



AR 2009



Coal India Limited

A Navratna Company

www.coalindia.in

Annual Report & Accounts 2009-2010



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Auditors' Report &
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Board of Directors



Shri Partha S. Bhattacharyya



Shri Alok Perti



Shri Sanjiv Mittal



Shri P. K. Banerji



Shri Arvind Pande



Shri S. Murari



Prof. S. K. Barua



Dr. A. K. Rath



Shri N. C. Jha



Shri R. Mohan Das



Dr. A. K. Sarkar



Shri A. K. Sinha

Permanent Invitees



Shri D. C. Garg



Shri A. K. Singh

Members of the Board

as on 25th May, 2010

Functional Directors

Shri Partha S. Bhattacharyya	: Chairman
Shri N. C. Jha	: Technical
Shri R. Mohan Das	: Personnel & Industrial Relations
Dr. A. K. Sarkar	: Marketing
Shri A. K. Sinha	: Finance

Part-Time Official Directors

Shri Alok Perti	: Additional Secretary, Ministry of Coal, New Delhi.
Shri Sanjiv Mittal	: Jt. Secretary and Financial Adviser, Ministry of Coal, New Delhi.

Independent Directors

Shri P. K. Banerji
Shri Arvind Pande
Shri S. Murari
Prof. S. K. Barua
Dr. A. K. Rath

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.

Chief General Manager (F)/Company Secretary

Dr. H. Sarkar



Management During 2009-10

Shri Partha S. Bhattacharyya : Chairman (from 01.10.2006)

Functional Directors

Shri S. Bhattacharya : Finance (from 01.07.2006 to 31.01.2010)
Shri N. C. Jha : Technical (from 01.01.2007)
Shri R. Mohan Das : Personnel & Industrial Relations (from 01.06.2007)
Dr. A. K. Sarkar : Marketing (from 17.03.2009)
Shri A. K. Sinha : Finance (from 13.03.2010)

Part-Time Official Directors

Shri Alok Perti : Additional Secretary, Ministry of Coal, New Delhi.
(from 27.01.2010)
Dr. Rajiv Sharma : Additional Secretary, Ministry of Coal, New Delhi.
(from 23.12.2008 to 31.07.2009)
Shri Sanjiv Mittal : Jt. Secretary and Financial Adviser, Ministry of Coal, New Delhi.
(from 10.09.2007)

Independent Directors

Shri P. K. Banerji : (from 24.08.2007)
Shri Arvind Pande : (from 24.08.2007)
Shri S. Murari : (from 24.08.2007)
Prof. S. K. Barua : (from 24.08.2007)

Permanent Invitees

Shri Girish Chandra : Addl. Member (traffic), Railway Board.
(from 08.04.2009 to 31.12.2009)
Shri D. C. Garg : Chairman-cum-Managing Director, Western Coalfields Limited.
(from 21.08.2008)
Shri A. K. Singh : Chairman-cum-Managing Director,
Central Mine Planning & Design Institute Limited.
(from 21.08.2008)

Chief General Manager (F)/Company Secretary

Dr. H. Sarkar : (from 30.09.1997)

Bankers and Auditors

Bankers

State Bank of India
Punjab National Bank
United Bank of India
Canara Bank
Allahabad Bank
Bank of India
Bank of Baroda
Union Bank of India
Oriental Bank of Commerce
HDFC Bank
ICICI Bank
CitiBank
Standard Chartered Bank
HSBC Bank
ABN Amro Bank
DEUTSCHE Bank
Calyon Bank
BNP PARIBAS Bank
UCO Bank
IDBI Bank
Central Bank of India
Bank of Maharashtra

Statutory Auditors

M/s. Deoki Bijai & Co.
Chartered Accountants
213C, Jaba Kusum House
34, Chittaranjan Avenue
Kolkata - 700 012

Registered Office

"Coal Bhawan"
10, Netaji Subhas Road
Kolkata - 700 001
India.





Notice

No. CIL:X1(D):04043:2010:1422

Dated 17th May, 2010

Notice of the Thirty-Sixth Annual General meeting of Coal India Limited

Notice is hereby given to all Shareholders of Coal India Limited that the Thirty-Sixth Annual General Meeting of the Company will be held on Tuesday, the 25th May, 2010 at 11-00 AM at the Registered office of the Company at "Coal Bhawan", 10, Netaji Subhas Road, Kolkata to transact the following business.

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st march, 2010 and Profit and Loss Account for the year ended 31st March, 2010 together with the Reports of Statutory Auditor & Comptroller & Auditor General of India and Directors' Report.
2. To declare dividend on Equity Share Capital.
3. To appoint a Director in place of Shri Arvind Pande, Independent Director, who retires in terms of Article 33(d) of the Articles of Association of the Company and is eligible for reappointment.
4. To appoint a Director in place of Shri S. Murari, Independent Director who retires in terms of Article 33(d) of the Articles of Association of the Company and is eligible for reappointment.

By order of the Board

Sd/-

(Dr. H. Sarkar)

Chief General Manager (F)/ Company Secretary

Kolkata, the 17th May, 2010

Note: A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and that the Proxy need not be a member of the Company



Chairman's Statement

Friends,

I have great pleasure in welcoming you to the 36th Annual General Meeting of Coal India Limited. The report of the Directors and the audited accounts for the year ended 31st March, 2010 together with the report of the Statutory Auditors and the report and review of the Comptroller & Auditor General of India, are already with you.

Finance Minister of India in his Budget Speech 2009-10 stated that Coal is the mainstay of India's energy sector and 75 percent of the power generation is currently coal based.

Hon'ble Minister of State (IC) for Coal & SPI said that "Today, energy sector of the country cannot progress without coal. In fact growth of other industrial sectors of the country is directly linked with growth of the coal sector. And, Coal India is at the forefront of this important energy sector".

1. India's Energy Scenario & Coal

India is currently among the top three fastest growing economies of the world. As a natural corollary, India's energy needs are also fast expanding with its increased industrialization and capacity addition in power generation. This is where 'Coal' features. The relevance of coal in the overall energy scenario are:

- Coal is the most dominant energy source in India.
- Coal meets over 50% of primary commercial energy needs in India against the world's average of 29%.
- India is the 3rd largest coal producing country in the world after China and USA.

It is evident that there will be no dearth of market for coal and if coal could be produced at reasonable cost on a sustainable basis, Coal Industry in India should continue its dominance as the primary source of energy for most part of 21st century.

At the forefront of the Indian coal sector is 'Coal India Limited' (CIL). It accounts for 82% of the total coal produced in India.

2. Vision

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



3. Business Profile

CIL has over three and a half decades of core competence across the entire coal business value chain starting from exploration, planning and design, operations, beneficiation and marketing. The principal product of CIL is raw coal, primarily non-coking. CIL is in the process of implementing a plan for beneficiation of coal supplies to consumers, other than those at pithead, in a phased manner. CIL is also looking for diversification opportunities in the areas of Coal Bed Methane, Coal Gasification, Coal Liquefaction and Power Generation. CIL has also made progress in acquiring metallurgical and high grade thermal coal resources abroad to enhance energy security of the nation.

4. Performance

The company has achieved improved performance both in physical and financial parameters this fiscal over the previous year. The coal production for the year was 431.26 million tonnes against 403.73 million tonnes achieved in the previous year, an increase of 27.53 million tonnes with a growth of 6.8%. This is 99.1% of the AAP target of 435 million tonnes. The coal off take during the fiscal was 415.96 million tonnes, an increase of 14.5 million tonnes over the previous year, registering a growth of 3.61%. Further, the overburden removed during the year was 682.03 million cubic metres as against 645.13 million cubic metres achieved in the previous year, recording a growth of 5.7%.

CIL and all its Subsidiary companies have recorded profits during the year 2009-10. The pre-tax profit during the fiscal was Rs 13964.93 crores against a pre-tax profit of Rs 5744.10 crores in the previous year. However, for a like to like comparison, it needs to be appreciated that the pre-tax profit for previous year was after incorporating the arrears of pay revision from 1-7-2006 for workmen and 1-1-2007 for executives. Your Directors recommended dividend payment of Rs. 2210.00 crores @ Rs.3.50 (approx) per share on 6316364400 Equity Shares of Rs. 10/- each fully paid valued at Rs. 6316.36 crores and payment of tax as applicable thereon.

5. Growth Plans

142 coal projects for an ultimate capacity of 380.22 million tonnes per year (Mty) have been identified to be taken up during XI Plan period (2007-08 to 2011-12). Of these 142 projects, 35 are underground (UG) projects and 107 are opencast (OC) projects. While the capacity of UG projects is about 23.51 Mty, the same in case of OC project is 356.71 Mty.

Out of the 142 projects, about 62 projects are likely to contribute to the tune of 110.95 million tonnes during the terminal year of XI Plan. UG projects are expected to contribute about 2.17 million tonnes, with OC projects contributing 108.78 million tonnes.

6. Developing abandoned mines

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

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

The salient features of Govt. lines are as below :

- (a) Coal India or its subsidiary companies will hold 51% and the private partner will hold 49% of the equity share in the proposed JV company, so that the JV retain the status of "Public Sector Company".
- (b) The private partner will be entitled for a maximum of 49% of the coal to be produced by the joint venture company on the basis of "right of first refusal" on payment of prevalent notified price of coal for their captive end use. However, the entitlement will be limited to be balance of requirement of the private partner if linkage/fuel supply agreement with that party is already in force.

Based on the model NIT document, tenders will be floated amongst the short-listed bidders.

7. Refocus on Underground Mining

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

A special purpose NIT document was formulated for developing 7 high capacity underground mines on long-term turnkey contract basis. It has been decided that subsidiary companies will float the tenders on the basis of the model bid document with such modifications as may be necessary to attract competitive offers in each individual case.

8. Initiatives for acquiring coal resources abroad

CIL has emerged as the successful bidder in the global tender process run by Govt. of Mozambique and acquired prospecting license(PL) of two coal blocks in Mozambique, namely A1 and A2, covering an area of 22,400 hectares. The licenses will allow CIL to explore and develop the coal blocks over a period of 5 years. A 100% wholly owned subsidiary of CIL namely, Coal India Africana Limitada, has been registered in Mozambique for investment in coal resources.

In order to expedite the process of acquisitions abroad, CIL had floated a global Expression of Interest (Eoi) to select "Strategic Partner" in Australia, USA, South Africa and Indonesia. Technical due diligence of the identified five (5) proposals in select countries, namely, Australia, Indonesia and USA in association with empanelled Technical Consultant and Merchant Banker is under progress.

9. Safety

CIL has always given the highest priority towards safety. It is considered as a part of its core production process and is embodied in the mission statement. Some of the salient points are as under:

- Fatality rate per Million Tonne of coal produced slid down considerably from 2.62 in 1975 (the year CIL was formed) to 0.15 in 2009.
- Framed distinct 'Safety Policy' in every Subsidiary.
- Aiming to achieve 'Zero Harm Potential'.

- Implementation of action programmes for Safety Management Plans based on identified risks monitored and reviewed regularly.

10. Care for Environment

We are committed to minimize the adverse impact of coal mining on environment through well structured Environment Management Plans and sustainable development activities. In order to increase the acceptability of mining practices, we have taken several steps, like:

- Started Satellite surveillance of all opencast projects of five million cum capacity and more, to monitor land reclamation and restoration.
- Setting up 20 washeries.
- 29 opencast mines and one washery are in possession of ISO 14001 certification.
- Planted about 70 million trees with a survival rate of over 75%.

11. Care for Society

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. Some of these are:

- New CSR Policy adopted and provided CSR budget as 5% of retained earnings of previous year subject to minimum of Rs 5 per tonne of coal production, whichever is higher
- Providing employment and cash compensation to land losers
- Inclusive model of all-round growth for Project Affected Peoples (PAPs)
- Massive social investment in Education, Health and Community Development -
 - Supports 590 Educational Institutions
 - Provides 85 Hospitals, 1495 Doctors and 5835 Hospital Beds
 - Provides water to 2.3 million population in and around mining area



12. 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. As required under the said guidelines, a separate section on corporate Governance has been added to the Directors' Report and a Certificate regarding compliance of conditions of Corporate Governance obtained from the Statutory Auditors of the company.

13. Awards/Recognition for Excellence

CIL was conferred with the coveted "SCOPE Gold Trophy 2007-08 for Excellence & Outstanding Contribution to Public Sector

Management". The award was presented by the Hon'ble Prime Minister, Dr. Manmohan Singh on 15th October 2009 in New Delhi.

14. Expectation

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

15. Acknowledgement

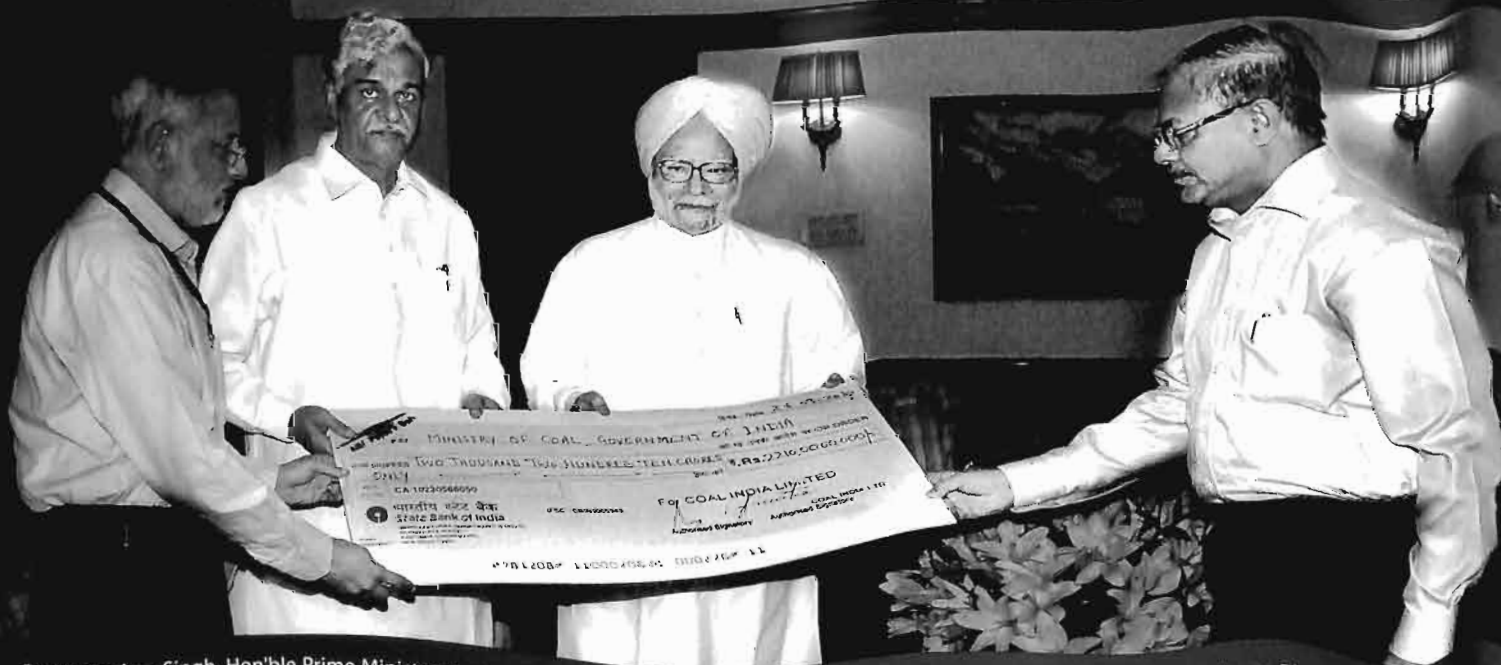
I express my sincere thanks to Ministry of Coal, other Central Government Ministries and Departments, State Governments, all employees, Trade Unions, consumers and suppliers for their unstinted support and relentless co-operation.

Kolkata

Dated: 25th May 2010

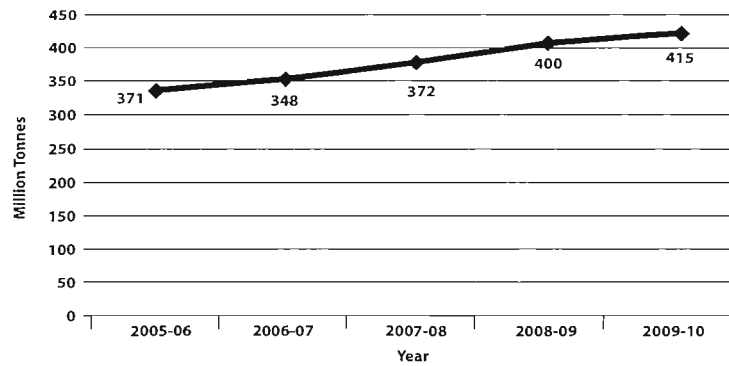
Sd/-

Partha S. Bhattacharyya
Chairman

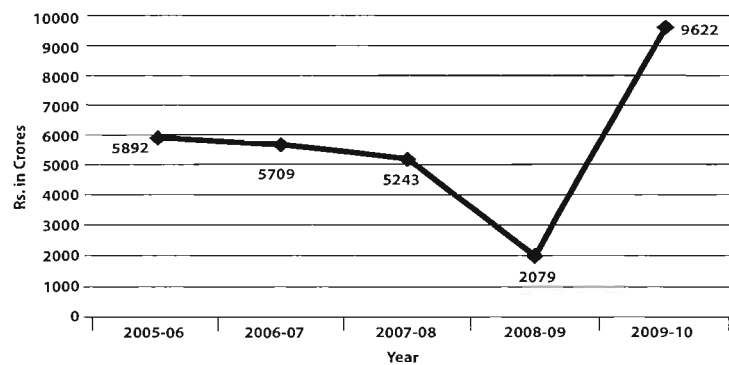


Dr. Manmohan Singh, Hon'ble Prime Minister receiving Coal India's Dividend Cheque of Rs.2210 Crores for 2009-10 from Shri Sriprakash Jaiswal, Hon'ble Minister of State for Coal (I/C) Statistics & Programme Implementation in presence of Shri C Balakrishnan, Secretary to Government of India, Ministry of Coal and Shri Partha S Bhattacharyya, Chairman, CIL (right)

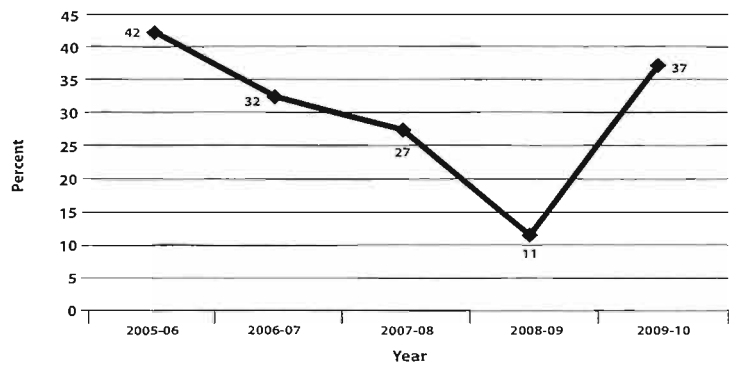
Despatches of Coal



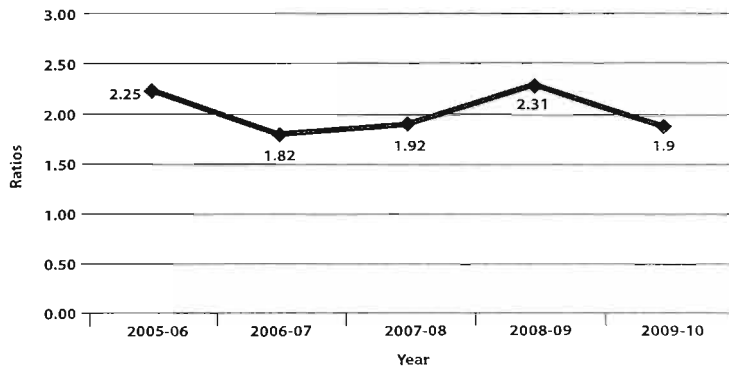
Net Profit



Net Profit to Net Worth

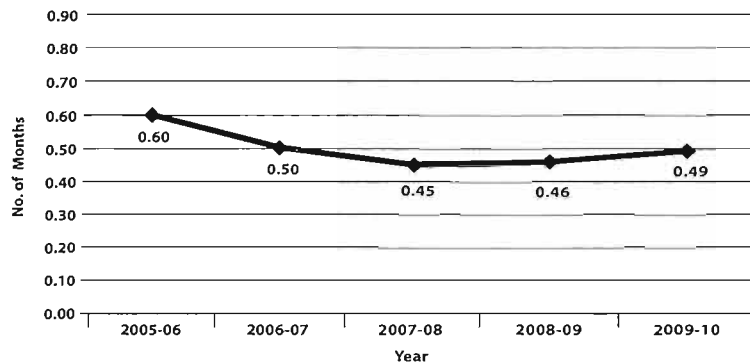


Sales (Net) to Capital Employed

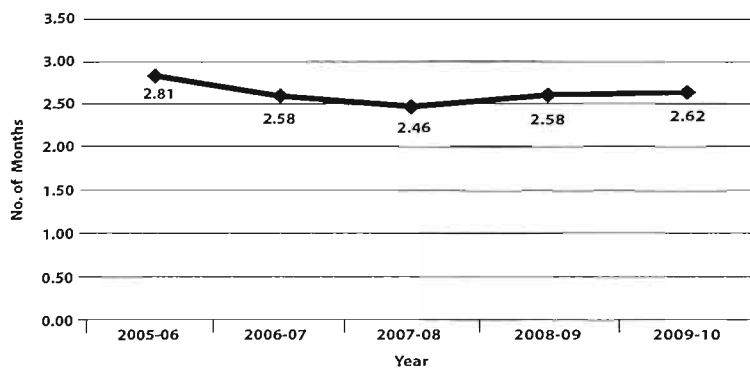




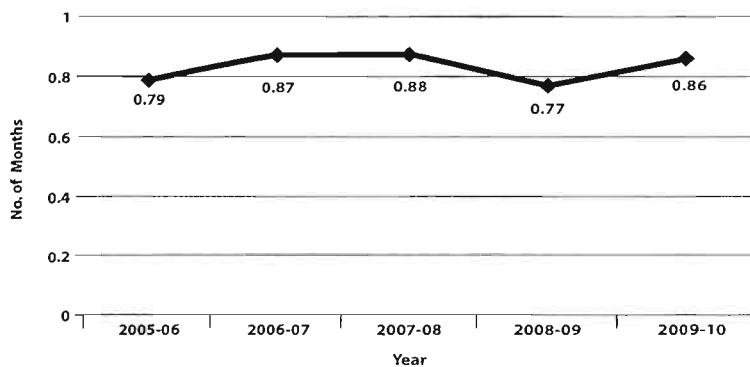
Debtors in Month's Sales



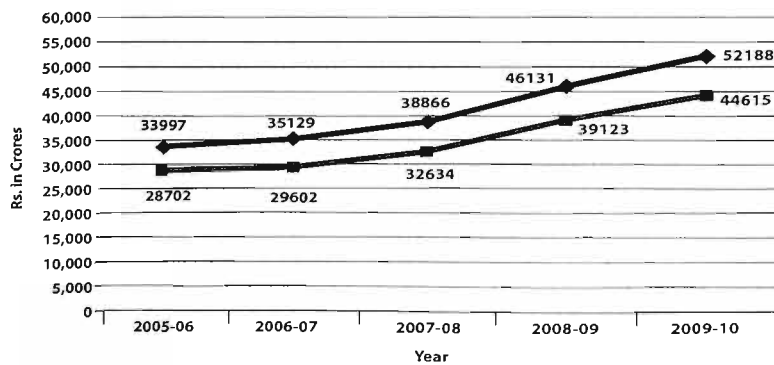
Stock of Stores in Month's Consumption



Stock of Coal as no. of Months Net Sales



Gross Sales and Net Sales





Heavy Mining Machinery in an Open Cast Mine, Northern Coalfields Limited, Singrauli

Operational Statistics

Year Ending 31st March	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
1. A) Production of Raw Coal (Million Tonnes)										
Underground	43.25	43.96	43.54	43.32	45.82	47.04	47.44	48.42	49.22	50.56
Opencast	388.01	359.77	335.92	317.59	297.57	276.54	258.92	242.27	230.43	217.58
Total	431.26	403.73	379.46	360.91	343.39	323.58	306.36	290.69	279.65	268.14
B) Overburden Removal (Million Cum)	682.03	645.13	607.56	537.65	533.94	516.11	497.00	501.20	490.13	487.39
2. Off take (Raw Coal) (Million Tonnes)										
Power	298.87	296.74	280.15	262.14	256.65	248.86	234.23	219.93	217.18	207.43
Steel/Hard Coke	8.92	9.00	10.01	9.85	10.02	11.70	12.18	12.28	12.37	13.87
Railway										
Others	108.09	95.72	85.17	79.15	66.99	60.99	58.03	57.01	52.88	52.51
Total	415.88	401.46	375.33	351.14	333.66	321.55	304.44	289.22	282.43	273.81
3. Average Manpower	404744	419214	432710	445815	460369	476577	493061	510671	530987	552061
4. Year-end Manpower	397138	412350	426077	439343	452287	468450	484703	501419	519922	542051
5. Productivity										
A) Average per Man per Year (tonnes)	1085.93	979.11	890.59	821.48	759.23	652.70	632.06	569.23	526.65	485.71
B) Output per manshift (OMS)										
i) Under Ground (Tonnes)	0.78	0.76	0.73	0.71	0.71	0.69	0.68	0.69	0.64	0.63
ii) Open Cast (Tonnes)	9.51	8.95	8.60	8.00	7.51	7.18	6.67	6.30	6.08	5.90
iii) Overall (Tonnes)	4.47	4.09	3.79	3.54	3.26	3.05	2.82	2.67	2.45	2.29



Financial Position

(Based on Consolidated Accounts of Coal India Ltd. & its' Subsidiaries)

Operational Statistics

	Rs.Crores									
Year Ending 31st March	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
										(unaudited)
A) What is owned										
Gross Fixed Assets	34945.32	33256.13	31856.91	30257.42	29223.34	28057.55	27622.92	26812.12	26054.82	25305.86
Less Depreciation & Impairment	22909.88	22234.89	21360.32	20040.56	19080.62	17899.98	16523.06	15377.60	13882.07	12664.34
(1) Net fixed Assets	12035.44	11021.24	10496.59	10216.86	10142.72	10157.57	11099.86	11434.52	12172.75	12641.52
(2) Capital Work-in-progress	2210.67	1919.49	1620.09	1335.18	1205.95	1347.45	1188.57	1288.94	1130.87	1104.99
(3) Deferred tax Asset	960.39	926.77	977.72	690.63	650.88	590.13	131.91	167.86		
(4) Misc. Expend. & other payable	0.20									216.44
(5) Investment(internal)	1282.14	1505.18	1717.90	2025.88	2244.52	2244.52	2244.52	80.08	80.08	80.10
(6) Current Assets										
i) a) Inventory of Coal, Coke etc.	3186.49	2514.98	2381.24	2137.04	1889.50	1405.72	1175.25	1138.65	1057.23	1145.46
b) Inventory of Stores & Spares etc.	1087.54	1055.51	909.36	900.67	921.92	915.75	931.64	950.66	1002.47	1101.09
c) Other Inventories	127.74	112.39	93.36	82.76	90.40	95.71	85.01	92.08	86.32	104.37
ii) Sundry Debtors (Incl'd.CMPDIL)	2168.65	1826.14	1657.06	1586.41	1804.47	2072.14	2484.34	4245.61	4503.81	4797.61
iii) Cash & Bank Balances	39077.76	29695.01	20961.48	15929.27	13427.24	7986.95	2966.55	1590.84	1131.84	767.27
vi) Loans & Advances & Spares etc.	8676.20	11244.51	10304.29	8191.88	6278.10	5059.72	4361.32	3648.99	3875.70	2714.48
Total Current Assets(6)	54324.38	46448.54	36306.79	28828.03	24411.63	17535.99	12004.11	11666.83	11657.37	10630.28
(7) Less Current Liab. & Prov.	42909.08	40505.81	29695.18	22820.97	21741.25	18341.40	14478.96	12464.22	12602.59	13930.33
Net Current Assets (6-7)	11415.30	5942.74	6611.61	6007.06	2670.38	-805.41	-2474.85	-797.39	-945.22	-3300.05
Total (A)	27904.14	21315.41	21423.91	20275.61	16914.45	13534.26	12190.01	12174.01	12438.48	10743.00
B) What is owed										
(1) 10% Redeemable Pref. Shares										904.18
(2) Govt. Loan						107.09	125.23	143.36	812.72	898.56
(3) Interest Accrued & Due				0.18	71.62	71.62	98.65	98.47	816.86	163.59
(4) Intercompany Loan										722.74
(5) Term Loan (F.Intt. & Banks)										262.54
(6) Bonds					14.00	25.00	36.00	47.07	58.06	563.46
(7) Deferred tax liability			197.64	242.41	480.64	646.79	507.32	528.57	67.40	
(8) Others (foreign loan, incl'd. deferred credit)	1623.68	1980.53	1675.48	1835.88	2018.41	2343.10	2526.14	2849.13	3228.55	2809.41
Sub-Total (1 to 7)	1623.68	1980.53	1873.12	2078.47	2584.67	3193.60	3293.34	3666.60	4983.59	6324.48
(9) Bank Borrowings (Incl'd. O.D. & Oth.)	463.17	167.94	208.43	307.84	214.96	202.32	353.23	1147.70	1271.47	388.72
Total (B)	2086.85	2148.47	2081.55	2386.31	2799.63	3395.92	3646.57	4814.30	6255.06	6713.20
C) Minority Interest	23.61	1.90								
Net Worth (A-B-C)	25793.68	19165.04	19342.36	17889.30	14114.82	10138.34	8543.44	7359.71	6183.42	4029.80
Represented by:										
(1) Equity Capital (incl'd. pending allotment)	6316.36	6316.36	6316.36	6316.36	6316.36	6316.36	6316.36	7220.54	7220.54	6316.36
(2) Reserves	10044.70	8615.86	7676.20	6798.49	5893.98	5279.37	4820.91	4699.50	4098.41	3000.76
(3) Profit/Loss (+)/(-)	9434.15	4232.84	5349.80	4774.45	1904.48	-1457.39	-2593.83	-4560.33	-5135.53	-5287.32
(4) Misc. Expenditure (D/Liab.)	1.53	0.02								
Net Worth (1 to 4)	25793.68	19165.04	19342.36	17889.30	14114.82	10138.34	8543.44	7359.71	6183.42	4029.80
Capital Employed	23450.74	16963.98	17108.20	16223.74	12741.48	9280.54	8526.36	10618.74	10490.75	9257.98

Note: The above financial position has been prepared as per the Consolidated Accounts (Accounting Standard -21). Since the non-recognition of interest etc. in Holding Company's Accounts, from one of its subsidiaries (as per accounting Standard - 9) has been ignored in such consolidation (to comply with provision of Accounting Standard -21); the profit as well as related corresponding figures shown above may be read with such deviation.

Income and Expenditure Statement

(Based on Consolidated Accounts of Coal India Ltd. & its' Subsidiaries)

Operational Statistics

015

	Rs.Crores									
Year Ending 31st March	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
										(unaudited)
A) Earned From :										
Gross Sales	52187.79	46131.24	38865.70	35129.17	33997.19	30659.46	26234.17	24228.06	22686.86	20811.00
Less Coal from development Mines		11.55	9.25	1.20	8.79	8.00	0.81	1.13	7.38	67.57
Less Levies (Royalties, cesses etc.)	7572.54	6996.21	6222.59	5525.78	5286.57	4788.60	4333.35	3829.65	3375.24	3252.74
Net Sales	44615.25	39123.48	32633.86	29602.19	28701.83	25862.86	21900.01	20397.28	19304.24	17490.69
2) Accretion/Decretion in Stocks	667.16	133.61	244.20	247.55	483.77	230.47	36.60	81.42	-79.80	-102.21
3) Boiler & Domestic Consumption	2069.04	2021.98	1974.54	1940.47	2054.04	1819.75	1568.40	1560.61	1505.79	186.32
4) Other Revenue										
Receipts :										
C.M.P.D.I.L.										155.98
Others (Aft. Adj. Trans. & Recov. & Contras)	5240.84	4778.31	3764.10	3215.21	2769.14	1974.04	2258.08	1547.64	1305.41	320.84
Coal Price Regulation Accounts										
Total (A)	52592.29	46057.38	38616.70	35005.42	34008.78	29887.12	25763.09	23586.95	22035.64	18051.62
Employees Remu. & benefits (Gross-Rev.)	17191.46	20219.59	12939.48	10350.39	9985.69	11263.67	9191.73	8195.15	8157.62	10204.32
Less : Trans.to oth.rev.heads	572.60	518.76	378.76	355.02	332.06	305.94	279.70	269.66	262.73	430.54
1) Net S & Wages (excl.d.V.R.S. Payment)	16618.86	19700.83	12560.72	9995.37	9653.63	10957.73	8912.03	7925.49	7894.89	9773.78
2) V.R.S. Payment (Net of Grant Recvd.)	36.66	40.69	74.44	102.16	134.36	152.36	271.52	246.54	359.31	98.41
3) Social Overheads (Incl.d.LLTC & Dom. Coal)	2049.47	1909.63	1642.15	1491.93	1380.39	1344.94	1280.09	1185.41	1159.57	1242.42
Less : Social Overhead Dep. & Intt.	31.98	22.32	19.29	13.88	12.65	12.51	11.34	13.66	13.78	58.11
Social Overheads (Excl.d. Depr. & Intt.)	2017.49	1887.31	1622.86	1478.05	1367.74	1332.43	1268.75	1171.75	1145.79	1184.31
4) Stores & Spares (Gross-Rev.)	4975.78	4914.03	4432.11	4182.28	3939.97	3373.26	3246.50	3105.97	2946.47	2782.89
Less: Trans.to oth. rev. heads	48.86	52.73	53.55	56.68	51.22	46.14	42.87	44.51	42.28	40.68
Stores & Spares (Net)	4926.92	4861.30	4378.56	4125.60	3888.75	3327.12	3203.63	3061.46	2904.19	2742.21
5) i) Power & Fuel (excl.d. coal consumed)	1739.59	1595.05	1593.70	1600.35	1551.33	1502.14	1480.17	1435.38	1378.36	1346.63
ii) Boiler & Colliery Consumption	1972.11	1992.15	1950.86	1848.05	2013.67	1739.23	1394.18	1391.42	1277.40	57.28
6) Contractors (trans & repairs)	4579.78	4125.92	3342.95	2758.31	2624.68	2346.09	1927.40	1794.00	1581.03	892.92
7) Misc. Expenses	1953.09	1942.59	1506.70	1287.16	1356.40	1108.07	949.42	762.61	752.46	653.60
8) Provision for D/Debts, Obsol. Etc.	209.37	176.00	232.01	116.86	34.41	202.26	17.38	417.31	560.44	537.10
9) Interest (Incl.d. S/O & P.P)	136.46	156.50	149.93	84.93	90.90	190.15	147.90	303.60	447.93	681.77
10) Depreciation (Incl.d. S/O, P.P & Impairment.)	1329.45	1690.90	1560.65	1357.81	1357.38	1355.01	1397.60	1393.39	1450.98	1503.52
11) O.B.R. Adjustment	3053.92	2177.19	1564.03	1686.58	1209.89	852.74	497.48	344.47	207.44	-19.31
12) P.P. Adj. (Excl. int. depri & CPRA)	53.66	(33.15)	-659.17	-38.28	-62.82	-72.26	-383.49	206.74	35.44	13.87
Total (B)	38627.36	40313.28	29878.24	26402.95	25220.32	24993.07	21083.97	20454.16	19995.66	19466.09
Profit/loss for the year (A-B)	13964.93	5744.10	8738.46	8602.47	8788.46	4894.05	4679.12	3132.79	2039.98	-1414.47
Investment Allowance Reserve							16.35	31.22		
Tax on Profit	(4342.48)	(3665.41)	(3495.19)	(2893.74)	(2896.94)	(2376.35)	(1797.74)	(1410.83)	(1213.94)	(660.29)
Proposed dividend	(2210.00)	(1705.42)	(1705.42)	(1500.00)	(1263.27)	(274.55)	(181.32)	(90.42)	(90.42)	(90.42)
Tax on Dividend	(777.13)	(549.36)	(885.34)	(534.43)	(475.64)	(247.79)	(202.15)	(124.50)		(61.82)
Trans. to General Reserve	(1426.31)	(933.92)	(889.74)	(904.61)	(798.68)	(557.31)	(503.16)	(257.43)	(256.86)	(132.30)
Pref. Shares & Bond Redmpt Fund	(7.26)	(6.99)	(6.74)	(13.80)	(3.09)	87.46	(44.60)	(211.41)	(326.97)	(357.91)
Other Adj (deferred tax, excess prov of tax)			(1180.66)	114.08	11.03	69.75		(494.22)		91.23
Adjustment of impairment Loss	(0.43)	0.03				(458.82)				
Cummul. profit/loss from Last year	4232.84	5349.81	4774.45	1904.48	(1457.39)	(2593.83)	(4560.33)	(5135.53)	(5287.32)	(2661.34)
Cummul. profit/loss to B/Sheet	9434.16	4232.84	5349.81	4774.45	1904.48	(1457.39)	(2593.83)	(4560.33)	(5135.53)	(5287.32)
Cummul. P&L	19478.85	12848.70	13026.01	11572.94	7798.46	3821.98	2227.08	139.17	(1037.12)	(2286.56)
(Before transfer to Reserves)										

Note: The above financial position has been prepared as per the Consolidated Accounts (Accounting Standard -21). Since the non-recognition of interest etc. in Holding Company's Accounts, from one of its subsidiaries (as per accounting Standard - 9) has been ignored in such consolidation (to comply with provision of Accounting Standard -21); the profit as well as related corresponding figures shown above may be read with such deviation.



Operational Statistics

Important Financial Information

(As per Consolidated Audited Accounts)

										Rs.Crores
Year Ending 31st March	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01 (unaudited)
A). Related to Assets & Liabilities										
1) i) No. of Equity Shares (CIL) of Rs. 10 each / Rs.1000 each	6316364400	63163644	63163644	63163644	63163644	63163644	63163644	63163644	63163644	63163644
ii) 10% Non.Cum.Red.Pref. Shares of Rs.1000 each								9041800	9041800	9041800
iii) Shareholder's Funds										
a) Equity	6316.36	6316.36	6316.36	6316.36	6316.36	6316.36	6316.36	7220.54	7220.54	6316.36
b) Reserves	10044.70	8615.86	7676.20	6798.49	5893.98	5279.37	4820.91	4699.50	4098.41	3000.76
c) Accumulated Profit/Loss	9434.15	4232.84	5349.80	4774.45	1904.48	-1457.39	-2593.83	-4560.33	-5135.53	-5287.32
d) Misc. Expend. (D/Liab.)	1.53	0.02								
Net Worth	25793.68	19165.04	19342.36	17889.30	14114.82	10138.34	8543.44	7359.71	6183.42	4029.80
2) Loan	1623.68	1980.53	1675.48	1836.06	2104.03	2439.72	2660.79	2994.67	4103.47	6324.48
3) Capital Employed	23450.74	16963.97	17108.20	16223.74	12741.48	9280.54	8526.36	10618.74	10490.75	9257.98
4) (i) Net Fixed Assets	12035.44	11021.23	10496.59	10216.86	10142.72	10157.57	11099.86	11434.52	12172.75	12641.52
(ii) Current Assets	54324.38	46448.55	36306.79	28828.03	24411.63	17535.99	12004.11	11666.83	11657.37	10630.28
(iii) Net Current Assets(W/C)	11415.30	5942.74	6611.61	6007.06	2670.38	-805.41	-2474.85	-797.39	-945.22	-3300.05
5) Current Liabilities (Excl.Intt. accrued & Due)	42909.08	40505.81	29695.18	22820.97	21741.25	18341.40	14478.96	12464.22	12602.59	13930.33
6) a) Sundry Debtors(Net) (Excl. CMPDIL)	2110.40	1780.71	1456.43	1459.29	1690.93	1954.58	2375.68	4165.10	4417.58	4701.37
b) Cash & Bank	39077.76	29695.01	20961.48	15929.27	13427.24	7986.95	2966.55	1590.84	1131.84	767.27
7) Closing Stock of :-										
a) Stores & Spares(Net)	1087.54	1055.51	909.36	900.67	921.92	915.75	931.64	950.66	1002.47	1101.09
b) Coal, Cokes etc.(Net)	3186.49	2514.98	2381.24	2137.04	1889.50	1405.72	1175.25	1138.65	1057.23	1145.46
8) Average Stock of Stores & Spares (Net)	1071.53	982.44	905.02	911.30	918.84	923.70	941.15	976.57	1051.78	1111.15
(B). Related to Profit/Loss										
1 a) Gross Margin	15430.84	7591.50	10449.04	10045.21	10236.74	6439.21	6224.62	4829.78	3938.89	770.82
b) Gross Profit	14101.39	5900.60	8888.39	8687.40	8879.36	5084.20	4827.02	3436.39	2487.91	-732.70
c) Net Profit (before Tax & Invnt.allow.etc)	13964.93	5744.10	8738.46	8602.47	8788.46	4894.05	4679.12	3132.79	2039.98	-1414.47
d) Net Profit (AfterTax)	9622.45	2078.69	5243.27	5708.73	5891.52	2517.70	2881.38	1721.96	826.04	-2074.76
d) Net Profit (AfterTax&Div.onPref.& Equity)	7412.45	373.27	3537.85	4208.73	4628.25	2243.15	2700.06	1631.54	735.62	-2165.18
2) a) Gross Sales	52187.79	46131.24	38865.70	35129.17	33997.19	30659.46	26234.17	24228.06	22686.86	20811.00
b) Net Sales (after levies&dev.etc)	44615.25	39123.48	32633.86	29602.19	28701.83	25862.86	21900.01	20397.28	19304.24	17490.69
c) Sale value of Production	47351.45	41279.07	34852.60	31790.21	31239.64	27913.08	23505.01	22039.31	20730.23	17574.80
3) Cost of Goods Sold (Sales-Profit)	30650.32	33379.38	23895.40	20999.72	19913.37	20968.81	17220.89	17264.49	17264.26	18905.16
4) a) Total expenditures(excl.d.recoveries)	35891.16	38157.69	27659.50	24214.93	22682.51	22942.85	19478.97	18812.13	18569.67	19381.98
b) Sal&Wages (Gross-rev.only)	17191.46	20219.59	12939.48	10350.39	9985.69	11263.67	9191.73	8195.15	8157.62	10204.32
c) Stores & Spares (Gross-rev.only)	4975.78	4914.03	4432.11	4182.28	3939.97	3373.26	3246.50	3105.97	2946.47	2782.89
d) Power & Fuel	1739.59	1595.05	1593.70	1600.35	1551.33	1502.14	1480.17	1435.38	1378.36	1346.63
e) Int. & Depreciations (Gross-rev.only)	1465.91	1847.40	1710.58	1442.74	1448.28	1545.16	1545.50	1696.99	1898.91	2185.29
5) Avg. Consump. of Stores & Spares (gross) per month	414.65	409.50	369.34	348.52	328.33	281.11	270.54	258.83	245.54	231.91
6) a) Average Manpower Employed during the year	404744	419214	432710	445815	460369	476577	493061	510671	530987	552061
b) Social Overheads (incl.LTC/LTTC)	2049.47	1909.63	1642.15	1491.93	1380.39	1344.94	1280.09	1185.41	1159.57	1242.42
c) S/Overhead expnd.per employee (Rs.000)	50.64	45.55	37.95	33.47	29.98	28.22	25.96	23.21	21.84	22.51
7) a) Value added	38712.83	32830.57	26929.48	24216.21	23785.89	21344.59	17427.03	16151.05	15170.28	13428.68
b) Value added per employee (Rs.000)	956.48	783.15	622.34	543.19	516.67	447.87	353.45	316.27	285.70	243.25

Note: The above financial position has been prepared as per the Consolidated Accounts (Accounting Standard -21). Since the non-recognition of interest etc. in Holding Company's Accounts, from one of its subsidiaries (as per accounting Standard - 9) has been ignored in such consolidation (to comply with provision of Accounting Standard -21); the profit as well as related corresponding figures shown above may be read with such deviation.

Operational Statistics

Important Financial Information

(As per Consolidated Audited Accounts)

	Rs.Crores									
Year Ending 31st March	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01 (unaudited)
(A) Profitability Ratios										
1) As % Net Sales										
a) Gross Margin	34.59	19.40	32.02	33.93	35.67	24.90	28.42	23.68	20.40	4.41
b) Gross Profit	31.61	15.08	27.24	29.35	30.94	19.66	22.04	16.85	12.89	-4.19
c) Net Profit	31.30	14.68	26.78	29.06	30.62	18.92	21.37	15.36	10.57	-8.09
2) As % Total Expenditures										
a) Sal & Wages(Gross-Rev.)	47.90	52.99	46.78	42.74	44.02	49.09	47.19	43.56	43.93	52.65
b) Store & Spares(Gross-Rev.)	13.86	12.88	16.02	17.27	17.37	14.70	16.67	16.51	15.87	14.36
c) Power & Fuel	4.85	4.18	5.76	6.61	6.84	6.55	7.60	7.63	7.42	6.95
d) Interest & Depreciation(Gross-Rev.)	4.08	4.84	6.18	5.96	6.39	6.73	7.93	9.02	10.23	11.27
3) As % Capital Employed										
a) Gross Margin	65.80	44.75	61.08	61.92	80.34	69.38	73.00	45.48	37.55	8.33
b) Gross Profit	60.13	34.78	51.95	53.55	69.69	54.78	56.61	32.36	23.72	-7.91
c) Net Profit	59.55	33.86	51.08	53.02	68.98	52.73	54.88	29.50	19.45	-15.28
4) OPERATING RATIO (SALES-PROFIT/SALES)	0.69	0.85	0.73	0.71	0.69	0.81	0.79	0.85	0.89	1.08
(B) LIQUIDITY RATIOS										
(1) Current Ratio (Current Asset/Current Liability)	1.27	1.15	1.22	1.26	1.12	0.96	0.83	0.94	0.92	0.76
(2) Quick Ratio (Quick Asset/Current Liability)	0.96	0.78	0.75	0.76	0.70	0.54	0.37	0.46	0.44	0.39
(C) TURNOVER RATIOS										
(1) Capital Turnover Ratio (Net Sales/Capital Employed)	1.90	2.31	1.91	1.82	2.25	2.79	2.57	1.92	1.84	1.89
2) Sundry Debtors(net) as no of months										
a) Gross Sales	0.49	0.46	0.45	0.50	0.60	0.77	1.09	2.06	2.34	2.71
b) Net Sales	0.57	0.55	0.54	0.59	0.71	0.91	1.30	2.45	2.75	3.23
3) As Ratio of Net Sales										
a) Sundry Debtors	0.05	0.05	0.04	0.05	0.06	0.08	0.11	0.20	0.23	0.27
b) Coal Stocks	0.07	0.06	0.07	0.07	0.07	0.05	0.05	0.06	0.05	0.07
4) Stock of Stores & Spares										
a) Avg. Stock/Annual Consumption	0.22	0.20	0.20	0.22	0.23	0.27	0.29	0.31	0.36	0.40
b) C.Stocks in terms of no.of Month's Consumpt.	2.62	2.58	2.46	2.58	2.81	3.26	3.44	3.67	4.08	4.75
5) Stock of Coal, Coke, W/coal etc.										
a) As no of Month's Value of production	0.81	0.73	0.82	0.81	0.73	0.60	0.60	0.62	0.61	0.78
b) As no of Month's of cost of goods sold.	1.25	0.90	1.20	1.22	1.14	0.80	0.82	0.79	0.73	0.73
c) As no of Month's Net Sales	0.86	0.77	0.88	0.87	0.79	0.65	0.64	0.67	0.66	0.79
(C) STRUCTURAL RATIOS										
1) Debt : Equity	0.26	0.31	0.27	0.29	0.33	0.39	0.42	0.41	0.57	1.00
2) Debt : NetWorth	0.06	0.10	0.09	0.10	0.15	0.24	0.31	0.41	0.66	1.57
3) Networth : Equity	4.08	3.03	3.06	2.83	2.23	1.61	1.35	1.02	0.86	0.64
4) Net Fixed Assets : Net Worth	0.47	0.58	0.54	0.57	0.72	1.00	1.30	1.55	1.97	3.14
(D) SHARE HOLDER'S INTEREST										
1) Book Value of Shares(Rs.) (Networth /No of Equity)	40.84	3034.19	3062.26	2832.21	2234.64	1605.09	1352.59	1019.27	856.36	637.99
2) Dividend per Share(Rs.) (Rs.10 in 2009-10)	3.50	270.00	270.00	237.50	200.00	43.00	16.00			

Note: The above financial position has been prepared as per the Consolidated Accounts (Accounting Standard -21). Since the non-recognition of interest etc. in Holding Company's Accounts, from one of its subsidiaries (as per accounting Standard - 9) has been ignored in such consolidation (to comply with provision of Accounting Standard -21); the profit as well as related corresponding figures shown above may be read with such deviation.



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-sixth Annual Report of Coal India Limited (CIL) and Audited Accounts for the year ended 31st March, 2010 together with the reports of the Statutory Auditors and the Comptroller and Auditor General of India thereon.

Coal India Limited (CIL) is a 'Navratna' Public Sector Undertaking under Ministry of Coal, Government of India with Headquarters in Kolkata, West Bengal. CIL is the single largest coal producing company in the world and the largest corporate employer with manpower of 397,138 (as on 1 April 2010). CIL operates through 81 mining areas spread over 8 provincial states of India. Coal India has 471 mines of which 273 are underground, 163 opencast and 35 mixed mines. CIL further operates 17 coal washeries, (12 coking coal and 5 non-coking coal) and also manages 200 other establishments like workshops; hospitals etc. CIL has 26 training Institutes. Indian Institute of Coal Management (IICM) as a 'Centre of Excellence' operates under CIL and imparts multi disciplinary Management Development Programs to executives. Coal India's major consumers are Power and Steel sectors. Others include Cement, Fertiliser, Brick Kilns, and a host of other industries.

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

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

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

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

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

1.0 Notable Achievements

Excellence Awards

- CIL was conferred with the coveted "SCOPE Gold Trophy 2007-08 for Excellence & Outstanding Contribution to Public Sector Management". SCOPE Excellence Awards have been conceptualized and instituted to recognize the contribution of Public Enterprises and to encourage outstanding persons for their hard work and leadership qualities. The award presented by Dr. Manmohan Singh, Hon'ble Prime Minister to CIL on 15 October 2009 in New Delhi was received by Shri Partha S Bhattacharyya, Chairman on behalf of the company. Congratulating Mr Bhattacharyya, the SCOPE, Director General stated that, "Selection of this prestigious award has been based on stringent criteria devised/evaluated by International Management Institute (IMI) and a distinguished panel of eminent persons as jury".

- CIL was ranked among the top Five finalists in the 11th Anniversary of Platts Global Energy Awards 2009, in the "Energy Producer of the Year" category. Platts Global Energy Awards conferred by a Division of Mc Graw Hill Companies USA, have come to be recognized by the energy industry at large as hallmarks of excellence and convey a high degree of prestige and peer recognition to institutions. Coal India made it to the finals based on its corporate profile and financial performance.
- Mr. Partha S Bhattacharyya, Chairman, Coal India Limited was conferred with 'CEO with HR Orientation' award by Council of World HRD Congress during the Global HR Excellence Awards Ceremony 2010 held in Mumbai on 12th February, 2010. The award was presented by Mr. Jigmy Y Thinley, Hon'ble Prime Minister of Bhutan and Mr. Bhaskar Chatterjee, Secretary to Government of India, Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises.

Mahanadi Coalfields Limited - 2nd CIL Company to cross 100 MTs production

- Mahanadi Coalfields Limited the Sambalpur based CIL subsidiary produced over 100 MTs of coal during the fiscal 2009-10, becoming the second coal company of CIL after South Eastern Coalfields Limited to cross 100 MT mark in coal production.

Strategic Alliances

- Coal India has floated a Global Expression of Interest in July 2009 for selection of strategic partners for acquisition of coal assets

abroad, development and operating coal mines/resources abroad in select countries like Australia, USA, South Africa and Indonesia. The responses against EoI are being pursued to its logical conclusion. Due diligence with association of Merchant/Investment Bankers as well as Technical Consultants is in pipeline only for listed companies.

CMPDIL's Achievements

- Central Mine Planning and Design Institute (CMPDI) - mine planning and consultancy arm of Coal India Limited successfully executed a critical assignment of setting up the central line alignment in the naval ships with Gyromat 3000 in the Mazgaon Dock of Indian Navy on no profit no loss basis. CMPDI holds the distinction of being the first PSU to successfully execute Indian Navy's assignment on 'no loss no profit' basis.
- CMPDI was conferred with 'Mini Ratna' (Category II) status in May 2009. With this CMPDI has become the 6th subsidiary company of CIL to have achieved Mini Ratna Status and 2nd coal company from the state of Jharkhand.
- CMPDI has signed a Memorandum of Understanding (MoU) with Survey of India on 14 July 2009 for preparation of updated topographical maps of 28 major Indian coalfields of India based on Remote Sensing technique. The Project will be jointly implemented by CMPDI & Survey of India with a completion schedule of 5 years.



Indian Delegation to Australia

- Shri Sriprakash Jaiswal Hon'ble Minister of State for Coal and Statistics & Programme Implementation (Independent Charge), Government of India, led an Indian delegation to Australia in August 2009. During the visit the delegation visited prominent mines and works, interacted with Australian dignitaries and experts for mutual co-operation in the field of coal mining operations.

Procurement of High Capacity Equipment

- South Eastern Coalfields Limited (SECL), the Bilaspur based coal producing subsidiary of Coal India Limited (CIL) in a bid to enhance its production and productivity has introduced Four- 240 Te Dumpers; One 42 Cubic Meter Shovel and One 381 MM Drill Machine at Gevra Open Cast Mine in January 2010. It was for the first time in the country that such high capacity equipment was procured.

Coal Vision - Coal India's Corporate Plan

- On 9 February 2010 CIL formally launched its corporate planning document 'Coal Vision 2020' to consolidate its role as prime energy provider of the country and sustain it in the longer run. For the purpose, CIL has engaged KPMG Advisory Services Private Limited to undertake the assignment. KPMG has identified six key areas that will support CIL to realize its vision, namely, managing scale of growth; improving operational efficiency; improving customer orientation; expanding presence across coal value chain; becoming employer of choice and focussing on environment & community through sustainable initiatives.

Fuel Supply Agreement with NTPC

- CIL and NTPC signed a Fuel Supply Agreement (FSA) in Kolkata on 29 May 2009. This was as per by the New Coal Distribution Policy (NCDP) of Government, which stipulates coal supplies to consumers through legally enforceable bi-lateral FSAs with performance based 'take or pay' provision. The trigger level, which is the minimum assured quantity of coal supply, has been fixed at 90% of Annual Contracted Quantity (ACQ) for power utilities. Provision for compensation for short delivery / short lifting against the trigger level of 90% of ACQ has been kept to be applicable for Coal Company or Power Station whichever is in default. The tenure of the FSA with power utilities will be for 20 years or till the end

of the life of the power station, whichever is earlier, with provisions for joint review of ACQ after every 5 years.

Joint Venture between CIL & NTPC

- CIL NTPC Urja Pvt Ltd., a 50-50 joint venture between CIL and NTPC, has been registered on 27th April, 2010 for development, operation and maintenance of coal blocks including Brahmini and Chichro Patsimal coal blocks in Jharkhand. This joint venture will supply coal to Farakka and Kahalgaon expansion projects of NTPC and will implement integrated thermal power plant, after meeting the coal requirements of the above mentioned expansion projects of NTPC.

Coal India's proposed Office Complex

- Shri Sriprakash Jaiswal, Hon'ble Minister of State (I/C) for Coal; Statistics & Programme Implementation, Government of India, on 22 February 2010 laid the foundation stone for the proposed office complex of CIL, at Rajarhat, Kolkata. CIL has already entered into a Memorandum of Understanding (MoU) with National Building and Construction Company (NBCC) Limited, a public sector unit, for construction of its state-of-art office complex of CIL, at an estimated cost of Rs.126 crores, on a 15 acre plot at New Town, the fast expanding city periphery. The official complex will however come up in 5 acre area. The building designed to accommodate about 900 employees measures approximately 269,000 Square Feet in Ground plus eight storied configuration.

Impetus on CSR activities

- In a proactive measure, even before the formal announcement of Government that a separate fund for CSR activities is mandatory for PSUs, CIL has stepped up its budget on CSR activities. CIL has earmarked 5% of the retained earnings of previous year, subject to minimum of Rs 5.00/- per tonne of coal production of pervious year, whichever is higher. Earlier, Re. 1.00/- per tonne of coal produced was earmarked for the same purpose.

Coal India Scholarship Award

- Introduced 'Coal India Scholarship' for 100 Below Poverty Line (BPL) students plus 25 wards of land losers in select engineering/medical colleges. Scholarship covers education, hostel and mess charges.

2.0 Financial Performance

2.1 Financial Results

CIL is one of the largest profit making, tax and dividend paying State Owned Enterprises. CIL and its subsidiaries have achieved an aggregate pre-tax profit of Rs. 13964.93 crores in the year 2009-10 against a pre-tax profit of Rs 5744.10 crores in the year 2008-09.

CIL as a whole evinced a vibrant financial performance during 2009-10 as all of the subsidiaries have reported profits. ECL and BCCL during 2009-10 have achieved appreciable improvement in posting operating profits overcoming the losses reported in the previous year.

Company-wise position with regard to profit(+) earned or loss (-) incurred during the year under review vis-à-vis in 2008-09 are given in the table appended below:

Company	Figures in Crores	
	2009-10 Profit (+) / Loss (-)	2008-09 Profit (+) / Loss (-)
ECL	(+) 333.40	(-) 2105.70
BCCL	(+) 793.93	(-) 1376.99
CCL	(+) 1533.05	(+) 763.80
NCL	(+) 3766.30	(+) 3131.01
WCL	(+) 931.02	(+) 516.12
SECL	(+) 3063.57	(+) 1817.93
MCL	(+) 2953.90	(+) 2580.25
CMPDIL	(+) 19.61	(+) 6.74
CIL/NEC	(+) 3870.40	(+) 3657.68
Sub-Total	(+) 17265.18	(+) 8990.84
Less: Dividend from Subsidiaries	(-) 3367.36	(-) 3329.74
Total	(+) 13897.82	(+) 5661.10
Adjustment for deferred Revenue income (*)	(+) 67.11	(+) 83.00
Overall Profit as per Consolidation of Accounts	(+) 13964.93	(+) 5744.10

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



Highlights of performance

The highlights of performance of Coal India Limited including its Subsidiaries in the year 2009-10 compared to previous two years are shown in the table below:

	2009-10	2008-09	2007-08
Production (in million tonnes)	431.26	403.73	379.46
Off-take of Coal (in million tonnes)	415.96	401.46	375.33
Sales (Gross) (Rs./Crores)	52187.79	46131.24	38865.70
Gross Profit (Rs./Crores)	14101.39	5900.60	8888.39
Capital Employed (Rs./Crores)	23450.74	16963.98	17108.20
Net Worth (Rs./Crores)	25793.68	19165.04	19342.36
Profit before Tax (Rs./Crores)	13964.93	5744.10	8738.46
Profit after Tax (Rs./Crores)	9622.45	2078.69	5243.27
Gross Profit to Capital Employed	60.13 (%)	34.66%	51.95%
Profit before Tax to Net Worth	54.14 (%)	29.97%	45.18%
Profit after Tax / Net Worth	37.31 (%)	10.85%	27.11%
Earning Per Share	15.22	3.28	8.28
(Considering Face Value of Rs.10 per share)			
Coal Stock (Net) (in terms of No. of months Net Sales)	0.86	0.77	0.88
Sundry Debtors (Net) (in terms of No of Months Gross Sales)	0.49	0.46	0.45

The above financial position has been prepared as per the Consolidated Accounts (Accounting Standard (AS-21). Since, non-recognition of interest, etc. in Holding Company's Accounts, from one of its subsidiaries (as per Accounting Standard-9) has been ignored in such consolidation (to comply with provisions of AS-21), the profit as well as related corresponding figures shown above may be read with such deviation.

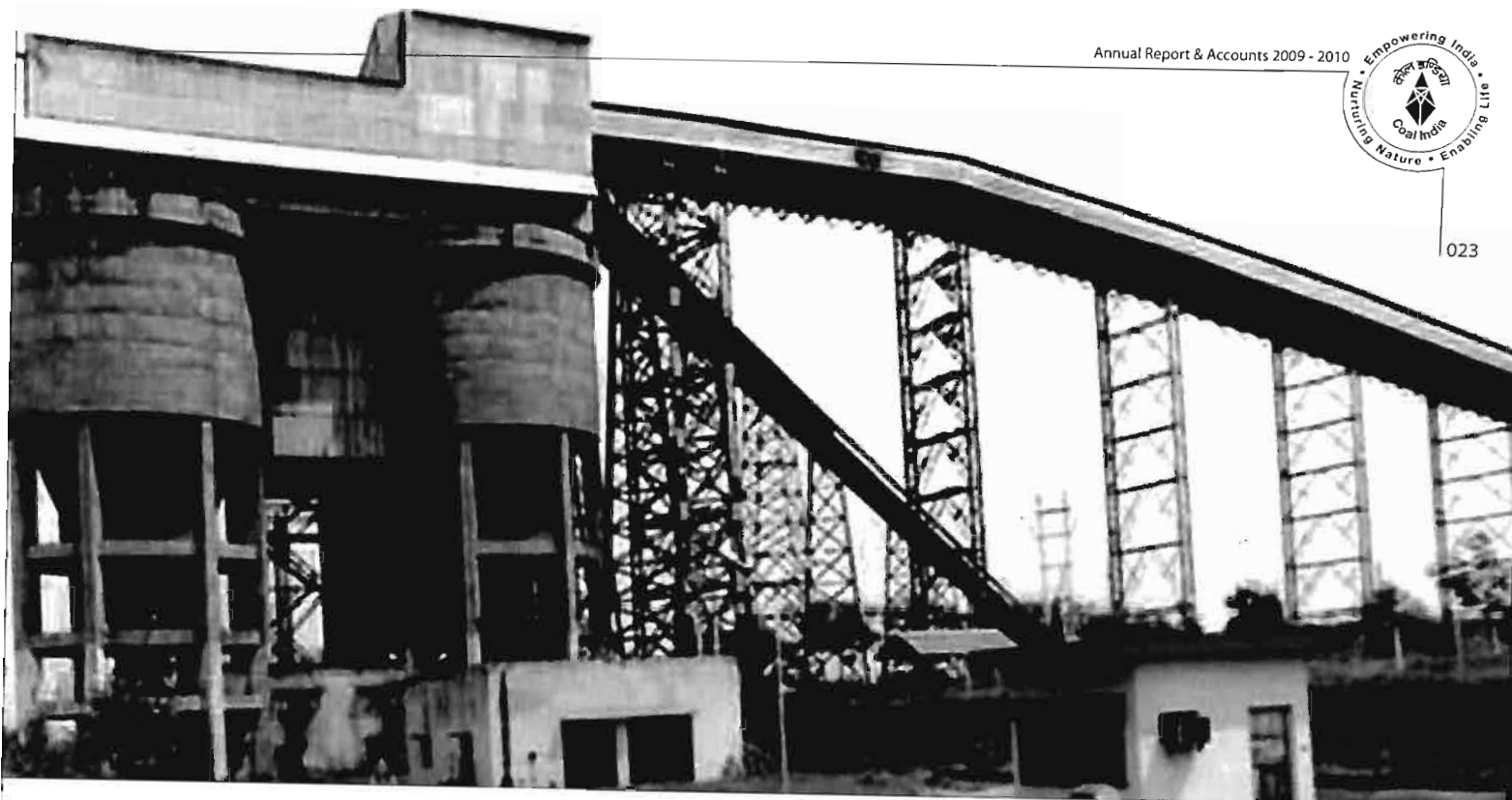
2.2 Dividend Income and Pay Outs:

Dividend income of CIL accounted for during the year under review, based on the recommendations from five profit making subsidiaries namely, CCL, NCL, WCL, SECL and MCL was Rs.3367.36 crores as against dividend of Rs. 3329.74 crores in previous year, the Subsidiary-wise break-up of which are as under:

	Rs. in Crores
Name of the Subsidiary	
CCL	195.97
	(250.23)
NCL	1176.56
	(1063.00)
WCL	201.26
	(259.34)
SECL	753.57
	(757.17)
MCL	1040.00
	(1000.00)
TOTAL	3367.36
	(3329.74)

Figures in brackets are for previous year.

Your Directors recommended dividend payment of Rs. 2210.00 crores @ Rs.3.50 (approx) per share on 6316364400 Equity Shares of Rs. 10/- each fully paid valued at Rs. 6316.36 crores and payment of tax as applicable thereon.



Merry Go Round (SILO) - automatic coal loading system

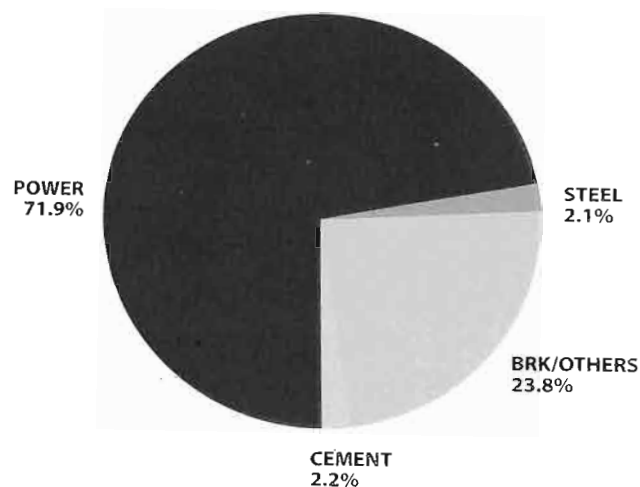
3.0 Coal Marketing

3.1(a) Sector-wise Off-take of Raw Coal

Registering a growth of 3.6% over last year, CIL ended the current fiscal with an off-take of about 416 million tonnes restricted by certain constraints such as low availability of rolling stock, deteriorating law and order situation in many of the coalfields particularly in Jharkhand. Despite these constraints, off-take has been 95% of the target. There has been positive growth in despatch to almost all sectors barring steel and export. Dwindling availability of requisite quality of coking coal has been the reason for negative growth in off-take to steel sector. Due to logistics constraints at power stations coupled with inadequate availability of rolling stock, only a marginal growth in off-take could be achieved for the power sector. Delayed execution of FSA by a few power stations and stabilization problem in certain railway routes for movement of coal towards eastern directions from Mahanadi Coalfields also came in the way of improved despatch of coal to power sector. Further a few power stations also restricted movement of coal through their captive modes of transportation.

Consuming Sector Profile

offtake for 2009-10





Sector-wise break-up of off-take for 2009-10 against the target and the last year's actual are given below:

Figs. in million tonnes

Sector	2009-10			2008-09	Growth over last year	
	Target	Off-take	% Satn.	Actual	Absolute	%
Power (Util) Raw Coal*	312.17	298.87	95.74	296.74	2.13	0.72
Steel**	11.25	8.92	79.29	9.00	-0.08	-0.89
Cement	7.94	9.25	116.62	9.25	0.01	0.11
Fertilizer	2.95	2.61	88.47	2.43	0.18	7.41
Export	0.02	0.01	50.00	0.02	-0.01	-50.00
BRK/Others	101.96	95.62	93.78	83.29	12.34	14.82
Colliery Consumption	0.71	0.67	94.37	0.73	-0.06	-8.22
Total Off-take	437.00	415.96	95.19	401.46	14.50	3.61

* : includes coking and non-coking coal fed to washery and Bina Deshaling Plant for beneficiation.

** : includes coking coal fed to washeries, direct feed, blendable to steel plants, coke ovens, private cokeries and NLW coal to cokeries.

3.1(b) Company-wise Raw Coal Off-take

Company-wise target vis-à-vis actual off-take for 2009-10 and 2008-09 are shown below:

Figs. in Million Tonnes

Company	2009-10			2008-09	Growth over last year	
	Target	Achieved	% Achieved	Achieved	Absolute	%
ECL	31.00	29.19	94.16	28.26	0.93	3.29
BCCL	28.00	25.11	89.68	24.60	0.51	2.07
CCL	50.00	44.21	88.42	43.84	0.37	0.84
NCL	66.50	66.65	100.23	64.23	2.42	3.77
WCL	45.00	45.51	101.13	45.37	0.14	0.31
SECL	106.00	106.07	100.07	103.02	3.05	2.96
MCL	109.30	98.15	89.80	91.30	6.85	7.50
NEC	1.20	1.07	89.17	0.84	0.23	27.38
CIL as a whole	437.00	415.96	95.19	401.46	14.50	3.61

a. All the coal companies registered positive growth in off-take.

b. NCL, WCL and SECL have exceeded their targets.

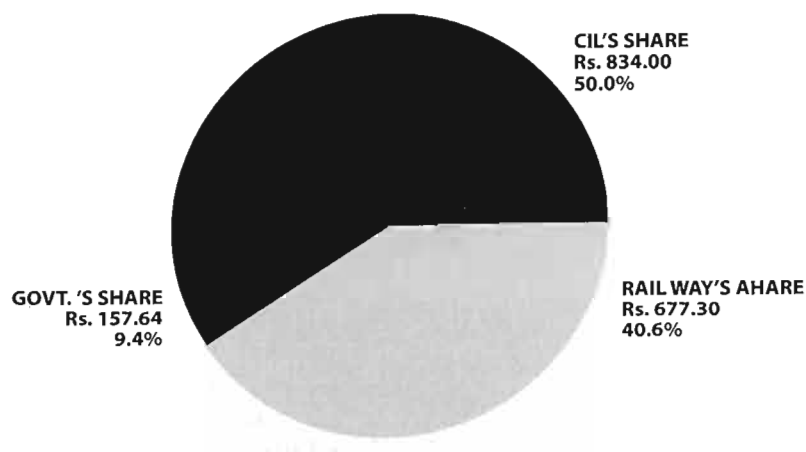
c. Marginal shortfall in off-take at ECL is attributable to low availability of MGR rakes at Rajmahal and low availability of coal at Raniganj.

d. Shortfall in off-take at BCCL, CCL and MCL was due to low availability of rolling stock, particularly in the second half of the year.

The prevailing law and order situation at CCL also has badly affected transportation of coal to sidings. Moreover, seizure of tipping trucks during Parliament Election and subsequently for Assembly Election has also affected transportation of coal. Although MCL, achieved a robust growth in off-take of 7.5%, target however could not be achieved due to low availability of railway wagons, resistance of down-country power stations to accept coal from MCL, frequent obstruction of coal transport by local villagers and restricted availability of captive modes of transport from a few power stations.

Producer's Share in Destination Price of Coal

CCL/Grade E Coal for a Haul Distance of 750 km
as on 01.04.2010



3.2 Despatches of Coal and Coal Products by various modes

Despatches of coal and coal products during 2009-10 rose by 3.89% to 415.14 million tonnes from 399.61 million tonnes. Barring Rope, all other modes of despatch have witnessed positive growth over the last year. In case of rope, low availability of coal at Dudhichua

and less lifting by Chandrapur and Koradih power stations affected despatches. Major increase has been continuously reported in the road mode of transport due to the increased movement of coal by road to Private Washeries.

Despatches of coal and coal products by various modes for the year 2009-10 and 2008-09 are given below:

Figs. in million tonnes						
Year	Rail	Road	MGR	Belt	Rope	Overall
2009-10	210.37	105.63	86.58	8.31	4.25	415.14
2008-09	207.70	96.18	82.68	7.66	5.39	399.61
Increase/Decrease	2.55	9.57	3.9	0.65	-1.14	15.53
Growth %	1.28	9.82	4.72	8.49	-21.15	3.89



3.3 Wagon Loading

Wagon loading in the current year grew marginally by less than 1%. In absolute terms the growth was 88 boxes per day over last year. The incremental rail despatch for the year was 2.55 million tonnes showing a modest growth of 1.23% over the last year. Despite overall growth, loading in BCCL, CCL and SECL have declined in comparison to last year owing to frequent law and order problems as well as

seizure of tipping trucks for a prolonged period during general elections affected transportation of coal to sidings. The negative growth in wagon loading at SECL has been due to increased despatch through washery circuits and also due to the improved performance of MGR circuit at Seepat TPS.

Figs. in Box/Day

Company	2009-10			2008-09	Growth over last year	
	Target	Achieved	% Achieved	Achieved	Absolute	%
ECL	696	755	108.48	695	60	8.63
BCCL	1083	931	85.96	935	-4	-0.43
CCL	1653	1372	83.00	1472	-100	-6.79
NCL	886	980	110.61	857	123	14.35
WCL	909	969	106.6	962	7	0.73
SECL	1781	1791	100.56	1878	-87	-4.63
MCL	2782	2402	86.34	2322	80	3.45
NEC	42	45	107.14	36	9	25.00
CIL	9831	9246	94.05	9158	88	0.96

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 258 MT per annum so as to maximize despatches of crushed/sized coal to the consumers. In addition, the washeries at BCCL, CCL, WCL and NCL have adequate crushing/sizing facilities to the tune of about 39.4 million tonnes. Further, MCL has successfully introduced a system for reduction of size of coal to (-) 100 mm and the same will be implemented in phases by other coal companies.
- iii) Measures like picking of shale/stone, selective mining by conventional mode as well as by surface miners, adopting proper blasting procedure/technique for reducing the possibility of admixture of coal with over-burden materials, improved fragmentation of coal etc. are being taken for improving coal quality.
- iv) Surface Miners have been deployed by CIL for selective mining at some of the mines to improve the quality of coal. Action is being taken for deployment of more surface miners in other mines where geo-mining condition permits. Already 32 Surface Miners have been deployed in MCL, CCL and SECL at open cast 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 90% of total production of CIL. On overall basis, large consumers having annual quantity of 0.4 MT or more and having FSA have been covered for sampling. The achievement of grade conformity in respect of sampling and analysis has been to the tune of 91.2 % in respect of supplies to power sector during 2009-10. 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 169 weighbridges in the Railway Sidings and 415 weighbridges for weighment of trucks. Coal Companies have also taken actions for installation of standby weighbridges to ensure 100% weighment.

During 2009-10, about 98.25 % of coal despatches to powerhouses have been weighed as compared to about 98.06 % during the year 2008-09. Sized coal despatches to powerhouses during 2009-10 had been 98.5 % as compared to about 98.28% during the year 2008-09.



Heavy Mining Machinery at Jayant Open Cast Mine, Singrauli, Northern Coalfields Limited



3.5 Steps Taken towards Liberal Marketing of Coal

Most of the provisions contained in New Coal Distribution Policy have been implemented. Status of different aspects covered under NCDP is as under:

- (i) The existing classification of consumer into core and non core sector has been done away with.
- (ii) Requirement of defence sector and railways are being met in full at notified prices, as at present.
- (iii) While 100% of the normative requirement is being released to existing Power Utilities including Independent Power Producers (IPPs)/ Captive Power Plants (CPPs) and Fertilizer Sectors, 75% of the quantity as per normative requirement is being released to other sectors through FSA. In case of Power utilities, CEA allocated powerhouse wise ACQ for all existing power stations drawing coal on 31.03.2010. The quantity allocated was fixed at 306 million tonnes which involves 74 power houses and 132 FSAs to be executed. Already 284.69 million tonnes of coal for power utilities is covered under FSAs.
- (iv) No. of FSAs to be executed for the existing consumers other than power and steel plants was 1199, with a quantity of 64.58 million tonnes, of which 1182 FSAs have already been executed accounting for 63.92 million tonnes.
- (v) For small and medium sector consumers, 8 million tonnes has been earmarked. All States/Union Territories have been requested to send their nomination for Agencies, for signing FSAs with coal companies. These nominated agencies would take the responsibility to distribute coal to targeted consumers on behalf of the State Governments. Out of 35 States/Union Territories, 22 States have sent their nomination for 2009-10

nominating 29 agencies. 6.0 million tonnes of coal was allocated by CIL in their favour. So far, FSAs for a quantity of 4.2 million tonnes have been executed by the nominated agencies. 5 (Five) State Governments/Union Territories, namely Delhi, Haryana & Chandigarh, Dadar Nagar Haveli & Andaman have informed that they do not have requirement of coal.

- (vi) So far CIL has issued notices to 556 units in Power Utilities including IPPs, CPPs, Cement & Sponge Iron sectors, who were recommended by SLC (LT) for furnishing the commitment guarantee for issuance of LOA. 449 units have deposited Commitment Guarantee. The quantity involved for these units is 234.86 million tonnes. CIL has already issued LOAs to 446 units. Out of these 446 units, 226 units have executed FSA for a quantity of 26.06 million tonnes.
- (vii) In case of consumers those who are not covered by SLC(LT), the task has been given to Central Industrial Mining & Fuel Research, Dhanbad to develop the coal consumption norms. They have already developed the norms and the same is under process of finalization. Model LOAs for consumers not covered under SLC(LT) has also been developed by CIL. The scheme has already been introduced for BIFR units and the scheme has been placed in WEBSITE/Notice Board, inviting application from such units.
- (viii) CIL launched Forward E-Auction from August 2009. A quantity of 0.55 million tonne has been allocated through forward e- auction. 45.73 million tonnes of coal has been allocated under spot e-auction to the successful bidders numbering 40848. E-auction earned a premium of 59.8% over notified price.

3.6 Stock of Coal, Coke, etc.

Net adjusted value of the pithead stock of coal and other products at the close of the year 2009-10 after provision for stock deterioration, etc. was Rs. 3186.48 crores which was equivalent to 0.86 months' value of net sales. The Company-wise position of stocks held on 31.3.2010 and 31.3.2009 are given below:

Company	Net value of stock	Net value of stock	Stock in terms of No. of months Net sales	
	as on 31.3.10	as on 31.3.09	as on 31.3.10	as on 31.3.09
ECL	320.68	197.32	0.74	0.62
BCCL	852.70	600.97	2.27	1.94
CCL	1006.38	806.26	2.20	1.86
NCL	75.05	46.30	0.12	0.08
WCL	218.26	204.11	0.45	0.43
SECL	348.25	237.48	0.45	0.34
MCL	340.99	405.03	0.65	0.90
CIL/NEC	24.17	17.51	0.72	0.74
Total	3186.48	2514.98	0.86	0.77

Rs. in Crores

3.7 Coal Sales Dues

Net Coal Sales dues outstanding as on 31.3.2010 after providing of Rs.1453.75 crores (previous year Rs. 1430.65 crores) for bad and doubtful debts, was Rs.2110.42 crores (previous year Rs. 1780.71 crores) which is equivalent to 0.49 months combined gross sales of CIL as a whole (previous year 0.46 months). Subsidiary-wise break up of coal sale dues outstanding as on 31.3.2010 as against 31.3.2009 are shown below:

Company	Coal Sales dues as on 31.3.2010		Coal Sales dues as on 31.3.2009	
	Gross	Net	Gross	Net
ECL	840.86	746.79	506.33	338.11
BCCL	849.67	393.80	622.08	186.82
CCL	1008.18	512.45	1148.79	745.26
NCL	128.25	123.00	78.98	73.73
WCL	263.31	109.18	363.51	191.52
SECL	434.47	212.35	413.71	198.61
MCL	28.66	12.83	67.17	46.64
CIL/NEC	10.77	0.02	10.79	0.02
Total	3564.17	2110.42	3211.36	1780.71

Rs. in Crores



3.8 Payment of Royalty, Cess and Sales-tax, Stowing Excise Duty & Entry Tax.

During the year 2009-10, CIL and its Subsidiaries paid/adjusted Rs.7499.94 Crores (previous year Rs. 7200.02 crores) towards Royalty, Cess, Sales-tax and other levies as detailed below:

	Rs. in Crores	
	2009-10	2008-09
Royalty	4697.68	4300.97
Cess	804.86	1065.85
Sales-tax	1542.20	1406.18
Stowing Ex. Duty	410.41	390.10
Entry Tax	44.79	36.92
Total	7499.94	7200.02



State-wise & Company-wise breakup of Payment of Royalty, Sales Tax, SED, Cesses and other levies during 2009-10 are given below:

Rs. in Crores											
Company	Particulars	MP	Chattisgarh	WB	Jharkhand	Maharashtra	UP	Orissa	Assam	CCO/ GOI	Total
ECL	Royalty			9.14	147.63						156.77
	Cess and others			599.97							599.97
	Sales tax/VAT			162.56	35.39						197.95
	Stowing									28.93	28.93
	Entry tax										
BCCL	Royalty			0.06	421.42						421.48
	Cess and others			6.19							6.19
	Sales tax/VAT			6.06	98.96						105.02
	Stowing									24.62	24.62
	Entry tax										
CCL	Royalty				583.36						583.36
	Cess and others										
	Sales tax/VAT				197.62						197.62
	Stowing									39.84	39.84
	Entry tax										
NCL	Royalty	676.20					149.09				825.29
	Cess and others	16.88					10.26				27.14
	Sales tax/VAT	115.26					110.98				226.24
	Stowing									66.76	66.76
	Entry tax	6.62					0.07				6.69
WCL	Royalty	102.85				512.71					615.56
	Cess and others										
	Sales tax/VAT	38.23				197.48					235.71
	Stowing									45.32	45.32
	Entry tax	5.48									5.48
SECL	Royalty	243.72	939.56								1183.28
	Cess and others									171.56	171.56
	Sales tax/VAT	58.30	244.42	4.66							307.38
	Stowing									108.01	108.01
	Entry tax										
MCL	Royalty							881.08			881.08
	Cess and others										
	Sales tax/VAT							255.75			255.75
	Stowing									95.86	95.86
	Entry tax							32.62			32.62
CIL/ NEC/OTHERS	Royalty								30.86		30.86
	Cess and others										
	Sales tax/VAT								16.53		16.53
	Stowing									1.07	1.07
	Entry tax										
Total		1263.54	1183.98	788.64	1484.38	710.19	270.40	1169.45	47.39	581.97	7499.94



4. Coal Production

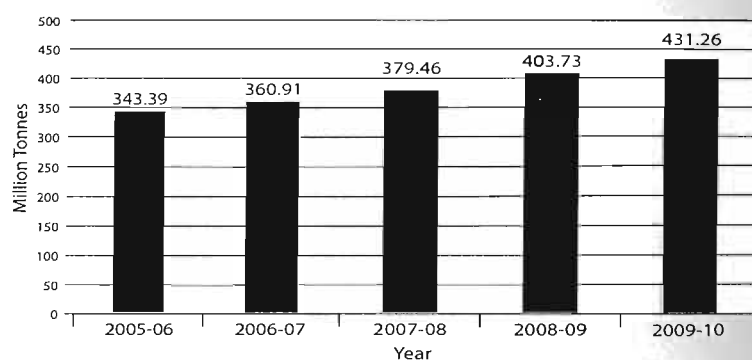
4.1 Raw Coal Production

Production of raw coal during 2009-10 was 431.26 million tonnes as against 403.73 million tonnes produced in 2008-09. The company-wise production is given below:

Figs. in million tonnes

Company	Coking		Non-coking		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
ECL	0.06	0.04	30.00	28.09	30.06	28.13
BCCL	19.16	13.08	8.35	12.43	27.51	25.51
CCL	16.21	12.54	30.87	30.70	47.08	43.24
NCL	0.00	0.00	67.67	63.65	67.67	63.65
WCL	0.55	0.73	45.19	43.97	45.74	44.70
SECL	0.15	0.15	107.86	101.00	108.01	101.15
MCL	0.00	0.00	104.08	96.34	104.08	96.34
NEC	0.00	0.00	1.11	1.01	1.11	1.01
Total	36.13	26.54	395.13	377.19	431.26	403.73

Raw Coal Production



4.2 Production from underground and open cast mines.

Coal production from underground mines in 2009-10 was 43.25 million tonnes as compared to 43.96 million tonnes produced in 2008-09. Production from open cast mines during 2009-10 was 90.0% of total coal production. Company-wise production is as under:

Figs. in Million tonnes

Company	Underground production		Opencast production		Total production	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
ECL	8.23	8.39	21.83	19.74	30.06	28.13
BCCL	3.90	4.13	23.61	21.38	27.51	25.51
CCL	1.47	1.56	45.61	41.68	47.08	43.24
NCL	0.00	0.00	67.67	63.65	67.67	63.65
WCL	9.62	10.11	36.12	34.59	45.74	44.70
SECL	17.83	17.57	90.18	83.58	108.01	101.15
MCL	2.20	2.15	101.88	94.19	104.08	96.34
NEC	0.00	0.05	1.11	0.96	1.11	1.01
Total	43.25	43.96	388.01	359.77	431.26	403.73



Sherer and Longwall in operation in an underground mine

4.3 Hard Coke and Washed Coal (Coking) Production

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

Figs. in lakh tonnes

Company	Hard coke		Washed coal (coking)	
	2009-10	2008-09	2009-10	2008-09
ECL	-	-	-	-
BCCL	0.000	0.003	13.26	16.05
CCL	-	-	13.92	17.09
NCL	-	-	-	-
WCL	-	-	2.46	3.66
SECL	-	-	-	-
MCL	-	-	-	-
NEC	-	-	-	-
Total	0.000	0.003	29.64	36.80

4.4 Overburden Removal

Overburden removed during 2009-10 was 682.03 million cubic metres as against 645.13 million cubic metres achieved in 2008-09, recording a growth of 5.7%. Company-wise details of overburden removal are shown below:

Figs. in million cu.mtrs

Company	2009-10	2008-09
ECL	49.74	43.07
BCCL	61.63	53.60
CCL	56.05	55.63
NCL	177.98	202.75
WCL	133.97	126.66
SECL	129.80	107.00
MCL	66.07	51.84
NEC	6.79	4.58
Total	682.03	645.13



5. Population of Equipment

The population of major opencast equipment as on 1.4.2010 and 1.4.2009 along with their performance status in terms of availability and utilisation expressed as percentage of CMPDIL norms is tabulated below:

Equipment	No. of Equipment		Indicated as % of CMPDIL norms			
	as on 1.4.2010	as on 1.4.2009	Availability		Utilisation	
			2009-10	2008-09	2009-10	2008-09
Dragline	40	40	92	95	99	99
Shovel	747	703	91	92	85	84
Dumper	3366	3293	99	99	73	72
Dozer	991	1025	92	92	60	60
Drill	713	754	99	97	77	72

6. Capacity Utilisation

The overall capacity utilisation of CIL as a whole for the year 2009-10 has been 90.25%. It was 94.67% during 2008-09. Subsidiary-wise details in terms of percentage are as under:

Company	2009-10	2008-09
ECL	97.58	90.39
BCCL	94.46	95.43
CCL	91.72	86.26
NCL	76.23	91.58
WCL	113.19	113.40
SECL	98.32	100.64
MCL	80.55	85.02
NEC	76.93	50.38
CIL (overall)	90.25	94.67

The Capacity utilization of CIL in the year has decreased vis-à-vis previous year primarily on account of capacity addition for two subsidiaries viz, NCL and MCL during the year.

In the case of NCL there has been a capacity addition to the tune of 26.775 MM³ during the year. Although NCL has registered an increase in coal production to the tune of 4.02 Mt, there has been a

shortfall in overburden removal to the extent of 24.77 MM³ over the previous year. Similarly in MCL, although there has been a capacity addition during the year to the tune of 29.143 MM³, the increase in coal production and overburden removal has been to the extent of 7.69 Mt and 14.23 MM³ respectively, which has not been commensurate with the increase in total capacity for MCL.

7. Productivity: Output per Manshift (OMS)

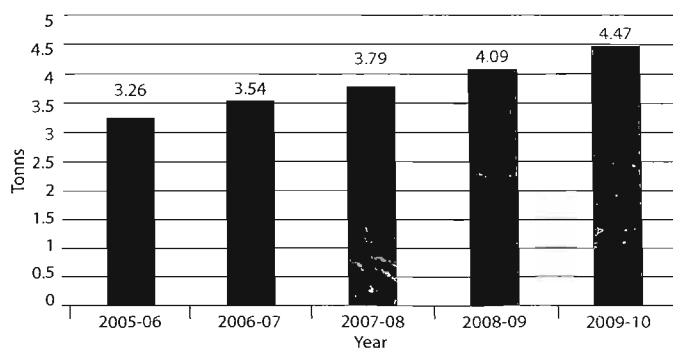
Output per Manshift (OMS) during 2009-10 improved to 4.47 Tonnes from 4.09 Tonnes of previous year. Company-wise position is given in the following table:

Figs. in Tonnes

Company	U/G OMS		OC OMS		Overall OMS	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
ECL	0.47	0.46	7.29	6.42	1.46	1.33
BCCL	0.39	0.41	4.85	2.91	1.85	1.22
CCL	0.35	0.36	5.24	4.65	3.66	3.27
NCL	0.00	0.00	13.19	14.58	13.19	14.58
WCL	1.12	1.14	4.12	3.99	2.64	2.55
SECL	1.33	1.26	18.89	15.76	5.96	5.26
MCL	1.29	1.25	18.89	23.06	14.66	16.60
NEC	0.00	0.10	7.85	7.83	2.00	1.77
Total	0.78	0.76	9.51	8.95	4.47	4.09

Man Productivity

output per manshift in Tonnes



8. Projects

8.1 Project Formulation:

Preparation of Reports: As prioritized by subsidiary companies of Coal India Limited, preparation of project reports for new mines as well as expansion and re-organization of mines was carried out during the year 2009-2010 for building up additional coal production capacity. Thrust was laid on the preparation of reports for identified Projects of XI Plan.

In addition to above, regular revision of project reports and updated cost estimates were also taken up as desired by the subsidiaries of CIL. Feasibility reports for coking/non-coking coal washeries were prepared in consonance with the present strategy of marketing of washed coal. Considerable number of Conceptual reports and customization of bid document for washeries were prepared in the year 2009-10



Preparation of Plans: Preparing of Operational Plans for large OC mines was taken up during the year in addition to preparation of PRs. EMP & Fire fighting plans / reports, for dealing with fire, were also prepared for the subsidiaries.

Preparation and scrutiny of Bid documents: Global bid documents were prepared & customized for Mass Production technology in underground mines of CIL as well as for high speed incline drivage and shaft sinking. Scrutinies of various types of NITs & Bids were undertaken from time to time during the year.

Designing: Detailed advisory designs and drawings were provided to the subsidiaries of CIL and other agencies regarding CHP, Workshops, Bridges, Weighbridges etc.

Technical studies: Various technical studies relating to operation of opencast & underground mines, Mine capacity assessment of underground & opencast mines of CIL & Performance analysis of HEMM operating in OC mines and intermediate technology using SDLs and LHDs in UG mines of CIL were done during the year 2009-10.

Expert consultancy services: During the year 2009-2010, expert consultancy services were also provided to the subsidiary companies of Coal India Limited in the field of Environmental Management and Monitoring, Remote Sensing, Energy Audit (Diesel & Electrical), Benchmarking of Diesel & Electrical Consumption and Fixation of Diesel & Electrical Consumption Norms of Opencast and Underground mines, Physico-mechanical tests on Rock and Coal Samples, Subsidence Studies, Strata Control, Non-Destructive Testing (NDT), Controlled Blasting & Vibration Studies and Explosive Utilization, Ventilation / Gas Survey of UG mines, Mining Electronics, Petrography and Cleat Study on coal samples, Coal Core Processing & Analysis, Washability tests, OBR Survey, Man Riding System, Soil Erosion Study, Effluent Treatment Plants, etc.

In all, during the year under review, CMPDIL has prepared 410 reports which include 19 Geological Reports & 37 Project Reports/Revised Cost Estimates. In addition, 15 Operation Plans, 154 Other Reports and 185 Environment Management Plans (including applications as per 137 Form-I for EMP clearance) were prepared during 2009-10.



A large Dragline at work of Over Burden removal

8.2 Project Implementation:

a) The following 4 coal projects, each costing Rs. 20 crores & above, with ultimate capacity of 6.21 Mty and sanctioned capital of Rs. 224.30 crores have been completed during the year 2009-10:

Sl. No.	Subsidiary	Name of the Project	Type	Sanctioned Capacity (MTY)	Sanctioned Capital (Rs. Crores)
1	WCL	KOLGAON RPR	OC	0.50	49.59
2	SECL	AMADAND-BARTARAI	UG	0.47	45.26
3	SECL	NCPH SEAM V, SCHEME	UG	0.24	30.71
4	MCL	LAKHANPUR PH I	OC	5.00	98.74
TOTAL				6.21	224.30

(b) 14 coal projects, each costing Rs. 20 crores & above, with an ultimate capacity of 35.77 Mty and sanctioned capital of Rs 2223.99 Crores have started contributing during the year 2009-10:

Sl. No.	Subsidiary	Name of the Project	Type	Additional Sanctioned Capacity (MTY)	Contribution during 2009-10 (MT)	Additional Sanctioned Capital (Rs. Crores)
1	CCL	KARMA	OC	1.00	0.21	162.46
2	CCL	PUKNADIH	OC	3.00	0.10	210.98
3	WCL	KOLARPIMPRI EXTN	OC	1.50	0.80	72.89
4	WCL	BELLORA-NAIGOAN D/ SCHEME	OC	1.00	1.00	3.04
5	WCL	JUNAD EXTN	OC	0.60	0.08	38.76
6	SECL	SEAM III ANJAN HILL	UG	0.42	0.38	46.75
7	SECL	AMADAND	OC	1.15	0.13	83.39
8	SECL	MAHAN II	OC	1.00	0.34	37.45
9	SECL	DIPKA EXPN (20-25 Mty)	OC	5.00	4.09	675.13
10	MCL	BASUNDHARA(WEST)	OC	4.60	4.27	46.52
11	MCL	LAKHANPUR EXPN PH II (10-15 Mty)	OC	5.00	3.06	116.54
12	MCL	ANANTA EXTN (12-15Mty)	OC	3.00	0.82	207.28
13	MCL	HINGULA EXTN (8-15Mty)	OC	7.00	0.83	479.53
14	MCL	LAJKURA PH I (1-2.5Mty)	OC	1.50	0.54	43.27
Total				35.77	16.65	2223.99



Status of Ongoing Projects:

Presently there are 118 mining and 5 non-mining projects, costing Rs. 20 crores & above, under different stages of implementation.

Out of the 118 mining projects, 105 are on schedule & 13 are delayed.

Out of the 5 non-mining projects, 2 are on schedule, 3 are delayed

Projects	Total projects	Projects on schedule	Projects delayed
Mining	118	105	13
Non Mining	5	2	3
Total	123	107	16

Reasons of delay:

Mining Projects

Sl. No.	Reasons for delay	No of Projects
1	Adverse Geomining Condition	2
2	Delay in Land Acquisition	4
3	Misscellaneous	7
Total		13

Non-mining Projects

Sl. No	Reasons for delay	No of Projects
1	Adverse Geomining Condition	--
2	Delay in Land Acquisition	1
3	Misscellaneous	2
Total		3

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

(a) No Advance Action proposal has been sanctioned during 2009-10.

(b) One Expansion Project has been sanctioned by the Govt. during 2009-10.

Rs. Crs

Sl. No.	Cos	Name of Projects	Type	Sanctioned Capacity (MTY)	Sanctioned Capital
1	ECL	Rajmahal Expn	OC	6.50	153.82
		Total		6.50	153.82

(c) CIL Board has sanctioned 2 mining projects during 2009-10.

Rs. Crs

Sl. No.	Cos	Name of Projects	Type	Sanctioned Capacity (MTY)	Sanctioned Capital
1	BCCL	BLOCK II AUG CM	UG	0.45	113.37
2	SECL	DIPKA EXPN (20-25 Mty)	OC	5.00	675.13
		Total		5.45	788.50

(d) One Non-mining project has also been approved by CIL during the year 2009-10

Rs. Crs

Sl. No.	Cos	Name of Projects	Type	Sanctioned Capital
1	CIL	CIL office complex, New town, Kolkata	Non - Mining	126.00
		Total		126.00

(e) The Subsidiary Company Boards sanctioned PRs for 8 projects under their delegated powers to sanction projects during the year 2009-10:

Rs. Crs

Sl. No.	Cos	Name of Projects	Type	Sanctioned Capacity (MTY)	Sanctioned Capital
1	CCL	Karma	OC	1.00	162.46
2	CCL	Govindpur ph II	OC	1.20	142.11
3	WCL	Nandan II Extn (Dhau North)	UG	0.36	41.70
4	WCL	Bellora Naigoan*(CSA)	OC	1.00	114.41
5	SECL	Amlai Expn	OC	1.50	198.59
6	SECL	Manikpur Expn	OC	3.50	321.50
7	MCL	Lingraj Expn Ph III	OC	3.00	52.25
8	MCL	Lajkura Expn Ph I	OC	2.50	43.27
Total				14.06	1076.29

* Approval subject to FSA on Cost Plus Basis

8.4 Revised Project Report / Revised Cost Estimates:

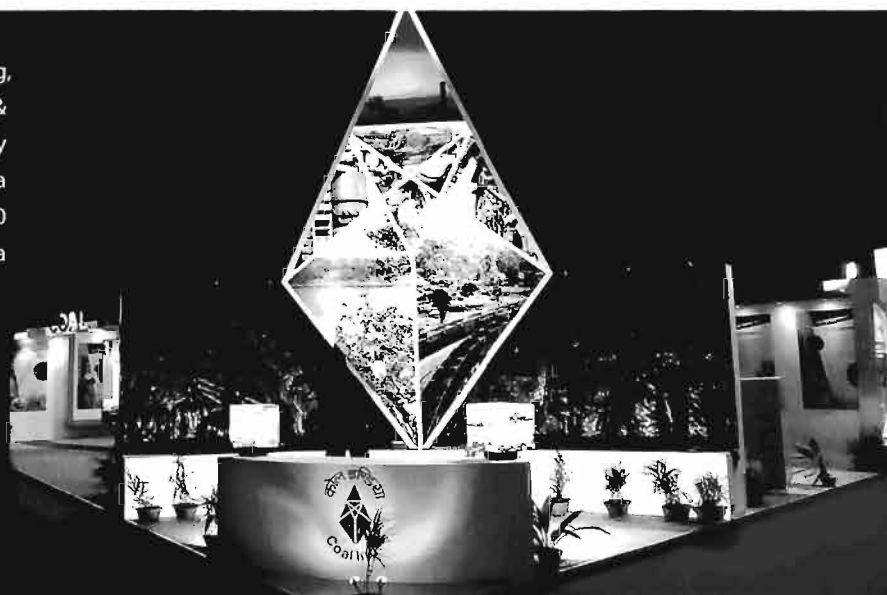
(a) No RPR / RCEs were sanctioned by CIL during 2009-10.

(b) Subsidiary Company Boards sanctioned 2 RPR / RCEs during 2009-10:

Rs. Crs

Sl. No.	Cos	Name of Projects	Type	Sanctioned Capacity (MTY)	Sanctioned Capital
1	CCL	Rajrappa	OC	3.00	377.85
2	WCL	Kolgaon	OC	0.50	49.59
Total				3.50	427.44

Coal India pavilion at International Mining, Exploration, Mineral Processing Technology & Machinery Exhibition(IME 2010) organized by Mining Geological & Metallurgical Institute of India (MGMI), held during 22-25 January, 2010 at Netaji Indoor Stadium, Kolkata





9. Capital Expenditure

Overall capital expenditure during 2009-10 was Rs. 2809.99 crores as against Rs.2507.17 crores in previous year, subsidiary-wise details of which are given below:

Company	2009-10		2008-09	
	(BE)	Actual	(BE)	Actual
ECL	210.00	165.02	400.00	191.88
BCCL	230.00	293.35	250.00	221.16
CCL	420.00	321.31	600.00	334.84
NCL	730.00	545.45	500.00	266.52
WCL	230.00	252.34	225.00	277.92
SECL	730.00	770.67	800.00	855.98
MCL	200.00	404.19	350.00	321.26
CMPDIL	15.00	11.42	15.00	9.45
CIL/NEC/Other	135.00	46.24	74.70	28.16
Total	2900.00	2809.99	3214.70	2507.17

Capital Expenditure incurred during 2009-10 is about 96.90% of BE.

10. Capital Structure

The authorised share capital of the company as on 31.3.2010 was Rs. 8904.18 crores, distributed between Equity and Non-cumulative redeemable preference shares as under:

	Rs. in Crores
i) 90,41,800 Non-cumulative 10% redeemable preference shares of Rs. 1000/- each	904.18
ii) 8,00,00,00,000 Equity Shares of Rs. 10/- each	8000.00
Total	8904.18

The paid-up equity capital as on 31.3.2010 was Rs. 6316.36 crores, all issued in favour of the Government of India, which includes Rs. 256.93 crores worth of Equity Shares issued towards value of land acquired. Total investment by the Government of India in CIL and its subsidiaries as on 31.3.2010 was Rs. 6316.36 crores as against Rs. 6316.36 crores in the previous year as detailed below:

	as on 31.3.2010	as on 31.3.2009
Share Capital - Equity	6316.36	6316.36
Loan (including Interest accrued & due)	0.00	0.00
Total	6316.36	6316.36

11. Borrowings

Aggregate borrowings of CIL as mentioned above has reduced to Rs.1623.68 Crores in 2009-10 from 1980.54 crores in 2008-09 as detailed below:

			Rs. in Crores	
Particulars			2009-10	2008-09
Foreign Loans including deferred credits				
	2009-10	2008-09		
IBRD/JBIC	1464.30	1786.62	1614.59	1969.43
EDC Canada	146.55	170.28		
CME China	3.74	12.53		
Deferred Payments			9.09	11.11
Total			1623.68	1980.54

Decrease in outstanding is mainly because of repayment of principal, fluctuation in foreign exchange rate at year end and reduction in equivalent foreign currency of outstanding loan over previous year. The debt servicing has been duly met.

12. Foreign Collaboration

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

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

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

While CIL would endeavor to acquire suitable technologies 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. Followings are the details of activities took place with different countries during 2009-10.



Indo-Canada Collaboration:

The Government of Canada is considering extending the funding support for taking up projects under different Task Forces of Asia Pacific Partnership (APP) by the Indian Industry in association with Canadian industry partners. The funding would only be extended to a Canadian company / consultant who is associated with the Indian counterpart. The Indian companies are expected to contribute some token amount towards the proposed project. The following areas have been identified for Canadian Industries' participation in the Indian coal sector:

- Managing Environmental Impacts to protect and rehabilitate the natural environment.
- Capture and use of Coal Mine Methane.
- Health and Safety Efforts to achieve Zero Harm.
- Best practice technologies, equipment and standards for mine safety.
- Economic Resource Recovery through more cost effective and efficient extraction technologies.

Further as a follow-up of Canada India Service & Technology Agreement, some funds are being made available for S&T projects to various sectors by Canadian side.

Indo-Russia collaboration:

The 5th meeting of the Working Group on Mines & Metallurgy was held in Moscow on 8-9 October 2009. The salient features of the meeting are:

- Indian side informed about the interest of Indian companies in securing coking and thermal coal deposits in Russia as well as securing access to frontline technologies in this area. Russian side requested Indian side to send specific information on volume demand and qualitative requirement of coal as well as interest of Indian investors in participating in coal projects in Russia.
- M/s. Zarubezhugol has expressed their interest to continue work on the Indian investments in the Russian coal industry and also expressed their interest in export of non-coking and coking coal.
- Both Russian and Indian companies expressed interest in cooperation and expansion of the coal industry and agreed to support prospective projects in this sphere.

- M/s. Zarubezhugol, M/s. Giproschakht and other Russian organizations have expressed interest in participation in tenders for performance of works on designing, building new and reconstruction of the operating coal enterprises, deliveries of the mountain-mine and mountain-transport equipment and spare parts.
- The Russian side requested the Indian side to provide the updated expansion plan of Indian coal industry in order to give a definitive direction.
- Russian side conveyed that M/s Zarubezhaugol and other Russian scientific and research institutions are ready to participate in the design works on a contract basis with Indian research and project institutes, working in the sphere of the coal industry.
- The Working Group noted the readiness of Zarubezhugol and Giproschakht to train the Indian experts on a contract basis in the research and design institutes on modern technologies of designing of coal (UG & OC mining), designing and manufacture of the modern mountain-mine equipment, for acquaintance with modern technologies for both OC and UG mining.

Indo-German Collaboration:

17th meeting of the Indo-German Working Group on Coal, constituted under the auspices of the German-Indian Joint Commission for Industrial and Economic Co-operation was held in Kolkata on 07.11.2008. The areas identified to strengthen the working group co-operation efforts are under:

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

- Cooperation in capacity building specially in UG mines. CIL has received a proposal in April 2009 through DEA & MOC concerning financial and technical assistance from Government of Federal Republic of Germany (FRG) under Indo-German Bi-lateral Development Cooperation programme for the projects to be implemented by PSUs. The fields identified by CIL / subsidiaries for financial and technical assistance are as follows:

- Power Support Longwall technology.
- Continuous Miner technology.
- Mechanised & fast new shaft sinking / deepening / widening of existing shafts.
- Mechanised and fast drift drive.
- Coal Beneficiation.
- Fire control in Raniganj and Jharia coalfields.
- Exploration of deep seated deposit.
- Mine Safety aspects.

Indo- Mozambique Collaboration:

MOU for co-operation for development of coal mining in Mozambique exists between Government of India and Government of Mozambique. 2nd meeting of Indo-Mozambique JWG was held in New Delhi on 30.03.2009. The core competence of CIL in the field of exploration, mine planning and mining, R&R, CSR, Community Development etc. were explained to Mozambican delegates. The Mozambique delegation also visited NCL from 1st to 3rd April 2009.

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

Co-operation with Swaziland & Malawi

A meeting was held with the Principal Secretary to the Hon'ble Prime Minister of India on 17.04.2009 to review the status of on-going efforts to acquire coal assets abroad. During the meeting, it was agreed that CIL and MOC would first conduct exploratory studies to examine feasibility of exploration, mining and evacuation of coal from the mines of Swaziland and Malawi before a decision to constitute a Joint Working Group with these countries is taken up.

Director (T), CMPDIL visited Swaziland and Malawi, based on which a report on coal prospects in Malawi and Swaziland was prepared in May, 2009. There appears to be substantial scope for entering into collaboration in exploration and exploitation of coal resources in these two countries. However evacuation facilities are not available presently for export of coal from these countries.

Discussions are going on with the governments of these countries for setting up of Working Groups on Coal for closer co-operation in the coal sector including acquisitions of coal assets abroad.

Indo-Iran Collaboration:

The 1st meeting of the Indo-Iran Sub Group on Mining under the India-Iran Joint Commission was held on 1st October, 2009 in New Delhi. In the aforesaid meeting, coal has been identified as one of the broad areas for expanding mutual relationship. Iranian side expressed their interest in collaboration with Indian companies for exchange of technology and experts. CIL has conveyed its views and the fields identified for technical assistance / collaboration are as follows:

- Power Support Longwall technology
- Continuous Miner technology
- Operation in abandoned UG mines and other High Capacity UG Mines
- Extraction of developed pillars which are water logged or below fiery seam
- Mechanised & Fast New Shaft sinking / Deepening / Widening of existing shafts
- Coal Beneficiation



- Development of CBM / AMM / Capture and use of Coal Mine Methane
- Underground Coal Gasification (UCG).
- Mine Safety aspects.

Indo-Turkey Collaboration :

The 9th Session of India-Turkey JCETC was held at Ankara, Turkey on 7th & 8th September, 2009.

In the above meeting, both India and Turkey agreed to cooperate in the fields of coal, coal rehabilitation technology, clean coal technology and technology transfer in coal mining sector through promotional activities such as holding conferences, seminars and meetings. CIL has conveyed its views and the fields identified for technical assistance / collaboration are as follows:

- Power Support Longwall technology.
- Continuous Miner technology.
- Operation in abandoned UG mines and other High Capacity UG Mines
- Technology transfer in case of developed / virgin reserve below water logged / fiery seams
- Extraction of locked up seams.
- Mechanised & Fast New Shaft sinking / Deepening / Widening of existing shafts.
- Coal Washeries.
- Development of CBM/AMM.
- Capture and use of Coal Mine Methane.
- Capture and use of Ventilation Air Methane.
- Underground Coal Gasification (UCG).

Asia Pacific Partnership:

Seven countries namely Australia, China, India, Japan, The Republic of Korea, USA and Canada of the Asia Pacific Partnership

on Clean Development and Climate have decided to cooperate in the increased energy needs and associated challenges, including those related to air pollution, energy security and greenhouse gas intensities. The partnership has established eight task forces in key sectors.

- The Cleaner Fossil Energy Task Force of the Partnership is designed to build upon actions decided at Perth, Australia, in August 2007. Regular meetings of the Partnership are being held to achieve the objectives.
- A two day CMTF Sustainable Development Workshop on "Mine Rehabilitation, Closure and Completion" was held at Kolkata from 18-19th April, 2008 followed by a mine visit by the international delegates. The APP member country "Australia" organized the workshop. It was facilitated by CIL on behalf of Ministry of Coal.
- 5th meeting of CMTF was held at Las Vegas, USA from 20-24 September 2008, where 3 new CMTF projects (i) 3D Seismic Survey with Acoustic Borehole Imaging System, (ii) In-seam Seismic Survey for UG coal mining operation, and (iii) Ventilation Air methane emission - Mitigation and utilization under Indian Mining scenario, were presented and were subsequently approved in PIC meeting. These projects were subsequently dropped.
- Review meetings to assess the status of implementation of CMTF projects were held at CMPDIL, Ranchi on 19.02.2009 and again on 04.05.2009.
- 6th meeting of CMTF was held from 10-12 March, 2010 at Pokolbin, Hunter Valley, Australia. In the aforesaid meeting Indian side made a brief presentation on the status of implementation of various on-going projects and also highlighted other issues and problems in respect of on-going projects.

13. World Bank Financed Projects

The net utilization of loan as 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 drawal of loan since January 2004.

With the repayment of loan of USD 88.44 million to IBRD and JPY 13,188.52 million to JBIC till 2009-10, the total CSRP loan as on 31st March, 2010 stands at USD 157.29 million (equivalent to Rs.716.93 crore) on account of IBRD and JPY 15,252.30 million (equivalent to Rs. 747.36 crore) on account of JBIC.

Thus, a total amount of Rs. 1464.29 crore is lying outstanding under CSRP Loan as on 31st March 2010.

13 (A) Coal Videsh Division, CIL

- i) CIL is pursuing its foreign venture initiatives of acquiring coal resources abroad through "Coal Videsh Division", functioning at CIL (HQ). Through this venture CIL intends to acquire coal properties in foreign countries pertaining to metallurgical and low ash thermal coal grades and import the produces from such acquisitions to India. The strategic objective of this venture is to meet the demand-supply gap and fulfill the strategic objective of enhancing country's energy security.
- ii) The activities undertaken by CIL during the year yielded the following results:
 - a) CIL emerged as the successful bidder in the global tender process run by Govt. of Mozambique and acquired prospecting license(PL) of two coal blocks in Mozambique,

namely A1 and A2, covering an area of 22,400 hectares. The licenses will allow CIL to explore and develop the coal blocks over a period of 5 years. A 100% wholly owned subsidiary of CIL namely, Coal India Africana Limitada, has been registered in Mozambique for investment in coal resources.

- b) In order to expedite the process of acquisitions abroad, CIL had floated a global Expression of Interest (Eoi) to select "Strategic Partner" in Australia, USA, South Africa and Indonesia. The Eoi received encouraging responses from these countries and 58 responses were received within the scheduled date of 31st August, 2009. The modalities being worked out for entering into a "Strategic Partnership" with a foreign coal company are:
 - i) To create foothold in the destination country by taking stakes in operating mine or greenfield projects of the Strategic Partner(s).
 - ii) To form Joint Venture to jointly explore opportunities for acquiring coal resources in destination countries.

The Board level committee constituted for this purpose examined the offers in detail and recommended due diligence of 10 offers under equity in Brownfield and Greenfield coal assets. However, CIL Board has recommended to start due diligence of 5 offers from the listed companies only. The process for appointment of Merchant Bankers and Technical consultants has been taken up and it is expected to take up due diligence of the offers in May/June 2010.



- c) The panel consisting of 10 (ten) Investment bankers of international repute constituted to assist CIL in its acquisition initiatives was extended for one more year. A panel for technical consultants has been created for three zones namely Zone-1 (Asia Pacific), Zone-2 (Africas) and Zone-3 (Americas).
- iii) (a) Government had earlier approved participation of CIL in a Joint Venture company "International Coal Ventures Limited" (ICVL) with SAIL/RINL/NMDC & NTPC for acquisition of coal resources abroad. CGM (Coal Videsh) is a member of the Working Group of ICVL. CIL's contribution in the JV shall be Rs. 1000 Crs. in initial paid-up-capital of Rs. 3500 Crs.
- (b) ICVL is formally registered on 20th May, 2009 as "International Coal Ventures Private Ltd." Presently Chairman, SAIL is the Chairman of the Company. Chairman, CIL and Director(Technical), CIL are the members of ICVL Board.
- (c) ICVL is in advance stage of discussion for acquisition of a Greenfield coal asset in Indonesia. Merchant Banker and Technical Consultants has been appointed for undertaking the due diligence.
- (d) ICVL has received offers from Australia, USA, South Africa and Mozambique, which are under examination for appropriate action.

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

The government has approved the Master Plans dealing with fire, subsidence and rehabilitation and diversion of surface infrastructure within the leasehold of BCCL and ECL in August 2009 at a total estimated investment of Rs. 9773.84 crores (Rs. 7112.11 crores for Jharia Coalfields and Rs. 2661.73 crores for Raniganj Coalfields) including Rs. 116.23 crores sanctioned earlier for various Environmental and Subsidence Control Schemes (EMSC). The EMSC schemes have been subsequently merged with the Master Plans after its approval by Government.

Nodal agencies have been formed by the concerned State Governments for the rehabilitation of affected people at Raniganj and Jharia. The agencies are Asansol Durgapur Development Authority (ADDA) of Government of West Bengal and Jharia Rehabilitation and Development Authority (JRDA) of Government of Jharkhand.

Jharia Coalfields (BCCL)

- The State Cabinet, Jharkhand Government, accorded its approval on 25.06.2008 for R&R package and Subsidence Control Plan proposed by Ministry of Coal.
- The first meeting of the High Powered Central Committee was held on 10th November 2009 in New Delhi under the Chairmanship of Secretary (Coal).
- A Brain Storming meeting was held at CIL HQs on 17.12.2009, under the chairmanship of Chairman, CIL.
- The 2nd (Second) meeting of the High Powered Central Committee held on 5.03.2010 in New Delhi under the Chairmanship of Secretary (Coal).

Status of implementation:

- MOC has approved 11 schemes, out of which 5 are fire schemes, 2 are stabilization schemes and 4 schemes deal with for pre-implementation activities against the rehabilitation / construction of BCCL & non-BCCL houses. In addition to the above there are several other fire projects, approved by BCCL which are under implementation.
- The stabilization schemes were subsequently dropped since the schemes have been considered for rehabilitation in the revised Master Plan.
- JRDA has engaged CIMFR and ISM for the job of demographic / socio-economic survey of fire affected / subsidence prone areas for identification of families living in these areas. A total of over 17600 families in 154 sites have been surveyed till date.
- There are 3 EMSC schemes and 4 RCFS schemes for dealing with fire which are under implementation. 2 EMSC schemes were already declared completed.

Demonstration Scheme (EMSC-24):

BCCL houses:

- Total 1500 houses are to be constructed at a sanctioned cost of Rs. 35.89 crore. Construction of 344 houses at Bhuli, Bhimkanali, Nichitpur and Katras Coal Dump in triple storied blocks have

been completed. 204 people have already been shifted to the new houses and the development works at the sites and further shifting are under progress.

- Out of balance 1156 houses / quarters, estimate of 1152 miner quarters has been approved and tender has been called at an estimated cost of Rs. 37.32 crores. Technical bid under scrutiny.

Non-BCCL houses:

- The State Govt. has constituted Jharia Rehabilitation & Development Authority (JRDA) as implementing agency for rehabilitation of non-BCCL people under Master Plan / Action Plan.
- Total 3100 houses are to be constructed. JRDA has already given work order for construction of 3100 houses. Construction work of 900 houses by M/s HSCL has been completed at Belgoria site. Construction of balance 1452 houses at Belgoria site by M/S NBCC, is in advanced stage of completion. Out of 2352 houses, 902 applications have been received from affected families by JRDA for allotment of houses at Belgoria and Bhuli. Allotment of 251 houses at Belgoria Demonstration Project has been done by JRDA. Construction of balance 748 houses could not be taken up due to land dispute / problem with the local people.



Ishwar Marandi Village- a Rehabilitation & Resettlement village at Rajmahal, Eastern Coalfields Limited



Raniganj Coalfield (ECL):

- The first (1st) Meeting of the High Powered State Level Committee was held on 06.11.2009 at Writers' Buildings, Kolkata, under the chairmanship of Chief Secretary, Govt of West Bengal.
- The first meeting of the High Powered Central Committee was held on 10th November 2009 in New Delhi under the Chairmanship of Secretary (Coal) MOC.
- A Brain Storming meeting was held at CIL on 17.12.2009, under the Chairmanship, CIL.
- The 2nd (Second) meeting of the High Powered Central Committee held on 05.03.2010 in New Delhi under the Chairmanship of Secretary (Coal).

Status of implementation:

- ADDA is the implementing agency for rehabilitation jobs in ECL. Demographic survey of 4 demonstration sites namely, Samdih village, Kenda village, Refugi Basti, Harishpur village & Sanctoria village done and is under review by ADDA. Videography of the affected sites has been completed.
- To engage agencies for conducting overall demographic and land surveys, tender has already been floated. Necessary fund has been released by ECL to ADDA in this respect.

There are 6 ongoing EMSC schemes for stabilization works which are under implementation. 2 more schemes have been approved. 5 schemes have been declared completed.

15. Environmental Management.

15.1 Environmental Impact Assessment (EIA)/

Environmental Management Plan(EMP)

As per EIA Notification No. 1533 dated 14.9.2006 of MoEF, EIA/EMPs for all the new and expansion projects are prepared for peak and normative capacities and environmental clearance is obtained. EIA/EMPs for mines requiring renewal of lease and falling under violations are also prepared for environmental clearance. EIA/EMPs on cluster basis for smaller and contiguous mines of ECL, BCCL and CCL are also prepared for environmental clearance. CMPDIL has prepared 137 nos. of Form-I and 48 nos. of EIA/EMPs, whereas, Terms of Reference (ToR) were received in respect of 25 mines. Out

of 25, 23 nos. of environmental clearances have also been obtained from MoEF for different projects of CIL.

15.2 Pollution Control Measures and their Efficacy

Measures are being taken to ensure that mining and coal beneficiation operations have minimum impact on the surrounding air quality, water quality, noise level, 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 waste water treatment facilities have also been provided to deal with the domestic effluent. Additional remedial measures are being taken to keep the pollutant level within the limits prescribed by regulatory bodies.

Technical and biological reclamation of the mined out areas and the external overburden dumps is being done by planting native species 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. During the year 2009-10, a total of 15 projects have got certification. With this, a total of 47 units which includes open cast projects, workshops, hospitals and washery have got the certification.

15.4 Monitoring of Mines through Remote Sensing

Coal India Limited has introduced a Satellite Surveillance System for monitoring of backfilling and reclamation of land for all its major opencast mines producing more than 5 million Cum per annum of coal plus overburden (OB) together. During the year 2009-10, land reclamation monitoring of 49 opencast projects, based on the satellite data of the year 2009, were completed. Additionally, land reclamation monitoring of balance 12 opencast projects, based on the satellite data of the year 2008, was also completed. Thus, a

total of 61 projects were completed during the year 2009-10. The above reports, based on satellite data, were uploaded in the websites of CIL, CMPDIL and concerned coal companies in the public domain.

15.5 R & R Policy of CIL

The modified rehabilitation and resettlement (R&R) policy of CIL adopted in March' 2008 is more project affected people (PAP) friendly. CIL is pursuing an inclusive model of growth by ensuring that PAPs are included in the decision making process underlining the need for wider contribution in R&R policies of communities affected due to mining. The aim is to pursue best practice in Corporate Social Responsibility (CSR) around the coal mining areas and improved the 'quality of life' with community consensus and active participation of people involved.

15.6 Guidelines for Mine Closure

Ministry of Coal (MOC) has issued guidelines for preparation of mine closure plan related to coal & lignite mining sector based on technical input provided by CMPDIL. A standard format for mine closure plan has been prepared to bring in uniformity in formulating mine closure plans for both for underground and opencast projects.

15.7 Research & Development

Presently, two research projects viz. development of coal effective treatment technology through constructed wetland for treatment of acid mine drainage and fly ash characterization for mine void reclamation are under progress.

The R&D projects on assessment of population exposure to respirable particulates in opencast mines (health study), Damodar River Pollution Quantification & Dynamics and water management in coal washery plants have been initiated through IIT Delhi, Newcastle University, UK and CMPDIL.

16. Coal Bed Methane (CBM)/ Coal Mine Methane (CMM)

16.1 Coalbed Methane Recovery and Commercial Utilisation Project.

Under R&D efforts, a demonstration project on " Coalbed Methane Recovery & Commercial Utilisation" 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 embedded in coal seams have been successfully recovered through vertical wells and the recovered gas is being used as fuel in the gas based generator for electricity generation and generated electricity is being supplied to Moonidih colony since 27th June, 2008.

It was taken up by the Govt. of India in collaboration with United Nations Development Programme (UNDP)/ Global Environment Facility (GEF) and now it is presently under implementation as Govt. of India S&T Project to complete the remaining activities. It is being jointly implemented by Central Mine Planning & Design Institute Ltd. (CMPDIL) and Bharat Coking Coal Ltd. (BCCL) on behalf of the Ministry of Coal.

A Management Committee was constituted vide MOC Office Memorandum No. 34012/7/2007-CRC (Part) dated 5th March, 2009 to monitor the CBM Project. Accordingly, activities of the project are being implementing as a S&T Project and the project is likely to be completed by December, 2010 by achieving its remaining objectives. During the year 2009-10, following key activities were done:

- (i) Third CBM production well was drilled at Moonidih and three coal seams were stimulated for recovery of gas. Recovery of gas from two wells has been established and activities are underway to recover gas from third well. Efforts are being made to drill remaining four vertical production wells to supplement additional gas recovery.



- (ii) Recovered gas from two CBM wells is being supplied to Gen sets for power generation and generated power is being supplied to Moonidih Project Colonies. A total of 5,53,042 kwh power has been generated during 2009-10 and cumulative generation of power from this project is 10,47,574 kwh till March, 2010. Preliminary estimates carried out on the cost parameters indicate that the cost of generation of electricity, even in the demonstration project, is comparable with the normal electricity generation cost.
- (iii) It has been agreed upon in the management committee meetings that vertical well drilling activities should be concentrated initially at Moonidih & Singra blocks and Western Jharia area will be developed as hub for CBM activities.

Achievement of the Project

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

- Capacity built-up both in terms of equipment and manpower
- The project was successfully implemented through the in-house efforts of CMPDIL & BCCL team.
- Proving the efficacy of the technology for CMM extraction and its utilization in Indian mining scenario
- Utilization potential of recovered methane has been established and electricity 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. These projects are being implemented by CMPDIL on behalf of CIL.

16.2.1 Jharia CBM Block

The Govt. of Jharkhand granted Petroleum Exploration License (PEL) to the consortium of CIL-ONGC in August, 2003 for Jharia CBM block after which the work detailed in the Minimum Work Programme was taken up.

CMPDIL has carried out deep slimhole drilling (depth range 1000m to 1400m) wherein parametric data was generated. A report based on this drilling and other available drilling and gas related data has been prepared by CMPDIL and submitted to ONGC in Feb' 2008. This report has facilitated formulation of Development Plan by ONGC.

ONGC has submitted a final Development Plan of Parbatpur Sector (18 sq.km area) within Jharia CBM Block with a capital outlay of Rs.1290 Crore to Directorate General of Hydrocarbons (DGH) for approval of the Govt. which is necessary to proceed further for taking up envisaged Development and Production Phases. In the meantime, sale of incidentally produced gas from Jharia CBM Block commenced from January, 2010 consequent to the approval of the Government.

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 09.06.2004. The drilling of all the 8 slimholes has been completed by CMPDIL in Nov' 07 involving 7853.50m of drilling. A report based on slimhole drilling & other available data has been prepared by CMPDIL and submitted to ONGC in March, 2009. This report will facilitate ONGC to prepare the development plan. ONGC completed drilling of envisaged exploratory well in the block wherein CBM specific tests are being carried out.

16.3 Preparation of CBM Data Package for Directorate General of Hydrocarbons (DGH)

CMPDIL has submitted the data dossiers comprising three volumes of Data Package and one volume of Information Docket for each of the 8 prospective CBM blocks to DGH in January' 09.

These data dossiers formed part of the bid document of the recently concluded 4th round of global bidding invited by Directorate General of Hydrocarbons for allotment of CBM blocks. The allotments of the blocks are under consideration of the Govt.

16.4 CBM Related Studies under promotional Exploration during XI Plan.

CMPDIL is pursuing 'Assessment of Coalbed Methane Gas-in-Place Resource' through boreholes being drilled under promotional exploration during XI Plan Period being funded by Govt. of India with a total plan expenditure of Rs. 8.59 crores. A total of 50 boreholes (30 by CMPDIL and 20 by GSI) are to be taken up for studies during the Plan Period.

During 2009-10, a total of 4 boreholes located in different coal/lignite fields were taken up for studies and samples collected for desorption and other tests. So far such studies have been carried out in 16 boreholes during XI Plan period. Further, three assessment reports have been completed during 09-10.

16.5 Coal Mine Methane (CMM) R&D Project

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

As envisaged in the project, five prospective CMM areas in Coalfields of BCCL and CCL have been identified. Detailed assessment of these Blocks is under progress.

To expedite the commercial development EoI was floated on 22nd January 2010 for identification of a suitable service provider for development of CMM. 10 responses have been received against this EoI. Action has been taken to formulate a suitable tender document for allotment of the prospective Blocks through bidding.

16.6 Project proposals for assessment of CMM potential related to large Opencast Mines

Project proposals for assessment of CMM Potential related to large open cast mines in Moher Sub-Basin, Singrauli Coalfield and Korba Coalfield have been approved by NCL and SECL respectively. The following activities have been taken during 2009-10 for generation of data for assessment of CBM resource for taking up actions for commercial development.

Drilling for generation of CBM specific data in the dip side of projectised area in Moher sub-basin commenced on 03.09.2009. All the five slimholes have been completed in Nov.2009 with a cumulative meterage of 2061.50m.

- Drilling for generation of CBM specific data in the dip side of projectised area in Korba coalfields commenced on 10.12.2009. Drilling of all the five slimholes has been completed with a cumulative meterage of 2091.50m.
- CBM specific analytical tests are going on for both the blocks to assess the potent of the identified area for commercial development of CBM.

16.7 Development of Ventilation Air Methane (VAM) Projects.

CMPDIL has generated VAM specific data in few selected gassy coal mines of ECL, BCCL and CCL. Few areas have been found to be suitable for development of VAM project. For commercial development of VAM, an EoI for identification of suitable collaborator has been floated. Ten offers have been received and further action is being taken for development of VAM projects in the identified mines.

In addition, a project titled "Ventilation Air Methane Emissions: Mitigation and utilization under Indian Mining scenario" has been endorsed by Coal Mining Task Force (CMTF) and Asia Pacific Partnership (APP) under Project No. CML-08-21 in October'08. Help has been sought for short listing experts in this field for formulation of a viable VAM project under Indian Mining Scenario.

16.8 Activities taken up by CBM Lab

CBM Lab has carried out the field desorption study at the borehole sites for 14 boreholes and has generated total gas content and gas composition data. In addition, 538 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 by the CBM lab.

16.9 Establishment of CBM/CMM Clearing House in India.

A CBM/CMM Clearing House has been established at CMPDIL, 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 helps in the commercial development on 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 Limited on behalf of Ministry of Coal and US EPA. The website of India Clearinghouse, <http://cmmclearinghouse.cmpdi.co.in>, which was launched on 17th Nov'08, encompasses all the important information viz. EOI notification, newsletters in addition to information regarding opportunities existing for development of CMM, VAM etc.

Further, CIL had sponsored a pavilion in the M2M Partnership Expo held at New Delhi from 2-5 March 2010. Accomplishment of CMPDIL / CIL in the field of development of coal based non-conventional resource were showcased in the CIL pavilion. Working models of CBM drilling and extraction technology were also displayed in the EXPO. The CIL booth was highly appreciated by the international/national visitors in the said EXPO which was attended by over 500 participants representing over 35 countries and important players in the field of CBM/CMM development.

17. Development of Underground Coal Gasification (UCG)

CMPDIL along with GSI, SCCL and NLC has developed the preliminary criteria for selection of suitable coal reserves for UCG application in line with the decision taken by MOC. CMPDIL has also been entrusted with identification of suitable coal/lignite blocks in consultation with GSI, SCCL and NLC, which can be offered for public/private participation for development of UCG.

- Seven blocks (5 lignite & 2 Coal) have been identified for the development of UCG. The details have been communicated to MOC.
- Two coal blocks within CIL command area for development of UCG have also been identified and communicated to CIL. The following other activities have been taken for UCG development during the period.

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, CMPDIL prepared

data packages for 5 prospective UCG sites. Out of the five sites, one Kasta block in Raniganj coalfield was identified by Skochinsky Institute of Mining (SIM), Russia, the consultant appointed by ONGC, for generation of additional data for examining possibility of taking up pilot scale UCG project.

Drilling of boreholes in Kasta UCG block commenced on 17.04.2009 for generation of UCG specific additional data. All the 12 boreholes involving 3199.08m drilling have been completed by November'09. The assessment of data has been undertaken.

17.2 EOI for commercial development:

EOI (Expression of Interest) for commercial development of UCG in 2 blocks (Kaitha blocks - Ramgarh Coalfields of CCL and Thesgora 'C' block in Pench-Kanhan Coalfields of WCL) within CIL command area has been floated on 30th Nov'2009. Six offers were received till the last date of receipt of offer i.e. 15th Jan'2010. The meeting with respondents was held on 26th Feb'2010. A Tender document for award of the work for commercial development of UCG is under formulation.

17A Surface Coal Gasification (SCG)

In its 238th meeting held on 18th Dec 2007, the Board of Directors of CIL accorded its in principle approval for Joint Development of Surface Coal Gasification (SCG) Project with M/s Gas Authority of India Ltd. (GAIL) for catering to the fertilizer industry in Talcher and deliberated upon the draft MoU with GAIL.

Accordingly, CIL entered into a MOU with GAIL on 10th Jan, 2008 to co-operate in various studies required for process and project development related to SCG in the coal bearing states of India including the area in and around Talcher. It was agreed that a public sector entity engaged in the production of fertilizer might eventually be inducted as a third partner. The possibility of acquiring and revamping, if required, fertilizer production factory sites like that of Fertilizer Corporation of India (FCIL) at Talcher would be explored. The Synthesis Gas generated from this plant would ultimately be used as feedstock for production of Ammonium Nitrate - an important constituent of explosives and Urea.

M/s GAIL and M/s Rashtriya Chemicals and Fertilizers Ltd. (RCFL) have signed a separate MoU on 28.12.2007 for jointly exploring the potential of use of Synthesis Gas produced in the SCG Plant for the fertilizer industry.

The Hon'ble Minister of State, Chemicals & Fertilizers convened a meeting on 9th Dec, 2009 on the matter of revival of the Talcher

Unit of FCIL, New Delhi. It was decided that GAIL, CIL and RCFL would form a consortium by signing a MoU intending to put a surface coal gasification plant for chemicals/fertilizers at Talcher. After getting approval of the respective Boards, a proposal will be sent to the Govt. of India for setting up the plant. On receipt of the proposal from the consortium as above, the Govt. of India would consider awarding the revival of closed Talcher Unit of FCIL to the consortium on nomination basis as all the members of the proposed consortium are Public Sector Units. Accordingly, CIL has entered into a Memorandum of Intent (Mol) on 14th Dec, 2009 with GAIL & RCFL.

17B. Other Joint ventures

I. Joint Venture for acquiring the assets of MAMC

With a view to increase underground coal production in coming years and to ensure availability of supporting indigenous underground mining equipment, CIL had entered into an agreement with BEML and DVC for revival of 'Mining and Allied Machinery Corporation (Under Liquidation). Equity participation of BEML, CIL & DVC was 48%, 26% and 26% respectively. The issue of waiver of outstanding dues was taken up with Government of India, State Govts, Banks etc. The court extended the stay order from time to time. On 20th October'2009 BEML disassociated itself from the consortium. On 02.02.2010, the Hon'ble court dismissed the stay order on the ground of excessive delay to revive MAMC (in liquidation) and asked Official Liquidator to take steps for sale of assets of MAMC. Under this circumstances, CIL & DVC, decided to sign a fresh agreement with equity share 51% and 49% respectively and participate in the bidding process jointly subject to approval of respective Boards.

On 9th April 2010, sale of the assets of MAMC (in liquidation) was notified by the official liquidator. At this stage BEML came up with a proposal of reviving the earlier agreement and jointly participate in the sale process for acquiring the assets and establishing manufacturing works. CIL and DVC agreed to the proposal. It was proposed to take up the matter in the 257th meeting of CIL Board to be held on 31st May, 2010 to obtain necessary approval in this regard.

II. Agreement between Coal India Limited and BEML Limited for procurement of OTR Tyres

CIL concluded an Agreement with M/s. BEML Limited on

9th May 2008 to ensure an uninterrupted and efficient supply of "Off The Road" (OTR) Tyres from two leading Tyre Manufacturers viz., M/s. Apollo Tyres Limited and M/s. J K Industries Ltd. The Agreement will be valid for a period of 12 years from the date of signing or upto the date of full repayment of loan whichever is later.

As per the agreement, CIL will lift 625 nos. tyres (Bias Type) of sizes 24.00 x 49, 30.00 x 51 and 36.00 x 51 annually with +/- 20% variance. However, for any new size/sizes of tyres added to CIL's requirement in future, required specification of the same would be intimated in due course.

CIL would extend fund to BEML in the form of recoverable loan to the extent of 75% of the project cost upto a ceiling of Rs.100 crore for each project with M/s. Apollo Tyres Limited and M/s. J K Industries Ltd. for setting up new and exclusive facilities to manufacture OTR tyres. The Rate of Interest of the Loan will be prevailing Bank Rate as notified by Reserve Bank of India from time to time plus 3.5%. BEML shall ensure repayment of the principal amount including the capitalized amount of interest accrued during the period of first eighteen months in forty equal quarterly installments. As a Security for loan amount, BEML will provide Corporate Guarantee to CIL in a mutually agreed format to the extent of loan amount disbursed to BEML. Till 19-05-2009, payment of Rs 141.66 crores has been made by CIL to BEML in this regard.

BEML will ensure commencement of production and supply of Tyres within eighteen months and reach the projected requirements of BEML and CIL within twenty-four months from date of disbursement of 1st loan installment.

As far as Pricing is concerned, CIL shall pay BEML a price upto 5% higher than the market price finalized by CIL through open tender for any size of tyre from any source found proven to CIL. This price will prevail till such time the CIL open tender price is lower than BEML's price to CIL.

Accordingly, in line with the agreement, a proposal was put up to CIL Board in its 255th Meeting held on 17-03-2010 for procurement of 425 nos. OTR Tyres of size 24.00 x 49 and 27.00 x 49. CIL Board, after detailed deliberation, approved the proposal for procurement of OTR Tyres as detailed in the agenda subject to M/s BEML Limited agreeing to supply OTR Tyres at market price. In view of the Board's resolution, CIL requested BEML to confirm their acceptance. Case is in process.



18. Geological Exploration & Drilling

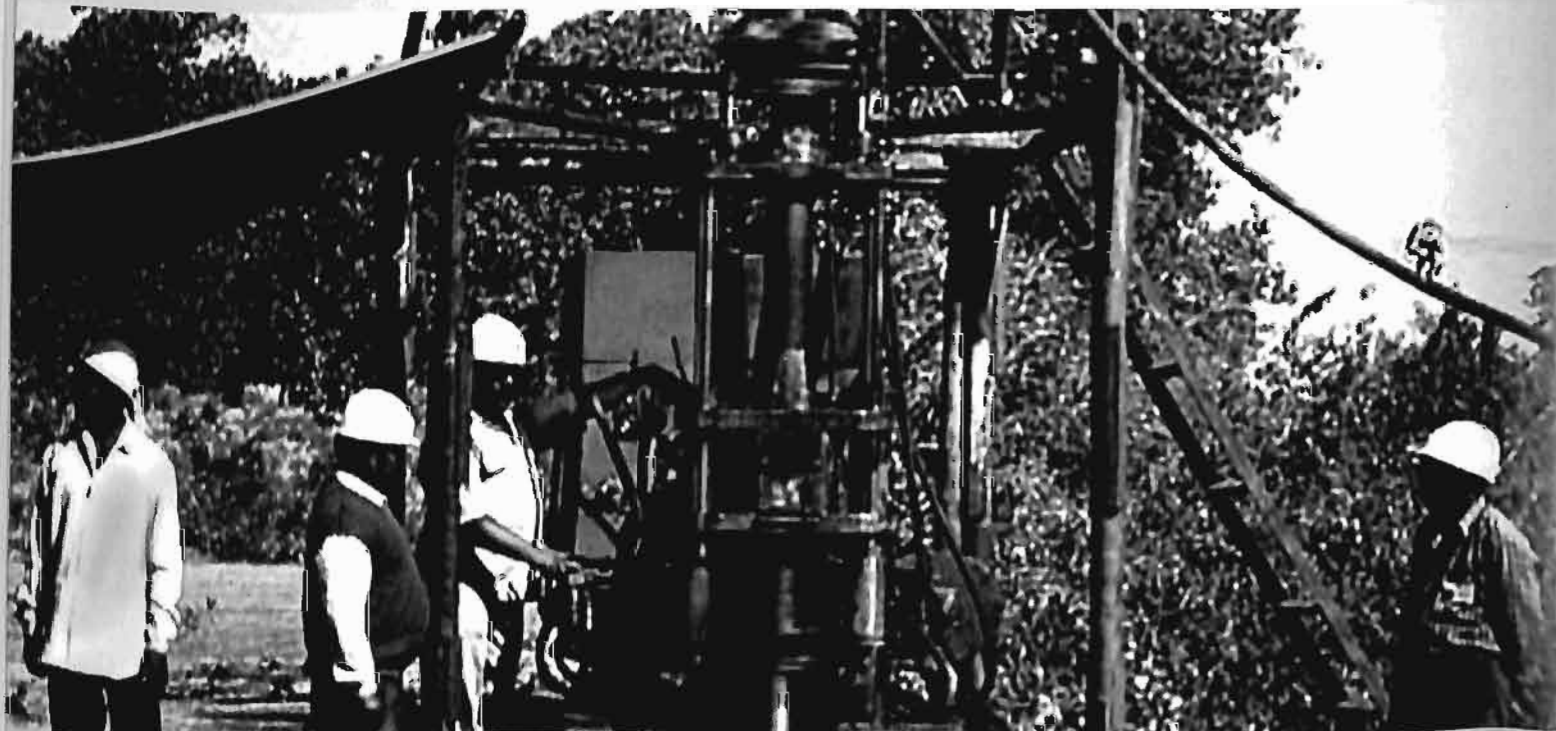
CMPDIL continued to carry out its coal exploration activities in 2009-10, mainly in CIL and Non-CIL/Captive Mining Blocks. Exploration in CIL blocks was taken up to cater the needs of project planning/production support of subsidiaries of CIL whereas exploration in Non-CIL/Captive Mining Blocks was taken up to facilitate allotment of coal blocks to prospective entrepreneurs for captive mining.

During 2009-10, efforts to enhance exploration capacity through departmental resources and outsourcing were continued. The capacity expansion through increase in departmental drills deployment (from 47 to 55) has been achieved in November'09. For capacity expansion through modernization of departmental drills, three mechanical and two hydrostatic coring drills have been inducted during the year. Tenders for procurement of 9 mechanical drills have also been floated and are under process of evaluation. To meet the increasing work load, recruitment of geologist was continued and 54 Geologist were inducted by direct recruitment through campus interview. Shortage of non-executive staff is being met through transfers from other subsidiaries of CIL.

Under outsourcing, exploratory drilling in 14 blocks, out of 18 blocks outsourced in 2008-09 through open tendering, picked up during the year whereas work under MoU with MECL commenced during the year. For further expansion of capacity, a Global Tender has been floated inviting bids for exploration of 7 additional blocks, involving 4.37 lakh metre of exploratory drilling. Processing of bid document is under progress. To fulfil the enhanced requirement of coal core analysis due to higher amount of drilling, the capacity expansion of CMPDIL & CIMFR labs has been taken up and is under various stages of implementation. Besides routine Geophysical logging and surface survey work, one 2-D Seismograph have been acquired to expedite exploration processes. Process for induction of 3-D HRSS equipment is under progress.

18.1 Drilling Performance in 2009-10.

CMPDIL deployed its departmental resources for exploration of CIL/Non-CIL/Promotional blocks whereas State Govts of MP & Orissa deployed resources in CIL blocks only. Besides, four other contractual agencies have deployed resources for detailed



Drilling for coal reserves done by team of Geologists

drilling/exploration in 19 CIL/Non-CIL blocks. A total of 122 to 138 drills were deployed in 2009-10 out of which 55 were departmental drills. CMPDIL has 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 2009-10, CMPDIL and its contractual agencies took up exploratory drilling in 104 blocks/mines spread over 25 coalfields situated in seven states. These coalfields are Raniganj (9 blocks/mines), Rajmahal (1), Jharia (4), W.Bokaro (1), Ramgarh (2), North Karanpura (1), Auranga (1), Tawa Valley/Pathakhera (3), Pench Kanhan (6), Kamptee (3), Nand-Bander (2), Wardha (10), Singrauli (8), Sohagpur (15), Sendurgarh (1), Johilla (1), Mand Raigarh (8), Korba (6), Hasdeo-Arand (1), Birsampur (5), Lakhanpur (1), Sonhat (1), Talcher (8), Ib Valley (3), and Makum (3 blocks). Out of 104 blocks/mines, 16 were Non-CIL/Captive Blocks, 1 Promotional Block and 87 CIL Blocks/mines. Departmental drills of CMPDIL took up exploration in 76 blocks/mines, contractual agencies (tendering/MOU) in 19 blocks and State Govts in 9 blocks/mines.

Under Promotional (regional) Exploration Programme, MECL has undertaken Promotional drilling in 7 blocks (Katol CF- 3 blocks, Mand Raigarh - 2 blocks & Godavari Valley - 2 blocks) and GSI has undertaken 9 blocks for Promotional drilling (Talcher CF- 4 blocks,

Ib Valley - 1 block, Sohagpur - 3 blocks & Tatapani Ramakola - 1 block) in Coal Sector. The overall performance of exploratory drilling in 2009-10 is shown in the table below.

In 2009-10, CMPDIL achieved its departmental and overall drilling targets by 126% & 131%, respectively. The performance of departmental drilling was better than previous year by 55,133 metre with 16% growth, recording average operational drills productivity of 416 metre/drill/month which is better than achieved in previous year i.e. 397 metre/drill/month. Non-availability of permission to explore in forest areas has affected the performance of outsourced drilling. MECL and GSI could not achieve the Targets of Promotional drilling in coal sector.

18.2 Geological Reports :

In 2009-10, a total of 19 Geological Reports were prepared on the basis of detailed exploration conducted in previous years. The Geological Reports prepared have brought about 2.6 Billion Tonnes of coal resources under 'Proved' category. Under Promotional Exploration Programme, GSI and MECL have submitted fourteen Geological Reports on coal blocks, estimating 4.6 Billion Tonnes of coal resources, mainly in 'Indicated' Category, above specified thickness.

Agency	Target 2009-10 BE (Metre)	Performance of Exploratory Drilling During 2009-10			Achieved Prev. Year 2008-09 (metre)	Growth %
		Achieved (m)	% Achieved.	+/- (m)		
A. Detailed Drilling undertaken by CMPDIL (incl. Promotional Drilling)						
* i) Departmental	2,10,000	2,65,133	126%	+55,133	2,28,178	16%
ii) Outsourcing :						
State Govt.	5,000	9,101	182%	+4,101	8,340	9%
MECL(MOU)	50,000	24,145	48%	-25,855	-	-
Tendering in (CIL Blocks)	35,600	31,780	89%	-3,820	21,450	48%
Tendering (Non- CIL Blocks)	59,400	1,40,102	236%	+80,702	14,393	873%
Total A :	3,60,000	4,70,261	131%	+1,10,261	2,72,361	73%
B. Promotional (regional) Drilling undertaken by MECL & GSI in Coal Sector :						
MECL	53,400	33,102	62%	-20,298	43,178	-23%
GSI	15,400	13,192	86%	-2,208	15,573	-15%
Total B :	68,800	46,294	67%	-22,506	58,751	-21%
Total A + B :	4,28,800	5,16,555	120%	+87,755	3,31,112	56%

* In 2009-10, departmental drills have carried out 1.992m of drilling in Promotional block , 1,82,553m in CIL blocks and 79,504m in Non-CIL/Captive Mining Blocks.



19. Outside - CIL Consultancy Services:

During the year 2009-10, 24 consultancy jobs were completed for 14 organisations outside CIL. Some of the major clients/organisations for whom jobs were completed are Steel Authority of India Ltd., Manganese Ore (India) Ltd., Directorate General of Naval Design (Mazgaon Dock Ltd.), Tata Steel Ltd., National Aluminium Company Ltd., Damodar Valley Corporation, Reliance Coal Resources Ltd. (Sasan Power Ltd.), Chhattisgarh State Electricity Board, Neyveli Lignite Corporation Ltd., UCM Coal Company Ltd., and Jindal Steel & Power Ltd. etc.

Presently, 17 outside CIL consultancy jobs are in hand for 14 organisations like Steel Authority of India Ltd., National Thermal Power Corporation Ltd., Neyveli Lignite Corporation Ltd., Baitarni West Coal Company Ltd., Goa Industrial Development Corporation, Essar Mineral Resources Ltd. (Mahan Coal Company), Mandakini-B Coal Corporation Ltd., Field Mining & Ispat Ltd., and Central Electricity Authority etc.

During 2009-10, 28 outside CIL consultancy jobs worth Rs. 30.14 Crores from 19 organisations were procured by CMPDIL.

20. Research and Development Projects.

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

The R&D activities 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 of CIL, CMDs of CMPDIL, SCCL and NLC, Director of concerned CSIR laboratories, representatives of Department of S&T, Planning Commission and educational institutions, amongst others. The main functions of SSRC are to plan, programme, budget and oversee the implementations of research projects and seek application of the findings of the R&D work done. The SSRC is being assisted by a Technical sub-committee headed by CMD, CMPDIL. The committee deals with research proposals related to coal exploration, mining, mine safety, coal beneficiation & utilization and also the project proposals on mine environment and reclamation.

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

Total no. of S&T projects taken up (till 31.3.2010) - 366

Total no. of S&T projects completed (till 31.3.2010) - 287

20.2 Physical performance

The status of Coal S&T Projects during 2009-10 is as under:

i)	Projects on-going as on 1.4.2009	28
ii)	Projects sanctioned by GOI during 2009-10	07
iii)	Projects completed during 2009-10	10
iv)	Project terminated/foreclosed during 2009-10	02
v)	Projects on-going as on 1.4.2009	23

Following Coal S&T projects were completed during 2009-10:

- i) Indigenous development of prototype longwall supports (Chock-shield).
- ii) Development of a micro-seismic monitoring system for stability analysis of UG mine working under "difficult to cave" roof conditions.
- iii) Characterisation of rock and explosive parameters for optimal explosive energy utilization in opencast blasting.
- iv) Coal bed methane recovery and its commercial utilization.
- v) Hydrogeological studies for control of ground water for safe and economic mining of lignite deposits in Nagpur Dist. of Rajasthan.
- vi) Agglomeration formation in reducing condition in pressurized fluidized bed gasification (PFBG) with Low rank high ash coals.
- vii) Pulse detonation combustion of coal for energy applications.
- viii) Investigation into low cost liner for disposal of coal ash in abandoned opencast mine.
- ix) Survey and ecological conservation of NLC environment through bio-remediation with tree species.
- x) Low cost input technology for re-vegetation of coal mine spoils in order to protect the environment.



DAV Public School at BCCL, Dhanbad

20.3 Financial Status

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

Rs. in Crores			
2008-09		2009-10	
RE	Actual	RE	Actual
10.00	10.5	11.00	11.63
(un-audited)			

20.4 CIL R&D Projects

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

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

So far, 50 projects have been taken up under the funds of CIL R&D Board, out of which 29 projects have been completed.

The status of CIL R&D Board Projects during 2009-10 was as follows:

i)	Projects on-going as on 1.4.2009	- 16
ii)	Projects Sanctioned during 2009-10	- 09
iii)	Projects completed during 2009-10	- 04
iv)	Projects terminated during 2009-10	- 01
v)	Projects on-going as on 1.4.2010	- 20

Following R&D projects were completed during 2009-10 :

- Technical study for old & active OB dumps of open cast mines in WCL to determine stability characteristics and dimensional parameters.
- Investigation on augmentation of life of dump truck tyres through the improvement of tyre retreading compound and development of an optimum road maintenance management system.
- Development of methodology for rapid volumetric analysis of excavated in-situ overburden integrating high resolution satellite, air borne laser scanner data supported with ETS through digital photogrammetric technique.
- Exploration and determination of coal fire hot spots to prepare the strategy to put off the fire in Nimcha and Samdih mines. The disbursement of fund for CIL R&D projects during the year 2009-2010 was Rs. 25.80 Crores.



21. Telecommunication System

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

1. The dedicated Web Portal of Coal India Limited has been established in English & Hindi version with separate section for Internet as well as Intranet users. Apart from better look, the portal is updated with recent information and the tender display section has been made more users friendly. Online grievance posting, registration and customer corner facility have been created in Web Portal to have better interaction with the stakeholder and other users in general. The Portal also facilitates integration of some application viz. corporate E-Mail system, Web to SMS services.

2. Centralized mail messaging system along with proper Network security is already installed at CIL (HQ) and has become operational to provide official E-Mail facility to all the executives of CIL(HQ) and Sr. Executive of Subsidiary Companies. Action has been taken for implementation of corporate mail messaging System for 20000 users catering all the executives and key official of CIL& Subsidiary Cos. Provisioning of High Speed Internet over LAN at CIL (HQ) & CIL (Mktg.) has already been made and up gradation of LAN with proper security and manageability is also completed.

3. State of the art IP based EPABX with support of convergent technology (using voice and data through same backbone) as a replacement of old Hotline exchange at Coal Bhawan and 15, Park Street office has already been installed and extended to subsidiary companies for voice communication.

4. Action has been taken for setting up managed wireless network in addition to the gigabit wired LAN at different Offices of CIL at Kolkata. The Scrutiny of the offers is under process. On implementation of the wireless infrastructure it would be possible to access the network services i.e. Internet, Mail messaging as well as enterprise ERP server of CIL from every corner of the office.

5. In order to enhance the operational efficiency of large opencast mines of the different subsidiary a GPS based Operator Independent Truck Despatch System (OITDS) is going to be implemented with high speed DATA and voice communication along with GUI display. The notification of award of the same has been issued.

6. Subsidiary cos. have made considerable progress in extending voice and DATA communication facilities from H/Qtrs. to Area office, Regional stores, Workshop etc. using state of the art convergent technology based on optical fiber cable, IP based radio Link, BSNL's leased line etc.

7. Action has been taken to replace existing PCM-TDM based EPABX by IP based / IP enable EPABX at Subsidiary (HQ) as well as Area offices. EPABX at BCCL (HQ), ECL(HQ) & MCL(HQ) have already been replaced.

8. The system Department has finalized the Tender of GPS (Global Positioning System) based Operator Independent Truck Despatch System. RFP (Request For Proposal) for ERP (Enterprise Resource Planning) is being prepared. On obtaining the approval from CIL Board the Global Tender will be published. It is pertinent to mention that in the 256th CIL Board Meeting, ERP on SAP platform with Hardware, Software, Communication Infrastructure has been approved.

22. Mines safety

22.1 Trend of fatal accidents & fatalities

CIL 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 also framed a distinct Safety Policy and formed multidisciplinary Internal Safety Organisation (ISO) in every subsidiary company and also at CIL (HQ).

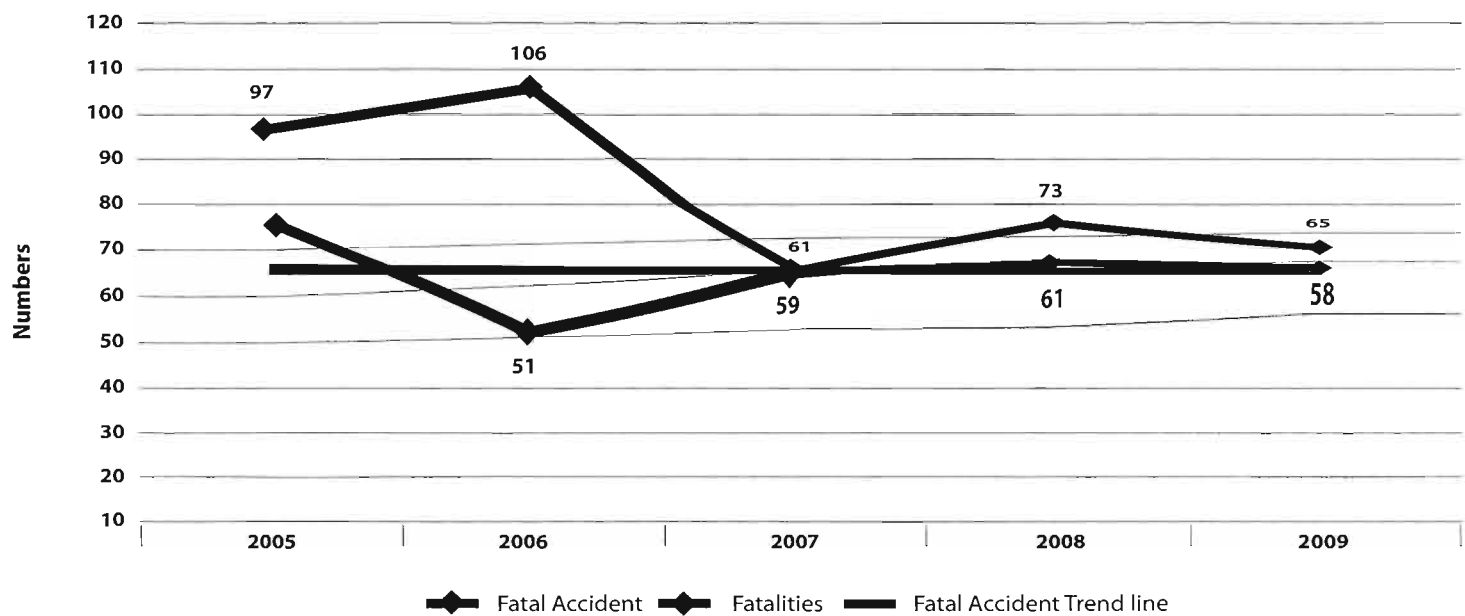
Over the years, the safety performance in CIL has been significantly improved. This improvement has been documented statistically. It has been attributed to the following reasons:

- Commitment by the management, workers and regulators.
- Well thought out and conscientious safety awareness drives.
- Advance and continuous training of the workforce.
- Technological advances in the field of mining methods and better equipment design.
- Strong oversight and required assistance from the Ministry of Coal.

However, during the year 2009, there were 58 fatal accidents involving 65 fatalities in CIL mines, compared to 61 and 73 respectively in 2008. The number of fatalities in 2009 compared to 2008 was reduced marginally. The trend of fatal accidents and

fatalities in the last five years in CIL is given in graph below:

Trend of Accidents & Fatalities for the last 5 years from 2005 to 2009



Note: Figures of 2008 & 2009 are subject to reconciliation with DGMS

22.2 Safety Statistics

A. Overall : Accident Statistics for CIL in 2009 compared to 2008 are given below:

Table -A

Sl. No.	Parameter	Year 2009	Year 2008
1	Numbers of fatal accidents	58	61
2	Numbers of fatalities	65	73
3	Numbers of serious accidents	236	356
4	Numbers of serious injuries	240	363
5	Fatality rate per m.te. of coal production	0.15	0.19
6	Fatality rate per 3 lakhs manshift deployed	0.21	0.23
7	Serious injury rate per m.te. of coal production	0.57	0.91
8	Serious injury rate per 3 lakhs manshift deployed	0.77	1.15

Note: 1. Accident Statistics are maintained calendar year-wise in conformity with DGMS practice

2. All figures are subject to reconciliation with DGMS.



Central Hospital at Burla, Mahanadi Coalfields Limited

B. Company-wise break-up of Accidents:

The Company-wise fatal accidents, fatalities, serious accidents and serious injuries in 2009 compared to 2008 are also given below:

Table-B

Company	Fatal Accidents & Fatalities				Serious Accidents & Injuries			
	Accidents		Fatalities		Accidents		Serious Injuries	
	2009	2008	2009	2008	2009	2008	2009	2008
ECL	9	11	10	11	74	133	75	134
BCCL	13	11	17	11	50	69	50	69
CCL	6	4	6	4	12	11	12	11
NCL	4	6	4	10	11	22	11	23
WCL	12	11	14	13	38	44	38	45
SECL	12	12	12	13	42	72	45	74
MCL	2	4	2	4	8	4	8	4
NEC	0	2	0	7	1	1	1	3
CIL	58	61	65	73	236	356	240	363

Note: All figures are subject to reconciliation with DGMS.

C. Company-wise Break-up of Fatality & Serious Injuries Rate:

The Company-wise Fatality & Serious Injury Rate in 2009 compared to 2008 are also give below:

Table-C

Company	Fatality Rates				Serious Injury Rates			
	Per Million Tonne		Per 3 lakh Man-shifts		Per Million Tonne		Per 3 lakh Man-shifts	
	2009	2008	2009	2008	2009	2008	2009	2008
ECL	0.34	0.40	0.14	0.15	2.54	4.91	1.08	1.88
BCCL	0.61	0.43	0.34	0.22	1.79	2.70	1.00	1.36
CCL	0.13	0.09	0.16	0.10	0.25	0.24	0.31	0.28
NCL	0.06	0.16	0.29	0.71	0.16	0.37	0.80	1.64
WCL	0.31	0.29	0.24	0.22	0.83	1.01	0.64	0.77
SECL	0.12	0.14	0.19	0.22	0.43	0.74	0.73	1.14
MCL	0.02	0.04	0.13	0.27	0.08	0.04	0.52	0.27
NEC	0.00	7.19	0.00	2.97	0.87	3.08	0.41	1.27
CIL	0.15	0.19	0.21	0.23	0.57	0.91	0.77	1.15

Note: All figures are subject to reconciliation with DGMS.

22.3 Activities for further improvement in Safety in mines undertaken in 2009.

For further enhancement of safety standards in its mining operations, CIL has pursued several measures in the year 2009 along with on-going safety related activities/initiatives, apart from compliance of statutory requirements for safety which are given below:

i) Disaster Prevention

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

a) Thrust on measures for prevention of inundation:

- Regular Check Surveys.
- Before monsoon, detailed Action Plan for preventive measures against inundation was prepared, implemented and monitored.
- Trial of Geo-physical Methods for Detection of waterlogged bodies/proving partings.

b) Explosion & Fire

- More thrust on construction of sectionalization stoppings for reducing possibility of mine fire.
- Computerized Environmental Tele-monitoring Systems (ETMS) for getting advance warning on build up of excessive inflammable and noxious gases in mine environment that could lead to outbreak of fire or explosion were installed in some identified highly gassy or fiery mines.
- Modern Hand-held /Portable Digital Multi-gas Detectors were provided in mines for monitoring mine environment for early detection of heating/accumulation of inflammable/noxious gases.
- Introduction of Gas Chromatograph for getting better accuracy in analyzing mine air samples.

ii) Strata Management

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

Main thrust areas are:

- Stress on underground mechanization so as to reduce the exposure of workers below green roof.

- Resin bolting has been introduced in 40 mines.
- Mechanisation of Roof Drilling:- 202 mechanized roof drilling machines have already been provided and another 193 machines are under procurement stage.
- Initiatives have been taken to develop device with appropriate audio-visual alarm to monitor the behaviour of overlying roof strata. One R&D project is ongoing for development of indicators for monitoring impending load on the roof in collaboration with IIT-Kharagpur.
- Several roof-monitoring devices have been developed at Area/Mine level workshop and trials are underway in underground mines particularly in SECL and ECL.
- Creating awareness through extensive training of support personnel, dressers and supervisors.

In addition to this the following measures were also taken:

iii) S&R Division of CIL has conducted several co-ordination meeting at regular intervals where Director (Tech), CIL, Director (Tech)s in-charge of safety and Chiefs of ISO of all subsidiaries have participated to review the safety status of the mines and to adopt strategies for enhancing safety standard. Several initiatives were taken on the basis of the adopted resolutions of those meetings.

iv) Thrust was given on further activating Pit Safety Committee at mine level and Bi-partite & Tripartite Safety Committee at Area and subsidiary HQ level.

v) Initiative has been taken to procure training simulator for imparting training to operator/driver of tippers & dumpers.

vi) Better monitoring of safety status through more UG & OC mine inspection.



Mobile Dispensary at South Eastern Coalfields Limited



23. Mines Rescue Services

A well-equipped Rescue Service Organisation 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 Room-with- Refresher- Training facilities and 18 Rescue Rooms. Company-wise details regarding Mine Rescue services of CIL have been posted at CIL web-site.

24. Human Resource Development

24.1 Overall performance

In all 47515 employees have been trained during 2009-10, out of which 10038 were executives, 6231 were supervisors and 31246 were workers. The performance included in-house training efforts, external training efforts and trainings abroad.

24.2 In-house Training

The corporate HRD plan for 2009-10 was developed within the framework of the Strategic HRD plan, by integrating efforts of HRD in all the subsidiary companies and considering capabilities of 27 training institutes and 102 VTC Centres at different locations in Coal India including IICM.

Respective HRD Divisions organized these trainings after assessing the training need in the respective categories of employees within the subsidiary. Special attention was given for improving the skill of the employees keeping in mind the need of the industry. Total number of employees trained through in-house training during 2009-10.

Category	Training	Short Training	Workshop/Seminar	Total
Executive	3338	1940	1987	7265
Supervisor	4949	0	746	5695
Workmen	31204	0	0	31204
Total	39491	1940	2733	44164

24.3 Training outside company

i) Within the Country

In order to expose the employees in specialized fields to receive inter-organisational experience and also supplementing in-house training efforts, 3217 employees from eight subsidiary companies

and CIL HQ were trained under various training programmes conducted by reputed institutes. The break-up of training efforts at different categories of employees is given below:

Category	Training	Short Training	Workshop/Seminar	Total
Executive	1027	407	1213	2647
Supervisor	510	0	18	528
Workmen	42	0	0	42
Total	1579	407	1231	3217

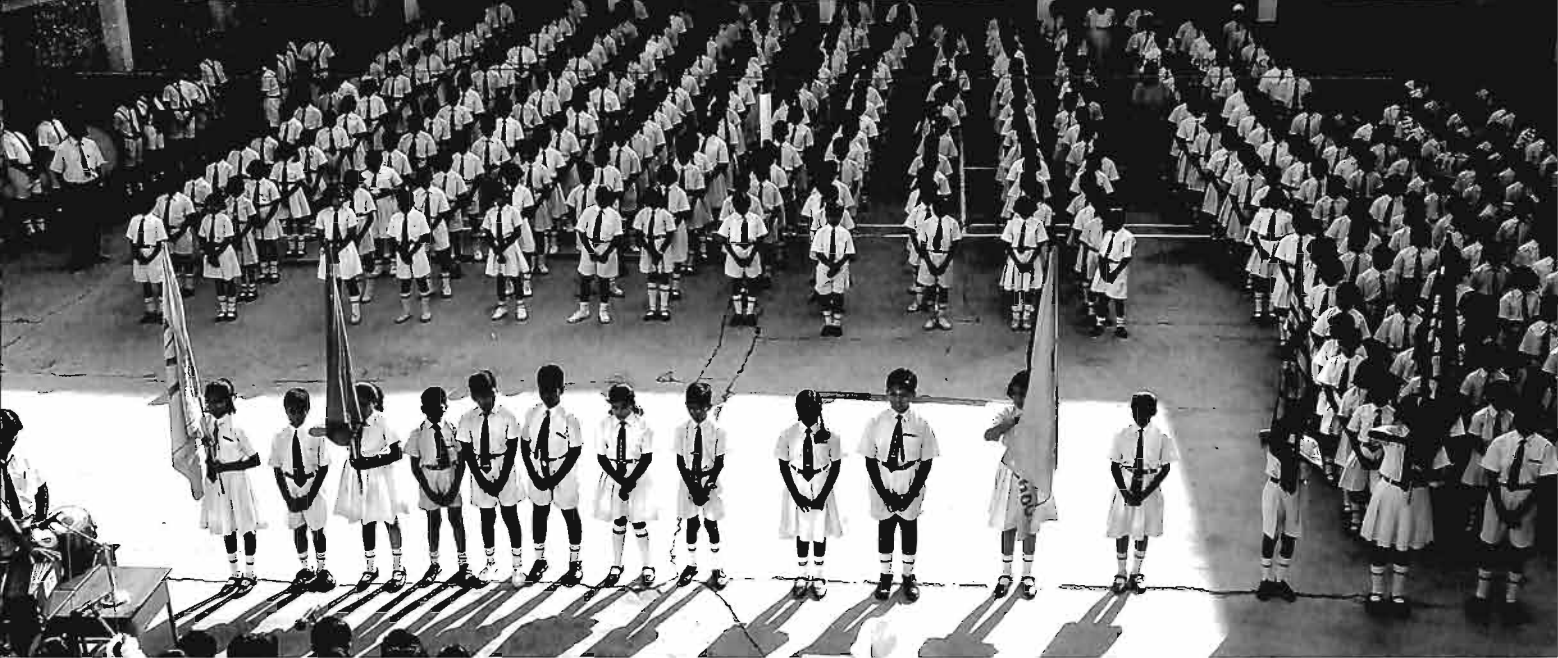
ii) Training abroad

126 Executives and 8 Supervisors were trained abroad during the year 2009-2010.

Category	Training	Workshop/Seminar	Total
Executive	83	43	126
Supervisor	8	0	8
Total	91	43	134

24.4 Special effort on HRD during 2009-10

- 8 Schedule 'B' Directors were sent on Management Development programme for two weeks conducted by the University of Pennsylvania, USA.
- 2 Schedule 'C' Directors had been trained in Advanced Management programme conducted by Cambridge University, UK.
- 24 senior executives had been sent for Advanced Management programme at China.
- A special programme on Change Management exclusively for very senior executives of Coal India was organized at IIM, Ahmedabad.
- 15 Senior Doctors have attended a programme on Occupational Health at Chennai organized by OH&HS.
- The newly recruited Management Trainees who have joined Coal Industry have been trained, which includes on-the-job training, under the supervision of IICM for about a year.
- An exclusive programme was conducted separately on U/G and O/C Mine Safety Management conducted by SIMTARS, Queensland, Australia, at ECL and NCL respectively. 50 Safety Officers have attended the programme.
- In Project Management, 60 executives have been specially trained at IICM.
- 29 executives have passed CIPM examination successfully.



School children at DAV Public School at Dhanbad, Bharat Coking Coal Limited

25. Manpower

25.1 The total manpower of the company including its subsidiaries as on 31.3.2010 is 397138 as against 412350 as on 31.3.2009. Company-wise position of manpower is as below:

Company	As on	Total
ECL	31.3.2010	85617
	31.3.2009	90470
BCCL	31.3.2010	71838
	31.3.2009	76369
CCL	31.3.2010	54057
	31.3.2009	56553
WCL	31.3.2010	60870
	31.3.2009	62492
SECL	31.3.2010	79781
	31.3.2009	81434
MCL	31.3.2010	20978
	31.3.2009	20869
NCL	31.3.2010	16373
	31.3.2009	16450
NEC	31.3.2010	2820
	31.3.2009	2962
CMPDIL	31.3.2010	3156
	31.3.2009	3065
DCC	31.3.2010	600
	31.3.2009	620
CIL (HQ)	31.3.2010	1048
	31.3.2009	1066
CIL as a whole	31.3.2010	397138
	31.3.2009	412350

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

The representation of SC/ST employees in total manpower of CIL and its Subsidiary Companies as on 1.1.2010 and 1.1.2009 are given below :

As on	Total manpower	Scheduled Caste		Scheduled Tribe	
		Nos.	%	Nos.	%
1.1.2010	401510	85057	21.84	46776	11.65
1.1.2009	415488	90448	21.76	49026	11.79

25.3 Wage Negotiations

The National Coal Wages Agreement-VIII was signed on 24.01.2009 for the period of 5 years i.e. from 01.7.2006 to 30.06.2011 for the non-executive employees of Coal Industry and arrear payment has been made on 9th April'2010.

26. Industrial Relations and Employees' Participation in Management

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



Girls School at Gandhinagar Rehabilitation Village

Strikes and Bundhs

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

Company	No. of strikes / Bundhs		No. of other Incidents.		Mandays lost		Production lost In Tonnes	
	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10
ECL	1(IS)+ 2(BB)	0	91	68	119254	0	50426	0
BCCL	1(IS)+0	0	03	1	5420	0	4321	0
CCL	1(IS)+2	0	55	136	35769	0	113893	0
WCL	1(IS)+1	0	00	4	21166	0	63033	0
SECL	1(IS)+1	0	02	2	12662	0	5890	0
NCL	1(IS)+0	0	27	25	1961	0	2420	0
MCL	1(IS)+0	0	75	12	0	0	0	0
NEC	1(IS)+0	0	0	0	0	0	0	0
CMPDIL	1(IS)+0	0	0	0	475	0	0	0
CIL	0(IS)+0	0	0	0	0	0	0	0
Total	1(IS)+3+ 2(BB)	0	253	248	196707	0	239983	0

*IS = Industrial Strike, BB = Bangla Bundh.

* Other incidents: Go-slow, Gherao/Assault/Demonstration/Obstruction for stoppage of work.

27. Employees' Welfare and Social Security Schemes:

Coal India and its subsidiaries continue to give due attention for the welfare of its employees with a view to improve their quality of life. Some of the major achievements relating to welfare of employees of Coal India Limited are as follows:

1) CIL Policy for Corporate Social Responsibility (CSR).

The CSR Policy of CIL has been formulated as integral part of Management and circulated where the fund for the CSR is allocated based on 5% of the retained earnings of previous year subject to minimum of Rs.5/- per tonne of Coal production.

Various activities under CSR inter-alia for creation of infrastructure/ health/education/ self employment would normally be taken up within the radius of 15 Kms for every project and areas including Hqrs. Further, Board of Directors of subsidiary companies can approve specific cases of projects beyond mining areas within the respective State. CSR should be broadly executed by CIL in the areas which are beyond the jurisdiction of the subsidiary companies and CSR for loss making companies shall be undertaken by CIL. Besides, CIL Board may extend to initiate specific projects abroad under special circumstances.

2) Coal India Foundation Day

1st November 2009 was observed as CIL Foundation Day in CIL and all subsidiaries. On this occasion the CIL Corporate Geet was sung and CIL Flag unfurled all over the Mines and Areas of subsidiary Hq. and at CIL Hq. At CIL(Hq.), awards for Production, Productivity and Safety were presented to workers of all the subsidiary companies at a Central Function held at Kolkata which was attended by Hon'ble Minister of State for Coal and other dignitaries of Ministry and Coal India.

3) Formation of I.T.I (KGITC) Centre as one of the stake- holder basis

Coal India Limited has been associated with Kabiguru Industrial Training Centre (KGITC), Uttarnarayanpur, PO. Paruldanga, Dist. Birbhum, as one of the stakeholder at equal cost sharing basis, the financial implication of which shall not exceed Rs.7.5 Crores. From CIL there is one member each in the Governing Body and in the Executive Committee of KGITC. So far Rs.50.00 Lakhs (Rs. Fifty Lakhs) have been paid towards construction of KGITC by Coal India Limited and 2nd installment of Rs.50.00 Lakhs (Rs. Fifty Lakhs) will be paid shortly.

4) Coal India Scholarship

i) Coal India Scholarship Scheme (Revised -2001) - every year.

Every year 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 provided under prescribed terms and conditions specified as under:-

- a) 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.

- b) 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.

ii) Reimbursement of tuition fees and hostel charges to meritorious wards of employees.

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 Colleges viz., IITs, NITs, ISM etc which are short-listed by CIL and in Govt. Medical Colleges from the Academic Session 2009-10 onwards.

iii) Cash Award and certificate of appreciation:

Coal India continues to provide Cash Award along-with Certificate of appreciation to the Meritorious Wards of CIL employees who secure 90% or above Marks in aggregate in 10th and 12th Standard Board level Examination at the rate of Rs.5000/- and Rs.7000/- respectively.

iv) Scholarship to BPL category students and wards of Land Oustees/displaced persons is under finalisation. The details are as under:

- a) Awarding 100 Nos. of Coal India Scholarship to the students belonging to BPL category and 25 Nos. of Coal India Scholarship to the wards of land oustees/displaced persons, who are pursuing degree course (Graduation Course) in IITs, NITs and other Engineering Degree Course (Graduation Course) in other Government Colleges where CIL is conducting recruitment through Campus Selection and Government Medical Colleges (MBBS Course).

The scholarship shall cover

- tuition fees,
 - hostel fees (Accommodation charges) and
 - Incidental fees of Rs.10,000/- (Rupees Ten Thousand) only as Mess charges or actual Mess charge whichever is less per academic session from 2010-11 onwards.
- b) The Scholarships shall be awarded to only those students who get admission in the first year of the above courses.

5) Sports and Culture:

Coal India continues to give special emphasis to promotion of sports and cultural activities for the employees and their wards.



Events in different sports disciplines were organized by CIL and its subsidiary Companies. Inter Colliery, Inter Area and Inter Company Sports and Cultural Meets were also organised in the Subsidiary Coal Companies.

6) Medical facilities to retired workmen and their spouse:

Coal India has decided to extend medical facilities available in the Hospitals/Dispensaries of Coal Companies to superannuated workmen and their spouses.

7) Wellness Clinics:

Wellness Clinics have been functioning in most of the hospitals of the subsidiaries to generate awareness among the patients suffering from lifestyle diseases like hypertension, diabetes & other chronic ailments about the root causes and preventive measures of lifestyle diseases and also to advise them about lifestyle modification that can sustain good health and happiness in life.

8) Mobile Medical Vans:

Mobile Medical Vans equipped with Doctors, Paramedicals and essential medicines are being sent by the subsidiaries to the remote villages, where medical facilities are not available. Few Mobile Medical Vans have already been deployed, and some more are in the process of deployment.

9) HIV/AIDS Awareness programmes:

HIV/AIDS awareness programmes are being held in all subsidiaries of Coal India Limited since 2004 regularly on monthly basis. At Coal India Limited, Kolkata the same is being held regularly from 2006. School Level awareness programme are also being held at subsidiaries.

Master Trainers and Peer Educators have also been trained at CIL Kolkata as well as at subsidiaries. There are Committees for ART Centres and VCCT Centres at all subsidiaries, who are treating and counseling HIV Positive patients, whenever found.

In addition, at ICTC Centres, Testing and Counselling for HIV/AIDS is being done for both employees as well as non-employees as part of CSR activities.

10) Employees Welfare:

All care was taken for employees and their family by providing basic amenities like Housing, Water Supply, Medical Care, Education

etc. Some Educational Institutions operating in and around the coal companies were given assistance by way of grant-in-aid and infrastructure support as a part of Welfare and CSR activities.

Table below shows the position of basic amenities provided:-

Sl. No.	Items	Available at the time of Nationalisation	Addition during 2009-10	Position as on 31.03.10	Overall satisfaction
1)	HOUSING	1,18,366	298	4,21,557	100%
2)	WATER SUPPLY: (Population Covered)	2,27,300	730	22,94,968	
3)	EDUCATIONAL INSTITUTIONS				
	a) No of fully financed Project Schools (K.V., DAV & Other Schools)	--	--	62	
	b) No. of Project schools given infrastructure only	--	--	53	
	c) No. of Privately Managed Schools provided recurring grant	--	--	281	
	d) Other Educational Institutions given grant/ occasional help	--	--	194	
	Total	287	--	590	
4)	MEDICAL FACILITIES				
	a) Ambulance	42	--	667	
	b) Hospitals	49	--	85	
	c) Hospital Beds	1482	--	5,835	
	d) Dispensaries	197	--	424	

Besides above, 12 Ayurvedic Dispensaries are also being run in the Subsidiary Coal Companies of CIL to provide indigenous system of treatment to workers and 15 Beds are reserved in the Ramkrishna Mission T. B. Sanatorium at Ranchi for treatment of employees suffering from T. B.

28. Tree Plantation/Afforestation

In order to provide better environment, Coal India Ltd and its Subsidiary Companies have planted 16,65,225 seedlings during 2009-10 in the Coalfield Areas under the afforestation programme.

29. Progressive use of Hindi

CIL continued its efforts to propagate and spread the progressive use of Hindi during the period under review. Adopting the Official Languages Policy of the Union which is based on motivation and encouragement, CIL has increased the use of Hindi among its employees. The top management has assigned highest priority to this matter. Brief description of the important work done towards this direction is as follows :

To augment the process of implementation of the provisions of the Official Languages Act and Rules and to increase the Hindi correspondence in the departments, regular meetings of Official Language Implementation Committee were held under the Chairmanship of Director (P&IR), CIL.

With a view to create working atmosphere of Hindi in the office work, Hindi Fortnight starting from 14.09.2009 was observed in all offices of CIL. During the Fortnight, various Hindi competitions such as Hindi Noting Drafting, Hindi Essay, Hindi Dictation, Hindi Translation, Hindi Typing were organized among the employees of CIL. A large number of officers and staff participated in these competitions enthusiastically.

In the year under review, CIL was awarded "Rajbhasha Shield" by Town Official Language Implementation Committee (PSUs), Kolkata in the area of outstanding performance towards implementation of Rajbhasha Act, Rules & Regulations. CIL was also awarded **"Shahstrabdi Rastriya Rajbhasha Shield Samman"** towards successful implementation of Rajbhasha by Rastriya Hindia Academy Rupambara at its 22nd All India Rajbhasha Conference organized at Kodaikanal (Tamilnadu) on 02.10.2009.

Hindi inspection of offices is also a part of implementation. During the period under review 03 Regional Sales Offices and 02 Subsidiary companies were inspected by Rajbhasha officials. The shortcomings observed towards implementation during inspection were corrected and concerned officials were encouraged to do more work in Official Language. Apart from this, CIL HQ was also inspected

by representative of Dy. Director (Implementation), Eastern Region, Rajbhasha Vibhag, Ministry of Home Affairs, Govt. of India. In his inspection report, he appreciated the efforts made by CIL towards implementation of Rajbhasha.

Imparting Hindi training to the officials who do not have working knowledge of Hindi is very important issue. In this respect, 04 persons were sent for Praveen classes, 02 persons for Pragya classes, 01 person for Hindi typing training and 04 persons for computer course organized by C-DAC at New Delhi.

30. Vigilance

30.1 Vigilance Set-up of CIL:

Coal India Ltd (CIL) is the holding company of 8 (eight) subsidiary companies spread over the State of West Bengal, Maharashtra, Jharkhand, Madhya Pradesh, Chattisgarh and Orissa. Each subsidiary company is headed by Chairman-cum- Managing Director, assisted by Functional Directors. CIL acts as an Apex Body and holding company, which takes care of inter-company affairs and policy decisions across the subsidiary companies according to the Delegation of Powers vested with the holding company.

The anti-corruption activities in CIL and its subsidiary companies have been institutionalized by setting up Vigilance Departments in the 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.

Chief Vigilance Officer, CIL apart from monitoring vigilance activities of departments and offices under direct control of CIL and North Eastern Coalfields (NEC) also enquires into/monitors cases referred by the CVC/MOC to CIL Vigilance. He also investigates complaints against officials of subsidiary companies specifically referred by Chairman, CIL or on the basis of complaints or source information received directly at CIL Vigilance. Vigilance Division CIL, liaise with institutions like CVC, MOC, CBI in vigilance related issues and cases where CMD, CIL is the Appointing/Disciplinary/Appellate Authority. CVO CIL acts as an advisor where CMD, CIL has to discharge his authority in one of the above mentioned capacity vis-à-vis a vigilance matter.



An interface therefore, is maintained with the CMDs and CVOs of the different subsidiary companies. It may be mentioned that CVO CIL does not exercise superintendence or control over the CVOs of subsidiary companies. However, CVO CIL has been entrusted with the co-ordination of Vigilance set up of CIL as a whole and inter subsidiary vigilance matter.

One of the major tasks is to provide 'vigilance status' of officials of the company as and when required by CIL / MOC/ CVC/ PESB.

30.2 Anti - Corruption measures during the reporting year by CIL and Subsidiaries

Total number of Intensive Examinations of Works / Contracts undertaken / conducted was 55. In addition, 222 number of Surprise Inspections were carried out by Subsidiary Vigilance units. Subsidiary-wise break up of Intensive Examinations and Surprise Inspections conducted are shown in the table below:

a). Subsidiary Wise Number of Surprise Inspections and Intensive Examinations of Works/Contracts Undertaken/Conducted

Name of the company	ECL	BCCL	CCL	WCL	SECL	NCL	CMPDIL	MCL	CIL HQ	Total
Surprise Inspection	27	37	47	27	38	09	12	24	01	222
Intensive Examination	03	05	07	17	09	04	07	03	00	55

In all 293 complaints were taken up at Vigilance Division, CIL and Vigilance department of subsidiary companies during the period under report. 188 investigation cases were completed during the reporting year. Total number of Departmental Inquiries disposed of during the year was 86 and number of persons against whom punitive actions were taken was 273. Number of investigation cases completed and punitive actions initiated / penalty imposed are shown in the statements below :

b). Number of Investigations completed

Name of the company	ECL	BCCL	CCL	WCL	SECL	NCL	CMPDIL	MCL	CIL HQ	Total
No.	42	16	20	15	10	42	01	32	10	188

c). Number of Departmental Inquiries Disposed of and Number of Cases in which Penalties Imposed

Name of the company		ECL	BCCL	CCL	WCL	SECL	NCL	CMPDIL	MCL	CIL HQ	TOTAL
No. of Cases taken up	Major	11	04	16	45	09	07	01	03	01	97
for Disciplinary Action	Minor	03	05	10	10	09	06	Nil	07	Nil	50
No. of Departmental Inquiries completed		09	19	14	25	04	02	Nil	11	02	86
No. of cases in which penalty imposed	Major	04	06	32	08	04	04	Nil	04	Nil	62
	Minor	04	09	03	09	05	08	01	06	Nil	45

d). Number of Persons Penalized.

Name of the company		ECL	BCCL	CCL	WCL	SECL	NCL	CMPDIL	MCL	CIL HQ	TOTAL
No. of persons penalized	Major	08	07	94	08	07	05	Nil	05	Nil	134
	Minor	08	38	11	13	08	32	01	28	Nil	139

30.3 Special Achievement

1. Discrepancy in billed quantity and challan quantity of coal supplied to power house

While examining the appeal of an officer of CCL in a disciplinary case where Chairman, CIL is the Appellate Authority, it transpired that the Inquiring Authority, had observed a discrepancy in the billed quantity vis-à-vis challan quantity of coal supplied to Powerhouse. The quantity supplied to Powerhouse was higher than the billed quantity thereby resulting in less realization of coal value.

The aforesaid matter was brought to the notice of CMD, CCL for issuing appropriate directive/guidelines to preempt such type of discrepancy in future. Accordingly, directive was issued by CMD, CCL to GM (S&M), CCL to adopt a foolproof system.

2. Circular on strict compliance of the provision regarding imposition of penalty on the transport Contractor for short transportation of coal causing monetary loss to the company

While examining the appeal of an officer of CCL in a disciplinary case where Chairman, CIL is the Appellate Authority, it was observed that the Project authorities had failed to impose penalty on the transport contractor for short transportation of coal resulting in monetary loss to the company besides causing short fall in meeting the targeted production.

To prevent such occurrences in future, letter was issued by CVO, CIL to CMD, CCL with a copy to Chairman, CIL and CVO, CCL suggesting that in future fool proof guidelines for strict implementation of penalty clause as per the terms of contract be issued. As a fall out of the above, CMD, CCL directed Director(T) and CGM(CMC), CCL to frame suitable guidelines regarding strict implementation of penalty clause in high value contracts operated at CCL.

3. Excess booking of coal under e-auction

During investigation of a complaint alleging undue favour by way of excess booking of coal and service charges paid to the service provider as per the e- auction conditions, it was observed that

infructuous expenditure was incurred in the form of service charges paid to the Service provider on the basis of such excess booking. This was brought to the notice of Chairman which led to issuance of an advice by Marketing Division, CIL to all subsidiary companies to take adequate precaution in future. Copy of circular issued by Marketing Division, CIL was also forwarded to MOC vide letter no. CIL/VIG/CCL/VD No. 583/920 dated 31.12.09

4. Circular on limiting the value of Gift items

On the initiative of Vigilance Division, CIL, matter relating to procurement and disbursement of gifts/mementoes for dignitaries/VIPs during various meetings/seminars/conferences/workshops etc. being organized at New Delhi by MOC/Coal India Limited was discussed in the 23rd FD's meeting at Kolkata and a circular was issued laying down procedures for procurement and disbursement of gifts/mementoes by CIL, New Delhi office vide No. CIL/CH/T.S./36 (A)/141 dt. 12.05.09.

5. To avoid submission of erroneous vigilance status in future by subsidiary companies of CIL:

While processing appeal preferred by an executive against the penalty imposed, it was noticed by Vigilance Division, CIL that the officer had been promoted while a disciplinary case under Rule 31 of CDA Rule of CIL had already commenced against him. The promotion order was subsequently withdrawn after the fact surfaced during scrutiny of appeal case by Vigilance Division, CIL. This matter was taken up for system improvement in as much as that an advisory letter was issued by Vigilance Division, CIL vide letter dt. 23.07.09 with approval of Chairman, CIL to D(P), CIL and CMDs of subsidiary companies mentioning inter-alia that the copy of the memorandum of the disciplinary proceedings be invariably sent by subsidiary companies to Personnel Division, CIL. CVOs of the subsidiary companies were also advised to exercise adequate cross-checking while furnishing vigilance status for promotion.



6. Fraudulent withdrawals from CMPF accounts of beneficiaries

A report was sought by the CVC vide O.M. No. 009/COL/049/47785 dt. 24.06.09 regarding administrative measures taken by Commissioner, CMPF to eradicate fraudulent withdrawals from CMPF accounts of beneficiaries by unscrupulous intermediaries operating in coal companies, CMPFO and Public Sector Banks. The desired report was sent vide letter dt. 15.09.09 detailing how a group of fraudsters in connivance with officials of different departments had taken advantage of lacunae/loopholes in the system of disbursement and repeatedly siphoned off lifelong savings of beneficiaries of CMPF scheme.

It was recommended by CVO, CIL that the new system of disbursement of claims for advances and final payments, brought in by the Commissioner, CMPF in May'07, which has effectively curbed such incidents of fraudulent withdrawals from CMPF accounts of the beneficiaries, should continue. Further, to adopt required preventive vigilance, it was also recommended that the CVOs of subsidiary companies be sensitized in the matter to take appropriate administrative /disciplinary action against the officials of their respective companies whose names have surfaced/will surface as alleged persons in the investigation report/Charge Sheet of the State Police /CBI in above regard.

7. Contribution of Vigilance Division, CIL in system improvement through amendment of CIL manuals

In appreciation of contributions of Vigilance Division, CIL in suggesting preventive measures, Chairman, CIL while constituting a Standing Committee to recommend need-based amendments in various manuals of CIL, directed that vigilance representative (TS to CVO, CIL) be invariably included in the committee as an invitee. Accordingly, the representative of vigilance division attended the meetings of the standing committee whose recommendations were considered and suitable amendments to the old provisions of Contract Management Manual were issued.

In line of above, amendments have also been brought out by incorporating fresh clause in the provisions of disposal of appeal under the CDA Rules of CIL. A proposal has also been initiated as per advice of CVC to bring suitable amendment in the CDA Rules of CIL in line with the CDA Rules of Punjab National Bank to make a provision of award of penalty to such retired executive against whom disciplinary

proceedings had commenced while in service. The proposal needs appropriate legal opinion since the amendment would attract constitutional provision due to Coal Mines Provident Fund Act & Gratuity Act by which the retirement benefits of the executive of CIL are governed. Accordingly, the matter is posted for legal opinion through Director (Personnel), CIL with concurrence of Chairman, CIL.

Vigilance participation is on for amendment of Purchase Manual of CIL wherever required.

8. Bringing awareness on transparency in dealings by the Public Authority in CIL

Number of seminars were arranged by Vigilance Division, CIL to bring awareness on the accountability of public authority under RTI Act, 2005 with reference to management in CIL. In few of the appeal cases decided by the Information Commissioner and Appellate Authority, Central Information Commission, New Delhi, the vigilance officials were regarded as protected officers while clarifying the exemption from disclosure of such information which does not involve public interest but are aimed to pressurize and deter the vigilance officials in discharge of their functions to combat corruption. Some of the notable decisions in the matter are in Case No. CIC/AT/A/2009/00100 dt. 25.05.09 and, Case No CIC/AT/A/2009/0001009 dt. 16.09.09.

9. Coordination with CBI & finalization of agreed list -

Periodic meetings were held with Zonal Directors of CBI of Eastern Zone to discuss various preventive measures and the areas of activities susceptible to corruption.

10. Finalisation of Agreed List of CIL (2009) :

Agreed list for the year 2009 was finalized between CBI ACB, Kolkata and CBI ACB, Guwahati since the offices under CIL falls under the jurisdiction of these two branches of CBI.

Copy of Agreed List was given to Chairman, CIL with a request to give suitable direction to move the officers figuring in the list from sensitive to non-sensitive post.

11. Drawing of list of Officer of Doubtful Integrity (2009)

The list of officers of doubtful integrity was updated and finalized for the year 2009 as per extant provisions.

Copy of list of ODI was given to Chairman, CIL with a request to give suitable direction to move the officers figuring in the list from sensitive to non-sensitive post.

12. Meetings and Seminars on Preventive Vigilance:

- (a) Meeting was organized at IICM, Ranchi on the provisions of RTI Act, 2005.
- (b) A brain storming session was organized for CMDs, FDs & CVOs of CIL and subsidiary companies with CVC at Bandhavgarh, MP.
- (c) Review meeting taken by CVC and MOC was attended.

13. Vigilance Awareness Week (2009):

Vigilance Awareness Week was celebrated in CIL wherein the HODs of CIL were invited to participate in group discussion on "Preventive Vigilance and System Improvement to bring transparency and accountability in decision making". This was attended by large number of participants.

A seminar was held on "Accountability of Public Authority under RTI Act, 2005".

14. Integrity Pact:

During the observance of Vigilance Awareness week, a review of the Integrity Pact was conducted (on 06.11.08). Shri Sudhir Kumar, Vigilance Commissioner, CVC, Chairman, CVO and Functional Directors of CIL, Shri Sujit Sankar Chattopadhyay, IEM, CIL, Shri S.M.Murshed, IEM, CIL and all HODs of CIL were present.

The matter regarding action to be taken in accordance with the Standard Operating Procedure formulated by the CVC as contained in circular No. 10/5/09 dated 18.05.09 of CVC has been appropriately taken up and pursuant to such action, Chairman, CIL has issued instructions to initiate action on all aspects of the SOP to achieve full compliance.

As per instructions of CVC, Independent External Monitors has been nominated company-wise (for CIL and eight subsidiary companies), out of the total CVC approved panel of fifteen IEMs. Regular interaction is made with the IEMs.

15. Price Fall Clause in CIL Purchase Manual:

There is no provision in the Purchase Manual regarding price fall clause. Consequently price fall clause indicated in the NIT as well as Purchase Orders of different subsidiaries and CIL are generally different from each other.

Chairman, CIL has advised that a guideline on the price fall clause in line with the CVC recommendation be issued for all future NIT in CIL/Subsidiary companies (if not already issued). In this connection record notes of the interactive session held at IICM, Ranchi on 17.07.08 and 18.07.08 amongst CVC, MOC, CIL and subsidiary companies has been circulated vide letter dt. 14.05.09 which contains the advice rendered by CVC on various important issues including the application of price fall clause.

Comment of CVO, CIL and Chairman, CIL on the matter for taking necessary action by CGM(MM), CIL for drawing up an uniform Price Fall Clause and incorporating the same in CIL Purchase Manual for adoption of same by CIL and subsidiary companies has been sent to CGM(MM), CIL vide letter No. CIL/VIG/VD-300(CH)/10/1147 dt. 25.02.10.

31. Particulars of Employees

Particulars of the employees who received remuneration in the year 2009-10 as per the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with the companies (particulars of employees) Rules, 1975 as amended, is enclosed.

32. Board of Directors

Shri Partha S. Bhattacharyya appointed as Chairman w.e.f. 1.10.2006 and continued during the year under report. Shri S. Bhattacharya, as Director (Finance), CIL continued on the Board up to 31.01.2010. Shri N. C. Jha, as Director (Technical), R. Mohan Das, as Director (P&IR) and Dr A K Sarkar, as Director (Marketing) were on the Board throughout the year. Shri A K Sinha, as Director (Finance), CIL was inducted on the Board w.e.f. 13.03.2010.



Shri Alok Perti, Addl. Secretary, MOC was inducted on the Board as part-time official Director w.e.f 27.01.2010. Shri Sanjiv Mittal, Jt. Secretary and Financial Adviser, MOC continued as part-time official Director on the Board during the year.

Shri P. K. Banerji, Shri Arvind Pande, Shri S. Murari and Prof. S. K. Barua continued as Independent Directors on the Board during the year.

Shri Vivek Sahai, HAG/IRTS Adviser (Traffic Transportation), Railway Board was on the Board as permanent invitee up to 7.04.2009. Shri D.C. Garg, CMD, Western Coalfields Limited and Shri A.K. Singh, CMD, Central Mine & Design Institute Limited continued on the Board as Permanent Invitees during the year. Shri Girish Chandra, Adviser (Traffic Transportation), Railway Board was on the Board from 8.04.2009 to 31.12.2009.

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

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

The Board of Directors held in all 7 (Seven) meetings during the year 2009-10.

33. Directors' Responsibility Statement

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

- i) That in preparation of the Annual Accounts, applicable Accounting Standards have been followed and that no material departures have been made from the same;
- ii) That such accounting policies have been selected and applied consistently through judgments and estimates that are reasonable and prudent, to give a true and fair view of state of affairs of the company at the end of the financial year and Profit & Loss of the company for that period;

- iii) That proper and sufficient care have been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) That annual accounts have been prepared on a going concern basis.

34. Accounts of the Subsidiaries

The copies of Accounts of the Subsidiary Companies for the year 2009-10 are attached in Vol.- II with the Annual Report and Accounts of the Company in compliance with requirement of Sec. 212 of the Companies Act, 1956.

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

35.1 Eastern Coalfields Limited (ECL)

As on 31st March, 1997, accumulated losses of the company exceeded its networth by Rs. 251.20 crores. Hence company was referred to BIFR in October, 1997 in terms of Section 15(1) of SICA. BIFR registered ECL's case as case No. 501/98. Due to financial restructuring done by CIL on 31st May 1998 by converting unsecured loan of Rs. 1179.45 crore into equity, the networth of the company became positive as on date and company came out of BIFR. Since the company continued to incur losses year after year the networth of the company became negative again as on 31st March, 1999 and hence the company was referred back to BIFR during November, 1999. Company's case was registered as case no. 501/2000.

The Board for Industrial & Financial Reconstruction (BIFR) vide order No. 501/2000 dated 23rd February, 2001 declared the company as a sick company under section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act (SICA), 1985 and appointed State

Bank of India as operating agency under section 17(3) of the SICA to formulate the Rehabilitation Scheme. After detailed deliberation with the stakeholders, Revised Draft Rehabilitation Scheme of ECL dated 31st January, 2004 was prepared. This was discussed in the joint meeting held on 3rd March, 2004. In the joint meeting all the stakeholders supported the scheme. As per discussion held in the joint meeting, operating agency prepared a fully tied up Draft of Rehabilitation of ECL (March 2004) and submitted the same to BIFR. As per the scheme, the net worth of the company was slated to become positive in 2008-09. BIFR sanctioned the Rehabilitation Scheme of ECL (March 2004) on 2nd November, 2004 for implementation. The scheme was examined and recommended by the office of the Controller General of Accounts for revival of the company.

Coal price was enhanced from 16th June 2004. National Coal Wage Agreement - VII (NCWA - VII) was signed between the operating Trade Unions, Coal India Limited and its subsidiary companies for a period of five years from 1st July, 2001 to 15th July, 2005. The impact of enhanced sale value as well as NCWA-VII (Other than Interim Relief @ 15% of basic) was not considered in the financial projection of the BIFR sanctioned Rehabilitation Scheme. Due to implementation of NCWA-VII, as well as the enhancement of sales price and delay in implementation of projects, the scheme was revised as per the advice of Board for Reconstruction of Public Sector Enterprises (BRPSE). As per the revised scheme, the networth of the company was slated to become positive in 2009-10. The Revised Scheme was heard by BRPSE on 29th August, 2005. They had recommended the scheme subject to ECL achieving the physical and financial parameters. The recommendations of BRPSE was also heard by Committees Of Secretaries (COS) under the chairmanship of Cabinet Secretary on 13th January, 2006. They also recommended the Scheme for the revival of the Company. Cabinet Committee on Economic Affairs (CCEA) approved the BRPSE recommended Revival Plan of ECL on 6th October, 2006.

After obtaining the approval of CCEA, Company had submitted the Revised Rehabilitation Scheme to the Monitoring Agency and BIFR in October 2006 with a request to approve the Revised Revival Plan for implementation. BIFR reviewed the ECL's case on 12th June, 2007. BIFR advised the company to submit Government approved Revival Plan to Monitoring Agency with a copy to them within 60 days. Company had submitted the same to Monitoring Agency with copy to BIFR on 7th August, 2007. BIFR is yet to approve the revival plan.

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

Hence company prepared a Revised Revival Plan taking into account the delay in implementation of many of the projects. This Revised Revival Plan was discussed in 230th ECL board meeting held on 31st August 2009 and 1st Sept, 2009. As per Revised Revival Plan net worth of the company was slated to become positive in 2014-15.

However, coal prices were enhanced from 16th October, 2009. Due to delay in implementation of various projects, Functional Directors in its meeting held on 5th Jan'10 advised to revise the physical parameters from 2010-11 to 2016-17 and the same is under revision.

35.2 Bharat Coking Coal Limited (BCCL)

(A) BIFR status

BCCL was first registered as sick Company vide Registration No. 504/95 dated 18.12.95 as its net worth was negative after completion of Accounts for the year 1994-95. At its first hearing held on 15.2.96, BIFR appointed Shri S. Krishnanmurthy as special Director on BCCL Board till 26.5.2003.

BCCL came out of BIFR at 4th hearing held on 22.12.97 as net worth of the Company became positive due to capital restructuring by converting loan into Equity by CIL amounting to Rs. 996 crores. Before converting loan into Equity by CIL, the paid up share capital of BCCL was Rs. 1122 crores. After conversion, paid up share capital of BCCL is Rs. 2118 Crores. However, BCCL was under watch of BIFR u/s 23 of SICA. Since 1997 BCCL is regularly sending its Annual Report to BIFR.

After completion of Accounts for the year 1999-2000, the net worth of the Company became negative and after making reference to BIFR, BCCL was once again registered as Sick Company vide Registration No. 502/2001. In its first hearing held on 3.4.2002, BIFR dismissed the reference as time barred and non-maintainable. BCCL made an appeal vide No. 92/2002



dated 7.5.2002 to AAIFR under section 25 of SICA, challenging the order.

At the AAIFR hearing held on 14.11.2002, after considering all facts and material and timely submission of Reports, the case was remanded back to BIFR for proceeding further in accordance with the law. After above directive of AAIFR, BIFR issued a notice of hearing which was held on 11.2.2004. In the said hearing, BIFR, directed to submit Valuation Report of the assets of BCCL carried out by the company through a Govt. approved Valuer and the Revival Plan of BCCL. The Revised Revival Plan in line with the approved revival scheme by Coal India Ltd. was considered by BCCL Board at its 232nd meeting held on 2.4.2004. Revival Plan was submitted to BIFR on 12.4.2004. Valuation Report of the assets of BCCL, valued by Govt. approved valuer, M/s. Devcon Engineers & Valuers, Kolkata, was submitted to BIFR on 31.5.2004.

(B) Submission of rehabilitation scheme to Board for reconstruction of Public Sector Enterprises (BRPSE).

Government of India constituted the Board for Reconstruction of Public Sector Enterprises (BRPSE) by notification dated 6th December, 2004. The Revival Plan submitted to BIFR was sent to Ministry of Coal for further examination. The Controller General of Accounts (CGA), Capital Restructuring Cell, Department of Expenditure, Ministry of Finance, Govt. of India, while broadly agreeing with the revival strategy formulated by BCCL, stressed on the need for closure of unviable mines, manpower rationalisation and production enhancement, which was communicated by Dy Controller General of Accounts (Capital Restructuring Cell) vide letter No. CGA/CRC/PSO/134/115, dated 24.1.2005.

As per instruction of Ministry of Coal, BCCL submitted its Rehabilitation Scheme in prescribed format to BRPSE in April, 2005 suitably modifying the Revival Plan submitted to BIFR on 12.4.04. Considering the scenario prevailing then, taking into account the financial implication arising out of finalisation of NCWA-VII and incorporating the suggestion of Dy. CGA, a

modified Rehabilitation Scheme was finalised and presented to BRPSE .

BRPSE, at its 19th meeting held on 29.8.2005, had advised MOC/BCCL to resubmit the Revival Proposal duly appraised by an independent consultant for its consideration. Accordingly, BCCL Board at its 244th meeting held on 21.1.06 appointed M/s CARE Advisory as independent consultant for appraisal of Revival Plan. Final Report of M/s. CARE Advisory on Revival Plan was accepted by BCCL Board at its 245th meeting on 21.4.2006. A copy of report on revival plan was sent to Secretary (Coal), MOC and Chairman, Coal India Ltd. for further action.

As desired by BRPSE vide its letter no. BRPSE/3(33)2005, dated 21.5.2007, 18 copies of the each of the following documents were submitted for consideration of BRPSE.

- i) Updated Revival Proposal of BCCL (figures updated till 2006-07).
- ii) Final report of M/s. CARE Advisory on appraisal of BCCL's Revival report.
- iii) Summarised note on Revival Proposal of BCCL.
- iv) Annual Report of BCCL for the year 2005-06.
- v) Provisional accounts with Schedules of BCCL for the year 2006-07.

While evaluating the performance of the company for the year 2006-07, it was observed that physical parameter achieved was more or less in line with those envisaged in the report of M/s. CARE Advisory. However, the financial parameter set could not be achieved due to various reasons. Further during the intermediate period, changes had occurred in respect of various factors having a bearing on the operation of the company.

As desired vide letter dated 21.5.07 from Director BRPSE, revival/restructuring proposal of BCCL duly updated with the latest available information/figure for the year 2005-06 and 2006-07 was submitted to Director, MOC vide letter No. CMD/ES/F-2(B-07-412), dated 25.8.2007.

As desired by Secretary to the Govt. of India, MOC vide letter No. 13011/4/2004-CA-II, dated 20.9.2007, a summarized note on revival proposal of BCCL was submitted to BRPSE in September, 2007.

36. Acknowledgement:

As per advice of Under Secretary to the Government of India, MOC vide reference No. 1301/4/2004-CA-II Vol.-II, dated 20.2.2008, a PPT presentation on the revival Proposal of BCCL was made before the Board during 56th meeting of the Board for Reconstruction of Public Sector Enterprises (BRPSE) at New Delhi on 22.2.2008.

As conveyed vide Office Memorandum No. BRPSE/5(2)/2008, dated 27.2.2008 issued by Director, BRPSE, it is stated that BRPSE has given its recommendation for revival of BCCL.

Minutes of the review meeting held by Joint Secretary (Coal) with CMDs of ECL and BCCL on 18.09.2008 circulated by Director, MOC vide OM No 38039/1/2008-CA-II(Pt-I), dated 03.10.2008, confirmed that "A modified Revival Package of BCCL based on the appraisal report prepared by CARE Advisory and approved by Board of Directors of BCCL was submitted to BRPSE for consideration. BRPSE has since approved the proposal and the same has been sent to BIFR for concurrence."

C. Present Status of BIFR:

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) dated 25.02.2010. The approved Revival Plan is under implementation by the Company.

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 acknowledge 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 acknowledge with thanks the assistance and guidance rendered by the Auditors, the Comptroller and Auditor General of India and the Registrar of Companies, West Bengal and wishes to place on record their sincere thanks to the Consumers for their patronage.

37. Addenda

The following are annexed.

- i) The comments and review of the Comptroller and Auditor General of India.
- ii) Replies to the observations made by the Statutory Auditors on the Accounts for the year ended 31st March, 2010.
- iii) Statement pursuant to Sec. 212(i) (e) of the Companies Act, 1956.

For and on behalf of the Board of Directors
 Sd/-
 Partha S. Bhattacharyya
 Chairman

Kolkata, the dated 24th May, 2010.

**Annexure****Particulars Of The Employee Pursuant To Section 217(2A) Of The Companies Act, 1956****Employed for the part of the year**

Name	Designation	Remuneration	Qualification	Commencement of Employment	Exp. yrs	Age	Last Employment held	Remarks
Shri Shyamal Bhattacharya	Director (Finance)	3044239	B.Sc., ICWAI	20/2/1975	34yrs	60	WCL	Retired
Shri J.L.Goel	CGM (S&M)	4884912	B.E.(Chem. Engg), MBA	1/4/1975	34yrs	60	ECL	Retired
Shri Md.W.N.Haider	CGM (Welfare)	2513832	B.A.,M.A., Dipp in Social welfare	30/10/1972	37yrs	60	SECL	Retired
Shri K.Ranjan	CMM/GM (C&F)	3370212	B.Sc. (H) M.Sc., B.L., Dip. In Business Mgt, PG Dip. in MM	5/3/1974	35yrs	60	BCCL	Retired
Shri Ratan Chakravorty	Dy.CFM	3918961	B.A., ICWAI, LLB	4/4/1977	32yrs	60	BCCL	Retired
Shri K.K. Thakur	Dy.CE(Env't)	4582246	B.E.(Civil) M.Tech	14/04/1975	34yrs	60	CMPDIL	Retired
Shri B.B. Chaudhury	Dy.CE(E&M)	2954798	B.E.(Elec)	11/3/1975	34yrs	60	ECL	Retired
Dr.N.B. Chandra	Dy.CE(Env't)	3701488	M.Sc., Ph.D., PGD in Env Mgmt, PGD in (P&IR)	1/2/1978	31yrs	60	SECL	Retired
Shri S.K. Banerjee	Dy.Chief manager (L&R)	3502916	M.A., LLB	15/07/1977	32yrs	60	WCL	Retired
Shri S.K. Bhattacharyya	Sr.ES	3929262	B.Sc.	30/06/1975	34yrs	60	BCCL	Retired
Shri D. Sinha	SM	2883207	B.Sc.	14/03/1977	32yrs	60	SECL	Retired
Shri Amitabh Bandyopadhyay	Dy.FM	2502384	B.Com., CA (final)	6/1/1976	33yrs	60	RSO, WB CELL	Retired
Shri R.G. Warriar	Dy.CPM	2356715	B.A.,M.A.,	02/12/1971	38yrs	60	NCL	Retired
Shri M.K. Sinha	CGM (System)	2334532	B.Sc. Engineering (Electrical)	01/02/1973	37 yrs	60	BCCL	Retired

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 to the highest extent. CIL is committed to observe Corporate Governance practices at different levels and to achieve its objectives.

Compliance of conditions of Corporate Governance is as per the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises, Govt. of India, vide O.M. No. 18(8)/2005-GM dated 10th August, 2007. These guidelines are in line with clause 49 of the Listing Agreement.

2. Board of Directors

2.1 Size of the Board

Coal India Ltd is a Government Company within the meaning of section 617 of the Companies Act, 1956 as the President of India presently holds 100% of the total Paid up share capital. 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, 2010, the Board of Directors comprised of a full-time Chairman, 4 Functional Directors and 6 Non-Executive Directors (including 2 Government Nominees and 4 Independent Directors). In addition, there are 2 Permanent Invitees in the Board.

2.3 Age limit and tenure of Directors

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

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

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

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



2.4 Board Meetings

During the year, 7 Board meetings were held on 10.4.2009, 18.5.2009, 9.9.2009, 15.10.2009, 22.12.2009, 30.1.2009 and 17.3.2010. Details of number of Board Meetings attended by Directors , attendance at the last Annual General Meeting , number of other Directorship etc. during the year 2009-10 are as follows:

Sl. No.	Name of the Director	Category of Directorship	No. of Board meetings attended during 2009-10	Attended at the last AGM	No. of other Director-ship as on 31.3.2010
1	Shri Partha S. Bhattacharyya	Chairman	7	Yes	1
2 *	Shri S. Bhattacharya	Director (Finance)	5	Yes	2
3	Shri N. C. Jha	Director (Tech.)	7	No	2
4	Shri R. Mohan Das	Director(P&IR)	6	No	2
5	Dr. A. K. Sarkar	Director (Mktg.)	7	No	2
6 **	Shri A. K. Sinha	Director (Finance)	1	No	1
7***	Shri Alok Perti	Non-Executive Director	2	No	1
8 ****	Dr. Rajiv Sharma	Non-Executive Director	2	No	2
9	Shri Sanjiv Mittal	Non-Executive Director	6	Yes (Through Proxy)	3
10	Shri P. K. Banerji	Non-Executive Director	7	No	1
11	Shri Arvind Pande	Non-Executive Director	5	No	6 (including Chairmanship in one Company)
12	Shri S. Murari	Non-Executive Director	6	No	2
13	Prof. S. K. Barua	Non-Executive Director	7	No	4

Sl. 2(*) Retired on 31-01-2010, Sl. 6(**) Appointed on 13-03-2010, Sl.7 (***) Appointed on 27-01-2010,

Sl. 8(****) Cessation from Board w.e.f. 31-07-2009 consequent upon his transfer.

3. Audit Committee

(a) Composition:

CIL in pursuance of excellence in corporate governance originally 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 238th Meeting held on 18.12.2007, consists of four independent Directors, one Functional Director and one Government Nominee Director. One of the Independent Directors is the Chairman of the Committee. They are:-

1.	Shri P. K. Banerji	Chairman	(Independent Director)
2.	Shri Sanjiv Mittal	Member	(J S & F. A, Ministry of Coal)
3.	Shri Arvind Pande	Member	(Independent Director)
4.	Shri S. Murari	Member	(Independent Director)
5.	Prof. S. K. Barua	Member	(Independent Director)
6.	Dr. A. K. Sarkar	Member	(Director, Marketing, CIL)

As on 31st March, 2010 the Audit Committee (a Sub - Committee of CIL Board of Directors) comprised of the following members:-

1.	Shri P. K. Banerji	Chairman
2.	Shri Sanjiv Mittal	Member
3.	Shri Arvind Pande	Member
4.	Shri S. Murari	Member
5.	Prof. S. K. Barua	Member
6.	Dr. A. K. Sarkar	Member

Director (Finance) and Head of Internal Audit and the Statutory Auditors are invited to the Audit Committee Meetings for interacting with the members of the Committee. Senior Functional executives are also invited as and when required to provide necessary inputs to the committee.

(b) 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.



(c) Scope of Audit Committee:

The Scope of Audit Committee are as follows :-

1. Overseeing 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.

(d) Meetings and Attendance of the Audit Committee.

Four Meetings of the Audit Committee were held during the Financial Year 2009-10 on 13-06-2009, 30-01-2010, 12-03-2010 & 30-03-2010. The details of the meetings of Audit Committee attended by the members are as under:-

Sl. No.	Name of the Directors	Status	No. of meetings attended
1.	Shri P. K. Banerji	Chairman	4
2.	Shri Sanjiv Mittal	Member	2
3.	Shri Arvind Pande	Member	2
4.	Shri S. Murari	Member	2
5.	Prof. S. K. Barua	Member	1
6.	Dr. A. K. Sarkar	Member	4

The Company Secretary acts as Secretary to Audit Committee. Internal Audit Department provides necessary support for holding and conducting Audit Committee meeting.

4. Empowered Sub-Committee for Evaluation Appraisal and Approval of Projects

An Empowered Sub-Committee for evaluation, appraisal and approval of the projects was re-constituted by CIL Board of Directors in its 238th Board meeting held on 18-12-2007. The number of meeting attended by the Directors during the year 2009-10 are as follows:

Sl. No.	Name of the Directors	Status	No. of meetings 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.	Shri Arvind Pande	Member	1
6.	Shri S. Murari	Member	3
7.	CMD, CMPDIL	Permanent Invitee	1
8.	CMD of Subsidiary Company, whose projects are under consideration	Invitee	7

5. Remuneration Committee

CIL being a Central Public Sector Undertaking, the appointment, tenure and remuneration of Directors are decided by the President of India. Hence, the Board does not decide the remuneration of the Directors. A Remuneration Committee was constituted by the CIL Board of Directors in its 249th meeting held on 10-04-2009. During the year 2009-10, one meeting of the Remuneration Committee was held on 5-2-2010 to decide about the policy for payment of Performance Related Pay (PRP) for the Executives of CIL and its subsidiaries. Details of which are as under:

Sl. No.	Name of the Directors	Status	No. of meetings attended
1.	Shri Arvind Pande	Independent Director	--
2.	Shri P. K. Banerjee	Independent Director	1
3.	Shri S. Murari	Independent Director	--
4.	Prof. S. K. Barua	Independent Director	1
5.	Shri Sanjiv Mittal	JS & FA, MOC	1
6.	Shri R. Mohan Das	Director (P & IR)	1



6. Empowered Committee for Finalization of Selection of Strategic Partners for Acquisition of Coal resources abroad.

An Empowered Committee of CIL Board was formed in its 252nd Meeting held on 15th October consisting of following members and the Committee held four Numbers of meeting on 21st October, 2009, 16th November, 2009, 14th to 17th December, 2009 and 14th to 15th January, 2010 during the year 2009-10.

Sl. No.	Name of the Directors	Status	No. of meetings attended
a.	Shri S. Murari	Chairman	3
b.	Shri P. K. Banerji	Member	4
c.	Shri S. Bhattacharya	Member	4
d.	Shri N. C. Jha	Member	4
e.	Dr. A. K. Sarkar	Member	4
f.	Shri A. K. Singh	Member	4

The terms of reference for the above Committee shall be to:

- Review and finalize the guidelines on which presentations will be sought from the 12 Companies short listed for finalization of selection of Strategic Partner(s) for acquisition of coal resources in Australia, USA, South Africa and Indonesia
- Hold discussions with the companies based on presentations with a view to assess the attractiveness of the offers made by them, and
- Submit recommendations regarding the companies to be selected as Strategic Partner(s) in Australia, USA, South Africa and Indonesia.

7. General Body Meetings

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

Financial Year	Date	Time	Location
2008-2009	28-07-2009	11.30 A.M.	Coal Bhawan, 10, N.S. Road, Kolkata-1
2007-2008	29-07-2008	11.30 A.M.	Coal Bhawan, 10, N.S. Road, Kolkata-1
2006-2007	18-09-2007	3.00 P.M.	Coal Bhawan, 10, N.S. Road, Kolkata-1

8. Disclosures

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

9. Shareholding Pattern of CIL

100% Shares of Coal India Ltd. is held by President of India.

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

Coal India Ltd. is at present having nine wholly owned Subsidiaries. (Seven coal producing companies, one service oriented company and one foreign subsidiary company). The Company's Subsidiaries are located at:

(A) Coal Producing Companies:

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

(B) Service Oriented Company:

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

(C) Foreign Subsidiary Company:

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

11. Code of Conduct

The Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management and the same has been hosted on the Company's website. Further, all the Board Members of Coal India Limited and Senior Management Personnel have affirmed compliance with the code of conduct as on 31st March, 2010.



Deoki Bijay & Co.

Chartered Accountants

213C Jabakusum House, 34 Chittaranjan Avenue, Kolkata -12, Ph: 22121110
Cell 94330 39556 Email: deokinagrawal@rediffmail.com, dbc_kol@yahoo.co.in

CORPORATE GOVERNANCE CERTIFICATE

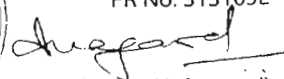
To The members of Coal India Limited

We have examined the compliance of conditions of corporate governance by Coal India Limited (the "company") for the year ended 31st March, 2010 as stipulated in the Guidelines on Corporate Governance (the "guidelines") for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises, Government of India, vide OM No. 18 (8) / 2005-GM, dated 10th August, 2007.

1. The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
2. The company has taken steps for reviewing of compliance of laws and appointments of independent directors in the Board of Subsidiaries, wherever applicable, as per the guidelines. 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 stipulated in the Guidelines.
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.



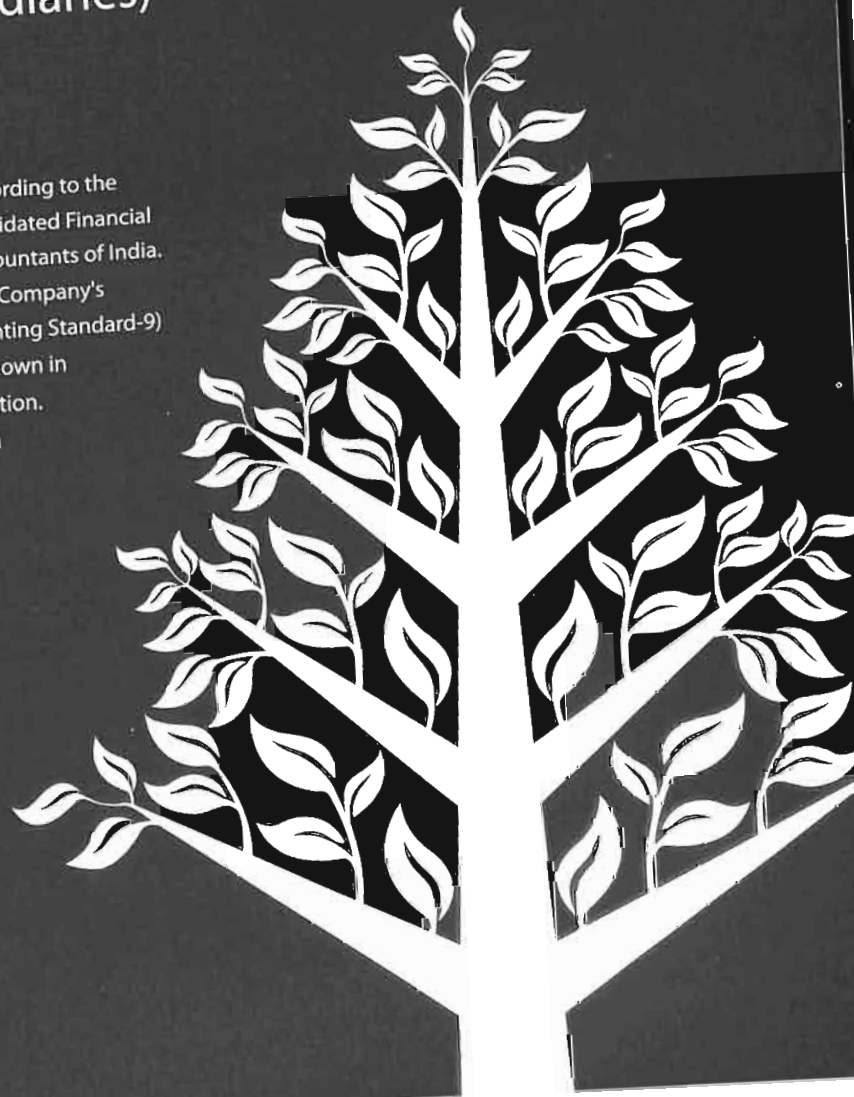
For **DEOKI BIJAY & CO.**
Chartered Accountants
FR No. 313105E


(CA. D. N. Agrawal)
Partner
Memb. No. 051157



Annual Accounts for the year ended on 31st March 2010 (Consolidated CIL & Its Subsidiaries)

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





Balance Sheet (Consolidated)

as at 31st March 2010

Rs. in '00,000

	Schedule		As at 31-Mar-10	As at 31-Mar-09
I SOURCES OF FUND				
A Shareholders' Fund				
a) Share Capital	A		631636.44	631636.44
b) Reserve & Surplus	B		1947885.31	1284870.33
B Shifting and Rehabilitation Fund	C		147742.66	122384.28
C Loan Fund				
a) Secured	D	46690.79		18046.21
b) Unsecured	E	161994.23	208685.02	196801.65
D Minority Interest			2360.71	189.72
Total			2938310.14	2253928.63
II APPLICATION OF FUND				
A Fixed Assets	F			
a) Gross Block		3494531.55		3325612.75
Less: Depreciation		2248666.22		2179150.97
Less: Impairment		42284.15		44296.02
Less: Other Provisions		37.33	1203543.85	41.51
b) Capital Work - in -Progress			209087.90	182229.87
c) Surveyed Off Assets			11978.96	9719.22
B Investment	G		128214.05	150517.95
C Net Interest in Joint Venture (Ref Note 16.1 Sch M Part B)			20.00	
D Deferred Tax Assets (Ref Note 15.8 Sch M Part B)			96038.84	92676.53
E Current Assets, Loans & Advances				
Inventories	H	440177.09		368288.48
Sundry Debtors	I	216864.76		182614.47
Cash & Bank Balances	J	3907775.95		2969500.91
Loans & Advances	K	867620.24		1124451.42
		5432438.04		4644855.28
Less: Current Liabilities & Provisions	L	4143164.97	1289273.07	3928196.84
F Miscellaneous Expenditure (to the extent not written off)			153.47	2.37
Total			2938310.14	2253928.63
Accounting Policies and Notes on Accounts are forming part of the Accounts	M			

sd/-
(H Sarkar)
CGM(F) Company Secretary

sd/-
(D K Ghosh)
Chief General Manager(F)

sd/-
(A K Sinha)
Director (Finance)

sd/-
(Partha S. Bhattacharyya)
Chairman

Date: 1st June, 2010
Place: Kolkata

As per our report annexed
For Deoki Bijay & Co.
Chartered Accountants
FR No. 313105E

sd/-
(CA. D. N. Agrawal)
Partner
Membership No. 051157

Profit & Loss Account (Consolidated)

For the year ended 31st March 2010

Rs. in '00,000

Income	Schedule No.	For the Year ended on 31-03-10	For the Year ended on 31-03-09
Sales	1	4461525.05	3912348.30
Coal Issued for other Purposes	2(a)	206904.44	202198.08
Accretion in Stock	3	66715.82	13360.71
Other Income	4	524083.85	477830.84
Total		5259229.16	4605737.93
Expenditure			
Internal Consumption of Coal	2(b)	197211.32	199215.29
Consumption of Stores & Spares	5	492691.75	486130.06
Employees Remuneration & Benefits	6	1665552.24	1974152.10
Power & Fuel	7	173959.49	159505.24
Social Overhead	8	201748.70	188731.03
Repairs	9	84793.88	78606.06
Contractual expenses	10	373183.72	333985.44
Other Expenditures	11	193359.85	192020.86
Interest	12	13645.93	15649.67
Overburden removal Adjustment	17	305391.77	217718.56
Finance Charges/ Commitment Charges	13	1949.54	2238.25
Depreciation	16	131384.10	166292.94
Impairment		1561.18	2797.41
Provision made for / written back	14(a)	19034.60	14861.20
Write- off	14(b)	1902.33	2738.52
Total		3857370.40	4034642.63
Profit for the year		1401858.76	571095.30
Prior Period adjustment	15	(5365.95)	2771.79
Extra Ordinary Items		-	543.30
Profit before tax		1396492.81	574410.39
Provision for Income Tax		443324.74	373680.30
Provision for Deferred Tax (written back)		(3362.34)	(10323.36)
Provision for Income tax for earlier year		5760.20	4602.97
Excess Provn. For Income Tax written back(earlier period)		(11474.46)	(1418.69)
Profit after tax		962244.67	207869.17
Profit(Loss) brought forward from previous year	423284.44		534980.32
Add: Transfer from Bond redemption Reserve			3.40
Less: Transitional Provision for Retirement medical Benefit	(42.67)		
		423241.77	534983.72
Profit/(loss) available for appropriation		1385486.44	742852.89
(carried down)			



Profit & Loss Account (Consolidated)

For the year ended 31st March 2010

	Schedule No.	Rs. in '00,000
PROFIT/(LOSS) AVAILABLE FOR APPROPRIATION		
(Brought Down)		
APPROPRIATION		
Reserve for Foreign Exchange Transaction		
Transfer to General Reserve		
Transfer to CSR Reserve		
Proposed Dividend on Equity Share		
Interim Dividend		
Tax on dividend		
BALANCE CARRIED TO BALANCE SHEET		
Basic and Diluted Earning per share (in Rupees)		
(Face Value of Rs. 10/- per Share)		
Statement on significant Accounting policies	M	
The Schedules referred to above form an integral part of Accounts		

sd/-
(H Sarkar)
CGM(F) Company Secretary

sd/-
(D K Ghosh)
Chief General Manager(F)

sd/-
(A K Sinha)
Director (Finance)

sd/-
(Partha S. Bhattacharyya)
Chairman

Date: 1st June, 2010
Place: Kolkata

As per our report annexed
For Deoki Bijay & Co.
Chartered Accountants
FR No. 313105E

sd/-
(CA. D. N. Agrawal)
Partner
Membership No. 051157

The Cash Flow Statement (Indirect Method)

For the year ended on March 31, 2010

		Rs. in '00.000	
I	CASH FLOW FROM OPERATING ACTIVITIES	Current Year	Previous Year
	Net Profit Before Tax	1396492.81	574410.39
	Adjustment for:		
	Depreciation / Impairment of Fixed Assets	67499.20	105170.97
	Interest pertaining to Financing Activities	(270703.79)	(284766.44)
	Operating profit before Working Capital changes (A)	1193288.22	394814.92
	Adjustment for:		
	Sundry Debtors	(34250.29)	(16908.66)
	Inventories	(71888.61)	(29892.04)
	Loans & Advances	256831.18	(158756.95)
	Current Liabilities & provisions	118837.70	991765.48
	Deferred Tax Assets / Liabilities	(3362.31)	[14668.99]
	Cash Generated from Operations (B)	266167.67	771538.84
	Income Tax paid / Refund/Adjustment for earlier years	(399898.55)	(279070.99)
	Net Cash Flow from Operating Activities ((A) + (B) - Tax Paid) (C)	1059557.34	887282.77
II	CASH FLOW FROM INVESTING ACTIVITIES		
	Increase of Fixed Assets	(198036.57)	(187575.43)
	Redemption of Power Bond	22303.90	21272.20
	Interest Pertaining to Financing Activities	270703.79	284766.44
	Net Cash used in Investing Activities (D)	94971.12	118463.21
III	CASH FLOW FROM FINANCING ACTIVITIES		
	Increase/(Decrease) of Loan (incl. Exchange rate variation)	(6162.84)	26456.93
	Interest Paid	(14448.96)	(16104.48)
	Receipt of Shifting & Rehabilitation Fund from Subsidiaries	25358.38	27796.49
	Dividend Paid (including Tax on Dividend)	(221000.00)	(170542.00)
	Net Cash used in Financing Activities (E)	(216253.42)	(132393.06)
	Net Increase / Decrease in Cash & Bank Balance (C+D+E)	938275.04	873352.92
	Cash & Bank Balance (Opening Balance)	2969500.91	2096147.99
	Cash & Bank Balance (Closing Balance)	3907775.95	2969500.91



Schedules to Balance Sheet Consolidated

SCHEDULE - A

	Rs. in '00,000	
SHARE CAPITAL	As at 31-Mar-10	As at 31-Mar-09
Authorised		
(i) 9041800 Non-cumulative 10% Redeemable Preference Shares of Rs.1000/- each (Previous Year 9041800 Non-cumulative 10% Redeemable Preference Shares of Rs.1000/- each)	90418.00	90418.00
(ii) 8000000000 Equity Shares of Rs.10/- each (Previous Year 800000000 Equity Shares of Rs.1000/- each)	800000.00	800000.00
	890418.00	890418.00
Issued, Subscribed and Paid-up		
(i) 6059430500 Equity Shares of Rs.10/- each fully paid in cash (Previous Year 60594305 Equity Shares of Rs.1000/- each)	605943.05	605943.05
(ii) 256933900 Equity Shares of Rs.10/- each allotted as fully paid up for consideration received other than cash (Previous Year 2569339 Equity Shares of Rs.1000/-each)	25693.39	25693.39
	631636.44	631636.44

Note:- 1) Entire Paid-up Share Capital is held by Govt. of India

2) During the year the equity shares have been split to Face Value of Rs.10/- per share

SCHEDULE - B

	Rs. in '00,000	
RESERVES & SURPLUS	As at 31-Mar-10	As at 31-Mar-09
Reserves :		
Capital Reserve	1044.08	1517.91
Capital Redemption Reserve	180836.00	180836.00
Reserve for Foreign Exchange Transactions	12595.13	11868.96
CSR Reserve	15190.62	0.00
General Reserve	794803.85	667363.02
Total :	1004469.68	861585.89
Surplus :		
Profit & Loss Account	943415.63	423284.44
	943415.63	423284.44
Total :	1947885.31	1284870.33

Schedules to Balance Sheet (Contd..) Consolidated

SCHEDULE - C

Rs. in '00,000

		As at 31-Mar-10	As at 31-Mar-09
SHIFTING & REHABILITATION FUND			
Opening Balance	122384.28	94587.79	
Add: Interest from Investment of the fund (Net of TDS)	8038.06	7619.23	
Add: Contribution Received	21632.82	152055.16	123058.28
Less : Amount utilised		4312.50	674.00
Closing Balance		147742.66	122384.28

SCHEDULE - D

Rs. in '00,000

	As at 31-Mar-10	As at 31-Mar-09
SECURED LOAN		
Loan from Scheduled Banks		
Deferred Credits (Ref Note 15.9 Sch M Part B)	373.71	1252.55
Overdraft against Pledge of Term Deposit	46317.08	16793.66
Total	46690.79	18046.21

SCHEDULE - E

Rs. in '00,000

	As at 31-Mar-10	As at 31-Mar-09
UNSECURED LOAN		
A Deferred Credits	15564.56	18139.16
Export Development Corp., Canada	14655.36	17028.41
Liebherr France S.A., France	909.20	1110.75
B Loan From IBRD & JBIC	146429.67	178662.49
IBRD - USD 1572.91 lakhs (USD 1721.78 Lakhs)	71693.41	88585.83
JBIC - JPY 152523.00 lakhs (JPY 171248.40 lakhs)	74736.26	90076.66
Total (A+B)	161994.23	196801.65



Schedules to Balance Sheet (Contd.) Consolidated

SCHEDULE-F FIXED ASSETS

Rs. In '00,000

Particular	Cost				Depreciation				Impairment Loss				Total	Net Block	
	As on 01.04.09	Addition During the year	Adj./sales Transfer	Total as on 31.03.10	As on 01.04.09	Addition During the year	Adj./sales Transfer	Total As on 31.03.10	As on 01.04.09	Addition During the year	Adj./sales Transfer	Total as on 31.03.10	Depreciation Impairment Loss	As on 31.03.10	As on 31.03.09
Land															
(a) Freehold	31325.02	1983.87	(316.24)	32992.65	10701.80	558.12	(361.51)	10898.41					10898.41	22094.24	20623.22
(b) Leasehold	186666.14	22782.82	138.79	209587.75	71888.13	10571.73	361.45	82821.31					82821.31	126766.44	114778.01
Building/Water supply, Road & Culvert	386441.33	7849.31	663.76	394954.40	131255.47	8657.00	2.54	139915.01	202.60	48.32	(3.68)	247.24	140162.25	254792.15	254983.26
Plant & Machinery/Stores/CHP	2115725.45	189647.39	(62245.03)	2243127.81	1538715.29	95969.68	(59591.20)	1575093.77	8892.30	228.63	(5.51)	9115.42	1584209.19	658918.62	568117.86
Furniture & Fittings/ office Equipment/Electrical															
Installation/Fire Arms/Tools & Equipment	74308.98	2526.75	(8.57)	76827.16	50308.45	2798.41	(189.64)	52917.22	5.79	0.41		6.20	52923.42	23903.74	23994.74
Railway Siding	40573.26	1201.84	349.10	42124.20	24471.85	1538.09	120.82	26130.76		9.69		9.69	26140.45	15983.75	16101.41
Vehicles	24566.83	1644.10	(491.07)	25719.86	21732.15	528.13	(570.58)	21689.70	4.28		(3.17)	1.11	21690.81	4029.05	2830.40
Aircraft	1994.84			1994.84	1389.13	364.17		1753.30	155.34	16.47		171.81	1925.11	69.73	450.37
Telecommunication	6318.04	121.20	(18.31)	6420.93	5231.06	169.16	(17.72)	5382.50	0.06			0.06	5382.56	1038.37	1086.92
Development	409321.79	10189.22	(8721.70)	410789.31	286428.60	15256.58	(8137.13)	293548.05	31475.20	(2266.30)	(137.38)	29071.52	322619.57	88169.74	91417.99
Prospecting & Boring	46883.93	1628.12	(1005.65)	47506.40	35542.90	1292.95	(804.90)	36030.95	3560.45	108.98	(8.33)	3661.10	39692.05	7814.35	7780.58
Assets Taken on Nationalisation	1487.14	454.29	544.81	2486.24	1486.14	529.64	469.46	2485.24					2485.24	1.00	1.00
Sub- Total	3325612.75	240028.91	(71110.11)	3494531.55	2179150.97	138233.66	(68718.41)	2248666.22	44296.02	(1853.80)	(158.07)	42284.15	2290950.37	1203581.18	1102165.76
Less: Other provisions														(37.33)	(41.51)
Total	3325612.75	240028.91	(71110.11)	3494531.55	2179150.97	138233.66	(68718.41)	2248666.22	44296.02	(1853.80)	(158.07)	42284.15	2290950.37	1203543.85	1102124.25
Previous year															
Fixed Assets	3162479.10	241540.48	(78406.83)	3325612.75	2077212.46	172029.52	(70091.01)	2179150.97	41064.66	3231.36		44296.02	2223446.99	1102165.76	1044201.98
Less: Other Provisions														(41.51)	(40.41)
Total	3162479.10	241540.48	(78406.83)	3325612.75	2077212.46	172029.52	(70091.01)	2179150.97	41064.66	3231.36		44296.02	2223446.99	1102124.25	1044161.57

Schedules to Balance Sheet (Contd..) Consolidated

SCHEDULE-F(Contd..)

Capital Work in Progress

Rs. in '00,000															
Particular	Cost				Provision				Impairment Loss				Total	Net Block	
	As on 01.04.09	Addition During the year	Adj/sales Transfer	Total as on 31.03.10	As on 01.04.09	Addition During the year	Adj/sales Transfer	Total as on 31.03.10	As on 01.04.09	Addition During the year	Adj/sales Transfer	Total as on 31.03.10	Provision & Impairment Loss	As on 31.03.10	As on 31.03.09
Building/Water supply, Road & Culvet	11610.77	6966.69	(4925.83)	13651.63	1862.76	44.36	(21.07)	1886.05	4.42	0	0	4.42	1890.47	11761.16	9743.59
Plant & Machinery/Stores/CHP	78701.05	103957.11	(98024.52)	84633.64	8601.72	346.42	(311.46)	8636.68	756.63	0	0	756.63	9393.31	75240.33	69342.7
Railway Siding	35387.37	1171.27	(1912.36)	34646.28	2917.20	328.73	(35.00)	3210.93	0	0	0	0	3210.93	31435.35	32470.17
Mine development & Prospecting & Boring	69372.2	30514.05	(12165.60)	87720.65	3147.45	341.82	(183.33)	3305.94	0	2.36	190.16	192.52	3498.46	84222.19	66224.75
Others	5104.26	5810.79	(3920.41)	6994.64	581.77	0	(41.32)	540.45	73.83	0	(48.51)	25.32	565.77	6428.87	4448.66
Total	200175.65	148419.91	(120948.72)	227646.84	17110.90	1061.33	(592.18)	17580.05	834.88	2.36	141.65	978.89	18558.94	209087.90	182129.87
Previous year															
Capital WIP	175608.18	100945.36	(76377.89)	200175.65	15751.49	697.13	(8.52)	16440.10	761.05	744.63	0	1505.68	17945.78	182229.87	159095.64
Current Year															
Surveyed off Assets	29772.01	2778.73	187.24	32737.98	20052.79	265.36	440.87	20759.02	0	0	0	0	20759.02	11978.96	9719.22
Previous Year															
Surveyed off Assets	27198.83	3795.55	(1222.37)	29772.01	18787.16	1294.81	(29.18)	20052.79	0	0	0	0	20052.79	9719.22	8411.67

	As at 31-Mar-10	As at 31-Mar-09
DEPRECIATION FUND & ITS ALLOCATION		
A Opening Balance	2199203.76	2095999.62
Allocation of Depreciation		
Profit & Loss Account	131384.10	166292.94
Social Overhead	6149.91	5998.44
Prior Period adjustment	330.12	(698.71)
Power & Fuel	317.19	519.73
B Sub-Total	138181.32	172112.40
C Capitalised /Adjusted/Withdrawn	(67959.84)	(68908.26)
D TOTAL (B+C)	70221.48	103204.14
E Closing Balance (A+D)	2269425.24	2199203.76



Schedules to Balance Sheet (Contd..) Consolidated

SCHEDULE - G

INVESTMENTS

A 8.5% Tax Free RBI Power Bonds :

(on securitisation of Sundry Debtors)

Major State-wise Break-up :

UP

Haryana

Maharashtra

Madhya Pradesh

Gujarat

West Bengal

Others

B Non-Trade (in Co-operative Shares)

C Total (A+B) :

As at 31-Mar-10

128206.03

20614.00

799.80

34031.40

44862.60

21088.80

6789.60

19.83

8.02

128214.05

As at 31-Mar-09

150509.93

23381.40

933.10

40688.25

52959.25

24603.60

7921.20

23.13

8.02

150517.95

Rs. in '00,000

SCHEDULE - H

INVENTORIES

(As Valued and Certified by the Management)

Stock of Stores & Spare Parts (at cost)

Less : Provision

A Sub-Total (Net)

Stores -in -transit

Stock Adjustment

B Sub-Total

(A+B) Net Stock of Stores & Spare Parts (at cost)

C Net Stock of Coal in Revenue Mines

D Stock of Medicine at Central Hospital

E Workshop Jobs :

Work-in-progress and Finished Goods

F Press :

Work-in-Progress/Finished Goods

G Prospecting & Boring Exp. Non-CIL blocks

H Development Exp. Non-CIL blocks

I Coal Block meant for Sale

Total (A to I)

As at 31-Mar-10

123702.38

(23385.03)

100317.35

8397.72

39.20

8436.92

108754.27

318648.53

109.12

9438.50

132.44

1240.78

52.59

1800.86

440177.09

As at 31-Mar-09

119217.62

(22444.23)

96773.39

8716.66

61.27

8777.93

105551.32

251498.16

67.89

7359.32

61.57

748.60

214.23

2787.39

368288.48

Schedules to Balance Sheet (Contd.) Consolidated

SCHEDULE - I

Rs. in '00,000

SUNDRY DEBTORS	As at 31-Mar-10	As at 31-Mar-09
Debts outstanding for a period exceeding 6 months	203878.71	166256.56
Other Debts	158911.66	159799.88
	362790.37	326056.44
Less : Provision for doubtful debts	(145925.61)	(143441.97)
Total	216864.76	182614.47
Classification :		
Considered Good	216864.76	182614.47
Considered Doubtful	145925.61	143441.97
	362790.37	326056.44

SCHEDULE - J

CASH & BANK BALANCES	As at 31-Mar-10	As at 31-Mar-09
Cash,Cheques,Drafts,Stamps etc. in hand	5813.04	7569.63
Remittance - in transit	7419.64	467.38
In Current Account with Scheduled Banks	276051.09	105014.20
In Cash Credit Account with Scheduled Banks	20097.56	19908.59
In Deposit Account with Scheduled Banks	3598394.25	2836541.11
in Account with Foreign Banks	0.37	
Total	3907775.95	2969500.91
Maximum balance with Foreign Bank at any time during the year	0.49	



Schedules to Balance Sheet (Contd.) Consolidated

SCHEDULE - K

Rs. in '00,000

	As at 31-Mar-10	As at 31-Mar-09
LOANS & ADVANCES		
Loans & Advances (Unsecured)		
(Advance Receivable in Cash or in kind or for value to be received)		
ADVANCE TO SUPPLIERS		
For Capital	15936.81	19602.91
For Others	10045.72	11637.29
ADVANCE TO CONTRACTORS	25982.53	31240.20
For Capital	1053.01	1014.05
For Others	14025.27	7309.50
	15078.28	8323.55
Advance to SPV		50.00
Advance For Revival of MAMC	32.50	
Mobilisation Advance to Contractor	1263.40	
L&A-BEML	15698.70	9738.96
ADVANCE TO EMPLOYEES		
For House Building	5325.43	6145.75
For Motor Car and Other Conveyance	96.97	135.63
For Others	8660.84	7685.56
	14083.24	13966.94
DEPOSITS		
For Customs Duty, Port Charges etc.	94.87	83.85
For P&T, Electricity etc.	5949.64	4817.86
For Others	32918.16	18668.42
	38962.67	23570.13
ADV PAYMENT OF OTHER STATUTORY DUES		
Sales Tax	15765.85	12936.40
Royalty	413.63	58.50
Advance Income Tax	524496.82	830813.23
Income Tax Deducted at source from income	17297.34	25888.07
Others	9896.24	6314.25
	567869.88	876010.45
Short Term Loan to Body Corporate	150.00	150.00
Other Receivables	44214.39	35085.88
Amount Receivable from Govt of India for transactions on behalf of Ex-Coal Board	138.13	127.34
Ex-Owners' Account	185.09	185.09
Exploratory Drilling Work at ECL etc.	5587.51	5007.67
Other Advances	20129.76	14996.90
Claims Receivable	85988.48	56640.39
Interest Accrued (Receivables)	53555.41	67300.95
Prepaid Expenses	1810.09	1540.06
	211758.86	181034.28
TOTAL	890730.06	1143934.51
Less : Provision for Doubtful Advances	(23109.82)	(19483.09)
TOTAL	867620.24	1124451.42
CLASSIFICATION		
Considered Good	867620.24	1124451.42
Considered Doubtful	23109.82	19483.09

Schedules to Balance Sheet (Contd..) Consolidated

SCHEDULE - L

Rs. in '00,000

CURRENT LIABILITIES & PROVISIONS	As at 31-Mar-10	As at 31-Mar-09
(A) CURRENT LIABILITIES		
SUNDRY CREDITORS :		
Liability Against Coal Block	1465.80	1566.63
For Capital Goods	28813.12	38202.50
For Revenue Goods	46970.33	46856.12
	77249.25	86625.25
EMPLOYEES REMUNERATIONS:		
Salaries & Wages	187251.11	135137.19
Attendance Bonus	14891.41	10053.08
PPLB/PPLR (Employee Bonus)	65059.43	33864.45
Unpaid Wages	6553.70	3021.16
VRS	162.00	172.01
Gratuity	59279.76	42384.72
Leave Encashment etc.	581.30	1131.24
Life Cover scheme	1613.23	686.48
Provident Fund	29238.83	26044.50
Employees Pension Contribution (incl. interest)	22494.55	8869.68
Others	9909.24	1035.23
	397034.56	262399.74
FOR EXPENSES :		
Power & Fuel	34147.70	32627.23
Contractual Expenses	79797.93	75261.45
Repairs	12081.43	9782.83
Security Expenses (CISF)	1893.63	5578.05
Audit Fee & Expenses	58.02	56.74
Others	99729.57	68412.15
	227708.28	191718.45
STATUTORY DUES :		
Sales Tax	13082.06	10109.09
Royalty on Coal	25036.72	28718.17
Cess on Coal	22053.19	14669.58
Water Rates	1285.74	1302.81
Stowing Excise Duty	10158.41	9749.51
Professional Tax	11.76	12.72
Deposit Link Insurance	77.56	168.84
Other Statutory Levies	56918.38	42442.54
	128623.82	107173.26
Due to GOI on Account of Ex-Owners	160.93	160.93
Interest Accrued but not due on Loan	367.18	1170.21



Schedules to Balance Sheet (Contd..) Consolidated

SCHEDULE - L

Rs. in '00,000

CURRENT LIABILITIES & PROVISIONS (Continued)

TAX DEDUCTED AT SOURCE (INCOME TAX) :

	As at 31-Mar-10	As at 31-Mar-09
Employees	5131.47	2386.63
Contractors	1610.66	1762.58
Others	7643.14	12105.54
	14385.27	16254.75
Advance & Deposit from customers / others	435493.35	344993.49
Cess Equilisation Account	94939.37	91797.42
Others Liabilities	53159.53	55012.06
Grants Unutilised	11015.76	6753.84
OBR Adjustment Account	1201405.16	896013.40
Current Account with IICM	13291.89	12132.75
	1809305.06	1406702.96
TOTAL (A)	2654834.35	2072205.55
(B) PROVISIONS		
For Income Tax	342067.86	595406.17
Actuarial Gratuity (Net of Fund with LIC)	517541.18	613948.48
Actuarial Leave Encashment	141909.10	131941.20
Provision for Pay Revision - Executives & Non-Executives	408384.80	449347.79
Actuarial - Other Employee Benefits	30494.21	31010.59
For Foreign Exchange Transactions (Marked to Market)	3898.00	1913.00
Cost of Stowing Lag	1339.41	615.41
Land Reclamation	42670.52	31406.73
For Loss of Assets	25.54	401.92
	1488330.62	1855991.29
TOTAL (B)		
TOTAL (A+B)	4143164.97	3928196.84
Note:		
Details of OBR ADJUSTMENT ACCOUNT as above		
A OBR Advance stripping		
As per last accounts	408078.41	317608.47
Add: expenditure during the year	638898.62	651904.81
Written off/adjusted	(602667.09)	(561434.88)
TOTAL (A)	444309.94	408078.40
B Ratio Variance		
As per last accounts	(1304091.80)	(995903.31)
Written off/adjusted	(341623.30)	(308188.49)
TOTAL (B)	(1645715.10)	(1304091.80)
C Total (A-B)	(1201405.16)	(896013.40)

Schedules to Profit & Loss Account Consolidated

SCHEDULE - 1

Rs. in '00,000

SALES	for the Year ended on 31-03-10	for the Year ended on on 31-03-09
Gross Sales	5218778.62	4613124.14
Less: Statutory Levies		
Royalty	453807.20	419480.36
Cess on Coal	97097.82	95020.48
Stowing Excise Duty	40970.87	39336.29
	591875.89	553837.13
Sales Tax (Vat)		
Central	53565.54	52730.31
State	111812.14	93053.61
	165377.68	145783.92
Total Levies	757253.57	699621.05
Basic Value	4461525.05	3913503.09
Transfer to Development		(1154.79)
TOTAL	4461525.05	3912348.30

SCHEDULE - 2 (a)

Rs. in '00,000

COAL ISSUED FOR OTHER PURPOSES	for the Year ended on 31-03-10	for the Year ended on on 31-03-09
Basic Value (A) :		
Hard Coke Making		26.63
Washeries	166069.30	162235.09
Internal/Workshop Consumption	5858.35	5722.56
Boiler Consumption	6257.74	5388.84
Free Issue of Coal to Employees	5310.89	5394.91
Others	93.03	148.61
Total Values (A)	183589.31	178916.64
Add : Statutory Levies :		
Royalty on Coal	21801.17	21738.85
Stowing excise duty	1513.96	1542.59
Total Levies (B)	23315.13	23281.44
TOTAL (A+B)	206904.44	202198.08



Schedules to Profit & Loss Account (Contd..) Consolidated

SCHEDULE - 2(b)

Rs. in '00,000

INTERNAL CONSUMPTION OF COAL	for the Year ended on 31-03-10	for the Year ended on 31-03-09
Basic Value :		
Internal/Workshop Consumption	84789.35	87429.52
Washeries	112421.97	111785.77
Total Values	197211.32	199215.29

SCHEDULE - 3

Rs. in '00,000

ACCRETION (+) OF STOCK	for the Year ended on 31-03-10	for the Year ended on 31-03-09
(A) CLOSING STOCK OF COAL/COKE etc.		
Stock Of Coal/Coke	375151.96	299260.80
Less : Raw Coal at Washery	14338.40	10391.69
Raw Coal at Coke Oven	4.22	4.22
Grade Slippage	123.23	112.24
Handling charges etc.	1416.53	1263.94
Deterioration of Coal	40621.05	35990.55
Total (A)	318648.53	251498.16
(B) OPENING STOCK OF COAL/COKE etc.		
Stock of Coal/Coke	299260.80	283062.49
Less : Raw Coal at Washery	10391.69	8654.31
Raw Coal at Coke Oven	4.22	4.22
Grade Slippage	112.24	124.52
Handling charges etc.	1031.66	1662.07
Deterioration of Coal	36222.83	34493.09
Total (B)	251498.16	238124.28
Net Total (A-B)	67150.37	13373.88
Development stock brought to revenue	(434.55)	(13.17)
TOTAL	66715.82	13360.71

Schedules to Profit & Loss Account (Contd..) Consolidated

SCHEDULE - 4

Rs. in '00,000

OTHER INCOME	for the Year ended on 31-03-10	for the Year ended on on 31-03-09
Interest		
Interest on Bonds	11412.15	13440.72
Interest Recvd. From Bank, Employees & Others	257986.79	271030.76
Stowing Subsidy	8284.76	9456.08
Workshop Credit/Workshop & Press Job	38855.46	37091.31
Rent from Outsiders	664.96	875.44
Recovery of Transportation & Loading Coal	122597.19	115563.76
Profit on Sale of Assets	2153.11	294.89
Sale of Scrap	1908.45	3443.24
Tender Fees	504.92	449.60
LD/Penalty Received	5554.49	7387.22
Rebates and Discounts	107.74	110.54
Gain / Loss on Foreign exchange Transactions	726.17	698.81
Gain on Exchange Rate Variance		14.79
Recovery of Lease Rent	1179.06	1140.09
OCP Reclamation		86.97
Provision / Liability Write Backs	44179.46	1643.82
Other / Misc. Income	17998.26	12918.19
Profit on Sale of Coal Block/GR on Non-CIL Block	10021.27	2250.82
	524134.24	477897.05
Transfer to Development	(50.39)	(66.21)
TOTAL	524083.85	477830.84



Schedules to Profit & Loss Account (Contd..) Consolidated

SCHEDULE - 5

Rs. in '00,000

CONSUMPTION OF STORES & SPARES

Explosives

93150.95

83903.72

Timber

3701.15

3828.18

P.O.L

172385.88

172813.85

OTHER CONSUMABLE STORES & SPARES

HEMM

114849.09

118677.26

Plant & Machinery

10047.05

10986.01

Vehicles

518.29

587.47

S.O.H.

235.95

231.11

Others

102689.39

100375.48

Total (A)

497577.75

491403.08

Less:

Transfer to Social Overhead

1655.12

1684.76

Transfer to Repairs & Maintenance

326.87

303.83

Transfer to Development

171.19

363.74

Transfer to Power & Fuel

37.07

95.24

Recovered from Contractors

361.74

105.10

Transfer to Other Exp.

2334.01

2720.35

Total (B)

4886.00

5273.02

TOTAL (A - B)

492691.75

486130.06

Schedules to Profit & Loss Account (Contd..) Consolidated

SCHEDULE - 6

Rs. in '00,000

EMPLOYEES' REMUNERATION & BENEFITS	for the Year ended on 31-03-10	for the Year ended on 31-03-09
Salary, Wages & Allowances	1084124.32	790081.14
Provision for Executive Salary Revision and Non-executive Pay Revision/Interim Relief (NCWA-VIII)		411577.97
Normal Overtime	43777.84	33248.54
Sunday/Holiday Production Overtime	62367.61	45186.29
Sunday/Holiday Maintenance Overtime	26074.12	21022.81
Incentive	5410.41	5088.05
Leave Encashment	25470.15	75127.78
Attendance Bonus	59999.87	41576.25
Fall Back Wages	1141.33	606.60
Contribution to P.F. & Other Funds	148969.27	121924.08
Ex-Gratia, PPLB, PPLR	70258.41	44098.82
LTC/LLTC/RRF	14025.76	17585.23
Pension	11630.80	4804.19
Gratuity	148133.78	385970.10
Workman Compensation	4173.37	8667.84
Group Insurance	37.21	23.03
D L I	112.10	526.11
Life Cover Scheme	1664.88	3380.06
V R S	3666.10	4069.38
Others	11774.86	11464.29
Total (A)	1722812.19	2026028.56
Less : Transferred to		
Social Overhead	53243.43	48673.59
Development	1529.48	1412.40
Power & Fuel	99.71	114.72
Repairs & Maintenance	2387.33	1675.75
Total (B)	57259.95	51876.46
TOTAL (A - B)	1665552.24	1974152.10

SCHEDULE - 7

POWER & FUEL	for the Year ended on 31-03-10	for the Year ended on 31-03-09
Purchase of Electricity	224189.49	205543.55
Power Generation	628.92	998.85
Sub-Total	224818.41	206542.40
Less : Transfer to		
Social Overhead	50846.91	46869.07
Development	12.01	168.09
TOTAL	173959.49	159505.24



Schedules to Profit & Loss Account (Contd..) Consolidated

SCHEDULE - 8

SOCIAL OVERHEAD

	for the year ended on 31-03-10	for the year ended on 31-03-09
Salaries, Wages & Allowances	53243.43	48673.59
Free Issue of Coal to Employees	5957.75	5946.18
Medical Facilities :		
(a) Medical Reimbursement	17570.11	15333.59
(b) Medicines & Diet Expenses	4540.28	4370.55
(c) Others	511.89	283.97
Grants to:		
(a) Schools & Institutions	7705.21	4764.51
(b) Sports & Recreation	579.19	682.42
Canteen & Creche	231.61	213.38
House Rent	5704.79	4656.06
Power	50846.91	46869.07
Repairs & Maintenance :		
(a) Townships / Buildings	19940.24	20942.90
(b) Plant & Machineries	313.24	185.44
(c) Vehicles	3552.37	3795.32
(d) Others	166.21	156.52
Consumption of Stores & Spares	932.09	1050.21
Depreciation	6149.91	5998.44
Community Development	4535.98	3805.67
Resettlement Expenses	86.34	10.40
Environmental Expenses	3538.65	3456.62
Uniform	337.25	395.23
Training Expenses	2822.35	2432.50
Family Planning Expenses	4.92	19.84
Hire Charges of Bus, Ambulance etc.	1739.40	1455.63
Water Charges	2586.51	2492.22
Other Welfare Expenses	11350.21	12972.68
Total (A)	204946.84	190962.94
Less :		
Recoveries / Transfers		963.92
House Rent & Electricity	1292.93	542.77
Hospital Charges	550.50	534.43
School Bus	1127.55	10.92
Hire Charges	7.02	124.56
Others	148.62	55.31
Transfer to Development	71.52	
Total (B)	3198.14	2231.91
TOTAL (A-B)	201748.70	188731.03

Schedules to Profit & Loss Account (Contd..) Consolidated

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SCHEDULE - 9

Rs. in '00,000

REPAIRS	for the year ended on 31-03-10	for the year ended on 31-03-09
BUILDINGS :	9479.86	8267.29
PLANT & MACHINERY :		
(a) Outside Agency	36092.83	33603.17
(b) Workshop Debit	33701.60	31371.33
(c) Salary & Wages	2387.33	1675.75
(d) Consumption of Stores	326.87	303.83
(e) Others	6075.96	7241.62
REHABILITATION OF HEMM ETC.	1173.48	942.93
OTHERS :		
(a) Office Equipment	691.97	520.01
(b) Vehicle	2421.87	2509.12
(c) Others	9070.09	7338.24
Total (A)	101421.86	93773.29
Less: Transfer to		
Social Overhead	9943.02	9284.75
Miscellaneous	480.92	543.46
Development	12.22	1.68
Service Charges W/Shop	3379.86	2731.02
Stock of Stores	2695.82	2440.93
P & M	108.60	157.89
Power & Fuel	7.54	7.50
Total (B)	16627.98	15167.23
TOTAL (A-B)	84793.88	78606.06

SCHEDULE - 10

CONTRACTUAL EXPENSES	for the year ended on 31-03-10	for the year ended on 31-03-09
TRANSPORTATION CHARGES :		
(a) Sand	5479.44	5172.09
(b) Coal & Coke	157445.75	147707.75
(c) Stores & Others etc.	143.60	229.07
Wagon Loading	1708.74	1545.42
Other Contractual Work	41971.91	32078.92
P&M / HEMM etc. (Hiring)	165396.02	146290.94
Others	1161.34	1142.88
Sub-Total	373306.80	334167.07
Transfer to Development	(123.08)	(181.63)
TOTAL	373183.72	333985.44



Schedules to Profit & Loss Account (Contd..) Consolidated

SCHEDULE - 11

OTHER EXPENDITURE	Rs. in '00,000	
	for the year ended on 31-03-10	for the year ended on 31-03-09
Travelling Expenses :		8667.58
(a) In Country	10695.40	352.49
(b) Outside Country	245.82	2278.05
Printing & Stationery	2504.67	164.27
Training Expenses	230.90	191.51
Postage	244.93	1191.06
Telephone	1136.76	
Advertisement & Publicity :		1806.34
(a) Advertisement - others	2292.35	756.93
(b) Publicity	834.13	5698.56
Freight Charges	5353.58	7726.66
Demurrage	5030.99	40.02
Donation	80.98	141.06
Subscription	84.74	14092.02
Security Expenses	18998.57	
Hire Charges :		1679.10
(a) Computers	1654.58	6782.85
(b) Others	7677.83	5958.98
Maintenance of Vehicles	4720.72	880.03
Legal Expenses	811.70	540.58
Bank Charges	385.45	166.29
Guest House Expenses	213.31	2364.51
Consultancy Charges	3884.66	621.44
Office Contingency Expenses	796.69	20106.87
Under/Over Loading Charges	25804.05	12720.60
CISF Expenses	11983.66	66.55
Auditors' Remuneration	84.70	35.61
Travelling & Out of Pocket Expenses	49.47	31.73
Tax Audit Fees & Exp	20.73	257.29
Internal Audit Fees	317.16	20851.26
Rehabilitation Charges	21632.82	15833.91
Royalty & Cess	15140.67	17687.78
Rent, Rates & Taxes	7553.47	70.43
Insurance	58.75	241.04
Isolation/Ventilation	149.89	60.57
Dead Rent	99.20	99.41
Surface Rent	183.47	3257.21
Loss on Exchange Rate Variance		207.58
Lease Rent - HEMM/P&M/Land/ Building	174.78	2702.27
Land/Crops Compensation	402.87	2861.49
Siding Maintenance Charge	3491.39	1797.49
Rescue & Safety Exp	2100.56	715.53
Quality Allowance	603.74	33638.03
Others	37867.50	
TOTAL (A)	195597.64	195342.98
Less: Transfer to Development	230.85	598.19
Others	2006.94	2723.93
TOTAL (B)	2237.79	3322.12
TOTAL (A-B)	193359.85	192020.86

Schedules to Profit & Loss Account (Contd..) Consolidated

SCHEDULE - 12

Rs. in '00,000

INTEREST		for the year ended on 31-03-10	for the year ended on 31-03-09
A	INTEREST (EXPENDITURE) :		
	Deferred Payments	76.56	152.36
	Bank Overdraft / Cash Credit	1322.03	806.72
	Interest on IBRD & JBIC Loan	2641.11	4516.17
	Transfer to Rehabilitation Fund	8038.06	7619.23
	Others	2873.02	2850.15
	Total of A	14950.78	15944.63
B	INTEREST (INCOME) :		
	Interest Received from BEML	1304.85	294.96
	Total of B	1304.85	294.96
	TOTAL (A-B)	13645.93	15649.67

SCHEDULE - 13

FINANCIAL / COMMITMENT CHARGES	for the year ended on 31-03-10	for the year ended on 31-03-09
Guarantee Fees on (IBRD & JBIC) Loan	1757.16	2143.95
Other Expenses / Bank Charges	192.38	94.30
TOTAL	1949.54	2238.25



Schedules to Profit & Loss Account (Contd..) Consolidated

SCHEDULE - 14 (a)

	Rs. in '00,000	
PROVISIONS MADE/WRITTEN BACK	for the year ended on 31-03-10	for the year ended on 31-03-09
(A) Provision Made For		
Doubtful debts	13353.77	17764.77
Doubtful advances	4365.17	6366.01
Foreign exchange Transaction	1985.00	
Stores & Spares	1109.86	(391.30)
Reclamation of Land	3018.63	(3500.43)
Surveyed of Fixed Assets/Capital WIP	1513.38	2841.84
Others	221.33	277.58
Total (A)	25567.14	23358.47
(B) Provision Written Back		
Doubtful debts	3972.39	1702.45
Doubtful advances	1732.19	361.85
Others	827.96	6432.97
Total (B)	6532.54	8497.27
TOTAL (A-B)	19034.60	14861.20

SCHEDULE - 14 (b)

WRITE-OFF	for the year ended on 31-03-10	for the year ended on 31-03-09
Doubtful debts	694.98	2416.37
Doubtful advances	1140.94	275.84
Others	66.41	46.31
TOTAL	1902.33	2738.52

Schedules to Profit & Loss Account (Contd..) Consolidated

SCHEDULE - 15

Rs. in '00,000

PRIOR PERIOD ADJUSTMENTS	for the year ended on 31-03-10	for the year ended on 31-03-09
(A) DEBIT		
Consumption of Stores & Spares	78.15	65.48
Stock of Coal & Coke	1598.41	
Employees Remuneration & Benefits	79.04	639.74
Power & Fuel	9.24	132.25
Repairs - Others	97.07	47.30
Social Overhead	7.75	44.43
Contractual Expenses	157.90	1000.85
Miscellaneous Expenses	943.50	824.56
Sale of Coal & Coke	0.24	1229.52
Other Income	270.42	268.57
Royalty & Cess	11.14	47.67
Interest	5019.46	2.35
OBR Adjustment	--	577.51
Depreciation	462.98	733.39
Total (A)	8735.30	5613.62
(B) CREDIT		
Stock of Coal & Coke		890.28
Sale of Coal & Coke	2006.30	
Employees Remuneration & Benefits	24.75	338.46
Other Receipts	428.20	1233.57
Repairs		23.81
Contractual Expenses	234.52	68.81
Consumption of Stores & Spares	274.05	1435.46
Social Overhead	156.65	15.08
Other Expenditure	112.02	62.70
Depreciation	132.86	1432.10
Interest - Others		2814.68
Power & Fuel		27.62
Royalty & Cess		43.90
Total (B)	3369.35	8386.47
(C) Transferred to Development		(1.06)
TOTAL (A-B+C)	(5365.95)	2771.79



Schedules to Profit & Loss Account (Contd..) Consolidated

SCHEDULE - 16

DEPRECIATION

Allocation of Depreciation

Profit & Loss Account

Social Overhead

Prior Period adjustment

Power & Fuel

Total (A)

Capitalised/Adjusted/Withdrawn (B)

Total (A+B)

for the year ended on 31-03-10

131384.10

6149.91

330.12

317.19

138181.32

(67959.84)

70221.48

for the year ended on 31-03-09

166292.94

5998.44

(698.71)

519.73

172112.40

(68908.26)

103204.14

Rs. in '00,000

SCHEDULE - 17

OBR ADJUSTMENT

Expenditure Charged to Coal

Ratio Variance

Expenditure during the year

Total

for the year ended on 31-03-10

602667.09

341623.30

(638898.62)

305391.77

for the year ended on 31-03-09

561434.88

308188.49

(651904.81)

217718.56

Schedule - M

A. Significant Accounting Policies

1.0 Accounting Convention :

Financial statements are prepared on the basis of historical cost and on accrual basis following going concern concept, accounting standards and generally accepted accounting principles except otherwise stated elsewhere.

2.0 Basis of Accounting :

All expenses and incomes are booked initially in the natural heads of accounts and then transferred to functional heads wherever required.

3.0 Subsidies / Grants from Government:

- 3.1 Subsidies / Grants on Capital Account are deducted from the cost of respective assets to which they relate. The unspent amount at the year end, if any, is shown as Current Liabilities.
- 3.2 Subsidies / Grants on Revenue Account are credited to Profit & Loss Account under the head Other Receipts and the relevant expenses are debited to the respective heads. The unspent amount at the yearend, if any, is shown as Current Liabilities.

4.0 Fixed Assets :

4.1 Land :

Value of land includes cost of acquisition, cash rehabilitation expenses and resettlement cost incurred for concerned displaced persons. Other expenditure incurred on acquisition of Land viz. compensation in lieu of employment etc are, however, treated as revenue expenditure.

4.2 Plant & Machinery :

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

4.3 Railway Siding :

Pending commissioning, payments made to the railway authorities for construction of railway sidings are shown under Capital Work-in-Progress.

4.4 Development :

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

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



4.5 Prospecting & Boring and other Development Expenditure :

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

5.0 Investments :

All investments, being long term in nature, are stated at cost.

6.0 Inventories :

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

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

6.2. Stock of stores & spare parts at Central & Area Stores are valued at cost calculated on the basis of weighted average smethod. 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.

6.2.1 Stores & Spares

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 Stores & spare parts include loose tools.

6.2.3 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 asset is provided on straight line method at the rates and manner specified in Schedule XIV of the Companies Act, 1956 (as amended) except for:

(a) The Earth Science Museum	5.15%
(b) High Volume Samplers and Respiratory Dust	33.33%
(c) Telecommunication Equipments	15.83%
(d) General Communication/ Instrumentation Systems	10.55%

Depreciation on such equipments is charged over the technically estimated life, at higher rates.

Further, depreciation on certain Equipments/ HEMM is charged over the technically estimated life at higher rates viz. 11.88%, 13.57% and 15.83% as applicable. Depreciation on the assets added/disposed off during the year is provided on pro-rata basis with reference to the month of addition/disposal, except on those assets attracting 100% depreciation p.a. (SLM basis), which are fully depreciated in the year of their addition.

Value of land acquired under Coal Bearing Area (Acquisition & Development) Act, 1957 is amortised on the basis of the balance life of the project. Value of leasehold land is amortised on the basis of lease period or balance life of the project whichever is earlier.

- 7.2 Prospecting, Boring and Development expenditure are amortised from the year when the mine is brought under revenue, in 20 years or working life on the project whichever is less.
- 7.3 Depreciation on SDL and LHD (equipments) are charged @ 19% p.a and @ 15.83% p.a respectively.
- 7.4 Depreciation after major overhauling of Helicopters is charged @ 47.5% p.a, based on its expected year of life/flying hours.

8.0 Impairment of Asset:

- 8.1 Impairment loss is recognised wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognized as an expense in the statement of profit and loss and carrying amount of the asset is reduced to its recoverable amount.
- 8.2 Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased.

9.0 Foreign Currency Transactions:

- 9.1 Year-end balance of foreign currency transactions is translated at the year-end rates and the corresponding effect is given in the respective accounts. Transactions completed during the year are adjusted on actual basis.
- 9.2 Transactions covered by cross currency swap options contracts to be settled on future dates are recognised at the year-end rates of the underlying foreign currency. Effects arising out of such contracts are taken into accounts on the date of settlement.

10.0 Retirement benefits / other employee benefits:

- a) Defined contributions plans:
The company makes contributions towards Provident Fund and Pension Fund to a defined contribution retirement benefit plan for qualifying employees. The Provident Fund and Pension Fund are operated by the Coal Mines Provident Fund (CMPF) Authorities. As per the rules of these schemes, the company is required to contribute a specified percentage of pay roll cost to the CMPF authorities to fund the benefits.
- b) Defined benefits plans:
The year-end liability on account of gratuity and leave encashment is provided for on actuarial valuation basis by applying projected unit credit method. Further the company has created a Trust with respect to establishment of Funded Group Gratuity (cash accumulation) Scheme through Life Insurance Corporation of India. Contribution is made to the said fund based on the actuarial valuation.
- c) Other employee benefits:
Further year-end liability of certain other employee benefits viz. benefits on account of LTA/ LTC; Life Cover Scheme, Group Personal Accident Insurance Scheme, Settlement Allowance, Retired Executive Medical Benefit Scheme and compensation to dependants of deceased in mines accidents etc. are also valued on actuarial basis by applying projected unit credit method.

11.0 Recognition of Income and Expenditure:

Income and Expenditure are recognised on accrual basis and provision is made for all known liabilities.

12.0 Borrowing Costs:

Borrowing Cost directly attributable to the acquisition or construction of qualifying assets are capitalised. Other borrowing costs are recognised as expenses in the period in which they are incurred.

**13.0 Taxation:**

Provision of current income tax is made in accordance with the Income Tax Act., 1961. Deferred tax liabilities and assets are recognised at substantively enacted tax rates, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

14.0 Provision:

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the balance sheet date.

15.0 Contingent Liability:

15.1 Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations can not be made.

15.2 Contingent liabilities are not provided for in the accounts and are disclosed by way of Notes.

16.0 Prior Period Adjustments :

Income / expenditure items relating to prior period(s) which do not exceed Rs. 5.00 Lakh in each case are treated as income/ expenditure for the current year.

17.0 Overburden Removal (OBR) Expenses :

In Open Cast Mines with rated capacity of one million tonnes per annum and above, cost of OBR is charged on technically evaluated average ratio (COAL:OB) at each mine with due adjustment for advance stripping and ratio-variance account after the mines are brought to revenue. Net of balances of advance stripping and ratio variance at the end of the year is shown as cost of Removal of OB under the head Current Assets/ Current Liabilities as the case may be.

The reported quantity of overburden as per record is considered in calculating the ratio for OBR Accounting where the variance between reported quantity and measured quantity is within the lower of the two alternative permissible limits, as detailed hereunder:-

Annual Quantum of OBR of the Mines	Permissible limits of variance, whichever is less	
	%	Quantum (in Mill.Cu. Mtr.)
Less than 1 Mill. Cu.M.	+/-5%	0.03
Between 1 and 5 Mill. Cu.M.	+/-3%	0.20
More than 5 Mill. Cu.M.	+/-2%	—

However, where the variance is beyond the permissible limits as above, the measured quantity is considered.

Schedule - M

B. Notes on Accounts

1. Basis of Preparation of Financial Statements

- 1.1 The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Parent Company, i.e. year ending 31st March 2010.
- 1.2 The financial statements have been prepared under the historical cost convention and on the accrual basis of accounting. The accounts of the subsidiaries have been prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India and on the basis of accounting principles generally accepted in India.

2. Principles of Consolidation

- 2.1 The consolidated financial statements relate to Coal India Limited, its wholly owned subsidiary companies, namely, Eastern Coalfields Limited (ECL), Bharat Coking Coal Limited (BCCL), Central Coalfields Limited (CCL), Northern Coalfields Limited (NCL), Western Coalfields Limited (WCL), South Eastern Coalfields Limited (SECL), Mahanadi Coalfields Limited (MCL), Central Mine Planning & Design Institute Limited (CMPDIL) & Coal India Africana Limitada (Overseas Subsidiary) and proportionate stake in International Coal Venture Pvt. Limited (ICVL).

The financial statements of MCL has been consolidated with its two subsidiary companies - MNH Shakti Limited and MJSJ Coal Limited.

The financial statements of the company and its subsidiary companies are combined on a line-by-line basis adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra- group transactions resulting in unrealised profits or losses in accordance with Accounting Standard - 21 "Consolidated Financial Statements" issued by the Institute of Chartered accountants of India.

- 2.2 Significant Accounting Policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated position of the companies. Recognizing this purpose, the Company has disclosed only such Policies and Notes from individual financial statements, which fairly present the needed disclosure.

3. Fixed Assets

- 3.1 The assets and liabilities taken over from Coal Mines Labour Welfare Organisation and Coal Mines Rescue Organisation, for which no quantitative details are available, have not been incorporated in the accounts pending determination of value thereof.
- 3.2 The transfer formalities from the Holding Company and other subsidiaries have not been completed and consequently some documents continue to be held in the name of the Holding Company and other subsidiaries.
- 3.3 Land acquired under Coal Bearing Areas (Acquisition and Development) Act, 1957 and Land Acquisition Act, 1984 is accounted for on payment basis and the same is shown as Leasehold land.



- 3.4 Land includes certain land taken on possession by the company for which legal formalities in respect of title deeds are pending.
- 3.5 Land in possession of North Eastern Coalfields, Assam includes 8069.70 hectares of lease hold land for which no value has been shown in the Balance Sheet.
- 3.6 In respect of Chandrapur area of Western Coalfields Limited, till date the ownership of land valued at Rs. 2324.66 lakhs has not been vested with the Area, the amount paid is kept in advance account and shown in Capital Commitments.
- 3.7 Fixed Assets comprising of Plant & Machinery of Rs.218.99 Lakh and related building and other assets of Rs.1625.37 Lakh, both at book value (WDV) as on 31.3.95 have been let out to Indian Institute of Coal Management, a registered society under Societies Registration Act, 1860 (for an annual lease rent of Rs.153.00 Lakh) under cancellable operating lease agreement. Additions to these assets from the day of letting out to 31.03.2010 are Rs.374.34 Lakh on value of plant & machinery and Rs.391.95 Lakh on value of building and other assets. The cumulative provision for depreciation upto 31.03.2010 stood at Rs.1150.71 Lakh (including depreciation charged for the current year of Rs.66.26 Lakh). The net W.D.V. of the leased assets as per books as on 31.03.2010 is Rs.1587.10 Lakh. The yearly lease rent of Rs.153.00 lakhs has been recovered.
- 3.8 As per lease agreement dated 31st March 1993 executed with Dishergarh Power Supply Company Ltd., Eastern Coalfields Limited eased 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 Rs. 4024.00 lakhs (Rs.4024.00 lakhs); Rs.1019.64 lakhs (Rs.1019.64 lakhs) and Rs.772.61 lakhs (Rs.772.61 lakhs) respectively. The cumulative depreciation upto 31.03.10 against the abovementioned assets is Rs. 3823.73 Lakhs (Rs. 3806.84 lakhs); Rs.606.85 Lakhs (Rs.575.60 lakhs) and Rs. 640.85 Lakhs (Rs.612.72 lakhs) respectively. The lease rental for the year Rs.350 lakhs (Rs.350 lakhs) has been received.
- 3.9 South Eastern Coalfields Limited in terms of License Agreement dated 19th day of March 2001 executed with M/s Apollo Hospital Enterprises Ltd., Chennai has granted the latter a right to occupy and use the fully constructed main hospital building measuring 2,97,099.74 Sq.ft. (27611.50 Sqm) and the residential quarters measuring 55,333 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 Rs.3132.21 Lakh (Rs.3132.21 Lakh) and accumulated depreciation as on 31.03.2010 is Rs. 606.84 Lakh (Rs.550.84 Lakh). The lease rental for the year is Rs.228.24-Lakh (Rs.237.00 Lakh) and is shown in the Profit & Loss Account.

4. Capital-work-in-progress

- 4.1 Provision has been made on Plant & Machinery, which have not been put, to use for more than three years and on incomplete civil jobs lying for more than four years at the rates of depreciation, which would have been otherwise applicable to such items.
- 4.2 "Prospecting & Boring" and also Development shown under Capital-Work-in-Progress mostly relates to jobs awaiting completion.

5. Inventory

- 5.1 Shortage of coal at Rajmahal OCP of 19.54 lakhs ton including fired stock valued at Rs.6385.73 lakhs was accounted for by Eastern Coalfields Limited in accounts of 2007-08 for which enquiry is in progress.
- 5.2 Prospecting and boring and Development expenditure of Mahanadi Coalfields Limited and South Eastern Coalfields Limited on allotted non-CIL blocks meant for sale amounting to Rs. 628.89 Lakhs (Previous year Rs. 1054.51 lakhs) and Rs.885.58 lakhs (Previous Year Nil) respectively has been shown as "inventories" at cost.

6. Sundry debtors

- 6.1 At Western Coalfields Limited, During the year a provision amount of Rs.174 lacs has been withdrawn in respect of MAHAGENCO since they have agreed to withdraw their claims. A fresh provision of Rs.148 lakhs has been made during the year for stone compensation and disputed bills a/c MPPGCL. The net impact on the provision for the current year is withdrawal of Rs.1786 lacs. The year end provision stands at Rs.15413 lacs(P.Y. Rs. 17199 lacs).
- 6.2 The Government of Madhya Pradesh by Gazette Notification dated 30.09.2005 imposed a new tax under "Madhya Pradesh Gramin Avasanrachana Tatha Sadak Vikas Adhiniyam, 2005". This adhiniyam provides for charging of tax @ 5% on basic coal value w.e.f. 30.09.2005.

Total liability on this account till 31.03.2010 is Rs.20936.91 lacs. 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 the MP Government. WCL has filed an SLP before the hon'ble Supreme Court and the matter is still sub judice. Total amount due as per bills raised is Rs. 17481.03 lacs (P.Y. Rs.13484.48 lacs). An amount of Rs.577.15 Lacs collected from coal consumers towards Sales/Entry Tax on Gramin Tax has not been deposited due to dispute regarding Gramin Tax.

SAIL has not made payment of this tax, totaling Rs.2440.43 lacs upto 31.03.2010, to the Company but consented to abide by decision of Hon'ble Supreme Court. For other consumers the Company has received upto 31.03.2010 an amount of Rs.18496.48 lacs on this a/c. which is shown under Advances and Deposits from Customers. An amount of Rs.17848.72 lacs against the said receipt of Rs.18496.48 lacs is deposited in fixed deposit as on 31.03.2010. The balance of Rs.647.76 lacs has been deposited in April, 2010. Interest on such fixed deposits is treated as liability by WCL. The case is now pending in the Hon'ble Supreme Court of India.

- 6.3 South Eastern Coalfields Limited has billed Rs 36789.19 Lakh upto 31.03.2010 to customers towards MP Gramin Adhosanrachana Tatha Sadak Vikas Upkar, 2005 levied by the Government of Madhya Pradesh. The levy of cess by the Government of Madhya Pradesh has been challenged before the Hon'ble Supreme Court by way of Special Leave petition. But the Company is recovering the cess from the Consumers and the amount is shown as liability. During the year, interest of Rs.2037.43 lakh has been accrued and the same has been treated as income of the Company. There is a contingent liability against the Company to the extent of interest, if any, awarded by the Court on final disposal of the case. However, the quantum of interest is unascertainable. The amount, so recovered is being deposited in a separate bank account in State Bank of India, Bilaspur. The amount lying in this bank account is Rs. 35718.64 lakh excluding interest accrued.

South Eastern Coalfields Limited has also billed to customers towards Chhatisgarh (Adhosanrachana Vikas Evam Paryavaran) Upkar, 2005 levied by the Government of Chhatisgarh. The Hon'ble High Court in its interim order Dated 26.10.07 has permitted the Chhatisgarh Government to collect the Cess subject to final result of the writ petition filed by the Company.

The Company is depositing the amount with the Govt. of Chhatisgarh.

The Company has billed Rs.4313.44 Lakh upto 31.03.2010 to customers towards Terminal Tax enhanced by various Municipal



Corporations in the State Madhya Pradesh and Chattisgarh. The enhanced levy of Cess has been challenged in the Hon'ble High Court of Jabalpur and Chattisgarh. As per Interim Order of the Hon'ble High Court Rs.116.89 Lakh has been deposited with the High Court. The company is recovering the Terminal Tax from the Consumers and the amount is shown as liability. During the year, this deposit earned an interest of Rs.37.48 lakh and the same has been treated as income of the Company. There is a contingent liability against the Company to the extent of interest, if any, awarded by the Court on final disposal of the case. However, the quantum of interest is unascertainable. The amount, so recovered is being deposited in separate bank accounts in the Areas. The amount lying in this bank account is Rs.3241.35 lakh.

- 6.4 In absence of balance confirmation from some parties, the Sundry Debtors, Creditors, Loans & Advances and Deposits have been taken in the Accounts as per their book value.
- 6.5 Sundry debtors as on 31.03.2010 includes Rs.48716.85 lakhs outstanding for more than 3 years whereas Sundry Debtors as on 31.03.2009 includes Rs.75034.23 lakhs outstanding for more than 2 years.

7. Loans and advances

- 7.1 Out of Rs.492.16 lakh deposited with SEC Railway in IB valley area of Mahanadi Coalfields Limited for Railway Over bridge Rs.401.45 lakh has been adjusted till date based on utilization certificate received as asset not belonging to Group. The balance of Rs.90.71 lakh (Previous Year Rs.158.22 lakh) is to be adjusted on receipt of final utilization certificate from SEC railway.
- 7.2 An amount of Rs. 3335.94 lakh has been deposited with East Coast Railways for renovations of railway tracks as depository work in Jagannath Area of Mahanadi Coalfields Limited. Railways have not submitted the utilization report thereof up to 31.03.2010. However, as per information received from Railways and certified by executive department, Rs. 783.47 Lakh and Rs.2000.00 Lakh has been provided as revenue expenditure during the years 2008-09 and 2009-10 respectively. The balance of advance to railways for Rs. 880.80 lakhs is for Hingula area for Line electrification.
- 7.3 Commercial Tax Department has raised a demand of Rs. 27891.39 lakhs (Rs. 20227.00 lakhs) till 31-03-2010 for Sales Tax and Entry tax, against which an appeal has been filed and Rs.3925.62 lakhs (Rs.2437.90 lakhs) has been deposited under protest by Northern Coalfields Limited and the balance has been shown as Contingent Liability.

8. Cash and bank balance

It includes Rs.113.35 lakh (Previous Year Rs.104.58 lakh) balance with Scheduled Bank in Deposit account which is under lien to Hon'ble District Court of Sundergarh. Rs.125.56 lakh (unclaimed OREEP Tax), out of which Rs. 96.60 lakh represents amount received from Hon'ble Supreme Court of India towards corpus fund of trust and the balance of Rs. 28.96 lakh being interest thereon. As per directives of the Hon'ble Supreme Court, the interest income is to be utilized for welfare of employees. The Trust is yet to be formed.

9. Current liabilities

- 9.1 Advance from customers of Mahanadi Coalfields Limited includes Cess on Coal including principal of Rs.840.27 lakh (net of payments) and interest of Rs.947.11 lakh (net of payments) against receipts from Government of Orissa in the year 2005-06 as per directive of Hon'ble Supreme Court judgement dated 31.7.2001. The money is refundable to the customers. During the current year the Group has provided interest of Rs. 100.83 lakh (Previous Year Rs.100.83 lakh) calculated at the rate of 12% for the unpaid principal amount of the Cess liability. The total liability thus included therein becomes Rs 2243.71 lakh (Previous Year Rs.2142.88 lakh) as at 31.3.2010. The Group has not identified the customers / parties to whom the refund is to be made. Finalization of modalities for refunding the same to the customers / parties is yet to be done.
- 9.2 Current Liabilities and Provision includes Rs.746.73 lakh on account of provision taken towards stowing and stabilization of unstable workings of Deulbera colliery of Mahanadi Coalfields Limited. As the stabilization of unstable workings of Deulbera Colliery of Mahanadi Coalfields Limited through sand stowing is being carried out by existing departmental manpower, salaries and wages for Rs.1643.53 lakh being part of the scheme has not been provided for.

- 9.3 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 there remains a balance accumulating to Rs.94939.37 lakhs (Rs. 91797.42 lakhs), which has been shown in Cess Equalisation Account under Current Liabilities and Provision. There is an additional demand of Rs. 32258 lakhs (Rs. 26003 lakhs) arising out of the assessment made upto 2002-03 which has been shown as Contingent Liability.
- 9.4 Bazaar fees amounting to Rs.12109.22 lakhs collected by Bharat Coking Coal Limited on sale of coal/coke vide Gazette Notification No.34 dated 18th Jan'2006 but the same has not been deposited to the appropriate authority as the matter is subjudice at Jharkhand High Court under case no.6507 of 2006.
- 9.5 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 an arbitrator. However, interest due to delay in payment to DLF has been provisionally determined as Rs. 1038.45 lakhs upto Year ending on 31.03.2010.
- 9.6 Singrauli Municipal Authority has claimed license and composite fees for construction of building of Rs. 986.62 lakhs (Rs.986.62 lakhs) from Northern Coalfields Limited and the same is not provided for in the accounts. However, Rs.600.00 lakhs has been deposited under protest.
- 9.7 From Northern Coalfields Ltd, Government of Madhya Pradesh has claimed Land Revenue Premium for an amount of Rs. 6213.04 lakhs (6213.04 lakhs) against which an amount of Rs. 300.00 lakhs has been deposited under protest.
- 9.8 SSADA cess on sale of coal has not been collected from a few parties by Northern Coalfields Limited after the stay obtained by the respective parties from Hon'ble High Court, Allahabad. The amount not collected on this account amounts to Rs. 299.36 lakhs (Rs. 399.07 lakhs) upto 31.03.2010.
- 9.9 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 Rs. 295.66 lacs (Previous Year Rs. 295.66 lacs) has been shown as liability for Cess on Royalty under the head Current Liabilities & Provisions. In view of the judgment of Hon'ble High Court, Patna, Ranchi Bench in writ petition no.CWJC/1280 of 1992, Cess is not payable. However a Special Leave Petition is pending in Supreme Court against it.
- 9.10 Northern Coalfields Ltd has received a demand notice of Rs.272.45 lakh from the Service Tax Authority regarding transportation of coal by road for the period 01.01.2005 to 30.09.2006 in respect of MP projects of NCL. As per legal opinion obtained, no service tax is payable on account of transportation of coal and as such an appeal has been filed against the above order. However, the company has deposited Rs.898.00 lakhs (Rs 687.67 lakhs) for the period from 01.01.05 to 31.03.10 under protest.

10. Foreign currency loan

- 10.1 The foreign currency loans drawn from IBRD and JBIC banks on account of Coal Sector Rehabilitation Project to be implemented in various subsidiaries has been shown under the head Unsecured Loan.
The company has entered into swap transactions against a portion of above stated borrowing and interest thereon. Gains/ losses arising out of swap transactions are being carried as Reserve for foreign currency transactions.
- 10.2 The overall Marked to Market position of the existing hedge transactions (net of the positive values) as on 31.03.2010 stood at Rs.3731.00 Lakh (negative). However, the negative Marked to Market valuation of outstanding position involving six individual foreign currency transactions as on 31.03.2010 before netting up with transactions having positive values stood at Rs.3898.00 Lakh (1913.00 Lakh), which have been fully provided for.

**11. Profit & loss account**

- 11.1 Total claim of Rs. 4766.84 lakhs was lodged with the Director of Electricity, Govt. of West Bengal, in support of relief/concession required for revival of ECL according to BIFR's sanctioned scheme vide its letter No. 40/PA/PR.Secy./IRPE dated 30.8.2005. During the year 2009-10 Rs. 212.88 Lakhs (Rs. 608.54 lakhs) has been received and recovery of the balance amount of Rs. 2428.87 Lakhs (Rs. 2641.75 lakhs) are in process
- 11.2 During the year, liability for payment of pension under new schemes for executives (company's contribution) viz. @ 3% and @ 6.84% effective from 01.07.2007 (date from which salary for executives were revised), have been accounted for.
- 11.3 Sale price of Coal & Coke were revised w.e.f. 16th October, 2009. Additional impact due to this price increase on basic sale value, statutory levies and gross sales are Rs. 173777.67 lakh, 22374.96 lakh and Rs. 196152.63 lakh respectively.
- 11.4 The year-end liability of certain other employee benefits like Life Cover Scheme, Settlement Allowance, Gross 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 31.03.2010 based on valuation made by the Actuary, details of which are mentioned below, is Rs. 1081164.17 lakhs.

The actuarial liability as on 31.03.2010

Rs. in Lakhs.

Head	Closing Actuarial Liability as on 01.04.09	Incremental liability During 2009-10	Closing Actuarial Liability as on 31.03.10
Gratuity	825390.84	77470.80	902861.64
Earned Leave	103114.51	9021.31	112135.82
Half Pay Leave	28826.69	933.16	29759.85
Life Cover Scheme	5954.44	(155.25)	5799.19
Settlement Allowance	315.42	16.37	331.79
Gross Personal Accident Insurance Scheme	124.67	(4.86)	119.81
Leave Travel Concession	9401.54	1717.77	11119.31
Medical Benefits	454.66	668.60	1123.26
Compensation to dependants in case of mine accidental death	14759.86	3153.64	17913.50
TOTAL	988342.63	92821.54	1081164.17

- 11.6 Against actuarial liability of Gratuity, fair value of plan assets at the end of the year is Rs. 385396.91 lakhs. (Rs. 211446.68 lakhs)
- 11.7 Summary of actuarial assumptions are as under :-

Formula Used	Projected Unit Credit Method
Interest Rate	8%
Inflation Rate	6.0%
Mortality Rate	LICI 1994/96
Attrition Rate	1%

- 11.7 Depreciation on Helicopter (on capitalised expenditure of its major overhauling) has been charged @ 47.50% p.a. from 2009-10 based on its expected year of life / flying hours instead of charging @6.33% p.a. as considered in 2008-09. This has resulted in reduction in profit for the year by Rs.280.63 Lakh. Further as at 31.03.2010, considering the helicopter remaining grounded for substantial period of time, and therefore, having no value in use, a provision for impairment (loss) of 16.47 Lakh has been made in the Accounts.
- 11.8 Allocation of the fund for the CSR activities is based on 5% of the retained earnings of the previous year, subject to minimum of Rs.5/- per tonne of coal production of previous year of coal producing subsidiary companies. In case of CIL, allocation is 2.5% of retained profit of last year of CIL for execution of CSR activities.
- 11.9 'Provision / Liability written back' under 'Other Income' includes Rs.31019.23 lakhs towards reversal of excess provision on account of revision of salary and wages and Rs. 9624.51 lakhs on account of reversal of old liabilities of LTC/LLTC.

12. Investment in eastern coalfields limited and bharat coking coal limited

- 12.1 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 rated by the concerned Ministry. The implementation of these revival schemes will substantially improve the financial positions of these companies. Accumulated Profit(Loss) and Net Worth of ECL and BCCL as on 31.03.2010 are as under:-

Company	Accumulated Profit (Loss)		Net Worth	
	as on 31.03.10	as on 31.03.09	as on 31.03.10	as on 31.03.09
ECL	(823399.74)	(856739.64)	(601554.74)	(634894.64)
BCCL	(752087.79)	(831507.21)	(540287.79)	(619707.21)

13. Effect of changes in accounting policy

- 13.1 During the year the Accounting Policy for depreciation on SDL & LHD (Please refer Policy No.7.4 of Part-A, Schedule-M) were changed from erstwhile "SDL is considered having a life of 5 years or stipulated 16500 working hours whichever is later and LHD is considered having a life of 6 years or stipulated 21500 working hours whichever is later; to the present policy of "depreciation on SDL and LHD (equipments) are charged @19% p.a. and @15.83% p.a. respectively". However, there is no effect on profit of the company.

14. Discontinuing operation

- 14.1 CBE Plant, Bhandra - Western Coalfields Limited:

The Plant used to manufacture Nitro-Glycerine based Permitted Explosives used in the underground mines of the Company till its closure on 28.04.2003. Consequent upon decision of the Government of India to discontinue/ban production of NG-based explosives in the country and its adoption by the Board of Ordnance Factories of India, the Jt. Venture partner of the Plant, the Plant was closed on and from 28.04.2003.

CIL had given its approval for disposal of the Plant and the Company in its 197th Board Meeting held on 19.04.2006 had approved the disposal of P&M by tendering/e-auction and accordingly the P&M along with related stores & spares have been disposed of during 2006-07 by auction through MSTC. The Net Block of assets pending disposal is Rs. 8.14 lacs. The liability towards Overheads after closure of the Plant till 31.03.2010 for maintenance and upkeep of the Plant is Rs. 39.56 lacs.

During the year, the claims on a/c of MODVAT during the years 1986 to 1988 to the tune of Rs.7.87 lacs have been written off as time barred as per the advice of the Ministry of Coal, duly approved by the WCL Board. Consequently, the provision for doubtful advances for the same amount has also been withdrawn.



The revenue expenses incurred during the current year is Rs.3.64 lacs. (Previous Year Rs.0.01 lacs) Since the Plant works on No-Profit-No-Loss basis, all expenses are passed on to the Areas. Hence there is no question of profit/loss. There is a net cash outflow attributable to operating, investing and financing of discontinuance to the tune of Rs.0.19 lacs (Previous Year Rs.0.01 lacs)

14.2 DFD plant, Hinganghat, Western Coalfields Limited:

The Plant used to manufacture Coal Briquettes from raw coal for domestic fuel purposes till its closure in 1994. Consequent upon non-viability of the Plant as per the decision of the Board of the Company, the Plant was closed in 1994. The disposal of the Plant is under process and the exact date of completion of discontinuance is not determinable as of now. The Net Block of assets pending disposal is Rs. 2.60 lacs and the liability towards Municipal Taxes is Rs. 2.90 lakhs. 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 Rs.0.52 lakh (Previous Year Rs.0.52 lakh). Since the Plant is inoperative for the past ten years and the final disposal of the Plant is yet to be done, there is no question of profit/loss. There is no cash outflow attributable to operating, investing and financing of discontinuance.

15. General

- 15.1 Amount of Rs.47506.13 Lakhs (Rs. 31406.73 Lakhs) has been provided in the accounts with the "Report of the Committee on Methodology to be adopted in connection with the provision for back filling and other necessary jobs to meet environmental requirements whether covered under EMP or not", an amount equivalent to Rs.75,000/- per hectare each for technical and biological reclamation of the area excavated at the end of the year less the pro-rata area, which are not required to be backfilled.
- 15.2 As required by section 22 of the Micro, Small and Medium Enterprises Development Act 2006, the following information is disclosed on the basis of information available with the company. As on 31/03.2010, Principal amount remaining unpaid is Rs.2711.00 lakhs and Interest due thereon (Interest due and/ or payable) is 'Nil'.
- 15.3 Shifting and Rehabilitation Fund (Schedule-C) shown in the Balance Sheet represents the fund set-up for "Implementation of action plan for Shifting & Rehabilitation dealing with Fire & Stabilisation on Unstable Areas of Eastern Coalfields Ltd. & Bharat Coking Coal Ltd.". The above fund is invested in Fixed Deposit and any interest income arising thereon (net of TDS) is also transferred to the said Fund. (Total interest income earned and transferred this year (net of TDS) is Rs.8038.06 Lakh (Rs.7619.23 Lakh).
- 15.4 Bharat Coking Coal Limited has received JAP ,SSRC and R&D grant upto 31.03.2010 for Rs.7234.98 lakhs, Rs.7705.88 lakhs & Rs.175.00 lakhs respectively and total expenditure incurred against these are as follows:

	JAP scheme	SSRC Scheme	R&D
Capital	538.53	3336.97	50.21
Revenue	331.79	540.77	38.88

15.5 Use of Estimate :

In preparing the financial statements in conformity with Accounting Principles generally accepted in India, Management is required to make estimates and assumptions that effect the reported amounts of assets and liabilities and the disclosures of contingent liability as at the date of financial statements and the amount of revenue and expenses during the reported period. Actual results would defer from those estimates. Any revision to such estimate is recognized in the period the same is determined.

15.6 Earnings Per Share:

Sl. No.	Earning per Share particulars	As at 31st March 2010	As at 31st March 2009
i)	Profit after Taxation (Rs Lakhs)	962244.67	207869.17
ii)	Add/(less) adjustment for Reserve for Foreign Exchange (Rs Lakhs)	(726.17)	(698.81)
iii)	Net profit after tax attributable to Equity shareholders (Rs. Lakhs)	961518.50	207170.36
iv)	Weighted average no. of shares outstanding during the year	6316364400	6316364400
v)	Basic and Diluted Earning per Share in Rupees (Face value of Rs.10/- per share)	15.22	3.28*

*EPS for 2008-09 is Rs.327.99 considering Rs.1000/- as face value per share

15.7 Directors' Remuneration :

Rs. in Lakhs.

Particulars	2009-10	2008-09
Salary & Allowances	612.31	462.80
Provident Fund	59.13	51.22
Perquisites	33.66	11.36
Retirement Benefit	40.61	65.50
Sitting Fees	12.61	10.81
Others	2.48	0.69
Total	760.80	602.38

15.8 Deferred Tax Assets / Liabilities

Deferred Tax Assets and Liability are being offset as they relate to Taxes on income levied by the same governing tax laws;

Deferred Tax Asset / Liability as at year-end is given below:-

Rs. in Lakhs.

Particulars	As at 31.03.2010	As at 31.03.2009
Deferred Tax Liability		
Related to Fixed Assets	52812.74	55311.01
Related to Development Expenses	6604.40	7045.64
Related to others	305.91	305.92
Total	59723.05	62662.57
Deferred Tax Assets		
Provision for doubtful debts, claims etc	49628.66	43029.44
Disallowance u/s 43B of IT Act, 1961	21883.89	21145.65
Employees Retirement / Bonus / VRS	75242.70	82072.09
Others	9006.64	9091.92
Total	155761.89	155339.10
Deferred Tax Assets (Net)	96038.84	92676.53



Further dividend to GOI has been paid out of dividend received from subsidiary companies of CIL, on which Dividend Distribution Tax has been paid by the respective subsidiaries. No further tax on dividend to GOI has been considered as per the provision of Income Tax Act, 1961.

15.9 South Eastern Coalfields Limited has executed hypothecation agreement in favour of State Bank of India, Kolkata for three deferred payment Guarantees issued by them in connection with supply and commissioning of sets of Longwall equipment by M/s China National Coal Mining Engg. Equipment (Group) Corporation (CME). As per the deed of hypothecation, SBI has been authorised to have, exclusive first charge on the assets to be purchased under the three Deferred Payment Guarantees as primary securities; and First charge on entire movable property of South Eastern Coalfields Limited. Total value of the bank guarantees as on 31.03.10 is US \$ 31478149.31 equivalent to Rs.14347.74 Lakh

15.10 Earning in Foreign Exchange on account of:

		Rs. in 00,000	
		Current Year	Previous Year
(i)	Export of Goods (Calculated on FOB basis)	NIL	NIL
(ii)	Exchange Variation (net)	726.17	698.81
(iii)	Miscellaneous	NIL	NIL

16. FINANCIAL REPORTING OF INTEREST IN JOINT VENTURE AND OVERSEAS SUBSIDIARY

16.1 CIL has entered into a Memorandum of Understanding (vide approval from its Board in 237th meets held on 24th November, 2007) regarding formation of Special Purpose Vehicle (SPV) through joint venture involving CIL/SAIL/RINL/NTPC & NMDC for acquisition of coal properties abroad. The formation of the SPV had been approved by the Cabinet, Govt. of India, vide its approval dated 8th November, 2007.

The aforesaid SPV viz. International Coal Ventures Pvt. Ltd.(ICVL) has been formed by incorporation under Companies Act, 1956 on 20th May, 2009 with an authorised capital of Rs.100.00 Lakh and Paid up Capital of Rs.70.00 Lakh. Out of above Paid up Capital, Coal India Ltd. is owning 2/7th share i.e. worth Rs.20.00 Lakh equity shares.

Operational activities of (ICVL) is yet to be started, as such, all expenses are debited to Pre-operative Expenses account. Due to non- availability of audited financial accounts of 2009-10, the consolidated accounts do not include assets and liabilities of ICVL in accordance with AS-27. Since the amount being not very significant, 'Net Interest in Joint Venture' - ICVL is shown separately. Proportionate share of Coal India Limited in assets and liabilities of ICVL as on 31.03.2010 is as under:-

Items	ICVL as on 31.03.2010	CIL's Share as on 31.03.2010	Others' Share as on 31.03.2010
Share Capital	70.00	20.00	50.00
Total	70.00	20.00	50.00
Fixed Assets	0.83	0.24	0.59
Current Assets	156.14	44.61	111.53
Current Liabilities	(124.77)	(35.65)*	(89.12)
Pre-operative and Other Expenses pending allocation	37.80	10.80	27.00
Total	70.00	20.00	50.00

* Current Liabilities is inclusive of Share Application Money of Rs.97.50 lakhs.

- 16.2 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 31.03.2010 is as under :-

Name of Subsidiary	Stake in Subsidiary	Date of incorporation	Address	Monority Interest as per consolidated accounts as on 31.03.2010
1) MNH Shakti Ltd	70%	16.07.2008	Anand Vihar, Burla	Rs.753 lakh
2) MJSJ Coal Ltd	60%	13.08.2008	House no 42, 1st Floor, Anand Nagar, Hakim Para, Angul	Rs.1607.71 lakh
Total				Rs.2360.71 lakh

Both the subsidiaries are in development stage and the related expenditure has been consolidated.

- 16.3 Investment in Subsidiary (Overseas)

During the year 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 Rs.0.49 Lakh (USD 1000).

17. CONTINGENT LIABILITIES / CAPITAL COMMITMENTS

- 17.1 The amount remaining to be executed on capital account not provided for is Rs.179569.17 lakhs (Rs. 97136.61 lakhs)
- 17.2 Claims against the company not acknowledged as debt are Rs. 824997.42 lakhs (Rs. 896984.26 lakhs).
- 17.3 Outstanding letters of credit amounted to Rs.26744.69 lakhs (Rs. 69160.59 lakhs)
- 17.4 The Company has given counter-guarantee to Government of India for loans obtained from JBIC & IBRD Banks and on the amount lent to its Subsidiaries. The outstanding balance of which as on 31.03.2010 stood at Rs.74736.27 Lakh (Rs.90076.66 Lakh) and Rs.71693.41 Lakh (Rs.88585.83 Lakh) respectively.
- Further, the Company has also given guarantee for loans obtained by subsidiaries the outstanding balance of which as on 31.03.2010 stood at Rs.14611.70 Lakh (Rs.16978.70 Lakh).
- 17.5 Outstanding Deferred Payment Guarantee issued by Banks amounted to Rs.14.57 Lakhs (Rs. 1385.77 lakhs)



- 17.6 Pending finalisation of formalities for transfer of assets and liabilities of erstwhile CMAL and its divisions, now Coal India Ltd, the bank borrowings of Coal India Ltd. has been secured by creating charge against stock of Coal, stock of stores and spare parts and book debts and other assets of C.I.L. and its Subsidiary Companies .
The total working capital credit limit available to CIL as on 31-03-2010 is Rs.55000.00 Lakh, out of which fund based limit is Rs.25000.00 Lakh. The balance Rs.30000.00 Lakh limit is non-fund based and Coal India Limited is contingently liable to the extent such facility is actually utilised by the subsidiaries.
- 17.7 Figures in the parenthesis relates to previous year.
- 17.8 Previous years figures have been regrouped and rearranged wherever considered necessary.
- 17.9 The Company is primarily engaged in a single segment business of Production and sale of Coal. The income from interest and other income is less than 10% of the total revenue, hence no separate segment is recognised for the same.
- 17.10 Schedule A to L form part of the Balance Sheet as at 31st March, 2010 and 1 to 17 form part of Profit & Loss Account for the year ended on that date and Schedule - M represents Accounting Policies and explanatory notes on the Accounts.

(Dr H Sarkar)
CGM(F) and Company Secretary

(D K Ghosh)
CGM(F)

Partha S. Bhattacharyya
Chairman
(A K Sinha)
Director (Finance)

Partha S. Bhattacharyya
Chairman

Dated: 01.06.2010
Place: Kolkata

As per our Report annexed
For Deoki Bijay & Co.
Chartered Accountants
FR NO. 313105E

(CA. D.N. AGRAWAL)
Partner
Membership No.051157



Deoki Bijay & Co.

Chartered Accountants

213C Jabakusum House, 34 Chittaranjan Avenue, Kolkata -12, Ph: 22121110
Cell 94330 39556 Email: deokinagrawal@rediffmail.com, dbc_kol@yahoo.co.in

AUDITORS' REPORT

To The Board of Directors
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 2010, and also the consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiaries. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of other auditors. The total assets (WDV) including Capital Work-in-Progress and Expenditure During Construction as at 31st March 2010, the total revenue and cash flows for the year ended on that date in respect of these subsidiaries are as under:

Subsidiary	Assets	Revenue	Cash Flow
Eastern Coalfields Ltd.	125737.53	577866.57	25890.30
Bharat Coking Coal Ltd.	130941.45	615849.15	1214.04
Central Coalfields Ltd.	185923.51	724965.48	79112.36
Northern Coalfields Ltd.	240976.91	814049.58	144360.85
Western Coalfields Ltd.	166067.10	648342.56	88685.48
South Eastern Coalfields Ltd.	353421.49	1048663.97	154386.50
Mahanadi Coalfields Ltd.	203863.27	741959.12	175355.36
Central Mine Planning & Design Institute Ltd.	6946.70	45729.16	2210.14
Coal India Africana Limitada.	--	--	0.37

4. Attention is drawn to Note No. 16.1 to Notes on Accounts (Schedule M). In the case of International Coal Venture Private Limited (ICVL), the net interest in ICVL is based on unaudited financial statement and net interest is shown as separate item.
5. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standards (AS) 21 - "Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India.
6. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements 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, 2010;
 - (b) in the case of the consolidated Profit & Loss Account, of the profit of the Group for the year ended on that date; and
 - (c) in the case of the consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

For DEOKI BIJAY & CO.
Chartered Accountants
FR No. 313105E

(CA. D. N. Agrawal)
Partner
Memb. No. 051157



Annual Accounts 2009-10





Balance Sheet

as at 31st March 2010

Rs. In '00,000

I	SOURCES OF FUND	Schedule	Current Year	Previous Year
A	Shareholders' Fund			
	a) Share Capital	A	631636.44	631636.44
	b) Reserves & Surplus	B	926693.30	769701.71
B	Shifting & Rehabilitation Fund	C	147742.66	122384.28
C	Loan Fund			
	Unsecured	D	146429.68	178662.49
			1852502.08	1702384.92
II	APPLICATION OF FUND			
A	Fixed Assets	E		
	a) Gross Block		37700.08	36933.86
	Less : Depreciation		25815.57	24898.97
			11884.51	12034.89
	Less : Prov. for Impairment		2507.21	2496.25
			9377.30	9538.64
	Less : Other Provisions		37.33	41.51
	Net Block		9339.97	9497.13
	b) Capital Work-in-Progress		1841.68	671.12
	Less : Provisions		449.40	490.72
			1392.28	180.40
	c) Surveyed off Assets		0.70	0.97
B	Investments	F	631656.86	631636.37
C	Current Assets, Loans & Advances			
	Inventories	G	2658.68	1952.39
	Sundry Debtors	H	0.02	2.02
	Cash & Bank Balances	I	913336.10	646276.46
	Loans & Advances	J	838410.05	935850.01
			1754404.85	1584080.88
	Less : Current Liabilities & Provisions	K	544292.58	523010.83
			1210112.27	1061070.05
			1852502.08	1702384.92
	Statement on Significant Accounting Policies, Notes on Accounts	M		
	The Schedules referred to above form an integral part of Accounts			

sd/-
V. R. Reddy
Dy. CFM / Company Secretary

sd/-
A. Kundu
C.G.M. (F)

sd/-
A. K. Sinha
Director (F)

sd/-
Partha S. Bhattacharyya
Chairman

Dated: 3rd May, 2010
Place: Kolkata

As per our report annexed
For Deoki Bijay & Co.
Chartered Accountants

sd/-
(CA. D.N. Agrawal)
Partner
Membership No. 051157

Profit & Loss Account

For the year ended 31st March 2010

Rs. In '00,000

	Schedule	Current Year	Previous Year
INCOME			
Sales	1	40318.20	28439.26
Coal Issued for other purposes	2	1.45	38.44
Other Income	3	359833.21	355664.49
Interest	13	34861.74	28051.73
Accretion of Stock	4	666.90	833.44
		435681.50	413027.36
EXPENDITURE			
Consumption of Stores & Spares	5	605.91	764.19
Employees' Remuneration and Benefits	7	24305.69	28329.34
Social Overhead	8	2854.99	3255.92
Power & Fuel	9	593.30	848.17
Repairs	10	645.63	542.38
Contractual Expenses	11	8200.06	5079.22
Other Expenditure	12	5006.31	4664.82
Finance Charges	14	1794.90	2184.44
Depreciation	6	898.90	616.72
Provisions	15	3735.71	1508.96
		48641.40	47794.16
PROFIT FOR THE YEAR		387040.10	365233.20
Add: Grant for VRS		--	543.30
(Less) : Prior Period Adjustment	16	--	(8.16)
PROFIT BEFORE TAX		387040.10	365768.34
Provision for Income Tax			
For current year		(20000.00)	(16000.00)
For Fringe Benefit Tax		--	(285.00)
For earlier year (Including FBT)		(300.00)	(20805.35)
		(20300.00)	(37090.35)
Excess Prov. for Income Tax written back (earlier period)		11251.49	860.07
PROFIT AFTER TAX		377991.59	329538.06
Profit brought forward from previous year		458952.79	333609.34
Add: Transfer from Bond Redemption Reserve		--	3.40
		458952.79	333612.74
PROFIT AVAILABLE FOR APPROPRIATIONS		836944.38	663150.80
(Carried Down)			



Profit & Loss Account (Contd..)

For the year ended 31st March 2010

Rs. In '00,000

	Schedule	Current Year	Previous Year
PROFIT AVAILABLE FOR APPROPRIATIONS (Brought Down)		836944.38	663150.80
APPROPRIATION			
Reserve for Foreign Exchange Transactions		726.17	698.81
Transfer to General Reserve (incl'd. Bond Redemption Reserve)		37799.15	32957.20
Reserve for CSR (Ref. Note No. 10.8 in part B, to Sch-M)		3133.50	--
Proposed Dividend on Equity Shares Interim		221000.00	170542.00
BALANCE CARRIED TO BALANCE SHEET		574285.56	458952.79
Basic and Diluted Earnings per Share (in Rupees) (Face Value of Rs.10/- per share) (Ref. Note No.13.14 in part B, to Schedule - M)		5.97	5.21
Statement on Significant Accounting Policies, Notes on Accounts The Schedules referred to above form an integral part of Accounts	M		

sd/-
V. R. Reddy
Dy. CFM / Company Secretary

sd/-
A. Kundu
C.G.M. (F)

sd/-
A. K. Sinha
Director (F)

sd/-
Partha S. Bhattacharyya
Chairman

Dated: 3rd May, 2010
Place: Kolkata

As per our report annexed
For Deoki Bijay & Co.
Chartered Accountants

sd/-
(CA. D.N. Agrawal)
Partner
Membership No. 051157

The Cash Flow Statement (Indirect Method)

For the year ended on March 31, 2010

Rs. In '00,000

		Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit Before Tax		387040.10	365768.34
Adjustment for:			
Depreciation		949.09	662.88
Provisions/Write off of Fixed Assets		--	141.42
Profit /Loss on sale of asset		(0.13)	(0.01)
Operating Profit before Working Capital changes	(A)	387989.06	366572.63
Adjustment for:			
Sundry Debtors		2.00	(2.02)
Inventories		(706.29)	(908.46)
Loans & Advance		65561.58	(39180.13)
Current Liabilities & Provisions		12233.24	9687.09
Purchase/Sale of Fixed Deposits		(235364.57)	(149547.88)
Cash Generated from Operations	(B)	(158274.04)	(179951.40)
Income Tax paid		(354.43)	(12033.89)
Net Cash flow from Operating Activities	(C)	229360.59	174587.34
[(A) + (B) - Tax paid]			
B. CASH FLOW FROM INVESTING ACTIVITIES			
Investment		(20.49)	--
Purchase of Fixed Assets		(804.65)	(1427.89)
Sale/Adjustment of Fixed Assets		(1198.76)	(77.77)
* Purchase of Fixed Deposits earmarked for Shifting and Rehabilitation Fund		(25358.38)	(25692.43)
Net Cash used in Investing Activities	(D)	(27382.28)	(27198.09)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Redemption of Bond		--	(3.40)
* Receipt of Shifting and Rehabilitation Fund from Subsidiaries		26847.79	27796.49
Dividend paid		(221000.00)	(170542.00)
Net Cash used in Financing Activities	(E)	(194152.21)	(142748.91)
Net increase/(Decrease) in Cash and Cash Equivalents (C+D+E)		7826.10	4640.34
Cash & Cash equivalent (Opening Balance)		13900.42	9260.08
Cash & Cash equivalent (Closing Balance)		21726.52	13900.42

N.B.:- 1) The company is acting as the intermediary in respect of VRS loan and World Bank loan which have been obtained for the subsidiaries and hence reflected in operating activities.

* 2) Refer Note No. 13.8 of part- B, Schedule-M

3) Previous years figures have been re-grouped / re-classified wherever necessary

NOTES TO CASH FLOW :

1. All figures in brackets represent outflow.
2. Previous year's figures have been regrouped/recasted wherever necessary.
3. Cash and cash equivalent comprises of following :

(a) Cash, Cheque, Draft, Stamps, etc. in hand :

(b) Bank Balance in Current Account :

(c) Bank Balance in Cash Credit Account :

Total:

	Current Year	Previous Year
(a)	3.41	3.72
(b)	9249.81	3818.60
(c)	12473.30	10078.10
Total:	21726.52	13900.42

sd/-
V. R. Reddy
Dy. CFM / Company Secretary

sd/-
A. Kundu
C.G.M. (F)

sd/-
A. K. Sinha
Director (F)

sd/-
Partha S. Bhattacharyya
Chairman

Dated: 3rd May, 2010
Place: Kolkata

As per our report annexed
For Deoki Bijay & Co.
Chartered Accountants

sd/-
(CA. D.N. Agrawal)
Partner
Membership No. 051157



Schedules to Balance Sheet

As at 31st March, 2010

SCHEDULE - A

Rs. in '00,000		
SHARE CAPITAL	Current Year	Previous Year
Authorised		
i) 9041800 Non-cumulative 10% Redeemable Preference Shares of Rs.1000/- each (Previous Year 9041800 Non-Cumulative 10% Redeemable Preference Shares of Rs.1,000/- each)	90418.00	90418.00
ii) 8000000000 Equity Shares of Rs.10/- each (Previous Year 800000000 Equity Shares of Rs.1000/- each)	800000.00	800000.00
	890418.00	890418.00
Issued, Subscribed and Paid up		
i) 6059430500 Equity Shares of Rs.10/- each fully paid in cash (Previous Year 60594305 Equity Shares of Rs.1000/- each)	605943.05	605943.05
ii) 256933900 Equity Shares of Rs.10/- each allotted as fully paid up for consideration received other than cash (Previous Year 2569339 Equity Shares of Rs.1000/- each)	25693.39	25693.39
TOTAL	631636.44	631636.44

Note : 1) Entire Paid-Up Share Capital is held by Govt. of India.

2) During the year the equity shares have been split to Face Value of Rs.10/- per share.

Schedules to Balance Sheet

As at 31st March, 2010

SCHEDULE - B

Rs. in '00,000

RESERVES & SURPLUS	Current Year		Previous Year	
A. RESERVES				
(a) BOND REDEMPTION RESERVE				
Balance as per last Accounts	---		3.40	
Less - Amount transferred to Profit & Loss Accounts	--		3.40	0.00
		0.00		
(b) CAPITAL REDEMPTION RESERVE		90418.00		90418.00
(c) RESERVE FOR FOREIGN EXCHANGE TRANSACTIONS				
Balance as per last Accounts	11868.96		11170.15	
Add - Amount transferred from Profit and Loss Accounts	726.17		698.81	
		12595.13		11868.96
(d) GENERAL RESERVE				
Balance as per last Account	208461.96		175504.76	
Add - Amount transferred from Profit & Loss Accounts	37799.15		32957.20	
		246261.11		208461.96
(e) RESERVE FOR CSR		3133.50		--
B. SURPLUS				
Profit & Loss Account				
		574285.56		458952.79
TOTAL (A+B)		926693.30		769701.71



Schedules to Balance Sheet

(Contd..)

SCHEDULE - C

Rs. in '00,000

SHIFTING AND REHABILITATION FUND	Current Year	Previous Year
Opening Balance as on 01.04.09	122384.28	94587.79
Add: Interest from investment of the fund: (Net of TDS)	8038.06	7619.23
Add: Contribution from Subsidiaries	21632.82	20851.26
	152055.16	123058.28
Less: Transferred to Subsidiary	4312.50	674.00
TOTAL	147742.66	122384.28

SCHEDULE - D

Rs. in '00,000

UNSECURED LOAN	Current Year	Previous Year
Loan From World Bank (Guaranteed by Govt. of India)		
JBIC (JPY 152523.00 lakhs)	74736.27	90076.66
IBRD (USD 1572.91 lakhs)	71693.41	88585.83
TOTAL	146429.68	178662.49

Schedules to Balance Sheet

(Contd..)

SCHEDULE -E

FIXED ASSETS

Rs in '00,000

Particulars	Gross Block				Depreciation				Impairment Loss				Net Block	
	Upto 31.03.09	Addition during the year	Adj./Sales/ Transfer during the year	As on 31.03.10	Upto 31.03.09	Addition during the year	Adj./Sales/ Transfer during the year	As on 31.03.10	Upto 31.03.09	Addition during the year	Adj./Sales/ Transfer during the year	As on 31.03.10	As on 31.03.10	As on 31.03.09
LAND														
(a) Freehold	1181.31	-	-	1181.31	-	-	-	-	-	-	-	-	1181.31	1181.31
(b) Leasehold	133.79	-	-	133.79	33.80	1.32	-	35.12	-	-	-	-	98.67	99.99
BUILDING	7663.21	74.84	-	7738.05	2524.01	150.02	-	2674.03	164.08	-	-	164.08	4899.94	4975.12
PLANT & MACHINERY	18503.28	510.10	(28.66)	18984.74	15353.07	332.05	(22.86)	15662.26	903.60	-	(5.51)	898.09	2424.39	2246.61
FURNITURE & FITTINGS/ OFFICE EQUIPMENT	1742.50	49.52	-	1792.04	1393.63	41.00	-	1434.63	5.79	-	-	5.79	351.62	343.08
RAILWAY SIDING	771.25	-	-	771.25	655.92	33.96	-	689.88	-	-	-	-	81.37	115.33
VEHICLES	354.19	144.85	(0.29)	498.75	295.08	15.03	(0.27)	309.84	-	-	-	-	188.91	59.11
AIRCRAFT	1994.84	-	-	1994.84	1389.13	364.17	-	1753.30	155.34	16.47	-	171.81	69.73	450.37
TELECOMMUNICATION DEVELOPMENT	572.02	25.34	(9.52)	587.84	504.24	11.54	(9.36)	506.42	0.06	-	-	0.06	81.36	67.72
PROSPECTING & BORING	3198.34	-	-	3198.34	2204.18	-	-	2204.18	994.16	-	-	994.16	-	-
	819.13	-	-	819.13	545.91	-	-	545.91	273.22	-	-	273.22	-	-
TOTAL	36933.86	804.65	(38.47)	37700.08	24898.97	949.09	(32.49)	25815.57	2496.25	16.47	(5.51)	2507.21	9377.30	9538.64
Less: Other Provisions													(37.33)	(41.51)
TOTAL	36933.86	804.65	(38.47)	37700.08	24898.97	949.09	(32.49)	25815.57	2496.25	16.47	(5.51)	2507.21	9339.97	9497.13
CAPITAL WORK-IN-PROGRESS	671.12	1238.70	(68.14)	1841.68	-	-	-	-	-	-	-	-	1841.68	671.12
Less: Provision	490.72	-	(41.32)	449.40	-	-	-	-	-	-	-	-	449.40	490.72
C.W.I.P.(Net)	180.40	1238.70	(26.82)	1392.28	-	-	-	-	-	-	-	-	1392.28	180.40
SURVEYED OFF ASSETS (P&M)	-	-	-	-	-	-	-	-	-	-	-	-	0.70	0.97
PREVIOUS YEAR														
FIXED ASSETS	35530.45	1427.89	(24.48)	36933.86	24265.25	662.88	(29.16)	24898.97	2354.83	141.42	-	2496.25	9497.13	8869.96
CAPITAL WORK-IN-PROGRESS	107.17	139.00	(65.77)	180.40	-	-	-	-	-	-	-	-	180.40	107.17
SURVEYED OFF ASSETS (P&M)	-	-	-	-	-	-	-	-	-	-	-	-	0.97	-

ALLOCATION OF DEPRECIATION

	Current Year	Previous Year
Profit & Loss Account	898.90	616.72
Social Overhead	44.94	40.92
Power & Fuel	5.25	5.25
Prior Period Adjustment	-	8.16
Other Adjustment(Incl.Surveyed off Assets)	(32.49)	(37.33)
TOTAL	916.60	633.72



Schedules to Balance Sheet

(Contd..)

SCHEDULE - F

INVESTMENT (Unquoted)- Valued at Cost.

Rs. in '00,000

	Current Year	Previous Year
A) In fully paid up equity shares of Indian subsidiary companies		
22184500 Equity Shares of Rs.1000/- each in Eastern Coalfields Ltd. (Previous Year 22184500 Equity Shares of Rs.1000/- each)	221845.00	221845.00
21180000 Equity Shares of Rs.1000/- each in Bharat Coking Coal Ltd. (Previous Year 21180000 Equity Shares of Rs.1000/- each)	211800.00	211800.00
9400000 Equity Shares of Rs.1000/- each in Central Coalfields Ltd. (Previous Year 9400000 Equity Shares of Rs.1000/- each)	94000.00	94000.00
2971000 Equity Shares of Rs.1000/- each in Western Coalfields Ltd. (Previous Year 2971000 Equity Shares of Rs.1000/- each)	29710.00	29710.00
190400 Equity Shares of Rs.1000/- each in Central Mine Planning and Design Institute Ltd. (Previous Year 190400 Equity Shares of Rs.1000/- each)	1904.00	1904.00
1864009 Equity Shares of Rs.1000/- each in Mahanadi Coalfields Ltd. (Previous Year 1864009 Equity Shares of Rs.1000/- each)	18640.09	18640.09
1776728 Equity Shares of Rs.1000/- each in Northern Coalfields Ltd. (Previous Year 1776728 Equity Shares of Rs.1000/- each)	17767.28	17767.28
3597000 Equity Shares of Rs.1000/- each in South Eastern Coalfields Ltd. (Previous Year 3597000 Equity Shares of Rs.1000/- each)	35970.00	35970.00
B) INVESTMENT IN SUBSIDIARY(OVERSEAS) - EQUITY		
Coal India Africana Limitada (Ref. Note No. 6.2 in Sch-M, Part-B)	0.49	--
C) INVESTMENT IN JOINT VENTURE		
International Coal Venture Private Limited (200000 Equity Shares of Rs.10/- each) (Ref. Note No. 6.1 in Sch-M, Part-B)	20.00	--
TOTAL		
Aggregate of Book Value of unquoted investment	631656.86	631636.37
	631656.86	631636.37

Schedules to Balance Sheet

(Contd..)

SCHEDULE - G

INVENTORIES

Rs. in '00,000

	Current Year	Previous Year
(As valued and certified by the Management)		
Stock of Stores & Spare Parts (at cost)	418.71	379.32
Less : Provision for slow-moving/non-moving obsolescence/shortage	177.53	177.53
	241.18	201.79
Stock of Coal	2461.06	1794.16
(Valued at lower of cost or net realisable value)		
Coke	0.07	0.07
(Valued at lower of cost or net realisable value)		
	2461.13	1794.23
Less : Provisions	43.63	43.63
	2417.50	1750.60
TOTAL	2658.68	1952.39



Schedules to Balance Sheet

(Contd..)

PARTICULARS IN RESPECT OF COAL STOCK AS ON 31.03.2010 (For Producing Unit)

Quantity in ' 000 tonne
Value in Rs. lakhs

PATICULARS	OVERALL STOCK		Provision for non-vendable stock		VENDABLE STOCK	
	Qty.	Value	Qty.	Value	Qty.	Value
(A) Reconciliation of Book Stock and measured Stock						
1. Opening Stock as on 01.04.09 (as per Accounts)	252.36	1750.60			252.36	1750.60
2. Add production for the year	1112.56	40055.05			1112.56	40055.05
3. Sub Total (1 + 2)	1364.92	41805.65			1364.92	41805.65
4. Less Off take for the year						
(A) i) Outside despatch	1070.78	39386.70			1070.78	39386.70
ii) Transferred out						
(B) Coal issued for other purpose	0.06	1.45			0.06	1.45
Total (4)	1070.84	39388.15			1070.84	39388.15
5. Derived stock (3 - 4)	294.08	2417.50			294.08	2417.50
6. Measured Stock	294.03	2417.09			294.03	2417.09
7. Difference (5 - 6)	0.05	0.41			0.05	0.41
8. Break up of difference						
(A) Excess within 5%						
(B) Shortage within 5%						
(C) Excess beyond 5%	0.05	0.41			0.05	0.41
(D) Shortage beyond 5%						
9. Closing stock adopted in Accounts	294.08				294.08	2417.50
(6 + 8A + 8B + 8C)						
(B) Reconciliation of closing stock adopted in Accounts						
Less: Net shortage of more than 5% accounted for in the Accounts but not adjusted from Book Stock pending write off						
Less: Non vendable stock including mixed stock & stock on which provision equivalent to the value has been made in accounts.						
Less: Charges for rehandling of pit head stock						
Less: Provision made in accounts to take care of future deterioration of coal stock						
Stock as per Accounts after all Provisions					294.08	2417.50

Schedules to Balance Sheet

(Contd..)

SCHEDULE - H

Rs. in '00,000

Sundry debtors (unsecured)	Current Year	Previous Year
Debts outstanding for a period exceeding 6 months	1076.64	1078.64
Other Debts	—	—
	1076.64	1078.64
Less : Provision	1076.62	1076.62
TOTAL	0.02	2.02
CLASSIFICATION		
Considered good	0.02	2.02
Considered doubtful	1076.62	1076.62

	Maximum amount due at any time		Closing Balance	
	During Current Year	During Previous Year	During Current Year	During Previous Year
Due by the Companies under the same management with the names of the companies	—	—	—	—
Due by the parties in which the Director(s) of the companies is/are interested	—	—	—	—

SCHEDULE - I

Rs. in '00,000

CASH AND BANK BALANCES	Current Year	Previous Year
Cash in hand	3.41	3.72
Balance with Scheduled Banks		
In Current Account	9249.81	3818.60
In Cash Credit Account	12473.30	10078.10
In Deposit Account with Scheduled Banks	891609.58	632376.04
With Post Office Savings Bank Account	0.27	0.27
Less: Provision	0.27	0.27
	0.00	0.00
TOTAL	913336.10	646276.46



Schedules to Balance Sheet

(Contd..)

SCHEDULE - J

LOANS & ADVANCES

Rs. in '00,000

Loans & Advances (Unsecured)

Current Year

Previous Year

[Advance Recoverable in cash or in kind or for value to be received]

ADVANCE TO SUPPLIERS

For Capital (Ref. Note No.9.5 of Sch.-M, Part-B)

391.57

418.28

For Others

116.48

121.83

508.05

540.11

ADVANCE FOR REVIVAL OF MAMC

32.50

--

ADVANCE TO SPV

--

50.00

MOBILISATION ADVANCE TO CONTRACTOR

1263.40

--

L&A- BEML

15698.70

9738.96

ADVANCE TO EMPLOYEES

For House Building

19.19

48.83

For Motor Car & Other Conveyance

0.02

0.05

For Others

206.11

176.35

225.32

225.23

DEPOSITS

For Custom Duty & Port Charges

94.87

83.85

For Other Deposits

345.72

291.23

440.59

375.08

Short Term Loan to Body Corporate

150.00

150.00

Dividend receivable from Subsidiaries.

--

33631.95

Other Receivable

336.74

263.62

Accrued interest

9763.65

3255.68

Other Advances (Ref. Note No. 13.10 of

1533.47

610.76

Sch.-M, Part-B)

Amount receivable from Government of India

138.13

127.34

For transaction on behalf of Ex-Coal Board

Claims Receivable

314.94

314.86

Prepaid Expenses

12.99

16.65

TDS / Advance Tax

45955.21

53661.16

Schedules to Balance Sheet

(Contd..)

SCHEDULE - J

LOANS & ADVANCES CONTD.

Rs. in '00,000

	Current Year	Previous Year
Balance with Subsidiaries		
Loan A/c.	160227.06	176115.06
Current A/c.	449556.98	472291.35
	609784.04	648406.41
Balance with Subs. (World Bank Loan)		
Loan A/c.	146429.68	178662.49
Loan to Subsidiaries (VRS)	7409.00	7409.00
Exploratory Drilling work	5587.51	5007.67
Eastern Coalfields Ltd. Command Area (Ref.note no.7.3 of Sch.-M, Part-B)		
	845583.92	942446.97
Less : Provision	7173.87	6596.96
TOTAL	838410.05	935850.01
CLASSIFICATION		
Considered good	838410.05	935850.01
Considered doubtful	7173.87	6596.96



Schedules to Balance Sheet

(Contd..)

SCHEDULE - J

LOANS & ADVANCES CONTD.

Rs. in '00,000

Amount due from Subsidiary Companies	Maximum amount due at any time during the year		Closing Balance	
	Current Year	Previous Year	Current Year	Previous Year
Eastern Coalfields Limited	259914.19	254960.78	246145.50	250416.09
Bharat Coking Coal Limited	367285.62	389640.18	357458.92	379221.75
Central Coalfields Limited	-146.45	19377.22	-146.45	19377.22
Western Coalfields Limited	24262.03	9108.34	-4545.70	-1911.68
Northern Coalfields Limited	-119917.11	-110845.76	-135764.65	-124343.27
South Eastern Coalfields Limited	60569.67	2911.44	29811.28	2910.90
Mahanadi Coalfields Limited	-165747.38	-54625.10	-165747.38	-99066.35
Central Mine Planning & Design Institute Limited	27912.83	27405.18	13525.31	10450.14
Coal India Africana Limitada	63.31	--	63.31	--
	454196.71	537932.28	340800.14	437054.80

* House Building and cars / scooters advance for Rs.19.21 lakhs (Previous year Rs.48.88 lakhs) included under Loans & Advances (unsecured) considered good and are secured by equitable mortgage on assets concerned.

Schedules to Balance Sheet

(Contd..)

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SCHEDULE - K

CURRENT LIABILITIES & PROVISIONS

Rs. in '00,000

A. CURRENT LIABILITIES

SUNDRY CREDITORS

	Current Year	Previous Year
For Capital including Revenue Stores	781.39	785.33
For Coal	63.56	63.56
	844.95	848.89
Advance from Customers	4421.89	2263.74
Deposits	2676.94	3738.66
Advance Deposit (Pre-Nationalisation)	20.85	20.85

EMPLOYEES' REMUNERATION & BENEFITS

Salaries, Wages & Allowances	898.47	1011.98
Gratuity	12572.96	11244.58
Less: Gratuity Fund with LIC	(11788.08)	(6738.28)
	784.88	4506.30
Ex-gratia	360.00	339.80
Leave Encashment	3371.29	2997.18
Medical Benefits- Retired employees	434.04	211.76
Other Employee Benefits	495.22	445.01
	6343.90	9512.03

OTHER EXPENSES

Power & Fuel	91.65	87.23
Contractual Expenses	3093.90	2315.81
Others	8417.55	6624.46
	11603.10	9027.50
Due to Government of India (including ex-owner's Accounts)	160.93	160.93
Interest accrued but not due on Loan	356.70	1134.72

SALES TAX

State	48.98	42.36
Central	57.87	57.95
	106.85	100.31
Royalty & Cess on Coal	276.55	536.14
Provident Fund	314.19	245.14
Pension Fund	7.79	31.61

INCOME TAX

Employees	61.43	112.97
Contractors	25.70	19.59
Others	2248.84	6715.72
	2335.97	6848.28



Schedules to Balance Sheet

(Contd..)

SCHEDULE - K

CURRENT LIABILITIES & PROVISIONS

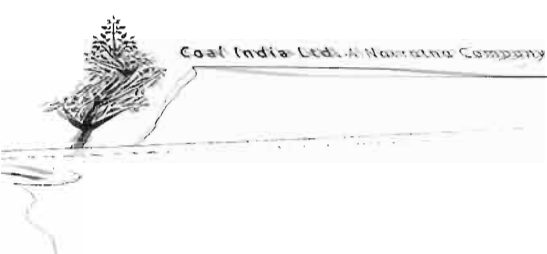
	Current Year	Previous Year
Professional Tax	7.59	6.96
Surplus Fund from Subsidiaries	402590.99	374507.54
Balance with Subsidiaries Current Account	20231.59	22915.57
Adv. Deposit Other Govt. Fund	—	187.92
Other Liabilities	10785.74	7906.39
B. PROVISIONS		
Provision for Income Tax	54926.28	61313.91
Provision for NCWA-VIII	3103.38	3567.08
Provision for Executive Pay Revision	3415.10	4090.91
3% Pension & PRP	2571.41	—
Provision for Foreign Exchange Transactions	3898.00	1913.00
(Marked to Market)	—	—
	531000.69	510878.08
Contribution from Subsidiaries towards	13291.89	12132.75
Indian Instt. of Coal Management		
pending re-imbursement.		
(Ref. Note No. 9.3 in Sch.-M, Part-B)		
TOTAL	544292.58	523010.83

Rs. in '00,000

Schedules to Profit & Loss Account

SCHEDULE - 1

SALES		PRODUCT - Raw Coal		Rs. in '00,000	
Particulars		Current Year	Previous Year		
Quantity (in '000 tonne)		1070.78	835.03		
Gross Sales Value		43980.35	31186.81		
Add: Other Recoveries		931.50	620.31		
(A)		44911.85	31807.12		
Less : Statutory Levies					
Royalty on Coal		2825.96	2062.07		
Stowing Excise Duty		107.08	83.50		
SALES TAX:					
Central		761.28	492.74		
State		363.94	312.04		
Assam Land Tax		535.39	417.51		
Total Levies (B)		4593.65	3367.86		
Net Value (A - B)		40318.20	28439.26		



Schedules to Profit & Loss Account

(Contd..)

SCHEDULE - 2

COAL ISSUED FOR OTHER PURPOSES

Rs. in '00,000

Particulars	Current Year	Previous Year
Internal Consumption (Power & Fuel)	0.45	34.34
Free Issue to Employees (Social Overhead)	1.00	4.10
TOTAL	1.45	38.44

SCHEDULE - 3

OTHER INCOME

Rs. in '00,000

Particulars	Current Year	Previous Year
Subsidy (Stowing)	7.42	43.03
Apex Office Charges (Gross) from Subsidiaries (TDS - Rs.2055.90 lakh, prev. year Rs.2255.15 lakh)	18628.80	17453.95
Interest received	21.48	25.35
Rent (Outsider)	2.80	3.14
L.D./Penalty received	4.05	4.02
Tender Fees	12.55	9.01
Provision/Liability Write backs	513.64	718.33
Hire charges (Gross) (TDS - Rs.51.00 lakh, prev. year Rs.115.57 lakh)	510.00	510.00
Let out Rent (Gross) (TDS - Rs.39.30 lakh, prev. year Rs.89.05 lakh)	393.00	393.00
Interim Dividend/ Dividend from Subsidiaries	336735.82	332974.10
Guarantee Fee from Subsidiaries	2196.45	2679.94
Profit on sale of Assets	0.13	0.01
Net Gain on Foreign Exchange Transactions	726.17	698.81
Profit on Exchange Variance	--	14.79
Misc. Income	80.90	137.01
TOTAL	359833.21	355664.49

Schedules to Profit & Loss Account

(Contd..)

SCHEDULE - 4

ACCRETION OF STOCK

Rs. in '00,000

Particulars	Current Year	Previous Year
Stock of Coal/ Coke etc.		
A. Closing Stock(Revenue Mines only) as on 31.03.2010		
Raw Coal	2461.06	1794.16
Soft Coke	0.07	0.07
Less : Provision	43.63	43.63
TOTAL (A)	2417.50	1750.60
B. Opening Stock(Revenue Mines only) as on 01.04.2009		
Raw Coal	1794.16	960.72
Soft Coke	0.07	0.07
Less: Provision	43.63	43.63
TOTAL (B)	1750.60	917.16
NET TOTAL (TOTAL A - TOTAL B)	666.90	833.44

SCHEDULE - 5

CONSUMPTION OF STORES & SPARES

Rs. in '00,000

Particulars	Current Year	Previous Year
Explosives	369.05	163.47
Timber	37.07	123.99
Petrol, Oil and Lubricants	292.36	314.64
Consumable Stores & Spares for HEMM	18.60	18.42
Other Consumable Stores & Spares	397.68	435.27
	1114.76	1055.79
Less : Transfer to		
Social Overhead	59.84	51.54
Power & Fuel	26.54	68.55
Other Expenditure	60.73	66.41
Less : Recovered from contractor (Explosives)	361.74	105.10
	508.85	291.60
TOTAL	605.91	764.19



Schedules to Profit & Loss Account

(Contd..)

SCHEDULE - 6

DEPRECIATION

Particulars

Total Depreciation (Schedule- E)

Less transferred to:

Social Overhead

Power & Fuel

Prior period adjustment

Other adjustment

TOTAL (NET)

Current Year

Previous Year

916.60

633.72

44.94

40.92

5.25

5.25

8.16

(32.49)

(37.33)

17.70

17.00

898.90

616.72

Rs. in '00,000

Schedules to Profit & Loss Account

(Contd..)

SCHEDULE - 7

EMPLOYEES REMUNERATION AND BENEFITS

Rs. in '00,000

Particulars	Current Year	Previous Year
SALARIES, WAGES AND ALLOWANCES		
Salaries & Wages (Incl. Transport Subsidy)	14168.90	10129.68
Provision for NCWA-VIII	--	3064.96
Provision for Executive Pay Revision (Ref. Note: 10.7)	2571.41	4058.99
Overtime :		
a) Normal	414.69	261.02
b) Sunday Maintanence	305.38	238.37
	720.07	499.39
Leave Encashment	670.06	1627.91
Contribution to Provident Fund and Other Funds (including Administrative Charges)	1406.25	1358.31
Attendance Bonus	623.55	405.06
Ex-Gratia		
a) PPLB - Non Executive	363.23	322.99
b) PPLR - Executive	--	43.42
c) Incentive / Reward to Employees	2463.88	1703.42
	2827.11	2069.83
LTC/LLTC/RRF	240.53	315.92
Pension	204.03	102.37
Gratuity	1178.34	4635.01
Workmen Compensation	--	249.76
Group Insurance	36.80	21.79
D, L, I.	0.06	10.88
Life Cover Scheme	28.28	41.87
V. R. S.	214.61	119.48
Other Employee Benefits	5.84	0.94
	24895.84	28712.15
LESS : Transfer to		
Social Overhead	566.26	370.51
Power & Fuel	23.89	12.30
	590.15	382.81
TOTAL	24305.69	28329.34



Schedules to Profit & Loss Account

(Contd..)

SCHEDULE - 8

SOCIAL OVERHEAD

Rs. in '00,000

Particulars	Current Year	Previous Year
Salaries, Wages & Allowances	566.26	370.51
Free Issue of Coal to Employees	1.00	4.10
MEDICAL FACILITIES :		
a) Medical Reimbursement	642.81	574.63
b) Medicine	39.94	47.88
c) Diet Expenses	19.48	18.03
d) Medical Benefits- Retired Employees	219.49	162.86
	921.72	803.40
GRANTS TO :		
a) Schools & Institutions	51.86	51.38
b) Sports, Recreation	30.28	162.71
	82.14	214.09
CANTEEN & CRECHE :		
Canteen up-keep	15.67	17.83
House Rent	19.32	19.10
Power	493.30	476.27
REPAIRS & MAINTENANCE :		
a) Township (incl. welfare buildings)	199.29	159.87
b) Plant & Machineries	3.97	2.12
	203.26	161.99
MAINTENANCE OF VEHICLES :		
a) Petrol & Diesel	10.01	10.37
b) Repairs	2.49	0.87
c) Insurance	0.91	1.58
	13.41	12.82
Consumption of Stores & Spares	49.83	41.17
Depreciation	44.95	40.92
Community Development	50.55	41.06
Uniform	2.25	2.53

Schedules to Profit & Loss Account

(Contd..)

SCHEDULE - 8

SOCIAL OVERHEAD CONTD..

Rs. in '00,000

Particulars	Current Year	Previous Year
Training: Conference & Seminar.	44.49	54.93
Other Welfare Expenses	375.53	1025.99
	2883.68	3286.71
Less : Recoveries		
House Rent	7.63	5.98
Hospital Charges	3.48	2.45
Electricity	17.58	22.36
	28.69	30.79
TOTAL	2854.99	3255.92

SCHEDULE - 9

POWER & FUEL

Rs. in '00,000

Particulars	Current Year	Previous Year
Purchase of Electricity	1023.36	1196.99
POWER GENERATION :		
Salary & Wages	23.91	12.30
Consumption of Coal	0.45	34.34
Consumption of Stores	26.54	68.55
Repair & Maintenance	7.09	7.01
Depreciation	5.25	5.25
	63.24	127.45
	1086.60	1324.44
Less : Transfer to Social Overhead	493.30	476.27
TOTAL	593.30	848.17



Schedules to Profit & Loss Account

(Contd..)

SCHEDULE - 10

			Rs. in '00,000
REPAIRS			
Particulars	Current Year	Previous Year	
Building	227.67	282.33	
Plant & Machinery (Outside Agency)	140.35	47.97	
Office Equipment	37.23	46.16	
Others	453.22	335.79	
	858.47	712.25	
Less : Transfer to		162.86	
a) Social Overhead	205.75	7.01	
b) Power & Fuel	7.09		
	212.84	169.87	
TOTAL	645.63	542.38	

SCHEDULE - 11

CONTRACTUAL EXPENSES

Particulars	Current Year	Previous Year	Rs. in '00,000
Transportation Charges:	58.10	25.07	
Coal, Coke	8141.96	5054.15	
Other Contractual work	8200.06	5079.22	
TOTAL			

Schedules to Profit & Loss Account

(Contd..)

SCHEDULE - 12

OTHER EXPENDITURE

Rs. in '00,000

Particulars	Current Year	Previous Year
TRAVELLING :		
a) In country	676.13	857.78
b) Outside country	98.82	153.15
	774.95	1010.93
Printing & Stationery	98.72	96.17
Postage	19.72	20.73
Telephone	91.26	88.81
ADVERTISEMENT & PUBLICITY :		
I) Advertisement for		
a) Tender	39.61	177.36
b) Recruitment	97.37	51.46
	136.98	228.82
II) Publicity	438.16	353.35
Demurrage	10.09	105.15
Donation	2.82	1.77
Subscriptions	37.18	36.19
Security expenses	220.98	187.79
HIRE CHARGES :		
a) Computer	92.25	81.61
b) Others	100.21	82.96
	192.46	164.57
MAINTENANCE OF VEHICLES :		
a) Petrol & Diesel	61.61	67.69
b) Repairs	9.64	25.31
c) Road Tax & Insurance	20.14	9.97
	91.39	102.97



Schedules to Profit & Loss Account

(Contd..)

SCHEDULE - 12

OTHER EXPENDITURE CONTD..

Rs. in '00,000

Particulars	Current Year	Previous Year
Legal Expenses	107.79	89.48
Bank Charges	4.77	6.81
Guest House expenses	31.32	27.71
Less : Recoveries	3.99	3.48
	27.33	24.23
Consultancy fees	1057.10	520.84
Office Contingency expenses	156.60	74.89
Underloading Charges	378.90	267.65
AUDITORS' REMUNERATION :		
a) Audit fees	4.05	3.25
b) Travelling & Out-of-pocket exp.	1.00	1.00
c) Tax Audit fees	1.08	1.08
d) Other matters	2.67	1.67
	8.80	7.00
Internal Audit fees and expenses	4.00	3.60
Royalty & Cess	0.04	10.57
Rent, Rates & Taxes	420.09	373.72
Insurance	4.85	8.86
Dead Rent	17.61	26.64
Shunting Charge etc.	144.08	68.49
Loss on Exchange Variance	8.07	--
Commission & Brokerage to Selling Agents	6.50	74.51
Miscellaneous	545.07	710.28
TOTAL	5006.31	4664.82

Schedules to Profit & Loss Account

(Contd..)

SCHEDULE - 13

INTEREST

Rs. in '00,000

Particulars	Current Year	Previous Year
A. INTEREST (Income)		
Interest received from Deposits TDS- Rs.6892.97 lakhs)	64163.24	63165.08
Notional Interest on ECL loan	1979.94	1299.21
Interest received from BEML	1304.85	294.96
Recovered from Subsidiaries	1401.04	3950.49
Transferred to Subsidiaries on account of IBRD & JBIC Loan	2666.17	4516.17
TOTAL (A)	71515.24	73225.91
Less:-		
B. INTEREST (Expenditure)		
Interest on Surplus Fund parked by Subsidiaries	22479.54	29629.65
Interest Subsidy to ECL	1979.94	1299.21
Transfer to Rehabilitation Fund	8038.06	7619.22
Interest on IBRD & JBIC Loan	2666.17	4516.17
Others (Net)	1489.79	2109.93
TOTAL (B)	36653.50	45174.18
TOTAL (A-B)	34861.74	28051.73



Schedules to Profit & Loss Account

(Contd..)

SCHEDULE - 14

FINANCE CHARGES

Particulars	Rs. in '00,000	
	Current Year	Previous Year
Guarantee Fees on IBRD & JBIC Loan	1757.16	2143.95
Other Bank Charges	37.74	40.49
Other Charges on IBRD & JBIC Loan	8.29	6.89
	1803.19	2191.33
Less : Transferred to Subsidiaries on account of IBRD & JBIC Loan	8.29	6.89
TOTAL	1794.90	2184.44

Schedules to Profit & Loss Account

(Contd..)

SCHEDULE - 15

PROVISIONS

Rs. in '00,000

Particulars	Current Year	Previous Year
A. Provision for :		
Doubtful Advances	1734.24	1290.68
Impairment of Assets	16.47	141.42
Foreign Exchange Transactions (Marked to Market)	1985.00	—
Others	—	76.86
Total (A)	3735.71	1508.96
B. Write-offs :		
Doubtful Advance	1140.94	675.51
(Exploratory Drilling work at ECL)	1140.94	675.51
Less :		
Equivalent Provision Written-back	1140.94	675.51
Total (B)	0.00	0.00
Total (A + B)	3735.71	1508.96

SCHEDULE - 16

PRIOR PERIOD ADJUSTMENT (EXPENDITURE)

Rs. in '00,000

Particulars	Current Year	Previous Year
Debit		
Depreciation	—	8.16
Total	0.00	8.16



SCHEDULE - M

A. SIGNIFICANT ACCOUNTING POLICIES

1.0 Accounting Convention:

Financial statements are prepared on the basis of historical cost and on accrual basis following going concern concept, accounting standards and generally accepted accounting principles except otherwise stated elsewhere.

2.0 Basis of Accounting:

All expenses and incomes are booked initially in the natural heads of accounts and then transferred to functional heads wherever required.

3.0 Subsidies / Grants from Government:

3.1 Subsidies / Grants on Capital Account are deducted from the cost of respective assets to which they relate. The unspent amount at the year end, if any, is shown as Current Liabilities.

3.2 Subsidies / Grants on Revenue Account are credited to Profit & Loss Account under the head Other Receipts and the relevant expenses are debited to the respective heads. The unspent amount at the yearend, if any, is shown as Current Liabilities.

4.0 Fixed Assets :

4.1 Land:

Value of land includes cost of acquisition, cash rehabilitation expenses and resettlement cost incurred for concerned displaced persons. Other expenditure incurred on acquisition of Land viz. compensation in lieu of employment etc are, however, treated as revenue expenditure.

4.2 Plant & Machinery:

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

4.3 Railway Siding:

Pending commissioning, payments made to the railway authorities for construction of railway sidings are shown under Capital Work-in-Progress.

4.4 Development:

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

- 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
- 2 years of touching of coal, or
- From the beginning of the financial year in which the value of production is more than total expenses,
- Whichever event occurs first.

4.5 Prospecting & Boring and other Development Expenditure:

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

5.0 Investments :

All investments, being long term in nature, are stated at cost.

6.0 Inventories :

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

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

6.2. 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.

6.2.1 Stores & Spares

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 Stores & spare parts include loose tools.

6.2.3 Provisions are made at the rate of 100% for unserviceable, damaged and obsolete stores and at the rate of 50% for stores & spares not moved for 5 years.

6.3. Stock of stationery (other than lying at printing press), bricks, sand, medicine (except at Central Hospitals), aircraft spares and scraps are not considered in inventory.

7.0. Depreciation :

7.1. Depreciation on Fixed Assets is provided on straight line method at the rates and manner specified in Schedule XIV of the Companies Act, 1956 (as amended) except for telecommunication equipments. Depreciation on such equipments is charged over the technically estimated life, at higher rates, viz. :- @15.83% p.a. and @10.55% p.a. Further, depreciation on certain Equipments/HEMM is charged over the technically estimated life at higher rates viz. 11.88%; 13.57% and 15.83% as applicable.

Depreciation on SDL and LHD (equipments) are charged @19% p.a. and @15.83% p.a. respectively.

Depreciation after major overhauling of Helicopter is charged @ 47.5% p.a., based on its expected year of life / flying hours.

Depreciation on the assets added / disposed off during the year is provided on pro-rata basis with reference to the month of addition/disposal, except on those assets attracting 100% depreciation p.a. (SLM basis), which are fully depreciated in the year of their addition.

7.2. Value of land acquired under Coal Bearing Area (Acquisition & Development) Act, 1957 is amortised on the basis of the balance life of the project. Value of leasehold land is amortised on the basis of lease period or balance life of the project whichever is earlier.

7.3. Prospecting, Boring and Development expenditure are amortised from the year when the Mine is brought under revenue in 20 years or working life of the Project whichever is less.

8.0 Impairment of Asset:

Impairment loss is recognised wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognized as an expense in the statement of profit and loss and carrying amount of the asset is reduced to its recoverable amount. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased.



9.0 Foreign Currency Transactions:

- 9.1 Year-end balance of foreign currency transactions is translated at the year-end rates and the corresponding effect is given in the respective accounts. Transactions completed during the year are adjusted on actual basis.
- 9.2 Transactions covered by cross currency swap options contracts to be settled on future dates are recognised at the year-end rates of the underlying foreign currency. Effects arising out of such contracts are taken into accounts on the date of settlement.

10.0 Retirement benefits / other employee benefits:

- a) Defined contributions plans:

The company makes contributions towards Provident Fund and Pension Fund to a defined contribution retirement benefit plan for qualifying employees. The Provident Fund and Pension Fund are operated by the Coal Mines Provident Fund (CMPF) Authorities. As per the rules of these schemes, the company is required to contribute a specified percentage of pay roll cost to the CMPF authorities to fund the benefits.

- b) Defined benefits plans:

The year-end liability on account of gratuity and leave encashment is provided for on actuarial valuation basis by applying projected unit credit method. Further the company has created a Trust with respect to establishment of Funded Group Gratuity (cash accumulation) Scheme through Life Insurance Corporation of India. Contribution is made to the said fund based on the actuarial valuation.

- c) Other employee benefits:

Further year-end liability of certain other employee benefits viz. benefits on account of LTA/ LTC; Life Cover Scheme, Group Personal Accident Insurance Scheme, Settlement Allowance, Retired Executive Medical Benefit Scheme and compensation to dependants of deceased in mines accidents etc. are also valued on actuarial basis by applying projected unit credit method.

11.0 Recognition of Income and Expenditure:

Income and Expenditure are recognised on accrual basis and provision is made for all known liabilities.

12.0 Borrowing Costs:

Borrowing Cost directly attributable to the acquisition or construction of qualifying assets are capitalised. Other borrowing costs are recognised as expenses in the period in which they are incurred.

13.0 Taxation:

Provision of current income tax is made in accordance with the Income Tax Act., 1961. Deferred tax liabilities and assets are recognised at substantively enacted tax rates, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

14.0 Provision:

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the balance sheet date.

15.0 Contingent Liability:

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations can not be made.

Contingent liabilities are not provided for in the accounts and are disclosed by way of Notes.

16.0 Overburden Removal (OBR) Expenses :

In Open Cast Mines with rated capacity of one million tonnes per annum and above, cost of OBR is charged on technically evaluated average ratio (COAL:OB) at each mine with due adjustment for advance stripping and ratio-variance account after the mines are brought to revenue. Net of balances of advance stripping and ratio variance at the end of the year is shown as cost of Removal of OB under the head Current Assets/ Current Liabilities as the case may be.

The reported quantity of overburden as per record is considered in calculating the ratio for OBR Accounting where the variance between reported quantity and measured quantity is within the lower of the two alternative permissible limits, as detailed hereunder:

Annual Quantum of OBR of the Mines	Permissible limits of variance	
	I	II
	%	Quantum (in Mill.Cu. Mtr.)
Less than 1 Mill. Cu.M.	+/- 5%	0.03
Between 1 and 5 Mill. Cu.M.	+/- 3%	0.20
More than 5 Mill. Cu.M.	+/- 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 Rs. 5.00 Lakh in each case are treated as income / expenditure for the current year.



B. NOTES ON ACCOUNTS

1. Contingent Liabilities / Capital Commitments

- 1.1 The amount remaining to be executed on Capital Account not provided for is Rs.481.15 Lakh (Rs.403.54 Lakh).
- 1.2 Claims against the Company not acknowledged as debts are Rs.1381.24 Lakh (Rs.1703.88 Lakh).
- 1.3 The Company has given counter-guarantee to Government of India for loans obtained from JBIC & IBRD Banks and on lent to its Subsidiaries. The outstanding balance of which as on 31.03.2010 stood at Rs.74736.27 Lakh (Rs.90076.66 Lakh) and Rs.71693.41 Lakh (Rs.88585.83 Lakh) respectively.
Further, the Company has also given guarantee for loans obtained by subsidiaries the outstanding balance of which as on 31.03.2010 stood at Rs.14611.70 Lakh (Rs.16978.70 Lakh).
- 1.4 As on 31.3.2010 outstanding letters of credits amounted to Rs.2367.38 Lakh (Rs.3275.82 Lakh) and outstanding Deferred Payment Guarantee issued by Banks amounted to Rs. Nil Lakh (Rs.1359.02 Lakh).

2. Fixed Assets

- 2.1 Title deeds for land acquired, in some cases, have not been executed in favour of the company and mutation in certain cases are yet to be executed.
- 2.2 Dankuni Coal Complex / Indian Institute of Coal Management :
 - A. Fixed Assets comprising Power Plant of Rs.6064.71 Lakh and related building and other assets of Rs.3652.25 Lakh, both at book value (WDV) as on 31.3.95, have been let out to South Eastern Coalfields Ltd. (for a lease rent of Rs.750.00 Lakh per annum) under cancellable operating lease agreement. Additions to these assets including transfer from CWIP from the day of letting out to 31.03.2010 are Rs.632.44 Lakh on value of plant and Rs.162.31 Lakh on value of building and other assets. The cumulative provision for depreciation upto 31.03.2010 stood at Rs.11590.43 Lakh (including depreciation charged for the current period of Rs.280.27 Lakh). The net W.D.V. of the leased assets as per books as on 31.03.2010 is Rs.2565.04 Lakh.
 - B. Besides, Fixed Assets comprising of Plant & Machinery of Rs.218.99 Lakh and related building and other assets of Rs.1625.37 Lakh, both at book value (WDV) as on 31.3.95 have been let out to Indian Institute of Coal Management, a registered society under Societies Registration Act, 1860 (for an annual lease rent of Rs.153.00 Lakh) under cancellable operating lease agreement. Additions to these assets from the day of letting out to 31.03.2010 are Rs.374.34 Lakh on value of plant & machinery and Rs.391.95 Lakh on value of building and other assets. The cumulative provision for depreciation upto 31.03.2010 stood at Rs.1150.71 Lakh (including depreciation charged for the current year of Rs.66.26 Lakh). The net W.D.V. of the leased assets as per books as on 31.03.2010 is Rs.1587.10 Lakh.
- 2.3 Land in possession of North Eastern Coalfields, Assam includes 8069.70 hectares of lease hold land for which no value has been shown in the Balance Sheet.

3.0 Investment :

3.1 Investment in ECL and BCCL

Investment of the Company, in share capital of Bharat Coking Coal Ltd. (BCCL) and Eastern Coalfields Ltd. (ECL) which are long term in nature amounted to Rs.211800.00 Lakh (Rs.211800.00 Lakh) and Rs.221845.00 Lakh (Rs.221845.00 Lakh) respectively as on 31.3.2010. 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 & BCCL has already been approved by BIFR and thereafter vetted by the concerned Ministry.

The implementation of these reviva schemes will substantially improve the financial positions of these companies. In view of the above the decline in the value of investments, if any, is temporary in nature, and hence, are valued at cost. On the same analogy i.e. these subsidiaries on the above stated grounds will turn into viable companies; no provision on the loans outstanding from these subsidiaries are considered.

4. Inventories

- 4.1 Provision for Rs.177.53 Lakh (Rs.177.53 Lakh) has been kept in the accounts for unserviceable or obsolete spares which is considered adequate.

5. Sundry Debtors

- 5.1 Provision for Bad & Doubtful Debts amounting to Rs.1076.62 Lakh (Rs.1076.62 Lakh) is considered adequate.

6. Investment

6.1 Investment in SPV

CIL has entered into a Memorandum of Understanding (vide approval from its Board in 237th meets held on 24th November, 2007) regarding formation of Special Purpose Vehicle (SPV) through joint venture involving CIL/SAIL/RINL/NTPC & NMDC for acquisition of coal properties abroad. The formation of the SPV had been approved by the Cabinet, Govt. of India, vide its approval dated 8th November, 2007.

The aforesaid SPV viz. International Coal Ventures Pvt. Ltd. has been formed by incorporation under Companies Act, 1956 on 20th May, 2009 with an authorised capital of Rs.100.00 Lakh and Paid up Capital of Rs.70.00 Lakh. Out of above Paid up Capital, Coal India Ltd. is owning 2/7th share i.e. worth Rs.20.00 Lakh equity shares.

6.2 Investment in Subsidiary (Overseas)

During the year 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 Rs.0.49 Lakh (USD 1000).

7. Loans & Advances

- 7.1 The fund available with the Company against Cash, Bank Balances, Road Coupons etc. taken over by the Company from the Management period of non-coking coal mines i.e. on 1.5.1973 has been adjusted against the deposit made by the Company on behalf of the Govt of India to Commissioner of Payments on account of surplus of the Management Period in respect of such non coking coal mines.

- 7.2 Claims receivable include Rs.193.95 Lakh (Rs.193.95 Lakh) due from Railways for missing/diversion of wagons etc.

- 7.3 Funding of Exploration Services provided by Central Mine Planning & Design Institute Ltd. under Eastern Coalfields Ltd. command area:-

The expenditure incurred for carrying out exploratory drilling in blocks under Eastern Coalfields Ltd. command area by CMPDIL as per the approved Annual Action Plan of Coal India Ltd. and its subsidiaries, in view of critically weak financials of Eastern Coalfields Ltd., now under BIFR, shall initially be borne by Coal India Ltd. and accounted for suitably in Coal India Ltd.'s books for recovery thereof only when mining activities in that block is projectised and implemented. Such expenses on exploratory drilling in blocks under command



area of Eastern Coalfields Ltd. is to be funded by Coal India Ltd. and awaiting adjustments shall continue to reflect in Coal India Ltd.'s book for 5 years since they were incurred and accounted for and thereafter if remains unresolved/unadjusted for want of projectisation of mining activities, such unadjusted amounts shall be written off in the books of Coal India Ltd.

The total amount on this account upto 31.03.2010 stood at Rs.5587.51 Lakh including current year addition of Rs.1720.78 Lakh. As an abundant precaution the same has been fully provided.

Further, considering the expiry of five years from the date of incurring and accounting of such expenses an amount of Rs.1140.94 Lakh (Rs.675.51 Lakh), for which full provision exists on the date has been written off.

8. Secured Loans - Cash Credit

Pending finalisation of formalities for transfer of assets and liabilities of erstwhile CMAL and its divisions, now Coal India Ltd, the bank borrowings of Coal India Ltd. has been secured by creating charge against stock of Coal, stock of stores and spare parts and book debts and other assets of C.I.L. and its Subsidiary Companies.

The total working capital credit limit available to CIL as on 31-03-2010 is Rs.55000.00 Lakh, out of which fund based limit is Rs.25000.00 Lakh. The balance Rs.30000.00 Lakh limit is non-fund based and Coal India Limited is contingently liable to the extent such facility is actually utilised by the subsidiaries.

9. Current Liabilities & Provisions.

- 9.1 The provisions made in the Accounts against slow moving/non-moving and obsolete stores, claims receivable, advance, doubtful debts etc. are considered adequate to cover possible losses.
- 9.2 The balance of the current account with the Subsidiaries are being reconciled on a continuous basis, and the same as on 31.3.2010 has been reconciled substantially, while reconciliation for the balance is in progress.
- 9.3 Current Account balance with Indian Institute of Coal Management (IICM) (in Current Liabilities & Provisions Schedule of Balance Sheet) represents the fund accumulated by receiving Re.0.50 per tonne of productions of Subsidiaries, net of expenditure made / Fund remitted on behalf of IICM.
During the year total contribution received from the Subsidiaries on this account amounted to Rs.2156.34 Lakh. Further Rs.871.43 Lakh (Net) were remitted to IICM during the year; and hire charges/ lease rent recovered from IICM amounted to Rs.153.00 Lakh (Other than the Service Tax applicable thereon, TDS Rs.15.30 Lakh).
- 9.4 The disclosures as per actuary's certificate for employee benefits for gratuity and leave encashment are given below:

Actuarial valuation of gratuity liability as at 31-03-2010

Certificates as per accounting standard 15 (revised 2005)

Table 1: Disclosure Item 120 (c)

Table showing changes in Present Value of obligations	as at 31.03.2010
Present Value of obligations at beginning of the year	10987.95
Acquisition Adjustment	0
Interest Cost	838.85
Past Service Cost	0
Current Service Cost	507.90
Curtailment Cost	0
Settlement Cost	0
Benefits Paid	1004.64
Actuarial Gain / Loss on obligations	782.78
Present Value of Obligation at the end of year	12112.84

Rs. in Lakh

Table 2 : Disclosure Item 120 (e)

Table showing changes in Fair Value of Plan Assets	as at 31.03.2010
Fair Value of Plan Asset at Beginning of the year	6738.28
Acquisition Adjustment	0
Expected Return on Plan Asset	539.06
Contributions	5049.81
Benefits Paid	1004.64
Actuarial gain/loss on Plan Asset	465.57
Fair Value of Plan Asset at end of year	11788.08

Rs. in Lakh



Rs. in Lakh

Table 3 : Disclosure Item 120 (f)**Table showing Funded Status****as at 31.03.2010**

Present Value of Obligation at end of the year	12112.84
Fair Value of Plan Asset at end of the year	11788.08
Funded Status	-324.76
Unrecognised actuarial gain/loss at end of the year	0
Net Asset (Liability) recognized in Balance Sheet	-324.76

Rs. in Lakh

Table 4 : Disclosure Item 120 (g) Table showing Expense Recognized in statement of Profit/Loss**as at 31.03.2010**

Current Service Cost	507.90
Past Service Cost	0
Interest Cost	838.85
Expected Return on Plan Asset	539.06
Curtailment Cost	0
Settlement Cost	0
Actuarial gain/ loss recognised in the year	317.20
Expense Recognised in Statement of Profit/Loss	1124.89

Table 7: DISCLOSURE ITEM 120 (I)**Table Showing Actuarial Assumptions:****as at 31.03.2010**

Mortality Table	:	LICI 1994 - 1996
Superannuation Age	:	60
Early Retirement & Disablement	:	10 Per thousand P.A.
	:	6 above age 45
	:	3 between 29 and 45
	:	1 below age 29
Discount Rate	:	8.00
Inflation Rate	:	6.50
Return on Asset	:	8.00
Remaining Working Life	:	9
Formula used	:	Projected 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.****Table 10: DISCLOSURE ITEM 120(p)****Movements in the Liability Recognised in Balance Sheet:**

Rs. in Lakh

as at 31.03.2010

Opening Net Liability	4249.67
Expenses as above	1124.89
Contributions	5049.81
Closing Net Liability	324.76
Closing Fund / Provision at end of the Year	12112.84



Actuarial valuation of leave encashment benefit(EL/ HPL) as at 31-03-2010

Certificates as per accounting standard 15 (Revised 2005)

Rs. in Lakh

Table 1: Disclosure Item 120 (C)

Table showing changes in Present Value of obligations

as at 31.03.2010

Present Value of obligation at beginning of the year	2969.03
Acquisition Adjustment	0
Interest Cost	228.31
Past Service Cost	0
Current Service Cost	387.39
Curtailment Cost	0
Settlement Cost	0
Benefits Paid	230.26
Actuarial Gain / Loss on obligations	- 40.48
Present Value of Obligation at the end of the year	3313.99

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

Rs. in Lakh

Table 4: Disclosure Item 120 (g)

Table showing Expense Recognized in statement of Profit/Loss

as at 31.03.2010

Current Service Cost	387.39
Past Service Cost	0
Interest Cost	228.31
Expected Return on Plan Asset	0
Curtailment Cost	0
Settlement Cost	0
Actuarial gain/loss recognised in the year	- 40.48
Expenses Recognised in Statement of Profit/Loss	575.22

Table 7: DISCLOSURE ITEM 120 (I)
Table Showing Actuarial Assumptions:

	as at 31.03.2010
Mortality Table	: LIC 1994 - 1996
Superannuation Age	: 60
Early Retirement & Disablement	: 10 Per thousand P.A.
	: 6 above age 45
	: 3 between 29 and 45
	: 1 below age 29
Discount Rate	: 8.0
Inflation Rate	: 6.0
Return on Asset	: 0.0
Remaining Working Life	: 9
Formula used	: Projected unit credit method

Rs. in Lakh

Table 10 : DISCLOSURE ITEM 120 (p)
Movements in the Liability Recognised in Balance Sheet

	as at 31.03.2010
Opening Net Liability	0
Expenses as above	575.22
Contributions	0
Closing Net Liability	575.22
Closing Fund / Provision at end of the Year	3313.99

NOTE TO APPENDIX B OF AS15 (REVISED 2005)

AS THE SCHEME IS UNFUNDED CHARGES TO PROFIT / LOSS ACCOUNT HAS BEEN BASED ON FOLLOWING ASSUMPTIONS:

- (1) PREVIOUS OBLIGATION WAS PROVIDED FOR AT LAST ACCOUNTING DATE
- (2) BENEFIT TO EXITS HAS BEEN PAID TO DEBIT OF ABOVE PROVISION
- (3) CURRENT OBLIGATION WILL BE PROVIDED FOR AT CURRENT ACCOUNTING DATE

9.5 Full provision has been kept in the Accounts against an old advance amounting to Rs.368.50 Lakh paid to M/s MAMC for arranging supply of imported spares on behalf of BCCL, a Subsidiary Company.

9.6 There is no reported Micro, Small and Medium Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006", to whom the company owes dues.



10. Profit & Loss Account

- 10.1 Recognition of Revenue in respect of interest claim amounting to Rs.5334.56 Lakh (Rs.7024.56 Lakh) and Apex Charges amounting to Rs.1375.65 Lakh (Rs.1275.70 Lakh) attributable to Bharat Coking Coal Ltd. in year's account have been deferred. This has been done in consistence with the provision of Accounting Standard - 9 of Institute of Chartered Accountants of India of Revenue Recognition. (Loan to BCCL for Rs.108329.98 Lakh already made interest free vide 229th meeting of CIL Board). Recovery of such apex office charge and interest from ECL is already waived by CIL Board as explained in Note No 13.9.
- Further, in the 247th meeting of Board of Directors, while ratifying the release of fund to ECL for payment of Interim Relief to the employees covered under NCWA and 50% of ad-hoc adjustable advance against pay revision of executives, the Board also directed, that existing rate of interest shall be applicable on such loans to all subsidiaries uniformly, and hence the interest loss accrued to CIL in such case shall be treated as subsidy.
- 10.2 Interim dividend declared by three subsidiaries namely, N.C.L., M.C.L. & S E C L amounting to Rs.147120.70 Lakh (Rs.133631.95 Lakh) pertaining to the year 2009-10 has been accounted for as income for the year, over and above the final dividend for the year 2008-09 received during the current year from NCL, MCL, CCL, WCL and SECL amounting to Rs.189615.12 Lakh (Rs.199342.15 Lakh).
- 10.3 Depreciation includes the amount charged on account of amortisation of cost of Leasehold Land.
- 10.4 As a measure of abundant precaution pending ascertainment of relatable proportionate unprovided cost of Overburden Removal vis-à-vis the relevant ratio of Coal raised year to year, a provision amounting to Rs.3913.49 Lakh (Rs.2604.79 Lakh) has been kept in the Accounts (upto 31-03-2010) as per the existing contractual terms and period of three years.
- 10.5 Depreciation on Helicopter (on capitalised expenditure of its major overhauling) has been charged @ 47.50% p.a. from 2009-10 based on its expected year of life / flying hours instead of charging @6.33% p.a. as considered in 2008-09.
- This has resulted in reduction in profit for the year by Rs.280.63 Lakh. Further as at 31.03.2010, considering the helicopter remaining grounded for substantial period of time, and therefore, having no value in use, a provision for impairment (loss) of Rs.16.47 Lakh has been made in the Accounts.
- Further, during the year the Accounting Policy for depreciation on SDL & LHD (Please refer Policy No.7.1 of Part-A, Schedule-M) were changed from erstwhile "SDL is considered having a life of 5 years or stipulated 16500 working hours whichever is later and LHD is considered having a life of 6 years or stipulated 21500 working hours whichever is later"; to the present policy of "depreciation on SDL and LHD (equipments) are charged @19% p.a. and @15.83% p.a. respectively".
- Due to change in such Accounting Policy there is no effect on profit of the company.
- 10.6 The overall Marked to Market position of the existing hedge transactions (net of the positive values) as on 31.03.2010 stood at Rs.3731.00 Lakh (negative). However, the negative Marked to Market valuation of outstanding position involving six individual foreign currency transactions as on 31.03.2010 before netting up with transactions having positive values stood at Rs.3898.00 Lakh (1913.00 Lakh), which have been fully provided for.
- 10.7 During the year, liability for payment of pension under new schemes for executives (company's contribution) viz. @3% and @6.84% effective from 01.01.2007 (date from which salary for executives were revised), have been accounted for. Further provision for Performance Related Pay for executives for 2007-08, 08-09 and 09-10 has also been accounted for.
- 10.8 As per CSR Policy of the company a reserve equivalent to 2.5% of the retained profit of previous year has been created for funding CSR activities.
- 10.9 Due to increase in sale price w.e.f. 16.10.2009, Gross Sales value has increased by Rs.828.76 Lakh, Statutory Dues by Rs.69.82 Lakh and hence Net Sales by Rs.758.94 Lakh.



12.10 Related party disclosure

Key management person Mr. Partha S. Bhattacharyya Relationship with the company - Chairman

Nature of transactions / Remunerations:-

Salary	:	Rs.19.99 Lakh
Contribution to PF & other funds	:	Rs. 1.58 Lakh
Medical Benefits	:	Rs. 0.22 Lakh

Interest:

Interest on the loans owed by subsidiary companies to Coal India Ltd. has been charged on the opening balance of the loan in their books at rates determined in consideration of the provisions contained in the loan agreement.

Foreign Currency Loan:

12.1 The foreign currency loans drawn from IBRD and JBIC Banks on account of Coal Sector Rehabilitation Project to be implemented in various subsidiaries has been shown under the head Unsecured Loan.(Ref. Schedule-D).

In terms of the agreement with IBRD and JBIC Banks, Coal India Ltd. has entered into back to back loan agreements with its participating Subsidiaries and loans including effect of exchange rate variation thereon have been shown under "Loans to Subsidiaries" and all other financial charges viz. Interest, Commitment Charges etc. and interest earned are transferred through "Current Account with Subsidiaries".

12.2 Borrowing and other Costs (including exchange difference) in respect of foreign currency loans obtained for Subsidiary companies have been recovered from the respective Subsidiary companies. The company has entered into swap transactions against a portion of above stated borrowing and interest thereon. Gains/Losses arising out of swap transactions are being carried as reserve for Foreign Exchange Transactions. Net result of the said swap transactions will be recovered / paid to Subsidiary companies upon completion of repayment of foreign currency loans .

12. Others

12.1 In the opinion of the Management Current assets, Loans and Advances, Sundry Debtors etc. have realisable value in the course of business at least equal to the net amount at which they are stated.

12.2 Other liability of Rs.10785.74 Lakh includes the amount of Rs.429.94 Lakh deducted from employees / recovered from Subsidiaries towards Natural Calamity Fund .

12.3 Interest has been paid on Surplus Fund parked by Northern Coalfields Ltd., Mahanadi Coalfields Ltd., Western Coalfields Ltd., Central Coalfields Ltd. and South Eastern Coalfields Ltd. except on fund earmarked as interest free.

12.4 In absence of balance confirmation from some parties, the Sundry Debtors, Creditors, Loans & Advances and Deposits have been taken in the Accounts as per their book value.

12.5 As per existing practice, goods purchased by Coal India Ltd. on behalf of Subsidiaries are accounted for in the books of the Subsidiary Companies.

12.6 a) Interest on advance to employees e.g. House Building, Purchase of Vehicle etc., are generally accounted for on realisation after recovery of principal.

b) Insurance and escalation claims are accounted for on the basis of admission/final settlement.



- 13.7 An amount of Rs.20000.00 Lakh (Rs.16000.00 Lakh) has been provided in the Accounts during the current year towards Income Tax, Wealth Tax, Interest on tax payment etc. Further Rs.300.00 Lakh (Rs.20805.35 Lakh) is also provided during the current year for earlier years' Income Tax and Fringe Benefit Tax.

The Company is having a deferred tax asset on the basis of calculation as per Accounting for Taxes on Income (AS-22), issued by Institute of Chartered Accountants of India. Since as per existing provisions of tax laws the dividend received from subsidiaries which accounts for the income of Coal India Ltd, is tax free w.e.f. Financial year 2003-04 and since without considering such dividend there is no virtual certainty of future taxable income, as a prudent practice no deferred tax asset is recognised in the Accounts in keeping with the provisions of AS-22, Accounting for taxes on income.

Further dividend to GOI has been paid out of dividend received from subsidiary companies of CIL, on which Dividend Distribution Tax has been paid by the respective subsidiaries. No further tax on dividend to GOI has been considered as per the provision of Income Tax Act, 1961.

- 13.8 Shifting and Rehabilitation Fund (Schedule-C) shown in the Balance Sheet represents the fund set-up for "Implementation of action plan for Shifting & Rehabilitation dealing with Fire & Stabilisation on Unstable Areas of Eastern Coalfields Ltd. & Bharat Coking Coal Ltd.". The above fund is invested in Fixed Deposit and any interest income arising thereon (net of TDS) is also transferred to the said Fund. (Total interest income earned and transferred this year (net of TDS) is Rs.8038.06 Lakh (Rs.7619.23 Lakh).
- 13.9 The 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 includes :
- (a) Waiver of interest due on unsecured loans from Coal India Ltd. amounting to Rs.135.00 Crore as outstanding on 31.03.2002.
 - (b) Waiver of future interest on unsecured loan of Rs.519.00 Crore till Eastern Coalfields Ltd.'s net worth becomes positive.
 - (c) Waiver of service charges payable to Coal India Ltd. till Eastern Coalfields Ltd.'s net worth becomes positive.
- Accordingly no interest on the above unsecured loans and service charges has been charged during the year.
- 13.10 Other advances of Rs.1533.47 Lakh as shown under the schedule of Loans and Advances includes Rs.1178.81 Lakh, lying with Govt. of India as refundable deposit paid on behalf of Subsidiary companies on account of land compensation.
- 13.11 On the basis of uniform guideline, adopted for the Coal Companies to provide @Rs.75000/- per Ha for each Technical and Biological reclamation. (on total area requiring reclamation) where CMPDI estimate is not available, a provision of a sum of Rs.0.49 Lakh have been made in the year's account.
- 13.12 The position of various provisions as on 31.03.10 is given below:

Provisions	Rs. in Lakh			
	Opening Balance	Addition during the year	Write back/Adj. during the year	Closing Balance
Doubtful advance	6596.96	1734.24	1157.33	7173.87
Doubtful debts	1076.62	--	--	1076.62
Impairment of assets	2496.25	16.47	5.51	2507.21
CWIP	490.72	--	41.32	449.40
Other Provisions- Fixed Assets	46.70	--	4.19	42.51

13.13 Segment Reporting

The Company is primarily engaged in a single segment business of production and sale of Coal.

However, there is significant income from dividend from Subsidiaries also. The details are given below.

SEGMENT REPORTING

Rs. in 00,000

Description	Coal Mining		Other Incidental Activities		Consolidation	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Revenue						
External Sales	40318.20	28439.26	0.00	0.00	40318.20	28439.26
Dividend Income	0.00	0.00	336735.82	332974.10	336735.82	332974.10
Total Revenue	40318.20	28439.26	336735.82	332974.10	377054.02	361413.36
Segment Result	17633.20	3467.00	336735.82	332974.10	354369.02	336441.10
Add Grant to past losses	0.00	543.30	0.00	0.00	0.00	543.30
Prior period adjustment	0.00	0.00	0.00	0.00	0.00	0.00
Net Segment Result	17633.20	4010.30	336735.82	332974.10	354369.02	336984.40
Unallocated income/Expenditure(Net)	0.00	0.00	0.00	0.00	-2190.66	732.21
Operating Profit	0.00	0.00	0.00	0.00	352178.36	337716.61
Interest Income	138.42	0.00	34723.32	0.00	34861.74	28051.73
Income Tax	0.00	0.00	0.00	0.00	-9048.51	-36230.28
Profit from Ordinary Activities	138.42	0.00	34723.32	0.00	377991.59	329538.06
OTHER INFORMATION						
Segment Assets	24225.51	17572.30	0.00	0.00	24225.51	17572.30
Unallocated Corporate Assets	0.00	0.00	1767879.43	1603442.44	1767879.43	1603442.44
Total Assets	24225.51	17572.30	1767879.43	1603442.44	1792104.94	1621014.74
Segment Liabilities	27677.69	24426.74	0.00	0.00	27677.69	24426.74
Unallocated Liabilities	0.00	0.00	516614.89	498584.09	516614.89	498584.09
Total Liabilities	27677.69	24426.74	516614.89	498584.09	544292.58	523010.83
Segment Capital Expenditure	1589.65	277.08	0.00	0.00	1589.65	277.08
Unallocated Capital Expenditure	0.00	0.00	453.70	1289.82	453.70	1289.82
Total Capital Expenditure	1589.65	277.08	453.70	1289.82	2043.35	1566.90
Total Depreciation	9969.60	9827.22	0.00	0.00	9969.60	9827.22
(Including provision for impairment)						
UNALLOCATED DEPRECIATION						
(Including Other Provision)	0.00	0.00	18390.51	17609.51	18390.51	17609.51
Total Depreciation	9969.60	9827.22	18390.51	17609.51	28360.11	27436.73
(Including provision for impairment)						

**13.14 Earning per Share**

Sl. No.	Earning per Share particulars	As at 31st March'10	As at 31st March'09
i)	Profit after Taxation	Rs.377991.59 Lakh	Rs.329538.05 Lakh
ii)	Less: Adjustment for Reserve For Foreign Exch.	(-) Rs.726.17 Lakh	(-) Rs.698.81 Lakh
iii)	Net profit after tax attributable to Equity Share Holders.	Rs.377265.42 Lakh	Rs.328839.24 Lakh
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)	Rs.5.97	Rs.5.21

13.15 Significant accounting policy, part A of this schedule (Sch-M) has been suitably modified/ re-drafted over previous year, as found necessary to elucidate the accounting policies adopted by the company.

13.16 Previous years' figures have been regrouped and rearranged wherever considered necessary.

13.17 Figures in the parentheses relates to previous year.

13.18 Schedule A to K form part of the Balance Sheet as at 31st March , 2010 and 1 to 16 form part of Profit & Loss Account for the year ended on that date and Schedule - M represents Accounting Policies and explanatory notes on the Accounts. Additional information required as per Schedule - VI (Part-II and III) of the Companies Act, 1956 are given in the Annexure to Schedule - M.

Signature to Schedule A to K & M and 1 to 16.

sd/-
V. R. Reddy
Dy. CFM / Company Secretary

sd/-
A. Kundu
C.G.M. (F)

sd/-
A. K. Sinha
Director (F)

sd/-
Partha S. Bhattacharyya
Chairman

Dated: 3rd May, 2010
Place: Kolkata

As per our report annexed
For Deoki Bijay & Co.
Chartered Accountants

sd/-
(CA. D.N. Agrawal)
Partner
Membership No. 051157

ANNEXURE TO SCHEDULE- M**I) Directors' Remuneration:**

Rs. in 00,000

	<u>Current Year</u>	<u>Previous Year</u>
For Whole Time Directors		
(i) Salaries	96.56	46.31
(ii) Company's Contribution to Provident Fund & Other Funds	9.52	5.02
(iii) Medical Benefits	2.32	1.79
	108.40	53.12
For Part Time Directors		
(iv) Sitting Fees	6.05	3.90

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 Rs.520 per month as per service conditions.

II) The information required in paragraph 3 & 4 of Part (ii) of Schedule - VI of Companies Act., 1956, 3(b) value of imports on CIF basis:

(i) Raw Material	NIL	NIL
(ii) Capital Goods	3173.59	1602.98
(iii) Stores, Spares & Components	NIL	NIL

III) Expenditure incurred in Foreign Currency on account of:

(i) Interest & commitment charges	2666.17	4516.17
(ii) Commission to Foreign Agents	7.50	6.89
(iii) Travelling / Training expenses	176.28	64.81
(iv) Advertisement	8.46	44.06
(v) Consultancy	52.29	

IV) Earning in Foreign Exchange on account of:

(i) Export of Goods (Calculated on FOB basis)	NIL	NIL
(ii) Exchange Variation (net)	726.17	698.81
(iii) Miscellaneous	NIL	NIL



V. Total Consumption of Stores during the year:

	<u>Current Year</u>	<u>Previous Year</u>
(i) Imported Materials	NIL	NIL
(ii) Indigenous	1075.37	1005.25

Additional information required in paragraph 3 & 4 of Part-II of Schedule-VI to the Companies Act, 1956 for the year ended 31st March, 2010.

(i) Installed Capacity	Not Applicable	Not Applicable
(ii) Licensed Capacity	Not Applicable	Not Applicable

VI. Statement of Opening Stock, Production, Purchases, Turnover and Closing Stock of Coal, Coke and Other Product and by- product including its trading activities:

	Rs. in 00,000 (Quantity in '000 tonne)			
	<u>Current Year</u>		<u>Previous Year</u>	
	Quantity	Value	Quantity	Value
Opening Stock:				
Coal & Coke Adjustment	257.97	1750.60	85.22	917.16
Production:				
Coal	1112.56	--	1009.45	--
Sales (Gross) :				
Coal	1070.78	43980.35	835.03	31186.81
Own Consumption:				
Free issue to employees and Internal Consumption	0.06	--	1.67	--
Closing Stock:				
Coal and Coke	299.69	2417.50	257.97	1750.60

BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE

Registration No.	2	8	8	4	4
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State Code	2	1
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Balance Sheet Date

3 1 0 3
Date Month

2	0	1	0
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Year

Public Issue

Country	Year	Population	GDP	Urbanization	Healthcare	Education	Environment	Infrastructure	Technology
USA	2019	331,000,000	\$21,400,000,000,000	82%	High	High	High	High	High
China	2019	1,400,000,000	\$14,000,000,000,000	60%	Medium	Medium	Medium	Medium	Medium
India	2019	1,380,000,000	\$3,000,000,000,000	35%	Low	Low	Low	Low	Low
Germany	2019	83,000,000	\$40,000,000,000,000	77%	High	High	High	High	High
Japan	2019	126,000,000	\$5,000,000,000,000	94%	High	High	High	High	High
UK	2019	67,000,000	\$30,000,000,000,000	89%	High	High	High	High	High
France	2019	67,000,000	\$30,000,000,000,000	98%	High	High	High	High	High
Italy	2019	60,000,000	\$28,000,000,000,000	72%	High	High	High	High	High
Spain	2019	46,000,000	\$20,000,000,000,000	92%	High	High	High	High	High
Canada	2019	38,000,000	\$17,000,000,000,000	82%	High	High	High	High	High
Australia	2019	25,000,000	\$13,000,000,000,000	86%	High	High	High	High	High
South Korea	2019	51,000,000	\$1,700,000,000,000	92%	High	High	High	High	High
South Africa	2019	60,000,000	\$350,000,000,000	60%	Low	Low	Low	Low	Low
Brazil	2019	215,000,000	\$1,800,000,000,000	87%	Medium	Medium	Medium	Medium	Medium
Argentina	2019	45,000,000	\$450,000,000,000	92%	Medium	Medium	Medium	Medium	Medium
Colombia	2019	51,000,000	\$250,000,000,000	78%	Medium	Medium	Medium	Medium	Medium
Peru	2019	33,000,000	\$180,000,000,000	75%	Medium	Medium	Medium	Medium	Medium
Venezuela	2019	28,000,000	\$120,000,000,000	88%	Low	Low	Low	Low	Low
Chile	2019	19,000,000	\$180,000,000,000	92%	Medium	Medium	Medium	Medium	Medium
Ecuador	2019	17,000,000	\$100,000,000,000	75%	Medium	Medium	Medium	Medium	Medium
Bolivia	2019	11,000,000	\$40,000,000,000	65%	Low	Low	Low	Low	Low
Paraguay	2019	7,000,000	\$40,000,000,000	75%	Low	Low	Low	Low	Low
Uruguay	2019	3,500,000	\$50,000,000,000	95%	High	High	High	High	High
Costa Rica	2019	5,000,000	\$50,000,000,000	68%	Medium	Medium	Medium	Medium	Medium
Panama	2019	4,000,000	\$15,000,000,000	88%	Medium	Medium	Medium	Medium	Medium
Dominican Republic	2019	7,500,000	\$10,000,000,000	78%	Medium	Medium	Medium	Medium	Medium
Honduras	2019	9,500,000	\$15,000,000,000	65%	Low	Low	Low	Low	Low
Guatemala	2019	17,000,000	\$50,000,000,000	68%	Low	Low	Low	Low	Low
Nicaragua	2019	6,500,000	\$15,000,000,000	65%	Low	Low	Low	Low	Low
El Salvador	2019	6,500,000	\$15,000,000,000	65%	Low	Low	Low	Low	Low
Haiti	2019	11,000,000	\$15,000,000,000	65%	Low	Low	Low	Low	Low
Jamaica	2019	2,800,000	\$15,000,000,000	65%	Low	Low	Low	Low	Low
Trinidad and Tobago	2019	1,300,000	\$15,000,000,000	65%	Low	Low	Low	Low	Low
Grenada	2019	110,000	\$15,000,000,000	65%	Low	Low	Low	Low	Low
Suriname	2019	580,000	\$15,000,000,000	65%	Low	Low	Low	Low	Low
French Guiana	2019	270,000	\$15,000,000,000	65%	Low	Low	Low	Low	Low
Guadeloupe	2019	400,000	\$15,000,000,000	65%	Low	Low	Low	Low	Low
Martinique	2019	370,000	\$15,000,000,000	65%	Low	Low	Low	Low	Low
Reunion	20								

Rights Issue

0000	Audio	Video	CD/DVD	Books	0000	0000	0000	0000	0000
------	-------	-------	--------	-------	------	------	------	------	------

Bonus Issue

[illegible]

Private Placement

[illegible]

Total Liabilities

	2	3	9	6	7	9	4	6	6
--	---	---	---	---	---	---	---	---	---

Total Assets

	2	3	9	6	7	9	4	6	6
--	---	---	---	---	---	---	---	---	---

Sources of Funds :-

Paid- Up Capital

		6	3	1	6	3	6	4	4
--	--	---	---	---	---	---	---	---	---

Reserve & Surplus

		9	2	6	6	9	3	3	0
--	--	---	---	---	---	---	---	---	---

Secured Loans

[illegible]

Unsecured Loans

		1	4	6	4	2	9	6	8
--	--	---	---	---	---	---	---	---	---

Shifting & Rehabilitation Fund

		1	4	7	7	4	2	6	6
--	--	---	---	---	---	---	---	---	---

Application of Funds :-

Net Fixed Assets

			1	0	7	3	2	9	5
--	--	--	---	---	---	---	---	---	---

Investments

		6	3	1	6	5	6	8	6
--	--	---	---	---	---	---	---	---	---

Net Current Assets

	1	2	1	0	1	1	2	2	7
--	---	---	---	---	---	---	---	---	---

Misc. Expenditure

[illegible]

Accumulated losses

[illegible]



Annexure to SCHEDULE - M (Contd..)

BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE

IV Performance of Company (Amount in Rs. '000) :

Turnover (Net)								
		4	0	3	1	8	2	0

Total Expenditure								
		4	8	6	3	9	9	5

Other Income								
	3	9	5	3	6	1	8	5

		Profit/Loss Before Tax								
+	-									
+			3	8	7	0	4	0	1	0

		Profit/Loss After Tax								
+	-									
+			3	7	7	9	9	1	5	9

Earning per Equity share (Rs.)

-	-	-	-	-	-	5	.	9	7
---	---	---	---	---	---	---	---	---	---

Dividend
%

35

Equity Share

V Generic Name of Principal Product of the Company :

Item Code No.

(ITC Code)

-	-	2	7	0	1	1	2	.	0	0
---	---	---	---	---	---	---	---	---	---	---

Product Description

B	I	T	U	M	I	N	O	U	S		C	O	A	L
---	---	---	---	---	---	---	---	---	---	--	---	---	---	---

Item Code No.

(ITC Code)

-	-	2	7	0	4	0	0	.	0	4
---	---	---	---	---	---	---	---	---	---	---

Product Description

C	O	K	E	S		O	F		C	O	A	L
---	---	---	---	---	--	---	---	--	---	---	---	---

Statement Pursuant To Section 212(1) (E) of The Companies Act, 1956 as at 31st March, 2010

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 Rs. in Crores	Pre-tax Profit (+) Loss (-) for the Year ended 31.3.2010 Rs. in Crores	Profit (+) Loss (-) balance as on 31.3.2010 cumulative (after Tax Provisions for Dividends and Reserves)
					Rs. in Crores
Eastern Coalfields Limited	22,184,500	3	2218.45	(+) 333.40	(-) 8234.00
Bharat Coking Coal Limited	21,180,000	3	2118.00	(+) 793.93	(-) 7520.88
Central Coalfields Limited	94,00,000	3	940.00	(+) 1533.05	(+) 1140.17
Western Coalfields Limited	29,71,000	3	297.10	(+) 931.02	(+) 1932.82
Northern Coalfields Limited	17,76,728	3	177.67	(+) 3766.30	(+) 5115.90
South Eastern Coalfields Limited	35,97,000	3	359.70	(+) 3063.57	(+) 3575.95
Mahanadi Coalfields Limited	18,64,009	3	186.40	(+) 2953.90	(+) 4040.56
Central Mine Planning & Design Institute Limited	1,90,400	3	19.04	(+) 19.61	(+) 42.14
CIL				(+) 3870.40	(+) 5742.86
Sub-Total				(+) 17265.18	(+) 5835.52
Less income from dividend received from subsidiaries included in the Profit of CIL				(+) 3367.36	
Total				(+) 13897.82	
Adjustment for Deferred Revenue Income etc.				67.11	3598.64
Overall profit as per Consolidation of Accounts				(+) 13964.93	(+) 9434.16

[During the year 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 "Quote Capital") was Rs. 0.49 lakhs (US\$ 1000)].



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 2010.

The preparation of financial statements of Coal India Limited for the year ended 31 March 2010 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 03.05.2010

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 2010. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any 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

Kolkata

Dated: 10.05.2010

sd/-

(Nandana Munshi)

Pr. Director of Commercial Audit &

Ex-officio Member, Audit Board-II

Kolkata

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, 2010, the Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, on the basis of such checks as considered appropriate and according to the information and explanations given to us during the course of the audit, we give in the Annexure hereto, a statement on the matters specified in the paragraphs 4 and 5 of the said order.
4. Without qualifying our report, attention is drawn to Note No. 3.1 to Notes on Accounts in Schedule - M. Revival plan of the subsidiaries namely Bharat Coking Coal Limited and Eastern Coalfields Limited have been approved by the Board for Industrial & Financial Reconstruction. In the opinion of the management the implementation of the revival schemes will substantially improve the financial position of these companies.
5. Without qualifying our report, attention is drawn to Note No. 13.11 to Notes on Accounts in Schedule - M. In absence of technical evaluation, provision for technical and biological reclamation is made on uniform guideline of the company.



Auditors' Report

Management's Reply

6. Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as it appears from our examination of those books;
- (iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement read with significant Accounting Policy and Notes to Accounts as referred in Schedule - M comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies act, 1956.
- (v) As per Notification No. GSR 829 (E) dated 21-10-2003, provisions of clause (g) of sub-section (1) to Section 274 are not applicable to the company.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said Statements of Account, read together with significant accounting policies and Notes to Accounts as referred in Schedule - M 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, 2010;
- (b) in the case of Profit & loss Account of the profit for the year ended on that date; and
- (c) in the Cash Flow Statement of the Cash Flows for the year ended on that date.

For DEOKI BIJAY & CO.
Chartered Accountants
Sd/-

(CA. D. N. Agrawal)
Partner
Memb. No : 051157
Place : Kolkata
Dated : The 3rd day of May, 2010

Annexure to The Auditors' Report

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

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



control system commensurate with the size of the Company and the nature of its business for the purchase of Inventory and Fixed Assets and for the Sale of goods and services. During the course of our audit no major weakness in internal control has been noticed except for certain small advance / receivable accounts where details/ schedules are absent for a long time and the adjustments made there against are basically affected on adhoc basis leading to the emergence of credit balances often.

- v. In our opinion and according to the information and explanations given to us, there are no contracts and arrangements as referred to in section 301 of the Companies Act, 1956, particulars of which need to be entered into a register maintained under section 301 of the said Act. Accordingly, clause 4 (v) (b) of the order is not applicable.
- 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.
- vii. The Company has an Internal Audit system, which in our opinion needs to be strengthened.
- viii. The maintenance of cost records has not been prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956. for the Company.
- ix. (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other Statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as on 31.03.2010 for a period more than six months from the date they became payable

Steps have been taken to prepare details/ Schedules for various advance Accounts, during the current year 2010-11 as mentioned by the Audit.

This being a statement of fact calls for no comment separately

This being a statement of fact calls for no comment separately

Steps will be taken to increase the coverage of areas of Internal Audit System.

This being a statement of fact calls for no comment separately

This being a statement of fact calls for no comment separately

(b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty, Cess and Other Statutory dues which have not been deposited on account of any dispute. except for the following:

Nature of dues	Amount (Rs. in Lakhs)	Forum where dispute is Pending
Municipal Tax	249.41	Kolkata Municipal Corp.n./Tribunal

The disputes have been contested at appropriate forums. Necessary payment if any, will be made only after the case is settled.

x. The Company does not have any accumulated losses at the end of financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.

This being a statement of fact calls for no comment separately

xi. The Company has not defaulted in repayment of dues to Financial Institutions or Banks.

This being a statement of fact calls for no comment separately

xii. According to information and explanations given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

This being a statement of fact calls for no comment separately

xiii. The Company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society.

This being a statement of fact calls for no comment separately

xiv. The Company is not in the business of dealing or trading in shares. The Company has investments in shares of its wholly owned subsidiaries and SPV Joint Venture only and maintained proper records of transactions and contracts in respect thereof and timely entries have been made therein. The Company, in its own name, has held all these shares.

This being a statement of fact calls for no comment separately

xv. In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by its subsidiaries from banks and financial institutions are not prima facie prejudicial to the interest of the Company.

This being a statement of fact calls for no comment separately

xvi. Based on information and explanations given to us by the management, no term loan has been availed during the year. However, the term loans availed by the company in earlier years have been utilized for the purposes for which the said loan has been taken.

This being a statement of fact calls for no comment separately

xvii. On the basis of our overall examination of the Cash Flow Statement, the funds raised on short-term basis have not been used for long-term Investment

This being a statement of fact calls for no comment separately



xviii. During the year under audit the Company has not made any preferential allotment of shares.

This being a statement of fact calls for no comment separately

xix. The Company has not issued any debenture during current or earlier year (s).

This being a statement of fact calls for no comment separately

xx. The Company has not raised any money by way of Public Issue during the year.

This being a statement of fact calls for no comment separately

xxi. Based upon the audit procedures performed and on the basis of information and explanations provided by the management, we report that no fraud, on or by the Company has been noticed or reported during the year.

This being a statement of fact calls for no comment separately

For DEOKI BIJAY & CO.
Chartered Accountants

Sd/-

(CA D. N. Agrawal)

Partner

Membership No. 051157

Place : Kolkata

Dated : The 3rd day of May, 2010