011	78009
MCL	31.3.2012	22023
	31.3.2011	21425
NCL	31.3.2012	16329
	31.3.2011	16209
NEC	31.3.2012	2538
	31.3.2011	2622
CMPDIL	31.3.2012	3129
	31.3.2011	3102
DCC	31.3.2012	562
	31.3.2011	582
CIL(HQ)	31.3.2012	979
	31.3.2011	1008
CIL as a whole	31.3.2012	371546
	31.3.2011	383347

27.2 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 1.1.2012 are given below :-

As on	Total Manpower	Scheduled Castes Nos.	Scheduled Castes Percentage	Scheduled Tribe Nos.	Scheduled Tribe Percentage
1.1.2011	386530	79096	20.46	45568	11.79
1.1.2012	374650	77885	20.79	45424	12.12



28. 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 and Subsidiary (HQ) levels continued to function normally. Meetings of Standardisation

Committee and Apex JCC were held at regular intervals at CIL.

Strikes and Bandhs

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

STRIKES AND BANDHS

Company	No. of Strikes / Bandhs		No. of other incidents		Mandays lost		Production Lost (In Tonne)	
	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12
ECL	1+2	2+0	26	31	144345	41462	174878	71000
BCCL	1+0	2+0	6	5	0	6935	0	9825
CCL	1+0	2+0	48	110	146060	30801	146060	118976
WCL	1+0	2+0	3	0	44000	32937	44000	90976
SECL	1+0	2+0	0	0	25590	49563	48721	93362
NCL	1+0	2+1	0	0	44376	10843	20836	116000
MCL	1+0	2+0	0	0	5928	16758	75000	309300
NEC	1+0	2+0	0	0	2002	1737	796	600
CMPDI	1+0	2+0	0	0	353	1347	0	503
Total	1+2	2+1*	83	146	412654	192383	510291	810542

Strike – i) Due to one day strike called by 5 Central Trade Unions on 18.10.2011.

ii) All India one day General Strike on 28-02-2012.

* Bandh – In NCL bandh called by CMS, Krishnshila Project Branch on 30.6.2011.

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

2) HOUSING :

At the time of Nationalisation, there were only 1,18,366 houses including sub-standard houses. The availability of these houses has increased to 4,15,826 (up to 31.03.2012). The percentage of housing satisfaction has now reached 100%.

3) WATER SUPPLY :

As against 2.27 Lakhs population having access to potable water at the time of Nationalisation in 1973, presently a populace of 21,03,328 Lakhs (up to 31.03.2012) 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 85 Hospitals with 5,806 Beds, 424 Dispensaries, 664 Ambulance and 1488 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. 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 renowned schools like DAV Public Schools, Kendriya Vidyalaya, Delhi Public School etc to impart quality education.

In addition, as a part of Corporate Social Responsibility (CSR) financial assistance some infrastructures have also been provided to some Educational Institutions operating in the coalfield areas.

In addition, Coal India has 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.

(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.

(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.

(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. Engg. Colleges and Central Govt Medical Colleges (MBBS Course) from 2010-11 onwards.

6) Statutory Welfare Measures :

In accordance with the provision of the Mines Act 1952 and Rules and Regulations framed there-under, 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) 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, 24 Central Co-operatives and 128 Primary Co-operative Stores are functioning in the Coalfield areas of CIL. In addition, 181 Co-operative Credit Societies are also functioning in the Coal Companies.

8) 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 trained to draw their salaries through 463 Number of Banks / Extension Counters and they are also encouraged to practice thrift for the benefit of their families.

9) 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 ₹ 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 & Culture activities, Medical Camps etc. Subsidiary companies have been authorized to consider CSR activities depending on the need accessed for the people. During 2011-12, an amount of ₹ 553.33 Crores has been allotted for undertaking CSR activities by the coal companies.



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 for Drinking water, construction of School buildings, Check 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 Sector 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.

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. During the year 2011-12, SECL and BCCL were conferred with 2nd Best and 3rd Best Enterprise Award in the National Level Conference held at IIM Ahmedabad on 12th Feb'2012 in recognition of their out-standing activities for upliftment of women employees. The Award was handed over by Sri Narendra Modi, Honb'le Chief Minister of Gujrat. 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) OTHERS WELFARE MEASURES

Female employees are also employed on other jobs, as para-medical staff, doctors, computer professionals, security personnel etc.

CIL has established Nurses 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 organize symposiums, seminars, training programme and cultural activities from time to time for women.

Women employees take active part in the Sports events organized 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 GoI 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.

30. TREE PLANTATION/ AFFORESTATION

In order to improve the environment, Coal India Limited and its subsidiaries have planted 20.8 lakhs tree saplings during 2011-12 in the Coalfields under plantation/afforestation programme. In total, subsidiaries of Coal India Limited have planted around 76 million of plant over a land area of over 33000 ha till date.

31. PROGRESSIVE USE OF HINDI

Coal India Ltd. continued its efforts to propagate and spread the progressive use of Hindi during the period under review. Adopting the Official Language Policy of the Union which is based on motivation and encouragement, Coal India is speeding the pace of implementation among its employees. The top management gives it high priority.

To augment the process of implementation of the provisions of the Official Languages Act and Rules made thereunder and to increase the Hindi Correspondence in different departments of CIL, regular meeting of Official Language Implementation Committee is being held. The last meeting of Official Language Implementation Committee was held on 15.12.2011 where two members of Hindi Salahkar Samiti of Ministry of Coal, Govt. of India were present as observers.

As per the directives of Govt. of India, Hindi Divas was celebrated on 14th September 2011 at Coal Bhawan. Hindi Fortnight starting from 14.09.2011 was observed in all offices of Coal India Ltd. During the fortnight various Hindi Competitions such as Hindi Noting-Drafting, Hindi Essay, Hindi Dictation, Translation & Hindi typing were organized among the employees of Coal India Ltd. where large numbers of employees participated enthusiastically. The winners were awarded with cash awards with certificates. This brought collective awareness towards the use of Rajbhasha in Official works.

Another feather in the cap during the period under review is that Coal India Ltd. bagged first prize in the corporate offices category for the best implementation of Official Language Policy of the Union by Town Official Language Implementation Committee (PSUS), Kolkata during its half yearly meeting-cum-prize distribution ceremony held on 30.08.2011 at Hotel Hindustan International.

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 noting and drafting in their regular Official works. During the year under review, 70 persons were trained in such workshops. Training for Hindi Language is near completion. However, 02 untrained persons were nominated for Hindi Praveen Classes during the year. Apart from this, Manager (Rajbhasha) was nominated in an orientation programme for Hindi Officers/Managers organized by Central Hindi Training Institute, Govt. of India, Ministry of Home Affairs, Department of Official Language, New Delhi from 19.03.2012 to 23.03.2012. CIL representative participated in Coal India level Rajbhasha Sammelan organized by Mahanadi Coalfields Limited from 11.04.2012 to 12.04.2012.

Inspection of Offices is also a part of Implementation. During the year under review one subsidiary company, one subordinate office and one Regional sales Office was inspected regarding progressive use of Hindi by the representatives of Headquarters. The shortcomings seen towards implementation during the inspection were corrected and concerned officials were advised to do more work in Hindi as per instructions given in the Annual Programme. Apart from this, the 3rd Sub-Committee of Parliament on Official Language inspected two offices of Coal India Ltd. to observe the status of the use of Hindi in official works and to ensure that the provisions of Official Language Act and Rules made thereunder are properly complied with. Full support and coordination provided to them by the Officials of Head quarters.



Help literature and Hindi Dictionaries were provided to the sections on their indent for smooth use of Rajbhasha in Official works. Unicode on Computers is being activated in each and every Computer. As per decision taken in Official Language Implementation Committee Meeting, 10 sets of seven selected Hindi Magazines are purchased and being distributed to different departments with a view to enhance Hindi knowledge of employees.

32. VIGILANCE SET UP

The anti-corruption activities in CIL and its subsidiary companies have been institutionalized by setting up Vigilance Departments 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 2011-12, 33 Intensive Examination of Works/Contracts were undertaken by CIL and its subsidiary companies. In addition, 150 Surprise Inspections were carried out and 398 investigation cases were completed by them. Besides, 70 Departmental Inquiries were disposed of which resulted in punitive action against 215 officials of CIL and subsidiary companies. Such examinations/investigations have resulted in initiation of various system improvement measures.

The CIL Board was apprised by Chairman, CIL about the observance of Vigilance Awareness Week 2011 and the pledge was read in the Board meeting.

Vigilance Awareness Period – 2011 was observed at CIL, Kolkata from 31.10.2011 to 05.11.11. Keeping in view the theme of observance of Vigilance Awareness Week-2011 i.e. "Participative Vigilance", System Improvement Suggestions were invited for considering their implementation by CIL & Subsidiary Companies. In order to generate wide response it was also announced that employees whose suggestions would qualify for final analysis/examination would be given cash award.

The following suggestions for system improvement were accepted for implementation :

- i) Formation of standing tender committee for finalization of tenders.
- ii) System Improvement relating to Civil engineering works in line with circulars issued by MCL.
- iii) Foreign training of executives.
- iv) Verification of bonafide end use of coal by actual consumers.
- v) e-procurement.
- vi) Installation of GPS based tracking system in hired cars and cars owned by CIL for tracking their movement and accessing other relevant data.

Concerned HoDs have been advised for taking further necessary action for implementation of the above system improvement suggestions.

An open session was held during vigilance week with a view to focus on the role of every individual on 'Participative Vigilance'. A large number of employees of CIL Hqrs. attended the session. The CVO, CIL delivered the welcome address followed by deliberations by prominent personalities like Sister BK Asmita of Brahma Kumari Ishwariya Vishwavidyalaya, Bangur Centre, Kolkata and Swami Tattawasarananda, Principal, Ramakrishna Mission Sikshanmandira, Belurmath.

33. PARTICULARS OF EMPLOYEES

No Employee had received remuneration during the year 2011-12, 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.

34. BOARD OF DIRECTORS

Shri N.C.Jha, Director (Technical), Coal India Ltd was entrusted with the additional charge of Chairman cum Managing Director of Coal India Ltd with effect from March 01, 2011 (FN). On attaining the age of superannuation, he relinquished the charge of the office of Chairman cum Managing Director of the company from February 1st 2012. Ms. Zohra Chatterji, Additional Secretary, MoC assumed the additional charge of Office of Chairman cum Managing Director, CIL with effect from 01.02.2012 (FN).

Shri R.Mohan Das, Director (P&IR), Shri A.K.Sinha, Director (Finance) were on the Board throughout the year. Shri N.Kumar assumed the charge of Director (Technical) with effect from 01.02.2012(FN).

Shri Alok Perti, Special Secretary, MoC continued as part-time official Director on the Board till 31.08.2011. Shri A.K.Bhalla, Joint Secretary, MoC was appointed as Part time Official Director on 20.09.2011 and continued till 13.10.2011. Ms Zohra Chatterji was appointed as Part Time Official Director with effect from 12.11.2011. Ms Anjali Anand Srivastava, Joint Secretary & Financial Advisor, New Delhi continued as Part Time Director on the Board of the company throughout the year.

During the year Prof S.K.Barua, Dr A.K.Rath, Shri Kamal R Gupta, Dr (Smt) Sheela Bhide, Dr R.N.Trivedi, Ms Sachi Chaudhuri and Shri Mohd. Anis Ansari continued as Independent Directors.

Shri D.C.Garg, CMD, Western Coalfields Limited and Shri A.K.Singh, CMD, Central Mine Planning & Design Institute Limited and Shri Pradeep Bhatnagar, Addl. Member (Traffic Transportation) continued on the Board as permanent invitees.

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

The Board of Directors held 14 meetings during the year 2011-12.

35. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of section 217(2AA) of the Companies Act, 1956, read with the significant accounting policy at Note 33 and Additional Notes on Accounts at Note 34 forming part of accounts (CIL-Standalone 2011-12), 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.

36. 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.

37. B.I.F.R AND BRPSE STATUS

37.1 Eastern Coalfields Limited (ECL)

In the hearing held on 08.06.2011, the BIFR directed the company to serve a copy of DMRP and TEV Report to all the stakeholders, advised MA to call a joint meeting of all the stakeholders within

four weeks and submit a report if any on the DMRP and TEV Report vis-à-vis the suggestions of other stake holders within six weeks. The directions of BIFR were complied.

As per summary record of proceedings of the meeting held on 02.09.2011, the BIFR advised to consider the following points while finalizing the MDRS :

1. Pricing of coal should be at near import parity price. The sales, profitability and cash flow projections should be submitted under two scenarios (1) With sale price of coal at import party price, the Cost of Scheme/means of finance should also be revised accordingly (2) With Coal India pricing guidelines.
2. The profitability projections should be with conservative estimates and based on past trend with reasonable and practically achievable goals.
3. The production targets should be reviewed and achievable targets may be incorporated in the MDRS.

Accordingly DMRP, September, 2011 was submitted considering the above points. As per the revised DMRP of ECL- September, 2011, the net-worth of the company is slated to become positive in 2015-16.

Effective steps have been taken to successfully implement the revival plan and it is expected that the company will come out of BIFR by 2015-16.

37.2 Bharat Coking Coal Limited (BCCL)

BCCL submitted its Revival Plan to BRPSE in April'05 suitably modifying the Rehabilitation Plan submitted earlier to BIFR on 12.04.2004.

BRPSE recommended the Rehabilitation 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 vide ref. no. CMD: ES:F:BIFR:09:771 dated 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 on 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 regular in submission of said progress Report to BIFR with an information to MOC.



38. 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.

39. 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, 2012.
- 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**).
- vi) Observations of Auditor and Management Explanation under Sec 217(3) of Companies Act 1956. (**Annexure III**).
- vii) Performance against MoU for the year 2011-12 (**Annexure IV**).

For and on behalf of the Board of Directors

S. Narsing Rao
Chairman

Kolkata, 6th August, 2012

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 2012

The preparation of financial statements of Coal India Limited for the year ended 31 March 2012 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 18.05.2012.

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 31 March 2012. 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



(Yashodhara Ray Chaudhuri)
Pr. Director of Commercial Audit &
Ex-officio Member, Audit Board-II
Kolkata

Kolkata

Dated : 24.05.2012



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 31st March, 2012, the Statement of Profit and Loss and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto in which are incorporated the accounts of North Eastern Coalfields (NEC), CGM's office at Delhi and Kolkata Marketing office which have been visited by us. Accounts of twelve regional Sales Offices (RSO) are included in the accounts of the said Kolkata marketing Office on the basis of monthly returns sent by the RSO's. The said Balance Sheet, Statement of Profit & Loss and the Cash Flow Statement have been signed by us under reference to this report. 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 :
 - (a) Notes No.11(1), 12(2) and 18(2) dealing with investments in and short term Loans & Advances (Current Account debit Balances) respectively to two sick Subsidiaries of the Company, that is, Bharat Coking Coal Limited (BCCL) and Eastern Coalfields Limited (ECL) which are under the Board of Industrial & Financial Reconstruction (BIFR). Revival plans have been approved by BIFR and vetted by the concerned Ministry. On implementation of revival schemes these Subsidiaries are turning around and have started earning Profit and have also started repaying old advances. In view of the changing circumstances, the management is of the opinion that no writing down or provisioning is required.
 - (b) Note No. 21(1) dealing with non-recognition of interest income from BCCL one of the said sick Subsidiaries.

This being a statement of fact calls for no comments separately.

This being a statement of fact calls for no comments separately.

AUDITORS' REPORT

MANAGEMENT'S REPLY

(c) Note No. 10A (2) regarding non-provision against fixed assets in Dankuni Coal Complex leased to South Eastern Coalfields Limited (SECL) for lease rent of ₹ 1 per annum. In the opinion of the management the nominal income earning is a temporary policy matter and actual worth of the assets including land is much higher than the book value and as such no provision is called for.

This being a statement of fact calls for no comments separately.

5. 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 and proper returns adequate for the purpose of our audit have been received from the RSO's not visited by us;
- (iii) The Balance Sheet, the Statement of Profit & Loss and Cash Flow statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, the Statement of Profit & Loss and Cash Flow statement read with Significant Accounting Policy and Additional Notes to Accounts as referred in Notes 33 and 34 respectively 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 regarding disqualification of directors 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 Additional Notes to Accounts as referred in Notes 33 and 34 respectively 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 31st March, 2012;
 - (b) in the case of Statement of Profit & Loss, 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 De Chakraborty & Sen

Chartered Accountants

FR No. 303029E

Sd/-

(Hrishikesh Chakraborty)

Partner

Membership No. 005660

Place : Kolkata

Date : the 18th day of May, 2012.



ANNEXURE TO THE AUDITORS' REPORT

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

On the basis of checks carried out during the course of audit and as per information and explanations furnished to us and to the best of our knowledge and belief we report that :

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| i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. However, certain details as regards purchase order reference, date of commissioning and locations are absent in some cases of old items. | The few old items of fixed assets mentioned by the auditors are fully depreciated. |
| (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. | Efforts for verification of fixed assets at other locations have already been taken, and the same has since been carried out during 2012-13. |
| (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 comments separately. |
| ii. (a) Physical verification of Inventory has been conducted at reasonable intervals during the year by the management, except for Stockyard of West Bengal Regional Sales Office, the inventories of which is very old and has been provided for. The inventories have been measured on the basis of volumetric system. | The said Stockyards of West Bengal Regional Sales Office are not operative since long. The book stock is not significant and its value has been fully provided for since long. |
| (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 comments 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 comments separately. |
| iii. (a) 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 except advances to its subsidiaries BCCL and ECL where interest has been deferred / waived. In other cases, clause 4 (iii) (b) to (d) of the order are not applicable. | |
| (b) 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 except some surplus funds of the subsidiaries parked with this holding company where reasonable interest has been paid except two cases of Northern Coalfields Limited and Mahanadi Coalfields Limited where no interest has been paid as these funds were transferred to Eastern Coalfields Limited and Bharat Coking Coal Limited for specific purposes as interest free advance. The terms and conditions of these advances are not prejudicial to the interest of the company. | These are 100% subsidiaries of CIL, and are sick and referred to BIFR. Certain interest from advances to these companies were deferred due to uncertainties involved in realization owing to their poor financial condition and in certain cases such interest were waived as per their revival scheme under BIFR reference. |

iv.	There is an 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 advances / receivable accounts where detail schedules are absent for a long time and the adjustments made there-against are basically effected on adhoc basis leading to the emergence of credit balances often.	Noted, action is being taken to adjust / reconcile the differences.
v.	There are no contracts and arrangements as referred to in section 301 of the Companies Act, 1956, particulars of which needs 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 comments 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 comments separately.
vii.	The Company has an Internal Audit system commensurate with the size and nature of its business. But it requires substantial revamping in respect of timeliness and teeth of reporting together with risk based analysis of the inadequacies.	Noted. Efforts will be taken to improve in the areas of inadequacies mentioned by the auditors.
viii.	The maintenance of cost records has been prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956 vide notification dt 3rd June, 2011 in respect of mining activities of the company. We have checked the records and are prima facie of the opinion that the same are properly maintained.	This being a statement of fact calls for no comments separately.
ix.	(a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor's 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. There were no undisputed arrears of statutory dues outstanding as on 31.03.2012 for a period of more than six months from the date they became payable.	This being a statement of fact calls for no comments separately.
	(b) 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.	This being a statement of fact calls for no comments separately.
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 comments 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 comments separately.
xii.	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 comments separately.



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|--|--|
| xiii. The Company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society. | This being a statement of fact calls for no comments 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, SPV Joint Venture and in Mutual Funds only and has 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 comments separately. |
| xv. 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 comments separately. |
| xvi. No term loan has been availed during the year. However, the term loans availed by the Company in earlier years had been utilized for the purposes for which the said loan had been taken. | This being a statement of fact calls for no comments separately. |
| xvii. The funds raised on short-term basis have not been used for long-term Investments. | This being a statement of fact calls for no comments 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 comments separately. |
| xix. The Company has not issued any debentures during current or earlier year (s). | This being a statement of fact calls for no comments separately. |
| xx. The Company had made an Initial Public offering (IPO) 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 were used by Govt. of India and not by the Company. | This being a statement of fact calls for no comments separately. |
| xxi. No fraud, on or by the Company has been noticed or reported during the year. | This being a statement of fact calls for no comments separately. |

For **De Chakraborty & Sen**

Chartered Accountants

FR No. 303029E

Sd/-

(Hrishikesh Chakraborty)

Partner

Membership No. 005660

Place : Kolkata

Date : the 18th day of May, 2012.

Statement pursuant to Section 212(1) (e) of the Companies Act, 1956 as at 31st March, 2012.

Subsidiary (Fully Owned)	No. of Equity Shares held by Coal India Limited	No. of Equity Shares held by CIL in nominees' name	Total paid-up value ₹ in Crores	Pre-Tax Profit for the year ended 31.03.2012 ₹ in Crores	Profit (+) Loss (-) cumulative balance as on 31.03.2012 (after all appropriations) ₹ in Crores
Eastern Coalfields Limited	22,184,500	3	2218.45	962.13	(-) 7165.30
Bharat Coking Coal Limited	21,180,000	3	2118.00	822.36	(-) 5604.83
Central Coalfields Limited	94,00,000	3	940.00	1970.24	1484.42
Western Coalfields Limited	29,71,000	3	297.10	440.50	2013.77
Northern Coalfields Limited	17,76,728	3	177.67	4265.67	6099.93
South Eastern Coalfields Limited	35,97,000	3	359.70	6002.87	4768.38
Mahanadi Coalfields Limited	18,64,009	3	186.40	5463.69	5276.07
Central Mine Planning & Design Institute Limited	1,90,400	3	19.04	30.79	76.31
Coal India Ltd.				8599.95	8367.70
Sub-Total				28558.20	15316.45
Less : Income from dividend received from subsidiaries included in the profit of CIL				7307.20	
Total				21251.00	
Adjustment for Deferred Revenue Income etc.				21.59	
Adjustment for Exchange rate variance on Current Account of overseas Subsidiary				0.07	
Overall profit as per Consolidation of Accounts				21272.66	

[Further Coal India Ltd. has a 100% owned subsidiary in Republic of Mozambique, named "Coal India Africana Limitada". The paid up capital as on 31st March 2012 which was contributed since formation (known as "Quota Capital") was ₹ 0.01 crore (US\$ 1000)].



Summary of Financial Information of Subsidiary Companies

Figures in Crores except entry in Sr. No. 9

Sl. No.	Name of Subsidiary Company	Reporting Currency	Capital	Reserve	Total Assets	Total Liabilities	Current Investments	Non-Current Investments	Turnover	Profit Before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
1	Eastern Coalfields Limited	INR	2218.45	(7165.30)	6009.75	6009.75	0.03	0.18	10695.11	962.13	-	962.13	-
2	Bharat Coking Coal Limited	INR	2118.00	(5604.83)	6215.08	6215.08	13.86	41.57	8583.87	822.36	-	822.36	-
3	Central Coalfields Limited	INR	940.00	2497.38	10669.10	10669.10	9.42	28.27	9005.34	1970.24	650.69	1319.55	791.74
4	Northern Coalfields Limited	INR	177.67	8756.62	15627.50	15627.50	11.46	34.36	10176.94	4265.67	1495.58	2770.09	662.05
5	Western Coalfields Limited	INR	297.10	3066.29	9817.94	9817.94	32.09	96.27	8357.48	440.49	133.78	306.71	184.04
6	South Eastern Coalfields Limited	INR	359.70	6973.64	18888.27	18888.27	722.84	369.49	19036.48	6002.87	1904.19	4098.68	1547.37
7	Mahanadi Coalfields Limited	INR	186.40	7486.49	19658.81	19658.81	22.71	376.85	12068.60	5463.69	1754.18	3709.51	1219.99
8	Central Mine Planning & Design Institute Limited	INR	19.04	91.88	629.04	629.04	-	-	524.03	30.79	11.18	19.61	-
9	Coal India Africana Limitada (Mozambique) (MZN & INR in Lacs)	INR MZN	0.49 0.25	(94.27) (51.81)	35.56 19.53	35.56 19.53	- -	- -	- -	- -	- -	- -	- -

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

(₹ in Crores)

Sl. No.	Name of Subsidiary Company	Reporting Currency	Capital	Reserve	Total Assets	Total Liabilities	Current Investments	Non-Current Investments	Turnover	Profit Before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
1	MNH Shakti Limited	INR	85.10	(0.52)	86.82	86.82	-	-	-	-	-	-	-
2	MUSJ Limited	INR	70.10	(1.01)	82.58	82.58	-	-	-	-	-	-	-
3	Mahanadi Basin Power Limited	INR	0.05	-	3.37	3.37	-	-	-	-	-	-	-

Note

MCL holds 70% stake in MNH Shakti Ltd, 60% stake in MUSJ Ltd & 100% stake in Mahanadi Basin Power Ltd.

As on 31.03.2012 : 1 MZN = ₹ 1.8213

COAL INDIA LIMITED (Standalone)

Annexure I

Expenditure / Earning in foreign exchange – 2011-12

Expenditure incurred in Foreign Currency on account of :

(₹ in crores)

	Current Year	Previous Year
(i) Interest & commitment charges	20.03	21.12
(ii) Commission to Foreign Agents	0.09	0.09
(iii) Travelling / Training Expenses	0.63	2.53
(iv) Advertisement	0.20	0.02
(v) Consultancy	-	0.36
(vi) Subscription	-	0.50
(vii) Exchange Variation	35.89	0.02
Total	56.84	24.64

Earning in Foreign Exchange on account of :

(₹ in crores)

	Current Year	Previous Year
(i) Export of Goods (Calculated on FOB basis)	NIL	NIL
(ii) Exchange Variation	0.09	7.74
(iii) Miscellaneous	NIL	NIL
Total	0.09	7.74



Annexure II

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 CIL R&D Board has been promoting R&D activities in coal and lignite sectors for improvement in production, productivity, safety, quality, beneficiation & utilization, protection of environment & ecology and many other allied fields in coal mining. 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 those sectors.

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

Notable advances have been made through R&D efforts in application of coal exploration techniques, trial of mining methods like “blasting gallery & cable bolting” for recovery of coal in thick seams and shortwall mining introduced successfully at SECL with an output of more than 1000T per day being replicated now in more panels. “Controlled blasting” has also been introduced through R&D and is being used now for removal of overburden rocks & coal in opencast mines as close as to 50m from surface structures without endangering safety of the inhabitants. About, >127 Mt of coal so far has been extracted in more than 105 mines by introduction of “Controlled blasting” which otherwise would have been remained sterilized.

A quantified assessment of roof strata called Rock Mass Rating (RMR) developed under R&D is now being used for designing support in underground mines. So far, over 800 districts in about 350 underground coal mines have been covered.

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. The product has been commercialized and is being used by the 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.

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 work related to “combustion techniques” for effective utilization of high-ash coals. Major R&D projects on fine coal beneficiation are under implementation through CIL R&D funding.

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. Efforts to delineate unstable workings below Howrah-Dhanbad Railway Line (Eastern Rly Main Line), stability analysis by numerical modeling & possible remedial measures for stabilization of Rly line have been made successfully with CIL R&D Fund.

New areas, like application of robotics and latest two-way communication Systems for rescuing miners trapped in underground mines, Coal Bed Methane (CBM)/Coal Mine Methane (CMM)/Abandoned Mine Methane (AMM) recovery and utilization, utilization of low rank low volatile high rank Indian coking coals, numerical models to address strata control problems for appropriate solution, safe dragline dump profiles for varying geo-mining conditions, Green House Gas (GHG) emissions in mine fire areas, treatment of acid mine water generated in Indian coal mines, roof prediction in underground coal mines, dry coal beneficiation are being addressed through on-going research projects with CIL R&D Fund.

A major project on delineation of barrier thickness against waterlogged workings in underground mines was taken up under S&T Grant of Ministry of Coal. Under this project, a Ground Penetrating Radar (GPR) has been developed and subjected to field trial at BCCL underground mine.

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, CMPDI on behalf of Ministry of Coal has invited Expression of Interest (Eoi) for a few areas related to mining

methods, strata control, and mine safety, coal bed methane (CBM), shale gas, remote operations in underground coal mines etc., for funding under S&T Grant of Ministry of Coal.

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.

A research project under S&T grant of Ministry of Coal regarding delineation of barrier thickness against waterlogged workings in underground mines was taken up. In this project, a Ground Penetrating Radar (GPR) was developed. After making field trials at one of the BCCL mines, it was observed that the GPR developed is capable of detecting successfully the anomaly in barrier thickness of 60m or so.

Another project related to mine communication is under implementation at one of the underground mine of CCL. This consists of Through-The-Earth (TTE) one way communication system and two way communication and tracking system. The total integrated system is successfully being operated at Bhurkunda colliery of CCL. In one of the research project, self advancing goaf edge (mobile) chock type supports of 2x240Te have been developed and will soon be subjected to field trial at one of the underground mines of BCCL.

Emphasis has been put on “coal to oil” conversion technology. The prevailing level of prices of crude oil and petroleum products warrants a fresh look at coal liquefaction process. 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 :

Total expenditure including revenue for 07-08 to 11-12 of research projects are as follows :-

(₹ in crores)

Year	Expenditure
2007-08	23.56
2008-09	22.21
2009 -10	37.42
2010 -11	40.04
2011-12	26.29
Total	149.52

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

The main 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.

Reply given as above (under Point no. 2).

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.

- (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.

Not related to the CIL R&D projects.



Observations of Auditor and Management Explanation under Sec 217(3) of Companies Act 1956.

Observations of Auditor	Management Explanation
<p>i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. However, certain details as regards purchase order reference, date of commissioning and locations are absent in some cases of old items.</p> <p>(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.</p>	<p>The few old items of fixed assets mentioned by the auditors are fully depreciated.</p> <p>Efforts for verification of fixed assets at other locations have already been taken, and the same has since been carried out during 2012-13.</p>
<p>ii. Physical verification of Inventory has been conducted at reasonable intervals during the year by the management, except for Stock-yard of West Bengal Regional Sales Office, the inventories of which is very old and has been provided for. The inventories have been measured on the basis of volumetric system.</p>	<p>The said Stockyards of West Bengal Regional Sales Office are not operative since long. The book stock is not significant and its value has been fully provided for since long.</p>
<p>iii. 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 except advances to its subsidiaries BCCL and ECL where interest has been deferred / waived. In other cases, clause 4 (iii) (b) to (d) of the order are not applicable.</p>	<p>These are 100% subsidiaries of CIL, and are sick and referred to BIFR. Certain interest from advances to these companies were deferred due to uncertainties involved in realization owing to their poor financial condition and in certain cases such interest were waived as per their revival scheme under BIFR reference.</p>
<p>iv. There is an 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 advances / receivable accounts where detail schedules are absent for a long time and the adjustments made there-against are basically effected on adhoc basis leading to the emergence of credit balances often.</p> <p>The Company has an Internal Audit system commensurate with the size and nature of its business. But it requires substantial revamping in respect of timeliness and teeth of reporting together with risk based analysis of the inadequacies.</p>	<p>Noted, action is being taken to adjust / reconcile the differences.</p> <p>Noted. Efforts will be taken to improve in the areas of inadequacies mentioned by the auditors.</p>

Performance against MoU for the year 2011-12

Annexure IV

Memorandum of Understanding between CIL & MoC for the year 11-12

		Evaluation Criteria	Unit	Weight (%)	MoU Target (V. Good)	Performance (Apr 11-Mar 12)
1.		Static / Financial Parameters				
(a)		Financial Indicators - Profit related ratios				
	(i)	Gross Margin / Gross Block		2	0.4684	0.7101
	(ii)	Net Profit / Net Worth		10	0.3057	0.4188
	(iii)	Gross Profit / Capital Employed		10	0.4705	0.6354
(b)		Financial Indicators -Size related				
	(i)	Gross Margin	₹ Crs	8	20109	27840
	(ii)	Gross Sales	₹ Crs	4	69116	77914
(c)		Financial Returns- Productivity related				
	(i)	PBDIT / Total Employment		7	0.0539	0.0749
	(ii)	Added Value / Gross Sales		9	0.2346	0.3051
2.		Dynamic Parameters				
(d)		Quality & Customer Satisfaction				
	d 1	Quality				
		Despatch of Coal to power sector by rail				
	(i)	Sized coal	%	1	98	99.81
	(ii)	Weighed on electronic weighbridge before despatch	%	1	98	99.04
	d 2	Customer Satisfaction				
	(i)	Despatch covered under agreed sampling to power sector	%	1	97	99.96
(e)		Human Resource Development				
	(i)	Executives to be trained (Total executives on roll on 1st Apr, 2011 - 458)	%	1	20	49.34
	(ii)	Certified training in Project Management	No. of Executives	1	30	74
	(iii)	Certified training in Contract Management	No. of Executives	1	30	63
	(iv)	Training of Medical Professionals in Occupational Health & Safety	No. of Executives	1	25	84
	(v)	Representation of Minority Member in Recruitment Committees	%	1	90	100



Memorandum of Understanding between CIL & MoC for the year 11-12

		Evaluation Criteria	Unit	Weight (%)	MoU Target (V Good)	Performance (Apr 11-Mar 12)
(f)		R & D / New initiatives				
	(i)	Recasting R & D Policy and Action Plan in line with Guidelines issued by DPE	Date	1	Jan'12	26th Dec'11
	(ii)	Approval of new R&D Projects by R&D Apex committee	No	2	4	5
	(iii)	No. of R&D projects to be completed during 2011-12	No	1	4	5
	(iv)	R & D Expenditure	₹ Crs	1	25	26.19
(g)		Project Implementation				
g1		Capacity creation through approval of new/ Expansion projects				
	(i)	Stage-I Board approval for initiating applications for clearances to be granted by MoEF	Mt	1	25.00	53.21
	(ii)	Stage - II Clearance & Final approval	Mt	1	10.00	34.56
g2		Commissioning/completion of New/Expn projects	No	1	6	8
g3		Acquisition & procession of land	Ha	1	800	1401.75
g4		Major Project Activities				
	(i)	Incremental Production from ongoing projects	Mt	1	12.00	22.38
	(ii)	Other major activities				
	#	Placement of orders of 60 % total tender value of high capacity HEMM with MARC for Indent 2011-12		1	Jan'12	Nil
	#	Placement of order of 60 % contract value of OTR tyre for Indent 2011-12		1	Jan'12	29th Dec'11
	#	Conclusion of Rate Contracts of explosives procurement for 2011-12		1	June 11	15th Mar'11
	#	Coverage of Major OC Projects for Land Restoration & Reclamation through Satellite Surveillance		1	39	50
(h)		Corporate Social Responsibility				
	(i)	Expenditure on CSR (0.5 % of PAT of 2010-11) (inclusive of all Subsidiaries)	%	1	90	122.49
	(ii)	Upgrading primary Schools under Kolkata Municipal Corporation (KMC) by providing suitable amenities	No. of Schools	1	5	Nil
	(iii)	Collaboration & extending support to Research Institutions/ hospitals/ societies/NGO's who works on respiratory and other health related problems of miners / tribal & BPL population.	No	0.75	3	Nil

Memorandum of Understanding between CIL & MoC for the year 11-12

		Evaluation Criteria	Unit	Weight (%)	MoU Target (V Good)	Performance (Apr 11-Mar 12)
	(iv)	Approval of a project for construction of a hostel through a Trust for inmates of cancer patients to be treated in proposed TATA Medical Centre at Kolkata	Date	0.75	Nov 2011	Not Achieved
	(v)	Engagement with NGOs and related Organization for providing nutrition to malnourished children	No of beneficiaries	0.75	12,000	157
	(vi)	Organizing Medical awareness camp / Free consultation for underprivileged persons/slum dwellers in association with local club/NGO if required	Camp (No of beneficiaries)	0.75	4(240)	5(488)
(i)		Sustainable Development				
	(i)	Conducting workshop for awareness on sustainable development	No	1	1	2
	(ii)	Revision / modification of CIL Environment Policy	Date	1	Feb 12	13th Mar 12
	(iii)	Tree Plantation - Trees to be Planted	Lakhs	1	13.50	20.724
	(iv)	Effluent Treatment Plants (New/To make operative)	No	1	11	25
	(v)	Accreditation of ISO 14001 certificates :	No of Mines	1	8	23
(j)		Corporate Governance				
	(i)	Compliance of Corporate Governance as per Corporate Governance Guidelines issued by DPE as applicable to CIL	(%)	4	90	90.75
	(ii)	Submission of data for Public Enterprises Survey published by DPE (in line with DPE's Directive)	Date	1	1st Oct '11	9th Sept'11
3		Sector Specific Parameters :				
	(i)	Off-take	Mt.	4	452.00	433.08
	(ii)	Coal Production	Mt.	3	447.00	435.84
	(iii)	Underground Production	Mt.	1	43.15	38.39
4		Enterprise- Specific Parameters :				
	4-a	E-Auction of Coal	% of Production	1	10	11.67
	4-b	Man productivity (Output /Man shift)	Te/Man shift	1	4.9	4.89
	4-c	System Capacity Utilization	%	1	91.5	86.12
	4-d	Safety				
	(i)	Reduction in fatality rate (fatalities/ Mcum. of total material excavated) w. r. t previous FY.	%	1	3	43.18
	(ii)	Reduction in serious injury rate (seriuos injuries / Mcum. of total material excavated) w. r. t previous FY.	%	1	3	32.38



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 Ltd 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, 2012, the Board of Directors comprised of Chairman (Additional Charge), 3 Functional Directors and 9 Non-Executive Directors (2 Government Nominees and 7 Independent Directors). In addition, there are 3 Permanent Invitees to 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, 14 Board meetings were held on 25-04-2011, 12-05-2011, 25-05-2011, 28-06-2011, 12-08-2011, 20-09-2011, 12-11-2011, 14-12-2011, 30-12-2011, 30-01-2012, 13-02-2012, 12-03-2012 & 13-03-2012, 22-03-2012 & 28-03-2012 & 29-03-2012.

Details of number of Board Meetings attended by Directors, attendance at the last Annual General Meeting, number of other Directorship etc. during the year 2011-12 were as follows :-

Sl. No.	Name of the Director	Category of Directorship	No. of Board meetings attended during 2011-12	Attended at the last AGM	No. of other Directorship as on 31.03.2012
1a)#	Ms. Zohra Chatterji	Chairman (Additional Charge)	4	No	-
b)#	Ms. Zohra Chatterji	Non-Executive Director	7	No	1
2 *	Shri N. C. Jha	Chairman (Additional Charge)	10	Yes	-
	Shri N. C. Jha	Director(Tech)	10	Yes	-
3 *	Shri Alok Perti	Non-Executive Director	5	No	-
4	Ms. Anjali Anand Srivastava	Non-Executive Director	13	Yes	3
5 *	Shri A. K. Bhalla	Non-Executive Director	1	Yes	-
6	Shri R. Mohan Das	Director (P&IR)	14	Yes	2
7 *	Dr. A. K. Sarkar	Director (Mktg.)	1	No	-
8	Shri A.K. Sinha	Director (Finance)	13	Yes	2 [Chairmanship (additional Charge) –1]
9 #	Shri N. Kumar	Director (Tech)	4	No	4 (Chairmanship-1)
10	Prof. S.K.Barua	Non-Executive Director	6	Yes	7
11	Dr. A.K. Rath	Non-Executive Director	14	Yes	2
12	Dr. (Smt.) Sheela Bhide	Non-Executive Director	10	No	3
13	Shri Kamal R. Gupta	Non-Executive Director	12	Yes	2
14	Dr. R. N. Trivedi	Non-Executive Director	14	Yes	2
15	Ms. Sachi Chaudhuri	Non-Executive Director	14	Yes	-
16	Md. Anis Ansari	Non-Executive Director	12	No	-

Sl. 1(a)# & 9(#) are appointed on 01-02-2012 , Sl. 1(b) #appointed on 12-11-2011, Sl 2 (*) Retired on 01-02-2012. Sl. 3(*) ceased to be on the Board from 1-09-2011 on assuming the charge as Secretary (Coal), Sl.5(*) Ceased to be on the Board from 13-10-2011. Sl.7(*) Retired on w.e.f. 1-05-2011.



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) Convergence to IFRS Committee.
- x) Human Resource Management committee.
- xi) Corporate Governance including Risk Assessment and Minimization Procedures 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 279th Meeting held on 12-03-2012, consists of Six Independent Directors , two Functional Directors and one Government Nominee Director . One of the Independent Directors, a Practicing Chartered Accountant is the Chairman of the Committee. They are :-

1.	Shri Kamal R. Gupta	Chairman	(Independent Director)
2.	Ms. Anjali Anand Srivastava	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.	Shri Md. Anis Ansari	Member	(Independent Director)
6.	Dr. A.K. Rath	Member	(Independent Director)
7.	Ms. Sachi Chaudhuri	Member	(Independent Director)
8.	Shri R. Mohan Das	Member	(Director , P&IR , CIL)
9.	Shri N. Kumar	Member	(Director , Tech , 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.

Ten Meetings of the Audit Committee were held during the Financial Year 2011-12 on 25-04-2011 , 12-05-2011 , 25-05-2011 , 12-08-2011 , 19-09-2011 , 14-10-2011 , 12-11-2011 , 13-02-2012 , 03-03-2012 & 12-03-2012. The details of the Meetings of Audit Committee attended by the members was as under :-

	Name of the Directors	Status	No. of meetings attended
1.	Shri Kamal R Gupta	Chairman (w.e.f 25-09-2010)	9
2.	Ms. Anjali Anand Srivastava	Member (w.e.f. 01-02-2011)	6
3.	Prof. S. K. Barua	Member (w.e.f 24-11-2007)	6
4.	Dr. R.N. Trivedi	Member (w.e.f 25-09-2010)	10
5.	Md. Anis Ansari	Member (w.e.f 25-09-2010)	8
6.	Dr. A.K. Rath	Member (w.e.f 12-03-2012)	-
7.	Ms. Sachi Chaudhuri	Member (w.e.f 25-09-2010)	10
8.	Shri R. Mohan Das	Member (w.e.f 25-09-2010)	9
9.	Shri N. Kumar	Member (w.e.f 13-02-2012)	2

(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 considers 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 auditors 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 278th Board meeting held on 13-02-2012. During the year 2011-12 , three Sub-Committee Meetings for evaluation, appraisal and approval of the projects were held on 13-05-2011, 11-08-2011 & 22-02-2012. 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	3
2.	Director(Finance), CIL.	Member	2
3.	Director(Technical), CIL.	Member	3
4.	Jt. Secretary & FA, MOC.	Member	2
5.	Dr. (Smt.) Sheela Bhide.	Member	2
6.	Shri Mohd. Anis Ansari.	Member	3
7.	Ms. Sachi Chaudhuri.	Member	3
8.	CMD, CMPDIL.	Permanent Invitee.	0
9.	CMD of NCL.	Invitee	2
10.	CMD of BCCL.	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 re-constituted by the Board in its 264th Board meeting held on 01-02-2011. During the Year 2011-12, only one Sub-Committee Meeting was held on 30-01-2012. The Remuneration Committee consists of following Directors and their attendance was as follows :-

	Name of the Directors	Status	No. of meeting attended
1.	Prof. S.K. Barua	Chairman	1
2.	Ms. Anjali Anand Srivastava	Member	1
3.	Shri Kamal R Gupta	Member	1
4.	Dr. R. N. Trivedi	Member	1
5.	Ms. Sachi Chaudhuri	Member	1
6.	Shri R. Mohan Das	Permanent Invitee	1

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 :

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

During the year 2011-12 four meetings of this Sub-Committee were held on 11-08-2011, 19-09-2011, 14-12-2011 & 12-03-2012

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	4
2.	Shri Kamal R Gupta	Independent Director Member	4
3.	Shri R. Mohan Das	Director(P&IR) Member	4
4.	Shri A. K. Sinha	Director (Finance) Member	3

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 and was re-constituted by the CIL Board of Directors in its 278th meeting held on 13-02-2012. The Share Transfer Committee looks into the following :

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

During year 2011-12, eighteen meetings of the committee were held on 06-04-2011, 25-04-2011, 03-08-2011, 07-09-2011, 01-10-2011, 22-10-2011, 12-11-2011, 26-11-2011, 08-12-2011, 14-12-2011, 16-12-2011, 02-01-2012, 16-01-2012, 31-01-2012, 13-02-2012, 23-02-2012, 12-03-2012 & 22-03-2012. 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	18
2.	Shri N. C. Jha	Director (Technical), Member (Up to 31 - 01- 2012)	13
3.	Shri R. Mohan Das	Director (P &IR), Member	14
4.	Shri N. Kumar	Director (Technical), Member (From 13 - 02- 2012)	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 and was re-constituted by the CIL Board of Directors in its 278th Meeting held on 13-02-2012. During the year 2011-12, 5 meetings were held on 11-04-2011, 11-06-2011, 26-11-2011, 16-01-2012 & 21-03-2012. The Committee has been constituted for :

- Review proposals put up by the management including interalia 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.
- 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 and
- 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	5
2.	Dr. (Smt.) Sheela Bhide	Independent Director	Member	5
3.	Shri Mohd. Anis Ansari	Independent Director	Member	4
4.	Shri N. C. Jha	Director (Technical),	Member (Upto 31-01-2012)	4
5.	Shri A. K. Sinha	Director (Finance),	Member	5
6.	Shri N. Kumar	Director (Technical),	Member (From 13-02-2012)	1

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. During the year 2011-12, 2 meetings were held on 19-09-2011 & 02-01-2012. The Treasury Management Committee consists of the following members and the attendance of the members was as follows :-

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

3.8 Appeal Committee.

An Appeal Committee was constituted by the CIL Board of Directors in its 250th meeting held on 18-05-2009 and the reconstituted committee was ratified by the CIL Board of Directors in its 274th meeting held on 12-11-2011. 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 members :

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

During the year one meeting of this committee was held on 01-10-2011.

The Appeal Committee consists of the following Directors and the attendance of the members was as follows :-

	Name of the Directors	Status		Nos. of meeting attended
1.	Shri R. Mohan Das.	Director (P&IR),	Member	1
2.	Shri A. K. Sinha.	Director (Finance),	Member	1

3.9 Convergence to IFRS Committee.

The Convergence to IFRS Sub- Committee was constituted by the CIL Board of Directors in its 270th meeting held on 25-05-2011. During the year three meetings of Convergence to IFRS Sub-Committee were held i.e on 07-06-2011, 19-08-2011 and 30-01-2012. The Convergence to IFRS Sub Committee consists of following Members and their attendance was as follows :

	Name of the Directors	Status	Nos. of meeting attended
1.	Shri Kamal R Gupta.	Independent Director, Chairman	3
2.	Dr. (Smt.) Sheela Bhide.	Independent Director, Member	2
3.	Shri A. K. Sinha.	Director (Finance), Member	3

3.10 Human Resource Management Committee.

The Human Resource Management Sub- Committee was constituted by the CIL Board of Directors in its 270th Meeting held on 25-05-2011. During the year three meetings of Human Resource Management Sub- Committee were held i.e. on 21-11-2011, 02-01-2012 and 02-03-2012.

The Human Resource Management Sub-Committee Consists of following Members and their attendance was as follows :

	Name of the Directors	Status	Nos. of meeting attended
1.	Prof. S.K. Barua.	Independent Director, Chairman	3
2.	Dr. R.N. Trivedi.	Independent Director, Member	3
3.	Shri R. Mohan Das.	Director (P & IR), Member	3

3.11 Corporate Governance including Risk Assessment and Minimization Procedures Committee.

The Corporate Governance including Risk Assessment and Minimization procedures Sub- Committee was constituted by the CIL Board of Directors in its 273rd meeting held on 20-09-2011 . During the year , three meetings of the Corporate Governance including Risk Assessment and Minimization Procedures Sub- Committee were held i.e on 11-08-2011, 30-12-2011 & 13-03-2012. The Corporate Governance including Risk Assessment and Minimization Procedures Sub- Committee consists of following members and their attendance was as follows :

	Name of the Directors	Status	Nos. of meeting attended
1.	Dr. A. K. Rath.	Independent Director, Chairman	3
2.	Shri Kamal R. Gupta.	Independent Director, Member	2
3.	Md. Anis Ansari.	Independent Director, Member	3
4.	Ms. Sachi Chaudhuri.	Independent Director, Member	3
5.	Shri R. Mohan Das.	Director (P&IR) Member	3

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 for each meeting of the Board and Committees of the Board ₹ 20,000/- 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 2011-12 :

(in ₹)

Sl.	Name of the Directors	Salary	Benefits	Total
1.	Shri Nirmal Chandra Jha	15,47,168.92	4,59,785.84	20,06,954.76
2.	Shri R. Mohan Das	15,20,049.76	37,90,011.47	53,10,061.23
3.	Dr. Asok Kumar Sarkar	1,17,478.50	78,558.21	1,96,036.71
4.	Shri Asok Kumar Sinha	16,83,000.65	25,86,748.57	42,69,749.22



Details of sitting fee paid to Independent Directors during the Year 2011-12 are given below :

(in ₹)

Name of the Independent Directors	Sitting Fees for Board Meeting	Sitting Fees for Committee Meeting	Total
Prof S.K. Barua	1,20,000	2,20,000	3,40,000
Dr. A.K. Rath	2,80,000	1,40,000	4,20,000
Dr. (Smt.) Sheela Bhide	2,00,000	1,80,000	3,80,000
Shri Kamal Raj Gupta	2,40,000	5,00,000	7,40,000
Dr. R.N. Trivedi	2,80,000	5,60,000	8,40,000
Ms. Sachi Chaudhuri	2,80,000	4,00,000	6,80,000
Md. Anis Ansari	2,40,000	4,20,000	6,60,000

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 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 its 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 comprise of an appropriate mix of Dynamic, Sector Specific and Enterprises specific parameters. CIL has been vigorously pursuing 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
2010-2011	20-09-2011	11.00 A.M.	Science City, Main Auditorium, JBA Haldane Avenue, Kolkata – 700 046.
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

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 Directors hold any share of the Company as on 31 March '2012.

CEO/CFO Certification

As required by Clause 49 of the Listing Agreement (s) , the Certificate duly signed by Shri S. Narsing Rao, (Chairman) and Shri A.K. Sinha , Director(Finance) was placed before the Board of Directors in its 283rd Meeting held on 18-05-2012 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 end of each quarter.

Information and latest updates and announcement regarding the company can be accessed at company's website 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 an intimation to the Stock Exchanges.

9. Shareholding Pattern of CIL

As on 31st March, 2012 , 90% Shares of Coal India Ltd. is held by President of India and balance 10% are held by FIs (5.44%), Indian Public (1.47%), Banks & FI (0.80%), Private Corporate Bodies (1.22%), Mutual Funds (0.96%), NRI/OCBs(0.03%) and Others (0.08%).

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, Odisha

(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, 2012.

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, 2012.

Kolkata
4th July, 2012


(S. Narsing Rao)
Chairman & Managing Director



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 : 18th September, 2012.

Time : 10.30 A.M.

Venue : Kala Mandir Auditorium.

ii) Financial Calendar for FY 2012-13

Particulars	Date
Accounting period	April 1, 2012 to March 31, 2013
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, 2013.
AGM (Next Year)	September 2013 (Tentative)

(iii) Book Closure.

The Register of Members and Share transfer Books of the Company will remain closed from 10th September 2012 to 14th September 2012 (both days inclusive).

(iv) Payment of Dividend.

The Board of Directors of the CIL has recommended payment of a final Dividend of ₹ 0.5 per share (5% on the Paid - Up Share Capital) for the financial year ended March 31, 2012 in addition to Interim Dividend of ₹ 9.50 per share (95% on the paid up share capital) paid on and from 22-03-2012.

The date for the payment of Final Dividend is on and from 28th September, 2012.

(v) Dividend History.

Year	Total Paid up Share Capital (₹ in crore)	Total amount of dividend paid (₹ 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	39%
2011-12	6316.3644	6316.36 (*)	Including Interim Dividend declared and paid earlier @ 95% & Final Dividend (*) @5% (Proposed)	100%

(*) 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.

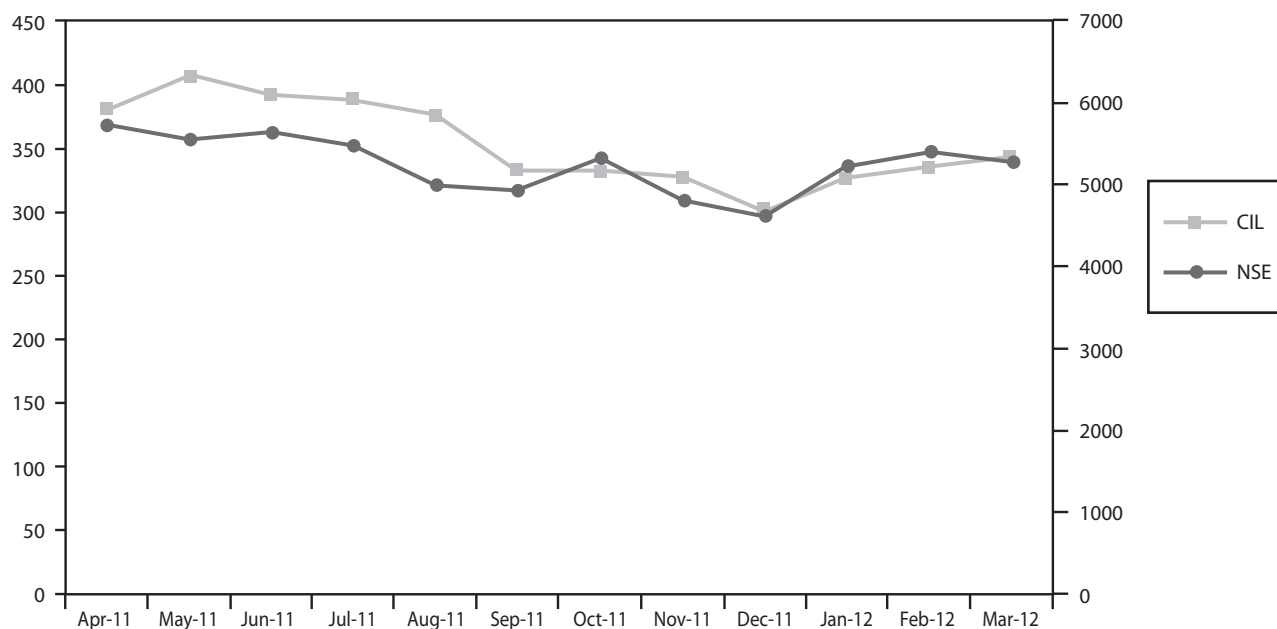
Bombay Stock Exchange Limited.

Scrip Code : 533278.

Annual Listing fees for the year 2012-13 has already been paid to both the Stock Exchanges.

(vii) Market Price Data- NSE :

Month	High (₹)	Low (₹)	Closing (₹)
April' 2011	383.30	342.60	380.55
May' 2011	422.35	359.25	408.45
June' 2011	416.60	375.00	392.85
July' 2011	408.70	299.00	388.25
August' 2011	406.50	357.00	375.60
September' 2011	393.45	325.15	333.20
October' 2011	349.15	314.55	332.00
November' 2011	332.45	294.60	327.15
December' 2011	338.35	293.60	300.65
January' 2012	358.30	303.00	327.20
February' 2012	343.95	315.70	334.50
March' 2012	349.70	323.60	343.90

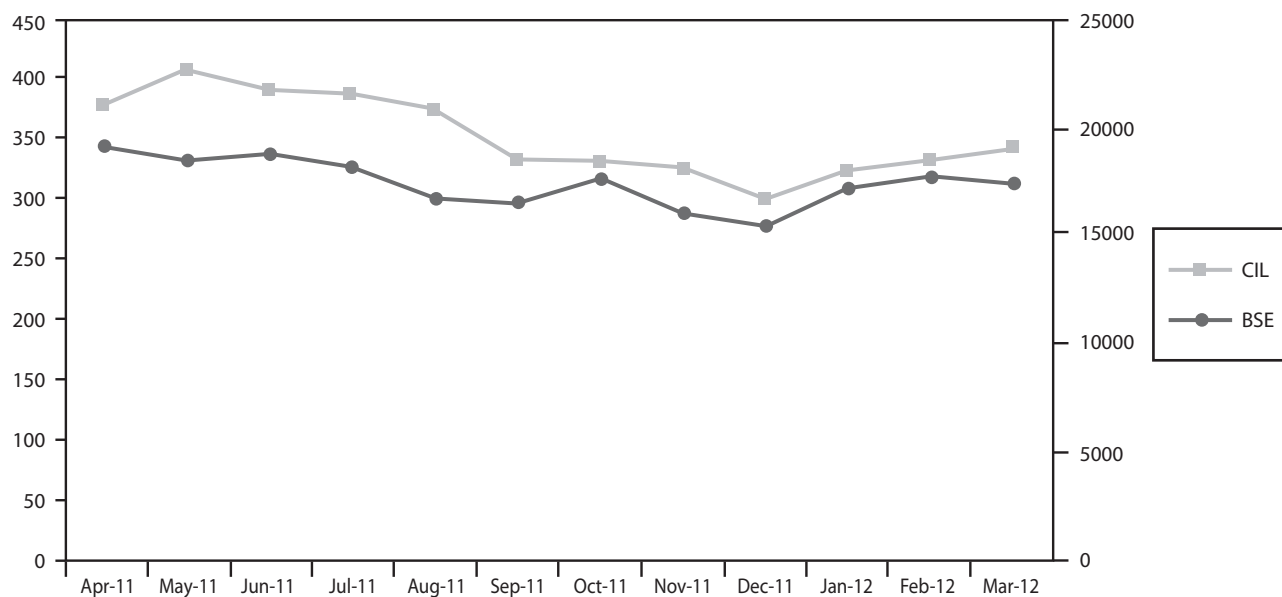


Stock Performance of Coal India vis-a-vis Nifty (Based on closing Price)



(viii) Market Price Data- BSE :

Month	High (₹)	Low (₹)	Closing (₹)
April' 2011	383.30	342.80	380.10
May' 2011	422.30	359.70	408.45
June' 2011	416.25	370.00	392.40
July' 2011	408.40	353.25	387.95
August' 2011	406.10	357.60	374.95
September' 2011	393.40	325.40	332.75
October' 2011	349.00	314.25	332.40
November' 2011	332.40	295.00	326.40
December' 2011	338.00	293.75	300.85
January' 2012	358.00	302.60	325.65
February' 2012	343.80	315.65	333.15
March' 2012	350.00	324.05	343.10



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

OR

Link Intime India Private Limited,
59C , Chowringhee Road , 3rd Floor,
Kolkata - 700 020,
Telephone No : 91 33 22890540,
Telefax : 033-22890539,
E-mail : kolkata@linktime.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 , 2012 are given below :

a. Shareholding pattern as on March 31st, 2012

Category	Total no. of shares	% of Equity
GOI	5684727960	90.00
FII's	343870199	5.44
Indian Public	92762707	1.47
Banks & FI	50380472	0.80
Private Corporate Bodies	77095003	1.22
Mutual Funds	60728064	0.96
NRI / OCBs	1961696	0.03
Others	4838299	0.08

b. Distribution of shareholding according to size , % of holding as on March 31st, 2012 :

Number of Shares	Number of Shareholders	% of Shareholders	Total No of shares	% of shares
1-5000	723349	99.79	86821339	1.37
5001-10000	491	0.07	3613157	0.06
10001-20000	283	0.04	4152598	0.07
20001-30000	122	0.02	3068420	0.05
30001-40000	81	0.01	2843348	0.05
40001-50000	64	0.01	2957450	0.05
50001-100000	165	0.02	12082747	0.19
100001 and above	350	0.05	6200825341	98.16
Total	724905	100.00	6316364400	100.00



c. Major Shareholders

Details of shareholders holding more than 10% of the paid up capital of the Company as on March 31, 2012 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 at both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd(CDSL). Promoters shares are also in dematerialized form.

Secretarial Audit Report for reconciliation of the share capital of the Company obtained from practicing Company Secretary at the end of each quarter 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	27484763	0.44
Held in dematerialized form in NSDL	6288876290	99.56
Physical	3347	00.00
Total	6316364400	100.00

The names and address of the Depositories are as under :

1. National Securities Depository Ltd.
Trade World, 4th Floor, 'A' Wing,
Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel , Mumbai-400 013.
2. Central Depository Services (India) Limited.
Phiroze Jeejeebhoy Towers,
17th Floor, Dalal Street Fort, Mumbai – 400 001.

Custodial Fees for the year 2012-13 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 : 033-2248 5123,
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 are sponsored for Training on Corporate Governance from time to time.
6. **Whistle Blower Policy :** The Board of Directors of CIL in its 272nd Board Meeting held on 12th August, 2011 has approved "COAL INDIA WHISTLE BLOWER POLICY 2011" for implementation at CIL and its subsidiary companies.



CEO AND CFO CERTIFICATION

To
The Board of Directors,
Coal India Limited

The Financial Statements of CIL (Standalone) for the year ended 31st March, 2012 are placed herewith before the Board of Directors for their consideration and approval.

In the light of above, We, S. Narsing Rao, Chairman cum Managing Director and A. K. Sinha, Director (Finance), of Coal India Ltd. responsible for the finance function certify that :

- a. We have reviewed Financial Statements and the cash flow statement for the year ended 31st March, 2012 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, 2012 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 year 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.

Date : 18.05.2012
Kolkata

Director (Finance)

Chairman cum Managing Director

Maheswari R & Associates

Company Secretaries

"Wellesley House"

Ground Floor, Room No. 6, Kolkata-700001

Ph : 22316640 (O) 26389129 (R)

Mobile : 9432232757

E-mail : rashmi3309@rediffmail.com

CORPORATE GOVERNANCE CERTIFICATE

To
The Members,
M/s. Coal India Limited

We have examined the compliance of conditions of Corporate Governance by M/s Coal India Limited (the "company") for the year ended 31st March 2012 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 Enterprise, Govt. of India, vide OM No. 18(8)/2005-GM dated 14th May, 2010.

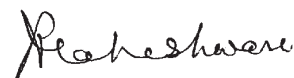
1. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination, carried out is in accordance with the Corporate Governance (Modules of Best Practices) issued by the Institute of Company Secretaries of India, was limited to procedures and implementation 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 : 19th June, 2012

For Maheshwari R & Associates

Company Secretaries



Rashmi Maheshwari

C. P. No. : 3309 of ICSI

Membership No. : FCS-5126



MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT

Overview of the Indian economy

With an estimated GDP of approximately US \$4.46 trillion in 2011, on a purchasing power parity basis, India is the fourth largest economy in the world after the European Union, the United States and China (*Source: CIA World Fact book*). India is also one of the fastest growing economies in the world. Coal is one of the prime fuels in India and in terms of power generation, coal constitutes 81 percent of the total generation and will continue to be crucial to India's future energy needs. (*Source: CRISIL Credit Rating Report*).

Global coal industry and reserves

The world coal reserves as per the rate of production in 2011 are estimated to suffice for the next 112 years (*Source: BP Statistics*). Although proved coal reserves are widely distributed across the world, 80.0% of the world's recoverable reserves are located in five regions: the United States (27.6%), Russia (18.2%), China (13.3%), certain non-OECD countries in Europe and Eurasia (primarily former Soviet countries) (17.2%), and Australia, New Zealand (9.0%) (*Source: BP Statistical Review of World Energy June 2012*). According to the BP Statistical Review of World Energy June 2012, India accounted for 7.0% of the world's proved reserves.

Global coal production and consumption

China is the largest producer of coal 3,520.0 million tonnes (49.5% of the total worldwide production in 2011), followed by the United States 992.8 million tonnes (14.1% of the total worldwide production in 2011). (*Source: BP Statistical Review World Energy June 2012*) whereas India's coal production was approximately 588.5 million tonnes, in fiscal 2011 (*Source: BP Statistical Review World Energy June 2012*). Asia is the biggest market for coal and currently accounts for 68.6% of global coal consumption, owing to China and India, who are the primary consumers. In addition,

Domestic coal availability trends and imports

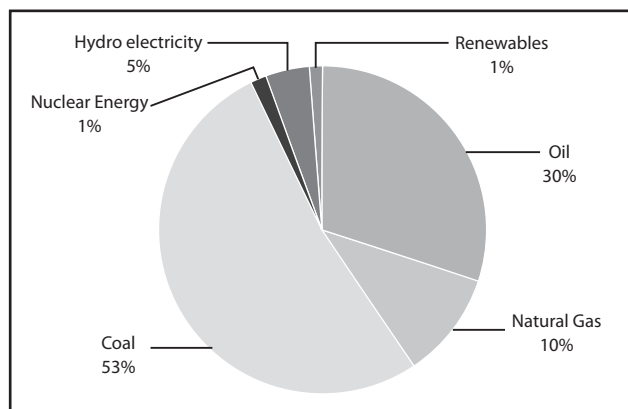
Million metric tonnes	FY12	FY11	FY10	FY09	FY08	FY07
CIL	436	432	431	404	379	361
Singareni Collieries Company Ltd (SCCL)	51	51	50	45	41	38
Captive sources	56*	47	50	45	37	32
Total domestic availability	543	531	532	493	457	431
Imports	100*	90	68	59	50	43
Total availability	643	628	600	552	507	474
*Estimates						

coal's share of total world energy consumption is projected to remain relatively flat, declining slightly from a peak of 29 percent in 2010 to 27 percent in 2015, where it remains through 2035. However, the coal's share of total energy consumption for power generation is projected to decline from 43 percent in 2008 to 37 percent in 2020. After 2020, however, similar growth rates for the consumption of all fuels except liquids keep coal's share of total energy use in the electricity sector relatively stable through the remaining years till 2035 (*Source: IEO 2011*).

Indian coal industry and reserves

As of April 2010, the geological resource of Indian coal was 276.81 billion tonnes (*Source: GSI, GoI*). 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 52.9%, while oil and natural gas met approximately 38.8%, of the total primary energy requirement of India in fiscal 2011 (*Source: BP Statistics*). The coal sector in India is primarily dominated by the PSUs under the central and the state governments.

India's energy requirement from Coal



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

Weakness

- High cost of production in underground (legacy) mines and resulting losses in such mines
- Evacuation of coal largely dependent on external agencies which is often a constraint.
- 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 :

- Many of the coal reserves are under forest and tribal inhabited areas, increasingly making it difficult to obtain clearances.
- Large tract of prime coal bearing areas in India is in populated areas, thus prone to operational disruptions.
- Change in policies/ regulations governing the sector
- A potential large-scale negative impact of climate change initiatives on the use of coal may have a direct impact on the business.

SEGMENT-WISE OR PRODUCT WISE PERFORMANCE

Off take of Coal India

	April-March'12	April-March'11
Off take (Mill Te)	433.08	424.50
Growth	2.02%	-

► Statement of Breakup of off take (in Million Te) :

Particulars	2011-12	%	2010-11	%	Growth %
Off-take	433.08	100.00%	424.50	100.00%	2.02%
Less : Own Consumption	0.88	0.20%	0.83	0.20%	6.02%
Less : Feed to Washeries	19.24	4.44%	19.75	4.65%	(2.58%)
Less : E-auction	50.89	11.75%	47.73	11.24%	6.62%
Despatch to Outsiders under FSA (incl. NLW coal)	362.07	83.61%	356.19	83.91%	1.65%

► Statement of Breakup of Sales (₹ in crores) :

Particulars	2011-12	%	2010-11	%	Growth %
Sales	62415.43	100.00%	50229.28	100.00%	24.26%
Less : E-auction Sales	13227.86	21.19%	8810.45	17.54%	50.14%
Less: Washed Coal & Washery Products	4478.11	7.17%	4059.64	8.08%	10.31%
Sales to FSA (incl. NLW coal)	44709.46	71.64%	37359.19	74.38%	19.67%



Sector-wise dispatch of coal & coal products

Our customers include large companies including thermal power generating companies, steel producers, fertilizer producers and industrial companies both in the public and the private sector with whom we have long-standing relationships. A significant portion of our coal is used in the thermal power sector in India.

The following table sets forth, Sector-wise break-up of dispatch of coal & coal products for 2011-12 against target and last year's actual :-

(Figs. in million tonnes)

Year	2011-12			2010-11	Growth over Last Year	
Sector	Target	Despatch	% Satn.	Actual	Abs.	%
Power (Util)	327.54	312.07	95.3	304.15	7.92	2.6
Steel *	4.11	4.12	100.2	4.21	-0.09	-2.1
Cement **	7.46	6.69	89.7	6.79	-0.10	-1.5
Fertilizer	2.87	2.79	97.2	2.78	0.01	0.4
Export	0.02	0.00	0.0	0.00	0.00	0.0
Others	106.26	107.28	101.0	105.51	1.77	1.7
Despatch***	448.26	432.95	96.6	423.44	9.51	2.2

* dispatch of washed coal,direct feed & blendable coal to steel plants,

** dispatch to cement plants excluding cement cpp.

*** dispatch includes supply of some byproducts.

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 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 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 dispatch of coal and coal products from our mines in the periods indicated :

(Figs. in million tonnes)

Year	2011-12			2010-11	Growth over Last Year	
Mode	Target	Despatch	% Satn.	Actual	Abs.	%
Rail	241.44	229.07	94.9	215.81	13.26	6.1
Road	102.00	113.39	111.2	112.35	1.04	0.9
MGR	94.47	79.32	84.0	83.62	-4.30	-5.1
Other Modes	10.35	11.17	107.9	11.66	-0.49	-4.2
Overall	448.26	432.95	96.6	423.44	9.51	2.2

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 supply of materials, supply of coal from our stockpiles and coal crushing and handling plants to the dispatch points and for supply of our coal to customers.

Beneficiation Facilities

We currently operate 17 coal beneficiation facilities with a total capacity of 39.4 Mty, comprising five non-coking coal beneficiation facilities with an aggregate designed feedstock capacity of 17.22 million tonnes per annum and 12 coking coal beneficiation facilities with an aggregate designed feedstock capacity 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 a part of our expansion plans, we also intend to develop 20 additional coal beneficiation facilities, comprising 14 non-coking coal beneficiation facilities and 6 coking coal beneficiation facilities. We intend to develop 18 of these proposed facilities on Build Operate Maintain (BOM) basis and the remaining 2 facilities on 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.

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 435.84 million tonnes in fiscal 2012. We are also the largest coal reserve holder in the world (*Source: CRISIL Research*) based on our reserve base as of April 1, 2010. 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.

In fiscal 2011, coal met 52.9%, while oil and natural gas met 38.8%, of the total primary energy requirement of India. (Source: BP Statistics).

Interim Dividend 2011-12

The amount of ₹ 5400.49 Crores, the highest ever, Interim Dividend paid to Government of India so far, constitutes 90% of the total interim dividend of ₹ 6000.55 Crores for the fiscal 2011-12. The rest 10% (₹ 600 Crores) was distributed amongst the other shareholders of the company. This is at the rate of ₹ 9.50 per share against ₹ 3.50 paid in the previous fiscal registering an increase of 171.4%.

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 was completely deregulated from January 1, 2000 since then CIL has revised its prices five times and the latest revision was in February 2011.

Recently, Coal India Ltd. has switched over to GCV (Gross Calorific Value) based system of coal grading & pricing for non-coking coal as per Government notification with effect from 01.01.2012 from the earlier UHV system.

Distribution and Marketing Policy

The New Coal Distribution 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.
- 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.

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 forms 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.

The R&D projects in the emerging areas are continuously undertaken. One research project viz. Fly ash characterization for mine void reclamation has been completed.

Some of the 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. For the year 2010-11 Coal India Limited (Standalone) is graded as very good.

Joint Ventures

S. No.	Joint Ventures	Particulars
1.	CIL, DVC and BEML Ltd have signed an Agreement to form a JV to revive MAMC which was under liquidation in Calcutta High Court	The Joint Venture is for acquiring the assets of MAMC and re-starting manufacturing operations for availability of modern underground mining equipment which is a major constraint in enhancing underground production.
2.	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 certain Blocks, and Integrated Coal based Power Plants, if found feasible.
3.	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 'International Coal Ventures Private Limited' ("ICVL") for the purpose of securing metallurgical coking coal and thermal coal assets from overseas. However, CIL Board in its meeting held on 18th May, 2012 decided to opt out of this JV.
4.	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.

Signing of MoU between Coal India Limited and Shipping Corporation of India

In order to bridge the increasing gap between availability from domestic production of CIL and quantity committed through Fuel Supply Agreements and Letter of Assurance already issued, which is likely to touch 250 million tonnes by the end of XII Plan, CIL is planning import of coal for supply to its consumers. CIL is also in

an advanced stage of finalizing 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 signs a Memorandum of Understanding with The Shipping Corporation of India Limited on date for promoting a Joint Venture Company (JVC).

Primary objective of the JVC would be :-

- Owning/chartering of vessels.
- Draft surveying.
- Inspection of cargo.
- Stevedoring at unloading port in India including unloading of vessels, customs clearance, shore clearance, and stacking
- Indenting wagons from railways, loading of wagons, quality analysis and delivery of coal at power stations

In order to address the issue of emerging mismatch of logistics capacity of Indian Railway system, the JVC shall endeavour for creating additional transport capacity including development of alternative/additional sea/river routes for coastal shipment and acquiring requisite assets and hardware.

The JVC will also explore the possibility of developing port/bulk terminal including arrangement for transshipment in midsea at Bay of Bengal for extensive use of Haldia Port and the National Waterways-1 (River Hooghly) for delivery of imported coal to the power stations on the river bank, including those of NTPC, WBPCL and CESC.

Coal India Africana Limitada (CIAL)

Coal India Africana Limitada (CIAL) was incorporated as a private limited company on September 4, 2009 under the Commercial Code of the Republic of Mozambique and was granted prospecting license by the Ministry of Mineral Resources, Republic of Mozambique on August 6, 2009. 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.

In January 2012, CIL selected a Consultant, namely M/s Aurecon AMEI Ltd, through global tender for undertaking Environment Impact Assessment (EIA) in the leasehold areas and prepare an Environment Management Plan (EMP) in respect of exploration activities to be undertaken in the coal blocks. Letter of engagement has been issued and the consultant has since undertaken the work including visit to the concession area. They have submitted a Draft Report furnishing details of activities which is under examination. After completion of the EIA, application will be

submitted to Department of Mineral Resources, Govt. of Mozambique for grant of environmental clearance to undertake exploration and drilling activities.

A multi-disciplinary team comprising of four executives of CIL has been posted since February 2012 in the city of Tete in Mozambique. The team is presently engaged in undertaking activities related to statutory compliances required for commencing business in Mozambique and also identifying agencies to undertake exploration and related activities. The 1st Meeting of CIAL Board was held on 30th March, 2012.

Actions have been undertaken to prepare the Exploration Scheme for the 2 coal blocks which includes scheduling of different activities of exploration programme over a period of two years i.e. till mid March 2014, preparation of budget estimates, framing of NIT etc.

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 difficult geo-mining conditions, 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 of 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 in the past have 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 a price 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, tyres, 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% of our debt is denominated in foreign currencies, most significantly the U.S. dollars and the Japanese Yen and we expect that a portion of our future indebtedness will continue to be denominated in foreign currencies. Depreciation of the Indian rupee against the 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 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.

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.

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 rates of interest. If the interest rates for our existing or future borrowings increase significantly, our cost of funds will increase.

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. 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 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

(₹ in crores)

Particulars	2011-12	2010-11	(Growth %)
Gross Sales	78410.38	60240.90	(+) 30.16 %
Less : Levies	15994.95	10011.62	(+) 59.76 %
Net Sales	62415.43	50229.28	(+) 24.26 %
Other Income	7536.90	4872.14	(+) 54.69 %
Total Income	69952.33	55101.42	(+) 26.95 %



The total income of the Company primarily comprises of income from sale of Coal, other incomes, and interest earned. The total income for fiscal 2012 is ₹ 69,952.33 crores as against ₹ 55,101.42 crores in the previous year, thus registering an increase of 26.95%. 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 from 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, GoI. 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 non-operating income primarily includes income from water charges supplied to third party contractors and other miscellaneous income.

Expenditure

Break up of Major Heads :-

(₹ in crores)

Particulars	2011-12	2010-11	Growth	Growth %
(Accretion) / Decretion in stock	(381.09)	(1214.97)	833.88	68.63 %
Cost of Material Consumed	5504.07	5272.82	231.25	4.39 %
Employee benefit expenses	25253.60	18931.81	6321.79	33.39 %
Power & Fuel	2012.52	1749.48	263.04	15.04 %
Welfare Expenses	1451.47	1301.78	149.69	11.50 %
Contractual Exp/Repairs	5546.68	5281.86	264.82	5.01 %
Finance Costs	53.98	73.70	(19.72)	(26.76) %
OBR Adjustment	3693.89	2618.47	1075.42	41.07 %
Depreciation/Impairment	1969.22	1765.40	203.82	11.55 %
Provision/ write off	1469.84	578.84	891.00	153.93 %
Other Expenditure/PPA	2105.49	2278.99	(173.50)	(7.61) %
Total Expenditure	48679.67	38638.18	10041.49	25.99 %

Our expenditure comprises: (i) cost of material consumed; (ii) employee benefit expenses; (iii) power and fuel; (iv) welfare expenses; (v) contractual expenses/ Repairs; (vi) finance Costs; (vii) overburden removal adjustments; (viii) depreciation/Impairment; (ix) provisions/ Write off; (x) other expenditure/PPA.

Cost of Material Consumed

Cost of material consumed 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 tyres, 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 ₹ 231.25 crores, or 4.39%, from ₹ 5,272.82 crores in fiscal 2011 to ₹ 5,504.07 crores in fiscal 2012 due to increase in composite production and general inflation.

Employee Benefit Expenses

Employee benefit expenses includes salary, wages and allowances, any provisions relating to Employee benefit, 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 ₹ 6321.79 crores or 33.39%, from ₹ 18,931.81 crores in fiscal 2011 to ₹ 25,253.60 crores in fiscal 2012.

Coal India Limited (CIL) on 31 January 2012, finalized the wage agreement for its 3.63 Lakh strong non-executive work force by giving 25% increase on gross wages as of 30 June 2011. The wage hike that would be effective retrospectively from 1 July 2011 is for a five-year period. Increase in salary is mainly because of implementation of NCWA-IX and increase in Dearness Allowance. NCWA IX and increase in DA also increases the cost towards PF & others and also increases the cost of actuarial benefits.

Output per manshift, calculated as total coal production divided by manshift (of eight hours per day), increased from 4.73 tonnes in fiscal 2011 to 4.89 tonnes in fiscal 2012.

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 ₹ 263.04 crores, or 15.04%, from ₹ 1749.48 crores in fiscal 2011 to ₹ 2012.52 crores in fiscal 2012.

Welfare Expenses

Welfare expenses 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.

Welfare expenses increased by ₹ 149.69 crores, or 11.50 %, from ₹ 1301.78 crores in fiscal 2011 to ₹1451.47 crores in fiscal 2012 primarily on account of an increase in salaries, wages and allowances for employees associated with our employee benefits and social welfare activities and 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 ₹ 264.82 crores, or 5.01 %, from ₹ 5281.86 crores in fiscal 2011 to ₹ 5546.68 crores in fiscal 2012. Contractual Expenses/Repairs has increased mainly because of increased volume of production of OB through contractual means.

Finance Costs

Finance Costs include interest paid on our financing arrangements with IBRD and JBIC, 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. Other Finance Cost include fees paid to the Gol for guarantees issued by the Gol in connection with the IBRD and JBIC loans, and other bank expenses and charges.

Finance costs decreased by ₹ 19.72 crores, or 26.76%, from ₹ 73.70 crores in fiscal 2011 to ₹ 53.98 crores in fiscal 2012.

Overburden Removal Adjustment

In opencast 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 increased by ₹ 1075.42 crores, or 41.07%, from ₹ 2618.47 crores in fiscal 2011 to ₹ 3693.89 crores in fiscal 2012.

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, 1956 except otherwise for those assets for which technically evaluated higher rate of depreciation has been considered as a policy. 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 ₹ 203.82 crores, or 11.55 %, from ₹ 1765.40 crores in fiscal 2011 to ₹ 1969.22 crores in fiscal 2012.

Provision/write-off

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 opencast 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/write-off increased by ₹ 891.00 crores, or 153.93%, from ₹ 578.84 crores in fiscal 2011 to ₹ 1469.84 crores in fiscal 2012. Provisions has increased mainly due to provision for mine closure.

Other Expenditure /PPA

Other expenditure 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/PPA decreased by ₹ 173.50 crores, or 7.61 %, from ₹ 2278.99 crores in fiscal 2011 to ₹ 2105.49 crores in fiscal 2012. Miscellaneous Expenses has decreased mainly because of introduction of excise duty w.e.f. March 2011 which causes one time impact in the previous year.

Taxation

Income tax expense comprises current tax expense and deferred tax expense or credit computed in accordance with the relevant provisions of the I.T. 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 I.T. 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	2011 -12	2010-11
Profit Before Tax (PBT)	21272.66	16463.24
Income Tax	(6484.45)	(5595.88)
Profit for the period from continuing operations	14788.21	10867.36
Profit/(Loss) from discontinuing operations	(0.01)	(0.01)
Profit After Tax (PAT)	14788.20	10867.35

The Profit Before Tax (PBT) increased by ₹ 4809.42 crores, or 29.21%, from ₹ 16463.24 crores in fiscal 2011 to ₹ 21272.66 crores in fiscal 2012.

The Profit After Tax (PAT) increased by ₹ 3920.85 crores, or 36.08 %, from ₹ 10867.35 crores in fiscal 2011 to ₹ 14788.20 crores in fiscal 2012.

Cash Flows

(₹ in crores)

	For the year ended March 31	
	2012	2011
Opening Cash & Bank Balance	45806.44	39078.21
Net cash from operating activities	19887.87	8704.48
Net cash from investing activities	(109.40)	1040.26
Net cash used in financing activities	(7382.13)	(3016.51)
Change in Cash & Bank Balance	12396.34	6728.23
Closing Cash & Bank Balance	58202.78	45806.44

Net cash from operating activities for the year ended March 31, 2012 increased by 128.48% from the previous year. Net cash from operating activities was ₹ 19887.87 crores as against ₹ 8704.48 crores for the previous year.

Net cash from investing activities for the year ended March 31, 2012 decreased by 110.52% from the previous year. Net cash used in investing activities was (₹ 109.40) crores as against Net cash from investing activities of ₹ 1040.26 crores for the previous year.

Net cash used in financing activities for the year ended March 31, 2012 increased by 144.72 % from the previous year. Net cash used in financing activities was (₹ 7382.13) crores as against (₹ 3016.51) crores for the previous year.

Ratios	As on 31-Mar-12	As on 31-Mar-11
As % Net Sales		
Gross Profit	34.17%	32.92%
Net Profit	34.08%	32.78%
As % Total Expenditure		
Employee Benefits Exp.	51.88%	49.00%
Cost of Materials consumed	11.31%	13.65%
Power & Fuel	4.13%	4.53%
Contractual Expenditure/Repairs	11.39%	13.67%
Welfare Expense	2.98%	3.37%
Interest & Depreciation	4.16%	4.76%
All Other Expenditure	14.15%	11.02%
Operating Ratio (sales-profit)/sales	0.66	0.67
Liquidity Ratios		
Current Ratio	2.56	2.56
Quick Ratio	1.87	1.85
Sundry Debtors as no. of Days sales	26	21
Stock of Coal as no. of Days of production (Qty)	46	45
Structural Ratios		
Debt : Equity	0.21	0.21
Debt : Net Worth	0.03	0.04
Net Worth : Equity Capital	6.40	5.27
EPS	23.47	17.19



Dividend

During the financial year 2011-12 interim dividend paid is ₹ 6000.54 Crores and proposed final dividend of ₹ 315.82 Crores.

The Dividend works out to ₹ 10.00 per share (Face Value- ₹ 10 per share). Out of above dividend Gol gets ₹ 5684.72 crores (90%) and other investors gets ₹ 631.64 Crores

MATERIAL DEVELOPMENT IN HUMAN RESOURCES

The total manpower of the Company including its subsidiaries as on 31.03.2012 is 3,71,546 as against 3,83,347 as on 31.3.2011.

Productivity

Output per manshift (OMS) during 2011-12 improved to 4.89 Tonnes per manshift from 4.73 Tonnes per manshift 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. Coal India Limited (CIL) on 31 January 2012 finalized the wage agreement for its 3.63 Lakh strong non-executive work force by giving a 25% increase on gross wages as of 30 June 2011. The wage hike that would be effective retrospectively from 1 July 2011 is for a five-year period. With the conclusion of the wage negotiation, Coal India for the second time becomes the first Central Public Sector Undertaking in the country to successfully finalize the wage pact. The NCWA-IX was concluded in a record time of only 6 months since the formation of JBCCI in August 2011. Never in the history of CIL was a wage agreement concluded so swiftly

As a public sector undertaking, salaries, wages and benefits of our executive employees are determined by the Gol 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 programs, leadership development programs, general management programs and young managers' programs. The areas covered included advanced maintenance practices, general management program, management development program, 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 programs and sent our employees (including directors, senior executives and non-executive employees) for a number of international training sessions outside India.

In all, 59792 employees have been trained during 2011-2012. Out of which 14745 were executives and 45047 were non-executives. 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.

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 MoEF. When overburden is removed, the initial overburden is dumped out of the pit while subsequent overburden is dumped into the pit as back-filling. 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 designed 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. Actions have been initiated for implementation of ISO:14001 in CIL mines. In the year 2011-12, a total of 21 projects and 1 hospital have got certification. With this, a total of 79 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 certification.

CMPDI, through, Coal India Limited has introduced a Satellite Surveillance System for monitoring of backfilling & reclamation of land for all the opencast mines. Land reclamation monitoring of total 50 nos. of opencast projects having more than 5 million cum. production capacity (Coal+OB) and 37 opencast projects having less than 5 million cum. production capacity (Coal+OB) of CIL based on high resolution satellite data has been completed during the year 2011-12.

Land use / vegetation cover mapping of 5 coalfields viz. Umrer, Pench-Kanhan, Rajmahal, Raniganj and Sohagpur based on satellite data has been completed for creating Geo-Environmental database of the coalfields for assessing the regional impact of mining on land use / vegetation cover at a regular interval of three years.

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 guidelines of MoC. Amount provided in financial year 2011-12 towards mine closure plan was ₹ 796.95 crores. As per the said guidelines of 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. In terms of the guidelines issued by Ministry of Coal (MoC), CMPDI prepared 324 nos. of mine closure plans for CIL mines during the year.

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 reduce the drilling, blasting and crushing operations in coal production and hence limit 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 for 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.

Health and Safety Standards

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 programs, 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 programs have been implemented for the elimination, reduction and avoidance of identified risks for each mine. These programs 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 programs in our mines to educate workers on mine safety.

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.

There are 85 Hospitals with 5,806 Beds, 424 Dispensaries, 664 Ambulance and 1488 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.

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 ₹ 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.

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.

The revised Resettlement & Rehabilitation Policy, 2012 was finalized based on the deliberations of Inter-Ministerial Committee and CMDs meet. This has been approved by the CIL Board on 12th and 13th March, 2012 and same has been released by the Hon'ble Minister of Coal, Govt of India on 4th April, 2012 in a Press Conference at New Delhi.

The revised R&R Policy of CIL, 2012 has provided multiple options to the land losers and more flexibility to the Board of Subsidiary Companies to meet unique R&R problems, in order to have faster land acquisition.



Annual Accounts for the year ended on 31st March 2012

(Consolidated CIL & Its Subsidiaries)





BALANCE SHEET (CONSOLIDATED)

As at 31st March, 2012

(₹ in crores)

	Note No.	As at 31-03-12	As at 31-03-11
I EQUITY AND LIABILITIES			
(1) Shareholders' Fund			
(a) Share Capital	1	6,316.36	6,316.36
(b) Reserves & Surplus	2	34,136.66	26,997.84
(c) Money Received against Share Warrants		-	-
		40,453.02	33,314.20
(2) Share Application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long Term Borrowing	3	1,333.28	1,333.76
(b) Other Long Term Liabilities	4	2,647.03	2,057.39
(c) Long Term Provisions	5	28,271.28	22,460.79
		32,251.59	25,851.94
(4) Minority Interest		53.60	32.61
(5) Current Liabilities			
(a) Short Term Borrowing	6	-	32.60
(b) Trade Payables	7	829.02	645.45
(c) Other Current Liabilities	8	17,804.23	13,601.00
(d) Short Term Provisions	9	15,555.15	12,386.80
		34,188.40	26,665.85
Total		106,946.61	85,864.60
II ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
i) Tangible Assets - Gross Block	10A	34,180.99	32,653.38
Less : Depreciation, Impairment & Provisions		21,499.84	20,588.66
Net carrying Value		12,681.15	12,064.72
ii) Intangible Assets - Gross Block	10A	3,915.42	4,060.74
Less : Depreciation, Impairment & Provisions		3,156.28	3,282.15
Net carrying Value		759.14	778.59
iii) Capital Work-in-Progress	10B	1,848.43	1,145.90
iv) Intangible Assets under Development	10C	1,054.95	911.26
(b) Non-Current Investment	11	946.99	850.96
(c) Deferred Tax Assets (Net)		1,194.06	873.23
(d) Long Term Loans & Advances	12	1,017.25	845.35
(d) Other Non-Current Assets	13	69.29	76.33
(2) Current Assets			
(a) Current Investments	14	1,034.41	212.73
(b) Inventories	15	6,071.28	5,585.61
(c) Trade Receivables	16	5,667.89	3,418.74
(d) Cash & Bank Balance	17	58,202.78	45,806.44
(e) Short Term Loans & Advances	18	13,485.08	11,180.14
(f) Other Current Assets	19	2,913.91	2,114.60
		87,375.35	68,318.26
Total		106,946.61	85,864.60

BALANCE SHEET (CONSOLIDATED) (Contd.)

As at 31st March, 2012

Significant Accounting Policies **33**

Additional Notes on Accounts **34**

The Notes referred to above form an integral part of Balance Sheet

Sd/-	Sd/-	Sd/-	Sd/-
M.Viswanathan	G.Bandyopadhyay	A.K.Sinha	S.Narsing Rao
Company Secretary	General Manager(Finance)	Director(Finance)	Chairman- Cum-Managing Director

**As per our report annexed
For De Chakraborty & Sen
Chartered Accountants
FR No.303029E**

**Date : 28th May, 2012
Place : Kolkata**

**Sd/-
(Hrishikesh Chakraborty)
Partner
Membership No. 005660**



STATEMENT OF PROFIT & LOSS (CONSOLIDATED)

For the year ended 31st March, 2012

(₹ in crores)

INCOME	Note No.	For the Year ended 31.03.12	For the Year ended 31.03.11
Sale of Coal	20	78,410.38	60,240.90
Less : Excise Duty		3,396.82	264.10
Other Levies		12,598.13	9,747.52
		15,994.95	10,011.62
(I) Revenue from Operations		62,415.43	50,229.28
(II) Other Income	21	7,536.90	4,872.14
(III) Total Revenue (I+II)		69,952.33	55,101.42
(IV) EXPENSES			
Cost of Materials Consumed	22	5,504.07	5,272.82
Purchase of Stock-in-trade		-	-
Changes in inventories of finished goods/work in progress and Stock in trade	23	(381.09)	(1,214.97)
Employee benefits expenses	24	25,253.60	18,931.81
Power & Fuel		2,012.52	1,749.48
Welfare Expenses	25	1,451.47	1,301.78
Repairs	26	645.71	657.36
Contractual Expenses	27	4,900.97	4,624.50
Finance Costs	28	53.98	73.70
Depreciation / amortization / impairment		1,969.22	1,765.40
Provisions (Net of reversal)	29	1,322.74	479.94
Write off (Net of past provisions)	30	147.10	98.90
Overburden Removal Adjustment		3,693.89	2,618.47
Other Expenses	31	2,196.64	2,231.59
Total Expenses		48,770.82	38,590.78
(V) Profit before Prior Period, exceptional and extraordinary items and Tax		21,181.51	16,510.64
(VI) Prior Period Adjustment {charge / (income)}	32	(73.37)	57.53
(VII) Exceptional Items		-	-
(VIII) Profit before Extraordinary Items and Tax		21,254.88	16,453.11
(IX) Extraordinary Items {charges / (income)}		(17.78)	(10.13)
(X) Profit before Tax (VIII - IX)		21,272.66	16,463.24
(XI) Less / (Add) : Tax expenses			
- Current year		6,817.72	5,291.01
- Deferred Tax		(320.83)	87.17
- Earlier years		(12.44)	217.70
(XII) Profit for the period from continuing operations (X-XI)		14,788.21	10,867.36
(XIII) Profit / (Loss) from discontinuing operations		(0.01)	(0.01)
(XIV) Tax expenses of discontinuing operations		-	-
(XV) Profit / (Loss) from discontinuing operations (after Tax) (XIII-XIV)		(0.01)	(0.01)
(XVI) Profit for the Period (XII + XV)		14,788.20	10,867.35

STATEMENT OF PROFIT & LOSS (CONSOLIDATED) (CONTD.)

For the year ended 31st March, 2012

(₹ in crores)

	Note No.	For the Year ended 31.03.12	For the Year ended 31.03.11
(XVII) Earnings per share (in ₹) (Face Value of ₹ 10/- per share)			
(1) Basic		23.47	17.19
(2) Diluted		23.47	17.19
Significant Accounting Policies	33		
Additional Notes on Accounts	34		

The Notes referred to above form an integral part of statement of Profit & Loss

Sd/- M.Viswanathan Company Secretary	Sd/- G.Bandyopadhyay General Manager(Finance)	Sd/- A.K.Sinha Director(Finance)	Sd/- S.Narsing Rao Chairman- Cum-Managing Director
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As per our report annexed
For De Chakraborty & Sen
Chartered Accountants
FR No.303029E

Date: 28th May, 2012
Place : Kolkata

Sd/-
(Hrishikesh Chakraborty)
Partner
Membership No. 005660

**THE CASH FLOW STATEMENT (Indirect Method)**

For the year ended 31st March, 2012

(₹ in crores)

CASH FLOW FROM OPERATING ACTIVITIES

Net profit before tax (including discontinuing operations)

Adjustment for :

Depreciation / Impairment of fixed assets

Interest

Finance cost related to financing activity

Interest / Dividend from investments

Profit / Loss on sale of fixed assets

Provisions made & write off during the year

Liability write back during the year

OBR Adjustment made

Operating Profit before Current / Non Current Assets and Liabilities**Adjustment for :**

Trade Receivable

Inventories

Short / Long Term Loans / Advances & Other Current Assets

Short / Long Term Liabilities and Provisions

Cash Generated from Operation

Income Tax Paid / Refund

Net Cash Flow from Operating Activities**CASH FLOW FROM INVESTING ACTIVITIES**

Purchase of Fixed Assets

Change in non-current investments

Interest pertaining to Investing Activities

Interest / Dividend from Investments

Investment in Mutual Fund

Net Cash from Investing Activities**CASH FLOW FROM FINANCING ACTIVITIES**

Repayment of Borrowings

Interest & Finance cost pertaining to Financing Activities

Receipt of Shifting & Rehabilitation Fund from Subsidiaries

Dividend & Dividend Tax

Net Cash used in Financing Activities**Net Increase / (Decrease) in Cash & Bank Balances (A+B+C)****Cash & Bank Balances (opening balance)****Cash & Bank Balances (closing balance)**

All figures in bracket represent outflow

	For the Year ended 31.03.12	For the Year ended 31.03.11
Net profit before tax (including discontinuing operations)	21,272.65	16,463.23
Adjustment for :		
Depreciation / Impairment of fixed assets	1,969.22	1,765.40
Interest	(5,049.11)	(2,659.12)
Finance cost related to financing activity	53.98	73.70
Interest / Dividend from investments	(120.76)	(104.33)
Profit / Loss on sale of fixed assets	(2.99)	(12.06)
Provisions made & write off during the year	1,469.84	578.84
Liability write back during the year	(259.19)	(68.43)
OBR Adjustment made	3,693.89	2,618.47
Operating Profit before Current / Non Current Assets and Liabilities	23,027.53	18,655.70
Adjustment for :		
Trade Receivable	(2,249.15)	(856.91)
Inventories	(485.67)	(1,183.87)
Short / Long Term Loans / Advances & Other Current Assets	(824.45)	(1,205.64)
Short / Long Term Liabilities and Provisions	7,123.98	(1,082.00)
Cash Generated from Operation	26,592.24	14,327.28
Income Tax Paid / Refund	(6,704.37)	(5,622.80)
Net Cash Flow from Operating Activities	19,887.87	8,704.48
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3,409.43)	(2,568.20)
Change in non-current investments	(96.03)	218.45
Interest pertaining to Investing Activities	4,096.98	3,285.68
Interest / Dividend from Investments	120.76	104.33
Investment in Mutual Fund	(821.68)	-
Net Cash from Investing Activities	(109.40)	1,040.26
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Borrowings	(247.39)	(503.53)
Interest & Finance cost pertaining to Financing Activities	(53.98)	(73.70)
Receipt of Shifting & Rehabilitation Fund from Subsidiaries	348.32	143.94
Dividend & Dividend Tax	(7,429.08)	(2,583.22)
Net Cash used in Financing Activities	(7,382.13)	(3,016.51)
Net Increase / (Decrease) in Cash & Bank Balances (A+B+C)	12,396.34	6,728.23
Cash & Bank Balances (opening balance)	45,806.44	39,078.21
Cash & Bank Balances (closing balance)	58,202.78	45,806.44

Sd/-
M.Viswanathan
Company Secretary

Sd/-
G.Bandyopadhyay
General Manager(Finance)

Sd/-
A.K.Sinha
Director(Finance)

Sd/-
S.Narsing Rao
Chairman- Cum-Managing Director

As per our report annexed
For De Chakraborty & Sen
Chartered Accountants
FR No.303029E

Date: 28th May, 2012
Place : Kolkata

Sd/-
(Hrishikesh Chakraborty)
Partner
Membership No. 005660

Notes to Balance Sheet (Consolidated)

NOTE - 1

(₹ in crores)

SHARE CAPITAL

Authorised

- i) 8000000000 Equity Shares of ₹ 10/- each
- ii) 9041800 Non-cumulative 10% Redeemable Preference Shares of ₹ 1000/- each

Issued, Subscribed and Paid-up

- 6316364400 Equity Shares of ₹ 10/- each

As at 31.03.12	As at 31.03.11
8,000.00	8,000.00
904.18	904.18
8,904.18	8,904.18
6,316.36	6,316.36
6,316.36	6,316.36

- Shares in the company held by each shareholder holding more than 5% Shares

Name of Shareholder	No. of Shares Held (Face value of ₹ 10 each)	% of Total Shares
Hon'ble President of India	5684727960	90

- During the year there is no change in the number of shares.
- 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. is 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.



Notes to Balance Sheet (Consolidated) (Contd.)

NOTE - 2

(₹ in crores)

RESERVES & SURPLUS

RESERVES

A. Capital Reserve

As per last Balance Sheet
Add : Addition during the period
Less : Adjustment during the period

Total (A)

B. Capital Redemption Reserve

As per last Balance Sheet
Add : Addition during the period
Less : Adjustment during the period

Total (B)

C. Reserve for Foreign Exchange Transactions

As per last Balance Sheet
Add : Addition during the period
Less : Transfer to surplus in statement of Profit & Loss (Appropriation)

Total (C)

D. CSR Reserve

As per last Balance Sheet
Add : Addition during the period
Less : Transfer to General Reserve (utilisation)

Total (D)

E. General Reserve

As per last Balance Sheet
Add : Transfer from Statement of Profit & Loss
Add : Transfer from CSR Reserve

Total (E)

F. Surplus in statement of Profit & Loss

As per last Balance Sheet
Profit after Tax During the Period
Profit available for Appropriation

APPROPRIATION

Adjustment for past liability
Reserve for Foreign Exchange Transaction
Transfer to General Reserve (including Foreign Exchange Reserve)
Transfer to CSR Reserve
Interim Dividend
Proposed Dividend on Equity Shares
Corporate Dividend Tax

Total (F)

G. Miscellaneous Expenditure

(to the extent not written off)

Preliminary Expenses
Pre-Operational Expenses

Total (A+B+C+D+E+F-G) :

As at
31.03.12

As at
31.03.11

8.87

10.43

5.16

0.24

1.77

1.80

12.26

8.87

1,808.36

1,808.36

-

-

-

-

1,808.36

1,808.36

133.69

125.95

-

7.74

35.87

-

97.82

133.69

297.57

151.90

231.22

168.50

104.12

22.83

424.67

297.57

9,445.17

7,950.40

2,143.24

1,471.94

104.12

22.83

11,692.53

9,445.17

15,307.55

9,449.12

14,788.20

10,867.35

30,095.75

20,316.47

151.64

-

(35.87)

7.74

2,143.24

1,471.94

231.22

168.12

6,000.54

2,210.73

315.82

252.65

1,183.56

897.74

20,105.60

15,307.55

2.20

1.54

2.38

1.83

4.58

3.37

34,136.66

26,997.84

Notes to Balance Sheet (Consolidated) (Contd.)

NOTE - 2 (Contd.)

1. CSR Reserve

As per CSR Policy of the company a reserve equivalent to 2.5% of the retained profit of previous year is created by CIL for meeting expenses relating to CSR activities of Coal India Ltd. The same is utilized for execution of CSR activities in the states which are not covered by any subsidiary company and also for supporting the loss making subsidiaries.

The subsidiaries of CIL also create a reserve equivalent to 5% of the retained earnings of previous year subject to a minimum of ₹ 5 per tonne of coal production of previous year, for meeting expenses relating to CSR activities in the state to which the subsidiary belongs.

ECL & BCCL although have earned profits in the relevant previous year are still having accumulated losses which does not make it possible to create such reserves. As such, CSR reserve created by CIL continues to be utilised for CSR activities of ECL & BCCL also.

The actual expenses incurred and accounted for during the year is transferred to general reserve from CSR reserve as utilized.

2. Preliminary expenses

Preliminary expenses includes ₹ 1.53 crores for the subsidiaries of Mahanadi Coalfields and ₹ 0.04 crore and ₹ 0.63 crore for the joint ventures of CIL in respect of CIL-NTPC Urja Private Ltd. and International Coal Venture Private Ltd. respectively. Similarly pre operative expenses includes ₹ 0.94 crores for Coal India Africana Limitada, Mozambique and ₹ 1.44 crores for 2/7th share of ICVL.

3. Dividend

The Board of Directors in the meeting held on 18th May 2012 has recommended a final dividend for 2011-12 @ ₹ 0.50 per share. This is over and above the interim dividend for 2011-12 paid @ ₹ 9.50 per share.



Notes to Balance Sheet (Consolidated) (Contd.)

NOTE - 3

(₹ in crores)

LONG TERM BORROWING

Term Loan

IBRD (USD 10.91 Crore, Prev. year USD 12.47 Crore)
JBIC (JPY 967.58 Crore, Prev. year JPY 1139.77 Crore)
Export Development Corp., Canada
Liebherr France S.A., France

Total

As at
31.03.12As at
31.03.11

562.22

562.93

611.32

625.05

151.21

137.27

8.53

8.51

1,333.28

1,333.76

CLASSIFICATION 1

Secured

-

-

Unsecured

1,333.28

1,333.76

CLASSIFICATION 2

Loan Guaranteed by Directors & Others

Particulars of Loan	Amount in ₹ crores	Nature of Guarantee
IBRD	562.22	Guaranteed by Government of India. Counter Guarantee given by Coal India Ltd.
JBIC	611.32	Guaranteed by Government of India. Counter Guarantee given by Coal India Ltd.
Export Development Corp. Canada	151.21	Guaranteed by Government of India. Counter Guarantee given by Coal India Ltd.
Liebherr France S.A., France	8.53	Guaranteed by Government of India. Counter Guarantee given by Coal India Ltd.

Current maturities of long term borrowing shown under note-8 for ₹ 80.40 crores and ₹ 108.78 crores, ₹ 4.42 crores and ₹ 0.50 crore in respect of IBRD, JBIC, EDC, Canada and Liebherr France S.A., France loan is also guaranteed by Government of India and counter Guaranteed by Coal India Ltd.

Repayment Schedule :

IBRD : Repayment is in 30 instalments, to be made semi-annually, starting May 15, 2003 and ending on November 15, 2017.

JBIC: Repayment is in 30 instalments, to be made semi-annually, starting Feb' 15, 2003 and ending on August 15, 2017.

Export Development Corp. Canada: Repayment to be made semi-annually on January 31 and on July 15 starting from 2004 and ending in 2044.

Liebherr France S.A. France: Repayment is in 40 semi-annually instalments starting from June 1999 to December 2030.

Notes to Balance Sheet (Consolidated) (Contd.)

NOTE - 4

(₹ in crores)

OTHER LONG TERM LIABILITIES	As at 31.03.12	As at 31.03.11
Shifting & Rehabilitation Fund		
Opening balance	1,621.37	1,477.43
Add : Interest from investment of the fund (net of TDS)	154.09	99.52
Add : Contribution received	222.50	218.48
Less : Amount released	<u>20.93</u>	<u>174.06</u>
	1,977.03	1,621.37
Security Deposits	408.18	288.65
Others	261.82	147.37
Total	<u>2,647.03</u>	<u>2,057.39</u>

1. Shifting and Rehabilitation Fund

Following the direction of the Ministry of Coal the company has setup a fund for implementation of action plan for shifting & rehabilitation dealing with fire & stabilization of unstable areas of Eastern Coal Fields Ltd. & Bharat Coking Coal Ltd. The fund is utilized by ECL and BCCL based on implementation of approved projects in this respect.

The subsidiaries of CIL (except ECL, BCCL and Coal India Africana Limitada) are making a contribution of ₹ 6/- per tonne of their respective coal dispatch per annum to this fund, which remains in the custody of CIL, till they are disbursed/utilised by subsidiaries/agencies implementing the relevant projects.

2. Others

This includes Cess on Coal of Mahanadi Coalfields Limited including principal of ₹ 8.40 crores (net of payments) and interest of ₹ 9.47 crores (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 MCL has provided interest of ₹ 1.01 crores (Previous year ₹ 1.01 crores) calculated at the rate of 12% for the unpaid principal amount of the Cess liability. The total liability thus included therein as on 31.03.2012 stood at ₹ 24.46 crores (Previous Year ₹ 23.45 crores). 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.

**Notes to Balance Sheet (Consolidated) (Contd.)****NOTE - 5**

(₹ in crores)

	As at 31.03.12	As at 31.03.11
LONG TERM PROVISIONS		
For Employee benefits		
- Gratuity	5,221.43	4,644.85
- Leave encashment	2,062.43	1,689.31
- Other employee benefits	938.52	563.49
For foreign exchange transactions (Marked to Market)	74.69	87.70
ORB Adjustment Account	18,326.41	14,632.52
Mine closure	1,647.26	842.38
Others	0.54	0.54
Total	28,271.28	22,460.79

1. Provision for mine closure

Following the guidelines from Ministry of Coal, GoI for preparation of mine closure plan a provision is made in the accounts. Such provision is made as per CMPDIL's (a subsidiary of Coal India Ltd.) technical assessment wherever available. Otherwise the same is provided considering the cost at a standard rate of ₹ 6.00 lakhs per hectare for OCP and ₹ 1.00 lakh per hectare for UG mines as outlaid in the aforesaid guidelines and the pro-rata yearly provision is further compounded by 5% from the year following which the same is started.

As per the above guidelines an amount equivalent to the provision made is to be deposited in an escrow account set up for this purpose. The criteria for selection of bankers for opening such escrow accounts are presently under formulation and negotiation with banks. Such criteria is required to be formulated uniformly, including that of the subsidiaries which requires depositing a sum of about ₹ 842.38 crores upto the year ended 31.03.2011 in such escrow account. Pending above no escrow account is opened yet.

2. Provision made for foreign exchange transactions

The company has taken interest rate swaps to hedge the interest payment in foreign currency. The overall marked to market position of the outstanding hedge positions as on 31.03.2012 stood at ₹ 74.69 crores (negative), which is fully provided for.

Notes to Balance Sheet (Consolidated) (Contd.)

NOTE - 6

(₹ in crores)

SHORT TERM BORROWING

Overdraft against pledge of term deposit

Total

As at
31.03.12

As at
31.03.11

-

32.60

-

32.60

CLASSIFICATION 1

Secured

-

-

Unsecured

-

-

CLASSIFICATION 2

Loan Guaranteed by Directors & Others

Particulars of Loan	Amount (₹ in crores)	Nature of Guarantee
—	—	—
—	—	—

Cash Credit

Pending finalisation of formalities for transfer of assets and liabilities of erstwhile Coal Mine Authorities Ltd. 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 31.03.2012 is ₹ 550.00 crores, out of which fund based limit is ₹ 250.00 crores. The balance ₹ 300.00 crores limit is non-fund based and Coal India Limited is contingently liable to the extent such facility is actually utilised by the subsidiaries. There is no credit balance in the cash credit account.

NOTE - 7

(₹ in crores)

TRADE PAYABLE

Sundry creditors for revenue stores

Total

As at
31.03.12

As at
31.03.11

829.02

645.45

829.02

645.45



Notes to Balance Sheet (Consolidated) (Contd.)

NOTE - 8

(₹ in crores)

OTHER CURRENT LIABILITIES

Current Maturities of Long Term Borrowings

Term Loan From IBRD (USD 1.56 Crores, Prev. year USD 1.68 Crores)	80.40	75.74
Term Loan From JBIC (JPY 172.18 Crores, Prev. year JPY 194.58 Crores)	108.78	106.71
Term Loan From Export Development Corp., Canada	4.42	4.29
Term Loan From Liebherr France S.A. France	0.50	0.47

For capital (including stores)	435.70	318.06
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For Expenses

Salary Wages & Allowances	4,246.08	1,604.95
Power & Fuel	376.60	355.60
Others	2,167.36	1,836.10
	6,790.04	3,796.65

Statutory Dues :

Sales Tax / Vat	122.64	99.98
Provident Fund & Pension Fund	479.18	448.92
Central Excise Duty	102.28	115.75
Royalty & Cess on Coal	550.92	469.04
Stowing Excise Duty	108.36	100.91
Clean Energy Cess	389.04	325.33
Other Statutory Levies	727.34	838.71
Income Tax deducted at Source	138.40	162.96

Security Deposits	2,618.16	2,561.60
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Earnest money	405.91	400.36
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Advance & Deposit from customers / others	273.46	201.24
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Interest accrued but not due on borrowings	5,109.71	3,998.01
--	----------	----------

IBRD (USD .03 crore, prev. year USD .04 crore)	1.57	1.59
--	------	------

JBIC (JPY 2.88 crore, prev. year JPY 3.30 crore)	1.82	1.81
--	------	------

Cess equalisation Account	849.78	905.92
---------------------------	--------	--------

Current account with IICM	148.78	139.73
---------------------------	--------	--------

Unpaid dividend*	9.27	1.60
------------------	------	------

Other liabilities	965.93	1087.22
-------------------	--------	---------

Total

17,804.23	13,601.00
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* No amount is due for payment to Investor Education & Protection Fund

Notes to Balance Sheet (Consolidated) (Contd.)

NOTE - 8 (Contd.)

1. Current Maturities of Long Term Borrowings : Refer Note 3

2. Current Account with IICM

Current account balance with Indian Institute of Coal Management (IICM) represents the fund accumulated by receiving ₹ 0.50 per tonne of productions of NEC and the subsidiaries, net of expenditure made / fund remitted on behalf of IICM.

During the year total contribution received from NEC and the subsidiaries on this account amounted to ₹ 21.79 crores. Further ₹ 11.21 crores (net) were remitted to IICM during the year; and hire charges / lease rent recovered from IICM amounted to ₹ 1.53 crores (excluding service tax applicable thereon).

3. 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, considering the sale price prevailing on 1st day of April of the financial year, there remains a balance accumulating to ₹ 849.78 crores (₹ 905.92 crores), which has been shown under Cess Equalisation Account.
4. Bazaar fees amounting to ₹ 214.81 crores (₹ 164.05 crores) 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.
5. 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 Dhanbad Court and Appellate Tribunal for Electricity New Delhi. However, interest due to delay in payment to DLF has been provisionally determined at ₹ 14.54 crores (₹ 2.46 crores) upto year ending on 31.03.2012.
6. 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 ₹ 2.96 crores (Previous Year ₹ 2.96 crores) has been shown as liability for Cess on Royalty under the head Other Current Liabilities. In view of the judgment of Hon'ble High Court, Patna and Ranchi Bench, in writ petition No. CWJC/1280 of 1992, the said Cess is not payable. However, a Special Leave Petition is pending in Supreme Court against it.

NOTE - 9

(₹ in crores)

SHORT TERM PROVISIONS

For Employee Benefits

	As at 31.03.12	As at 31.03.11
- Gratuity	1701.40	813.62
- Leave Encashment	261.89	167.37
- PPLB	723.68	543.48
- PRP	1,565.47	1,378.30
- Other Employees Benefits	244.37	160.85

For Proposed Dividend

For Corporate Dividend Tax

For Income Tax

For Excise Duty on Closing Stock of Coal

For Others

Total

15,555.15

12,386.80



Notes to Balance Sheet (Consolidated) (Contd.)

NOTE - 10 A

FIXED ASSETS

(₹ in crores)

Particulars	Gross Block			Depreciation			Impairment Loss			Total Depreciation & Impairment Loss	Net Carrying Value	
	As on 01.04.11	Addition during the year	Adj./Sales /Transfer during the year	As on 31.03.12	Addition during the year	Adj./Sales /Transfer during the year	As on 01.04.11	Addition during the year	Adj./Sales /Transfer during the year	As on 31.03.12	As on 31.03.12	As on 31.03.11
Tangible Assets												
Land												
(a) Freehold	244.85	18.87	(4.95)	258.77	2.25	(0.92)	-	12.88	-	-	245.89	233.30
(b) Leasehold	2,547.21	397.13	(7.18)	2937.16	170.36	(4.70)	-	1,202.95	-	-	1,734.21	1,509.92
Building / Water												
Supply/Roads & Culverts	3,872.88	63.63	31.16	3,967.67	84.96	5.69	2.25	1,512.94	1.13	4.02	2,450.71	2,448.34
Plant & Equipments	23,915.72	1,904.74	(943.56)	24,876.90	1,463.44	(912..60)	82.40	17,087.61	4.89	92.52	7,696.77	7,296.55
Telecommunication	112.33	1.98	21.87	136.18	3.49	21.52	-	108.42	-	-	27.76	28.92
Railway Sidings	448.34	5.32	(0.99)	452.67	14.21	(1.09)	0.10	283.99	-	0.10	168.58	177.37
Furniture & Fixtures / Office Tools & Equipments / Electrical Fittings / Fire Arms	408.10	20.32	(15.51)	412.91	15.34	(16.88)	0.07	301.49	2.60	2.67	108.75	105.00
Vehicle	267.34	15.39	(5.97)	276.76	7.20	(5.16)	0.01	218.03	0.01	0.02	58.71	51.34
Aircraft	19.95	-	-	19.95	-	-	1.72	17.65	-	1.72	0.58	0.58
Development	799.42	19.42	(5.52)	813.32	25.97	11.94	30.61	593.33	0.39	31.69	188.30	213.39
Assets taken on Nationalisation	17.24	-	11.46	28.70	-	10.58	-	27.81	-	-	0.89	0.01
TOTAL	32,653.38	2,446.80	(919.19)	34,180.99	1,787.22	(891.62)	117.16	21,367.10	9.02	132.74	12,681.15	12,064.72
Tangible Assets												
(As on 31.03.2011)	30,977.11	2,380.70	(704.43)	32,653.38	1,560.78	(714.74)	125.18	20,471.50	(11.07)	117.16	12,064.72	11,226.47
Intangible Assets												
Computer Software	4.70	1.19	1.98	7.87	1.19	1.98	-	7.87	-	-	-	-
Development	3,566.87	125.27	(280.16)	3,411.98	116.27	(290.95)	425.49	2,269.62	1.80	464.75	677.61	697.08
Prospecting & Boring	489.17	10.61	(4.21)	495.57	8.41	(4.03)	83.54	328.50	(0.14)	85.54	81.53	81.51
TOTAL	4,060.74	137.07	(282.39)	3,915.42	125.87	(293.00)	509.03	2,605.99	1.66	550.29	759.14	778.59
Intangible Assets												
(As on 31.03.2011)	3,964.60	174.37	(78.23)	4,060.74	138.22	(52.66)	467.69	2,773.12	22.29	509.03	778.59	809.35

Notes to Balance Sheet (Consolidated) (Contd.)

NOTE - 10A (Contd.)

FIXED ASSETS

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. 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. 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.
4. 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.
5. 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.
6. Fixed assets comprising plant & machinery and related building and other assets having written down value as on 31.03.2012 of ₹ 14.80 crores have been let out to Indian Institute of Coal Management, a registered society under Societies Registration Act, 1860 for an annual lease rent of ₹ 1.53 crores under cancellable operating lease agreement.
7. 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 ₹ 40.24 crores (₹ 40.24 crores); ₹ 10.20 crores (₹ 10.20 crores) and ₹ 7.73 crores (₹ 7.73 crores) respectively. The cumulative depreciation upto 31.03.2012 against the above-mentioned assets is ₹ 38.24 crores (₹ 38.24 crores); ₹ 6.69 crores (₹ 6.38 crores) and ₹ 6.41 crores (₹ 6.41 crores) respectively.
The lease rental for the year ₹ 3.50 crores (₹ 3.50 crores) has been provided.
8. 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 ₹ 31.32 crores (₹ 31.32 crores) and accumulated depreciation as on 31.03.2012 is ₹ 7.17 crores (₹ 6.63 crores). The lease rental for the year is ₹ 2.96 crores (₹ 3.27 crores) and is shown in the Profit & Loss Account.
9. 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 ₹ 80.19 crores. The accumulated depreciation as at the end of the year ₹ 74.83 crores. Depreciation for the year is ₹ 2.89 crores. The future minimum lease payment receivable in the aggregate during the period of lease is ₹ 55.20 crores.
10. Furniture & Fixtures / Office Tools & Equipments / Electrical Fittings / Fire Arms :
The figures of office equipments included in the above head of fixed assets could not be segregated as per requirements of revised Schedule VI format due to presence of some old balances appearing as clubbed figure as per pre revised Schedule VI format.



Notes to Balance Sheet (Consolidated) (Contd.)

NOTE - 10 B

CAPITAL WORK-IN-PROGRESS

(₹ in crores)

Particulars	Cost			Provision			Impairment Loss			Total Provision & Impairment Loss		Net Carrying Value	
	As on 01.04.11	Addition during the year	Adj./Sales /Transfer during the year	As on 01.04.11	Addition during the year	Adj./Sales /Transfer during the year	As on 01.04.11	Addition during the year	Adj./Sales /Transfer during the year	As on 01.04.11	As on 31.03.12	As on 31.03.12	As on 31.03.11
Tangible Assets													
Building / Water	194.47	141.30	(77.37)	258.40			19.19	0.87	(0.78)	19.28	0.04		
Supply/Roads & Culverts	594.11	1,767.72	(1,024.56)	1,337.27	2.63	(3.07)	87.24	2.63	(3.07)	86.80	8.35	239.08	175.24
Plant & Equipments	198.53	13.58	(103.83)	108.28	4.68	(0.89)	35.49	4.68	(0.89)	39.28	-	1,242.07	498.52
Railway Sidings	86.14	19.92	(15.44)	90.62	0.64	1.15	25.01	0.64	1.15	26.80	-	69.00	163.04
Development	117.57	163.07	(190.06)	90.58	0.11	-	0.52	0.11	-	0.63	0.22	63.82	61.13
Others												89.86	116.83
TOTAL	1,190.82	2,105.59	(1,411.26)	1885.15	8.93	(3.59)	167.45	8.93	(3.59)	172.79	8.61	1,703.83	1,014.76
Tangible Assets (As on 31.03.2011)	1,399.21	1,052.80	(1,261.19)	1,190.82	29.54	0.27	137.64	29.54	0.27	167.45	7.86	1,014.76	1,253.71
Surveyed off Assets	422.89	42.47	32.63	497.99	5.28	56.36	291.75	5.28	56.36	353.39	-	144.60	131.14
Surveyed off Assets (As on 31.03.2011)	337.37	33.55	51.97	422.89	11.95	62.22	217.58	11.95	62.22	291.75	-	131.14	119.79
Grand Total	1,613.71	2,148.06	(1,378.63)	2,383.14	14.21	52.77	459.20	14.21	52.77	526.18	8.61	1,848.43	1,145.90
Grand Total	1,736.58	1,086.35	(1,209.22)	1,613.71	41.49	62.49	355.22	41.49	62.49	459.20	7.86	1,145.90	1,373.50
(As on 31.03.2011)													

NOTE - 10 C

INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in crores)

Particulars	Cost			Provision			Impairment Loss			Total Provision & Impairment Loss		Net Carrying Value	
	As on 01.04.11	Addition during the year	Adj./Sales /Transfer during the year	As on 01.04.11	Addition during the year	Adj./Sales /Transfer during the year	As on 01.04.11	Addition during the year	Adj./Sales /Transfer during the year	As on 01.04.11	As on 31.03.12	As on 31.03.12	As on 31.03.11
Intangible Assets													
Development	370.49	166.66	(105.69)	431.46	0.05	(0.77)	18.33	0.05	(0.77)	17.61	22.65	386.48	329.51
Prospecting & Boring	589.39	94.31	(7.73)	675.97	-	(0.14)	6.26	-	(0.14)	6.12	1.38	668.47	581.75
TOTAL	959.88	260.97	(113.42)	1107.43	0.05	(0.91)	24.59	0.05	(0.91)	23.73	24.03	1,054.95	911.26
Intangible Assets (As on 31.03.2011)	867.90	243.24	(151.26)	959.88	0.25	3.08	21.26	0.25	3.08	24.59	18.83	911.26	827.81

Notes to Balance Sheet (Consolidated) (Contd.)

NOTE - 11

(₹ in crores)

	As at 31.03.12	As at 31.03.11
NON - CURRENT INVESTMENTS (unquoted) at Cost		
TRADE		
8.5% Tax Free Special Bonds (Fully Paid up) : (on securitisation of Sundry Debtors) Major State-wise Break-up		
UP	100.30	133.73
Haryana	4.00	5.34
Maharashtra	170.17	226.87
Madhya Pradesh	224.31	299.08
Gujarat	105.44	140.60
West Bengal	33.94	45.26
Others (in Co-operative Shares)	0.08	0.08
NON-TRADE		
7.55% Non Convertible IRFC Tax Free Bonds 2021 Series	200.00	-
8.15% Secured Non convertible IRFC Bonds	108.75	-
Total	946.99	850.96
Aggregate amount of unquoted investments :	946.99	850.96
Aggregate amount of quoted investments :	-	-
Market value of quoted investments :	-	-



Notes to Balance Sheet (Consolidated) (Contd.)

NOTE - 12

(₹ in crores)

		As at 31.03.12	As at 31.03.11
LONG TERM LOANS & ADVANCES			
Loans			
Loan to employees			
For House Building	64.40		72.17
Less : Provision for doubtful loans	0.01		0.13
		64.39	72.04
For Motor Car and other conveyance		0.96	1.46
For Others	0.45		0.33
Less : Provision for doubtful loans	0.33		0.33
		0.12	-
Advances			
For capital	575.13		403.10
Less : Provision for doubtful advances	12.69		13.13
		562.44	389.97
For revenue	162.70		178.21
Less : Provision for doubtful advances	5.92		8.94
		156.78	169.27
Security deposits	3.42		2.72
Less : Provision for doubtful loans and advances	0.66		1.11
		2.76	1.61
Deposit for P & T, Electricity etc.	234.54		215.49
Less : Provision for doubtful deposits	4.74		4.49
		229.80	211.00
Total		1,017.25	845.35
CLASSIFICATION			
Secured		65.79	73.93
Unsecured - Considered good		951.46	771.42
- Considered doubtful		24.35	28.13

	CLOSING BALANCE		MAXIMUM AMOUNT DUE AT ANY TIME DURING	
	CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
Due by the Companies in which Directors of the Company is also a Director / Member	-	-	-	-
Due by the parties in which the Director(s) of company is / are interested	-	-	-	-

Notes to Balance Sheet (Consolidated) (Contd.)

NOTE - 13

(₹ in crores)

OTHER NON-CURRENT ASSETS

Exploratory drilling work (for Eastern Coalfields Ltd.)

Less : Provision

Other Receivables

Less : Provision

Total

CLASSIFICATION

Secured

Unsecured - Considered good

- Considered doubtful

As at 31.03.12	As at 31.03.11
85.00	78.09
85.00	78.09
-	-
86.61	96.17
17.32	19.84
69.29	76.33
69.29	76.33
-	-
69.29	76.33
102.32	97.93

	CLOSING BALANCE		MAXIMUM AMOUNT DUE AT ANY TIME DURING	
	CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
Due by the Companies in which Directors of the Company is also a Director / Member	-	-	-	-
Due by the parties in which the Director(s) of company is / are interested	-	-	-	-

Other Receivable includes balance claim of ₹ 21.11 crores (₹ 21.62 crores) against total claim of ₹ 47.67 crores lodged with Director of Electricity, Govt. of West Bengal in support of relief / concession required for revival of ECL accordingly to BIFR's sanctioned scheme. Against the above claim 10% provision has been made considering its doubtful recovery.



Notes to Balance Sheet (Consolidated) (Contd.)

NOTE - 14

(₹ in crores)

	As at 31.03.12	As at 31.03.11
CURRENT INVESTMENTS - (unquoted) at csot		
NON-TRADE		
Mutual Fund Investment		
UTI Mutual Fund	234.45	-
SBI Mutual Fund	361.60	-
Canara Robeco Mutual Fund	225.63	-
TRADE		
8.5% Tax Free Special Bonds (Fully Paid up) :		
(on securitisation of Sundry Debtors)		
Major State-wise Break-up		
UP	33.44	33.44
Haryana	1.33	1.33
Maharashtra	56.72	56.72
Madhya Pradesh	74.77	74.77
Gujarat	35.15	35.15
West Bengal	11.32	11.32
Total	1,034.41	212.73
Agreegate of unquoted investments :	1,034.41	212.73
Agreegate of Quoted Investment :	-	-
Market value of Quoted Investment :	-	-

Notes to Balance Sheet (Consolidated) (Contd.)

NOTE - 15

(₹ in crores)

		As at 31.03.12	As at 31.03.11
INVENTORIES			
Stock of Coal	5,222.46		4,821.34
Coal Under Development	20.63		20.55
Less : Provision	441.95		402.07
A. Stock of Coal (Net)		4,801.14	4,439.82
Stock of Stores & Spares (at cost)	1,275.04		1,189.76
Stores-in-Transit	104.50		90.80
Less : Provision	253.09		242.39
B. Net Stock of Stores & Spares (at cost)		1,126.45	1,038.17
Workshop Jobs :			
Work-in-progress and Finished Goods	117.70		80.22
Less : Provision	2.86		2.72
C. Net Stock of Workshop Jobs		114.84	77.50
D. Press			
Work-in-Progress and Finished Goods		1.06	0.81
E. Stock of Medicine at Central Hospital		2.02	1.84
F. Prospecting & Boring /Development Exp./ Coal Blocks meant for Sale		25.77	27.47
Total (A + B + C + D + E + F)		6,071.28	5,585.61

- The enquiry proceeding by CBI, Dhanbad for shortage of coal at Rajmahal OCP of ECL for 19.54 Lakhs tonne valuing to ₹ 63.85 crores 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.
- In BCCL the apparent net shortages/ surplus of coal & coke etc. found on physical verification beyond + - 5% compared to Book Stock are disclosed hereunder (Ref. Accounting Policy No-6) :

Product	Quantity (Lakh tonne)	Value (₹ in crores)
Coal (Shortage)	10.51	113.38
Hard Coke (Shortage)	0.00012	0.0004

The values stated above are arrived at on the same basis as taken for valuation of "Closing Stock" as per Accounting Policy No.6.1. Out of 10.51 lakh tonne of shortage of coal, BCCL Board approved the write off proposal of 191269 tonne of ROCP (Kustore Area) and 370164 tonne of Kuya OCP (Bastacolla Area) in its 282nd Board meeting held on 07.11.2011 with directive to forward the proposal of write off to CIL for approval of CIL Board. Further, BCCL Board in its 283rd Board meeting held on 04.02.2012 approved the write off proposal of 483190 tonne of ROCP (Kustore Area).



Notes to Balance Sheet (Consolidated) (Contd.)

NOTE - 16

(₹ in crores)

TRADE RECEIVABLE	As at 31.03.12	As at 31.03.11
Debts outstanding for a period exceeding six months from the due date	2,435.90	2,433.79
Less : Provision for bad & doubtful debts	<u>1,329.60</u>	<u>1,279.78</u>
	1,106.30	1,154.01
Other Debts	5,005.85	2,472.46
Less : Provision for bad & doubtful debts	<u>444.26</u>	<u>207.73</u>
	4,561.59	2,264.73
Total	<u>5,667.89</u>	<u>3,418.74</u>
Classification :		
Secured	432.23	522.10
Unsecured - Considered good	5,235.66	2,896.64
- Considered doubtful	1,773.86	1,487.51

	CLOSING BALANCE		DUE AT ANY TIME DURING	
	CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
Due by the Companies in which Directors of the Company is also a Director / Member	-	-	-	-
Due by the parties in which the Director(s) of company is / are interested	-	-	-	-

The Government of Madhya Pradesh by Gazette Notification dated 30.09.2005 has imposed a new tax under "Madhya Pradesh Gramin Avasanrachana 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 ₹ 244.59 crores against the Company upto 31.03.2012. The Company, as per legal advice, has deposited Rs. 205.79 crores (full demand of 2010-11). Further, the company has deposited ₹ 19.36 crores (50% of total demand raised during 2011-12) and has preferred Appeals against the assessment orders with Competent Appellate Authority, Jabalpur and Bhopal.

An amount of Rs.299.21 crores has been received from customers on this account upto 31.03.2012. Term Deposit, against this receipt upto 31st March 2012 (after adjusting ₹ 225.15 crores paid for appeal), for ₹ 68.84 crores has been made upto 31st March 2012 and Term Deposit for balance ₹ 5.22 crores is made in May 2012. The matter is now pending before Hon'ble Supreme Court and Appellate authority, Jabalpur. The interest on fixed deposits made on this account is treated as liability.

Notes to Balance Sheet (Consolidated) (Contd.)

NOTE - 17

(₹ in crores)

	As at 31.03.12	As at 31.03.11
CASH & BANK BALANCE		
Cash & Cash Equivalent		
Balances with Scheduled Banks		
- In Deposit Accounts with maturity upto 3 months	10,072.91	7,990.27
- In Current Accounts	1,984.52	1,863.15
- In Cash Credit Accounts	183.33	258.84
Remittance - in transit	6.99	3.12
Cheques, Drafts and Stamps in hand	8.35	30.64
Cash in hand	4.09	18.80
Other Bank Balances		
Balances with Scheduled Banks		
- In Deposit accounts with maturity of more than 3 months *	43,981.47	34,041.87
- In Deposit accounts under Shifting and Rehabilitation Fund Scheme with maturity of more than 3 months **	1,951.85	1,598.15
In SBI Dividend Account (Interim dividend 2011-12)	8.31	-
Balance in unpaid dividend accounts		
- In SBI Dividend Account (Final dividend 2010-11)	0.10	-
- In SBI Dividend Account (Interim dividend 2010-11)	0.86	1.60
Total	58,202.78	45,806.44

* This includes deposits of ₹ 10923.15 crores (₹ 4500.65 crores) of maturity more than 12 months from the date of acquisition.

** This includes deposits of ₹ 461.85 crores (₹ 1400.35 crores) of maturity more than 12 months from the date of acquisition.

In Mahanadi Coalfields balance with Scheduled Bank in Deposit Account includes ₹ 1.31 crores (previous year ₹ 1.20 crores) which is under lien to Hon'ble District Court of Sundergarh.

Fixed deposit amounting to ₹ 66.74 crores and ₹ 111.31 crores 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.



Notes to Balance Sheet (Consolidated) (Contd.)

NOTE - 18

(₹ in crores)

		As at 31.03.12	As at 31.03.11
SHORT TERM LOANS & ADVANCES			
ADVANCE			
Advance to suppliers			
For revenue	207.48	177.86	
Less : Provision for doubtful advances	<u>29.40</u>	<u>30.68</u>	
		178.08	147.18
Advance payment of statutory dues			
Sales tax	129.07	121.42	
Less : Provision for doubtful advances	<u>0.10</u>	<u>0.10</u>	
		128.97	121.32
Advance income tax / Tax deducted at source		12,395.43	10,588.20
Others	104.14	43.86	
Less : Provision for doubtful advances	<u>0.70</u>	<u>1.13</u>	
		103.44	42.73
Advance to employees	481.81	64.40	
Less : Provision for doubtful advances	<u>3.40</u>	<u>1.98</u>	
		478.41	62.42
Claims receivables	192.54	212.74	
Less : Provision for doubtful claims	<u>22.73</u>	<u>22.07</u>	
		169.81	190.67
Prepaid expenses		30.94	27.62
Total		<u>13,485.08</u>	<u>11,180.14</u>
CLASSIFICATION			
Secured		35.94	39.40
Unsecured - Considered good		13,449.14	11,140.74
- Considered doubtful		56.33	55.96

	CLOSING BALANCE		MAXIMUM AMOUNT DUE AT ANY TIME DURING	
	CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
Due by the Companies in which Directors of the Company is also a Director / Member	-	-	-	-
Due by the parties in which the Director(s) of company is / are interested	-	-	-	-

Notes to Balance Sheet (Consolidated) (Contd.)

NOTE - 19

(₹ in crores)

		As at 31.03.12	As at 31.03.11
OTHER CURRENT ASSETS			
Interest accrued			
- Investment	47.58		49.72
- Deposit with banks	2,121.58		1,162.11
- Others	0.04		0.03
		2,169.20	1,211.86
Other advances	240.28		347.47
Less : Provision	2.48		3.02
		237.80	344.45
Deposits			
Deposit for customs duty, port charges etc.	2.19		1.84
Less : Provision	0.79		0.79
		1.40	1.05
Deposit for Royalty, Cess & Sales Tax	178.58		164.05
Less : Provision	40.25		40.25
		138.33	123.80
Others	111.83		101.19
Less : Provision	2.18		0.45
		109.65	100.74
Amount receivable from Govt. of India for transactions on behalf of Ex-Coal Board	1.83		1.67
Less : Provision	1.83		1.67
		-	-
Other receivables	288.57		357.71
Less : Provision	31.04		25.01
		257.53	332.70
Total		2,913.19	2,114.60

Commercial Tax Department, Madhya Pradesh and Uttar Pradesh has raised a demand of ₹ 409.30 crores (previous year ₹ 314.56 crores) till 31-03-2012 for Sales Tax and Entry tax, against which an appeal has been filed and ₹ 73.37 crores (previous year ₹ 52.22 crores) has been deposited under protest by Northern Coalfields Limited and the claim of ₹ 409.30 crores has been shown as Contingent Liability.



Notes to Statement of Profit & Loss (Consolidated)

NOTE - 20

(₹ in crores)

		For the Year ended 31.03.12	For the Year ended 31.03.11
REVENUE FROM OPERATIONS			
Sales of Coal	78,410.38		60,240.90
Less : Excise Duty	<u>3,396.82</u>		<u>264.10</u>
		75,013.56	59,976.80
Less : Other Levies			
Royalty	5,322.57		4,814.17
Cess on Coal	1612.97		934.00
Stowing Excise Duty	429.25		420.58
Central Sales Tax	832.97		627.09
Clean Energy Cess	2,143.76		1,591.76
States Sales Tax / VAT	1,756.52		1,182.86
Other Levies	500.09		177.06
Total Levies		12,598.13	9,747.52
Revenue From Opearitions (Net sales)		<u>62415.43</u>	<u>50229.28</u>

Notes to Statement of Profit & Loss (Consolidated) (Contd.)

NOTE - 21

(₹ in crores)

	For the Year ended 31.03.12	For the Year ended 31.03.11
OTHER INCOME		
Income From Non-Current Investments		
Interest from		
Government Securities (8.5% Tax Free Special Bonds) - Trade	71.22	89.34
7.55% Non Convertible IRFC Tax Free Bonds 2021 Series	6.90	-
Income From Current Investments		
Dividend from Mutual Fund Investments	27.97	0.33
Interest from		
Government Securities (8.5% Tax Free Special Bonds) - Trade	14.67	14.66
Income From Others		
Interest		
From Deposit with Banks	5,049.11	2,659.12
From Loans and Advances to Employees	4.00	4.46
From Income Tax Refunds	130.13	136.51
Others	41.74	60.25
Subsidy for Sand Stowing & Protective Works	67.48	76.83
Profit on Sale of Assets	8.12	13.76
Recovery of Transportation & Loading Cost	1,376.04	1,218.88
Gain on Foreign exchange Transactions	-	7.74
Exchange Rate Variance	0.16	-
Lease Rent	28.47	18.82
Liability Write Backs	259.19	68.43
Other non-operating Income	451.70	503.01
Total	7,536.90	4,872.14

NOTE - 22

(₹ in crores)

	For the Year ended 31.03.12	For the Year ended 31.03.11
COST OF MATERIALS CONSUMED		
Explosives	1,072.48	924.71
Timber	38.00	39.44
P O L	2,054.15	1,935.41
HEMM Spares	1,156.36	1,245.30
Other Consumable Stores & Spares	1,183.08	1,127.96
Total	5,504.07	5,272.82



Notes to Statement of Profit & Loss (Consolidated) (Contd.)

NOTE - 23

		(₹ in crores)	
		For the Year ended 31.03.12	For the Year ended 31.03.11
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE			
	Opening Stock of Coal	4,820.37	3,592.61
	Add : Adjustment of opening stock	19.79	-
	Less : Deterioration of Coal	401.98	406.70
		4,438.18	3,185.91
	Less :		
	Closing Stock of Coal	5,221.06	4,820.37
	Less : Deterioration of Coal	439.89	401.98
A.	Change in Inventory of Coal	(342.99)	(1,232.48)
	Opening Stock of Workshop made finished goods and WIP	80.33	96.17
	Less : Provision	2.72	1.48
		77.61	94.69
	Less :-		
	Closing Stock of Workshop made finished goods and WIP	117.70	80.33
	Less : Provision	2.86	2.72
		114.84	77.61
B.	Change in Inventory of workshop	(37.23)	17.08
	Press Opening Job		
	i) Finished Goods	0.59	0.75
	ii) Work-in-Progress	0.22	0.57
		0.81	1.32
	Less :-		
	Press Closing Job		
	i) Finished Goods	0.71	0.59
	ii) Work-in-Progress	0.35	0.22
		1.06	0.81
C.	Change in Inventory of Closing Stock of Press Job made finished goods and WIP	(0.25)	0.51
	Opening Stock of Medicines (Central Hospital)	1.40	1.32
	Less : Closing Stock of Medicines (Central Hospital)	2.02	1.40
D.	Change in Inventory of Stock of Medicines at Central Hospitals	(0.62)	(0.08)
	Change in Inventory of Stock in trade (A + B + C + D)	(381.09)	(1,214.97)

Notes to Statement of Profit & Loss (Consolidated) (Contd.)

NOTE - 24

(₹ in crores)

	For the Year ended 31.03.12	For the Year ended 31.03.11
EMPLOYEE BENEFITS EXPENSES		
Salary, Wages, Allowances, Bonus etc.	16,571.73	13,296.31
Ex-Gratia	858.68	679.32
PRP	382.33	504.50
Contribution to P.F. & Other Funds	1,778.31	1,697.84
Gratuity	3,944.09	1,482.09
Leave Encashment	804.67	686.11
VRS	13.78	29.81
Workman Compensation	10.49	19.77
Other Employee Benefits	889.52	536.06
Total	25,253.60	18,931.81

1. National Coal Wage Agreement (NCWA-IX)

The National Coal Wage Agreement (NCWA-IX) effective from 01-07-2011 covering non-executive cadre employees was finalized on 31st January 2012. Summarized position of financial impact of pay revision is given below:-

Impact on employee benefit expenses (excluding gratuity and other employee benefits valued under actuarial valuation)	:	₹ 2566.21 crores
Impact on gratuity for employees retiring during the year from the effective date of NCWA-IX	:	₹ 121.20 crores
Actuarial impact on gratuity, earned leave encashment, life cover scheme and settlement allowance for existing employees as on 31.03.2012	:	₹ 2332.60 crores

The year-end liability of other employee benefits viz. leave travel concession, compensation to dependents in case of mine accidental death are also valued on actuarial basis impact of which are not shown above.

2. Other employee benefits included in "Welfare Expenses" i.e. Note 25

Certain other employee benefits viz. medical expenses, canteen & crèche, power township etc. have been shown under welfare expenses as these also includes expenses incurred for the benefit of the community.



Notes to Statement of Profit & Loss (Consolidated) (Contd.)

NOTE - 25

(₹ in crores)

	For the Year ended 31.03.12	For the Year ended 31.03.11
WELFARE EXPENSES		
Medical Expenses	273.47	258.75
Medical Expenses for Retired Employees	29.08	17.42
Grants to Schools & Institutions	81.29	84.16
Sports & Recreation	7.75	6.45
Canteen & Creche	2.95	2.69
Power - Township	629.32	541.05
Hire Charges of Bus, Ambulance etc.	33.52	26.87
CSR Expenses	113.03	94.70
Environmental Expenses	45.50	46.36
Tree Plantation	19.31	17.46
Other Expenses	216.25	205.87
Total	1,451.47	1,301.78

NOTE - 26

(₹ in crores)

	For the Year ended 31.03.12	For the Year ended 31.03.11
REPAIRS		
Building	210.67	202.50
Plant & Machinery	389.86	403.98
Others	45.18	50.88
Total	645.71	657.36

Notes to Statement of Profit & Loss (Consolidated) (Contd.)

NOTE - 27

(₹ in crores)

CONTRACTUAL EXPENSES

Transportation Charges :

- Sand
- Coal
- Stores & Others

Wagon Loading

Hiring of P & M

Other Contractual Work

Total

For the Year
ended 31.03.12

For the Year
ended 31.03.11

48.94

47.56

1,738.54

1,688.74

1.76

1.33

122.84

109.63

2,023.79

2,030.72

965.10

746.52

4,900.97

4,624.50

NOTE - 28

(₹ in crores)

FINANCE COSTS

Interest Expenses

Deferred Payments

Bank Overdraft / Cash Credit

Interest on IBRD & JBIC Loan

Others

Total (A)

For the Year
ended 31.03.12

For the Year
ended 31.03.11

0.08

0.13

0.29

2.62

20.04

21.12

17.06

33.07

37.47

56.94

Other Finance Cost

Guarantee Fees on (IBRD & JBIC) Loan

Bank commitment and allocation charges

Total (B)

Total (A + B)

16.35

16.45

0.16

0.31

16.51

16.76

53.98

73.70



Notes to Statement of Profit & Loss (Consolidated) (Contd.)

NOTE - 29

(₹ in crores)

PROVISIONS (NET OF REVERSAL)		For the Year ended 31.03.12	For the Year ended 31.03.11
(A) PROVISION MADE FOR			
Doubtful debts		723.51	126.50
Doubtful Advances & Claims		28.39	43.06
Foreign Exchange Transaction		-	48.72
Stores & Spares		14.58	9.47
Reclamation of Land / Mine Closure Expenses		796.95	458.16
Surveyed off Fixed Assets / Capital WIP		7.93	9.60
Others		120.99	0.11
Total (A)		1692.35	695.62
(B) PROVISION REVERSAL			
Doubtful debts		338.74	136.93
Doubtful Advances & Claims		6.55	3.20
Foreign Exchange Transaction		13.01	-
Stores & Spares		2.77	2.78
Reclamation of Land / Mine Closure expenses		4.11	72.74
Others		4.43	0.03
Total (B)		369.61	215.68
Total (A - B)		1322.74	479.94

NOTE - 30

(₹ in crores)

WRITE OFF (Net of past provisions)		For the Year ended 31.03.12	For the Year ended 31.03.11
Doubtful debts		147.00	97.91
Doubtful advances	10.16		7.58
Less : Provided earlier	10.16	-	7.54
Others		0.10	0.95
Total		147.10	98.90

Notes to Statement of Profit & Loss (Consolidated) (Contd.)

NOTE - 31

(₹ in crores)

	For the Year ended 31.03.12	For the Year ended 31.03.11
OTHER EXPENSES		
Travelling expenses		
- Domestic	122.34	118.39
- Foreign	2.51	4.64
Training Expenses	30.89	32.45
Telephone & Postage	21.03	17.90
Advertisement & Publicity	42.32	64.45
Freight Charges	45.13	51.37
Demurrage	59.65	41.39
Donation / Subscription	2.52	1.61
Security Expenses	404.21	368.38
Hire Charges	132.51	109.85
Legal Expenses	13.21	11.60
Bank Charges	2.18	2.05
Guest House Expenses	5.09	6.09
Consultancy Charges	21.56	20.68
Under Loading Charges	178.48	155.25
Loss on Sale / Discard / Surveyed off Assets	5.13	1.70
Auditor's Remuneration & Expenses		
- For Audit Fees	1.17	1.18
- For Taxation Matters	0.09	0.11
- For Other Services	0.78	0.69
- For Reimbursement of Expenses	0.58	0.64
Internal Audit Fees & Expenses	8.71	3.36
Rehabilitation Charges	222.50	218.48
Royalty & Cess	215.04	187.50
Central Excise Duty	106.04	364.00
Rent	9.98	9.26
Rates & Taxes	39.34	69.40
Insurance	3.09	3.43
Loss on Foreign Exchange Transactions	35.87	-
Loss on Exchange Rate Variance	61.70	15.70
Lease Rent	0.03	1.50
Rescue / Safety Expenses	29.53	26.84
Dead Rent / Surface Rent	3.66	1.01
Siding Maintenance Charges	47.03	40.72
Land / Crops Compensation	2.57	1.44
Miscellaneous Expenses	320.17	278.53
Total	2,196.64	2,231.59

**Notes to Statement of Profit & Loss (Consolidated) (Contd.)****NOTE - 32**

(₹ in crores)

PRIOR PERIOD ADJUSTMENT**(A) Expenditure**

Sale of Coal & Coke	-	24.53
Other Income	4.79	6.71
Consumption of Stores & Spares	0.22	3.57
Employees Remuneration & Benefits	0.32	30.95
Welfare Expenses	2.32	-
Repairs	0.18	0.24
Contractual Expenses	-	0.42
Other Expenditure	1.07	7.66
Interest and other Financial charges	-	16.49
Depreciation	0.26	1.52

Total (A)**9.16****92.09****(B) Income**

Sale of Coal & Coke	29.96	-
Stock of Coal & Coke	0.16	-
Other Income	3.86	3.60
Consumption of Stores & Spares	4.28	4.73
Employees Remuneration & Benefits	7.68	-
Power & Fuel	-	4.48
Welfare Expenses	-	0.29
Contractual Expenses	1.00	7.25
Other Expenditure	22.81	2.62
Interest and other financial charges	1.98	-
Depreciation	10.80	11.59

Total (B)**82.53****34.56****Total (A - B {Charge / (Income)})****(73.37)****57.53**

NOTE - 33

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 Subsidies / Grants from Government :

- 2.1 Subsidies / Grants on capital account are deducted from the cost of respective assets to which they relate. The unspent amount at the year end, if any, is shown as current liabilities.
- 2.2 Subsidies / Grants on revenue account are credited to Statement of Profit & Loss under the head Other Income and the relevant expenses are debited to the respective heads. The unspent amount at the year end, if any, is shown as current liabilities.

3.0 Fixed Assets :

3.1 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.

3.2 Plant & Machinery :

Plant & Machinery includes cost and expenses incurred for erection / installation and other attributable costs of bringing those assets to working conditions for their intended use.

3.3 Railway Siding :

Pending commissioning, payments made to the railway authorities for construction of railway sidings are shown in Note 12 – “Long Term Loans & Advances” under Advances for Capital.

3.4 Development :

Expenses net of income of the projects / mines under development are booked to Development Account and grouped under Capital Work-in-Progress till the projects / mines are brought to revenue account. Except otherwise specifically stated in the project report to determine the commercial readiness of the project to yield production on a sustainable basis and completion of required development activity during the period of constructions, projects and mines under development are brought to revenue considering the following criteria :

- (a) From beginning of the financial year immediately after the year in which the project achieves physical output of 25% of rated capacity as per approved project report, or
 - (b) 2 years of touching of coal, or
 - (c) From the beginning of the financial year in which the value of production is more than total expenses,
- Whichever event occurs first.

4.0 Prospecting & Boring and other Development Expenditure :

The cost of exploration and other development expenditure incurred in one “Five year” plan period will be kept in Capital work-in-progress till the end of subsequent two “Five year” plan periods for formulation of projects, before it is written-off, except in the case of Blocks identified for sale or proposed to be sold to outside agency which will be kept in inventory till finalisation of sale.



5.0 Investments :

Current investments are valued at the lower of cost and fair value as at the Balance Sheet date. Investments in mutual fund are considered as current investments.

Non-Current investments are valued at cost.

6.0 Inventories :

6.1 Book stock of coal / coke is considered in the accounts where the variance between book stock and measured stock is upto +/- 5% and in cases where the variance is beyond +/- 5% the measured stock is considered. Such stock are valued at net realisable value or cost whichever is lower.

6.1.1 Slurry, middling of washeries are valued at net realisable value.

6.2 Stores & Spares

6.2.1 The closing stock of stores and spare parts has been considered in the accounts as per balances appearing in priced stores ledger of the Central Stores and as per physically verified stores lying at the collieries/units.

6.2.2 Stock of stores & spare parts at central & area Stores are valued at cost calculated on the basis of weighted average method. The year-end inventory of stores & spare parts lying at collieries / sub-stores / consuming centres, initially charged off, are valued at issue price of Area Stores, Cost / estimated cost. Workshop jobs including work-in-progress are valued at cost.

6.2.3 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 on the basis of technical estimation.

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 has defined contribution plans for payment of Provident Fund and Pension Fund benefits to its employees. Such Provident Fund and Pension Fund are maintained and operated by the Coal Mines Provident Fund (CMPF) Authorities. As per the rules of these schemes, the company is required to contribute a specified percentage of pay roll cost to the CMPF Authorities to fund the benefits.

b) Defined benefits plans :

The 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

- 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 Costs :

Borrowing Cost directly attributable to the acquisition or construction of qualifying assets is 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 ton 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 Non - Current Assets/ Long Term Provisions as the case may be.

The reported quantity of overburden as per record is considered in calculating the ratio for OBR accounting where the variance between reported quantity and measured quantity is within the lower of the two alternative permissible limits, as detailed hereunder :-

Annual Quantum of OBR Of the Mine	Permissible limits of variance	
	I	II
	%	Quantum (in Mill.Cu. Mtr.)
Less than 1 Mill. CUM	+/- 5%	0.03
Between 1 and 5 Mill. CUM	+/- 3%	0.20
More than 5 Mill. CUM	+/- 2%	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 ₹ 0.05 crore in each case are treated as income / expenditure for the current year.

NOTE - 34

ADDITIONAL NOTES ON ACCOUNTS

1) Contingent Liabilities & Commitments

- i) The amount remaining to be executed on capital account not provided for is ₹ 1926.84 crores (₹ 2330.70 crores).
The amount remaining to be executed on revenue account not provided for is ₹ 10506.28 crores.
- ii) Claims against the company not acknowledged as debt are ₹ 12694.14 crores (₹ 10690.12 crores).
- iii) Outstanding letters of credit amounted to ₹ 310.70 (₹ 124.80 crores).
- iv) The company has given counter-guarantee to Government of India for loans obtained from JBIC & IBRD banks and onlent to its subsidiaries. The outstanding balance as on 31.03.2012 stood at ₹ 720.10 crores (₹ 731.76 crores) and ₹ 642.62 crores (₹ 638.67 crores) respectively.

Further, the company has also given guarantee for loans obtained by subsidiaries from Export Development Bank of Canada (EDC) and Liebherr France the outstanding balance of which as on 31.03.2012 stood at ₹ 155.47 crores (₹140.45 crores) and ₹ 13.87 crores (₹ 13.60 crores) respectively.

- v) Outstanding Deferred Payment Guarantee issued by banks amounted to ₹ 4.42 crores (₹ 4.33 crores).

2) Basis of Preparation of Financial Statements

- i) The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Parent Company, i.e. year ending 31st March, 2012.
- ii) The financial statements have been prepared under the historical cost convention and on the accrual basis of accounting. The accounts of the subsidiaries have been prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India and on the basis of accounting principles generally accepted in India.
- iii) The financial statements have been prepared in line with the requirements of Revised Schedule-VI of Companies Act, 1956 as introduced by the Ministry of Corporate Affairs from financial year ended on 31st March 2012. Accordingly, assets and liabilities are classified between current and non-current considering 12 months period as operating cycle. The adoption of Revised Schedule- VI does not impact recognition and measurement principles followed for preparation of consolidated financial statements. However, it has sufficient impact on presentation and disclosures made in the financial statements. Consequently, the company has re-classified previous years' figures to conform to this years' classification.

3. Principles of Consolidation and Financial Reporting of Interest in Joint Venture and Overseas Subsidiary.

- i) 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), proportionate stake in International Coal Venture Pvt. Limited (ICVL) and CIL- NTPC Urja Pvt. Ltd.
- ii) The financial statements of MCL has been consolidated with its three subsidiary companies – MNH Shakti Limited, MJSJ Coal Limited and Mahanadi Basin Power Limited.
- iii) 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. However the non-recognition of interest in holding company's accounts from one of its subsidiaries (as per Accounting Standard-9) has been ignored in such consolidation.



- iv) Significant Accounting Policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide for better understanding the consolidated position of the companies. Recognizing this purpose, the Company has disclosed only such Policies and Notes from individual financial statements, which fairly present the needed disclosure.
- v) CIL has entered into a Memorandum of Understanding (vide approval from its Board in 237th meeting held on 24th November, 2007) regarding formation of Special Purpose Vehicle (SPV) through joint venture involving CIL/SAIL/RINL/NTPC & NMDC for acquisition of coking 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 ₹ 1.00 crore and paid up capital of ₹ 0.70 crore. The authorised Capital and paid up Capital during the year have been increased and as on 31.03.2012 they stood at ₹ 1100.00 crores and ₹ 9.80 crores respectively. Out of above paid up capital, Coal India Ltd. is owning 2/7th share i.e. worth ₹ 2.80 crores equity shares.
- vi) The consolidated financial statements include the interest of the company in the above joint venture (International Coal Ventures Pvt. Ltd.) 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. Such accounting has been carried out considering the latest available un-audited financial statements, and not as on 31.03.2012.
- vii) CIL NTPC Urja Pvt. Ltd., a 50 : 50 Joint Venture Company has been formed on 27th April'2010 between CIL & NTPC and CIL has invested ₹ 0.02 crore as on 31.03.2012. The un-audited Accounts of the above joint venture company upto the year ended 31.03.2012 has been considered in consolidation.
- viii) 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 31.03.2012 is as under :-

Name of Subsidiary	Stake in Subsidiary	Date of Incorporation	Address	Minority Interest as per Consolidated Accounts as on 31.03.2012
1) MNH Shakti Ltd	70%	16.07.2008	Anand Vihar, Burla, Sambalpur	₹ 25.53 crores
2) MJSJ Coal Ltd.	60%	13.08.2008	House No. 42, 1st Floor, Anand Nagar, Hakim Para, Angul	₹ 28.07 crores
3) Mahanadi Basin Power Limited	100%	02.12.2011	Plot No. G-3 Mancheswar Railway Colony, Bhubaneswar	-
				₹ 53.60 crores

All the subsidiaries are in development stage and the related expenditure has been consolidated.

- ix) 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 ₹ 0.01 crore (USD 1000). The un-audited Accounts of the above subsidiary company upto the year ended 31.03.2012 has been considered in consolidation.

4. Provision for Employee Benefits

The year-end liability of certain other employee benefits like Gratuity, Earned Leave, Life Cover Scheme, Settlement Allowance, Group Personal Accident Insurance Scheme, Leave Travel Concession, Medical Benefits for Retired Executives, Compensation to dependants in case of mine accidental death are valued on actuarial basis. Total liability as on 31.03.2012 based on valuation made by the Actuary, details of which are mentioned below is ₹ 15721.77 crores.

The actuarial liability as on 31.03.2012

(₹ in crores)

Head	Opening Actuarial Liability as on 01.04.11	Incremental Liability based on pre revised salary	Additional revision for revision of pay and benefits	Closing Actuarial Liability as on 31.03.12
Gratuity	9592.61	1245.69	1774.75	12613.05
Earned Leave	1473.63	162.65	232.90	1869.18
Half Pay Leave	345.22	55.38	-	400.60
Life Cover Scheme	54.79	0.70	48.83	104.32
Settlement Allowance Executives	4.05	0.72	-	4.77
Settlement Allowance Non-executives	0.00	0.00	276.12	276.12
Gross Personal Accident Insurance Scheme	1.27	0.14	-	1.41
Leave Travel Concession	140.74	40.90	-	181.64
Medical Benefits	28.38	23.34	-	51.72
Compensation to dependants in case of mine accidental death	210.40	8.56	-	218.96
Total	11851.09	1538.08	2332.60	15721.77

Against actuarial liability of Gratuity, fair value of plan assets at the end of the year is ₹ 5947.43 crores (₹ 4607.07 crores).

Summary of actuarial assumptions are as under :-

Formula Used	Projected Unit Credit Method
Discount Rate	8.00%
Return on Assets	8.00%
Inflation Rate	6.25%
Mortality Table	LICI 1994-1996

5. There was a dispute pending with arbitral tribunal under the Bi-lateral Investment Protection Treaty between White Industries Australia Limited ("White") and CIL regarding penalty payable to M/s. White Industries Limited for development of coal handling plant and coal preparation plant of Piparwar, Jharkhand.

The arbitral tribunal has pronounced the award on 30.11.2011 on the subject. As per arbitration award of the Tribunal an amount of ₹ 56.07 crores has been incurred/ paid by CIL based on direction from Jt. Secy., Govt. of India, Ministry of Coal. Out of the above amount ₹ 53.59 crores has been accounted for by CCL as payment of penalty and the balance ₹ 2.48 crores as legal fees and expenses during the year 2011-12.



6. In BCCL expenditure of Kustore Area is under investigation by different authorities. Bills lying amounting to ₹ 24.44 crores has been considered as Contingent Liabilities due to pending decision.

7. 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.

8. Earnings Per Share :

Sl. No.	Earning per Share particulars	As at 31.03.2012	As at 31.03.2011
i)	Profit after Taxation (₹ in crores)	14788.20	10867.35
ii)	Add/(less) adjustment for Reserve for Foreign Exchange (₹ in crores)	35.87	(7.74)
iii)	Net profit after tax attributable to Equity shareholders (₹ in crores)	14824.07	10859.61
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)	23.47	17.19

9. Directors' Remuneration :

	(₹ in crores)	
	2011-12	2010-11
Particulars		
Salary & Allowances	10.63	7.18
Provident Fund	0.82	0.80
Others	3.01	1.61
Total	14.46	9.59

10. Earning in Foreign Exchange on account of :

	(₹ in crores)	
	2011-12	2010-11
Particulars		
(i) Export of Goods (Calculated on FOB basis)	Nil	Nil
(ii) Exchange Variation (net)	0.09	7.74
(iii) Miscellaneous	Nil	Nil

11. Figures in the parentheses relates to the previous year.
12. Previous years figures have been regrouped and rearranged wherever considered necessary.
13. 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.
14. **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. During the financial year 2011-12 these companies have earned profit after tax for ₹ 962.13 crores and ₹ 822.36 crores respectively. Accumulated Profit(Loss) and Net Worth of ECL and BCCL as on 31.03.2012 are as under :-

(₹ in crores)

Company	Accumulated Profit (Loss)		Net Worth	
	As on 31.03.12	As on 31.03.11	As on 31.03.12	As on 31.03.11
ECL	(7165.30)	(8127.43)	(4946.85)	(5908.98)
BCCL	(5604.83)	(6427.19)	(3486.83)	(4309.19)

15 Discontinuing Operation

i) **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 off during 2006-07 by auction through MSTC. The Net Block of assets pending disposal is ₹ 0.08 crore. The liability towards Overheads after closure of the Plant till 31.03.2012 for maintenance and upkeep of the Plant is ₹ 0.40 crore.

The revenue expenses incurred during the current year is Nil (Previous Year Nil). 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 no cash outflow attributable to operating, investing and financing of discontinuance (Previous Year Nil).

ii) **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 ₹ 0.03 crore and the liability towards Municipal Taxes is ₹ 0.04 crore. 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 ₹ 0.01 crore (Previous Year ₹ 0.01 crore). 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.

- 16 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 crores)

Sl. No.	Descriptions	As at 31.03.2012
1)	Principal amount remaining unpaid	22.41
2)	Interest due thereon (interest due and / or payable	Nil

17. Bharat Coking Coal Limited has received JAP, SSRC/ EMSC and R&D grant upto 31.03.2012 for ₹ 116.69 crores, ₹ 97.06 crores & ₹ 1.75 crores respectively and total expenditure incurred against these are as follows :

(₹ in crores)

	JAP Scheme	SSRC / EMSC Scheme	R & D
Capital	72.21	34.94	0.50
Revenue	3.32	5.41	0.39

18. Note-1 to 19 form part of the Balance Sheet as at 31st March, 2012 and 20 to 32 form part of Statement of Profit & Loss for the year ended on that date. Note-33 represents Significant Accounting Policies and Note-34 represents additional notes on the Accounts.

Signature to Note 1 to 34.

Sd/-
M.Viswanathan
Company Secretary

Sd/-
G.Bandyopadhyay
General Manager(Finance)

Sd/-
A.K.Sinha
Director(Finance)

Sd/-
S.Narsing Rao
Chairman- Cum-Managing Director

**As per our report annexed
For De Chakraborty & Sen
Chartered Accountants
FR No.303029E**

Date : 28th May, 2012
Place : Kolkata

Sd/-
(Hrishikesh Chakraborty)
Partner
Membership No. 005660

AUDITOR'S 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 31st March, 2012, and also the consolidated Statement of Profit and Loss and also 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 31st March, 2012 and total revenue and cash flows for the year then ended as under :

(₹ in crores)

Subsidiary	Assets	Revenue	Cash Flows
Eastern Coalfields Limited (ECL)	6009.75	8560.71	567.64
Bharat Coking Coal Limited (BCCL)	6215.08	7814.63	928.07
Central Coalfields Limited (CCL)	10669.10	7873.43	1403.43
Northern Coalfields Limited (NCL)	15627.50	9132.43	111.94
Western Coalfields Limited (WCL)	9817.94	7430.70	1439.62
South Eastern Coalfields Limited (SECL)	18888.27	16192.62	2073.52
Mahanadi Coalfields Limited (MCL)	19658.21	11171.01	2520.69
Central Mine Planning & Design Institute Limited (CMPDIL)	629.04	528.43	117.55
Coal India Africana Limitada (CIAL)	0.07	-	-

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. Consolidation also includes un-audited financial statements and financial information of one subsidiary i.e. Coal India Africana Limitada (total assets ₹ 1.30 corers, total revenue NIL) and two joint ventures VIZ. CIL-NTPC Ujra Pvt. Ltd. (total assets ₹ 0.02 crore, total revenue NIL) and ICVL (total assets ₹ 45.81 crores, total revenue NIL). In addition, the above information regarding ICVL relates to last available figures only and not as on 31.03.2012. These were reviewed by us as far as practicable.



5. Without qualifying our Report, attention is drawn to the following Notes :-
- (i) Additional Note No. 34.6 : regarding non-provision of liabilities and consequent non-recognition of expenses in BCCL Accounts against bills amounting to ₹ 24.44 crores in Kostore Area which is under investigation by different authorities.
 - (ii) Additional Note No. 34.14 : regarding two sick subsidiaries, ECL and BCCL which are under BIFR but progressing well under Revival Schemes approved by BIFR and vetted by the concerned Ministry.
 - (iii) Additional Notes No. 3 (ix), 3 (vi) and 3 (vii) : regarding inclusion in the consolidated financial statements of the un-audited accounts of one subsidiary and two joint ventures stated in paragraph 4 above.
6. 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.
7. 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 with notes and additional notes 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 31st March, 2012;
 - (b) in the case of the consolidated Statement of Profit & Loss, 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 : 28th May, 2012

For **DE CHAKRABORTY & SEN**

Chartered Accountants

F. R. No. 303029E

Sd/-

(Hrishikesh Chakraborty)

Partner

M. No. 005660



Annual Accounts 2011-12





BALANCE SHEET

As at 31st March, 2012

(₹ in crores)

	Note No.	As at 31-03-12	As at 31-03-11
I EQUITY AND LIABILITIES			
(1) Shareholders' Fund			
(a) Share Capital	1	6,316.36	6,316.36
(b) Reserves & Surplus	2	13,248.39	11,499.65
(c) Money Received against Share Warrants		-	-
		19,564.75	17,816.01
(2) Share Application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long Term Borrowing	3	1,173.54	1,187.98
(b) Deferred Tax Liability		-	-
(c) Other Long Term Liabilities	4	1,977.15	1,621.99
(d) Long Term Provisions	5	141.64	140.78
		3,292.33	2,950.75
(4) Minority Interest		-	-
(5) Current Liabilities			
(a) Short Term Borrowing	6	-	-
(b) Trade Payables	7	2.55	2.30
(c) Other Current Liabilities	8	6,549.57	5,969.01
(d) Short Term Provisions	9	1,303.00	937.91
		7,855.12	6,909.22
Total		30,712.20	27,675.98
II ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
i) Tangible Assets - Gross Block	10A	355.82	346.96
Less : Depreciation, Impairment & Provisions		255.17	248.52
Net carrying Value		100.65	98.44
ii) Intangible Assets - Gross Block	10A	40.50	40.50
Less : Depreciation, Impairment & Provisions		40.25	40.23
Net carrying Value		0.25	0.27
iii) Capital Work-in-Progress	10B	60.75	46.58
iv) Intangible Assets under Development	10C	12.66	9.14
(b) Non-Current Investment	11	6,319.19	6,319.17
(c) Long Term Loans & Advances	12	3,138.12	3,171.51
(d) Other Non-Current Assets	13	-	-
(2) Current Assets			
(a) Current Investments	14	222.00	-
(b) Inventories	15	18.51	35.69
(c) Trade Receivables	16	0.01	-
(d) Cash & Bank Balance	17	15,302.72	11,659.52
(e) Short Term Loans & Advances	18	4,974.35	6,160.20
(f) Other Current Assets	19	562.99	175.46
		21,080.58	18,030.87
Total		30,712.20	27,675.98

BALANCE SHEET (Contd.)

As at 31st March, 2012

Significant Accounting Policies **33**

Additional Notes on Accounts **34**

The Notes referred to above form an integral part of Balance Sheet

Sd/- M.Viswanathan Company Secretary	Sd/- G.Bandyopadhyay General Manager(Finance)	Sd/- A.K.Sinha Director(Finance)	Sd/- S.Narsing Rao Chairman- Cum-Managing Director
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**As per our report annexed
For De Chakraborty & Sen
Chartered Accountants
FR No.303029E**

Date: 18th May,2012
Place : Kolkata

Sd/-
(Hrishikesh Chakraborty)
Partner
Membership No. 005660



Statement of Profit & Loss

For the year ended 31st March, 2012

(₹ in crores)

INCOME	Note No.	For the Year ended 31.03.12	For the Year ended 31.03.11
Sale of Coal	20	486.56	464.06
Less : Excise Duty		22.27	2.82
Other Levies		48.43	51.78
		70.70	54.60
(I) Revenue from Operations		415.86	409.46
(II) Other Income	21	9,101.71	5,072.50
(III) Total Revenue (I+II)		9,517.57	5,481.96
(IV) EXPENSES			
Cost of Materials Consumed	22	9.68	10.03
Purchase of Stock-in-trade		-	-
Changes in inventories of finished goods/work in progress and Stock in trade	23	17.06	(8.54)
Employee benefits expenses	24	309.04	251.11
Power & Fuel		5.45	6.20
Welfare Expenses	25	36.30	26.81
Repairs	26	9.48	7.06
Contractual Expenses	27	46.40	86.47
Finance Costs	28	378.73	203.66
Depreciation / amortization / impairment		6.96	6.08
Provisions (Net of reversal)	29	6.82	80.68
Write off (Net of past provisions)	30	-	-
Other Expenses	31	92.16	88.84
Total Expenses		918.08	758.40
(V) Profit before Prior Period, exceptional and extraordinary items and Tax		8,599.49	4,723.56
(VI) Prior period Adjustment {charge / (income)}	32	(0.46)	0.19
(VII) Exceptional Items		-	-
(VIII) Profit before extraordinary Items and Tax		8,599.95	4,723.37
Extraordinary Items		-	-
(IX) Extraordinary Items {charges / (income)}		-	-
(X) Profit before Tax (VIII - IX)		8,599.95	4,723.37
(XI) Less / (Add) : Tax expenses			
- Current year		450.00	190.00
- Deferred Tax		-	-
- Earlier years		84.85	(162.73)
(XII) Profit for the period from continuing operations (X-XI)		8,065.10	4,696.10

Statement of Profit & Loss (Contd.)

For the year ended 31st March, 2012

(₹ in crores)

	Note No.	For the Year ended 31.03.12	For the Year ended 31.03.11
(XIII) Profit / (Loss) from discontinuing operations		-	-
(XIV) Tax expenses of discontinuing operations		-	-
(XV) Profit / (Loss) from discontinuing operations (after Tax) (XIII-XIV)		-	-
(XVI) Profit for the Period (XII + XV)		8,065.10	4,696.10
(XVII) Earnings per share (in ₹) (Face Value of ₹ 10/- per share)			
(1) Basic		12.83	7.42
(2) Diluted		12.83	7.42

Significant Accounting Policies 33

Additional Notes on Accounts 34

The Notes referred to above form an integral part of statement of Profit & Loss

Sd/-	Sd/-	Sd/-	Sd/-
M.Viswanathan	G.Bandyopadhyay	A.K.Sinha	S.Narsing Rao
Company Secretary	General Manager(Finance)	Director(Finance)	Chairman- Cum-Managing Director

As per our report annexed
For De Chakraborty & Sen
Chartered Accountants
FR No.303029E

Date: 18th May,2012
Place : Kolkata

Sd/-
(Hrishikesh Chakraborty)
Partner
Membership No. 005660

**The Cash Flow Statement (Indirect Method)**

For the year ended 31st March, 2012

(₹ in crores)

CASH FLOW FROM OPERATING ACTIVITIES

Net profit before tax

Adjustment for :

Depreciation / Impairment of fixed assets

Interest

Finance cost related to financing activity

Dividend from mutual fund investments

Profit on sale of fixed assets

Provisions made & write off during the year

Liability write back during the year

Operating Profit before Current / Non Current Assets and Liabilities**Adjustment for :**

Trade Receivable

Inventories

Short / Long Term Loans / Advances & Other Current Assets

Short / Long Term Liabilities and Provisions

Cash Generated from Operation

Income Tax Paid / Refund

Net Cash Flow from Operating Activities

(A)

CASH FLOW FROM INVESTING ACTIVITIES

Purchase of Fixed Assets

Change in non-current investments

Interest pertaining to Investing Activities

Dividend from Mutual Fund Investments

Investment in Mutual Fund

Net Cash from Investing Activities

(B)

CASH FLOW FROM FINANCING ACTIVITIES

Repayment of Long Term Borrowings

Interest & Finance cost pertaining to Financing Activities

Receipt of Shifting & Rehabilitation Fund from Subsidiaries

Dividend

Net Cash used in Financing Activities

(C)

Net Increase / (Decrease) in Cash & Bank Balances (A+B+C)**Cash & Cash equivalent (opening balance)****Cash & Cash equivalent (closing balance)**

All figures in bracket represent outflow

Cash & Cash Equivalent**Balances with Scheduled Banks**

- In Deposit Accounts with maturity upto 3 months

- In Current Accounts

- In Cash Credit Accounts

Remittance - in transit

Cheques, Drafts and Stamps in hand

Cash in hand

TotalSd/-
M.Viswanathan
Company SecretarySd/-
G.Bandyopadhyay
General Manager(Finance)Sd/-
A.K.Sinha
Director(Finance)Sd/-
S.Narsing Rao
Chairman- Cum-Managing Director
As per our report annexed
For De Chakraborty & Sen
Chartered Accountants
FR No.303029EDate: 18th May,2012
Place : KolkataSd/-
(Hrishikesh Chakraborty)
Partner
Membership No. 005660

Notes to Balance Sheet

NOTE - 1

(₹ in crores)

SHARE CAPITAL

Authorised

- i) 8000000000 Equity Shares of ₹ 10/- each
- ii) 9041800 Non-cumulative 10% Redeemable Preference Shares of ₹ 1000/- each

Issued, Subscribed and Paid-up

6316364400 Equity Shares of ₹ 10/- each

As at 31.03.12	As at 31.03.11
8000.00	8000.00
904.18	904.18
8904.18	8904.18
6316.36	6316.36
6316.36	6316.36

- Shares in the company held by each shareholder holding more than 5% Shares

Name of Shareholder	No. of Shares Held (Face value of ₹ 10 each)	% of Total Shares
Hon'ble President of India	5684727960	90

- During the year there is no change in the number of shares.
- 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. is 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.



Notes to Balance Sheet (Contd.)

NOTE - 2

(₹ in crores)

RESERVES & SURPLUS

RESERVES

A. Capital Redemption Reserve

As per last Balance Sheet

Add : Addition during the period

Less : Adjustment during the period

Total (A)

B. Reserve for Foreign Exchange Transactions

As per last Balance Sheet

Add : Addition during the period

Less : Transfer to surplus in statement of Profit & Loss (Appropriation)

Total (B)

C. CSR Reserve

As per last Balance Sheet

Add : Addition during the period

Less : Transfer to General Reserve (utilisation)

Total (C)

D. General Reserve

As per last Balance Sheet

Add : Transfer from statement of Profit & Loss

Add : Transfer from CSR Reserve

Total (D)

E. Surplus in statement of Profit & Loss

As per last Balance Sheet

Profit after Tax during the period

Profit available for Appropriation

APPROPRIATION

Reserve for Foreign Exchange Transaction

Transfer to General Reserve (including Foreign Exchange Reserve)

Transfer to CSR Reserve

Interim Dividend

Proposed Dividend on Equity Shares

Total

Total (A+B+C+D+E)

As at
31.03.12

As at
31.03.11

904.18

904.18

-

-

-

-

904.18

904.18

133.69

125.95

-

7.74

35.87

-

97.82

133.69

52.26

31.33

43.14

29.62

10.55

8.69

84.85

52.26

2940.91

2462.61

842.38

469.61

10.55

8.69

3793.84

2940.91

7468.61

5742.86

8065.10

4696.10

15533.71

10438.96

(35.87)

7.74

842.38

469.61

43.14

29.62

6000.54

2210.73

315.82

252.65

8367.70

7468.61

13248.39

11499.65

CSR Reserve

As per CSR Policy of the company a reserve equivalent to 2.5% of the retained profit of previous year is created for meeting expenses relating to CSR activities of Coal India Ltd. The same is utilized for execution of CSR activities in the states which are not covered by any subsidiary company and also for supporting CSR activities in loss making subsidiaries.

The subsidiaries of CIL also create a reserve equivalent to 5% of the retained earnings of previous year subject to a minimum of ₹ 5 per tonne of coal production of previous year, for meeting expenses relating to CSR activities in the state to which the subsidiary belongs.

ECL & BCCL although have earned profits in the relevant previous year are still having accumulated losses which does not make it possible to create such reserves. As such, CSR reserve created by CIL continues to be utilized for CSR activities of ECL & BCCL also.

The actual expenses incurred and accounted for during the year is transferred to general reserve from CSR reserve as utilized.

CSR expenses of ₹ 0.20 crores charged to statement of profit and loss in earlier year and remaining to be transferred to general reserve from CSR reserve is also transferred to general reserve during the year.

Notes to Balance Sheet (Contd.)

NOTE - 3

(₹ in crores)

LONG TERM BORROWING

Term Loan

IBRD (USD 10.91 Crore, Prev. year USD 12.47 Crore)

JBIC (JPY 967.58 Crore, Prev. year JPY 1139.77 Crore)

Total

As at
31.03.12

562.22

611.32

1173.54

As at
31.03.11

562.93

625.05

1187.98

CLASSIFICATION 1

Secured

-

-

Unsecured

1173.54

1187.98

CLASSIFICATION 2

Loan Guaranteed by Directors & Others

Particulars of Loan	Amount in ₹ crores	Nature of Guarantee
IBRD	562.22	Guaranteed by Government of India. Counter Guarantee given by Coal India Ltd.
JBIC	611.32	Guaranteed by Government of India. Counter Guarantee given by Coal India Ltd.

Current maturities of long term borrowing shown under note-8 for ₹ 80.40 crores and ₹ 108.78 crores in respect of IBRD and JBIC loan is also guaranteed by Government of India and counter Guaranteed by Coal India Ltd.

1. Repayment Schedule :

IBRD : Repayment is in 30 instalments, to be made semi-annually, starting May 15, 2003 and ending on November 15, 2017.

JBIC : Repayment is in 30 instalments, to be made semi-annually, starting Feb' 15, 2003 and ending on August 15, 2017.

2. Term Loan (Foreign Currency Loan) :

The foreign currency loans drawn from IBRD and JBIC banks on account of Coal Sector Rehabilitation Project to be implemented in various subsidiaries is shown under the head Term Loan.(Ref. note no. 8 for Current Maturities of Long Term Borrowings)

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 "Balance with Subsidiaries (world bank) " in note no. 12 and all other financial charges viz. interest, guarantee fees etc. are transferred through "Current Account with Subsidiaries".

**Notes to Balance Sheet (Contd.)****NOTE - 4**

(₹ in crores)

OTHER LONG TERM LIABILITIES		As at 31.03.12	As at 31.03.11
Shifting & Rehabilitation Fund			
Opening balance	1621.37		1477.43
Add : Interest from investment of the fund (net of TDS)	154.09		99.52
Add : Contribution received	222.50		218.48
Less : Amount released to subsidiaries during the year	<u>20.93</u>		<u>174.06</u>
		1977.03	1621.37
Security Deposits		0.12	0.62
Total		<u>1977.15</u>	<u>1621.99</u>

Shifting and Rehabilitation Fund

Following the direction of the Ministry of Coal the company has setup a fund for implementation of action plan for shifting & rehabilitation dealing with fire & stabilization of unstable areas of Eastern Coal Fields Ltd. & Bharat Coking Coal Ltd. The fund is utilized by ECL and BCCL based on implementation of approved projects in this respect.

The subsidiaries of CIL (except ECL, BCCL and Coal India Africana Limitada) are making a contribution of ₹ 6/- per tonne of their respective coal dispatch per annum to this fund, which remains in the custody of CIL, till they are disbursed/utilised by subsidiaries/agencies implementing the relevant projects.

Interest earned (net of TDS) on bank deposits earmarked for this fund is credited to this fund.

Notes to Balance Sheet (Contd.)

NOTE - 5

(₹ in crores)

	As at 31.03.12	As at 31.03.11
LONG TERM PROVISIONS		
For Employee benefits		
- Gratuity	0.28	0.09
- Leave encashment	36.56	37.34
- Other employee benefits	23.35	11.46
For foreign exchange transactions (Marked to Market)	74.69	87.70
Mine closure	6.35	3.78
Others	0.41	0.41
Total	141.64	140.78

1. Provision for mine closure

Following the guidelines from Ministry of Coal, GoI for preparation of mine closure plan a provision is made in the accounts. Such provision is made as per CMPDIL's (a subsidiary of Coal India Ltd.) technical assessment wherever available. Otherwise the same is provided considering the cost at a standard rate of ₹ 6.00 lakhs per hectare for OCP and ₹ 1.00 lakh per hectare for UG mines as outlaid in the aforesaid guidelines and the pro-rata yearly provision is further compounded by 5% from the year following which the same is started.

As per the above guidelines an amount equivalent to the provision made is to be deposited in an escrow account set up for this purpose. The criteria for selection of bankers for opening such escrow accounts is presently under formulation and negotiation with banks. Such criteria is required to be formulated uniformly, including that of the subsidiaries which requires depositing a sum of about ₹ 843 crores upto the year ended 31.03.2011 in such escrow account. Pending above no escrow account is opened yet.

2. Provision made for foreign exchange transactions

The company has taken interest rate swaps to hedge the interest payment in foreign currency. The overall marked to market position of the outstanding hedge positions as on 31.03.2012 stood at ₹ 74.69 crores (negative), which is fully provided for.



Notes to Balance Sheet (Contd.)

NOTE - 6

(₹ in crores)

SHORT TERM BORROWING

Loan from Bank

Loans repayable on demand

Total

**As at
31.03.12**

-

-

-

**As at
31.03.11**

-

-

-

Cash Credit

Pending finalisation of formalities for transfer of assets and liabilities of erstwhile Coal Mine Authorities Ltd. 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 31.03.2012 is ₹ 550.00 crores, out of which fund based limit is ₹ 250.00 crores. The balance ₹ 300.00 crores limit is non-fund based and Coal India Limited is contingently liable to the extent such facility is actually utilised by the subsidiaries. There is no credit balance in the cash credit account.

NOTE - 7

(₹ in crores)

TRADE PAYABLE

Sundry creditors for revenue stores

Total

**As at
31.03.12**

2.55

2.55

**As at
31.03.11**

2.30

2.30

Notes to Balance Sheet (Contd.)

NOTE - 8

(₹ in crores)

	As at 31.03.12	As at 31.03.11
OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Borrowings		
Term Loan From IBRD (USD 1.56 Crores, Prev. year USD 1.68 Crores)	80.40	75.74
Term Loan From JBIC (JPY 172.18 Crores, Prev. year JPY 194.58 Crores)	108.78	106.71
Dues to Subsidiaries		
Surplus fund from subsidiaries parked	5545.41	5054.38
Current account with subsidiaries	339.20	183.06
For capital stores	9.92	29.06
For Expense		
Salary Wages & Allowances	35.25	11.91
Power & Fuel	0.87	0.93
Others	51.10	92.76
	87.22	105.60
Statutory Dues :		
Sales Tax / Vat	2.47	1.57
Provident Fund	4.82	3.64
Royalty & Cess on Coal	5.25	3.58
Stowing Excise Duty	0.14	0.11
Income Tax deducted at Source	13.13	9.80
	25.81	18.70
Security Deposits	16.48	13.64
Earnest money	18.14	15.83
Advance & Deposit from customers / others	46.25	65.97
Interest accrued but not due on borrowings		
IBRD (USD .03 crore, prev. year USD .04 crore)	1.57	1.59
JBIC (JPY 2.88 crore, prev. year JPY 3.30 crore)	1.82	1.81
Current account with IICM	148.78	139.73
Unpaid dividend*	9.27	1.60
Ex-owner account	1.61	1.61
Advance deposit other Pre-nationalisation	0.21	0.21
Others liabilities	108.70	153.77
Total	6549.57	5969.01

* No amount is due for payment to Investor Education & Protection Fund

1. Current Maturities of Long Term Borrowings : Refer Note 3

2. Current Accounts with Subsidiaries

The current account balances with the subsidiaries are reconciled on regular intervals, and the same as on 31.03.2012 has been reconciled. Adjustment arising out of reconciliation are carried out continuously. However revenue expenses pending adjustment are provided for.

3. Current Account with IICM

Current account balance with Indian Institute of Coal Management (IICM) represents the fund accumulated by receiving ₹ 0.50 per tonne of productions of NEC and the subsidiaries, net of expenditure made / fund remitted on behalf of IICM. During the year total contribution received from NEC and the subsidiaries on this account amounted to ₹ 21.79 crores. Further ₹ 11.21 crores (net) were remitted to IICM during the year; and hire charges/ lease rent recovered from IICM amounted to ₹ 1.53 crores (excluding service tax applicable thereon). TDS thereon is ₹ 0.15 crores.



Notes to Balance Sheet (Contd.)

NOTE - 9

(₹ in crores)

SHORT TERM PROVISIONS	As at 31.03.12	As at 31.03.11
For Employee Benefits		
- Gratuity	29.57	8.18
- Leave Encashment	11.50	5.24
- PPLB	6.35	4.78
- PRP	59.43	46.19
- Other Employee Benefits	14.96	10.95
For Produced Dividend	315.82	252.65
For Income Tax	862.49	603.07
For Excise Duty on Closing Stock of Coal	2.87	6.84
For Others	0.01	0.01
Total	1303.00	937.91

Notes to Balance Sheet (Contd.)

NOTE - 10 A

FIXED ASSETS

(₹ in crores)

Particulars	Gross Block			Depreciation			Impairment Loss			Total Depreciation/ Impairment Loss		Net Carrying Value	
	As on 01.04.11	Addition during the year	Adj./Sales /Transfer during the year	As on 31.03.12	As on 01.04.11	Addition during the year	Adj./Sales /Transfer during the year	As on 31.03.12	As on 01.04.11	Addition during the year	As on 31.03.12	As on 31.03.12	As on 31.03.11
Tangible Assets													
Land													
(a) Freehold	11.81	-	-	11.81	-	-	-	-	-	-	-	11.81	11.81
(b) Leasehold	1.34	-	-	1.34	0.37	0.01	-	0.38	-	-	0.38	0.96	0.97
Building / Water													
Supply/Road & Culverts	82.26	5.63	(0.45)	87.44	28.26	1.63	-	29.89	1.64	0.54	2.18	55.37	52.36
Plant & Equipments	193.31	2.78	0.20	196.29	159.82	3.71	(0.25)	163.28	8.98	-	8.97	24.04	24.51
Telecommunication	7.60	0.02	(0.08)	7.54	5.32	0.36	-	5.68	-	-	-	1.86	2.28
Railway Sidings	7.71	-	-	7.71	6.95	0.06	-	7.01	-	-	-	0.70	0.76
Furniture & Fixtures /													
Office Tools &													
Equipments / Electrical													
Fittings / Fire Arms	18.33	0.39	-	18.72	14.74	0.41	-	15.15	0.06	-	0.06	3.51	3.53
Vehicle	4.65	0.41	(0.04)	5.02	3.01	0.22	(0.03)	3.20	-	-	-	1.82	1.64
Aircraft	19.95	-	-	19.95	17.65	-	-	17.65	1.72	-	1.72	0.58	0.58
Development	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets taken on													
Nationalisation	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	346.96	9.23	(0.37)	355.82	236.12	6.40	(0.28)	242.24	12.40	0.54	12.93	100.65	98.44
Tangible Assets													
(As on 31.03.2011)	336.83	10.76	(0.63)	346.96	230.66	6.01	(0.55)	236.12	12.40	-	12.40	98.44	93.77
Intangible Assets													
Computer Software	-	-	-	-	-	-	-	-	-	-	-	-	-
Development	32.31	-	-	32.31	22.10	0.02	-	22.12	9.94	-	9.94	0.25	0.27
Prospecting & Boring	8.19	-	-	8.19	5.46	-	-	5.46	2.73	-	2.73	-	-
TOTAL	40.50	-	-	40.50	27.56	0.02	-	27.58	12.67	-	12.67	0.25	0.27
Intangible Assets													
(As on 31.03.2011)	40.18	0.32	-	40.50	27.50	0.06	-	27.56	12.67	-	12.67	0.27	0.01

1. Land :

- 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.

• Land in possession of North Eastern Coalfields, Assam, includes 80669.70 hectares of lease hold land for which no value has been shown in the Balance Sheet.

2. Dankuni Coal Complex / Indian Institute of Coal Management :

- Fixed assets comprising power plant and related building and other assets having written down value as on 31.03.2012 of ₹ 20.99 crores, continue to be let out to South Eastern Coalfields Ltd. for a nominal lease rent of ₹ 1/- per annum under cancellable operating lease agreement. The above written down value of ₹ 20.99 crores includes land of ₹ 3.73 crores (at cost) and building of ₹ 7.46 crores (at WDV). The actual worth of the property is considered to be much higher than its WDV and hence no provision is called for.

- Fixed assets comprising plant & machinery and related building and other assets having written down value as on 31.03.2012 of ₹ 14.80 crores have been let out to Indian Institute of Coal Management, a registered society under Societies Registration Act, 1860 for an annual lease rent of ₹ 1.53 crores under cancellable operating lease agreement.

3. Furniture & Fixtures/Office Tools & Equipments/Electrical Fittings/Fire Arms :

The figures of Office equipments included in the above head of fixed assets could not be segregated as per requirements of revised Schedule VI format due to presence of some old balances appearing as clubbed figure as per pre revised Schedule VI format.



Notes to Balance Sheet (Contd.)

NOTE - 10B

CAPITAL WORK-IN-PROGRESS

(₹ in crores)

Particulars	Cost				Provision				Impairment Loss				Total Provision/ Impairment Loss	Net Carrying Value	
	As on 01.04.11	Addition during the year	Adj./Sales /Transfer during the year	As on 31.03.12	As on 01.04.11	Addition during the year	Adj./Sales /Transfer during the year	As on 31.03.12	As on 01.04.11	Addition during the year	Adj./Sales /Transfer during the year	As on 31.03.12		As on 31.03.12	As on 31.03.11
Tangible Assets															
Building / Water	46.23	18.87	(4.30)	60.80	0.05	-	-	0.05	-	-	-	-	60.75	46.18	
Supply/Road & Culverts	0.19	-	(0.16)	0.03	0.03	-	-	0.03	-	-	-	-	-	0.16	
Plant & Equipments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Railway Sidings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Others	0.20	-	(0.20)	-	-	-	-	-	-	-	-	-	-	0.20	
TOTAL	46.62	18.87	(4.66)	60.83	0.08	-	-	0.08	-	-	-	-	60.75	46.54	
Tangible Assets (As on 31.03.2011)	4.87	48.49	(6.74)	46.62	0.08	-	-	0.08	-	-	-	-	46.54	4.79	
Surveyed off Assets	0.11	-	(0.04)	0.07	0.07	-	-	0.07	-	-	-	-	-	0.04	
Surveyed off Assets (As on 31.03.2011)	0.06	0.05	-	0.11	0.05	0.02	-	0.07	-	-	-	-	0.04	0.01	
Grand Total	46.73	18.87	(4.70)	60.90	0.15	-	-	0.15	-	-	-	-	60.75	46.58	
Grand Total (As on 31.03.2011)	4.93	48.54	(6.74)	46.73	0.13	0.02	-	0.15	-	-	-	-	46.58	4.80	

NOTE - 10 C

INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in crores)

Particulars	Cost				Provision				Impairment Loss			Total Provision/ Impairment Loss	Net Carrying Value	
	As on 01.04.11	Addition during the year	Adj./Sales /Transfer during the year	As on 31.03.12	As on 01.04.11	Addition during the year	Adj./Sales /Transfer during the year	As on 31.03.12	As on 01.04.11	Addition during the year	As on 31.03.12		As on 31.03.11	
Intangible Assets														
Development	2.91	2.56	-	5.47	2.91	-	-	2.91	-	-	-	2.56	-	
Prospecting & Boring	10.32	0.96	-	11.28	1.18	-	-	1.18	-	-	-	10.10	9.14	
TOTAL	13.23	3.52	-	16.75	4.09	-	-	4.09	-	-	-	12.66	9.14	
Intangible Assets (As on 31.03.2011)	13.55	-	(0.32)	13.23	4.41	-	(0.32)	4.09	-	-	-	9.14	9.14	

Notes to Balance Sheet (Contd.)

NOTE - 11

(₹ in crores)

	Number of shares current year/ (previous year)	Face value per shares current year/ (previous year)	As at 31.03.12	As at 31.03.11
NON-CURRENT INVESTMENTS - (unquoted) at Cost				
Equity Shares in Joint Venture Companies				
International Coal Venture Private Limited	2800000 (2800000)	10 (10)	2.80	2.80
CIL NTPC Urja Private Limited	25000 (NIL)	10 (-)	0.02	-
Equity Shares in Subsidiaries Companies				
Eastern Coalfields Limited	22184500 (22184500)	1000 (1000)	2218.45	2218.45
Central Coalfields Limited	9400000 (9400000)	1000 (1000)	940.00	940.00
Bharat Coking Coal Limited	21180000 (21180000)	1000 (1000)	2118.00	2118.00
Western Coalfields Limited	2971000 (2971000)	1000 (1000)	297.10	297.10
Central Mine Planning & Design Institute Limited	190400 (190400)	1000 (1000)	19.04	19.04
Northern Coalfields Limited	1776728 (1776728)	1000 (1000)	177.67	177.67
South Eastern Coalfields Limited	3597000 (3597000)	1000 (1000)	359.70	359.70
Mahanadi Coalfields Limited	1864009 (1864009)	1000 (1000)	186.40	186.40
Coal India Africana Limitada		(Quota Capital)	0.01	0.01
Total			6319.19	6319.17
Aggregate amount of unquoted investments			6319.19	6319.17
Aggregate amount of quoted investments			-	-
Market value of quoted investments			-	-

Contd ...



Notes to Balance Sheet (Contd.)

NOTE - 11 (Contd.)

1. Investment in ECL and BCCL

Investment of the company, in share capital of Eastern Coalfields Ltd. (ECL) and Bharat Coking Coal Ltd. (BCCL) which are long term in nature amounted to ₹ 2218.45 crores (₹ 2218.45 crores) and ₹ 2118.00 crores (₹ 2118.00 crores) respectively as on 31.03.2012. 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.

2. Investment in International Coal Ventures Pvt. Ltd.

CIL has entered into a Memorandum of Understanding (vide approval from its Board in 237th meeting held on 24th November, 2007) regarding formation of Special Purpose Vehicle (SPV) through joint venture involving CIL/SAIL/RINL/NTPC & NMDC for acquisition of coking 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. was initially formed by incorporation under Companies Act, 1956 on 20th May, 2009 with an authorised capital of ₹ 1.00 crore and paid up capital of ₹ 0.70 crores. The authorised Capital and paid up Capital as on 31.03.2012 stood at ₹ 1100.00 crores and ₹ 9.80 crores respectively. Out of above paid up capital, Coal India Ltd. is owning 2/7th share i.e. ₹ 2.80 crores face value of equity shares.

3. Investment in CIL NTPC Urja Private Ltd.

CIL NTPC Urja Pvt.Ltd., a 50:50 joint venture company was formed on 27th April'2010 between CIL & NTPC for setting up of joint integrated power plants along with mining of coal. Coal India Ltd. is holding 50% equity shares of face value of ₹ 0.02 crore in the joint venture company.

4. Investment in Coal India Africana Limitada (100% owned subsidiary –Overseas).

Coal India Ltd., has formed a 100% owned subsidiary in Republic of Mozambique, named "Coal India Africana Limitada" to explore non-coking coal properties in Mozambique. The initial paid up capital on such formation (known as "Quota Capital") is ₹ 0.01 crores (USD 1000).

Notes to Balance Sheet (Contd.)

NOTE - 12

(₹ in crores)

LONG TERM LOANS & ADVANCES		As at 31.03.12	As at 31.03.11
Loans			
Loans to subsidiaries			
Eastern Coalfields Ltd.		518.97	518.97
Bharat Coking Coal Ltd.		1083.30	1083.30
Balance with subsidiaries (World Bank)		1362.72	1370.43
Loan to employees (House Building)		0.41	0.15
Advances			
For capital	47.52		57.26
Less : Provision for doubtful advances	<u>3.58</u>		<u>3.67</u>
		43.94	53.59
For revenue	128.48		144.82
Less : Provision for doubtful advances	<u>2.61</u>		<u>2.61</u>
		125.87	142.21
Deposit for P & T, Electricity etc.	3.64		3.55
Less : Provision for doubtful deposits	<u>0.73</u>		<u>0.69</u>
		2.91	2.86
Total		<u>3138.12</u>	<u>3171.51</u>
CLASSIFICATION			
Secured		0.41	0.15
Unsecured - Considered good		3137.71	3171.36
- Considered doubtful		6.92	6.97

1. Advances for Capital

Full provision is kept in the accounts against an old advance amounting to ₹ 3.58 crores paid to M/s MAMC (now a sick company) for arranging supply of imported spares on behalf of BCCL, a subsidiary company.

2. Loans to subsidiaries.

Loan account balance with subsidiaries of ₹ 1602.27 crores represents the loan made to ECL of ₹ 518.97 crores and to BCCL of ₹ 1083.30 crores.

These subsidiaries are sick and referred to BIFR. On implementation of BIFR scheme these subsidiaries are turning around and have started earning profits. Both the subsidiaries have started repaying some of their old advances too. Considering such repayment on regular basis and in view of their financials turning around no provision has been considered on such loans.



Notes to Balance Sheet (Contd.)

NOTE - 13

(₹ in crores)

		As at 31.03.12	As at 31.03.11
OTHER NON-CURRENT ASSETS			
Exploratory drilling work (for Eastern Coalfields Ltd.)	85.00		78.09
Less : Provision	85.00		78.09
		-	-
Other Receivables	0.31		0.31
Less : Provision	0.31		0.31
		-	-
Total		-	-
CLASSIFICATION			
Secured		-	-
Unsecured - Considered good		-	-
- Considered doubtful		85.31	78.40

Exploratory Drilling Work

In view of a critically weak financial position of ECL which is under BIFR, expenditure incurred by CMPDIL on exploratory drilling works falling under the command area of ECL is initially funded by CIL and shown as above (advance). Such advance, if remains unadjusted for five years since they were accounted for is written off.

However, since CIL is required to write off the same as aforesaid as an abundant precaution, advance made on this account during the year is fully provided for.

NOTE - 14

(₹ in crores)

	Number of units current year / (previous year)	As at 31.03.12	As at 31.03.11
CURRENT INVESTMENTS - (unquoted) at cost			
NON-TRADE			
Mutual Fund Investment			
	726687.057		
UTI Mutual Fund	(nil)	74.00	-
	738426.0825		
SBI Mutual Fund	(nil)	74.00	-
	736766.366		
Canara Robeco Mutual Fund	(nil)	74.00	-
Total		222.00	-
Agreegate of unquoted investments :		222.00	-
Fair value of unquoted investments (NAV) :		222.25	-
Provision made for diminution in the value of investments :		-	-

Notes to Balance Sheet (Contd.)

NOTE - 15

(₹ in crores)

		As at 31.03.12	As at 31.03.11
INVENTORIES			
Stock of Coal	16.09		33.15
Less : Provision	0.44		0.44
A. Stock of Coal (Net)		15.65	32.71
Stock of Stores & Spares (at cost)	3.79		4.46
Less : Provision	0.93		1.48
B. Net Stock of Stores & Spares (at cost)		2.86	2.98
Total (A + B)		18.51	35.69

NOTE - 16

(₹ in crores)

		As at 31.03.12	As at 31.03.11
TRADE RECEIVABLE			
Debts outstanding for a period exceeding six months from the due date	10.77		10.77
Less : Provision for bad & doubtful debts	10.77		10.77
		-	-
Other Debts		0.01	-
Total		0.01	-
Classification :			
Secured		-	-
Unsecured - Consided good		0.01	-
- Considered doubtful		10.77	10.77

	CLOSING BALANCE		DUE AT ANY TIME DURING	
	CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
Due by the Companies in which Directors of the Company is also a Director / Member	-	-	-	-
Due by the parties in which the Director(s) of comany is / are interested	-	-	-	-



Notes to Balance Sheet (Contd.)

NOTE - 17

(₹ in crores)

	As at 31.03.12	As at 31.03.11
CASH & BANK BALANCE		
Cash & Cash Equivalent		
Balances with Scheduled Banks		
- In Deposit Accounts with maturity upto 3 months	73.00	105.00
- In Current Accounts	83.36	120.08
- In Cash Credit Accounts	149.90	251.66
Cheques, Drafts and Stamps in hand	-	-
Cash in hand	0.04	0.04
Other Bank Balances		
Balances with Scheduled Banks		
- In Deposit accounts with maturity of more than 3 months *	13035.30	9582.99
- In Deposit accounts under Shifting and Rehabilitation Fund Scheme with maturity of more than 3 months **	1951.85	1598.15
In SBI Dividend Account (Interim dividend 2011-12)	8.31	-
Balance in unpaid dividend accounts		
- In SBI Dividend Account (Final dividend 2010-11)	0.10	-
- In SBI Dividend Account (Interim dividend 2010-11)	0.86	1.60
Total	15302.72	11659.52

* This includes deposits of ₹ 10923.15 crores (₹ 4500.65 crores) of maturity more than 12 months from the date of acquisition.

** This includes deposits of ₹ 461.85 crores (₹ 1400.35 crores) of maturity more than 12 months from the date of acquisition.

Notes to Balance Sheet (Contd.)

NOTE - 18

(₹ in crores)

		As at 31.03.12	As at 31.03.11
SHORT TERM LOANS & ADVANCES			
ADVANCE			
Advance to suppliers			
For revenue	0.28		0.24
Less : Provision for doubtful advances	0.22		0.23
		0.06	0.01
Advance payment of statutory dues			
Sales tax	0.02		0.02
Less : Provision for doubtful advances	0.02		0.02
		-	-
Cenvat credit receivable		0.14	-
Advance income tax / Tax deducted at source		875.33	777.93
Others		0.90	0.34
Advance to employees	24.48		2.22
Less : Provision for doubtful advances	0.01		0.04
		24.47	2.18
Current account with subsidiaries		4073.23	5379.61
Claims receivables	3.19		3.17
Less : Provision for doubtful claims	3.15		3.15
		0.04	0.02
Prepaid expenses		0.18	0.11
Total		4974.35	6160.20
CLASSIFICATION			
Secured		-	-
Unsecured - Considered good		4974.35	6160.20
- Considered doubtful		3.40	3.44

	CLOSING BALANCE		MAXIMUM AMOUNT DUE AT ANY TIME DURING	
	CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
Due by the Companies in which Directors of the Company is also a Director / Member	-	-	-	-
Due by the parties in which the Director(s) of company is / are interested	-	-	-	-

Current accounts with subsidiaries

The balances of the current account with the subsidiaries are reconciled on regular intervals, and the same as on 31.03.2012 has been reconciled. Adjustment arising out of reconciliation are carried out continuously. However revenue expenses pending adjustment are provided for.

Further current account with subsidiaries also includes dues from ECL & BCCL of ₹ 1772.49 crores and ₹ 2110.16 crores respectively on account of advances made to such subsidiaries from time to time.

These subsidiaries are sick and referred to BIFR. On implementation of BIFR scheme these subsidiaries are turning around and have started earning profits. Both the subsidiaries have started repaying some of their old advances mentioned above. Considering such repayment on regular basis and in view of their financials turning around no provision has been considered on such loans and advances.



Notes to Balance Sheet (Contd.)

NOTE - 19

(₹ in crores)

		As at 31.03.12	As at 31.03.11
OTHER CURRENT ASSETS			
Interest accrued			
Deposit with banks		558.45	171.39
Other advances	3.47		3.59
Less : Provision	0.01		0.01
		3.46	3.58
Deposits			
Deposit for customs duty, port charges etc.	0.98		0.96
Less : Provision	0.79		0.79
		0.19	0.17
Others	0.06		0.06
Less : Provision	0.06		0.06
		-	-
Amount receivable from Govt. of India for transactions on behalf of Ex-Coal Board	1.83		1.67
Less : Provision	1.83		1.67
		-	-
Other receivables	3.49		2.92
Less : Provision	2.60		2.60
		0.89	0.32
Total		562.99	175.46

Notes to Statement of Profit & Loss

NOTE - 20

(₹ in crores)

		For the Year ended 31.03.12	For the Year ended 31.03.11
REVENUE FROM OPERATIONS			
Sales of Coal	486.56		464.06
Less : Excise Duty	<u>22.27</u>		<u>2.82</u>
		464.29	461.24
Less : Other Levies			
Royalty	27.19		29.25
Stowing Excise Duty	0.80		1.10
Central Sales Tax	7.96		7.48
Clean Energy Cess	4.01		4.68
State Sales Tax / VAT	4.47		3.76
Other Levies	<u>4.00</u>		<u>5.51</u>
Total Levies		48.43	51.78
Revenue From Opeartions (Net sales)		<u>415.86</u>	<u>409.46</u>

**Notes to Statement of Profit & Loss (Contd.)****NOTE - 21**

(₹ in crores)

	For the Year ended 31.03.12	For the Year ended 31.03.11
OTHER INCOME		
Income From Non-Current Investments		
Dividend from Subsidiaries	7,307.20	4237.42
Income From Current Investments		
Dividend from Mutual Fund Investments	16.20	0.33
Income From Others		
Interest (Gross)		
From Deposit with Banks		
(TDS ₹ 163.66 crores, previous year ₹ 51.83 crores)	1,480.72	604.44
From Loans and Advances to Employees	0.79	0.24
Others (TDS ₹ 1.41 crores, previous year ₹ 2.58 crores)	14.72	13.99
Apex Charges (TDS ₹ 20.65 crores, previous year ₹ 20.43 crores)	187.24	185.21
Subsidy for Sand Stowing & Protective Works	-	0.45
Profit on Sale of Assets	0.02	-
Recovery of Transportation & Loading Cost	6.64	10.00
Gain on Foreign exchange Transactions	-	7.74
Exchange Rate Variance	0.09	-
Lease Rent (TDS ₹ 0.15 crore, previous year 0.15 crore)	1.53	1.53
Liability Write Backs	67.97	3.18
Liquidated damage / Penalty	3.95	0.86
Recruitment fees from applications	4.24	0.04
Guarantee fee from Subsidiaries	20.44	20.56
Less : Guarantee fee on IBRD & JBIC Loan	16.35	16.45
Excise Duty on Decrease in Stock	3.97	-
Other non-operating Income	2.34	2.96
Total	9101.71	5072.50

1. Apex charge and Interest from ECL and BCCL

Recognition of revenue in respect of interest claim of ₹ 21.59 crores (₹ 37.86 crores) on other advances attributable to Bharat Coking Coal Ltd. for the year have been deferred. This has been done in consistence with the provision of Accounting Standard - 9 (Revenue Recognition) of Institute of Chartered Accountants of India. Loan to BCCL of ₹ 1083.30 crores is already made interest free by CIL Board.

Recovery of such interest from ECL is already waived by CIL Board as under :-

Coal India Ltd. Board vide its 209th Meeting held on 29th 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 include :

- Waiver of interest due on unsecured loans from Coal India Ltd. amounting to ₹ 135.00 crores as outstanding on 31.03.2002.
- Waiver of future interest on unsecured loan of ₹ 519.00 crores till Eastern Coalfields Ltd.'s net worth becomes positive.
- Waiver of service charges payable to Coal India Ltd. till Eastern Coalfields Ltd.'s net worth becomes positive.

Accordingly, no interest and service charges are charged during the year to ECL.

Till 2010-11 recognition of apex charges due from BCCL were deferred. However Coal India Ltd. Board vide its 283th Meeting held on 18th May, 2012 (Item NO. 283 : 4 F) has granted relief to BCCL by way of waiver of apex charges due from BCCL covering the period 1999-2000 to 2010-11 amounting ₹ 151.64 crores and thereafter to continue with such waiver till BCCL comes out of BIFR. Hence no such apex charge is shown as due during the year.

Notes to Statement of Profit & Loss

NOTE - 21 (Contd.)

2. Interim Dividend/ Final Dividend from Subsidiaries

Interim dividend declared by three subsidiaries namely NCL, MCL and SECL amounting to ₹ 2918.40 crores (₹ 1100.37 crores) pertaining to the year 2011-12 has been accounted for as income for the year, over and above the final dividend for the year 2010-11 received during the current year from NCL, MCL, CCL, WCL and SECL amounting to ₹ 4388.80 crores (₹ 3137.05 crores).

3. Income From Loans and Advances to Employees

Interest on advance to employees for house building as per terms of such advance is recovered after the completion of recovery of principal. Accrued interest on such advances on estimated basis is considered in the accounts during the year.

4. Liability Write Backs

Liability write backs includes ₹ 65.28 crores towards likely contractual expenses kept earlier for NEC on account of cost of overburden removal. Since the contract is already concluded and no such expenses have fallen due the liability is written back.

5. Penalty claims for short lifting of coal from NEC

Revenue from penalty claims arising out of short lifting of coal by various parties amounting to ₹ 2.85 crores during the year has not been recognised in the accounts owing to the uncertainties of its recoveries.

NOTE - 22

(₹ in crores)

	For the Year ended 31.03.12	For the Year ended 31.03.11
COST OF MATERIALS CONSUMED		
Explosives	2.02	2.09
Timber	0.53	0.53
P O L	3.24	3.75
HEMM Spares	0.15	0.14
Other Consumable Stores & Spares	3.74	3.52
Total	9.68	10.03

NOTE - 23

(₹ in crores)

	For the Year ended 31.03.12	For the Year ended 31.03.11
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE		
Closing Stock of Coal	16.09	33.15
Less : Deterioration of Coal	0.44	0.44
	15.65	32.71
Opening Stock of Coal	33.15	24.61
Less : Deterioration of Coal	0.44	0.44
	32.71	24.17
Change in Inventory of Stock in trade	17.06	(8.54)

**Notes to Statement of Profit & Loss (Contd.)****NOTE - 24**

(₹ in crores)

	For the Year ended 31.03.12	For the Year ended 31.03.11
EMPLOYEE BENEFITS EXPENSES		
Salary, Wages, Allowances, Bonus etc.	209.08	181.25
Ex-Gratia	7.82	9.20
PRP	13.24	18.57
Contribution to P.F. & Other Funds	20.16	17.84
Gratuity	35.16	6.51
Leave Encashment	12.73	11.41
Workman Compensation	0.09	0.17
Other Employee Benefits	10.76	6.16
Total	309.04	251.11

1. National Coal Wage Agreement (NCWA-IX)

The National Coal Wage Agreement (NCWA-IX) effective from 01-07-2011 covering non-executive cadre employees was finalized on 31st January 2012. Summarized position of financial impact of pay revision is given below:-

Impact on employee benefit expenses

(excluding gratuity and other employee

benefits valued under actuarial valuation) : ₹ 23.28 crores

Impact on gratuity for employees retiring

during the year from the effective date of NCWA-IX : ₹ 0.78 crores

Actuarial impact on gratuity, earned leave encashment, life

cover scheme and settlement allowance for existing

employees as on 31.03.2012 : ₹ 25.67 crores

The year-end liability of other employee benefits viz. leave travel concession, compensation to dependents in case of mine accidental death are also valued on actuarial basis impact of which are not shown above.

2. Other employee benefits included in "Welfare Expenses" i.e. Note 25

Certain other employee benefits viz. medical expenses, canteen & crèche, power township etc. have been shown under welfare expenses as these also includes expenses incurred for the benefit of the community.

Notes to Statement of Profit & Loss (Contd.)

NOTE - 25

(₹ in crores)

	For the Year ended 31.03.12	For the Year ended 31.03.11
WELFARE EXPENSES		
Medical Expenses	8.54	9.13
Medical Expenses for Retired Employees	7.27	3.44
Grants to Schools & Institutions	0.99	0.76
Sports & Recreation	0.31	0.28
Canteen & Creche	0.16	0.16
Power - Township	5.87	5.13
Hire Charges of Bus, Ambulance etc.	0.49	0.48
CSR Expenses	10.35	5.94
Other Expenses	2.32	1.49
Total	36.30	26.81

NOTE - 26

(₹ in crores)

	For the Year ended 31.03.12	For the Year ended 31.03.11
REPAIRS		
Building	4.75	1.79
Plant & Machinery	0.23	0.33
Others	4.50	4.94
Total	9.48	7.06

**Notes to Statement of Profit & Loss (Contd.)****NOTE - 27**

(₹ in crores)

CONTRACTUAL EXPENSES

Transportation Charges :

- Coal
- Stores & Others

Wagon Loading

Hiring of P & M

Other Contractual Work

Total

	For the Year ended 31.03.12	For the Year ended 31.03.11
	0.33	0.30
	0.01	0.02
	1.09	1.95
	44.28	83.59
	0.69	0.61
	46.40	86.47

NOTE - 28

(₹ in crores)

FINANCE COSTS**Interest Expenses**

Interest on IBRD & JBIC Loan

Less : Transferred to subsidiaries

Interest to Subsidiaries on surplus fund parked

Others

Total (A)**Other Finance Cost**

Bank commitment and allocation charges

Total (B)**Total (A + B)**

	For the Year ended 31.03.12	For the Year ended 31.03.11
	20.04	21.12
	<u>20.04</u>	<u>21.12</u>
	378.62	203.40
	0.01	0.01
	378.63	203.41
	0.10	0.25
	0.10	0.25
	378.73	203.66

Interest to Subsidiaries paid on Surplus Fund

Interest has been paid on surplus fund parked by subsidiaries except on fund earmarked as interest free. Such interest is paid at annualised average yield rate at which CIL earns from its investment in fixed deposits with banks. No interest is considered on funds given free of interest by NCL (₹ 965.22 crores) & MCL (₹ 350.29 crores) as these funds were transferred to ECL & BCCL for specific purposes as interest free advances.

Notes to Statement of Profit & Loss (Contd.)

NOTE - 29

(₹ in crores)

	For the Year ended 31.03.12	For the Year ended 31.03.11
PROVISIONS (NET OF REVERSAL)		
(A) PROVISION MADE FOR		
Doubtful Advances & Claims	17.27	30.05
Foreign Exchange Transaction	-	48.72
Stores & Spares	0.03	-
Reclamation of Land / Mine Closure Expenses	2.57	1.91
Total (A)	19.87	80.68
(B) PROVISION REVERSAL		
Doubtful Advances & Claims	0.03	-
Foreign Exchange Transaction	13.01	-
Others	0.01	-
Total (B)	13.05	-
Total (A + B)	6.82	80.68

Refer explanation to note 13 and para iii) of note 34 (Additional Notes to Accounts)

NOTE - 30

(₹ in crores)

	For the Year ended 31.03.12	For the Year ended 31.03.11
WRITE OFF (Net of past provisions)		
Doubtful advances	10.16	7.54
Less : Provided earlier	10.16	7.54
Total	-	-

Refer explanation to note 13 and para iii) of note 34 (Additional Notes to Accounts)

**Notes to Statement of Profit & Loss (Contd.)****NOTE - 31**

(₹ in crores)

OTHER EXPENSES	For the Year ended 31.03.12	For the Year ended 31.03.12
Travelling expenses		
- Domestic	9.52	7.75
- Foreign	0.69	1.31
Training Expenses	1.31	0.72
Telephone & Postage	1.71	1.23
Advertisement & Publicity	6.14	30.96
Demurrage	0.06	0.08
Donation / Subscription	1.34	0.67
Security Expenses	3.57	3.54
Hire Charges	3.16	3.07
CMPDI Expenses	0.74	1.12
Legal Expenses	1.97	1.80
Bank Charges	0.25	0.27
Guest House Expenses	0.55	0.48
Consultancy Charges	6.69	10.03
Under Loading Charges	3.50	4.50
Auditor's Remuneration & Expenses		
- For Audit Fees	0.04	0.04
- For Taxation Matters	-	-
- For Company Law Matters	-	-
- For Management Services	-	-
- For Other Services	0.12	0.23
- For Reimbursement of Expenses	0.02	0.03
Internal Audit Fees & Expenses	0.22	0.08
Rent	3.95	3.92
Rates & Taxes	0.76	0.54
Wealth Tax	0.12	-
Insurance	0.32	1.36
Loss on Foreign Exchange Transactions	35.87	-
Loss on Exchange Rate Variance	0.02	0.02
Rescue / Safety Expenses	0.13	0.11
Dead Rent / Surface Rent	0.34	0.08
Siding Maintenance Charges	0.38	0.08
Printing & stationery	1.96	1.33
Meeting expenses	1.69	1.50
Brokerage & Commission	1.25	1.52
Excise duty on stock	-	6.84
Miscellaneous expenses	3.77	3.63
Total (A)	92.16	88.84

Notes to Statement of Profit & Loss (Contd.)

NOTE - 32

(₹ in crores)

		For the Year ended 31.03.12	For the Year ended 31.03.11
PRIOR PERIOD ADJUSTMENT			
(A) Expenditure			
Contractual Expenses		-	0.33
Other Expenditure		-	(0.14)
Total (A)		-	0.19
(B) Income			
Other Income		0.46	-
Total (B)		0.46	-
Total (A - B {Charge / (Income)})		(0.46)	0.19



NOTE - 33

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 Subsidies / Grants from Government :

- 2.1 Subsidies / Grants on capital account are deducted from the cost of respective assets to which they relate. The unspent amount at the year end, if any, is shown as current liabilities.
- 2.2 Subsidies / Grants on revenue account are credited to Statement of Profit & Loss under the head Other Income and the relevant expenses are debited to the respective heads. The unspent amount at the year end, if any, is shown as current liabilities.

3.0 Fixed Assets :

3.1 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.

3.2 Plant & Machinery :

Plant & Machinery includes cost and expenses incurred for erection / installation and other attributable costs of bringing those assets to working conditions for their intended use.

3.3 Railway Siding :

Pending commissioning, payments made to the railway authorities for construction of railway sidings are shown in Note 12 – “ Long Term Loans & Advances” under Advances for Capital.

3.4 Development :

Expenses net of income of the projects / mines under development are booked to Development Account and grouped under Capital Work-in-Progress till the projects / mines are brought to revenue account. Except otherwise specifically stated in the project report to determine the commercial readiness of the project to yield production on a sustainable basis and completion of required development activity during the period of constructions, projects and mines under development are brought to revenue considering the following criteria :

- (a) From beginning of the financial year immediately after the year in which the project achieves physical output of 25% of rated capacity as per approved project report, or
- (b) 2 years of touching of coal, or
- (c) From the beginning of the financial year in which the value of production is more than total expenses,
- Whichever event occurs first.

4.0 Prospecting & Boring and other Development Expenditure :

The cost of exploration and other development expenditure incurred in one “Five year” plan period will be kept in Capital work-in-progress till the end of subsequent two “Five year” plan periods for formulation of projects, before it is written-off, except in the case of Blocks identified for sale or proposed to be sold to outside agency which will be kept in inventory till finalisation of sale.

5.0 Investments :

Current investments are valued at the lower of cost and fair value as at the Balance Sheet date. Investments in mutual fund are considered as current investments.

Non-Current investments are valued at cost.

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 The closing stock of stores and spare parts has been considered in the accounts as per balances appearing in priced stores ledger of the Central Stores and as per physically verified stores lying at the collieries/units.

6.2.2 Stock of stores & spare parts at central & area Stores are valued at cost calculated on the basis of weighted average method. The year-end inventory of stores & spare parts lying at collieries / sub-stores / consuming centres, initially charged off, are valued at issue price of Area Stores, Cost / estimated cost. Workshop jobs including work-in-progress are valued at cost.

6.2.3 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 on the basis of technical estimation.

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 recognised 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 has defined contribution plans for payment of Provident Fund and Pension Fund benefits to its employees. Such Provident Fund and Pension Fund are maintained and operated by the Coal Mines Provident Fund (CMPF) Authorities. As per the rules of these schemes, the company is required to contribute a specified percentage of pay roll cost to the CMPF Authorities to fund the benefits.

- b) Defined benefits plans :

The 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

- 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 Costs :

Borrowing Cost directly attributable to the acquisition or construction of qualifying assets is 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 Non - Current Assets/ Long Term Provisions as the case may be.

The reported quantity of overburden as per record is considered in calculating the ratio for OBR accounting where the variance between reported quantity and measured quantity is within the lower of the two alternative permissible limits, as detailed hereunder :-

Annual Quantum of OBR Of the Mine	Permissible limits of variance	
	I	II
	%	Quantum (in Mill.Cu. Mtr.)
Less than 1 Mill. CUM	+/- 5%	0.03
Between 1 and 5 Mill. CUM	+/- 3%	0.20
More than 5 Mill. CUM	+/- 2%	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 ₹ 0.05 crore in each case are treated as income / expenditure for the current year.



NOTE - 34

ADDITIONAL NOTES ON ACCOUNTS

i) Contingent Liabilities / Commitments

- The amount remaining to be executed on capital account not provided for is ₹ 67.74 crores (₹ 83.51 crores).
- The amount remaining to be executed on revenue account not provided for is ₹ 345.20 crores.
- Claims against the company not acknowledged as debts are ₹ 142.81 crores (₹ 134.23 crores).
- 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 as on 31.03.2012 stood at ₹ 720.10 crores (₹ 731.76 crores) and ₹ 642.62 crores (₹ 638.67 crores) respectively.

Further, the company has also given guarantee for loans obtained by subsidiaries from Export Development Bank of Canada (EDC) and Liebherr France the outstanding balance of which as on 31.03.2012 stood at ₹ 155.47 crores (₹140.45 crores) and ₹ 13.87 crores (₹ 13.60 crores) respectively.

- As on 31.03.2012 outstanding letters of credits amounted to ₹ 218.63 crores (₹ 48.06 crores).

ii) Long Term & Short Term Provision (Refer Note 5 & Note 9)

Provision for Employee Benefits

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 31-03-2012

CERTIFICATES AS PER ACCOUNTING STANDARD 15 (Revised 2005)

(₹ in crores)

Table 1 : Disclosure Item 120 (c) Table showing changes in Present Value of obligations	As at	
	31.03.2012	31.03.2011
Present Value of obligations at beginning of the year	122.17	121.13
Acquisition Adjustment	0.00	0.00
Interest Cost	9.28	9.64
Past Service Cost	0.00	0.00
Current Service Cost	6.48	4.98
Curtailement Cost	0.00	0.00
Settlement Cost	0.00	0.00
Benefits Paid	12.31	15.42
Actuarial Gain / Loss on obligations	27.28	1.84
Present Value of Obligation at the end of the year	152.90	122.17

(₹ in crores)

Table 2 : Disclosure Item 120 (e) Table showing changes in Fair Value of Plan Assets	As at	
	31.03.2012	31.03.2011
Fair Value of Plan Asset at Beginning of the year	118.01	117.88
Acquisition Adjustment	0.00	0.00
Expected Return on Plan Asset	9.44	9.43
Contributions	15.38	4.43
Benefits Paid	12.31	15.42
Actuarial gain/loss on Plan Asset	-0.41	1.69
Fair Value of Plan Asset at end of the year	130.11	118.01

(₹ in crores)

Table 3 : Disclosure Item 120 (f) Table showing Funded Status	As at	
	31.03.2012	31.03.2011
Present Value of obligation at end of the year	152.90	122.17
Fair Value of Plan Asset at end of the year	130.11	118.01
Funded Status	-22.79	-4.16
Unrecognised actuarial gain / loss at end of the year	0.00	0.00
Net Asset (Liability) recognized in Balance Sheet	-22.79	-4.16

(₹ in crores)

Table 4 : Disclosure Item 120 (g) Table showing Expense Recognized in statement of Profit / Loss	As at	
	31.03.2012	31.03.2011
Current Service Cost	6.48	4.98
Past Service Cost	0.00	0.00
Interest Cost	9.28	9.64
Expected Return on Plan Asset	9.44	9.43
Curtailement Cost	0.00	0.00
Settlement Cost	0.00	0.00
Actuarial gain / loss Recognised in the year	27.69	0.15
Expense Recognised in Statement of Profit / Loss	34.01	5.34



(₹ in crores)

Table 7 : Disclosure Item 120 (I)		As at	
Table showing Actuarial Assumptions :		31.03.2012	31.03.2011
Mortality Table	:	LICI – 1994-1996	LICI – 1994-1996
Superannuation Age	:	60	60
Early Retirement & Disablement	:	10 Per Thousand P.A.	10 Per Thousand P.A.
	:	6 above age 45	6 above age 45
	:	3 between 29 and 45	3 between 29 and 45
	:	1 below age 29	1 below age 29
Discount Rate	:	8.00	8.50
Inflation Rate	:	6.25	6.00
Return on Asset	:	8.00	8.00
Remaining Working Life	:	8	9
FORMULA USED	:	Project Unit Credit Method	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 crores)

Table 10 : Disclosure Item 120 (p)		As at	
Movements in the Liability Recognised in Balance Sheet		31.03.2012	31.03.2011
Opening Net Liability		4.16	3.25
Expenses as above		34.01	5.34
Contributions		15.38	4.43
Closing Net Liability		22.79	4.16
Closing Fund / Provision at end of the Year		152.90	122.17

ACTUARIAL VALUATION OF LEAVE ENCASHMENT BENEFIT (EL / HPL) AS AT 31-03-2012

CERTIFICATES AS PER ACCOUNTING STANDARD 15 (Revised 2005)

(₹ in crores)

Table 1 : Disclosure Item 120 (c) Table showing changes in Present Value of obligations	As at	
	31.03.2012	31.03.2011
Present Value of obligation at beginning of the year	40.15	33.14
Acquisition Adjustment	0	0
Interest Cost	3.03	2.64
Past Service Cost	0	0
Current Service Cost	5.48	4.95
Curtailement Cost	0	0
Settlement Cost	0	0
Benefits Paid	4.55	4.20
Actuarial Gain / Loss on obligations	2.99	3.62
Present Value of Obligation at the end of the year	47.10	40.15

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 crores)

Table 4 : Disclosure Item 120 (g) Table showing Expense Recognized in statement of Profit / Loss	As at	
	31.03.2012	31.03.2011
Current Service Cost	5.48	4.95
Past Service Cost	0	0
Interest Cost	3.03	2.64
Expected Return on Plan Asset	0	0
Curtailement Cost	0	0
Settlement Cost	0	0
Actuarial gain/loss recognised in the year	2.99	3.63
Expenses Recognised in Statement of Profit/Loss	11.50	11.22



(₹ in crores)

Table 7 : Disclosure Item 120 (i)		As at	
Table showing Actuarial Assumptions :		31.03.2012	31.03.2011
Mortality Table	:	LICI – 1994-1996	LICI – 1994-1996
Superannuation Age	:	60	60
Early Retirement & Disablement	:	10 Per Thousand P.A.	10 Per Thousand P.A.
	:	6 above age 45	6 above age 45
	:	3 between 29 and 45	3 between 29 and 45
	:	1 below age 29	1 below age 29
Discount Rate	:	8.00	8.50
Inflation Rate	:	6.25	6.00
Return on Asset	:	0.00	0.00
Remaining Working Life	:	8	9
FORMULA USED	:	Project Unit Credit Method	Project Unit Credit Method

(₹ in crores)

Table 10 : Disclosure Item 120 (p)		As at	
Movements in the Liability Recognised in Balance Sheet		31.03.2012	31.03.2011
Opening Net Liability		0.0	0.0
Expenses as above		11.50	11.22
Contributions		0.0	0.0
Closing Net Liability		11.50	11.22
Closing Fund / Provision at end of the Year		47.10	40.15

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

iii) Provisions

The position of various provisions except those relating to employee benefits which are valued actuarially as on 31.03.2012 are given below :

(₹ in crores)

Provisions	Opening Balance	Addition during the year	Write back /Adj. during the year	Closing Balance
Note 5 & 9 :- Long Term & Short Term Provision				
PRP	46.19	13.24	-	59.43
Provision for Foreign Exchange Transaction	87.70	-	13.01	74.69
Mine Closure Plan	3.78	2.57	-	6.35
Note 10A :- Fixed Assets				
Impairment of Assets	25.07	0.54	0.01	25.60
Note 10B :- Capital Work in Progress				
Against CWIP	0.08	-	-	0.08
Against Surveyed off Assets	0.07	-	-	0.07
Note 10C :- Intangible Assets under Development				
Against Intangible Assets under Development	4.09	-	-	4.09
Note 12 :- Long Term Loans & Advances				
Against advances for Capital	3.67	-	0.09	3.58
Against advances for Revenue	2.61	-	-	2.61
Against advances for P&T, Elec. etc.	0.69	0.04	-	0.73
Note 13 :- Other Non-Current Assets				
Against Exploratory Drilling Work	78.09	17.07	10.16	85.00
Against Other Receivables	0.31	-	-	0.31
Note 15 :- Inventories				
Against Stock of Coal	0.44	-	-	0.44
Against Stock of Stores & Spares	1.48	0.03	0.58	0.93
Note 16 :- Trade Receivable				
Provision for bad & doubtful debts	10.77	-	-	10.77
Note 18 :- Short Term Loans & Advances				
Against Advances to suppliers for revenue	0.23	-	0.01	0.22
Against Advance payment of Sales Tax	0.02	-	-	0.02
Against Claim receivables	3.15	-	-	3.15
Against Advances to employees	0.04	-	0.03	0.01
Note 19 :- Other Current Assets				
Against Other Advances	0.01	-	-	0.01
Against Deposit for customs duty etc	0.79	-	-	0.79
Against Other Deposit	0.06	-	-	0.06
Against receivable for transaction on behalf of ex-coal board	1.67	0.16	-	1.83
Against Other Receivables	2.60	-	-	2.60



iv) 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 crores)

Description	Coal Mining		Other Incidental Activities		Consolidation	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Revenue						
External Sales	415.86	409.46	-	-	415.86	409.46
Dividend Income	-	-	7323.40	4237.75	7323.40	4237.75
Total Revenue	415.86	409.46	7323.40	4237.75	7739.26	4647.21
Segment Result (before tax and interest)	208.95	160.11	7323.40	4237.75	7532.35	4397.86
Add : Prior period adjustment	-	(0.33)	0.46	0.14	0.46	(0.19)
Net Segment Result (before tax and interest)	208.95	159.78	7323.86	4237.89	7532.81	4397.67
Unallocated Income/Expenditure (Net)	-	-	-	-	(429.09)	(292.97)
Operating Profit	-	-	-	-	7103.72	4104.70
Interest Income	3.12	1.97	1493.11	616.70	1496.23	618.67
Income Tax	-	-	-	-	534.85	27.27
Profit from Ordinary Activities	3.12	1.97	1493.11	616.70	8065.10	4696.10
Other Information						
Segment Assets	307.62	293.92	-	-	307.62	293.92
Unallocated Corporate Assets	-	-	24380.81	21351.64	24380.81	21351.64
Total Assets	307.62	293.92	24380.81	21351.64	24688.43	21645.56
Segment Liabilities	286.39	313.20	-	-	286.39	313.20
Unallocated Liabilities	-	-	9498.34	8176.34	9498.34	8176.34
Total Liabilities	286.39	313.20	9498.34	8176.34	9784.73	8489.54
Segment Capital Expenditure	12.52	12.68	-	-	12.52	12.68
Unallocated Capital Expenditure	-	-	19.10	46.90	19.10	46.90
Total Capital Expenditure	12.52	12.68	19.10	46.90	31.62	59.58
Depreciation (Including provision for impairment)	103.48	101.01	-	-	103.48	101.01
Unallocated Depreciation (Including Other provisions)	-	-	191.94	187.74	191.94	187.74
Total Depreciation (Including provision for impairment)	103.48	101.01	191.94	187.74	295.42	288.75

v) Earnings per share

Sl. No.	Earning per Share particulars	Ast at 31st March, 2012	Ast at 31st March, 2011
i)	Profit after Taxation	₹ 8065.10 crores	₹ 4696.10 crores
ii)	Add/ Less: Adjustment for Reserve For Foreign Exch.	(+) ₹ 35.87 crores	(-) ₹ 7.74 crores
iii)	Net profit after tax attributable to Equity Share Holders.	₹ 8100.97 crores	₹ 4688.36 crores
iv)	Weighted average No. of Shares Outstanding during the year.	6316364400	6316364400
v)	Basic and Diluted Earning per Share in Rupees (Face value Rs.10/- per share)	₹ 12.83	₹ 7.42

vi) Related party disclosure

Key management personnel for the year ending 31.03.2012 :

Mr. N. C. Jha, Chairman (upto 31st January, 2012)

Ms. Z. Chatterji, Chairman-Cum-Managing Director (from 1st February, 2012)

Mr. R. Mohan Das, Director (P&IR)

Dr. A.K. Sarkar, Director (Marketing) (upto 30th April, 2011)

Mr. A. K. Sinha, Director (Finance)

Mr. N. Kumar. Director (Technical) (from 1st February, 2012)

Sl. No.	Whole Time Director's Remuneration	Amount (₹ in crores)
i)	Salaries	2.68
ii)	Co's Contribution to P.F. & other Fund	0.20
iii)	Medical Benefits	0.52
iv)	Provision for Gratuity	0.03

vii) Taxation

An amount of ₹ 450.00 crores (₹ 190.00 crores) is provided in the accounts during the current year towards income tax.

There is no deferred tax liability of the company for the year. However, 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. 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. 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.

Further dividend to GOI / other shareholders has been paid out of dividends received from subsidiary companies of CIL, on which Dividend Distribution Tax has been paid by the respective subsidiaries. No tax on dividend to GOI and other shareholders has been considered as per the provision of Income Tax Act, 1961.



viii) Borrowing and other Costs in respect of foreign currency loans

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 interest. Gains 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.

ix) The fund available with the company from the management period (Pre-nationalisation) of non-coking coal mines i.e. on 1.5.1973

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 said management period.

x) Goods purchased by Coal India Ltd. on behalf of Subsidiaries

As per existing practice, goods purchased by Coal India Ltd. on behalf of subsidiary companies are accounted for in the books of respective subsidiaries directly.

xi) Insurance and escalation claims

Insurance and escalation claims are accounted for on the basis of admission/final settlement. However such details of unsettled claim are maintained by concerned department.

xii) Provisions made in the Accounts

Provisions made in the accounts against slow moving/non-moving/obsolete stores, claims receivable, advances, doubtful debts etc. are considered adequate to cover possible losses.

xiii) Micro, Small and Medium Enterprises

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.

xiv) Current Assets, Loans and Advances etc.

In the opinion of the Management Current Assets, Loans and Advances etc. have realisable value in the course of business at least equal to the net amount at which they are stated.

xv) Balance confirmation

Balance confirmation/reconciliation is carried out for bank balances, all major loans & advances, long term liabilities and current liabilities. Provision is taken against all doubtful unconfirmed balances.

xvi) Revision of Schedule VI to the Companies Act 1956 (w.e.f. 01.04.2011)

Following the Gazette notification dated 30th March, 2011 the Schedule VI of the Companies Act 1956 dealing with the format of Balance Sheet has modified and a format for Statement of Profit & Loss is introduced.

The format as per revised Schedule VI has been applied while preparing this accounts. Following the new guidelines of the revised format inter-alia , the following segregation have been made in the Balance Sheet : -

Current Assets

An asset has been classified as current when it satisfies any of the following criteria :-

- It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle
- It is held primarily for the purpose of being traded
- It is expected to be realized within twelve month after the reporting date
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Non-Current Assets

All assets other than current assets are Non- Current Assets

Current Liabilities

A liability has been classified as current when it satisfies any of the following criteria :

- It is expected to be settled in the company's normal operating cycle
- It is held primarily for the purpose of being traded
- It is due to be settled within twelve month after the reporting date
- The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Non-Current Liabilities

All liabilities other than current liabilities are Non- Current Liabilities.

Operating Cycle for Coal India Limited : -

As there is no normal Operating cycle the same is considered to be 12 months period.

xvii) Significant accounting policy

Significant accounting policy (Note – 33) has been suitably modified/ re-drafted over previous year, as found necessary to elucidate the accounting policies adopted by the company.

xviii) Previous year's figures

Previous year's figures have been regrouped and rearranged wherever considered necessary.

Figures in the parentheses relating to Additional Notes of Balance Sheet and Statement of Profit & Loss correspond to 12 month period of the previous year.

xix) Use of estimate :

In preparing the financial statements in conformity with accounting principles generally accepted in India, management is sometimes required to make estimates and assumptions that 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 may differ from those estimates. Any revision to such estimate is recognized in the period in which the same is determined.



xx) Directors' Remuneration

	(₹ in crores)	
	Current Year	Previous Year
For Whole Time Directors		
(i) Salaries	2.68	1.25
(ii) Company's Contribution to Provident Fund & Other Funds	0.20	0.15
(iii) Medical Benefits	0.52	0.13
	<u>3.40</u>	<u>1.53</u>
For Part Time Directors		
(iv) Sitting Fees	0.40	0.18

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.

xxi) The information required in paragraph 5 (viii) (a) Part II of Schedule – VI of Companies Act., 1956, value of imports on CIF basis :

	(₹ in crores)	
	Current Year	Previous Year
(i) Raw Material	NIL	NIL
(ii) Capital Goods	101.11	59.98
(iii) Stores, Spares & Components	53.28	NIL

xxii) Expenditure incurred in Foreign Currency on account of :

	(₹ in crores)	
	Current Year	Previous Year
(i) Interest & commitment charges	20.03	21.12
(ii) Commission to Foreign Agents	0.09	0.09
(iii) Travelling / Training Expenses	0.63	2.53
(iv) Advertisement	0.20	0.02
(v) Consultancy	-	0.36
(vi) Subscription	-	0.50
(vii) Exchange Variation	35.89	0.02

xxiii) Earning in Foreign Exchange on account of :

	(₹ in crores)	
	Current Year	Previous Year
(i) Export of Goods (Calculated on FOB basis)	NIL	NIL
(ii) Exchange Variation	0.09	7.74
(iii) Miscellaneous	NIL	NIL

xxiv) Total Consumption of Stores during the year :

(₹ in crores)

	Current Year		Previous Year	
	Amount	% of total consumption	Amount	% of total consumption
(i) Imported Materials	NIL	-	NIL	-
(ii) Indigenous	9.68	100%	10.03	100%

xxv) Statement of Opening Stock, Production, Purchases, Turnover and Closing Stock of Coal.

(₹ in crores)

(Quantity in '000 MT)

	Current Year		Previous Year	
	Qty.	Value	Qty.	Value
Opening Stock	298.56	32.71	299.69	24.17
Production	602.31	-	1100.50	-
Sales (Gross)	800.03	486.56	1101.61	464.06
Own Consumption	0.00	-	0.02	-
Closing Stock	100.84	15.65	298.56	32.71

Note 1 to 19 form part of the Balance Sheet as at 31st March, 2012 and 20 to 32 form part of Statement of Profit & Loss for the year ended on that date. Note – 33 represents Significant Accounting Policies and Note – 34 represents additional notes on the Accounts.

Signature to Note 1 to 34.

Sd/-
M.Viswanathan
Company Secretary

Sd/-
G.Bandyopadhyay
General Manager(Finance)

Sd/-
A.K.Sinha
Director(Finance)

Sd/-
S.Narsing Rao
Chairman- Cum-Managing Director

**As per our report annexed
For De Chakraborty & Sen
Chartered Accountants
FR No.303029E**

Date: 18th May, 2012
Place : Kolkata

Sd/-
(Hrishikesh Chakraborty)
Partner
Membership No. 005660



**THIRTY EIGHTH ANNUAL GENERAL MEETING
COAL INDIA LIMITED**

Registered Office: 10, Netaji Subhas Road, Kolkata - 700 001, W.B., India

PROXY

I/We _____
of _____ being a Member/ Members of Coal India Limited, hereby appoint
_____ of _____ or failing
him/her _____ of _____ or failing him/her
_____ of _____ as my/our Proxy to attend and
vote for me/us and on my/our behalf at the thirty eighth Annual General Meeting of the Company to be held
on Tuesday, the 18th September, 2012 at 10.30 A.M and at any adjournment thereof.

Folio No. _____ DPID & CLIENT ID _____

Signed this _____ day of _____ 2012.

Signature(s) _____

Affix
Revenue
Stamp

- NOTE :
- 1) The Proxy form must be received at Coal India Limited, Coal Bhawan, 10 N.S.Road, Kol -1 not less than 48 hours before the commencement of the Annual General Meeting.
 - 2) Please mark the envelope "CIL- PROXY".

_____ Please tear along this Line _____



COAL INDIA LIMITED

Registered Office: 10, Netaji Subhas Road, Kolkata - 700 001, W.B., India

ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the entrance of the meeting hall.

Folio No. _____ No. of Shares _____

DPID _____ CLIENT ID _____

Full Name (s) of Member/ Proxy's Name/ Authorised Representative (in block letters)

I hereby record my presence at the Annual General Meeting of the Company to be held on Tuesday, the 18th September, 2012 at 10.30 A.M. at KALA MANDIR AUDITORIUM, 48, SHAKESPEARE SARANI, KOLKATA-700017.

Signature of the Member / Joint Members / Proxy /Authorised Representative attending the meeting.

