

ANNUAL REPORT & ACCOUNTS

2011-2012



Central Coalfields Limited
A Miniratna Company



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Board of Directors

(As on 25th May, 2012)



Shri Gopal Singh
Chairman-cum-Managing Director

FUNCTIONAL DIRECTORS



Shri T. K. Nag



Shri A. Chatterjee



Shri R. R. Mishra

GOVERNMENT NOMINEES



Shri S. K. Singh
Jt. Secy., MOC



Shri R. Mohan Das
Dir. (P&IR), CIL

INDEPENDENT DIRECTORS



Shri Gautam Basu



Shri S. K. Sarkar



Shri S. Chakrabarti



Shri Anand Kumar



Prof. K. V. Ramani

PERMANENT INVITEES



Shri Deepak Nath
*Chief Operations Manager
East Central Railway*



Shri A. K. Sarkar
*Addl. Chief Secretary, Mines & Geology Deptt.
Govt. of Jharkhand*

COMPANY SECRETARY



Shri C.V.N. Gangaram

PRESENT MANAGEMENT

As on 25th May, 2012

(i.e on the date of the Fifty Sixth Annual General Meeting)

CHAIRMAN-CUM-MANAGING DIRECTOR

Shri Gopal Singh

FUNCTIONAL DIRECTORS

Shri T.K. Nag : Director (Tech./Oprn.)
Shri A. Chatterjee : Director (Finance)
Shri R. R. Mishra : Director (Personnel)

PART TIME OFFICIAL DIRECTORS

Shri S. K. Singh : Jt. Secretary
Ministry of Coal,
Govt. of India, New Delhi

Shri R. Mohan Das : Director(P&IR),
Coal India Limited,
10, N.S. Road, Kolkata

PART TIME NON-OFFICIAL DIRECTORS (INDEPENDENT DIRECTORS)

Shri Gautam Basu
Shri S. K. Sarkar
Shri S. Chakrabarti
Shri Anand Kumar, and
Prof. K. V. Ramani

PERMANENT INVITEES

Shri Deepak Nath, IRTS : Chief Operations Manager
East Central Railway, Hajipur (Bihar)

Shri A. K. Sarkar, IAS : Addl. Chief Secretary, Mines & Geology Deptt.
Govt. of Jharkhand

COMPANY SECRETARY :

Shri C.V.N.Gangaram

MANAGEMENT DURING 2011-2012

CHAIRMAN-CUM-MANAGING DIRECTOR

Shri R. K. Saha (Upto 29.02.2012)
Shri Gopal Singh (w.e.f. 01.03.2012)

FUNCTIONAL DIRECTORS

Shri T. K. Nag : Director (Tech./Oprn.)
Shri A. Chattejee : Director (Finance)
Shri R. R. Mishra : Director (Personnel) (w.e.f. 12.09.2011)

PART TIME DIRECTORS

Shri R. K. Mahajan : Jt. Secretary, Ministry of Coal,
Govt. of India, New Delhi (Upto 23.09.2011)
Shri D. N. Prasad : Director, MoC, Govt. of India, New Delhi
(From 12.10.2011 to 13.01.2012)
Shri Shailesh Kumar Singh : Jt. Secretary, Ministry of Coal
Govt. of India, New Delhi (From 13.01.2012)
Shri R. Mohan Das : Director(P&IR),
Coal India Limited, Kolkata.

PART TIME NON-OFFICIAL DIRECTORS (INDEPENDENT DIRECTORS)

Shri Gautam Basu : W.e.f. 27.04.2010
Shri S. K. Sarkar : W.e.f. 27.04.2010
Shri S. Chakrabarti : W.e.f. 23.02.2011
Shri Anand Kumar, and : W.e.f. 23.02.2011
Prof. K. V. Ramani : W.e.f. 23.02.2011

PERMANENT INVITEES

Shri R. S. Pandey, IRTS : Chief Operations Manager,
East Central Railway, Hajipur (Bihar)
(From 03.07.2008 to 26.09.2011)
Shri Deepak Chhabra, IRTS : Chief Operations Manager,
East Central Railway, Hajipur (Bihar)
(From 10.10.11 to 02.05.12)
Shri Deepak Nath, IRTS : Chief Operations Manager,
East Central Railway, Hajipur (Bihar)
(From 02.05.12)
Shri N. N. Sinha, IAS : Secretary, Mines & Geology Deptt.
Govt. of Jharkhand, Ranchi
(Upto 03.04.2011)
Shri A. K. Sarkar, IAS : Addl. Chief Secretary, Mines & Geology Deptt.
Govt. of Jharkhand (From 03.04.2011)

COMPANY SECRETARY

Shri C.V.N. Gangaram

BANKERS

Allahabad Bank	Indian Overseas Bank
Andhra Bank	State Bank of India
Bank of Baroda	Oriental Bank of Commerce
Bank of India	Punjab National Bank
Bank of Maharashtra	Syndicate Bank
Canara Bank	UCO Bank
Central Bank of India	Union Bank of India
Corporation Bank	United Bank of India
Dena Bank	State Bank of Patiala (upto 30.09.2011)
ICICI Bank Ltd.	

STATUTORY AUDITORS

M/s. V. K. Jindal & Co.
GG3-Shree Gopal Complex
Third Floor, Court Road, Ranchi

BRANCH AUDITORS

M/s. Lodha Patel Wadhwa & Co.
304, Shreelok Complex
4-H.B. Road, Ranchi

M/s. K. C. Tak & Co.
1, New Anantpur,
Ranchi

M/s. KPMB & Associates
Shivam Apartment
Near AG Office
Ranchi-834002

REGISTERED OFFICE

Darbhanga House
Ranchi 834 029
(Jharkhand)

NOTICE

Ref. No. : Secy./2012/564

Dated : 21.05.2012

FIFTY SIXTH ANNUAL GENERAL MEETING

Notice is hereby given to all Shareholders of Central Coalfields Limited that the Fifty Sixth Annual General Meeting of the Company will be held on Friday, the 25th day of May, 2012 at 2.00 PM at Darbhanga House, Ranchi to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Profit & Loss Account for the year ended on that date together with the Reports of the Statutory Auditors, Comptroller & Auditor General of India and the Board of Directors of the Company thereon.
2. To declare dividend on Equity Shares for the financial year ended 31st March, 2012 as proposed by the Board.
3. To re-appoint Shri S. K. Singh, Joint Secretary, Ministry of Coal, Govt. of India, as a Part-time Director of the Company as per the provisions of Article 34 (iii) of the Articles of Association of the Company.
4. To re-appoint Shri R. Mohan Das, Director (P&IR), Coal India Limited as a Part-time Director of the Company as per the provisions of Article 34 (iii) of the Articles of Association of the Company.

By order of the Board of Directors
Central Coalfields Limited
Sd/-
(C.V.N. Gangaram)
Company Secretary

Registered Office : Darbhanga House
Ranchi 834 029
(Jharkhand)

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

The Shareholders are also requested to accord their consent for convening the Annual General Meeting at a shorter notice pursuant to the provisions of the Sec. 171(2)(i) of the Companies Act, 1956.

MEMBERS

- : **The Coal India Limited, Member**
(Through Chairman, CIL)
10, Netaji Subhas Road,
Kolkata- 700 001

Shri S. Narsing Rao
Chairman,
Coal India Limited,
10, Netaji Subhas Road,
Kolkata- 700 001

Shri Gopal Singh
Chairman-cum-Managing Director,
Central Coalfields Limited,
Darbhanga House,
Ranchi – 834 029

Shri A. K. Sinha
Director (Finance),
Coal India Limited,
10, Netaji Subhas Road,
Kolkata- 700 001

**CHAIRMAN –
AUDIT COMMITTEE, CCL**

- : **Shri S. K. Sarkar**
J-1897, 2nd Floor,
Chittaranjan Park
New Delhi-110019

STATUTORY AUDITORS

- : **M/s. V. K. Jindal & Co.**
GG-3, Shree Gopal Complex
Third Floor, Court Road, Ranchi

VISION

To emerge as a Global player in the Primary Energy Sector, committed to provide energy security to the Country, by attaining environmentally and Socially Sustainable Growth, through best practices from Mine to Market.

MISSION

The Mission of Central Coalfields Limited (CCL) is to produce and market the planned quantity of Coal and Coal products efficiently and economically with due regard to Safety, Conservation and Quality.

OBJECTIVES

The major objectives of Central Coalfields Limited (CCL) are —

1. To optimize generation of internal resources by improving productivity of resources, prevent wastage and to mobilize adequate external resources to meet investment need.
2. To maintain high standards of Safety and strive for an accident free mining of Coal.
3. To lay emphasis on afforestation, protection of Environment and control of Pollution.
4. To undertake detailed exploration and plan for new Projects to meet the future Coal demand.
5. To modernize existing Mines.
6. To Develop technical know-how and organizational capability of Coal mining as well as Coal beneficiation and undertake, wherever necessary, applied research and development work related to scientific exploration for greater extraction of Coal.
7. To improve the quality of life of employees and to discharge the corporate obligations to Society at large and the community around the Coalfields in particular.
8. To provide adequate number of skilled manpower to run the operations and impart technical and managerial training for up-gradation of skill.
9. To improve the consumer satisfaction.
10. To enhance the CSR activities specifically in the field of Health, Sanitation and Drinking Water in the surrounding Villages.

OPERATIONAL STATISTICS

Year Ending 31st March	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
1. (a) Production of Raw Coal : (Million Tonnes)										
Underground	1.09	1.27	1.47	1.56	1.83	1.96	2.31	2.66	2.75	2.76
Opencast	46.91	46.25	45.61	41.68	42.32	39.36	38.20	34.73	34.58	34.22
TOTAL	48.00	47.52	47.08	43.24	44.15	41.32	40.51	37.39	37.33	36.98
(b) Overburden Removal : (Million Cu.Mts.)	65.68	62.52	56.05	55.63	55.22	45.90	49.97	46.68	48.10	46.64
2. Off take (Raw Coal) (Million Tonnes)										
Steel	4.04	4.95	4.31	4.37	4.14	4.85	5.49	5.82	5.44	5.10
Power	33.68	30.76	28.89	29.80	29.25	25.29	27.29	25.35	26.35	27.13
Cement	0.11	0.22	0.08	0.05	0.07	0.05	0.05	0.05	0.07	0.00
Fertilizer	0.95	0.94	0.83	0.88	0.59	0.75	0.60	0.60	0.90	0.93
Colliery Consumption	0.01	0.01	0.01	0.02	0.02	0.04	0.06	0.09	0.19	0.22
Others	9.25	9.50	9.79	8.55	7.53	7.12	5.37	3.98	3.15	3.42
TOTAL	48.04	46.38	43.91	43.67	41.60	38.10	38.86	35.89	36.10	36.80
3. Average Manpower	51156	53171	55305	57581	60209	62905	65536	68335	71100	73664
4. Productivity :										
(A) Average per Man per Year (Tonnes)	938.32	893.72	851.28	749.65	733.28	656.86	618.14	547.16	525.04	502.01
(B) Output per manshift (OMS) :										
(i) Underground (Tonnes)	0.32	0.34	0.35	0.36	0.39	0.40	0.43	0.47	0.47	0.46
(ii) Opencast (Tonnes)	5.79	5.45	5.24	4.65	4.66	4.02	4.12	3.75	3.75	3.68
(iii) Overall (Tonnes)	4.19	3.88	3.66	3.27	3.22	2.81	2.75	2.51	2.48	2.43
5. Information — As per Cost Report :										
(i) Earning per Manshift ()	1862.96	1615.93	1445.82	1616.43	1099.19	868.48	781.13	774.22	659.51	605.87
(ii) Avg. Cost of Production of Net Saleable Coal (P.T.)	1038.67	844.65	802.07	914.03	696.70	630.71	600.00	644.03	608.20	571.29
(iii) Avg. Sale Value of Production of Net Saleable Coal (P.T.)	1258.70	1072.82	1021.59	977.45	868.97	807.04	798.25	768.30	667.41	632.46

FINANCIAL POSITION

(in Crore)

Year Ending 31st March	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
(A) What is owned										
Gross Fixed Assets	4778.18	4590.13	4659.00	4484.91	4378.64	4198.81	4036.93	3811.03	3769.39	3703.78
Less Depreciation	3290.34	3204.05	3142.81	3038.01	2982.93	2783.73	2696.42	2467.28	2367.02	2211.09
(1) Net Fixed Assets	1487.84	1386.08	1516.19	1446.90	1395.71	1415.08	1340.51	1343.75	1402.37	1492.69
(2) Capital Work -in -Prog	259.15	408.34	343.04	311.35	323.38	267.08	271.74	436.35	323.22	215.50
(3) Misc expenditure (others)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.80
(4) Investment	37.69	47.12	56.54	65.96	75.39	84.81	94.23	94.23	94.23	0.00
(5) Deferred Tax Assets	502.51	493.16	507.28	565.00	343.57	214.06	166.19	129.72	0.00	0.00
(6) Current Assets:										
(i) (a) Inventory of coal, coke etc.	1379.68	1292.31	1006.38	806.26	858.04	682.68	578.82	442.69	335.06	259.87
(b) Inventory of stores & Spares etc.	147.25	143.57	154.79	141.99	129.87	127.93	135.18	145.18	146.36	148.70
(c) Other Inventories	4.95	11.11	16.01	19.81	3.27	3.02	1.85	18.00	19.43	17.55
(ii) Trade Receivables	1078.66	941.64	512.45	745.26	541.31	472.17	611.07	659.84	649.23	668.68
(iii) Cash & Cash Equivalents	3986.20	2582.77	2607.01	1815.88	1115.47	334.09	234.82	184.11	111.56	165.53
(iv) Loans & Advances (incl. Other C/Assets & Adjt)	1785.17	1677.16	1369.81	2740.92	2236.96	2076.97	1881.82	796.48	253.73	203.90
(v) O.B.R. Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	56.10
Total Current Assets (6)	8381.91	6648.56	5666.44	6270.13	4884.92	3696.86	3443.55	2246.30	1515.35	1520.33
(7) Less Current Liab & Prov. (Excl. intt Acct. but not Due)	7144.18	5854.34	5316.80	6218.54	4713.91	3408.48	3097.81	2295.29	1478.61	1354.82
Net Current Assets (6-7)	1237.73	794.22	349.64	51.59	171.00	288.38	345.74	—48.99	36.74	165.51
TOTAL (A)	3524.92	3128.92	2772.69	2440.80	2309.05	2269.41	2218.41	1955.07	1856.56	1890.50
(B) What is owed :										
(1) Govt Loan/CIL	0.00	0.00	0.00	157.27	307.28	457.28	757.28	907.27	1057.28	1313.66
(2) Interest Accrued but not Due	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.73	2.25
(3) Term Loan (F.intt & Banks)	87.54	90.91	112.05	136.70	115.60	125.85	138.66	151.43	239.80	352.70
TOTAL (B)	87.54	90.91	112.05	293.97	422.88	583.13	895.94	1058.70	1298.81	1668.61
Net Worth (A-B)	3437.38	3038.01	2660.64	2146.83	1886.17	1686.28	1322.48	896.37	557.75	221.89
Represented by										
(1) Equity Capital (incl. pending allotment)	940.00	940.00	940.00	940.00	940.00	940.00	940.00	940.00	940.00	940.00
(2) Reserves	1012.96	792.18	580.47	405.54	325.80	222.28	116.50	0.00	0.00	0.00
(3) Profit/Loss(+)/(-)	1484.42	1305.83	1140.17	801.29	620.37	524.00	265.98	—43.63	—382.25	—718.11
Net Worth (1 to 3)	3437.38	3038.01	2660.64	2146.83	1886.17	1686.28	1322.48	896.37	557.75	221.89
Capital Employed	2725.57	2180.30	1865.83	1498.49	1566.72	1703.46	1686.25	1294.76	1437.38	1655.96

INCOME AND EXPENDITURE STATEMENT

(in Crore)

Year Ending 31st March	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
(A) Earned From										
Gross Sales	9005.34	7083.13	6291.92	5978.37	5060.54	4506.41	4512.91	4043.73	3488.52	3334.41
Less Coal from Development Mines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less Levies (Royalties, Cess etc.)	1679.01	1041.43	803.70	767.49	697.60	605.68	602.90	551.62	532.74	478.88
(1) Net Sales	7326.33	6041.70	5488.22	5210.89	4362.94	3900.73	3910.01	3492.12	2955.79	2855.52
(2) Accretion/Decretion in Stock	86.45	285.81	162.44	-69.94	136.58	72.70	137.62	109.11	54.12	-2.87
(3) Coal Issued For Other Purposes (including washery)	0.00	0.00	1093.13	1038.45	1078.00	1059.72	1029.39	1037.03	911.55	848.48
(4) Other Revenue Receipts — Others	565.28	398.91	505.86	464.58	365.53	418.48	260.12	221.39	244.14	230.39
TOTAL(A)	7978.06	6726.42	7249.65	6643.97	5943.06	5451.63	5337.14	4859.65	4165.59	3931.52
(B) Paid to/Provided for										
Employees' Benefit Expenses (Gross -Rev)	3387.49	2588.50	2360.03	2621.29	1799.90	1451.16	1311.86	1706.95	1350.13	1153.41
Less Trans to Oth Rev Heads	0.00	0.00	44.67	46.41	33.41	30.73	24.88	24.26	19.64	19.11
(1) Net Employee Benefit Expenses (Excl'd V.R.S Payment)	3387.49	2588.50	2315.36	2574.87	1766.49	1420.43	1286.98	1682.68	1330.49	1134.30
(2) V.R.S Payment	9.57	10.91	13.40	14.41	24.43	30.82	35.94	35.77	53.26	42.66
(3) Welfare Expenses	119.95	86.55	202.93	193.01	165.27	143.60	119.78	116.45	115.47	106.55
Less : Social Overheads Dep & intt	0.00	0.00	6.41	7.49	6.42	7.70	7.43	8.18	8.91	9.77
Welfare Expenses (Excl'd. Dep & Int)	119.95	86.55	196.52	185.52	158.85	135.90	112.34	108.28	106.56	96.77
(4) Cost of Material Consumed (Gross-Rev)	577.27	533.19	507.18	484.91	488.35	424.18	441.07	423.54	393.46	359.69
Less: Trans to oth. Rev. Heads	0.00	0.00	4.21	5.11	6.79	7.49	6.50	8.87	8.08	8.89
Cost of Material Consumed (Net)	577.27	533.19	502.97	479.80	481.55	416.69	434.57	414.67	385.39	350.80
(5) (i) Power & Fuel	265.45	202.52	266.90	256.29	225.95	226.52	219.53	211.52	201.11	197.99
(ii) Coal issued for other purposes (including washery)	0.00	0.00	1053.15	1020.17	1037.73	1024.89	1042.94	1032.42	874.99	840.09
(6) Contractors (Including Repairs)	638.37	545.93	488.51	492.78	438.92	380.97	370.77	319.28	288.82	299.17
(7) (a) Other Expenses	412.93	334.48	336.09	375.35	280.46	183.56	249.51	162.56	123.70	100.92
(b) Provisions/Write-off	224.31	200.34	132.06	185.93	91.91	52.09	97.48	95.15	24.21	73.32
(8) Interest	1.85	8.96	17.39	43.51	64.26	89.18	97.98	109.62	119.90	132.90
(9) Depreciation	220.80	242.54	208.05	192.08	238.64	194.89	325.73	192.23	192.01	208.55
(10) O.B.R. Adjustment	188.59	100.63	185.02	71.98	103.57	263.83	21.79	59.22	127.40	81.46
(11) Financial Charges	1.73	1.57	1.86	3.31	1.74	2.02	2.36	2.66	4.40	6.81
(12) Prior Period Adj.	-40.49	10.08	-0.68	-15.83	-6.68	9.53	-125.78	-4.23	-37.01	-18.88
TOTAL (B)	6007.82	4866.20	5716.60	5880.17	4907.81	4431.32	4172.16	4421.84	3795.21	3546.87
Profit/Loss for the Year (A-B)	1970.24	1860.22	1533.05	763.80	1035.25	1020.30	1164.98	437.81	370.38	384.65
Fringe Benefit Tax	0.00	0.00	0.00	11.89	10.51	9.11	7.52	0.00	0.00	0.00
Provision for Income Tax	669.05	601.49	506.59	483.41	461.23	409.31	445.66	228.92	34.53	0.00
Provision for Deferred Tax	-9.35	14.12	57.72	-221.43	-62.06	-47.86	-36.47	-70.97	0.00	0.00
Provision for I. Tax for Earlier Years	-9.01	-2.22	2.96	0.00	0.00	0.00	-10.11	0.00	0.00	0.00
Trans to General Reserve	197.02	186.02	153.31	79.74	103.52	105.78	116.50	0.00	0.00	0.00
Trans to Reserve for CSR	23.76	25.69	21.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend (Including Dividend Tax)	920.18	869.46	451.98	229.28	292.76	285.94	332.27	0.00	0.00	0.00
Cumulative Profit/Loss b/f B/F from Prev. Year	1305.83	1140.17	801.29	620.37	391.07	265.98	-43.63	-323.50	-718.11	-1102.76
Cumulative Profit/Loss trans to Balance Sheet	1484.42	1305.83	1140.17	801.29	620.37	524.00	265.98	-43.63	-382.25	-718.11

IMPORTANT FINANCIAL INFORMATION & RELATIVE RATIOS

(A) FINANCIAL INFORMATION

(in Crore)

Year Ending 31st March	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
(A) Related to Assets & Liabilities :										
(1) Shareholders' Fund :										
(a) Equity	940.00	940.00	940.00	940.00	940.00	940.00	940.00	940.00	940.00	940.00
(b) Reserve & Surplus	1012.96	792.18	580.47	405.54	325.80	222.28	116.50		0.00	
(c) Profit/Loss (+)/(-)	1484.42	1305.83	1140.17	801.29	620.37	524.00	265.98	-43.63	-382.25	-718.11
Net Worth	3437.38	3038.01	2660.64	2146.83	1886.17	1686.28	1322.48	896.37	557.75	221.89
(2) Loan										
(3) Capital Employed	2725.57	2180.30	1865.83	1498.49	1566.72	1703.46	1686.25	1294.76	1437.38	1655.96
(4) (i) Net Fixed Assets										
(ii) Current Assets	8381.91	6648.56	5666.44	6270.13	4884.92	3696.86	3443.55	2246.30	1515.35	1520.33
(iii) Net Current Assets (W/C)	1237.73	794.22	349.64	51.59	171.00	288.38	345.74	-48.99	36.74	165.51
(5) Current Liabilities										
(Excl. intt. accrued & due)	7144.18	5854.34	5316.80	6218.54	4713.91	3408.48	3097.81	2295.29	1478.61	1354.82
(6) (a) Trade Receivables (Net)										
(b) Cash & Cash Equivalents	3986.20	2582.77	2607.01	1815.88	1115.47	334.09	234.82	184.11	111.56	165.53
(7) Closing Stock of :										
(a) Stores & Spares (Net)	147.25	143.57	154.79	141.99	129.87	127.93	135.18	145.18	146.36	148.70
(b) Coal & Cokes etc. (Net)	1379.68	1292.31	1006.38	806.26	858.04	682.68	578.82	442.69	335.06	259.87
(c) Other Inventories (Net)	4.95	11.11	16.01	19.81	3.27	3.02	1.85	18.00	19.43	17.55
(8) Average Stock of Stores & Spares (Net)	145.41	149.18	148.39	135.93	128.90	131.56	140.18	145.77	147.53	150.72
(B) Related to Profit/Loss :										
(1) (a) Gross Margin										
(b) Gross Profit	1972.09	1869.17	1550.44	807.31	1099.50	1109.49	1262.96	547.43	490.29	517.55
(c) Net Profit (Before Tax & Invest Allowance etc.)	1970.24	1860.22	1533.05	763.80	1035.25	1020.30	1164.98	437.81	370.38	384.65
(2) (a) Gross Sales										
(b) Net Sales (after levies & Dev. etc.)	7326.33	6041.70	5488.22	5210.89	4362.94	3900.73	3910.01	3492.12	2955.79	2855.52
(c) Paid/Payable Amount of Royalty, Cess etc.	1679.01	1041.43	803.70	767.49	697.60	605.68	602.90	551.62	532.74	478.88
(d) Avg. Net Sales per Month	610.53	503.47	457.35	434.24	363.58	325.06	325.83	291.01	246.32	237.96
(3) Cost of Goods Sold (Sales-Profit)										
(4) (a) Total Expenditure (Excl. Recov. & others)	6007.82	6206.18	5716.60	5880.17	4907.81	4431.32	4172.16	4421.84	3795.21	3546.87
(b) Employee Benefit Expenses	3387.49	2576.25	2360.03	2621.29	1799.90	1451.16	1311.86	1706.95	1350.13	1153.41
(c) Cost of Material Consumed	577.27	533.22	507.18	484.91	488.35	424.18	441.07	423.54	393.46	359.69
(d) Power & Fuel	265.45	206.74	266.90	256.29	225.95	226.52	219.53	211.52	201.11	197.99
(e) Int. & Depreciations (Gross rev. only)	222.65	219.82	225.44	235.59	302.90	284.07	423.72	301.85	311.91	341.45
(5) Avg. Consump. of Stores & Spares (Gross) per month										
(6) (a) Avg. Manpower Employed during the year	51156	53171	55305	57681	60209	62905	65536	68335	71100	73664
(b) Welfare Expenses	119.95	86.55	202.93	193.01	165.27	143.60	119.78	116.45	115.47	106.55
(c) Welfare Expenses/Employee ('000)	23.45	16.28	36.69	33.46	27.45	22.83	18.28	17.04	16.24	14.46
(7) (a) Value Added										
(b) Value Added per employee ('000)	1284.62	1050.85	882.63	763.82	630.02	529.80	518.51	436.45	342.76	314.83

IMPORTANT FINANCIAL INFORMATION & RELATIVE RATIOS

(B) FINANCIAL RATIOS/PERCENTAGES

Year Ending 31st March	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
(A) PROFITABILITY RATIO :										
(1) As % Net Sales :										
(a) Gross Margin	29.93	34.43	32.04	19.18	30.67	33.44	40.63	21.18	23.08	25.43
(b) Gross Profit	26.92	30.94	28.25	15.49	25.20	28.44	32.30	15.68	16.59	18.12
(c) Net Profit	26.89	30.79	27.93	14.66	23.73	26.16	29.79	12.54	12.53	13.47
(2) As % Total Expenditure										
(a) Employee Benefit Expenses	56.38	41.51	41.28	44.58	36.67	32.75	31.44	38.60	35.57	32.52
(b) Cost of Material Consumed	9.61	8.59	8.87	8.25	9.95	9.57	10.57	9.58	10.37	10.14
(c) Power & Fuel	4.42	3.33	4.67	4.36	4.60	5.11	5.26	4.78	5.30	5.58
(d) Interest & Depreciation	3.71	3.54	3.94	4.01	6.17	6.41	10.16	6.83	8.22	9.63
(3) As % Capital Employed										
(a) Gross Margin	80.46	95.40	94.25	66.69	85.41	76.57	94.22	57.13	47.47	43.85
(b) Gross Profit	72.36	85.73	83.10	53.88	70.18	65.13	74.90	42.28	34.11	31.25
(c) Net Profit	72.29	85.32	82.16	50.97	66.08	59.90	69.09	33.81	25.77	23.23
(4) Operating Ratio (Sales-Profit/Sales)	0.73	0.69	0.72	0.85	0.76	0.74	0.70	0.87	0.87	0.87
(B) LIQUIDITY RATIO :										
(1) Current Ratio (Current Asset/Current Liability)	1.17	1.14	1.07	1.01	1.04	1.08	1.11	0.98	1.02	1.12
(2) Quick Ratio (Quick Asset/Current Liability)	0.71	0.60	0.59	0.41	0.35	0.24	0.27	0.37	0.51	0.62
(3) Working Capital as % of										
(a) Capital Employed	45.41	36.43	18.74	3.44	10.91	16.93	20.50	-3.78	2.56	9.99
(b) Net Fixed Assets	83.19	57.30	23.06	3.57	12.25	20.38	25.79	-3.65	2.62	11.09
(C) TURNOVER RATIO										
(1) Capital Turnover Ratio (Net Sales/Capital Employed)	2.69	2.77	2.94	3.48	2.78	2.29	2.32	2.70	2.06	1.72
(2) Working Capital Turnover Ratio (Net Sales/Working Capital)	5.92	7.61	15.70	101.00	25.51	13.53	11.31	-71.28	80.45	17.25
(3) Sundry Debtors as no. of months										
(a) Gross Sales	1.44	1.60	0.98	1.50	1.28	1.26	1.62	1.96	2.23	2.41
(b) Net Sales	1.77	1.87	1.12	1.72	1.49	1.45	1.88	2.27	2.64	2.81
(4) As Ratio of Net Sales										
(a) Sundry Debtors	0.15	0.16	0.09	0.14	0.12	0.12	0.16	0.19	0.22	0.23
(b) Coal Stocks	0.19	0.21	0.18	0.15	0.20	0.18	0.15	0.13	0.11	0.09
(5) Stock of Stores & Spares										
(a) Avg. Stock/Annual Consumption	0.25	0.28	0.29	0.28	0.26	0.31	0.32	0.34	0.37	0.42
(b) Closing Stock as no. of months consp.	3.06	3.23	3.66	3.51	3.19	3.62	3.68	4.11	4.46	4.96
(D) STRUCTURAL RATIO										
(1) Debt : Equity	0.09	0.10	0.12	0.31	0.45	0.62	0.95	1.13	1.38	1.78
(2) Debt : Net Worth	0.03	0.03	0.04	0.14	0.22	0.35	0.68	1.18	2.33	7.52
(3) Net Worth : Equity	3.66	3.23	2.83	2.28	2.01	1.79	1.41	0.95	0.59	0.24
(4) Net Fixed Assets : Net Worth	0.43	0.46	0.57	0.67	0.74	0.84	1.01	1.50	2.51	6.73

DIRECTORS' REPORT

To

The Shareholders,
Central Coalfields Limited

Members,

I, on behalf of the Board of Directors have great pleasure in presenting to you the 56th Annual Report of your Company along with the Audited Accounts for the year ended 31st March, 2012. The Audited Statements of Accounts, report of the Statutory Auditors and Management's reply thereon as well as comments of the Comptroller & Auditor General of India on the Audited Accounts are annexed to this report.

1. PRODUCTION

The table below shows the Production and Productivity figures achieved by your Company during the year 2011-12 as compared to the actual of 2010-11.

Particulars	2011-12		2010-11 Actual	%age Growth over last year
	Target	Actual		
Production				
From OC (MT)	49.350	46.916	46.25	1.444
From UG (MT)	1.650	1.088	1.27	(-)14.599
TOTAL (MT)	51.000	48.004	47.52	1.014
OBR (MM³)	63.000	65.676	62.52	5.045
Composite				
Production(MM³)	94.433	95.559	91.98	5.966
Washed Coal (Coking)				
Production(MT)	1.800	1.334	1.45	(-)8.190
Dispatch (MT)	—	1.373	1.39	(-)1.223
Washed Coal (Non-Coking)				
Production(MT)	7.330	7.641	8.06	(-)5.227
Dispatch (MT)	—	7.697	8.06	(-)4.504
Productivity (OMS-Te)				
OC	6.380	5.79	5.45	6.239
UG	0.450	0.32	0.34	(-)5.882
OVERALL	4.460	4.19	3.88	7.990

2. WASHERY PERFORMANCE

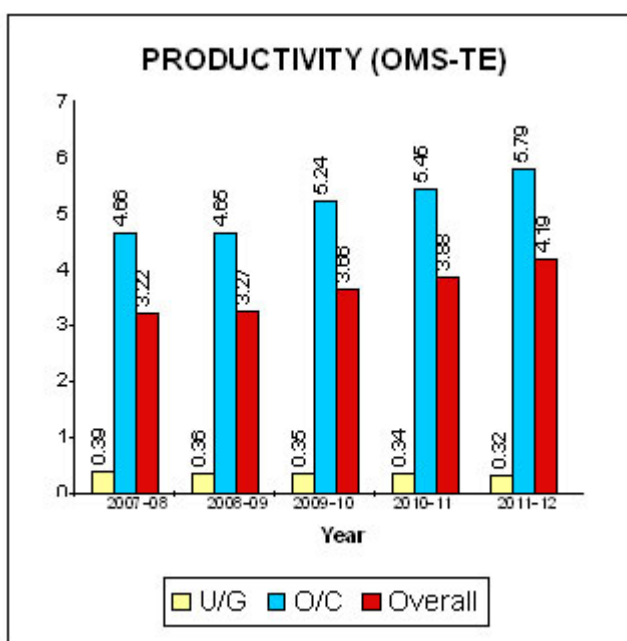
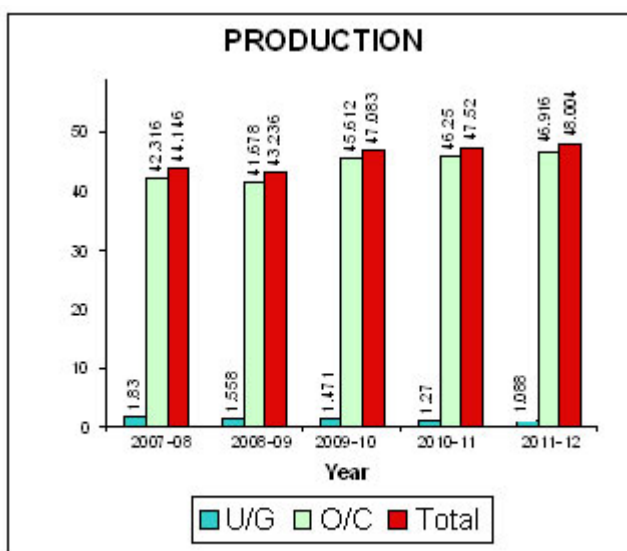
Your Company is in the business of washing Coking Coal as well as Non-Coking Coal. There are four Coking Coal Washeries and three

Washeries for washing / beneficiation of Non-Coking Coal.

The Washeries have contributed 555.88Crore towards overall profit during the year 2011-12 compared to 483.63 Crore in 2010-11, registering a positive growth of 14.94%.

COKING COAL WASHERIES

Washed Coking Coal production during 2011-12 has been 13.336 lakh tonne against 14.528 lakh tonne during 2010-11.



Coking Coal Washery have contributed a profit of 283.855 Crore during 2011-12 against 251.75 Crore during 2010-11, registering a **positive growth of 12.75%**.

Since Kathara Washery was having major repair/ replacement work of coal tank, 5.550 lakh tonne of Raw Coking Coal was supplied to SAIL during 2011-12. The equivalent clean coal at 44.06% yield comes to 2.446 lakh tonne. Thus total Clean Coal Production from Coking Coal Washeries of your Company may be taken as 15.782 (13.336+2.446) lakh tonne against last year's figure of 16.022 (14.528 +1.494) lakh tonne.

Washery-wise production and yield during 2011-12 vis-à-vis the previous year are given below:

Washery	Prod. (in lakh tonnes)		Yield%	
	2011-12	2010-11	2011-12	2010-11
Kathara	1.4595	1.430	33.19	38.42
Sawang	2.0235	2.079	40.16	44.05
Rajrappa	6.0734	5.707	49.31	49.60
Kedla	3.7800	5.312	44.39	46.19
Total	13.3364	14.528	44.06	46.20
Equivalent Clean Coal production for Raw Coking Coal diverted to SAIL-ISP	2.4460	1.494	44.06	46.20
Grand Total	15.7824	16.022	44.06	46.20

NON-COKING COAL WASHERIES :

The Washed Non-Coking Coal production during 2011-12 has been 76.4132 lakh tonne against 80.628 lakh tonne during 2010-11.

Non-coking Coal Washeries have contributed a profit of 272.0250 Crore during 2011-12 against 231.88 Crore during 2010-11, registering a **positive growth of 17.31%**.

The Washery-wise production and yield during 2011-12 vis-à-vis the previous year is given below:

Washery	Prod. (in lakh tonnes)		Yield%	
	2011-12	2010-11	2011-12	2010-11
Piparwar	68.9147	71.764	88.18	88.10
Kargali	5.4290	5.345	93.45	86.99
Gidi	2.0695	3.519	58.86	59.33
Total	76.4132	80.628	87.35	86.20

2(A). STATUS OF NEW WASHERIES PROPOSED FOR CONSTRUCTION :

1. Ashok Washery (10.0 MTY)

- (i) For EMP Clearance of Washery and FBC Plant, meeting by MOEF has been held on 30/08/2011, 26/09/2011 and 20/03/2012.
- (ii) Public hearing was held on 31.01.2012 through State Pollution Control Board.
- (iii) Clearance Letter from MOEF is awaited.
- (iv) Statutory clearance like Factory Licence is in progress.

After obtaining Statutory clearance LOI will be issued to the bidder.

2. Karo Washery (2.5 MTY)

- (i) Site for construction of Washery has been identified.
- (ii) First Stage Forestry Clearance is expected by Nov., 2012.
- (iii) Second Stage Forestry Clearance is expected by July, 2013.

3. Konar (3.5 MTY)

- (i) One Site has been identified but due to some technical problem, selection of alternative site is in progress.
- (ii) First Stage Forestry Clearance has been obtained.
- (iii) Second Stage Forestry Clearance is expected by Nov., 2012.

4. Dhori Washery (2.5 MTY)

- (i) Revised TEFR is under preparation at CMPDIL.
- (ii) Tendering is expected by August, 2012.

3. OFFTAKE :

The total off-take of Raw Coal during 2011-12 was 48.041 million tonnes. The mode-wise details of off-take compared to that of previous year are given below :

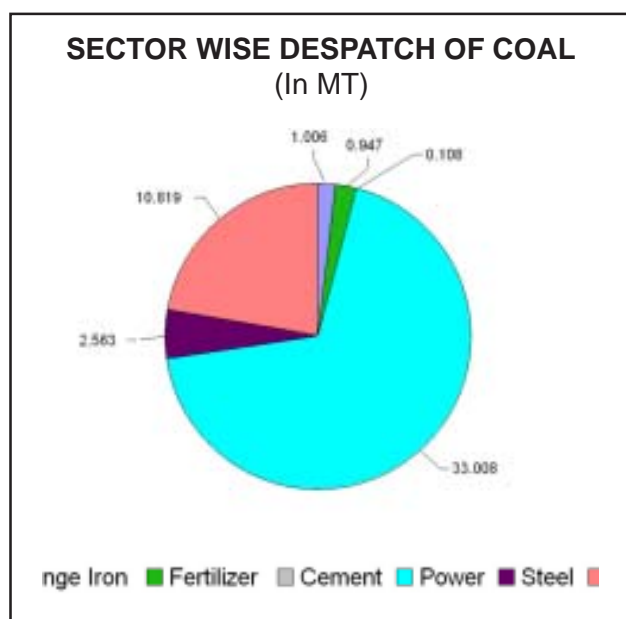
(Fig. In Million Tonnes)

Mode	2011-12	2010-11
Rail	26.105	22.315
Road	10.299	11.709
Internal Transfer	11.629	12.194
Colliery Consumption	0.008	0.010
Total Off-Take	48.041	46.228

The sector wise dispatches of coal and its different by-products during the year 2011-12 are given below:

(Figs. in Million Tonnes)

Sector	Raw Coal	Clean Coal	Non-Coking washed Coal	Washed Coal Power	Slurry	Rejects	Total
STEEL	0.150	1.373	0.165	0.875	-	-	2.563
POWER	24.946	-	7.532	0.075	-	0.455	33.008
CEMENT	0.108	-	-	-	-	-	0.108
FERTILIZER	0.947	-	-	-	-	-	0.947
SPONGE IRON	1.006	-	-	-	-	-	1.006
OTHERS	9.247	-	-	-	0.658	0.914	10.819
TOTAL	36.404	1.373	7.697	0.950	0.658	1.369	48.451



4. COAL STOCK

The stock of Raw Coal(*) as on 31 March 2012 stood at 16.33 Million Tonnes as against 16.37 Million Tonnes as on 31.03.2011.

(* Raw Coal stock at all producing units, washeries and coke plant).

5. TURNOVER AND SALES REALIZATION

During the year under reference the Gross Sales Turnover of the Company was 9005.34 Crore and the sales realization was 9248.65 Crore. The Sector wise position of Debtors (Gross) as on 31 March 2012, is given below:

(Figs. in Crore)

SECTOR	As on 31.03.2012	As on 31.03.2011
POWER	1201.76	1091.74
STEEL	269.99	365.01
OTHERS	0.00	5.19
TOTAL	1471.75	1461.94

6. POPULATION AND PERFORMANCE OF HEMM

The population of HEMM in Mechanized Opencast Mines of CCL as on 31.03.2012 and 31.03.2011 are given below:

HEMM	POPULATION AS ON	
	31.03.12	31.03.11
Shovel	112	121
Dumper	563	540
Dozer	167	175
Drill	116	106

The performance of HEMM in terms of Availability and Utilization percentage against CMPDIL norms during the year 2011-12 vis-à-vis 2010-11 is given as under:

HEMM	Norms	% Availability		% Utilization		
		Actual	Actual	Actual	Actual	
		2011-12	2010-11	2011-12	2010-11	
Shovel	80	72	72	58	42	41
Dumper	67	64	64	50	37	37
Dozer	70	60	64	45	23	23
Drill	78	79	78	40	29	28

Against the Capital Budget Outlay of 200 Crores for HEMM during 2011-12, the actual expenditure incurred has been 232.8 Crores.

7. SYSTEM CAPACITY UTILISATION

System Capacity for 2011-12 assessed as on 01.04.11 (MM ³)	Achievement of Production by OC Mines (2011-12)			% Capacity Utilisation	
	Coal (MT)	OBR (MM ³)	Composite (MM ³)	2011-12	2010-11
100.69	46.916	65.676	95.559	95	96

Overall system capacity utilisation for 2011-12 is 93.81% against MoU 2011-12 target of 91.25% for excellent rating.

8. COAL MARKETING

8.1 Demand Satisfaction as per AAP

(Fig. in Million Tonne)

Sector	Demand		Offtake		Demand Satisfaction %	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Power	34.40	32.50	30.474	28.870	88	89
Fertilizers	1.00	1.00	0.947	0.94 ^F	95	94
Cement	0.19	0.10	0.197	0.218	103	218
Others	3.66	3.65	4.786	4.036	129	110
Feed to Washery	12.74	12.74	11.629	12.303	92	96
Colliery Consumption	0.01	0.01	0.008	0.011	80	110
Total	52.00	50.00	48.041	46.383	92	93

8.2 Wagon Loading

The coalfield wise wagon loading position for the year 2011-12 is given below:

(Fig. in FWW/Day)

RAILWAY FIELDS	2011-12	2010-11
South Karanpura	698	612
North Karanpura	2062	2115
Sub Total Karanpura	2760	2727
Jharia	765	614
Total E.C.Railways	3525	3341
Giridih	49	44
Total Eastern Railways	49	44
Adra	174	162
Total S.E. Railways	174	162
TOTAL CCL	3748	3547

8.3 e-Auction of Coal:

The performance of Spot-e-Auction during the period 2011-12, is as under:

Period	Scheme	Offered Quantity (MT)	Booked Quantity (MT)	Gain over Notified Price (in lakh)	% of Gain Over Notified Price
2011-12	Rail	0.463	0.4630	10062.7	176
	Road	4.642	4.4248	68939.8	73
	Slurry	1.310	0.7540	4206.5	34
	Rejects	1.635	1.0560	8789.4	81
	Total	8.051	6.6978	91998.3	75

e-Auction of coal during 2011-12 was 13.95% of coal production against the MoU 2011-12 target of 9.5% of coal production for excellent rating.

9. SIZING AND CRUSHING OF COAL

For crushing ROM Coal, one In-Pit Crusher and five Coal Handling Plants are in operation in your company. From In-Pit Crusher Coal is directly fed to washery through a series of belt conveyors. The CHPs have the facilities of Primary Crushing and loading into wagons through conveyors. Three more old CHPs are also there at Dakra in N.K. Area, Bachra in Piparwar Area and Sayal in Barka Sayal Area. These old CHPs are in the process of survey off. Crushing and sizing of coal is being done to (-) 200mm size through these crushers.

Besides the above, as on 31st Mar' 2012 there are 31 nos. of Feeder Breakers at different Projects for crushing of ROM coal to (-) 200 mm size (out of these 29 no. are in use, as at Sayal siding, 2 no. of Feeder Breakers are closed). During the year 2011-12, 4 nos. of Feeder breakers of 0.5 Million Tonne capacity per annum each were commissioned at the areas B&K, Barka-Sayal & Piparwar. The list is as follows:

Sl. No.	Location	Area	Number	Capacity (MTY)
1.	Urimari (Pit Head)	Barka-Sayal	2	0.5 each
2	Giridih	B&K	1	0.5
3	Piparwar	Piparwar	1	0.5

In view of the increased coal production target, it is also proposed to install & commission Feeder Breakers in the following Area/locations during 2012-13 to achieve 100 % crushing of coal :

Sl.No.	Location	Area	Number	Capacity (MTY)
1.	Jarangdih Siding PF-I	B&K	1	0.5
2.	Jarangdih Siding PF-II	Kathara	1	0.5
3.	Tarmi Siding	Dhori	1	0.5
4.	Amlo Siding	Dhori	1	0.5
5.	Giridih Siding	B&K	1	0.5
6.	Parej East OC, Pit-head	Hazaribagh	1	0.5
7.	Jharkhand OCP	Hazaribagh	1	0.5
8.	Tapin	Hazaribagh	1	0.5

During 2011-12, about 26.2 million tonne of coal was crushed through CHPs, Feeder Breakers, In-Pit Crusher & Surface Miner.

Despatch of sized coal to power sector by rail was 98.37% during 2011-12 against MoU target of 99% for excellent rating.

10. PERFORMANCE OF WEIGH BRIDGES

Efforts have been made to ensure 100 % weighment of coal before Despatch. Thirty six rail weighbridges were fully functioned to weigh the coal despatch by rail in the year 2011-12.

These thirty six Rail weighbridges also include seven stand-by rail weighbridges located at Ray, Mcluskiganj, Jarangdih, RCM, Tarmi, Chainpur and N.R. sidings. The total percentage of coal weighed by rail weighbridges during this period was 99.48% against MoU 2011-12 target of 99% for excellent rating. Also to meet the enhanced dispatch target 4 (Four) new 100 Te Rail weighbridges at Gidi(W), Dakra, KD(H) & Tori sidings are in the process of commissioning and likely to be in operation in the coming months.

In order to ensure correct weighment for the satisfaction of consumers and Railways, regular FIO testing of Rail weighbridges had been carried out in presence of authorized representative of Weight & Measures Deptt., Govt. of Jharkhand. The Rail Weigh Bridge of Tori siding is awaiting permission from Railways for commercial operation. One more new 100Te Rail weighbridge at Saunda Siding is awaiting Railways permission and likely to be put into operation. Three nos. of Rail weigh bridges of 100 T capacity are being procured for Gidi A (Argada Area), Saunda Siding (Barka-Sayal Area) and Amlo (Dhori).

At present for weighment of coal being despatched by road there are 79 Road Weighbridges, having capacity from 30Te to 50Te. All the Weighbridges which have the capacity less than 50 Te are under upgradation. 25 nos. new 50 Te Electronic Road Weighbridges have been

procured out of which 16 nos. have been installed and commissioned - at Amlo & Kalyani (Dhori)-2no., Kathara (W) & Swang (Kathara)-2no., Giridih, Khasmahal & Karo (B&K) -3 no., KDH (NK) – 1 no., Bhurkunda & Urimari (Barka-Sayal) – 2 no., Pundi & Topa (Kuju) - 2 nos., Ashoka - I & II, Piparwar & Near Dump Hopper (Piparwar) - 4 nos. The remaining 9 nos. of Road Weighbridges will also be installed & commissioned during the financial year 2012-13.

Apart from these 18 no. new Road Weighbridges for Giridih, Khas-Mahal, Jharkhand, Pindra, Kargali OC, Tetariakhar, Urimari, Purnadih OC, Central Saunda, Saunda D, GM Unit B&K, Sawang, SDQ - 1 & Bhurkunda are under procurement. All Procurement of weighbridges are indicative of commitment to achieve 100 % weighment.

11. CONSUMER SATISFACTION

The satisfaction of consumers in respect of quantity, quality and size of coal supplies is one of the prime objectives of your Company. CCL has an effective Quality Management Team with well-trained officials and adequate infrastructure, like sampling arrangements, well-equipped coal analysis laboratory, etc. at company head quarter as well as in all Areas of the company. Recently, in accordance with the decision of Govt. of India to switch over from Useful Heat Value (UHV) based system of grading and pricing of Non-Coking coal to fully Variable Gross Calorific Value (GCV) based system with effect from **1st January, 2012**, company implemented the determination of GCV through its Automatic Bomb Calorimeters, at Ranchi and at other Area Laboratories. For strengthening the system further, your Company is in process of procuring more automatic Bomb Calorimeters for installation in laboratories of all Areas. Training for this purpose to the concerned Officials has already been provided and in a process of continuous improvement regular training/ updation is also provided from time to time. Further, effective measures were taken for achieving better "Consumer Satisfaction" through delivery of sized coal of proper quality and quantity. In pursuance of National Coal Distribution Policy (NCDP), your Company has adopted the system of Joint Sampling/ Joint Analysis of rakes as per provisions of FSA executed by Power Houses under NCDP to ensure consumers' satisfaction. Almost 100%

sized coal was dispatched to the Consumers. Dispatch covered under agreed sampling to power sector by rail was 100% during 2011-12 against MoU '11-12 target of 99% for excellent rating. Necessary measures have been taken to redress consumers' grievances.

12. ENERGY CONSERVATION & AUDIT:

In the world of competitive economy, energy plays a very crucial role in the country's social & economic development. The progress of human society without energy is inconceivable. It is becoming a vital issue day by day, not only because of the tremendous gap between Demand & Supply of energy but more importantly, due to the concern for fast depletion of the known non-renewable sources of energy worldwide. Considering that energy options are limited at present, all efforts should be undertaken in using the energy more efficiently & judiciously. In your company also, all steps are being taken for energy conservation.

The efforts towards energy conservation have enabled the company to improve specific energy consumption of Power, HSD & Lubricant. The following table delineates the Specific Energy Consumption values for the year 2011-12, with respect to the year 2010-11 :

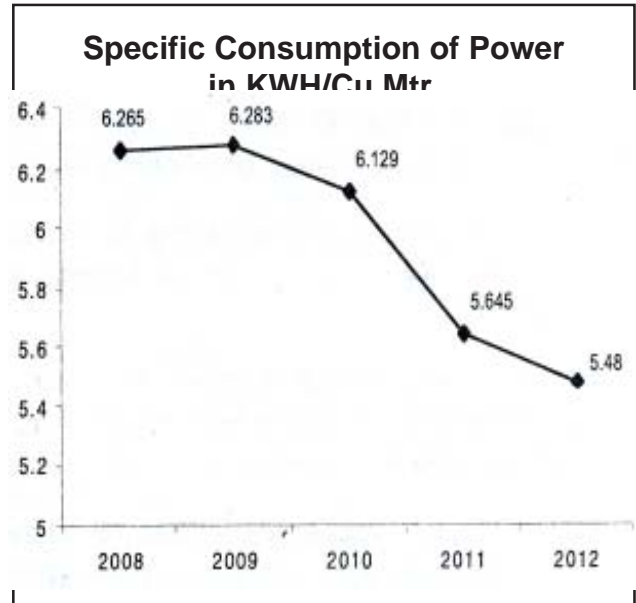
Specific Consumption*		2011-2012	2010-2011
POWER	kWh/CuM	5.480	5.645
HSD	Ltrs./CuM	0.919	0.935
Lubricant	Ltrs./CuM	0.043	0.043

* The computation of specific power consumption includes the power consumed in service units of the areas & composite production of U/G and OCPs, whereas specific consumption of POL is only for Opencast Projects of the Company.

Energy conservation is possible by creating awareness at all levels and adopting conservation measures and same are being carried out. The major steps being adopted for conservation are as follows :

- In compliance of the directive of the Board, a benchmark for Specific Power & HSD consumption mine wise has been drawn and monthly performance of each mine is being monitored. For the year 2011-12, approved benchmark of the company for Specific Power consumption & HSD is 5.56 kWh/Cum. & 0.96 Ltr./Cum, respectively,

and continuous monitoring resulted in achieving Specific Consumption for Power & HSD is 5.48 kWh/Cum. and 0.92 Ltr./Cum, respectively.



- Assessment of requisite capacity of capacitor bank in all the areas has been done. Accordingly, additional capacitors in phases are being installed to improve the power factor to a minimum to 0.92 and all efforts are being made to improve it further.
- Control of outdoor/street lighting by providing timers & avoiding use of halogen and other low lumen efficiency lamps. Gradual replacement of incandescent bulb with CFL.
- Load Demand management by improving Load factor & restriction of maximum demand by staggering of load during Peak Hours as well as Shedding out of colony load.
- In fourteen opencast mines, whose annual composite output is more than 2 million cubic meters, benchmarking has been undertaken by CMPDIL for HSD consumption. The specific consumption is being monitored on monthly basis & Conservation measures are being implemented to improve efficiency. It is being monitored in the form of specific consumption. The opencast projects are

(i) Karo-I, (ii) Selected Dhorī (Kalyani), (iii) Tarmi/Selected Dhorī Quarry no.3, (iv) Jharkhand, (v) Kedla, (vi) Parej East, (vii) Tapin North, (viii) Ashoka, (ix) Rajrappa, (x) North Urimari (Birsa), (xi) Urimari, (xii) Piparwar, (xiii) KDH and (xiv) Kathara. In the year 2011-12, twelve (12) OCPs out of fourteen (14) are having Specific HSD Consumption lower than the benchmark.

- Calibration of all Dispensing units have been done with the help of oil companies.
- Arrest of leakage by replacing 'O' rings, seals, seal-kit, hoses & ensure fitment of diesel tank cap.
- Proper deployment of Dumpers as per the operating Shovel and monitoring of haul road for proper gradient & condition.
- Monitoring of HSD consumption on daily basis and issue of the same only after assessing the actual working hours of the machines.
- Strict adherence of the procedures have been followed at Diesel Dispensing units w.r.t. receipt, issue and consumption of Diesel.
- Complete elimination of toe start of HEMM.
- Benchmarking of electric energy consumption for open cast mine through scientific investigation was done in Dec.'11 giving excellent rating in MoU 2011-12 .

13. COMMUNICATION ARRANGEMENT AND INFORMATION SYSTEM

A. **Automation Control and Telecommunication System:**

The repair and revival of three PLC substations and SCADA control stations of CHP/ CPP of Piparwar Project, that are vital for its production/productivity, has been completed. This will ensure trouble free working of CHP/ CPP in future.

B. **Mobile Closed User Group Network :**

The Work order for Closed User Group Network Mobile phones along with FCT's and PRI connectivity in CCL EPABX has been placed on M/s. BSNL. Closed User Group facility provides free calling among various operational/ managerial executives in the entire CCL.

C. **WAN/ LAN Networks :**

System design and draft NIT for Wide Area Network (WAN) in CCL connecting all Area Offices, Central & Regional Stores, Project Offices, Central Hospitals, Mines Rescue Station etc, has been completed in your company. The tendering and award of work is scheduled to be completed during 2012-13. This will ensure online exchange of Data between various locations on real time basis.

D. **Upgradation of Steering Control System & PLCs of Inpit Crusher at Piparwar Project :**

The job of upgrading the Steering Control System & PLCs of Inpit Crusher at Piparwar Project is planned to be taken up during 2012-13 through M/s. Thyssen Krupp, Germany, the OEM. Upgradation of the Steering Control System and PLCs ensure smoother operation of the Inpit Crusher.

E. **RFID based Vehicle Monitoring System:**

Radio Frequency Identification Device based Vehicle Monitoring System is planned to be installed at Ashoka Project, Piparwar Area for accounting of Coal dispatch and also to check pilferage of Coal. Tendering, Award of work and Implementation of the System will be completed by end of March, 2013.

F. **GPS/ GSM based Vehicle tracking System :**

A work order for implementation of GPS/ GSM based Vehicle tracking System for efficient monitoring of HEMM at Piparwar Project has been placed and scheduled to be completed by end of June, 2012.

14. SAFETY

Safety has always been one of the priority areas of your Company for providing safe and healthy environment to the workers. A meticulously planned and structured approach towards safety in mines as well as in allied operations like workshops has gone a long way to ensure the safety of men, material and machines.

Every incident ranging from “Near misses” to Fatal are thoroughly enquired into detail and its recommendations are religiously discussed at all safety forums i.e. at Unit, Area and Corporate level. To review our preparedness to deal with the crisis, Crisis Management and Safety Awareness programme have been successfully conducted at Hazaribagh, N.K, Kathara, Barka Sayal & Argada Area. A schedule of programme has been planned to organize in all the remaining areas of CCL under the experienced faculties such as retired Directors/ CGM of CIL.

Underground Mines :

One of the major causes of Fatal/ Serious accidents in underground coal mines had been fall of roof and side. In line with the recommendations of the Xth Safety Conference, Strata Control Cell has been constituted at Corporate, Area and Unit level to have a better understanding of strata behavior and control to minimize the risks associated with it. Proper thrust is being given to the support of “Green Roof” with steel supports i.e. Steel Cogs, Pit Props, Roof Bolts, W-straps etc. The culture of “No work other than support work after blasting” has been introduced and is being monitored. The inspection of the face, equipments and their required maintenance are carried out with a well equipped team of skilled work force. Further in compliance of the recommendations of the safety conference, special drive is being made to make all underground mines loader-less with a view to increase safety and productivity. A total of 9 nos. of SDLs have been introduced in 2011 in U/G mines for the same. The loaders are planned to be engaged gainfully in some other activities. Check survey with modern instruments have been done in all the mines having potential danger of inundation. Isolation / Sectionalisation work has been taken on priority to prevent any incident of fire / explosion. SCSR (5000 Nos.) have been procured and workers are being trained in its uses to ensure safe escape in case of any emergency. 20 nos. of Mechanised Roof Bolting Machines have been procured and distributed among U/G mines to ensure timely and safe bolting of roof beds to avoid bed separation. LED cap lamps have been put in use on trial basis in Saunda D U/G mine which are lighter in weight and have

better illumination. Crisis Management & Safety awareness Programmes have been successfully conducted in areas to deal with any crisis. Emergency Organization Plan for every underground mines with marking of escape route were formulated and displayed at the mine entrances to make all the workers aware of the same. Mock rehearsal/drill were also done to keep the workers prepared. Sectionalisation of workings of U/G Mines is in progress. Lighting of U/G mines have been improved. U/G mines where depillaring is done in conjunction with sands, subsidy is taken from CCDA (Coal Conservation and Development Authority).

Opencast mines :

As Opencast mines contribute majority of share to the total output of the company, special thrust is being given to ensure safety and health of the employees. Training has been given special impetus with the growing mechanization in terms of higher capacity and technology. Regular training to HEMM operators /maintenance crews for the operation and maintenance of HEMM is being imparted. A simulator is under procurement to impart better training to operators of HEMM. Different drives are conducted throughout the year related to various activities of opencast mining e.g. haul roads, bench stability, safe operating procedures (SOPs), Traffic Rule etc.. All mines of your Company have undergone Risk Assessment and Management exercise to have a better appreciation of safety standards of the mine. Recently, a training programme was arranged at MTC, Ranchi by SIMTARS accredited trainers on risk assessment exercise and appraisal. As contractors participation in production is gradually increasing, equal attention is being given on their training and health. Emergency organization to deal with fire in OCP and HEMM was made during the year. Lighting in OC mines has improved with the introduction of high mast cluster tower. Periodical illumination survey is being done for review and improvement.

Scientific Study :

1. Non destructive testing of structural stability test of EKG-5 Marion shovels for NK Area.
2. Study of improvement in H/L ratio in Sirka UG of Argada Area.

3. Determination of RMR of VIII seam working through VI/VII seam L-series of Topa colliery of Kuju Area.
4. Random sampling & testing of explosives & accessories in CCL mines.
5. Conducting controlled deep hole experimental/trial blasting and induced vibration study at Hesagora outsourcing patch of Kuju OCP.
6. Non destructive test of boom and other parts of excavator of Rajrappa OCP.
7. Non destructive test for 3 nos. of shovels and 1 no. of in-pit crusher at Piparwar OCP of Piparwar area.
8. Non destructive test of structural parts of excavators to rule out/ locate cracks at Ashok OCP of Piparwar area.
9. Conducting controlled deep hole experimental blasting and induced vibration study at new patch quarry no. 1 of Gidi-C colliery of Argada Area.
10. Improvement of powder factor in opencast mine through scientific investigation was done in Dec.'11, thus achieving excellent rating in MoU 2011-12.
5. Special Safety Drive for maintenance of statutory records, reports and register.
6. Drive on mine ventilation and sectionalisation/ isolation stoppings.
7. Programme on Safety Awareness, Crisis Management & Mock Drill have been successfully organized in Areas.

Area Level Safety Committee Inspection :

Area Level safety Committee comprising senior area level executives like GM, all HODs of area, PO, Manager, Safety Officer of the concerned mine and related member of Tripartite committee has been constituted for better and effective implementation of decisions taken during fortnightly visit and inspection of one of the mines of the areas.

V. T .Centres :

In order to improve and refresh the skills of our manpower through Basic, Refresher and Special Training, sufficient fund has been provided to Vocational Training Centers for renovation and training aids.

Annual Safety Week :

Annual Safety Week 2011 was observed from 9th to 15th January 2012. During the week, special emphasis was laid on wide publicity of safety rules, regulation and practices. Final day function was celebrated at Rajrappa Area on 12th February 2012. The function was presided over by Shri R.K.Saha, the then CMD, CCL and Shri Satish Puri, Director General of Mines Safety was the Chief Guest on the occasion. Best performers for Special Safety Drives, Trade Test and Annual Safety Week were given prizes during the function.

Special Safety Drive :

1. Roof Support and Anchorage Testing of Roof Bolts.
2. Monsoon Preparation & Dust suppression Drive.
3. Haul Road, Traffic Rules and Safety of Contractor's Worker in OC Mines.
4. Workshop, Safe practices of Maintenance Crew, Safety Features of HEMM specially those related to fire.

Procurement of Survey Instruments :

- 6 nos. of Total Stations have been procured and 15 nos. are in the process of procurement.
- 15 nos. of Modern Theodolite and 21 nos. of Modern Level instruments are in the process of procurement.

Training of Workman Inspector and Structure:

Training of Workman Inspector and Structure training of Supervisors has been given to improve the Safety standard in the Mines of your Company.

National Safety Awards :

Safety Awards: Ministry of Labour & Employment has awarded the following Mines of CCL for the year 2008 and 2009, for their exemplary performance in prevention of Accidents:

Sl.No.	Name of the Mine	Category of Prize	Prize
1.	Govindpur Project	Longest accident free period	Winner
2.	Swang Colliery	Lowest injury frequency rate	Winner
3.	Bokaro Colliery OC	Lowest injury frequency rate	Winner
4.	Kargali OC	Lowest injury frequency rate	Runner

Best Performance by CCL in All India Rescue Competition 2011 :

All India Mines Rescue Competition was organized by MCL at Talcher from 24th to 26th February, 2012. Total 18 teams participated in the competition. Two teams from CCL namely 'A' & 'B' participated in the competition. The rescue team of CCL performed exceptionally well in the competition and bagged nine prizes including "overall best team".

The result of the competition is as below :

1.	Best Team in "March Past & Drill "	- CCL 'A' team
2.	Best Team in "Statutory Test "	- CCL 'A' team
3.	Second team in "Statutory Test "	- CCL 'B' team
4.	Best Team in "Rescue Work "	- CCL 'A' team
5.	Best team in "Recovery Work "	- CCL 'A' team
6.	Best Team in "Rescue & Recovery Work (Composite) "	- CCL 'A' team
7.	Best Captain "All India" - Aftab Ahmed	- CCL 'A' team
8.	Best Member "Rescue Team" - Vikash Mehta	- CCL 'A' team
9.	Overall Best Team	- CCL 'A' team

Implementation of Recommendation of 10th Safety Conference :

- Roof Bolting Machine** : 20 nos. Roof Bolting Machine is in use in different U/G Mines.
- Man Locator** : Man Locator has been installed at Churi U/G of NK Area.
- Survey Instruments** : Total Stations and modern Theodolite have been procured to replace old instruments.
- SCSR** : Self Contained Self Rescuer have been put in use for emergency in U/G mines.
- LED Cap Lamps** : LED Cap Lamps have been introduced as these are light in weight and have better illumination.

6. Training of Trade Union Leaders : Trade Union Leaders who are member of Tripartite Safety Committee at Corporate level have been imparted training at Staff Training College, Hyderabad.

7. Employment : 68 Mining Sirdars have been recruited from outside. 148 Overman and 40 nos. Surveyor are in the process of recruitment.

Month of Bipartite and Tripartite meeting in area and HQ :

Area	Month of Area level Tripartite/ Bipartite Safety Committee Meeting
Barka-Sayal	Tripartite-September'2011
Argada	Tripartite-September'2011
Hazaribag	Tripartite-September'2011
B&K	Tripartite-November'2011
Kathara	Tripartite-November'2011
Rajrappa	Tripartite-March'2012
N.K	Bipartite-August'2011
Piparwar	Tripartite- November'2011 Bipartite-October'2011

Accident statistics pertaining to CCL Mines for the Year 2011-12 compared to Year 2010-11 :

Details	2011-12	2010-11
Fatal accidents	5	8
Fatalities	5	10
Serious accident	9	12
Serious injuries	9	12

Place-wise Classification of Accident:

Fatal:	2011-12	2010-11
Underground	0(0)	2(3)
Opencast	4(4)	5(6)
Aboveground	1(1)	1(1)
Total	5(5)	8(10)
Serious:		
Underground	4(4)	2(2)
Opencast	5(5)	9(9)
Aboveground	0(0)	1(1)
Total	9(9)	12(12)

Rate of Accident:

Overall	2011-12	2010-11
Fatality rate per million cub. Meter	0.05	0.10
Fatality rate per 3 lakh man shift	0.14	0.28
Serious Injury rate per million cub. Meter	0.09	0.12
Serious Injury rate per 3 lakh man shift	0.26	0.34
Under Ground		
Fatality rate per million cub. Meter	0.00	4.50
Fatality rate per 3 lakh man shift	0.00	0.32
Serious Injury rate per million cub. Meter	5.25	1.12
Serious Injury rate per 3 lakh man shift	0.35	0.08
Open Cast		
Fatality rate per million cub. Meter	0.12	0.18
Fatality rate per 3 lakh man shift	0.17	0.26
Serious Injury rate per million cub. Meter	0.15	0.34
Serious Injury rate per 3 lakh man shift	0.22	0.47

The reduction in fatality rate (fatalities/million cu. mtr. of material excavated) with respect to previous year (2010-11) was 51.47% against MoU 2011-12 target of 5% for excellent rating.

The reduction in serious injury rate (serious injuries/million cu. mtr. of material excavated) with respect to previous year (2010-11) was 32.8% against MoU 2011-12 target of 5% for excellent rating.

Cause wise breakup of Fatal and Serious Accident :

Cause	2011-12		2010-11	
	Fatal	Serious	Fatal	Serious
Roof /side fall	–	1(1)	1(2)	1(1)
Haulage/conveyor	–	–	–	2(2)
Winding	–	–	–	–
Explosive/Blasting	–	–	–	1(1)
Electricity	–	–	1(1)	1(1)
Other Machinery/ Shovel	–	1(1)	–	1(1)
Fall of Person	2	4(4)	–	1(1)
Fall of Object	–	1(1)	1(1)	–
Dumper & Truck	2	1(1)	4(5)	4(4)
Misc.UG/Water in rush	–	–	1(1)	–
Misc. OC	–	–	–	1(1)
Fall of Roof	–	1(1)	–	–
Misc. Surface/Motor Grader	1	–	–	–
Total	5(5)	9(9)	8(10)	12(12)

Area-wise breakup of Accident :

Area	2011-12		2010-11	
	Fatal	Serious	Fatal	Serious
Barka-Sayal	–	3(3)	1(2)	1(1)
Argada	1(1)	1(1)	–	2(2)
Kuju	1(1)	1(1)	2(2)	1(1)
Hazaribag	–	–	–	–
B&K	–	–	1(1)	2(2)
Dhori	1(1)	1(1)	2(3)	–
Kathara	2(2)	2(2)	1(1)	2(2)
Rajrappa	–	–	–	–
N.K	–	1(1)	–	3(3)
Piparwar	–	1(1)	1(1)	–
Rajahra	–	–	–	1(1)
Total:	5(5)	9(9)	8(10)	12(12)

Note:

- Figures outside bracket indicate accidents whereas the same in the brackets denote fatalities and injuries.
- Figures for 2011-12 and 2010-11 are subject to reconciliation with DGMS.

15. PERSONNEL MANAGEMENT AND INDUSTRIAL RELATIONS

The manpower strength of your company as on 31.03.2012 was 50,026 as against 52,285 on 31.03.2011. The category wise break up of manpower strength as on 31.03.2012 vis-a-vis 31.03.2011 is given below :

Category	31.3.2012	31.3.2011
Executive	2686	2549
Supervisory	3490	3353
Highly Skilled/ Skilled	15663	16237
Semi Skilled / Unskilled (TR)	16136	16523
Semi Skilled / Unskilled (PR)	7466	8294
Ministerial Staff	4085	4308
Others	500	1021
Total	50026	52285

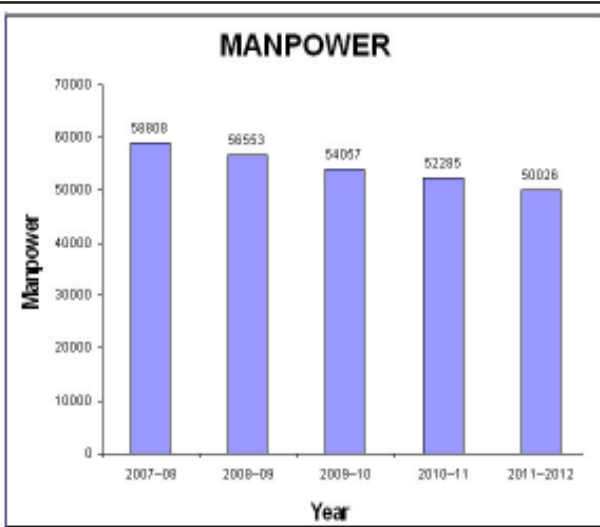
Hence during the year 2011-12, the overall reduction in manpower was to the tune of 2259, while the number of employees in the company came down by 3576 during the year under reference, 1317 employees were added to the existing manpower. The aforesaid reduction and addition has been under the following heads :

REDUCTION :

Manpower reduction under the head	No. of Employees
Retirement / Superannuation	2494
VRS (Golden Hand Shake)	54
Death	501
Termination / Dismissal	61
Resignation	02
Inter Company Transfer	61
Medically Unfit	13
Others	390
Total Reduction	3576

ADDITION :

Manpower Addition under the head	No. of Employees
Appointment under 9.3.0	692
Appointment under 9.4.0	02
Appointment under Dependent of deceased executives	08
Appointment under Land Loser's Scheme	105
Inter Company Transfer	73
Reinstatement	04
Fresh Recruitment	411
Award Case	—
Others	22
Total	1317



At the beginning of the years 2011-12, 668 Cases relating to labour and industrial disputes were pending before different courts, authorities and industrial tribunals. While 249 cases of labour and industrial disputes were added, 86 cases were disposed off during the year. Thus 831 cases in total, remained pending on 31.03.2012.

The industrial Relations scenario was peaceful and harmonious throughout the year (2011-12), due to sincere effort and approach in handling and resolving the workmen's disputes and grievances. There were regular bipartite meetings held with the representatives of different trade unions at unit, Area and Corporate level. Industrial Relation Machinery (IRM) consisting of JCC at company level, ACC at Area level and UCC at Unit level have sorted out major collective bargaining issues through discussions and this has created a lot of goodwill amongst the workers.

With a view to maintaining harmonious industrial relation as well as to serve the society as a responsible Corporate citizen, your company has approved a total of 602 cases of compassionate appointments under Para 9.3.0 to dependents during 2011-12. Apart from this, 13 nos. of employees were selected to the post of Mining Sirdar. In summary, the manpower profile of your company has been accessible to poor and marginalized section of the society.

16. HUMAN RESOURCE DEVELOPMENT

Human Resource Development is one of the most important activities in your company. It has been set up for the development and up-gradation of existing Human Resources as well as looking ahead with clear perspective with reference to technological advances and growth of manpower to fulfill the demand of production vis-à-vis technology.

To cope up with the task emerging from strategic plan, Annual HRD plan is worked out every year to integrate HRD efforts in all the five training centres located in your Company in following four segments.

I. Technical Training :

It is to provide requirement of training for technology being used in your Company and any

other technology being conceived at the corporate level for which preparedness is necessary to meet current shortage of skilled manpower and also preparing statutory personnel for meeting statutory obligation through training. To analyze and project requirement of personnel in critical and non critical categories as well as to prepare them so that capital and technology input to the project through capacity and new equipment or enrichment in the production process through particular systems in technology could provide appropriate return to the investment.

In order to implement the above, workmen are exposed through :

1. **Basic Course** : Appropriate to technology, equipment and system.
2. **Refresher Course** : Once in three years to those who have already gone through basic course or are already working in specific skill area.
3. **Specialized Course** : In case of change in technology, in equipment configuration and capacity and improvement in the system of production, suitable input is given to all the new entrants to the critical skilled areas.

Basic training is conducted in the company's technical training centers either within the company or in any other company where the facility exists. Refresher training is also conducted either on the site or in the training centers of the company. There are around 11 Vocational Training Centers to take care of statutory obligation. Basic and Refresher training are imparted in all these training centers.

II. Management Training :

Executives at each level and at the time of assuming the charge at the new position i.e. entry to the higher level, a need based training is imparted at the Management Training Centre for the level from E 1 to E 6 and at the apex training Centre, Indian Institute of Coal Management, Ranchi, for higher level, i.e. from E7 to E8 level executives.

III. Transformation Training :

It is a planned attempt to help those who join in your Company as part of management policy and for the workmen who are required to acquire skill for movement from conventional to semi-mechanized mines with intermediate technology or at the instance of closure of mines and surplus manpower. These trainees are used as source of supply of manpower in critical and non-critical areas of skills for the technology specific to the Subsidiary Company.

IV. General Development Training :

With a change in the scenario with reference to status of mine in your Company, the vision of the company, health of organization - profit & loss, criteria for raising productivity, cost parameters and criteria for excellence in performance for development and growth of the company is propagated through intra - organizational communication as well as face to face interface with workmen and supervisors in a planned way by sharing the reality of business.

The details of Training Programs for the year, are given as under:

(A) IN COMPANY TRAINING :

Sl. No.	Name of the Institute	No. of Persons Trained			
		Executives	Supervisors	Workers	Total
1	Management Training Centre, Darbhanga House, Ranchi (MTC)	479	498	150	1127
2	Bhurkunda Technical Training Institute, Bhurkunda (BTTI)	2	257	278	537
3	Central Excavation Training Institute, Barkakana (CETI)	43	88	199	330
4	Security Training Institute, Gandhinagar, Ranchi (STI)	—	—	141	141
5	Institute of Occupational Health & Hygiene Gandhinagar, Ranchi	49	96	78	223
TOTAL		573	939	846	2358

(B) TRAINING OUTSIDE COMPANY

Sl. No.	Type of Training	Executives	Supervisors	Workmen	Total
1.	External	114	14	4	132
2.	Foreign	2	—	—	2
3.	IICM	395	—	—	395
Total		511	14	4	529

(C) WORKSHOP / SEMINAR / CONFERENCE

Sl. No.	Name of the Institution	No. of employees participated			Total
		Executives	Supervisors	Workers	
1.	External	269	8	3	280
2.	IICM	240	—	—	240
3.	In Company	375	101	64	375
Total		884	109	67	1060

ACHIEVEMENTS:

- HRD Department of your company had been conferred the 2011-12 Global Excellence Award in the Category of “ HR Leadership Aligned to Business Strategy Award” by World HRD Congress 2012 held in Mumbai.
- It has also been conferred the “Emerging HRD Thinkers Award 2010” (Certificate of Merit) by Indian Society of Training and Development, New Delhi.
- 395 employees were trained in computer, as a part of the Computer Literacy Drive. Some of them have also been trained in advanced programs.
- 56 employees were imparted coaching to appear in statutory exam, conducted by DGMS, such as Gas Testing, Mining Sirdar, Overman, Second Class & First Class Mines Manager Competency Certificate.
- 524 employees of your company were given special coaching to appear in “Non-Executives to Executives” examination conducted by CIL.
- 40 employees of your company are undergoing 3 years transformational Mining Sirdar training at BTTI, Bhurkunda to meet the Statutory manpower shortage.
- 44 employees of your company were given transformational training at CETI,

Barkakana as Shovel/ Dozer Operator to meet the HEMM Operator shortage.

- 522 Students from Outside Mining Institutions completed their PDPT/VT courses during the year.
- 397 students from different institutions/ Colleges doing Engineering/ MBA/BBA/ MCA/BCA etc. were provided on the job practical training.
- 192 SC and 179 ST employees were suitably trained in different Institutes of the Company.
- Executives trained during 2011-12 was 44.5% of the total executives on roll against MoU ‘11-12 target of 15% for excellent rating.
- Eight (8) executives of your company have attended Certified Course in Project Management, against MoU ‘11-12 target of 6 for excellent rating.
- Seven (7) Medical Professionals have been trained in Occupational Health and Safety, against MoU ‘11-12 target of 5 for excellent rating.
- Seven (7) Executives of your company have attended Certified course in Contract Management, against MoU ‘11-12 target of 6 for excellent rating.
- Representation of Minority Member in each recruitment committee was 100% giving excellent MoU 2011-12 rating.

17. WELFARE & COMMUNITY DEVELOPMENT:

The welfare of employees is another major thrust area of your Company. During 2011-12, concerted efforts have been made to improve the quality of life at working places as well as at the living places of the employees.

The achievements made by your Company in different areas of Welfare are detailed below :

- Housing:** As on 31.03.2012, the number of permanent houses stood at 60398, serving manpower of 50,026.
- Water Supply:** Through operation of different Water Supply Schemes, 16.46 MGD water was supplied to 3.24 lakh

beneficiaries. The water supply status during the year under reference is noted below :

Sl.No.	Schemes	Total Generation (in MGD)
(a)	Existing IWSS (12 Nos.)	10.64
(b)	Through 70 nos. of Pressure Filters	3.49
(c)	Through Deep Bore Holes	2.33
TOTAL		16.46

III. **Medical Facilities:** There are 2 Central hospitals, 7 Regional hospitals, 10 Colliery Hospitals, 63 Dispensaries, 111 Ambulances and 261 Doctors and 609 Para Medical in your company, there are 892 beds in different hospitals with a bed to employee ratio of 1:56. The Central Hospitals are at Ranchi and Naisarai are equipped with some of the latest Medical facilities. Efforts are being made to improve the quality of existing medical services in your Company.

Moreover, Mobile ambulance vans fully equipped with doctors, para medical staff and medicines have been regularly visiting villages for rural health check-up. During the year under reference, 308 different Diagnostic and Health camps were organized under the Community Health Programme, through which 38,741 people got benefited.

Persons working in the Coal industry under hazardous conditions require instant medical attention to take care of their health and keep them fit all throughout. Besides the employees, the dependants living with the employees also require appropriate medical care, which your Company has been providing through its comprehensive Medical Facilities Scheme.

The preventive aspects of disease mitigation are also an important service, which your company extends in a pro-active manner through holding of awareness camps. CCL has decided to hold different types of camps in the medical units as well as in nearby villages surrounding the mines under the aegis of the Community Development Programme where curative

as well as preventive health service and education is rendered free of cost.

Some of the significant achievements of the Medical Department are as follows:

- Periodical Medical Examination –** Periodical Medical Examination (PME) Programme is a preventive measure and is undertaken for detection of diseases at an early stage. This programme is mandatory for all employees whereby an employee undergoes Clinical, Radiological & Pathological examination once in every 5 years. The PME centers are equipped with Audiometers to detect deafness and Spirometers to detect Lung Diseases. Under Periodical Medical Examination, 9549 employees were examined.
- Your company has implemented two unique CSR schemes: “Operation Jyoti and Girl Child Promotion” . The beneficiaries for Operation Jyoti is as under:

Name of the Programme	Beneficiary
Operation Jyoti	10461
- As per MOU with Coal India under CSR activities, CSR Dispensary and Mobile Medical Van were to be started. Total No. of 14 CSR dispensaries have already started functioning and total Number of patients benefited in these dispensaries are 47756. Nine Number of Mobile Medical Van are already in operation in different areas of your company and the beneficiaries are 22408.
- Patient Satisfaction Index (PSI) was introduced as a measure of Performance Indicator Monitoring System (PIMS) and Quality Level Service System (QLSS), it is being done on a quarterly basis and based on the result of the survey remedial measures have been taken to improve the relevant indicator.
- Training of doctors and Para Medical Staff are being done on a regular basis. Total Doctors trained both in company and outside is 138 and the Paramedics trained are 160.

One of the main objectives of the Management of your company is to make Medical

Plan a strategic role in the overall HRD policy of the Company for attracting and retaining employees as well as taking the society in and around the command areas on Board.

18. SPORTS & GAMES

Your company encourages sports activities amongst its employees and conducts different tournaments and sports meets:

- (i) All the Inter-Area Sports Meet have been successfully organized during the fiscal as per the sports calendar.
- (ii) 20 employees of the company assisted the National Games authorities in organizing the 34th National Games held at Ranchi during the month of February 2011.
- (iii) Coaching Camp/Combined practice is being organized for the CCL team before participating in the CIL competitions.

19. COMMUNITY DEVELOPMENT INCLUDING TRIBAL WELFARE

ACHIEVEMENT OF CSR AGAINST MOU TARGET 2011-12

Performance Parameter	MOU Target 2011-12	Achievement 2011-12
Adoption of backward village and its development as a model village	02	03
Health and Sanitation {No. of Beneficiaries}	21000	108645
Construction of Community Hall	20	20
Drinking water arrangement with hand pumps, bore-well etc.	55	59

CD/CSR Expenditure :

Year	Expenditure (in Crores)
2008-09	13.97
2009-10	23.97
2010-11	23.03
2011-12	30.17

HIGHLIGHTS OF CD/CSR WORKS DURING THE YEAR 2011-12

Adoption & Development of Model Village :



Under Adoption and development of model Village programme of your Company's CSR Scheme, CCL has adopted two nos. of villages in the nearby vicinities in Ranchi and one village named Zarri the native place of PVC Albert Ekka in the district of Gumla for their overall development. 25 nos. of medical camps at the nearby villages of Ranchi, 12 at each village have been organized where around 2493 nos. of villagers have been medically examined and are distributed with medicines amounting to 1.45 Lacs free of cost. For overall development of these villages four nos. of hand pumps have been installed, a PCC road of length 800 meter is completed. A community centre has been constructed in one of the villages, a 600 feet drain has been constructed and 2 no. of toilets for Boys & Girls has been constructed in one of the villages. Construction of School Building, Madarsa & Community Centre has been completed.

ADOPTION OF BLIND GIRL CHILD:

11 nos. of Visually Challenged Girl students of Brajkishore Netrahin Balaika Vidyalaya have been adopted for their education and health care.

An amount of 2.60 lacs has been provided to the school initially for two years out of which 1.30 lacs has already been paid for the said purpose.

PROMOTION OF GIRL CHILD:



Five nos. of girl students of St. Anthony School, Jarangdih belonging to BPL families have been adopted for their education and health care. An amount of 1.20 lac have been provided to the school initially for two years for the said purpose. Apart from it under this programme health check up of girl child have been conducted during the year the detail of which is furnished below:

Name of Programme	Beneficiary
Girl Child Promotion Programme	1856

PROMOTION OF EDUCATION :



Specific emphasis being given for providing Quality Education facilities among the children in CCL Command Areas in nearby villages. During the year 2011-12, infrastructural help has been provided to Twenty One (21) Rural Schools in the Command Areas of your Company.

DRINKING WATER:

For provision of supply of drinking water 59 nos. of work has been done in the form of installation of hand pumps, digging of wells, ponds, bore hole etc. giving benefit to people of villages.



Newly constructed Primary School, Lupung Toli by CCL



Newly constructed Yatri shed near B.O.C.M Colony, Piparwar Area of CCL

INFRASTRUCTURE:

- **ROADS:** Construction/ repair of 17 nos. of rural roads have been done during the year 2011-12.



Inauguration of newly constructed 800 mts. PCC road of village Lupung Toli



PCC Public Road near Subhash Nagar, Piparwar Area

- **SCHOOL BUILDING:** Construction and Repairing works have been done in Twenty One (21) Rural Schools.



PCC approach road to intake well, Piparwar Area



Inauguration of Community Hall of Lupung Toli by the villagers

- **COMMUNITY CENTRES:** 20 Nos. of community centres has been constructed/repared during the year.



PCC approach road from RCM siding to Swaminagar Chowk, Piparwar Area



Installation of Solar panel at Zarri village, Gumla



Installation of Solar panel at Zarri village, Gumla

Under “Caring and Sharing Programme”, a CCL CSR Scheme, different institutions and Schools for Physically and Visually Challenged, differently abled persons and Old Age Homes have been frequently visited and facilitated accordingly by a team of your Company Management during the year 2011-12 providing moral support.

20. CAPITAL EXPENDITURE ON SOCIAL OVERHEAD ASSETS TILL 31.03.2012 :

Till 31.03.2012, the cumulative amount spent by your Company towards social overhead assets is 373.71 Crore, details of which are tabulated below:

(in Cr.)			
Sl. No.	Particulars	2011-12	2010-11
(i)	Building	281.65	267.70
(ii)	Plant & Machinery	51.03	54.26
(iii)	Furniture & Fittings	16.14	15.96
(iv)	Vehicles	6.78	6.82
(v)	Developments	18.11	9.92
Total:		373.71	354.66

21. FINANCIAL PERFORMANCE

The financial results of your Company during 2011-12 as compared to 2010-11, are as under:

(in Cr.)			
Sl. No.	Particulars	2011-12	2010-11
i)	Gross profit before Depreciation and Interest	2134.62	2118.82*
ii)	Depreciation	220.80	242.54*
iii)	Interest	1.85	8.96
iv)	Net profit before prior period adjustment	1911.97	1867.32*
v)	Adjustment pertaining to Prior period (Cr.)	(40.49)	10.08
vi)	Net profit after prior period adjustment	1952.46	1857.24*
vii)	Extraordinary Items	(17.78)	(2.98)*
viii)	Profit before Tax	1970.24	1860.22*
ix)	Provision for Income Tax	669.05	601.49
x)	Income tax for earlier year	(9.01)	(2.22)*
xi)	Provision for Deferred Tax (Cr.)	(9.35)	14.12
xii)	Net Profit after tax	1319.55	1246.83

* Due to re-grouping as per revised Schedule-VI.

The Board of Directors of your Company has recommended a dividend of 842.28 (Previous Year 795.85) per Equity Share on 94,00,000 Equity Shares of 1000/- each amounting to 791.74 Cr. (Previous Year 748.10 Cr.).

22. CAPITAL EXPENDITURE

The capital expenditure during the year 2011-12 has been 320.99 Cr. compared to 200.76 Cr. in the previous year. The headwise details of capital expenditure during the year 2011-12, are detailed below:

(in Cr.)			
Sl.No.	Heads of expenditure	2011-12	2010-11
i)	Land	2.05	4.81
ii)	Building	6.06	1.52
iii)	Plant & Machinery	271.88	112.09
iv)	Furniture & Fittings	1.52	1.55
v)	Railway Siding	0.00	0.00
vi)	Vehicles	0.00	1.74
vii)	Prospecting & Boring	0.00	0.00
viii)	Other Developments	3.09	4.84
ix)	Capital work in progress	36.39	74.21
TOTAL		320.99	200.76

23. CONTRIBUTION TO EXCHEQUER

The contribution to the State/Central Ex-chequer during the year 2011-12 vis-à-vis 2010-11 is detailed below :

(in Cr.)			
Sl. No.	Particulars	2011-12	2010-11
i)	Royalty on Coal	682.66	613.28
ii)	Sales Tax / VAT	255.10	180.89
iii)	Stowing Excise Duty	47.70	45.56
iv)	Income Tax	706.31	627.08
v)	Dividend Tax	121.36	64.16
vi)	Service Tax	5.33	3.08
vii)	Clean Energy Cess	189.10	163.36
viii)	Central Excise on Coal	398.12	6.42
TOTAL		2405.68	1703.83

24. CAPITAL STRUCTURE

During the year under report, the Authorised Share Capital and the Paid-up Share Capital of your Company remained unchanged viz.

1100.00 Cr. and 940.00 Cr. respectively. The net worth of the Company as on 31 March 2012 is 3437.38 Crore compared to 3038.01 Cr. as on 31 March 2011.

25. LOAN

During the year, your Company has repaid installments of IBRD and JBIC loan to the tune of

6.03 Cr. and 9.21 Cr. respectively. Moreover, outstanding loan amount has increased by

14.64 Cr. due to unfavourable foreign exchange rate fluctuation. Thus the total outstanding loan amount has decreased to 104.32 Cr. at the year-end against previous year's outstanding balance of 104.92 Cr.

26. STATUS OF PROJECT IMPLEMENTATION

Till 31.3.2012 a total number of 63 mining projects including two Advance Action Proposal with ultimate capacity of 139.86 MTY and 26 Non-mining projects of each costing 2.00 Cr and above, were sanctioned by different competent authorities. Out of these projects, 50 Projects (30 Mining & 20 Non-Mining) have already been

completed. The remaining 31 mining ongoing projects (excluding 2 advance Action proposal) having an aggregate ultimate capacity of 89.14 million tones per annum at a sanctioned capital cost of 5618.52 Crs and six Non-Mining Projects at a sanctioned capital cost of 113.42 Cr., (including DRD AAP) are at various stages of implementation. Category wise details are tabulated below:

Projects	Total No. of Projects (Incl. Compl. Proj.)	Capital Outlay (Crs.)	Ultimate Capacity (MTY)(Coal)
ABOVE 150 CRORE			
MINING	12	4970.42	71.56
NON-MINING	1	130.41	—
50 CRS. TO 150 CRS.			
MINING	11	1054.23	21.66
NON-MINING	2	161.34	—
20 CRS. TO 50 CRS.			
MINING	6	204.32	4.55
NON-MINING	1	48.78	—
2 CRS. TO 20 CRS.			
MINING	32	480.77	17.09
NON-MINING	22	178.70	—
ADV. ACTION	2	145.69	25.00
MINING	63	6855.43	139.86
NON-MINING	26	519.23	—
GRAND TOTAL	89	7374.66	139.86

Details of 50 completed projects are as under:

Projects	Number			Sanc. Capital (Cr.)			Ultimate Capacity (MTY) (Coal)
	Min.	Non-Min.	Total	Min.	Non-Min.	Total	
Above 150 Cr.	2	1	3	479.00	130.41	609.41	6.25
Between 50 Cr to 150 Cr.	2	2	4	144.21	161.34	305.55	3.25
Between 20 Cr to 50 Cr.	4	—	4	122.00	0.00	122.00	2.75
Between 2 Cr to 20 Cr.	22	17	39	345.61	114.06	459.67	13.47
Sub-Total	30	20	50	1090.82	405.81	1496.63	25.72

Implementation status of 37 ongoing projects (excluding AAP) costing 2 Cr. and above:

Projects	Number			Sanc. Capital (Cr.)			Ultimate Capacity (MTY) (Coal)	
	Min.	Non-Min.	Total	Min.	Non-Min.	Total		
Above								
150 Cr.	10	—	10	4491.42	—	4491.42	65.31	
Between								
50 Cr to	150 Cr.	9	—	9	910.02	—	910.02	18.41
Between								
20 Cr to	50 Cr.	2	1	3	82.32	48.78	131.10	1.80
Between								
2 Cr to	20 Cr.	10	5	15	135.16	64.64	199.80	3.62
Sub-Total	31	6	37	5618.92	113.42	5732.34	89.14	

Out of 21 mining delayed Projects, three are yet to start, namely Hurilong UG & Tisri UG and Konar OCP. The remaining 18 Projects are delayed due to:

- (a) Land Acquisition : 9
 (b) Adverse Geo-Mining condition : 4
 (c) Change/Finalisation of Technology & others : 5

Projects commissioned during the XI Plan Period (2007-2008 to 2010-11) :

Following 15 mining projects have been commissioned/ approved during XI Plan period. The total capacity of these projects is 66.52 MTY. Amrapali OCP has been approved by CIL Board in its 278th Meeting held on 13th Feb' 2012.

Sl. No.	Name of Project	Capacity (in MTY)	Proposed Capital Outlay (in Cr.)	Approval from CCL/ CIL Board	Govt.'s approval/ Present Status
1.	Magadh OCP	20.00	706.40	Feb'2003 from CIL Board	Approval from Govt. vide letter dated 19.07.06 from MoC. Project is under implementation.
2.	Ashok Expn. OCP	10.00	341.63	Dec'07 from CCL Board	Approval from CCL Board for Expn. from 6.5 MTY to 10 MTY. Project is under implementation.
3.	Purnadih OCP	3.0	210.98	May'08 from CCL Board	Approved by CCL Board on 25.05.08. Project has been commissioned in 2009-10 and produced 0.1 MT of Coal.
4.	Parej East UGP	0.51	147.44	Approved from CCL Board on 27.05.08	Approved by CCL Board on 27.05.08. (As per revised delegation of power of CCL Board)
5.	Rohini Expn	2.0	105.67	Approved from CCL Board on 29.09.08	Approved from CCL Board on 29.09.08. Project is under implementation.

6.	Amrapali OCP	12.00	858.11	Approved from CCL Board on 23.08.08	Draft PR was placed in ESC of CIL Board on 04.03.2010 and was deliberated. Minutes of ESC stated : (1) Status of implementation of approved advance action proposal to be submitted. (2) Progressive & final mine closure plan should be prepared & submitted. (3) Pre Bid meeting for equipment configuration.
7.	Tapin OCP	2.5	264.68	Approved from CCL Board on 23.08.08	Approved from CCL Board on 23.08.08. Project is under implementation.
8.	Karma OCP	1.0	162.46	Approved from CCL Board on 04.06.09	Approved from CCL Board on 04.06.09. Project is under implementation.
9.	Urimari Expn	2.0	143.57	Approved from CCL Board on 21.01.09	Approved from CCL Board on 21.01.09. Project is under implementation.
10.	Govindpur Ph-II OC	1.2	142.11	Approved from CCL Board on 23.12.09	Approved from CCL Board on 23.12.09. Project is under implementation.
11.	Rajrappa (RPR/RCE) OC	3.0	510.85	Approved from CCL Board on 23.12.09	Approved from CCL Board on 23.12.09. Project is under implementation.
12.	North Urimari OCP	3.0	179.87	May'2004 from CCL Board	Approved by CCL Board on 07.12.07. (As per revised delegation of power of CCL Board)
13.	Tetariakhad OC	2.0	78.06	Approved from CCL Board on 21.01.09	Approved from CCL Board on 21.01.09. Project is under implementation.
14.	Amla OC	2.5	56.32	Approved from CCL Board in March'09	Approved from CCL Board in March'09. Project is under implementation.
16.	Churi Benti UGP	0.81	163.51	Approved by CCL Board in April,2007.	Approved from CIL Board on 27.08.07. Project is under implementation.

In addition to the above projects, following 2 Advance Action for Projects have been approved

Sl. No.	Name of Project	Capacity (in MTY)	Proposed Capital Outlay (in Cr.)	Approval from CCL/ CIL Board	Govt.'s approval/ Present Status
1.	Pachra Integrated OCP	15.00	58.50	Approved by CCL Board	Approval by CCL Board on 26.02.2010 and under implementation.
2.	Koed Manatu OCP	10.00	87.19	June, 2010 from CCL Board	Approval by CCL Board on 19.06.2010 and under implementation.

The Actual achievement of capacity creation through new/expansion project against MoU target for the year 2011-12 is as under :

Sl. No.	Capacity creation through approval of new/expansion project	MoU 2011-12 target for (Excellent)	Actual Achievement 2011-12
1.	Stage-I : Board approval for initiating applications for clearance to be granted by MOEF	12 MT	16.8 MT
2.	Stage-II : Clearance and final approval	10 MT	12.0 MT
3.	Commission/completion of New/Expansion Projects	2 Nos.	NIL
4.	Major Project Activities :		
(a)	Incremental production from on going Projects	2.10 MT	2.36 MT
(b)	Preparation of Master Control Net work of Projects during the year	7 Nos.	7 Nos.
(c)	Online updtn of Project database in MOSPI (No. of Projects costing more than 150 Cr.)	8 Nos.	8 Nos.
(d)	Modification of Long Term Action Plan and preparation of Master Plan of North Karanpura Coalfields	Sept.'11	Sept.'11

With the commissioning of the above projects, your Company's production level is expected to be as follows :

(Fig. in MT)

GROUP	2011-12 (Actual)	BE (2012-13)
Existing Mines & Completed Projects	16.85	17.70
On Going Projects	31.04	37.50
New Projects/Future Projects	0.12	0.35
TOTAL	48.01	55.55

27. ENVIRONMENT MANAGEMENT

A. Environment Control Measures :

Your company has accorded the high priority to ecology development and pollution control. The Company has made major breakthrough by planned afforestation programmes and reclamation of degraded land to improve the environment. Continuous monitoring in respect of ambient air quality, water and noise is carried out at units and clean water / treated effluents are discharged which not only meet the statutory requirements but are in continuous improvement trend.

Your Company is well aware of the effects of open cast mining to the environment. It, therefore, gives a lot of importance to pollution control, reclaiming land and maintaining ecological balance. The pollution level of air, water and noise is being continuously monitored through several monitoring stations through CMPDI, Ranchi.

The major activities for environmental up gradations in your Company are:

1. Large scale tree plantation in and around the mining areas : The success in land reclamation of mines spoils and afforestation has been very significant and overwhelming in places like Ashoka, Piparwar etc. The mined out areas or the de-coaled area is refilled with overburden at places where no mining is required in future and reclaimed. The OB fills and dumps are not very conducive to growth of plants, since these sites do not contain adequate plant nutrients. The dumped soil is improved in stages through modern techniques to bring back its fertility and the horticultural operations are carried out by adding nutrients, like organic, inorganic and bio-fertilizers. Bio-reclamation of degraded mined areas of more than 4560 Ha (since 1992) of different types of land like OB dumps, subsided areas, mined out areas, colonies, avenues etc. The total plantation done in CCL since 1992 is more than 70.9 lakhs, covering all the mining areas of your Company. During last 10 years the plantation done is more than 44 lakhs which itself is a positive indication of improvement in bio-diversity and environment.

Plantation in CCL during Last 10 Years :

Year	Plantation (No. of Trees Planted in Lakhs)
2002	5.05
2003	6.22
2004	6.03
2005	4.76
2006	5.16
2007	6.09
2008	5.45
2009	0.38
2010	1.00
2011	4.06
Total	44.23

4.058 lakh trees were planted during 2011-12 against MoU target of 1.53 lakh trees for excellent rating.

B. Afforestation:

The afforestation done in different mines in 2011-12 wherein 4,05,800 trees were planted in 162.32 Ha of land and the expenditure incurred was 186.35 lakh. The plantation has been done through State Forest Department. 121.12 ha plantation will be done in next year.



Plantation at Ashok OCP of CCL

C. Other Environment Related Activities :

- i. Regular air, water and noise monitoring at all the mines have been done through CMPDIL on quarterly basis for the full year. A total of about 2260 samples have been analyzed annually.
- ii. The large producing mines are being monitored for land reclamation by Remote Sensing techniques through CMPDIL. The mines like Piparwar, Ashoka are being monitored and it can be seen by the analysis that the reclamation/ afforestation have increased. The mines being monitored are Ashoka, Piparwar, KDH, Rajrappa, Rohini, Purnadih, Tapin, Jharkhand, Topa, Urimari,



Lagoon at Piparwar OCP of CCL

North Urimari, New Gidi C, Govindpur Phase II, Kahsmahal, Amlo, SDQ and Tarmi OCPs,

- iii. The Company has undertaken filling of abandoned mine voids available in B&K , Kathara and Rajrappa areas by fly ash from nearby Power Plants. The availability of abandoned mine voids for fly ash filling is not very easy as underlying coal seams exist at many places because of which it is not possible to fill all the mine void at this stage.
- iv. The closed water recirculation system has been very effective and there is no effluent discharge from the washeries. Besides this, arrangements of water sprinkling in coal transfer points, good housekeeping and plantation etc is being done in the washeries for overall improvement.
- v. Pollution control through development of effluent treatment plants/ oil grease trap at major open cast mines has been done. 3 nos. of effluent treatment plants (New/to make operative) were made during 2011-12 against MoU target of 3 for excellent rating.
- vi. Development of water bodies / lagoons in mining areas for



Migratory bird finding shelter at Piparwar OCP of CCL

sedimentation of fines and for improvement of aquatic life.

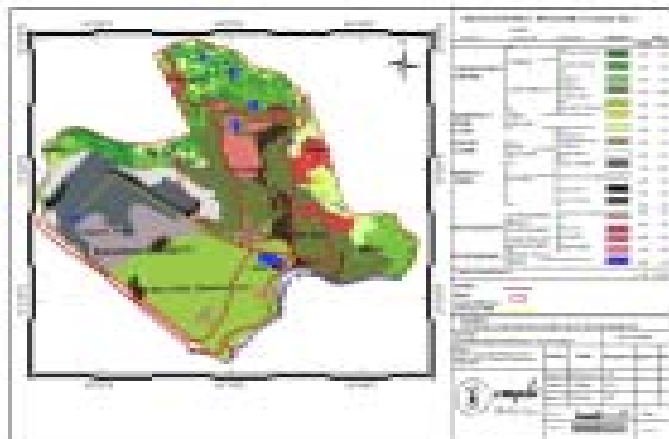
- vii. Remote Sensing Survey for analysis for land use improvement in large mines.

The large producing mines are being monitored for land reclamation by Remote Sensing techniques through CMPDI on annual basis. The mines like Piparwar and Ashoka are being monitored since 2006. It can be seen from the analysis that the reclamation/afforestation has increased from 198 Ha to 236 Ha ie. an increase of about 19% since 2006 and about 5% in last two years. The mines being monitored are Ashoka, Piparwar, KDH, Parej and Rajrappa OCPs.

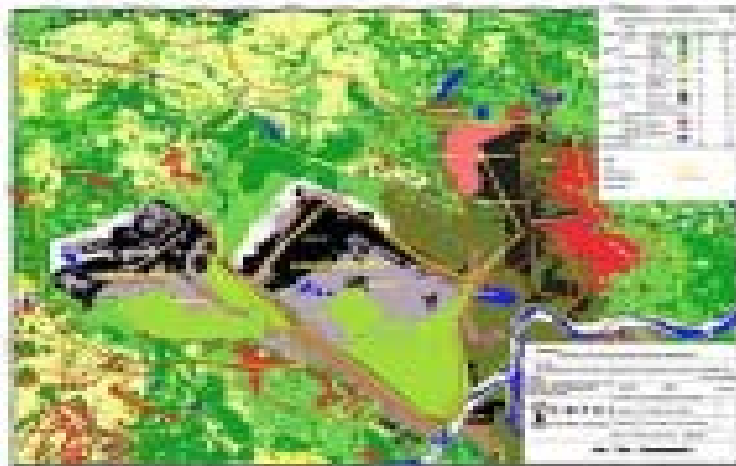
D. ISO Certification:

At present, in total 14 mines, one washery and one Hospital are having both ISO 14001: 2004 Environmental Management System and ISO 9001: 2008 QMS certification. Three no. of mines were accredited with ISO 14001 Certification against MoU target of two for excellent rating during 2011-12. Three Regional Repair Shop namely Dakra, Tapin and Jarangdih, one CRS namely Barkakana and Central Hospital Gandhinagar are 9001: 2008 QMS certified. The company has also obtained ISO 18001 – 2007 certification in 2011-12 for Piparwar OCP, Ashok OCP, Rohini OCP, Tapin OCP, Urimari OCP and Rajrappa OCP. The Company is underway for obtaining certification for more mines having more than 1 MTPA total Production Capacity. The company has also taken action for getting all its coal washeries accredited with ISO 9001 : 2008 & ISO 14001 : 2004 certification.

Map showing the Remote Sensing Imagery of Piparwar OCP 2008



Map showing the Remote Sensing Imagery of Piparwar OCP 2011



E-1. Sustainable Development :

A Workshop on “Challenges in the Mining Industry – Focus, Analysis and Solutions for Environment Management for Sustainable Development” was organised by CCL on 17th February 2012. It was attended by eminent personality, experts and speakers from MoEF, Delhi, MoEF, Bhubneswar, JSPCB, Ranchi, State Forest Deptt, Government of Jharkhand. This was also attended by more than 100 delegates from different Subsidiaries of Coal India Limited, delegates from different area of CCL and HQ, CCL. This facilitated in achievement of excellent rating against MoU target.



E-2. Sub-Committee of Directors on Sustainable Development :

As per the Guidelines on Sustainable Development for Central Public Sector Enterprises (CPSEs) issued by Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Government of India vide its Office Memorandum no. DPE’s O.M. no. 3(9)/

2010-DPE (MOU) dated 23rd September, 2011, for effective implementation :

- Preparation of Sustainable Development (SD) Plan is needed.
- For evaluation of SD Projects, an Independent External Agency/Expert/Consultant be appointed.
- A Board Level Designated Committee be constituted to approve the SD Plan and oversee the SD performance.

Keeping in view of the above, the CCL Board in its 385th Meeting held on 24.02.2012, constituted a Sub-Committee of Directors, consisting of :

1. Shri Gautam Basu — Non-official Part-time Director as Chairman of the Committee.
2. Shri Anand Kumar — Non-official Part-time Director-Member.
3. Director (P&IR), CIL — Member

Director (Tech/Oprns.), CCL shall be the Permanent Invitee to the Committee.

F. Environment related clearances for the year 2011-12

The process of environment clearances from MoEF, Govt of India and consent from State Pollution Control Boards are being taken on a regular basis as and when required. The environment clearances for new and expansion projects are also being done.

The environment related clearances/ activities in 2011-12 are given below:

1.	No. of Projects for which Environmental Clearance Received	05
2.	No. of Projects for which Form-I has been submitted to MoEF	04
3.	No. of Projects for which ToR has been approved by MoEF	03
4.	No. of Projects for which EMP has been prepared	09
5.	No. of Projects for which Public hearing has been held	08

G. Forest Land Clearances

During the year 2011-12, two important projects have got Stage-II forestry clearance namely North-Urimari OCP (226.51 Ha) and Tapin North OCP (213.52 Ha).

Compliance stage-I clearance for two proposals namely Piparwar Rly Siding (29.5 Ha) & Approach Road to Karma OCP (3.12 Ha) including payment of 235.45 Crore as forest compensation has been submitted to the State Forest Department.

The clearance under Scheduled Tribe and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act'2006 has been received for 20 proposals in 2011-12.

28. LAND ACQUISITION STATUS:

Under CBA (A&D) Act 1957 :

During the year further progress has been made in the following proposals for acquisition of land under the above Act.

Koed manatu OCP(NK)	3100.46 acres	Sec. 4(1) Completed
Pachra Integrated OCP(NK)	3696.00 acres	-do-
Kaitha Block (Rajrappa)	1330.48 acres	-do-
Raham Gonda (NK)	8984.91 acres	-do-
Masilaung (Magadh & Amarpali)	16.25 acres	-do-
Ramgarh Block - II (Rajrappa)	1040.00 acres	Sec. 7(1) Completed

142.9 Ha of land was acquired and possessed during 2011-12 against MoU 2011-12 target of 105 Ha for Excellent rating.

Payment of Compensation :

During the year under reference, for land and other interest acquired earlier under the provision of CBA (A&D) Act, 1957 compensation amounting to 144 lakhs have been disbursed. 12 payment camps were held in different Areas for payment of compensation.

During the year an amount of 58.49 lakhs has been sanctioned by the competent authorities for payment of compensation of land and other interest to DLAO Ramgarh for LA Case involving 4.02 acres of land in Kuju Area under Sondiha and Bhadwa village.

163.31 lakhs have been sanctioned under CBA (A&D) Act by competent authority for compensation amount under land, houses &

trees. 30.3 lakhs has also been sanctioned for rehabilitation and resettlement benefits including lump sum grant in Karma & Purnadih Projects.

- Sanction of 28.30 lakhs against one time lump-sum grant and other rehabilitation benefits for 103 no. of PAFs of Karma Project.
- Sanction of compensation amounting to 2 lakhs for one time lump sum grant for 2 nos. of PAFs in village Dembua, Purnadih Project of N.K. Area.

Employment :

During the year 2011-12, 175 fresh employments have been provided to land losers or their nominees in different Areas/units enabling the Company to take 350 acre of land in physical possession.

Rehabilitation & Re-settlement :

34 families were rehabilitated in different Projects.

29. RAILWAY SIDING:

In your company there are 26(Twenty Six) no. of sidings under operation, having total daily loading capacity of 4220 (FWW).

New Sidings under Construction :

- (A) **PIPARWAR SIDING:** The Piparwar Siding taking off from Mc-Cluskieganj Railway Station of East Central Railway, is under construction.

Status of Construction of Piparwar Siding:

For completing the left over work of M/s IRCON, your company has engaged M/s RITES Ltd. at an awarded cost of 90.61 Crores – on deposit term basis. At present, out of 30.5 Km total length, the formation work in nearly 26.50 Km length and track linking in 12 Km length have been completed. The work is in progress.

Electrification, Signaling & Telecommunication and Track linking for 1.683 Km. at Junction point are to be completed by EC Railway as deposit work of your Company

- (B) **CONSTRUCTION OF TORI-SHIVPUR-HAZARIBAGH RAILWAY LINE UNDER CCDA :** The forestry clearance proposal Tori- Shivpur- Hazaribagh new BG rail line

(length 93.28 Km) under execution by EC Railway, Patna was earlier rejected by MoEF on 31.08.2010.

Present Status: The revised proposal of EC Railway (by modifying original alignment at some places) was re-submitted to MoEF, New Delhi on 05.02.2011 through Govt. of Jharkhand for their re-consideration towards granting Forestry Clearance.

Tori-Shivpur : Stage-I clearance for the modified alignment of Tori-Shivpur section only was granted by MoEF on 29.04.2011. At present EC Railways are in the process of Compliance of Stage-I Conditions & Filing of Stage-II Forestry clearance.

Shivpur-Kathotia (Revised alignment of Shivpur-Hazaribagh) : Forestry Clearance of Shivpur-Hazaribagh Section was rejected by MoEF on grounds of high density forest and presence of schedule-1 animals in the forest.

In view of persistent reservation of MOEF regarding alignment of Shivpur – Hazaribagh line, Railways vide its letter dtd. 17/06/2011 informed your company that it is considered prudent to examine the feasibility of any other alignment superior from forest conservation and wild life angles.

Forest Advisory Committee (FAC) meeting at MOEF held on 28/11/2011 at New-Delhi have asked for an alternative alignment in place of Shivpur-Hazaribagh, which should pass through lesser dense forest. Main concern of MOEF has been fragmentation of the dense forests by the Shivpur-Hazaribagh rail line, MOEF has been insisting on the alignment which avoids/ reduces fragmentation of dense forests.

EC Railways proposed alternative alignment namely Shivpur-Kathotia alignment(Modified length of this alignment-47.7 Km). Your Company in consultation with CMPDIL agreed to this alignment, with the view of Coal evacuation from, that end.

In-Principle approval has been accorded by the CCL Board on 24/02/2012 for the “TORI-SHIVPUR-KATHOTIA” alignment in place of “Tori- Shivpur-Hazaribagh” along with

approval of DPR Cum Revised Estimate amounting to 1095 Crores (Cost updated upto Oct’ 2011) for construction of Single Line Section with provision of Formation & Bridges for three lines in Tori-Shivpur Section. Also approval was accorded for construction of Single line Section with provision of Formation & Bridges for 3 lines at cost of 1250 Cr. in Shivpur-Hazaribagh Section.

Presently Survey work is in progress by Railways. After finalising the Forest area requirements, Filing of Forestry Clearance application will be made by EC Railways.

30. GEOLOGICAL SERVICES

A. *Drilling:*

Against the target of 1 lakh meters, a total of 1.06 lakh meters of drilling has been done during the financial year of 2011-12, achieving a productivity level of more than 1422 meters per drill per month with 6.25 operating drills from 2 base drilling camps at Topa and Lapanga. This includes the drilling of blast holes for mining services, large diameter boreholes for dewatering and tube wells for potable water and Non-Coring boreholes for Exploration purposes.

B. *Project Documentations and Related works*

(I) **On Geology:** During the year 2011-12 the following activities have been completed. Majority of them being related to production support mining services and for future mining activities :

1. Study and making comment on outsourcing patch of Karmatia.
2. Study and making comment on outsourcing patch of Chalkari, discussion on work to be done and selection of borehole points with area.
3. Meeting and discussion on the issue of Rohne siding allocated to JSW.
4. Discussion and making comments on Fire clay issue for Legal Department.

5. Preparation of presentation for environment division with slides for Kedla U/G project.
6. Tender committee meeting on UCG project of Kaitha block at CMPDI(HQ). Opening of part-II of the tender.
7. Preparation of modified geological reserve data of CCL command area as on 01.04.2011 as per data supplied by CMPDI.
8. Scanning and plotting to scale of plans related to different projects for environment and L&R department.
9. Scanning, digitization job of various UG working plans of to be proposed for JV.
10. Trends of grade wise reserve estimation regarding future infrastructure of coal mining and quarrying.
11. Discussion with Quality management deptt. regarding quality of seam III in Pindra and seam V in Tarmi, data supplied to quality management department.
12. Trends in Grade wise Reserve of Coal have been prepared and submitted to Operation Department CCL, of your Company.
13. Co-ordination with CMPDI for requirement of grade estimation of UG mines under bidding process.
14. Co-ordination with CMPDI, RI-III on the status of South Tandwa block in respect of three newly created blocks Naiparam, Gonda and Raham for drilling by out sourcing.
15. Discussion and co-ordination with CMPDI, RI-III, for resolving the issue of boundary of Basantpur Kotre and Pachmo Blocks.
16. Discussion with CMPDI-RI-III regarding ascertaining the block boundary of Underground Coal Gasification of Kaitha Block, Ramgarh Coalfield.
17. Interaction with GM (Exploration), RI-III in respect of Location Plans of the running blocks where exploration is being taken up in the CIL blocks of your Company Command area, Geological information in the MPR and pendency of coal cores.
18. Study of Geophysical Well Logging conducted in Parej East, Mandu, Argada, Balumath, Chanho-Rikba, Rauthpara and Ramgarh-East Extension block by RI-III, CMPDI.
19. Combined plan collected from Area/ Tata Steel with Survey of India pillars marked and sent to CMPDI, RI-III to resolve the issue of transferring the location of Survey of India pillars on plan with geological boundary.
20. Studied the geological aspects of FGR Ramgarh Block III submitted by RI-III, CMPDI Ranchi and proposed further exploratory BHs to be taken up in the financial year 2012-13 and submit revised FGR.
21. Submitted the report on performance Audit on Allocation of Coal Block and Augmentation of Coal production in Coal India Limited.
22. Studied the relevant plans of Giridih coalfield, regarding coal bearing areas/non coal bearing areas as desired by project authorities in respect of land transfer to district authorities.
23. Assessment of Geological reserve and Extractable reserve of the approved projects of your Company in the last five years.
24. Studied the alignment of electric power line in Daltongonj coalfield proposed by the Power-Grid Corporation of India Limited in association with L&R Department.
25. Studied the Geological aspects of Outsourcing patch of Parej East block, WBCF.

26. Prepared the revised list of small and isolated patches in different coal fields of your Company.
27. Studied the Geological aspects of dip side of Rohini block, North Karanpura Coalfield in and around Kenduadih Nala.

(ii) **On Washery:** Association with the work related to finalization of the location of proposed washeries in different projects. Hydro-Geological study for water requirement in different washeries,

(iii) **On Captive Mine Blocks:**

1. Note on Agenda Item "Allocation of Coal Blocks" in the meeting of the Consultative Committee attached to MoC, time to time whenever required.
2. Preparation of letter, notes and related plans to resolve various issues related to dispute in boundaries of allocated blocks, forest, land use etc. on regular basis.
3. A total of 48 blocks in CCL command Area has been allocated by MoC to Private/Govt. parties for using coal in their captive use.

(iv) **Others:**

1. Updation of Mineable Coal Reserves as on 01/04/11 of existing Operating Mines of CCL.
2. Finalization of Exploration Programme of CMPDIL in CIL blocks during 2012-13.

C. Hydrogeology:

1. A total of 58 nos. deep tube well boreholes have been drilled for meeting the requirement of potable water in different Areas of your Company.

D. Specialised services and computerization work :

The Geology Department has completed two major projects funded by CIL R&D on GIS based Interactive Geo-Mining model of SKCF and NKCF in collaboration with IIT Kharagpur, BIT Mesra, CMPDI, MECL, and

Jadavpur University. Final report incorporates the findings of all results from different agencies.

The department maintains all the basic data including borehole and map data, processed outputs and documents.

The result of R&D projects funded by CIL R&D Board on GIS based Interactive Geo-Mining Model of South Karanpura Coalfield and West Bokaro Coalfield has been facilitated to ICRIS (Integrated Coal Resources Information System) project, CMPDI, HQ, Ranchi to capture Coal Resource data of the country in the electronic media and to create a database for easy access.

Application softwares like Minex, Cempgeodoc, Autocad Map, GIS, VP Studio, and SQL-Server are being used for processing of basic data, Geological modeling and various other applications.

E. Coal Reserves:

The geological reserves as compiled & computed by Geological Survey of India as on 01/04/2011 in Proved, Indicated and Inferred categories together within the CCL Command Area amount to 40.946 billion tonnes (up to a depth of 1200 mtrs.). The details of coal reserves are as under :

(Fig. in billion tonnes)

Type of Coal	Proved	Indicated	Inferred	Total
Coking	7.550	9.033	1.660	18.243
Non Coking	12.613	6.914	3.176	22.703
Total	20.163	15.947	4.836	40.946

31. COMPUTERISATION & IT ENABLED SERVICES

Your Company has embarked upon the following IT-enabled Projects/Services

● **Office Automation :**

To expand the base of office automation throughout your company, a large number of PCs along with office suits have been procured and installed at HQ, Areas and Project offices, which exceeds 1500 in number.

- **CCL Website :**

A Hindi version of CCL website has been launched along with the existing website: www.ccl.gov.in. The website has been enriched further to disseminate vital and up-to-date information and statistics of your company to the public and employee.

- **Online Material Management System (OMMS) :**

All eleven stores falling under the jurisdiction of your Company are fully computerized with implementation of OMMS.

- **Electronic Mail Messaging System :**

An electronic mail messaging System is in operation, which facilitates faster communication.

- **IT Infrastructural Development :**

A WAN (Wide Area Network) Scheme connecting HQ, Areas, Projects, Stores, Central Workshop, Central Hospitals, Weigh Bridges (Road & Rail) and CCL sales Office at Kolkata has been envisaged. Draft NIT(Notice Inviting Tender) has been published for Pre-Bid purposes. The same is under finalization. Once the WAN is implemented, the same would enhance the automation of data flow and ensure Networking. This in turn would facilitate important business processes like Sales & Marketing, Financial accounting, Online Coal billing/ Excise Invoicing at Weigh bridges and integrated OMMS(Online Material Management System) etc of the Company. It will also support installation and implementation of ERP package being planned at CIL level.

32. SECURITY MANAGEMENT

The Security Department of your Company has mitigated the risk involved in production and dispatch of coal despite naxal activities in various command areas thus playing its given role in achieving of overall target of the company. There were kidnapping events including an attack on Ashoka Project of Piparwar Area by the Extremists on 4th March'2012, which was retaliated by Central Industrial Security Force. This resulted in burning of Dozers and Dumpers causing a loss of approx. 10 Crore but action of Security

personnel particularly CISF personnel was appreciated by everybody as two activists were killed in the encounter. Management secured active support from State/ District administration. The employees of Piparwar Area despite threats and terror co-operated with the management in restoration of normal working within a very short period and as such production and dispatch of your Company continued even in difficult circumstances.

The Board in its 386th meeting held on 18.04.2012 approved payment of honorarium amounting to 2,45,000.00 for distribution amongst the CISF personnel as a reward in recognition of their courageous performance in the night of 04.03.2012.

The company has expedited infrastructure development work for security personnel by providing family and bachelor accomodation, construction of security related barracks and magazines at B&K, Dhori, NK Dakra and Piparwar Areas. Medical facilities for dependents of CISF personnel was also extended.

The number of Security personnel required in various projects is going to increase particularly in the wake of opening of new project such as Magadh, Amrapali & Other new projects in Barka-Sayal, Argada, Charhi Area. Management is taking all actions to fill the shortage of Security Personnel from surplus manpower besides deploying DGR sponsored security Agencies.

DGR sponsored security services have done a good work in the areas, wherever they are deployed. The number of theft incidents have gone down considerably and security status has been upgraded.

All Command Areas of your Company are monitoring Illegal Mining in their areas of responsibility and sharing the inputs at highest level committee constituted by your Company Management/ State Administration. Regular dozing of illegal pits and monitoring of FIRs/ Cases have led to reduction in Illegal Mining, theft/ pilferage of Coal and other clandestine activities.

Security infrastructure in respect of CISF has been upgraded in almost all the areas and adequate funds have been provided to them for procurement of modern equipment and

communication gadgets in Naxal affected areas.

33. RAJBHASHA IMPLEMENTATION

During the year, your Company made special drive for promotion of Hindi in official work in Headquarters and Areas. Workshops have also been organized at Headquarters and Areas so as to train more employees to carry out their official work in Hindi.

September, 2011 was celebrated as "Rajbhasha Month". During this month, Essay and Elocution competitions for employees in two groups – one for Hindi speaking and the other for non-Hindi speaking were organized and the winners were suitably rewarded.

Hindi Implementation Committee meetings were held quarterly to monitor the progress of the Hindi Implementation Programme at the Headquarter Level. Hindi Computer Training Programmes were conducted at H.R.D., CCL, Ranchi. Hindi UNICODE programme/software is installed in all the Computers so that the employees can take maximum benefit from this software. Meetings of "NRAKAS" were organized under the Chairmanship of C.M.D., C.C.L.

A book of "Standard Drafts" was published and distributed to all Areas and Headquarter.

An Award for best performance for Hindi Implementation was given to C.C.L. by Rastrabhasa Swabhimani Nyas – Bharat (USA Patrika), Kendriya Hindi Sachivalaya, Mahanagar Samanwaya Samittee, Kolkata and Rajbhasha Sansthan, Dehradun.

34. ACTIVITIES AND ACHIEVEMENTS OF VIGILANCE DEPARTMENT

The Vigilance Department of your company is an integral organ of the Company, manned by 17 executives and 24 non-executives and headed by a Chief Vigilance Officer. This department has been rendering its services effectively in creating a conducive environment for achievement of organizational goals and objectives. A brief overview of important activities and achievements of the Vigilance Department on preventive, investigation and punitive fronts during the year 2011-12 is given below:

1. **Investigation :** During the year 2011-12, 14 new Regular

Investigation cases were taken up and action in respect of 15 RI cases was completed after carrying out exhaustive investigation. Besides above, 492 complaints, received by this department were scrutinized and suitable action was initiated during this fiscal.

2. **Punitive Actions:** 22 disciplinary proceedings arising out of Vigilance investigations were fully completed during this year resulting in imposition of major penalty in 16 cases involving 40 persons and minor penalty in 6 cases involving 18 persons.

In addition to above, 09 Disciplinary Proceedings arising out of Vigilance investigations were partly completed during this fiscal resulting in imposition of major penalty in 08 cases involving 08 persons and minor penalty in 1 case involving 2 persons.

3. **Preventive:** During the year 2011-12, Twenty Five Surprise Inspections were conducted by the Vigilance teams in various units of CCL leading to institution of 05 cases of Regular Investigation. On the basis of irregularities observed in the prevailing system during the course of investigations and Surprise checks conducted by Vigilance Deptt. in this fiscal. Following measures were recommended to the competent authority for system improvement:

1. In course of a vigilance investigation in case of "Limited tender of purchase being executed in one of the areas of CCL", system improvement has been suggested regarding modifications in the existing provisions/ clauses in reference to LTE Purchases as per Purchase Manual and various circulars issued by the Company time to time to

- improve upon the transparencies and genuinity involved in the purchase processes done at Area level.
2. In course of a vigilance investigation in case of "Pilferage of coal from contractor's tipper in one of the areas of CCL" it has been suggested to ensure reconciliation of number of trucks along with tonnage of coal at both sending and receiving end to avoid any chance of pilferage of coal in transit.
 3. During course of a vigilance investigation in case of "deputation of vehicle for outstation duty by one of the Project of CCL", system improvement has been suggested regarding maintenance of proper tour register date wise, indicating name of the place to be visited, registration no. of vehicle associated, quantity of HSD used, name of employee going outstation, likely duration of the tour and purpose of the tour.
 4. In course of a vigilance surprise check of a weighbridge of a project, it has been suggested for taking appropriate immediate action for utilization of the computer system provided at the weighbridge in different areas for transparent and proper weighment including storage of the weighment records and generation & printing of the challans. It has also been suggested for posting of designated workers at sensitive places.
 5. During course of a vigilance investigation related to excess consumption of Hydraulic Oil in a CK-300 Shovel deployed in one of the Area, it was suggested to constitute a high level committee to find out the real reason of excessive hydraulic oil consumption in all CK-300 Shovels as system improvement.
 6. During course of a Vigilance Investigation into a case of finalization of transport contract by one of the areas, it has been suggested that estimate may be prepared on the basis of standard SOR of the Company and in the case SOR is not being followed, the rates needs to be analyzed based on the accepted scientific principle such as CPWD SOR etc., to arrive at a realistic estimate.
 7. During course of a surprise check at work shop of one of the Project, Preventive actions have been suggested regarding "signature on log-books of HEMMs, warranty claim in matters of contractual repair works related to HEMMs, issuance of Gate Pass/ Receipt of Challan, entry of contractual repair works in log books and enclosure of a format along with a proposal for outside repair".
 8. In course of a vigilance investigation in case of construction of garland drain in one of the area, System improvement has been suggested regarding adoption/ analysis of rates for excavation/ earth cutting works.
 9. During course of a vigilance investigation regarding pension

claims of an executive, system improvement has been suggested pertaining to timely settlement of pension claims of both executives and non-executives.

10. During course of a surprise check in one of the area regarding alleged irregularities in award of work without displaying the NIT on notice board, system improvement has been suggested for using tender documents in accordance with the approved manuals, circulars and guidelines issued from time to time and also comply the legal requirement to protect the interest of the Company.
11. During the course of intensive examination on procurement of super enameled copper wire, it has been suggested to incorporate appropriate time period of validity of offer in the NIT.
12. During the course of vigilance investigation pertaining to award of Civil contractual work it has been suggested that in order to maintain transparency, the Tender Committee may ensure that the NIT/ Tender documents of the tender have been duly displayed on the website and advertised in the News Papers as per prevailing Company norms/NIT provision before opening of tender. The Tender Committee may ensure that the corresponding certificate/copy of News Paper Clipping are available on record.

4. Observance of Vigilance Awareness week :

- a. In pursuance of directive of Central Vigilance Commission,

the Vigilance Awareness Week was observed with much fervor and enthusiasm in all units, Areas and Headquarters of your company from 31st October, 2011 to 5th November, 2011. The observance of Vigilance Awareness Week started with taking of pledge by all the employees. CVO, CCL explained about the importance of observance of Vigilance Awareness Week and synopsis of programmes scheduled to be held during this week at HQ Ranchi and different areas/units of CCL.

- b. CVO, CCL also released a message for the employees of CCL in which special thrust was given on “Participative Vigilance” in order to generate and create awareness among stake holders and others to fight widespread & deep rooted corruption in the different units of the organization.

Vigilance Department ran a special campaign during this week to create awareness among the employees as well as public. To inculcate the importance of good values and ethics in the minds of school children, one Essay competition on the topic “No legacy is so rich as honesty” was also organized in all the schools, being funded/ helped by CCL at Area level. A Slogan Competition was also organized in the Areas of CCL. Apart from above, talks on anticorruption/ vigilance related topics were also organized in different areas/ projects of CCL for creating awareness amongst the employees of the company.

- c. The Vigilance Deptt. organized three workshops/seminars during Vigilance Awareness Week and highlights of above workshops/seminars are noted below:
- One day lecture/seminar on "Values and Ethics affecting our lives and work" was organized on 3rd November'2011 at Vichar Manch, Darbhanga House, Ranchi wherein around 300 number of executives & non executives of different units/ areas of your company participated. The key talk was delivered by Swami Purnandaji of Ramakrishna Mission.
 - On 3rd November'2011 a seminar on "e-procurement/tendering" was organized at HRD department, CCL, Ranchi which was attended by HODs of HQ, SO(MM) of all areas, officials dealing with material procurement tender files and some prominent vendors. Total numbers of participants were around 90-100. The key talk was delivered by Sri BG Harshdev, representative of M/s ITI (Service Provider). The main features of website of M/s ITI which is used for e-tendering by CCL was explained and help for users & vendors uploaded on above website was deliberated at length. M/s ITI also explained the methodology pertaining to obtaining of digital signatures, filling of e-tender and uploading of tender documents by the vendors.
 - On 4th November, 2011 one workshop on topic "Common Irregularities in Civil & Purchase contracts" was organized at NK
- Area in which around 120 executives of various discipline like Civil, MM, E&M, Excavation, Mining etc. of NK and Piparwar Areas actively participated.
- 5. Other Special Achievements:**
- (1) e- Tendering with reverse bidding - In compliance to the instruction of CVC regarding leveraging of Technology to curb corruption, e-tendering with reverse bidding has been introduced in your company with effect from April'2010. Central Coalfields Limited is the first and only subsidiary of Coal India Limited which has adopted reverse bidding through e-tendering for all transportation contracts. Till date around 114 numbers of NITs have been floated/ invited through e-tendering through reverse bidding systems relating to transportation work which has resulted substantial savings to the company.
 - (2) e-Procurement – In compliance to the directive of CVC, e-procurement has been introduced in your company w.e.f April'2010. Around one hundred fifty cases, procurement action has been initiated by CCL through e-procurement mode upto March 2012, The portal of Service Provider is being used for e-tendering/ e-procurement in order to make process of award of various contracts more transparent.
 - (3) e-Payment - After rigorous follow-up and interaction of CCL Vigilance, e-payment has been introduced and fully

- implemented in CCL, HQ & all Areas of CCL. Approximately 96.66% payment has been made through e-payment mode in HQ as well as Areas of CCL. This is a very efficient tool which has put a check on ulterior motives of personnel's involved in the system of making payment to different vendors of your company.
- (4) Extent of IT usage and the e-governance - Most of the NITs, Tender Documents, CIL Purchase & Contract Management Manuals, Certified Standing Orders, CDA Rules, Coal Mines regulation 1957, RTI Act 2005 and other important notifications & information have been made available on CCL web site in compliance to the directives of CVC. Apart from above, following other information have also been uploaded on CCL web-site:-
- Company's profiles, Organizational setup, FDs profile & details of Areas/Mines of CCL along with names of area CGM/GMs.
 - Details of infrastructure in CCL like Land, Mines, Washeries, Workshops, Railway Sidings & Power Supply etc.
 - Details of mining Methods & Technology used by CCL for winning of Coal.
 - Information / Guidelines/ Notices regarding e-auction, Forward e-auction & Modified Forward e-auction.
 - Price of Coal.
 - Coal consumer wise balance statement for refund of coal sale.
 - Refund statement of Coal value.
 - Details of paid and outstanding bills.
 - Information regarding coal dispatch.
 - List of Coal customers.
 - Delegation of Power in respect of Board Level executives, Area CGM/GM and different HODs/ executives of CCL.
 - Global Seniority of executives.
 - Company residential quarter occupancy status.
 - Information/ notices regarding employment.
 - CCL Annual Report for year 2006-07, 2007-08 & 2008-09, 2009-10 & 2010-11 and other financial parameters.
 - Vendor wise coal lifting details and refund details.
 - Coal India Executive - Leave Rules, LTC Rules, TA Rules, Medical Rules, House Rent Allowance Rules & Overseas Site Posting Rules.
 - NCWA-IX
 - Category wise manpower of CCL.
 - Grievance redressal system.
 - CVC circulars.
 - Inventory of Critical Items and non-moving items in various stores along with LPP.
 - List of Centralized items (HEMM Spares, Consumables & Washery items).
 - Month wise details of orders placed by Areas and HQ of CCL for procurement of materials.

- Details of Rate Contracts finalized by the MM department of CCL.
 - List of HEMM spares covered under RC.
 - Tender wise details of Refund of EMD / SD and pending EMD/ SD.
 - Transfer Orders in respect of Executives of CCL.
 - Bio-data of all executive of CCL.
 - Details of various workshops / seminars organized by CCL, Vigilance along with photo gallery.
 - Details of observance of Vigilance Awareness Week/ period by CCL Vigilance.
 - Contact numbers of FDs, HODs of HQ and Areas CGM/GMs.
 - Schedule of Rates for Transportation and Loading of coal by Civilian Agency.
 - Month wise details of concluded Contracts.
 - Information regarding tender Notification and Advertisement.
 - DGMS approved Safety items. List of Decentralized Safety items, Safety policy of CCL, function of ISO, Safety measures undertaken by CCL and year wise fetal and serious accident statistics.
 - Information regarding Corporate Social Responsibility (CSR) and Welfare activities at CCL.
- (5) Review of Vigilance work by CEO with CVO : In compliance to the instruction of CVC, Structured Meetings of CVO with CEO is being held wherein various important issues like e-Tendering, e-Procurement, e-Payment, Linking of all the Regional Stores with Central Stores and CCL, HQ., adoption of e-tendering in Civil works, were deliberated and prompt action undertaken.
- (6) Review of Vigilance work by CCL Board: - CCL Board reviewed the work of CCL vigilance during its 383rd meeting held on 17.12.2011 and extract of the said review is reproduced below:
- “The Board reviewed the Vigilance work of CCL and appreciated the performance of Vigilance Department for considerable reduction in disposing of cases and further directed to place performance on Vigilance cases on periodical basis.”
- (7) In order to propagate concept of preventive vigilance down the line and enhance the knowledge of employees of CCL, Vigilance department had organized a series of workshop and seminars in addition to Vigilance Awareness Week 2011. The highlights of certain workshops and seminars are noted below:
- a. As a preventive measure workshops were organized by the vigilance department in four/ five Areas of CCL relating to “Correct Modalities of Contract Management” during this fiscal. Shortcomings in Civil Tenders/ MM Tenders observed during the course of Vigilance Investigation were deliberated at length by the officials of Vigilance Department. Large no. of executives attended and benefitted by these workshops in above Areas.
 - b. Vigilance Deptt. organized a one day seminar on “Governance and Corporate Ethics” on 15.12.2011 at IICM, Ranchi in order to enhance the

knowledge and functioning capabilities of executives of CCL. The above seminar was attended by around 300 executives of different disciplines, posted in HQ and different Areas/ units of CCL and senior officials of other PSUs situated in the vicinity of Ranchi like CMPDIL, RDCIS/ SAIL, HEC & MECON. Sri Pratyush Sinha, former Central Vigilance Commissioner delivered the key note address. He deliberated at length on the role of good governance and corporate ethics in the performance of any company. He also deliberated at length about certain characteristics of governance and corporate ethics like participation, rule of the law, transparency and accountability which should be followed by the executives of any company while delivering their duties.

35. CORPORATE GOVERNANCE

Your Company, as a Subsidiary of Coal India Ltd., believes that great Companies are built upon a rich legacy of fair, ethical and transparent governance practices, many of which were in place even before they were mandated by adopting highest standards of professionalism, honesty, integrity and ethical behaviour and other good governance practices. As a Subsidiary of a Maharatna Company (Coal India Ltd.), the Corporate Governance practices followed by the Company are compatible with standards and best practices. The Corporate Governance is all about effective management of relationships among constituents of various stakeholders – shareholders, management, employees, customers, vendors, regulatory authorities and the community at large. Your Company strongly believes that this relationship can be strengthened through corporate fairness, transparency and accountability. Your Company places prime importance on reliable financial information, integrity, transparency, empowerment and compliance with the laws in letter and spirit.

A Report on Corporate Governance is placed at **Annexure-I** and a Certification from Auditors regarding compliance of conditions of

Corporate Governance by your Company for the year ended 31st March 2012 is also placed at **Annexure-II** to this report.

Pursuant to office order no. CIL:IX(D):04007:2010:1856 dtd.30.11/01.12.2010 of CGM(F)/Company Secretary, CIL, the Code of Conduct for prevention of Insider Trading as per Reg 12(1) of the SEBI (Prohibition of Insider Trading) Regulations 1992 and as amended in 2008, has been circulated among the designated employees of the Company, which includes Executive Directors, Chief Vigilance Officer, all Executive Directors, all CGM's & GM's and all executives working in the designated departments of the Company.

Compliance of Corporate Governance as per Corporate Governance Guidelines issued by DPE as applicable to your Company, has resulted in achievement of EXCELLENT rating against the MoU target for 2011-12.

Submission of data for Public Enterprise survey published by DPE (in line with DPE's Directive) was done on 12th Sept.'11 giving excellent MoU 2011-12 rating.

36. AVAILABILITY OF ANNUAL REPORT AND ACCOUNTS AT THE H.Q. FOR INSPECTION OF SHAREHOLDERS

The Annual Accounts of CCL and the related detailed information has been made available to the shareholders of the Holding and Subsidiary Companies seeking such information at any point of time. The Annual Account of CCL has also been kept for inspection by any Shareholder in the Head Office.

Hence, in compliance with the General Circular No. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs, Government of India, New Delhi and subsequent letter No. CIL:XI(D):04032:2011:2255 dated 8th March, 2011, the Accounts of CCL has been made available at Ranchi (HQ) for providing information to the shareholders of CIL on demand.

37. BOARD OF DIRECTORS:

During the year under reference your Directors held 10(ten) Board Meetings. Your Company had the following Directors on the Board including Non-official Part-time Directors and Permanent Invitees, as on 21-05-2011 i.e. the date of the 55th Annual General Meeting:

1. Shri R.K. Saha, CMD,
2. Shri R.K. Mahajan, Jt. Secretary, MoC, Govt. of India, Delhi.
3. Shri R. Mohan Das, Director(P&IR), CIL, Kolkata.
4. Shri T.K. Nag, Director (Tech./Oprn.),
5. Shri A. Chatterjee, Director (Finance).

Non-official Part-time Directors :

- 1 Shri Gautam Basu,
- 2 Shri S.K. Sarkar,
- 3 Shri S. Chakrabarti,
- 4 Shri Anand Kumar, and
- 5 Prof. K.V. Ramani.

Permanent Invitees:

- 1 Shri R.S. Pandey, IRTS, COM, E/C Rly.
- 2 Shri A.K. Sarkar, IAS, Addl. Chief Secretary, Mines & Geology Deptt., Govt. of Jharkhand.

After the AGM held on 21-05-2011, 1 Functional Director viz. Shri R.K. Saha, Chairman and Managing Director, CCL ceased to be Director on CCL Board w.e.f. 29.02.2012 on account of superannuation.

Shri R.K. Mahajan, Joint Secretary, MoC, Govt. of India, ceased to be Part-time Director on CCL Board w.e.f. 23.09.2011.

Shri D.N. Prasad, Dir.(Tech.), MoC who was appointed as Part-time Official Director w.e.f. 12.10.2011 ceased to be Part-time Official Director w.e.f. 13.01.2012.

Shri R.S. Pandey, CoM, EC Rlys., ceased to be Permanent Invitee on CCL Board w.e.f. 10.10.2011.

Shri Deepak Chhabra, CoM, EC Rlys., who had been appointed as Permanent Invitee w.e.f. 10.10.2011 ceased to be Permanent Invitee on CCL Board w.e.f. 2.05.2012.

Similarly, Shri Gopal Singh has been appointed as Chairman and Managing Director, CCL w.e.f. 13.02.2012 and assumed charge on 1.03.2012.

Shri A.K. Sarkar, I.A.S., Addl. Chief Secretary, Deptt. of Mines & Geology, Govt. of Jharkhand, has been appointed as Permanent Invitee on the CCL Board of Directors w.e.f. 04.04.2011(F/N), vice Shri N.N. Sinha, I.A.S., as conveyed by Dy. Secretary to the Govt. of Jharkhand, vide letter dtd. 04.04.2011.

Shri R.R. Mishra was appointed as Director (P), CCL w.e.f. 12.09.2011.

Shri S.K. Singh, Joint Secretary, MoC, Govt. of India was appointed as Part-time Official Director on CCL Board w.e.f. 13.01.2012.

Shri Deepak Nath, CoM, EC Railways has been appointed as Permanent Invitee on CCL Board w.e.f. 2.05.2012.

Accordingly, your Company has the following Directors including five Non-Official Part-time Directors on the Board as on 25.05.2012 i.e. the date of the 56th Annual General Meeting:

1. Shri Gopal Singh, CMD,
2. Shri S.K. Singh, Jt. Secretary, MoC, Govt. of India, New Delhi,
3. Shri R. Mohan Das, Director(P&IR), CIL, Kolkata
4. Shri T.K. Nag, Director (Tech./Oprn.)
5. Shri A. Chatterjee, Director(Finance)
6. Shri R.R. Mishra, Director (Personnel).

Non-official Part-time Directors:

1. Shri Gautam Basu,
2. Shri S.K. Sarkar,
3. Shri S. Chakrabarti,
4. Shri Anand Kumar,
5. Prof. K.V. Ramani.

Permanent Invitees:

1. Shri Deepak Nath, COM, E/C Rly.
2. Shri A.K. Sarkar, I.A.S., Addl. Chief Secretary (Mines & Geology), Govt. of Jharkhand,

38. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies (Amendment) Act 2000, with respect to Directors' Responsibility Statement, it is hereby confirmed:

That in the preparation of the accounts for the financial year ended 31st March 2012, the Uniform Accounting Policy approved by CIL, the Holding Company, has been followed. The said uniform Accounting Policy has been drawn in compliance with the Accounting Standards issued by the ICAI subject to a few deviations from Accounting Standards which are not material in nature;

That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were considered reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year under review.

That the Directors have taken proper and sufficient care for the 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;

That the Directors have prepared the annual accounts for the financial year ended 31st March 2012 on a 'going concern' basis.

39. AUDITORS OF THE COMPANY

Under Section 619(2) of the Companies Act, 1956 the following Chartered Accountants Firms were appointed by the Comptroller and Auditor General of India for auditing the Financial Accounts of your Company for the year 2011-12:

Statutory Auditors:

M/s. V. K. Jindal & Co.,
GG3, Shree Gopal Complex,
Third Floor, Court Road
Ranchi -834001,
Jharkhand.

Branch Auditors:

M/s. K. C. Tak & Co.,
1, New Anantpur,
Ranchi -834002
Jharkhand.

M/s. KPMB & Associates
Shivam Apartment,
Near AG Office,
Ranchi-834002
Jharkhand.

M/s. Lodha Patel Wadhwa & Co.
304, Shreelok Complex
4-H.B. Road, Ranchi -834001
Jharkhand.

Office of the Comptroller and Auditor General of India will be moved for the appointment of Statutory Auditor/Branch Auditors for the year 2012-13 under Section 619(2) of the Companies Act, 1956.

40. AUDIT COMMITTEE OF DIRECTORS

Consequent upon the appointment of Shri Shailesh Kumar Singh, Joint Secretary, Ministry of Coal, Government of India as Part-time Official Director on CCL Board vice Shri D.N. Prasad, the Board at its 384th meeting held on 24.01.2012 approved the re-constitution of the Audit Committee of CCL, comprising the following Members:-

- | | | |
|---|------|----------|
| 1. Shri S.K. Sarkar, Non-official part-time Director | | Chairman |
| 2. Shri Gautam Basu, Non-official part-time Director | | Member |
| 3. Shri Anand Kumar, Non-official part-time Director | | Member |
| 4. Prof. K.V. Ramani, Non-official part-time Director | | Member |
| 5. Shri Shailesh Kumar Singh, Jt. Secy., MoC, Gol | | Member |
| 6. Shri R. Mohan Das, D(P&IR), CIL | | Member |
| 7. Shri Deepak Chhabra, COM, EC Rly | | Member |

The Board further requested the Audit Committee to invite Director (Finance), CCL in all the meetings of Audit Committee, which was agreed to.

The Board further noted that as per letter Ref. No. CIL:XI(D):04011A:2011:2009 dated 11th January, 2011 of CIL, it was decided in the 42nd Audit Committee meeting of CIL held on 18th December, 2010, that in the absence of Independent Director, Government nominee Director should be the Chairman of the Audit Committee. However, the CCL Board in its 376th meeting directed that in the absence of Shri S.K. Sarkar, Chairman, of the Audit Committee, Shri Gautam Basu, Non-official part-time Director will act as Chairman of the Audit Committee.

The quorum for the meeting of Audit Committee shall be either two members or one third of the members of the Audit Committee whichever is greater, but at least two Independent Directors must be present.

The Board also approved the Terms of reference of the Audit Committee as brought out in the agenda note.

During the year ended 31st March, 2012, 9 meetings of Audit committee were held on 3.04.11, 16.05.11, 20.06.11, 29.07.11, 8.8.11, 17.09.11, 8.11.11, 17.12.11 and 23.01.12. The Company Secretary is also the Secretary to the Audit Committee.

41. ACKNOWLEDGEMENT

Your Directors express their sincere thanks to the Government of India in general and Ministry of Coal and Coal India Limited in particular for their valuable guidance and unstinted support to your Company towards attainment of the objectives of the Company. Your Directors also thank the Government of Jharkhand and other State Governments for their co-operation and valuable assistance extended to your Company. Your Directors convey their thanks to all the employees of the Company for their whole-hearted co-operation and devotion to duty.

Your Directors are fully confident that the employees of all ranks would continue to strive hard to improve the performance of the Company in the coming years. Your Directors also acknowledge, with thanks, the assistance and

guidance rendered by the Statutory Auditors, Tax Auditors, the Comptroller & Auditor General of India and the Registrar of Companies, Bihar & Jharkhand.

42. ADDENDA:

The following papers are annexed hereto for your consideration:

- (1) Addendum to the Directors' Report pursuant to Section 217 of the Companies Act, 1956 giving:
 - (a) particulars of employees who were in receipt of remuneration 60,00,000/- per annum/ 5,00,000/- per month or more, if employed for the year or part thereof.
 - (b) details of foreign exchange earning & outgo.
 - (c) details about research and development activities of the Company.
- (2) Comments of the Comptroller and Auditor General of India under section 619(4) of the Companies Act, 1956.
- (3) Review of the Accounts of the Company for the year ended 31st March 2012 by the Comptroller & Auditor General of India.
- (4) Addendum to the Director's Report under section 217(3) and 227(2) of the Company's Act, 1956 stating statutory Auditor's Report and Management's reply thereon.

For & on behalf of the Board of Directors

Sd/-

(Gopal Singh)

Chairman-cum-Managing Director

ACHIEVEMENTS



The CCL was given Best Performance Award for Hindi Implementation by Rastrabhasha Swabhimani Nyas — Bharati (USA Patrika), Kendriya Hindi Sachivalaya, Mahanagar Samanwaya Samittee, Kolkata & Rajbhasha Sansthan, Dehradun



The Proud CCL Rescue Team after winning All India Mines Rescue Competition 2011



The Proud HRD Department Officials of CCL, the winner of 2011-12 Global Excellence Award in “HR Leadership Aligned to Business Strategy Award”

REPORT ON CORPORATE GOVERNANCE

1. PHILOSOPHY

CCL management continues to strive for excellence in good governance and responsible management practices.

Corporate Governance at CCL is based on the following main principles:

1. Constitution of a Board of Directors of appropriate composition, size, varied expertise and commitment to discharge its responsibilities and duties,
2. Ensuring timely flow of information to the Board and its Committees to enable them to discharge their functions effectively,
3. Independent verification and safeguarding integrity of the Company's financial reporting,
4. A sound system of risk management and internal control,
5. Timely and balanced disclosure of all material information concerning the Company to all shareholders,
6. Transparency and accountability,
7. Compliance with all the applicable rules and regulations,
8. Fair and equitable treatment of all its stakeholders including employees, customers, shareholders and investors.

Your Company as a Corporate Citizen believes in adhering to the highest standards of Corporate Governance. CCL provides appropriate access to information to the citizens of India under the provision of the Right to Information Act, 2005.

It is not merely compliance and simply a matter of creating checks and balances; it is an ongoing measure of superior delivery of Company's objectives with a view to translate opportunities into reality. It involves leveraging its resources and aligning its activities to national need, shareholders benefit and employee growth, thereby delighting all its stakeholders, while minimizing the risks. The primary objective is to create and adhere to a corporate culture of conscience and consciousness, transparency and openness, fairness, accountability, propriety, equity, sustainable value creation, ethical practices and to develop capabilities and identify opportunities that best serve the goal of value creation, thereby creating an out performing organization.

2. BOARD OF DIRECTORS

The Board of Directors of your Company as on 31st March, 2012 comprised of 11 Directors, viz. four (4) Functional Directors (including CMD), two (2) Part-Time Official Directors, five (5) Non-Official Part-Time Directors (Independent Directors) and two (2) Permanent Invitees to the Board.

During the financial year ended March 31st, 2012, 10(Ten) number of Board meetings were held on 03.04.2011, 17.05.2011, 21.06.2011, 30.07.2011, 08.08.2011, 18.09.2011, 08.11.2011, 17.12.2011, 24.01.2012 and 24.02.2012. Thus, the maximum time gap between consecutive Board meetings was not more than two calendar months.

The details of the composition of Board of Directors, Directors attendance at the Board meeting, number of Directorship in other Companies and membership in other committees, etc. during the year are as follows:

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Sl.No	Name & Designation	Category	Board meetings		No. of other Directorships	Membership in other committees of Board	
			Held during the tenure	Attended		Audit Committee	Empowered Sub Committee
1.	Shri Gopal Singh * Chairman-cum-Managing Director	Functional Director	0	0	Nil	—	Chairman
2.	Shri R.K. Saha ** Chairman-cum-Managing Director	Functional Director	10	10	Nil	—	Chairman
3.	Shri T.K. Nag Director (Tech./Oprn.)	Functional Director	10	10	Nil	—	Member
4.	Shri A. Chatterjee Director (Finance)	Functional Director	10	10	Nil	Permanent Invitee	Member
5.	Shri R. R. Mishra Director (Personnel)	Functional Director	05	04	Nil	—	—
6.	Shri R. Mohan Das Director (P&IR), CIL	Part-Time Director	10	7	(i) CIL (ii) WCL	Member	—
7.	Shri S. K. Singh Joint Secretary, MoC Govt. of India #	Part-time Official Director	02	02	MCL	Member	Member
8.	Shri R. K. Mahajan Joint Secretary, MoC Govt. of India ##	Part-time Official Director	06	06	MCL	Member	Member
9.	Shri D. N. Prasad Director (Tech.), MoC###	Part-time Official Director	02	02	—	Member	Member
10.	Shri Gautam Basu	Non-Official Part-Time Director	10	10	Hindustan Photo Films Ltd.	Member	Member
11.	Shri S. K. Sarkar***\$\$	Non-Official Part Time Director	09	07	(i) The Associated Chambers of Commerce and Industry of India (ASSOCHAM) (ii) PHD Chamber of Commerce and Industry of India (PHDCCI) (iii) DESFAB Export India Private Limited	Chairman	—
12.	Shri S. Chakrabarti	Non-Official Part Time Director	10	10	Nil	—	Member
13.	Shri Anand Kumar	Non-Official Part Time Director	10	06	Solar Industries, Petrotech Society	Member	—
14.	Prof. K. V. Ramani	Non-Official Part Time Director	10	07	Nil	Member	—
15.	Shri N. N. Sinha, IAS, \$ Secy., Mines & Geology, Govt. of Jharkhand	Permanent Invitee	1	01	Not Applicable	—	—
16.	Shri A. K. Sarkar, \$\$\$ Addl. Chief Secretary, Mines & Geology, Govt. of Jharkhand	Permanent Invitee	09	07	Not Applicable	—	—
17.	Shri R. S. Pandey @ COM, EC Rlys.	Permanent Invitee	06	02	Not Applicable	Permanent Invitee	Permanent Invitee

CENTRAL COALFIELDS LIMITED

18. Shri Deepak Chhabra, @@ COM, EC Rlys.	Permanent Invitee	04	02	Not Applicable	Permanent Invitee	Permanent Invitee
19. Shri Deepak Nath @@@ COM, EC Rlys.	Permanent Invitee	—	—	Not Applicable	Permanent Invitee	Permanent Invitee

- * Appointed as Chairman and Managing Director, CCL vide letter dated 13.02.2012 and assumed charged on 01.03.2012.
 ** Ceased to be Chairman and Managing Director, CCL w.e.f. 29.02.2012 on account of superannuation.
 *** Appointed as Director (P), CCL w.e.f. 12.09.2011.
 # Appointed as Part Time Official Director w.e.f. 13.01.2012.
 ## Ceased to be Part Time Official Director w.e.f. 23.09.2011.
 ### Appointed as Part Time Official Director w.e.f. 12.10.2011 and ceased to be Part Time Official Director w.e.f. 13.01.2012.
 \$ Ceased to be Permanent Invitee w.e.f. 03.04.2011.
 \$\$\$ Shri A. K. Sarkar, IAS, Addl. Chief Secretary, Deptt. of Forest & Environment, has taken over the additional charge of Deptt. of Mines & Geology w.e.f. 04.04.2011 (F/N).
 @ Ceased to be Permanent Invitee w.e.f. 10.10.2011.
 @@ Appointed as Permanent Invitee w.e.f. 10.10.2011 and ceased to be Permanent Invitee w.e.f. 02.05.2012.
 @@@ Appointed as Permanent Invitee w.e.f. 02.05.2012..
 ****\$

Membership (involving more than 2% of the paid up share Capital of the Company)	DESFAB EXPORTS INDIA PRIVATE LIMITED (CIN:U74899DL1995PTC 067144)
Name of Firms in which the Director or his relatives is/are partners: (with names of partners of such firms)	B. N. MISRA & Co. S-29, MAITRI VIHAR, PHASE-II, CHANDRASEKHAR PUR, BHUBNESHWAR-751023

SCHEDULE FOR REMUNERATION OF CMD AND OTHER DIRECTORS FOR THE YEAR 2011-12

A. Functional Directors:

(Amount in Rupees)

Name	Relationship with other Director	Business relationship with the company	Salary & Allow.	Arrear due to revision of Pay	HRA	Leave Encashment	Ex-Gratia	CMPF Cont.	Med. Expenses	LTC	LLTC	Gratuity	Total
Shri Gopal Singh (Joined on 01.03.2012)	Nil	Chairman-cum-Managing Director	141792.85	0.00	0.00	0.00	0.00	15538.00	0.00	0.00	0.00	0.00	157330.85
Shri R.K. Saha (Superannuated on 29.02.2012)	Nil	Chairman-cum-Managing Director	1747725.28	0.00	0.00	58561.65	0.00	203626.00	2727.00	0.00	85708.00	0.00	2098347.93
Shri T.K. Nag	Nil	Director (Technical/Operation)	1721331.32	0.00	0.00	0.00	0.00	191330.00	5000.00	26156.00	0.00	0.00	1943817.32
Shri A. Chatterjee	Nil	Director (Finance)	1541927.81	0.00	0.00	0.00	0.00	147395.00	2622.00	15674.00	0.00	0.00	1707618.81
Shri Rajiv Ranjan Mishra (Joined on 12.09.2011)	Nil	Director (Personnel)	915195.23	0.00	37135.00	0.00	0.00	101971.00	0.00	12762.00	0.00	0.00	1067063.23
TOTAL			6067972.49	0.00	37135.00	58561.65	0.00	659860.00	10349.00	54592.00	85708.00	0.00	6974178.14

Service contract

All the Directors of the Company are appointed by the President of India. The terms & conditions of all the whole time Functional Directors are decided by the President of India in terms of Articles of Association of the Company.

B. Part-time Directors:

No remuneration is paid to the Part-time Directors by the Company.

C. Non-official Part Time Directors

No remuneration is being paid, except sitting fee for attending the Board/Committee meetings, as per the guidelines of DPE and Companies Act, 1956.

Details of sitting fee paid to Independent Directors (Non- Official Part Time Directors) for attending Board Meeting and its Committees during 2011-12, are as under:

Independent Directors (Non- Official Part Time Directors)*(Amount in Rupees)*

Name	Gross Sitting Fees paid during 2011-12
Sri Gautam Basu	Rs. 4,05,000.00
Sri S.K. Sarkar	Rs. 3,00,000.00
Sri S. Chakrabarti	Rs. 2,55,000.00
Sri Anand Kumar	Rs. 1,50,000.00
Prof. K.V. Ramani	Rs. 1,80,000.00

3. BOARD COMMITTEE**(i) Empowered Sub-Committee of Directors**

In compliance with the principles of Corporate Governance, Empowered Sub-Committee of Directors (ESCD), has been re-constituted at 376th meeting of the Board of Directors held on 02.04.2011 for evaluation, appraisal & approval of projects, comprising the following:

1. Chairman-cum-Managing Director, CCL	—	Chairman
2. Joint Secretary, MoC, Govt. of India	—	Member
3. Shri Gautam Basu, Non-official part-time Director	—	Member
4. Shri S. Chakrabarti, Non-official part-time Director	—	Member
5. Director (Tech/Oprn.), CCL	—	Member
6. Director (Finance), CCL	—	Member
7. Shri R.S. Pandey, COM, EC Rly.,	—	Invitee

Consequent upon the appointment of Shri D.N. Prasad, Director (Technical), Government of India, Ministry of Coal, New Delhi vice Shri RK. Mahajan, Joint Secretary, MoC, Govt. of India as Part-time Official Director on CCL Board w.e.f. 12.10.2011 and taking over charge by Shri Deepak Chhabra as Chief Operations Manager, East Central Railways from Shri R.S. Pandey, the then CoM, East Central Railways, a Permanent Invitee on the CCL Board, w.e.f. 10.10.2011 the Board of Directors of your Company at its 382nd meeting held on 8/11/2011 approved the reconstitution of the ESCD, as under:

1.	Chairman-cum-Managing Director, CCL	—	Chairman
2.	Joint Secretary, MoC, Govt. of India	—	Member
3.	Shri Gautam Basu, Non-official part-time Director	—	Member
4.	Shri S. Chakrabarti, Non-official part-time Director	—	Member
5.	Director (Tech/Oprn.), CCL	—	Member
6.	Director (Finance), CCL	—	Member
7.	Shri Deepak Chhabra, COM, EC Rly.,	—	Invitee

Further, on appointment of Shri Shailesh Kumar Singh, Joint Secretary, Ministry of Coal, Government of India as Part-time Official Director on CCL Board vice Shri D.N. Prasad Director, MoC, Govt. of India vide letter no. 21/3/2011-ASO dated 13th January, 2012, the Board of Directors of your Company at its 384th meeting held on 24/01/2012 approved the re-constitution of the Empowered Sub-Committee of Directors comprising the following Members :

1.	Chairman-cum-Managing Director, CCL	—	Chairman
2.	Joint Secretary, MoC, Govt. of India	—	Member
3.	Shri Gautam Basu, Non-official part-time Director	—	Member
4.	Shri S. Chakrabarti, Non-official part-time Director	—	Member
5.	Director (Tech/Oprn.), CCL	—	Member
6.	Director (Finance), CCL	—	Member
7.	Shri Deepak Chhabra, COM, EC Rly.,	—	Invitee*

During the year ended 31st March, 2012, 8 meetings of ESCD were held on 03.04.11, 16.05.11, 21.06.11, 30.07.11, 08.08.11, 17.09.11, 17.12.11 and 23.01.12.

*Shri Deepak Nath, COM, EC Rly. replaced Shri Deepak Chhabra w.e.f. 02.05.2012.

(ii) Audit Committee of Directors

Keeping in view of the induction of 3 Part-Time Non-Official Directors on the CCL Board viz; Shri S. Chakrabarti, Shri Anand Kumar and Prof. K.V. Ramani and maintaining the ratio of 2:1 or 4:2 of Independent Directors to other Directors in the Audit Committee as per the Guidelines of Corporate Governance, the Board at its 376th meeting held on 02.04.11, approved the re-constitution of the Audit Committee comprising the following Members :

1.	Shri S.K. Sarkar, Non-official part-time Director	...	Chairman
2.	Shri Gautam Basu, Non-official part-time Director	...	Member
3.	Shri Anand Kumar, Non-official part-time Director	...	Member
4.	Prof. K.V. Ramani, Non-official part-time Director	...	Member
5.	Shri R.K. Mahajan, Joint Secretary, MOC	...	Member
6.	Shri R. Mohan Das, D(P&IR), CIL	...	Member
7.	Shri R.S.Pandey, COM, EC Rly	...	Invitee

Consequent upon the appointment of Shri D.N. Prasad, Director (Technical), MoC, Government of India, New Delhi vice Shri RK. Mahajan, Joint Secretary, MoC, Govt. of India as

Part-time Official Director on CCL Board and taking over charge by Shri Deepak Chhabra as Chief Operations Manager, East Central Railways from Shri R.S. Pandey, the then CoM, East Central Railways, the Board at its 382nd meeting held on 8/11/2011 approved the re-constitution of the Audit Committee of CCL, comprising the following Members:-

1.	Shri S.K. Sarkar, Non-official part-time Director	...	Chairman
2.	Shri Gautam Basu, Non-official part-time Director	...	Member
3.	Shri R.K. Mahajan, Joint Secretary, MOC	...	Member
4.	Shri R. Mohan Das, D(P&IR), CIL	...	Member
5.	Shri Deepak Chhabra, COM, EC Rly	...	Invitee

Further, consequent upon the appointment of Shri Shailesh Kumar Singh, Joint Secretary, Ministry of Coal, Government of India as Part-time Official Director on CCL Board vice Shri D.N. Prasad, the Board at its 384th meeting held on 24/01/2012 approved the re-constitution of the Audit Committee of CCL, comprising the following Members :

1.	Shri S.K. Sarkar, Non-official part-time Director	...	Chairman
2.	Shri Gautam Basu, Non-official part-time Director	...	Member
3.	Shri Anand Kumar, Non-official part-time Director	...	Member
4.	Prof. K.V. Ramani, Non-official part-time Director	...	Member
5.	Shri Shailesh Kumar Singh, Jt. Secy., MoC, Gol	...	Member
6.	Shri R. Mohan Das, D(P&IR), CIL	...	Member
7.	Shri Deepak Chhabra, COM, EC Rly	...	Invitee*

The Board further requested the Audit Committee to invite Director (Finance), CCL in all the meetings of Audit Committee, which was agreed to.

*Shri Deepak Nath, COM, EC Rly. replaced Shri Deepak Chhabra w.e.f. 02.05.2012

The Board further noted that as per letter Ref. No. CIL:XI(D):04011A:2011:2009 dated 11th January, 2011 of CIL, it was decided in the 42nd Audit Committee meeting of CIL held on 18th December, 2010, that in the absence of Independent Director, Government nominee Director should be the Chairman of the Audit Committee However, the CCL Board in its 376th meeting directed that in the absence of Shri S.K. Sarkar, Chairman, of the Audit Committee, Shri Gautam Basu, Non-official part-time Director will act as Chairman of the Audit Committee.

The quorum for the meeting of Audit Committee shall be either two members or one third of the members of the Audit Committee whichever is greater, but at least two Independent Directors must be present.

The Board also approved the Terms of reference of the Audit Committee.

During the year ended 31st March,2012, 9 meetings of Audit committee were held on 3.04.11, 16.05.11, 20.06.11, 29.07.11, 8.8.11,17.09.11,8.11.11,17.12.11 and 23.01.12. The Company Secretary is also the Secretary to the Audit Committee.

The details of attendance of Members at the Audit Committee Meetings of the Company held during the year 2011-12 are as under:

Name	Audit Committee Meeting		Remarks
	Held during the tenure	Attended	
Shri S.K. Sarkar, Non Official Part time Director	9	9	Chairman of the Audit Committee
Shri R. Mohan Das, Dir.(P&IR),CIL	9	5	Member
Shri Gautam Basu, Non Official Part time Director	9	9	Member
Prof. K.V. Ramani, Non Official Part time Director	8	5	Member
Shri Anand Kumar, Non Official Part time Director	8	4	Member
Shri Shailesh Kumar Singh, Jt. Secy., MoC,	1	Nil	Member
Shri Deepak Chhabra, COM, EC Rly	3	2	Invitee
Shri R.S. Pandey,COM, EC Rlys.	6	1	Invitee
Shri R.K. Mahjan Joint Secretary, Moc Govt. of India	6	4	Member
Shri D.N. Prasad, Dir.(Tech.), MoC	2	2	Member

Scope of Audit Committee

The list of functions inter-alia includes the following:

- To hold discussion with Auditors periodically about:
 - Internal control systems compliance and adequacy thereof.
 - Scope of audit including observations of the auditors.
 - Review of the quarterly, half yearly and annual financial statements before submission to the Board.
- To perform the following functions:
 - Overseeing the Company's financial reporting process and system for disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
 - Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to matters required to be included in the Directors Responsibility Statement, change, if any in accounting policies, major accounting entries, significant adjustment made, disclosure of related party transactions and qualifications in the draft audit report.

(iii) Sustainable Development Committee for Sustainable Development

The Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Government of India vide its Office Memorandum no : DPE's O.M. no. 3((9)/2010 — DPE(MOU) dated 23rd September, 2011 has issued guidelines on Sustainable Development for Central Public Sector Enterprises (CPSEs).

According to the guideline, for effective implementation -

- Preparation of Sustainable Development (SD) Plan is needed.
- An Independent External Agency/Expert/Consultant for evaluation of SD Project to be made.

- A Board Level Designated Committee has to be constituted of approve the SD plan and oversee the SD performance.

Keeping in view of this, the CCL Board in its 385th Meeting held on 24/02/2012, constituted a sub-committee of of Directors, consisting of :

1. Shri Gautam Basu — Non - official Part-time Director as chairman of the Committee.
2. Shri Anand Kumar — Non - official Part-time Director-Member.
3. Director (P&IR), — CIL - Member.

Director (Tech/Oprns.), CCL shall be the Permanent Invitee to the Committee.

The Board further directed that GM (Environment & Forest) will act as the Nodal officer for providing information and conducting/drafting the meeting/minutes etc.

Accordingly, first Meeting of SD committee on Sustainable Development for 2012-13, took place on 27/03/2012, wherein the SD Committee approved the SD Plan for the year 2012-13 amounting to 171 lakh.

The details of attendance of Member at the Sustainable Development Committee Meeting of the Company held during the year 2011-12 are as under :

Name	Sustainable Development Committee Meeting		Remarks
	Held during the tenure	Attended	
Shri Gautam Basu, Non Official Par time Director	1	1	Chairman of the SD Committee
Shri Anand Kumar, Non Official Part time Director	1	1	Member
Shri R. Mohan Das, Dir. (P&IR), CIL	1	Nil	Member
Shri T.K.Nag, Director (Tech./Oprn.), CCL	1	1	Permanent Invitee

STATUTORY AUDITORS

Under Section 619(2) of the Companies Act, 1956 the following Chartered Accountants Firms were appointed by the Comptroller and Auditor General of India for auditing the Financial Accounts of your Company for the year 2011-12 :

Statutory Auditors:

M/s. V. K. Jindal & Co.,
GG 3, Shree Gopal Complex,
Third floor, Court Road,
Ranchi -834001, Jharkhand.

Branch Auditors:**M/s. K. C. Tak & Co.**

1, New Anantpur, Ranchi-834 002, Jharkhand

M/s. Lodha Patel Wadhwa & Co.304, Shreelok Complex,
3rd Floor, 4-H.B. Road, Ranchi, Jharkhand**M/s. KPMB & Associates**Shivam Apartment
Near AG Office, Ranchi 834 002, Jharkhand**ANNUAL GENERAL MEETING**

Particulars of the Annual General Meetings of the shareholders held during the last 3 years :

Year	Date & Time	Location	Attendance	Special Resolution, if any
2008-09	13th July'09 At 10.30 A.M.	Darbhanga House Ranchi	1. Shri R. K. Saha Member & Chairman 2. Shri P. V. Krishna Rep. of CIL	N I L
2009-10	15th May'10 At 10.30 AM	Darbhanga House, Ranchi	1. Shri R.K. Saha, Member & Chairman 2. Shri D.K. Ghosh, Rep. of CIL	N I L
2010-11	21st May'11 At 10.30 AM	Darbhanga House, Ranchi	1. Shri R.K. Saha, Member & Chairman 2. Shri S. Chakraborty Rep. of CIL	N I L

N.B. : No special resolution was passed through postal ballot at any of the General Meetings of the Members held during the above three years.

4. DISCLOSURES:***Related Party Transactions***

As per the disclosures given by the Directors of the Company, there were no material related party transactions that have potential conflicts with the interests of the Company at large.

Code of Conduct for Directors and Senior Executives

A Code of Conduct for Directors and Senior Executives was placed before the Board of Directors of CCL at their 348th meeting held on 2.07.08 and has been uploaded on the website of CCL www.ccl.gov.in. An Acknowledgement of receipt of code of conduct and Affirmation regarding compliance with the same for the year ending March, 2012 has been done.

Code of Conduct for Prevention of Insider Trading pursuant to Reg. 12(1) of the SEBI (Prohibition of Insider Trading) Regulations 1992 and as amended in 2008 :

Pursuant to office order no. CIL:IX(D):04007:2010:1856 dtd.30.11/01.12.2010 of CGM(F)/ Company Secretary, CIL, the Code of Conduct for prevention of Insider Trading as per Reg 12(1) of the SEBI (Prohibition of Insider Trading) Regulations 1992 and as amended in 2008, has been circulated among the designated employees of the Company, from time to time which includes Directors, Chief Vigilance Officer, all Executive Directors, all CGM's & GM's and all executives working in the designated departments of the Company.

Delegation of Power:

Delegation of power of CMD & Board of Directors was revised on 367th meeting of Board of Directors held on 11.05.10. As per direction of CVC and CVO, CCL, Delegation of Powers have been uploaded on the websites of CCL : www.ccl.gov.in. DoP of Functional Directors as well as Area CGM/ GM have been revised and placed in 384th Board meeting held on 24/01/2012 as information item. The same has been up-loaded in the CCL website.

Accounting Treatment:

The Financial Statements are prepared in accordance with applicable Mandatory Accounting Standards and relevant presentational requirements of the Companies Act, 1956.

Risk Management

As a part of strategic business policy, due importance is given to the process of risk identification, assessment and mitigation control in different functional areas of the organization. Inherent risk due to external and internal factors is assessed and necessary mitigation control measures are taken through policies and systems to manage the risk effectively.

5. MEANS OF COMMUNICATION:

Operational & Financial Performance of the Company are published in Leading English Newspapers and also in local dailies. In addition to above, the financial results are also displayed in the Company's Website.

6. AUDIT QUALIFICATIONS:

It is always the Company's endeavour to present unqualified financial statements. Management Reply to the Statutory Auditors' observation on the Accounts of the Company for the year ended 31st March, 2012 are furnished as an Annexure to Directors' Report. Comments of the Comptroller and Auditor General of India Under Section 619(4) of the Companies Act, 1956 on the Accounts of Central Coalfields Limited for the year ended 31st March, 2012 is also enclosed.

7. TRAINING OF BOARD MEMBERS:

The Functional Directors are the head of their respective functional areas by virtue of their possessing the requisite expertise and experience and are aware of the business model of the Company as well as the risk profile of the Company's business. The Part-time Directors are fully aware of the Company's business model. The risk profile of the Company's business has been well defined by the Board and the Board Members are appraised periodically on the same.

8. MECHANISM FOR EVALUATION OF PART-TIME DIRECTORS

The performance of Part-time Directors representing the Ministry of Coal & Coal India Limited (Holding Company), is evaluated as per the rules of their respective departments. The Non-Official

Part-time Directors are selected by Government of India for appointment as Board Members through Ministry of Coal and Department of Public Enterprises. Generally the appointment is made for a tenure of three years.

9. WHISTLE BLOWER POLICY:

Being a PSU, the records of the Company are open for audit by C&AG and open for inspection by Vigilance/CBI etc.

Your Company has an independent Vigilance Deptt., headed by a Chief Vigilance Officer. The Vigilance Deptt. functioning under the overall guidance of the Central Vigilance Commission, mainly lays stress on preventive vigilance.

10 INTEGRITY PACT:

An MOU for implementation of Integrity Pact was signed between your Company and Transparency International; India on 11th August 2008 at New Delhi. The said MOU was placed for information to the Board at its 350th meeting held on 23/08/2008.

11. COMPLIANCE BY THE COMPANY:

In compliance with the guidelines on Corporate Governance, a quarterly compliance report is sent to MoC as well as to Deptt. of Public Enterprises, Ministry of Heavy Industry & Public Enterprises, New Delhi.

12. UN GLOBAL COMPACT:

The Global Compact is a framework for businesses that are committed to aligning their operation and strategies with ten universally accepted principles in the area of human rights, labour, environment and anti-corruption. As the world's largest global corporate citizenship, the Global Compact is first and foremost concerned with exhibiting and building the social legitimacy of business and markets. Top companies of the world are members of UN Global Compact. Your Company had submitted a report on the Corporate Social Responsibility (CSR) activities to UN Global Compact to admit CCL as its member. Based on performance in CSR, UN Global Compact confirmed the membership of your Company. Since then your Company has stepped up its CSR activities with application of business excellence principles and making CSR a key business process. Your Company emphasizes on Triple Bottom Line i.e. People, Planet and Profit with "People" as its first principle.

Some of the innovative CSR Schemes taken up by your Company are: Operation Joyti, Akshar Joyti, Girl Child Promotion, Model Village Development, etc. CSR activities of your Company has helped to cultivate goodwill of the people in the command areas, State Administration, Media and other stakeholders. Your Company has also received words of praise for its CSR activities from Parliamentary Committee on Labour, Global Compact Society of India, CAG Audit and EAC of MOEF.

For the year,2011-12, Shri R.K.Saha, the then CMD, CCL was conferred with the Vice- President position of the Global Compact Society of India to promote Corporate leadership in CSR in the Eastern India Region.

13. INCLUSION OF CORPORATE GOVERNANCE IN MOU BETWEEN CCL & CIL

An MoU between Coal India Limited and Central Coalfields Limited has been executed on 31.03.2011. In the said MoU, Corporate Governance has been included as one of the parameters. Compliance with the guidelines of Corporate Governance as circulated by DPE has been assigned a weightage % of 4 for the purpose of evaluation criteria. Submission of data for Public Enterprise Survey, published by DPE, is another parameter. Company Secretary, CCL is the Nodal Officer for ensuring compliance with the guidelines of Corporate Governance as circulated by DPE.

Profile of Directors

Board of Directors of CCL consists of CMD, D(T-O), D(F), D(P). The DT(P&P) is Vacant, two Govt./CIL Nominee Directors & 5 Non-Official Part Time Directors (Independent Directors) and two Permanent Invitees, one from Chief Operations Manager, EC Rly, Hajipur and one from Secretary, Mines & Geology, Govt. of Jharkhand, Ranchi.

Brief resume of all Directors, their qualification, domain, experience & expertise, their membership in professional bodies, Chairman/Directorship in other companies etc are given below:

SHRI GOPAL SINGH



Mr. Gopal Singh joined as CMD, CCL on 01-03-2012 after completing a successful tenure at Director (Technical) of SECL from 27-07-2009 to 28-02-2012. Sri Singh is a Graduate of Mining Engineering with Master Degree in Open Cast Mining, M.Tech from Indian School of Mines, Dhanbad and also holds MBA in Management. Sri Singh has rich and varied experience spanning over 30 years in Coal Industry, in different positions and handled multi-disciplinary projects. With his extensive experience in project management and execution, Sri Singh has streamlined the operations of the Company for better management of its resources which has resulted in efficient operations and improved profitability.

His exemplary performance and track record of leadership, excellence in strategic envisioning and implementation has resulted in ever increasing revenue and profitability for the Company.

Under his dynamic leadership at SECL, the operation of Mega Projects were smoothed by ensuring implementation of R&R and other welfare measures for the employees as well as project affected people and other stakeholders. Under his leadership, SECL has achieved highest production level of 112 MT of Coal.

He had been bestowed with more than three dozen awards at Company as well as at National level. He is the Chairman of Design Team for Balance Score Card Linked Performance Management System.

SHRI TAPAS KUMAR NAG



Sri Tapas Kumar Nag is working as Director(Tech/Opr), in CCL. He is a Graduate from the Indian School of Mines(ISM), Dhanbad 1979. He joined as JET in Bachra Colliery under NK Coalfields, CCL and rose to the position of Project Officer, Piparwar. In 2002, he was transferred to GEVRA Project under SECL as Project Officer and worked there till February, 2006. In March, 2006, he was shifted to Dipka mines and served as a Project Officer up to April, 2007. He was promoted as CGM in April, 2007 of Sohagpur Area under SECL and continued till May, 2008. He became Director of CCL in May, 2008 & worked as Dir(Tech/P&P) from 24.05.08 to 31.07.2008 and is currently Dir(Tech/Opr) in CCL from 01.08.08 till date.

Sri T.K. Nag was instrumental in raising the production capacity from 18 MT to 26 MT at GEVRA Project under SECL in a span of 3.5 years. He introduced Surface Miner Technology thereby which

the capacity of running mining system improved. He has got around 20 years of experience in U/G mining. He was sent to Australia in 1992 and attended a 3.5 months course on Advance Under Ground Mining at WOLLONGONG UNIVERSITY in New South Wales and gained exposure on Roof Bolting Technology and Long Wall Mining. He has also visited Australia, Philippines for training & business. CCL coal production plan developed by Sri Nag has given a decisive push and production registered all time high of (48.00 MT in 2011-12). Due to his effort, after more than 10 years, a new mining project Purnadih in NK area could be opened. His constant follow-up has helped in getting environmental clearance for some important projects of CCL.

SHRI ABHIJIT CHATTERJEE



Shri Abhijit Chatterjee, ACA is working as Director(Finance) in Central Coalfields Limited from 08.03.2010. Before his joining in CCL, he has worked in Bharat Earth Movers Ltd (BEML) in the capacity of General Manager, Chief General Manager and Executive Director(Finance) from 01.10.1997 till 05.02.2010.

He has rich experience in financial management of the company and has made significant contribution in BEML viz Treasury Management, Customs Excise Duty, Service Tax, Insurance, Rail & Metro and Defence Product business marketing etc. Due to efforts along with his team members, BEML got benefit of around 8 Crores in the area of Treasury Management. He was instrumental in arranging Marine-cum-storage-cum-erection Policy covering the risks of transit, storage, construction, fabrication, installation and commissioning in respect of Bangalore Metro Rail business for a period of 82 months from 18.02.2009 valued at 3.58 crores (approx) payable in 15 installments. He has also arranged Professional Indemnity Insurance to cover any risk arising out of professional negligence and errors in the design works from the period of commencement of work till 5 years after the date of issue of the performance certificate valued at 4.25 crores (approx) in 4 installments. These insurance covers were arranged for the first time in BEML by involving quotes for 10 underwrites in a very transparent manner within a period of 47 days only. He has also contributed in settling matters on Customs and Excise Duty related cases and as a result the company saved a substantial working capital of 54.86 crores. Currently, on behalf of CCL, he has successfully organised IPO floated by CIL. Shri Abhijit Chatterjee has been selected for the post of Director(F), Coal India, recently.

SHRI RAJIV RANJAN MISHRA



Sri Rajiv Ranjan Mishra, joined Central Coalfields Limited (CCL) as Director (Personnel) on 12th September, 2011. Prior to joining CCL, he was working with Central Mine Planning and Design Institute Limited (CMPDIL) as Deputy General Manager (P&A).

He has completed about 25 years of service in the field of Personnel, Human Resource Development etc. in different capacities at various subsidiaries of Coal India Limited. Holding a post of Graduate Diploma in Personnel Management & Industrial Relations, Sri Mishra began his career with CMPDIL over three decades ago. Shri Mishra also worked with Northern Coalfields Limited, Singrauli, Coal India Limited, Kolkata, Eastern Coalfields Limited, Sanctoria and again with CMDIL, Ranchi, before joining CCL as Director (Personnel). Shri Mishra has also participated in the Advance Management Programme conducted jointly by IICM, Ranchi and China Coal Information Institute in the year 2011. As Director (Personnel), he is responsible for the formulation and implementation of personnel policies of the Company.



SHRI SHAILESH KUMAR SINGH

Shri Shailesh Kumar Singh an IAS of 1991 Batch, Jharkhand Cadre, is a Member of CCL Board since 13.01.2012.

During his long tenure in Indian Administrative Service, he has served as District Magistrate of Nalanda, Siwan, Bokaro, Singhbhum East, Hazaribagh etc.

He is on Central deputation since 2010. During this tenure, on Central deputation, he has served as Jt. Secretary (Urban Transport), Ministry of Urban Development, Govt. of India and presently serving as Jt. Secretary, Ministry of Coal.



SHRI R. MOHAN DAS

Shri R. Mohan Das, aged 54 years, is the Director(Personnel & Industrial Relations) of Coal India Ltd. Holding a post graduate degree in social work from Madurai University, Shri Das began his professional career over three decades ago with Bharat Heavy Electricals Limited in the Human Resource department.

Shri Mohan Das has participated in the 'Advance Management Programme' at Queen's College, Cambridge, United Kingdom and the 'Management Development Programm' at Wharton School, University of Pennsylvania, United States of America. In the course of his career at Bharat Havy Electricals Limited, Mr. Das was credited with various human resource initiatives such as introduction of an 'Integrated Human Reaource Information System' to usher in the concept of paper less office in the Nagpur unit and was involved in development and piloting of the 'E-Enabled Performance Management System' for officers with linkage to Balance Scorecard during his stint in the Bhopal office. Prior to joining Coal India, Shri Das was the General Manager (Personnel & Administration) of the state owned Madras Fertilizers Limited, where he concluded long pending promotion policy agreement with unions.

Shri Das has training as a lead auditor for the 'ISO Quality System' and lead assessor for Total Quality Management'. As Director(Personnel & Industrial Relations) of Coal India, Shri Das is responsible for formulation and implementation of personnel policies of Coal India.



SHRI GUATAM BASU

Shri Gutam Basu, a member of CCL Board since May 2010, has retired from the IAS in August 2006. During the course of his 36 year long service, he had distinguished himself in various important positions in Karnataka and Govt. of India.

Among the senior positions held by him in Karnataka, were Commissioner, Bangalore City Corporations, CMD(Vikrant Tyres Ltd.), Principal Secy. in Health and Planning Deptt., CMD of State corporations like Food & Civil supplies corporation/ Handloom Dev Corp and Addl. Chief Secretary.

He had served GOI for about 14 years, as Dy. Secy., JT Secretary (Health Ministry), MD of Bengal Immunity Ltd. and Addl. Secretary & FA in Ministry of Agriculture and Planning Commission.

Since retirement, Shri Basu has been running a Health sector NGO (Centre for Population Dynamics) at Bangalore. He is also on the Board of MYRADA, a leading national NGO working for Rural Development. He was also a member of DPEs MOU committee responsible for setting MOU targets for CPSUs.

Shri Basu was educated in Presidency College and Kolkata University. He attended training courses in University College of London and Johns Hopkins University, USA. Shri Basu now lives in Bangalore with his wife Ms. Anasua Basu, a former IAAS who also retired in 2006.



SHRI S.K. SARKAR

Practising Chartered Accountant since 1977 specializing in audit, taxation and management consultancy.

Member, Secretarial Standards Board (SSB).

Presentation before Parliamentary Standing Committee on Finance on FEMA, Money Laundering, Financing of SMEs.

Special Invitee to the Working Group of RBI on Benchmark Prime Lending Rate (BPLR).

Special Invitee to the Standing Committee on Law of Patents at World Intellectual Property Organization (WIPO), Geneva.

Chaired Seminars/Workshops on Directors Liability under Direct Tax Laws, Service Tax, Capital Markets, GAAP, Taxation, Food Processing, Securitization, Transfer Pricing, TDS, SMEs, Retail Revolution, International Taxation.

Conducted Session for MBA Students at Indian Institute of Foreign Trade (IIFT).

Presentation of 'Establishment of Branch/Liaison Office' before European Business and Technology Centre (EBTC).

Consultant to Kookmin Bank, South Korea.

Led various International Delegations.



SHRI SMARAJIT CHAKRABARTI

Shri Chakrabarti, an eminent Mining Engineer, obtained B.Tech. (Hons.) Engineering in Mining in 1972 and M.Tech. in Mining Engineering in 1983 from Indian School of Mines, Dhanbad. He was awarded First Class Colliery Managers Certificate of Competency in 1976, by the Directorate General of Mines Safety, Govt. of India.

Shri Chakrabarti has worked in various capacities from Junior Executive Trainee to Chief General Manager from 1972 to 2006 in different Coal producing and planning subsidiaries of Coal India Ltd. He has worked as Director (Technical), CMPDI from 2006 to 2007. He has worked as CMD, ECL from 2007 to 2010. Apart from his training in UK and Germany under Colombo Plan and UN Fellowship, Shri Chakrabarti has wide exposure to the Coal Industries in India and other countries.



SHRI ANAND KUMAR

Shri Anand Kumar aged 60 years, B.E. (Chemical Engineer), is Fellow AIMA, a Certified Petroleum Economist from Oxford School of Petroleum Economics, UK, and Lead Assessor in QMS, UK., and has over 36 years of rich experience, behind him, in all facets of downstream Petroleum industry.

He was Chairman, Indian Oil technologies Ltd-a fully owned Subsidiary of Indian Oil Corporation Ltd- a fortune 500 Company, and the largest Indian business entity, with turnover of over US \$ 63 billion. Prior to his superannuation, in July, 2010, he served on the Board of Indian Oil Corporation Ltd, as Director (R&D). He was also the Director In-Charge of Corporate Safety, Health and Environment of Indian Oil Corporation.

During his career in the oil industry spanning over 36 years, in India and abroad, he headed Oil refineries. He worked in diverse areas of oil refining operation, i.e. production, maintenance, inspection, project management, planning & execution of intergrated operations of refineries and pipelines,

technology identification, its evaluation, selection, project execution and commissioning, etc. His other areas of specialization include change management, transformation and turnaround through his Company wide innovative leadership, human potential development and institution building.

He has presented many papers in national and international conferences and has over 40 papers published in various journals and 11 patents to his credit.

He is a Non-official Part Time Director of Central Coalfields Limited (CCL), Ranchi, and Director, Petrotech, New Delhi.



PROF. K.V. RAMANI

Prof. K.V.Ramani, obtained his Ph.D degree in Operations Research from Cornell University, USA in 1977. Currently, he is a Professor in the Public Systems Group, Indian Institute of Management (IIM), Ahmedabad, India, and is a Visiting Professor in the University of Leeds, UK. He has also taught at Cornell University, USA; National University of Singapore, Singapore; and Florida International University, Miami, USA. He has been a visiting scholar at Warwick University, UK; University of Western Sydney, Australia; Helsinki School of Economics and Business Administration, Finland; and the University of Texas, Austin, USA. Prof. Ramani's research interests focus on the governance and management of public systems. His earlier works in the areas on Rail Transportation, Port Management, and Energy Management have received considerable attention from the policy makers. His current research interest on governance and management of the Health Sector focuses on Hospital Management, Logistics Management, MIS, Maternal and Child Health, Urban Health, HIV/AIDS etc. He has published extensively in international referred journals such as Health Policy, Health Policy and Planning, Journal of Health Organization and Management, Simulation, Interfaces, Naval Research Logistics Quarterly etc. He has also been a consultant to several International and Indian organizations. Prof. K.V.Ramani served as a member on the IIMA Board of Governors (2005-07).

He is a Non-official Part-time Director of CCL w.e.f. 23.02.2011.

PERMANENT INVITEES



SHRI DEEPAK NATH

Shri Deepak Nath, IRTS, joined CCL Board on 02.05.2012. At present, Shri Deepak Nath is working as Chief Operations Manager, East Central Railway, Hajipur, Bihar. Shri Nath has varied experience, extensive knowledge and expertise in the Indian Railways.



SHRI A. K. SARKAR

Shri A. K. Sarkar, IAS, joined CCL Board on 04.04.2011. At present, Shri A. K. Sarkar is working as an Additional Chief Secretary to the Department of Mines & Geology, Government of Jhaarkhand, Ranchi. Sri Sarkar has a long experience in the field of Administration etc.

Annexure-II

V. K. Jindal & Co.
Chartered Accountants

Shri Gopal Complex (3rd Floor)
Court Roat, Ranchi-834001
Ph : 0651-2203307
Mobile : 9341140808
Fax : 0651-2203308
E-mail : vkjindalandco@gmail.com

RANCHI-VARANASI-HAZARIBAGH-BHAGALPUR-DELHI-AHMEDABAD

To

The Members,
M/s. Central Coalfields Limited.

1. We have examined the compliance of conditions of Corporate Governance by Central Coalfields Limited for the year ended 31st March, 2010 although Clause 49 of the Listing Agreement is not applicable to the Company.
2. 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 Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance.
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 **V. K. Jindal & Co.**
Chartered Accountants
Sd/-
(CA Suresh Agarwal)
Partner
Membership No. : 072534
ICAI Firm Reg. No. : 001468C

Place: Ranchi

Date : 21st May, 2012

ANNEXURES FORMING PART OF DIRECTORS' REPORT (For the Year Ended 31.3.2012)

Annexure-III

INFORMATION AS PER SECTION 217 (2A) OF THE COMPANIES ACT, 1956
READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) AMENDMENT RULES, 2012

LIST OF EMPLOYEES DRAWING 60.00* (Sixty Lakh Rupees) LAKH OR MORE DURING THE YEAR 2011-12

Sl. No.	Name	Description	Remuneration during the year (Rs.)	Nature of Employment Permanent/ Temporary	Qualification	Experience (in Years)
	Nil	NA	NA	NA	NA	NA

EMPLOYEES WHO ARE IN RECEIPT OF REMUNERATION AT A RATE WHICH IN THE AGGREGATE WERE NOT LESS THAN 5.00* (Five Lakh Rupees) LAKH PER MONTH FOR PART OF THE YEAR 2011-12

Sl. No.	Name	Description	Remuneration during the year (Rs.)	Nature of Employment Permanent/ Temporary	Qualification	Experience (in Years)
	Nil	NA	NA	NA	NA	NA

Annexure-IV**FOREIGN EXCHANGE EARNING & OUTGO**

- (i) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products, services and export plans.

Company is not engaged in export activities

- (ii) Total Foreign Exchange used and earned

(in Cr.)

<i>Sl. No.</i>	<i>Description</i>	<i>2011-12</i>	<i>2010-11</i>
(A)	Foreign Exchange used		
1.	Interest	1.54	1.62
2.	Agency Commission	0.01	0.01
	Total	1.55	1.63

- (B) Foreign Exchange Earned**

No earning by the Company

FORM B**Form for disclosure of particulars with respect to absorption****RESEARCH AND DEVELOPMENT(R&D)**

1. Specific area in which R&D carried out by the Company	The Company does not have its own Research & Development (R&D) set up. CMPDIL, a subsidiary of Coal India Ltd. (CIL) does the R&D work centrally for all the subsidiaries of CIL.
2. Benefits derived as a result of the above R&D	NA
3. Future plan of action	NA
4. Expenditure on R&D:	NA
(a) Capital	
(b) Recurring	
(c) Total	
Total R&D expenditure as a percentage of total turnover	NA

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts, in brief, made towards technology absorption, adaptation and innovation	Nil
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.	Nil
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:	
(i) Technology imported	Nil
(ii) Year of import	Nil
(iii) Has technology been fully absorbed?	Nil
If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.	Nil

Annexure-VI

V. K. Jindal & Co.
Chartered Accountants

Shri Gopal Complex (3rd Floor)
Court Roat, Ranchi-834001
Ph : 0651-2203307
Mobile : 9341140808
Fax : 0651-2203308

RANCHI-VARANASI-HAZARIBAGH-BHAGALPUR-DELHI-AHMEDABAD

E-mail : vkjindalandco@gmail.com

To

The Central Coalfields Limited,
Darbhanga House
Ranchi

REPORT OF AUDITOR ON MEMORANDUM OF UNDERSTANDING

1. The achievement stated in attached Performance Evaluation Sheet with respect to Financial and Dynamic Parameters are calculated in terms of guidelines of MoU for the year 2011-12 issued by Ministry of Heavy Industries and Public Enterprises.
2. The achievement stated against Financial and Dynamic Parameters are rectified from means of verification stated in respective parameters are correct to the best of our knowledge.
3. Change in pricing policy from UHV to GCV w.e.f. 01.01.12 - Additional impact due to the change in pricing from UHV to GCV on gross sale value, statutory levies and net sale value are Rs. 74.56 Crore., Rs. 14.56 Crore and Rs. 60.00 Crore respectively.
4. Impact of increase in salary and wages on account of NCWA-IX for the period 01.07.2011 to 31.03.2012 :
 - (a) Impact of NCWA-IX on salary and wages other than Actuarial Liabilities — Rs. 335.00 Crore.
 - (b) Impact of NCWA-IX on Actuarial Liabilities as on 31.03.2012 — Rs. 296.93 Crore.
 - (c) Total Impact (a+b) — Rs. 631.93 Crore.
5. Finance Ratios based old schedule-VI format with considering the impact of NCWA-IX and without considering the impact of NCWA-IX separately.

For **V. K. Jindal & Co.**
Chartered Accountants
Sd/-
(CA R.S. Agarwal)
Partner
Membership No. : 076081
ICAI Firm Reg. No. : 001468C

Place: Ranchi
Date : 25th May, 2012

MEMORANDUM OF UNDERSTANDING – 2011-12

SUBSIDIARY : CENTRAL COALFIELDS LTD.

Evaluation Criteria	Unit	Weight (in %)	MoU Target					Actual Achievement Excluding NCWA IX
			Excellent	Very Good	Good	Fair	Poor 2012	
			1	2	3	4	5	
1. Static / Financial Parameters								
(a) Financial Indicators - Profit related								
(i) Gross Margin / Gross Block	%	2	0.3793	0.3662	0.3479	0.3305	0.3140	0.5702
(ii) Net Profit/Net Worth	%	10	0.3704	0.3581	0.3402	0.3232	.03070	0.4789
(iii) Gross Profit / Capital Employed	%	10	0.7050	0.6695	0.6360	0.6042	0.5740	0.8773
(b) Financial Indicators – Size Related								
(i) Gross Margin	Rs. Crs.	8	2032.00	1962.00	1864.00	1771.00	1683.00	2724.40
(ii) Gross Sales	Rs. Crs.	4	7918.00	7905.00	7905.00	7134.00	6777.00	8930.78
(c) Financial Returns – Productivity								
(i) PBDIT / Total Employed	%	7	0.0419	0.0405	0.0385	0.0366	0.0347	0.0545
(ii) Added Value / Gross Sales	%	9	0.2246	0.2157	0.2049	0.1947	0.1849	0.2731
Sub-Total		50						
2. Dynamic Parameters								
(d) Quality and Customer Satisfaction		3						
(d¹) Quality								
Despatch of Coal to Power Sector by Rail								
(i) Sized Coal	%	1	99.00	98.00	97.00	96.00	95.00	98.371
(ii) Weighed on electronic weighbridge before despatch	%	1	99.00	98.00	97.00	96.00	95.00	99.482
(d²) Customer Satisfaction								
(i) Despatch covered under agreed sampling to	Date	1	99.00	98.00	97.00	96.00	95.00	100
(e) Human Resources Development								
(i) Executives to be trained (Total executives on roll on 1st April, 2011 : 2060)	%	1	15.00	14.7	13.97	13.27	12.60	44.51
(ii) Certified Training in Project Management	No. of Executives	1	6	5	4	3	2	8
(iii) Certified Training in Contract Management	No. of Executives	1	6	5	4	3	2	7
(iv) Training of Medical Professionals in Occupation Health & Safety	No. of Executives	1	5	4	3	2	1	7
(v) Representation on Minority Member in each Recruitment Committee	%	1	100	90	80	70	60	100
(f) R & D / New Initiatives								
(i) Improvement of Powder factor in opencast mine through scientific investigation	Months	2.5	Dec. '11	Jan '12	Feb '12	Mar '12		Dec '11
(ii) Bench marking of electric energy consumption for opencast mine	Months	2.5	Dec. '11	Jan '12	Feb '12	Mar '12		Dec '11

Evaluation Criteria	Unit	Weight (in %)	MoU Target					Actual Achievement Excluding NCWA IX
			Excellent	Very Good	Good	Fair	Poor 2012	
			1	2	3	4	5	
(g) Project Implementation		9						
(g¹) Capacity creation through approved of new / Expansion projects								
(i) Stage-I : Board approval for initiating application for clearance to be granted by MoEF	Mt	1	12.0	11.8	11.2	10.6	10.1	16.8
(ii) Stagr-II : Clearance & final approval	Mt	1	10.0	9.8	9.3	8.8	8.4	12
(g²) Commission/completion of New/Expn. Projects	No.	1	2	1				NIL
(g³) Acquisition & Possession of Land	Ha	1	105	103	98	93	88	142.9
(g⁴) Major Project Activities								
(i) Incremental Production from ongoing	Mt	1	2.10	2.06	1.96	1.86	1.76	2.36
(ii) Other Major Activities								
(a) Modification Long Term Action Plan and preparation of Master Plan of North Karanpura Coalfield	Date	1	Sept '11	Oct. '11	Nov. '11	Dec. '11	Jan. '12	Sept. '11
(b) Preparation of Master Control Network	No.	1	7	6	5	4	3	7
(c) Online Updation of Project Database in MOSPI (No. of Projects costing more than	No.	1	8	7	6	5	4	8
(d) Submission of forestry applicaton (Stage-II) of Rohini OCP			Dec. '11	Jan '12	Feb '12	Mar '12		Work not completed in schedule time
Sub Total		22						
(h) Corporate Social Responsibility		5						
(i) Medical camps for improving health and sanitation	No. of beneficiaries	1	21000	20580	19551	18573	17645	38741
(ii) Drinking water arrangement with hand pumps, bore wells etc.	Nos.	1	55	54	51	49	46	59
(iii) Construction of Community Hall with Bath room	Nos.	2	20	18	16	14	12	20
(iv) Adoption of backward village and its development as model village	Nos.	1	2	1				3
(i) Sustainable Development		5						
(i) Conducting Workshop for Awareness on Sustainable Development	No.	1	1					1
(ii) Tree Plantation	Lakhs	2	1.53	1.50	1.43	1.35	1.29	4.058
(iii) Effellulenlt Treatment Plants (New / To make Operative)	Nos.	1	3	2	1			3
(iv) Accreditation of ISO 14001 Certificates	Nos.	1	2	1				3
(j) Corporate Governance		5						
(i) Compliance of Corporate Governance as per Corporate Governance Guide lines issued by DPE as applicable to CCL	(%)	4	100	90	80	70	60	100
(ii) Submission of data for Public Enterprises Survey published by DPE (In line with DPE's Directive)	Date	1	15th Sept. '11	1st Oct. '11	15th Oct. '11	31st Oct. '11	After 31st Oct. '11	12th Sept. 11
3. Sector Specific Parameters								
(i) Off-take Railway rake availability is a major issue in actualization of performance target as referred	Mt.	4	52.10	52.00	49.40	46.95	44.60	48.041

Evaluation Criteria	Unit	Weight (in %)	MoU Target					Actual Achievement Excluding NCWA IX
			Excellent	Very Good	Good	Fair	Poor 2012	
			1	2	3	4	5	
(ii) Coal Production (Commensurate to Corresponding Off-take Programme)	Mt.	3	51.50	51.00	48.45	46.03	43.72	48.004
(iii) Underground Production	Mt.	1	1.65	1.62	1.54	1.46	1.39	1.088
4. Enterprise – Specific Parameters		5						
(a) E-Auction of Coal	% of Production	1	9.50	9.31	8.84	8.40	7.98	13.95
(b) Man Productivity – Overall (Output/Manshift)	Te/Manshift	1	4.51	4.46	4.24	4.03	3.82	4.19
(c) System Capacity Utilisation	%	1	91.25	89.43	84.96	80.71	76.68	93.81
(d) Safety :								
(i) Reduction in fatality rate (fatalities/Mcum of total material excavated) w.r.t. previous	%	1	5	4	3	2	1	(-)51.47
(ii) Reduction in serious injury rate (serious injuries/Mcum of total material excavated)	%	1	5	4	3	2	1	(-)32.8
Sub-Total		13						
GRAND TOTAL		100						

NOTE : Means of verification of non-financial targets is based on reports to that effect preferred by implementing department.

*Railway Rake Availability is a major issue in actualization of performance target as referred.

MINISTRY : COAL**SUBSIDIARY : CENTRAL COALFIELDS LIMITED****MANAGEMENT RATIOS AS ON 31ST MARCH, 2012**

Sl. No.	Particulars	Unit	MOU TARGER 2011-12		2011-12	2011-12
			(51.0Mt.) V. Good	(51.5 Mt) Excelent	ACTUAL Including NCWA-IX	ACTUAL Excluding NCWA-IX
1.	Net Worth	Rs Crs	3357.02	3370.24	3437.38	3553.00
2.	Capital Employed	Rs Crs	2572.76	2540.98	2738.25	2853.87
3.	Gross Margin/Gross Block		0.3662	0.3793	0.4505	0.5702
4.	Net Profit/Net Worth		0.3581	0.3704	0.3839	0.4789
5.	Gross Profit/Capital Employed		0.6695	0.7050	0.7054	0.8773
6.	PBDIT/Total Employment		0.0405	0.0419	0.0430	0.0545
7.	Added Value/Sales		0.2157	0.2246	0.2086	0.2731
	Net worth		3357.02	3370.24	3437.38	3553.00
	Gross margin		1962.40	2032.49	2152.40	2724.40
	Gross Sales		7904.55	7917.88	9005.34	8930.78
	Gross Profit		1722.42	1791.51	1931.60	2503.60
	Net Profit		1202.03	1248.38	1319.55	1701.55
	Added Value		1705.12	1778.39	1878.58	2439.01
	Capital employed		2572.76	2540.98	2738.25	2853.87
	Gross Block		5359.0	5359.00	4778.18	4778.18
	Net Block		1753.99	1753.99	1487.84	1487.84
	Net Current Assets		818.77	786.99	1250.41	1366.03
	No. of Employees		48475	48475	50026	50026

MINISTRY : COAL**SUBSIDIARY : CENTRAL COALFIELDS LIMITED****INCOME-EXPENDITURE STATEMENT AS ON 31ST MARCH, 2012**

Sl. No.	Particulars	Unit	MOU TARGER 2011-12		2011-12	2011-12
			(51.0Mt.) V. Good	(51.5 Mt) Excelent	ACTUAL Including NCWA-IX	ACTUAL Excluding NCWA-IX
1.	TOTAL INCOME	Rs. Cr.	6992.10	7027.45	7960.28	7900.28
1.1	Gross Sales	Rs. Cr.	7904.55	7917.88	9005.34	8930.78
1.2	Less : Excise duties & Others	Rs. Cr.	1179.76	1181.99	1679.01	1664.45
1.3	Net Sales/Operating Income	Rs. Cr.	6724.79	6735.89	7326.33	7266.33
1.4	Accretion/Depletion to finished stocks to Works-in-Progress	Rs. Cr.	-56.70	-34.02	86.45	86.45
1.5	Other Income	Rs. Cr.	324.01	325.58	547.50	547.50
2.	TOTAL EXPENDITURE	Rs. Cr.	5029.70	4994.96	5807.88	5175.88
2.1	Raw Materials/Purchase of products for resale	Rs. Cr.	576.23	578.35	577.27	577.27
2.2	Manufacturing Expenses/Direct Expenses/Operational Expenses	Rs. Cr.				
2.3	Power, Fuel, Water etc.	Rs. Cr.	250.79	251.60	305.32	305.32
2.4	Salaries & Wages	Rs. Cr.	2795.74	2795.74	3397.06	2765.06
2.5	Other Expenses	Rs. Cr.	1406.94	1369.27	1528.23	1528.23
3.	GROSS MARGIN (PBDIT)	Rs. Cr.	1962.40	2032.49	2152.40	2724.40
3.1	Depreciation/DRE	Rs. Cr.	239.98	240.98	220.80	220.80
3.2	Gross Profit (Operating income)/PBIT	Rs. Cr.	1722.42	1791.51	1931.60	2503.60
4.	Profit/Loss on Sale of Assets	Rs. Cr.				
5.	Prior Period Adjustments	Rs. Cr.			40.49	40.49
6.	Extra-Ordinary Items (Net)	Rs. Cr.				
7.	Interest	Rs. Cr.	2.02	2.02	1.85	1.85
8.	Provision for Tax (Including deferred & FBT)	Rs. Cr.	518.37	541.11	650.69	840.69
9.	Net Profit	Rs. Cr.	1202.03	1248.38	1319.55	1701.55
10.	Dividend Paid	Rs. Cr.	721.22	749.63	791.74	1020.94
11.	Tax on Dividend	Rs. Cr.	119.79	124.51	128.44	165.62
12.	Retained Profit	Rs. Cr.	361.02	374.24	399.47	514.99
13.	Return to Capital Employed @ 10%	Rs. Cr.	257.28	254.10	273.83	285.39
14.	Added Value (3-13)	Rs. Cr.	1705.12	1778.39	1878.58	2439.01
15.	No. of Employees	Rs. Cr.	48475	48475	50026	50026

MINISTRY : COAL**SUBSIDIARY : CENTRAL COALFIELDS LIMITED****BALANCE SHEET DATA AS ON 31ST MARCH, 2012**

Sl. No.	Particulars	Unit	MOU TARGER 2011-12		2011-12	2011-12
			(51.0Mt.) V. Good	(51.5 Mt) Excelent	ACTUAL Including NCWA-IX	ACTUAL Excluding NCWA-IX
1.	Sources of Funds	Rs. Cr.				
1.1	Shareholders Fund (a+b+c)	Rs. Cr.	3357.02	3370.24	3437.38	3553.00
	(a) Paid-up Capital	Rs. Cr.	940.00	940.00	940.00	940.00
	(b) Share Application Money	Rs. Cr.				
	(c) Reserve & Surplus	Rs. Cr.	2417.02	2430.24	2497.38	2613.00
1.2	Long-Term Loans	Rs. Cr.	84.65	84.65	90.80	90.80
	Minority Interest	Rs. Cr.				
1.3	Deffered Tax Liability	Rs. Cr.				
	Tax (1.1 + 1.2 + 1.3)	Rs. Cr.	3441.67	3454.89	3528.18	3643.80
2.	Appliction of Funds	Rs. Cr.				
2.1	Gross Block	Rs. Cr.	5359.00	5359.00	4778.18	4778.18
2.2	Less : Depreciation	Rs. Cr.	3605.01	3605.01	3290.34	3290.34
2.3	Net Block	Rs. Cr.	1753.99	1753.99	1487.84	1487.84
2.4	Capital Work-in-Progress	Rs. Cr.	368.92	368.92	259.15	259.15
2.5	Investments (Financial)	Rs. Cr.	38.08	38.08	28.27	28.27
2.6	Current Assets (a)	Rs. Cr.	3908.94	3923.46	6973.04	6913.04
2.7	Loans and Advances (b)	Rs. Cr.	1377.34	1331.34	1418.29	1418.29
2.8	Total Current Assets (2.6+2.7)	Rs. Cr.	5286.28	5254.80	8391.33	8331.33
2.9	Current Liabilities (d)	Rs. Cr.	-4467.51	-4467.81	-7140.92	-6965.30
2.10	Net Current Assets (e)	Rs. Cr.	818.77	786.99	1250.41	1366.03
2.11	Deferred Revenue Expenditure	Rs. Cr.				
2.12	Deferred Tax Assets	Rs. Cr.	461.91	506.91	502.51	502.51
2.13	Profit & Loss Account (DR)	Rs. Cr.				
	Total (2.3 to 2.9)	Rs. Cr.	3441.67	3454.89	3528.18	3643.80

CENTRAL COALFIELDS LIMITED

Darbhangra House, Ranchi

OFFER STATEMENT VIS-A-VIS AVAILABILITY OF RAKES OF CCL FOR 2011-12

MONTH	OFFER	SUPPLY
April '11	886	894
May '11	804	707
June '11	787	716
July '11	813	815
August '11	728	667
September '11	688	639
October '11	684	728
November '11	752	812
December '11	845	822
January '12	989	866
February '12	931	825
March '12	998	858
TOTAL	9905	9349

Sd/-
Sr. Officer (SCP)
Sales & Mkt. Deptt.
CCL, Ranchi

**MINUTES OF THE 56th ANNUAL GENERAL MEETING OF
CENTRAL COALFIELDS LIMITED HELD IN THE REGISTERED OFFICE
AT DARBHANGA HOUSE, RANCHI ON 25th MAY, 2012**

PRESENT:

1. **Shri Gopal Singh** .. Member & Chairman
2. **Shri Aniruddha Pal** .. Representative of CIL, a Corporate Member, and Proxy of Shri S. Narsing Rao, Member and Shri A.K. Sinha, Member.

SPECIAL INVITEE

1. Shri S. K. Sarkar, Chairman, Audit Committee, CCL
2. Shri A. Chatterjee, Director (Finance), CCL

IN ATTENDANCE:

Shri C. V. N. Gangaram, Company Secretary, CCL.

Shri Gopal Singh, Chairman-cum-Managing Director, took the Chair. Being informed about the receipt of consent for Shorter Notice from all the members of the Company as per Article 22 and about the presence of quorum pursuant to Article 24 of the Articles of Association of the Company, the Chairman welcomed Shri Aniruddha Pal, representative of CIL, and called the meeting to order.

The Statement of Accounts for the year 2011-12, Reports of Statutory Auditors as well as of Comptroller & Auditor General of India thereon, Management's comments on those Reports, and Review of Accounts by the Comptroller & Auditor General of India along with Directors report to the members, as circulated, were taken as read.

ORDINARY BUSINESS:

1. ADOPTION OF ACCOUNTS:

Thereafter, Shri Gopal Singh, Chairman & Member of the Company proposed that the Audited Balance Sheet as on 31st March, 2012 and Profit & Loss Account for the year ended 31st March, 2012, Reports of Statutory Auditors as well as of Comptroller & Auditor General of India thereon, Management's comments on those Reports, and Review of Accounts by the Comptroller & Auditor General of India along with Directors' Report be received and adopted. The motion was seconded by Shri Anirudha Pal and after detailed discussion, the Accounts were adopted unanimously.

2. A proposal to declare an amount of ₹ 791.74 Crore as dividend on Equity Shares for the financial year ended 31st March, 2012 as recommended by the Board at its 387th meeting held on 19th May, 2012, was moved by the Chairman and was seconded by Shri Aniruddha Pal. The resolution was adopted unanimously.

3. A proposal as per the provisions of Article 34(iii) of the Articles of Association of the Company for re-appointment of Shri S.K. Singh, Joint Secretary, Ministry of Coal, Govt. of India, as a Part-time Director of the Company was moved by the Chairman and seconded by Shri Aniruddha Pal. The resolution was adopted unanimously.
4. A proposal as per the provisions of Article 34(iii) of the Articles of Association of the Company for re-appointment of Shri R. Mohan Das, Director(P&IR), Coal India Limited, as a Part-time Director of the Company was moved by the Chairman and seconded by Shri Aniruddha Pal. The resolution was adopted unanimously.

There being no other matter for discussion, the meeting ended with a vote of thanks to the Chair.

Sd/-

(C. V. N. Gangaram)
Company Secretary

Sd/-

(Gopal Singh)
Chairman-cum-Managing Director

**COMMENTS OF
THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956
ON THE ACCOUNTS OF CENTRAL COALFIELDS LIMITED, RANCHI
FOR THE YEAR ENDED 31ST MARCH, 2012**

The preparation of financial statements of Central Coalfields Limited, Ranchi for the year ended 31st March, 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 21.05. 2012.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the financial statements of Central Coalfields Limited, Ranchi for the year ended 31st March, 2012. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor 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 comments upon or supplement to Statutory Auditors' Report under Section 619(4) of the Companies Act, 1956.

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

Sd/-
(Yashodhara Ray Chaudhuri)
Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board-II,
Kolkata

Place : Kolkata

Dated : 24.05.2012

Management Discussions and Analysis Report

A. INDUSTRY STRUCTURE AND DEVELOPMENT:

Coal - primary source of Energy:

COAL is the most important and abundant fossil fuel in India. It accounts for 55% of the country's energy need and will continue to be the mainstay of its future energy supply. The country's industrial heritage was built upon indigenous coal. India now ranks 3rd amongst the coal producing countries in the World. It provides most vital input for accelerating the growth of Indian economy. The development of core infrastructure sectors like power, steel, and cement are dependent on coal. Contribution of coal as fuel in power generation is about 65%.

Commercial primary energy consumption in India has grown by about 700% in the last four decades. The current per capita commercial primary energy consumption in India is well below that of developed countries. Driven by the rising population, expanding economy and a quest for improved quality of life, energy usage in India is expected to rise exponentially. Considering the limited reserve potentiality of petroleum & natural gas, eco-conservation restriction on hydel project and geo-political perception of nuclear power, coal will continue to occupy centre-stage of India 's energy scenario.

Coal Reserve:

Coal accounts for 97% of the fossil resources in our country .The National Coal Reserve as on 01.04.2012 is 293.50 Billion Tonne upto 1200 meter depth in 67 Coalfields. The geological coal reserve in CCL command area upto 1200 m is 42.37 Billion Tonne which is 14.4 % of total National coal reserve. The entire command area of CCL falls in Jharkhand State.

Jharkhand stands 1st in reserve position in India. The total coal reserve of Jharkhand, as on 1.4.2012, is estimated to be 72.56 Billion Tonnes which is around 30% of total National Coal reserve. CCL reserve upto depth of 1200 m includes 20.57 BT (49%) Proved reserve, 16.96 BT (40%) Indicated reserve & 4.84 BT(11%) Inferred, details are as below:

Geological Coal Reserves in CCL Command Area upto 300m & above depth (as on 1.4.2012)

Reserve	Depth 0–300m				Depth 300–1200 m				Total (BT)
	Proved (BT)	Indicated (BT)	Inferred (BT)	Total (BT)	Proved (BT)	Indicated (BT)	Inferred (BT)	Total (BT)	
Coking Coal	6.85	3.76	0.05	10.66	0.97	5.21	1.61	7.80	18.46
Non-Coking Coal	11.90	4.51	1.09	17.50	0.85	3.48	2.09	6.41	23.91
Total	18.75	8.27	1.14	28.16 (66%)	1.82	8.69	3.70	14.21 (34%)	42.37

CCL Reserve at Depth 0-1200 m				Coal Reserve		
Proved (BT)	Indicated (BT)	Inferred (BT)	Total (BT)	Total India (BT)	CCL % in Total India Reserve	
20.57 (49%)	16.96 (40%)	4.84 (11%)	42.37	293.50	14.4%	

Coal Demand:

As per revised estimate (MTA), the all India coal demand in the terminal year of XI Plan i.e. 2011-12 envisaged at 713.24 Mt as against estimated demand of 731.00 Mt as per XI Plan document.

As per recent assessment done by Planning Commission, likely demand of coal for the year 2011-12 will be 696.03 Mt. Sector-wise break-up of coal demand for the year 2011-12 for Steel, Power utility and others will be 46.67 Mt, 460.00 Mt and 189.36 Mt respectively.

Coal Availability:

Against the above coal demand of the country assessed by Working Group of XIth Plan, total indigenous coal availability will be 554.00 MT in the terminal year of XIth Plan, contribution of CIL is assessed as 447.00 MT.

The projection of coal production from CIL during the terminal year of XIth Plan of 520.50 Mt as per XIth Plan document has been reduced to 447.00 MT as per Annual Plan 2011-12. Actual Coal production in CCL during the terminal year of XI Plan.i.e. 2011-12 & projection for XII plan from existing mines, completed projects and on-going projects of CCL, is given below:

Group-wise Coal Production Plan :

Subsidiary : CCL

(Figure in Million Tonnes)

Name of the Project/Mine	Actual 2011-12	Projection for XII Plan				Projection for XII Plan 2016-17
		2012-13 RE	2013-14	2014-15	2015-16	
Total Existing Mines	2.976	3.09	3.10	3.09	3.09	3.09
Total Completed Projects	13.380	13.34	13.94	11.20	10.93	11.78
Total Ongoing Projects	31.648	32.18	33.97	39.22	41.99	45.14
Total CCL	48.004	48.60	51.00	53.50	56.00	60.00

Productivity (in Te):

Sector	2011-12 T.Yr of XI Plan (Actual)	Projection for XII Plan				
		2012-13	2013-14	2014-15	2015-16	2016-17
1 UG Mines	0.32	0.38	0.49	0.56	0.67	0.86
2 OC Mines	5.98	6.93	8.61	10.36	11.95	13.68
3 Overall	4.28	4.85	5.95	7.13	8.2	9.56

B. STRENGTH AND WEAKNESSES:**Strength:**

- High Demand of CCL Coal in the country for Steel & Power sector
- Huge reserves at shallow depth of coal (66 % of CCL command area reserve is within 300 m). Company have 49% contribution in Proved reserve out of total CCL reserve.

- Skilled ,Trained and motivated manpower
- Good corporate governance & work culture
- Favorable age profile of equipment
- Ability to provide coal at less than import parity price
- Substantial generation of internal resources and huge capacity of contracting debt.
- CCL will be able to produce more than 60 Million Tonnes coal by the end of Terminal Year of XIIth Plan.
- Strong track record of growth in terms of coal production, productivity, profitability & revenues from last 10 Years.
- Possibility of exploration of Coal Mine Methane form CCL Command Area.

Weaknesses:

- Extremist Activity & poor law and order condition in CCL command areas : During last few years, working environment of CCL has been adversely affected due to frequent bundhs called by extremist groups, threatening the lives of employees of the Company & Transporters/ contractors
- Land acquisition and physical possession of acquired land
- Poor Road & Rail infrastructure in NK coalfield which is the major coal producing area of CCL
- Inherited a large number of old manually operated unviable mines which are not amenable to modernization.
- Difficult geo-mining conditions in UG mines for absorbing new technologies
- Delay in Forest, Environmental and other clearance affecting time schedules for opening and commissioning of new mines and affecting investment plans.
- Opencast mining will lead to land degradation, environmental pollution and deterioration in coal quality as it tends to get mixed with other matters.
- Geographically remote location of the projects acting as deterrent in attracting and retaining talent and also for reaching supplies and services.
- Aging workforce.
- Rehabilitation and resettlement issues
- Inadequacy of Railways in coal transportation.
- Majority of consumers are far away from coalfields i.e. increase in rail freight means high landed cost to the consumers.

C. OPPORTUNITIES AND THREATS:

Opportunities:

- Increasing demand of CCL coal
- Huge reserves of coal both coking & thermal in CCL command area

- Coal will continue to be the prime source of energy for decades.
- Mega Coal Projects in NK Coalfield
- Joint venture in Coal mining & pitheads
- JV for coal gasification and focus for other technology in future, diversification to power.
- Capacity addition by Indian Railways in the coal producing regions will cater the demands of consumers at reduced cost.

Threats:

- Increasing difficulty in acquisition of land and consequent social displacement
- Mounting aspiration of villagers with regard to Rehabilitation & Resettlement .
- Competition from other domestic coal producers
- Extremist activity in coalfield area
- Reduction in coal prices due to Global recession
- Delay in Environmental & Forestry Clearance.
- Proneness of opencast mining to environmental pollution.
- Coal amenable to opencast mining – requirement of more land.
- Inadequacy of Railways in coal transportation.
- Majority of consumers are far away from coalfields i.e. increase in rail freight means high landed cost to the consumers.
- FDI (Foreign Direct Investment) in Mining sector, entry of MNCs and other Private Companies in Coal Mining.

D. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE :

Covered in the main report

E. OUTLOOK :

Members may be aware that at present, there are 25 completed projects in CCL with rated capacity of 21.25 MT. There are 25 On-going projects. These projects have with rated capacity of 87.95 MTY. The On-going projects produced 31.65 MT during 2011-12. Mega ongoing projects like(Magadh 20 MTY, Amrapali 12 MTY) have not yet taken off due to the absence of coal evacuation system and difficulty in physical possession of acquired land. All out effort is being made to resolve the problems faced by these mines. To boost production further, 9 new projects are to be taken up during the XIIth plan period.

F. RISKS AND CONCERNS:

Mining activity is site specific and location of a mine cannot be changed. Following risks and concerns are involved:

- Obtaining environmental & forestry clearance.

- High cost of Rehabilitation & Resettlement.
- Allotment of Government land for R&R site for rehabilitation of PAFs.
- Physical possession of land and finalization of employment issues of PAPs (Project affected persons) and demand of employment by PAPs beyond the prescribed norms often results in law & order problems and hindrance in mining and coal transportation operation.
- Most of the new projects have been formulated with outsourcing option for both coal and OBR and there are limited reliable and qualified contractors.
- Cartelization of contractors & long lead time to finalize a contract because of frivolous complaints raised by contractors which causes delay.
- Long lead time to procure HEMMs and other E&M items.
- Long lead time to finalize a contract.
- Acute shortage of trained Revenue personnel in L&R Discipline.

G. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The company has well established internal control systems and procedures commensurate with its size and nature of business with an approved and well laid down delegation of authority at various levels for ensuring appropriate authorization and approval of transactions. Policy in the form of Purchase Manual, Contract Management Manual, Civil Engineering Works Manual defining the practices & procedures to be adopted for procurement and award of contracts are in place. The internal audit is conducted by external firms of Chartered/Cost Accountants covering all the Offices/Areas/ Units of operation and their reports are reviewed by the Audit Committee. Further, the accounts of the Company are subject to Comptroller & Auditor General of India (CAG) audit in addition to the propriety audit conducted by them.

H. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE :

Covered in the main report.

I. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED :

Covered in the main report.

J. ENVIRONMENTAL PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, RENEWABLE ENERGY DEVELOPMENTS, FOREIGN EXCHANGE CONSERVATION :

Covered in the main report

K. CORPORATE SOCIAL RESPONSIBILITY :

Covered in the main report.

FINANCIAL RESULTS FOR THE YEAR 2011-12

Annexure 1 of Clause 41 of the Listing Agreement for Companies (Other than Banks)

PART-I

(in Cr.)

Particulars	3 months ended 31.03.2012	3 months ended 31.03.2011	3 months ended 31.12.2011	Year ended 31.03.2012	Year ended 31.03.2011
				Audited	Audited
1. Income from Operations :					
(a) Net Sales/Income from Operations (Net of Excise Duty)	2255.33	1780.11	1810.06	7326.33	6041.70
(b) Other Operating Income	0.00	0.00	0.00	0.00	0.00
Total Income from Operations	2255.33	1780.11	1810.06	7326.33	6041.70
2. Expenses :					
Decretion (Accretion) of Stock	-487.48	-431.46	8.71	-86.45	-285.81
Consumption of Stores & Spares	189.68	168.64	148.11	577.27	533.19
Employees Remuneration & Benefits	1247.97	620.38	789.18	3397.06	2599.41
Power & Fuel	87.41	47.47	58.96	265.45	202.52
Social Overhead	42.69	42.05	23.38	119.95	86.55
Repairs	78.57	80.74	23.21	136.69	149.59
Contractual Expenses	174.27	125.32	129.65	501.68	396.34
Other Expenditures	152.17	123.57	69.15	412.93	334.48
Over Burden Removal Adjustment	198.93	193.68	29.80	188.59	100.63
Finance Charges/Commitment Charges	0.28	0.20	0.55	1.73	1.57
Depreciation	60.10	82.09	54.70	220.80	242.54
Impairment	0.00	0.00	0.00	0.00	0.00
Provisions	125.28	151.67	58.44	224.31	200.34
Total Expenses	1869.87	1204.35	1393.84	5960.01	4561.35
3. Profit from Operations before other Income, Interest & exceptional items (1-2)	385.46	575.76	416.22	1366.32	1480.35
4. Other Income	194.46	138.17	127.37	547.50	395.93
5. Profit from Ordinary Activities before Interest & exceptional items (3+4)	579.92	713.93	543.59	1913.82	1876.28
6. Interest	0.56	7.45	0.49	1.85	8.96
7. Profit from Ordinary Activities after Interest but before exceptional items (5-6)	579.36	706.48	543.10	1911.97	1867.32
8. Exceptional Items (including PPA)	-40.49	7.56	0.00	-40.49	10.08
9. Profit (+) / Loss (-) from Ordinary Activities before Tax (7-8)	619.85	698.92	543.10	1952.46	1857.24

PART-I (Contd..)

(in Cr.)

Particulars	3 months ended	3 months ended	3 months ended	Year ended	Year ended
	31.03.2012	31.03.2011	31.12.2011	31.03.2012	31.03.2011
				Audited	Audited
10. Tax Expense	213.69	184.95	170.48	644.92	612.40
11. Net Profit (+) / Loss (-) from Ordinary Activities after Tax (9-10)	406.16	513.97	372.62	1307.54	1244.84
12. Extraordinary Item (net of tax expense 5.77 Cr)	-4.90	-1.15	0.00	-12.01	-1.99
13. Net Profit(+)/Loss(-) for the period	411.06	515.12	372.62	1319.55	1246.83
14. Share of Profit/(Loss) of associates	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
15. Minority Interest	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
16. Net Profit/(Loss) after taxes, minority interest and share of profit/(Loss) of associates	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
17. Paid-up equity share capital (9400000 Equity share of Rs 1000 each)	940.00	940.00	940.00	940.00	940.00
18. Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year	2098.01	1720.64	2098.01	2098.01	1720.64
19.(i) Earning Per Share (EPS) before Extraordinary items (not annualised)					
a. Basic	432.09	546.78	396.40	1391.00	1324.30
b. Diluted	432.09	546.78	396.40	1391.00	1324.30
19.(ii) Earning Per Share (EPS) after Extraordinary items (not annualised)					
a. Basic	437.30	548.00	396.40	1403.78	1326.41
b. Diluted	437.30	548.00	396.40	1403.78	1326.41

PART-II

(in Cr.)

Particulars	3 months ended	3 months ended	3 months ended	Year ended	Year ended
	31.03.2012	31.03.2011	31.12.2011	31.03.2012	31.03.2011
				Audited	Audited
A.PARTICULARS OF SHARE HOLDING					
1. Public Shareholding	NIL	NIL	NIL	NIL	NIL
No. of Shares	NIL	NIL	NIL	NIL	NIL
Percentage of shareholding	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
2. Promoters and promoter group Shareholding**					
a. Pledge/Encumbered					
No. of Shares	NIL	NIL	NIL	NIL	NIL
Percentage of Shares (as % of the total share holding of promoter and promoter group)	0.00	0.00	0.00	0.00	0.00
Percentage of Shares (as % of the total share capital of the Company)	0.00	0.00	0.00	0.00	0.00

PART-II (Contd..)

(in Cr.)

Particulars	3 months ended	3 months ended	3 months ended	Year ended	Year ended
	31.03.2012	31.03.2011	31.12.2011	31.03.2012	31.03.2011
				Audited	Audited
b. Non-encumbered					
Number of Shares	9400000	9400000	9400000	9400000	9400000
Percentage of Shares (as % of the total share holding of promoter and promoter group)	100%	100%	100%	100%	100%
Percentage of Shares (as % of the total share capital of the Company)	100%	100%	100%	100%	100%
Particulars	3 Month ended 31.03.212				
B. INVESTOR COMPLAINTS					
Pending at the beginning of the quarter	Not Applicable				
Received during the quarter	Not Applicable				
Disposed of during the quarter	Not Applicable				
Remaining unresolved at the end of the quarter	Not Applicable				

Sd/-
C. V. N. Gangaram
Company Secretary

Sd/-
T. K. Sen
General Manager (Finance)-B

Sd/-
A. Chatterjee
Director (Finance)

Sd/-
Gopal Singh
Chairman-cum-Managing Director

Place : Delhi
Dated : 19.05.2012

Place : Ranchi
Dated : 21.05.2012

In terms of our report of even date
For **M/s V. K. Jindal & Co.**
Chartered Accountants
Sd/-
(Suresh Agarwal)
Partner
(M. no. 072534)
(Firm ICAI Reg. No. 001468 C)

Annexure IX of Clause 41 of the Listing Agreement for Companies (Other than Banks)

(in Cr.)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
A. EQUITY AND LIABILITIES		
1. Shareholder's Fund		
(a) Share Capital	940.00	940.00
(b) Reserves & Surplus	2497.38	2098.01
(c) Money Received against Share Warrants	0.00	0.00
Sub-total Shareholders' Fund	3437.38	3038.01
2. Share Application money pending allotment	0.00	0.00
3. Minority Interest	0.00	0.00
4. Non-Current Liabilities		
a) Long Term Borrowing	87.54	90.91
b) Deferred Tax Liability (Net)	0.00	0.00
c) Other Long Term Liabilities	3.26	1.12
d) Long Term Provisions	2121.88	1878.90
Sub-total Non-Current Liabilities	2212.68	1970.93
5. Current Liabilities		
a) Short Term Borrowing	0.00	0.00
b) Trade Payable	74.39	59.88
c) Other Current Liabilities	2575.06	1848.24
d) Short Term Provisions	2369.59	2066.20
Sub-total Current Liabilities	5019.04	3974.32
TOTAL-EQUITY AND LIABILITIES	10669.10	8983.26
B. ASSETS		
1. Non-Current Assets		
a) Fixed Assets	1746.99	1794.42
b) Goodwill on consolidation	0.00	0.00
c) Non-Current Investment	28.27	37.70
d) Deferred Tax Assets (Net)	502.51	493.16
e) Long Term Loans & Advances	171.16	17.10
f) Other Non-Current Assets	0.00	0.00
Sub-total Non Current Assets	2488.93	2342.38

CENTRAL COALFIELDS LIMITED

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Current Assets		
Current Investments	9.42	9.42
Inventories	1531.88	1446.99
Trade Receivables	1078.66	941.64
Cash & Cash equivalents	3986.20	2582.77
Short Term Loans & Advances	1247.13	1097.95
Other Current Assets	366.88	562.11
Sub-total Current Assets	8220.17	6640.88
TOTAL ASSETS	10669.10	8983.26

Sd/-
C. V. N. Gangaram
Company Secretary

Sd/-
T. K. Sen
General Manager (Finance)-B

Sd/-
A. Chatterjee
Director (Finance)

Sd/-
Gopal Singh
Chairman-cum-Managing Director

Place : Delhi
Dated : 19.05.2012

Place : Ranchi
Dated : 21.05.2012

In terms of our report of even date
For **M/s V. K. Jindal & Co.**
Chartered Accountants
Sd/-
(Suresh Agarwal)
Partner
(M. no. 072534)
(Firm ICAI Reg. No. 001468 C)

BALANCE SHEET AS AT 31ST MARCH, 2012

	Notes		As at 31.3.2012 (in Cr.)		As at 31.3.2011 (in Cr.)
I. EQUITY AND LIABILITIES					
(1). Share Holder's Funds :					
(a) Share Capital	1	940.00		940.00	
(b) Reserves & Surplus	2	2,497.38		2,098.01	
(c) Money Received against Share Warrants		—		—	
		—	3,437.38	—	3,038.01
(2). Share Application money pending allotment					
			—		—
(3). Non-Current Liabilities :					
(a) Long Term Borrowing	3	87.54		90.91	
(b) Deferred Tax Liability (Net)		—		—	
(c) Other Long Term Liabilities	4	3.26		1.12	
(d) Long Term Provisions	5	2,121.88		1,878.90	
		—	2,212.68	—	1,970.93
(4). Minority Interest					
			—		—
(5). Current Liabilities					
(a) Short Term Borrowing	6	—		—	
(b) Trade Payables	7	74.39		59.88	
(c) Other Current Liabilities	8	2,575.06		1,848.24	
(d) Short Term Provisions	9	2,369.59		2,066.20	
		—	5,019.04	—	3,974.32
TOTAL			10,669.10	8,983.26	
II. ASSETS :					
(1). Non-Current Assets :					
(a) Fixed Assets :					
(i) Tangible Assets – Gross Block	10A	4,453.69		4,266.58	
Less: Depreciation, Impairment & Provisions		3,006.26		2,926.76	
Net Carrying Value		—	1,447.43	—	1,339.82
(ii) Intangible Assets – Gross Block	10A	324.49		323.55	
Less: Depreciation, Impairment & Provisions		284.08		277.29	
Net Carrying Value		—	40.41	—	46.26
(iii) Capital Work-in-Progress	10B		187.28		335.21
(iv) Intangible Assets under Development	10C		71.87		73.13
(b) Non-Current Investment	11		28.27		37.70
(c) Deferred Tax Assets (Net)			502.51		493.16
(d) Long Term Loans & Advances	12		171.16		17.10
(e) Other Non-Current Assets	13		—		—

BALANCE SHEET AS AT 31ST MARCH, 2012 (Contd..)

	<u>Notes</u>	<u>As at 31.3.2012 (in Cr.)</u>	<u>As at 31.3.2011 (in Cr.)</u>
(2). Current Assets :			
(a) Current Investments	14	9.42	9.42
(b) Inventories	15	1,531.88	1,446.99
(c) Trade Receivables	16	1,078.66	941.64
(d) Cash & Cash equivalents	17	3,986.20	2,582.77
(e) Short Term Loans & Advances	18	1247.13	1,097.95
(f) Other Current Assets	19	366.88	562.11
		8,220.17	6,640.88
TOTAL		10,669.10	8,983.26

Significant Accounting Policies 33

Additional Notes on Accounts 34

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

Sd/-
C. V. N. Gangaram
Company Secretary

Sd/-
T. K. Sen
General Manager (Finance)-B

Sd/-
A. Chatterjee
Director (Finance)

Sd/-
Gopal Singh
Chairman-cum-Managing Director

Place : Delhi
Dated : 19.05.2012

Place : Ranchi
Dated : 21.05.2012

In terms of our report of even date
For **M/s V. K. Jindal & Co.**
Chartered Accountants
Sd/-
(Suresh Agarwal)
Partner
(M. no. 072534)
(Firm ICAI Reg. No. 001468 C)

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH, 2012

	Notes	For the year ended 31.3.2012 (in Cr.)	For the year ended 31.3.2011 (in Cr.)
INCOME :			
Sale of Coal, Coke etc.		9005.34	7083.13
Less : Excise Duty		423.46	7.20
Other Levies		1255.55	1034.23
Revenue from Operations	20	7326.33	6041.70
Other Income	21	547.50	395.93
TOTAL REVENUE		7873.83	6437.63
EXPENDITURE :			
Cost of Material Consumed	22	577.27	533.19
Purchase of Stock in Trade		—	—
Change in Inventories of Finished Goods			
Work-in-Progress and Stock in Trade	23	(86.45)	(285.81)
Employees Benefit Expenses	24	3397.06	2599.41
Power & Fuel		265.45	202.52
Welfare Expenses	25	119.95	86.55
Repairs	26	136.69	149.59
Contractual Expenses	27	501.68	396.34
Other Expenses	31	412.93	334.48
Finance Costs	28	3.58	10.53
Depreciation/Amortization/Impairment		220.80	242.54
Provisions	29	114.96	162.32
Write Off	30	109.35	38.02
Overburden Removal Adjustment		188.59	100.63
TOTAL EXPENDITURE		5961.86	4570.31
Profit/Loss before Prior Period, Exceptional and Extraordinary Items and Tax			
Prior Period Adjustment (Charges/Income)	32	1911.97	1867.32
Exceptional Items		(40.49)	10.08
Profit/Loss before Extra Ordinary Items and Tax		1952.46	1857.24
Extraordinary Items (Charges/Income)		(17.78)	(2.98)
PROFIT/LOSS BEFORE TAX		1970.24	1860.22
Less : Tax Expenses			
Current Year		669.05	601.49
Deferred Tax		(9.35)	14.12
Earlier Years		(9.01)	(2.22)
Profit/Loss for the Period from Continuing Operations (X - XI)		1319.55	1246.83
Profit/Loss for the Period from Discontinuing Operations		—	—
Tax Expenses of Discontinuing Operations		—	—
Profit/Loss for the Period from Discontinuing Operations (After Tax) (XIII - XIV)		—	—
Profit/Loss for the Period (XII + XV)		1319.55	1246.83
Earning Per Share (in Rs.)		1403.78	1326.41
(Face Value of Rs. 1000/- per Share)			
(1) Basic			
(2) Diluted			
SIGNIFICANT ACCOUNTING POLICIES	33		
ADDITIONAL NOTES ON ACCOUNTS	34		
The notes referred to above form an Integral part of Profit & Loss Account			

Sd/-
C. V. N. Gangaram
Company Secretary

Sd/-
T. K. Sen
General Manager (Finance)

Sd/-
A. Chatterjee
Director (Finance)

Sd/-
Gopal Singh
Chairman-cum-Managing Director

Place : Delhi
Dated : 19.05.2012

In terms of our report of even date
For **M/s V. K. Jindal & Co.**
Chartered Accountants

Place : Ranchi
Dated : 21.05.2012

Sd/-
(Suresh Agarwal)
Partner
(M. no. 072534)
(Firm ICAI Reg. No. 001468 C)

NOTE TO BALANCE SHEET AS AT 31ST MARCH, 2012

Note - 1

SHARE CAPITAL

	As at 31.3.2012 (in Cr.)	As at 31.3.2011 (in Cr.)
AUTHORISED :		
110,00,000 Equity shares of 1000 each	1100.00	1100.00
	<u>1100.00</u>	<u>1100.00</u>
ISSUED, SUBSCRIBED AND PAID UP		
9400000 Equity Shares of 1000 each fully paid in cash	940.00	940.00
	<u>940.00</u>	<u>940.00</u>

Note : Shares in the company held by each shareholder holding more than 5% Shares.

Name of Shareholder	No. of Shares Held (Face value of 1000 each)	% of Total Shares
Coal India Limited (Holding Company)	9400000	100

NOTE TO BALANCE SHEET AS AT 31ST MARCH, 2012

Note – 2

RESERVES AND SURPLUS

	As at 31.3.2012 (in Cr.)	As at 31.3.2011 (in Cr.)
RESERVES :		
Capital Reserve		
As per last Balance Sheet	—	—
Add : Addition during the year	—	—
Less : Adjustment During the year	—	—
	—	—
Capital Redemption Reserve		
As per last Balance Sheet	—	—
Add : Addition during the year	—	—
Less : Adjustment During the year	—	—
	—	—
Reserve for Foreign Exchange Transactions		
As per last Balance Sheet	—	—
Add : Addition during the year	—	—
Less : Adjustment During the year	—	—
	—	—
CSR Reserve		
As per last Balance Sheet	30.13	14.33
Add : Addition during the year	23.76	25.69
Less : Transfer to General Reserve	30.17	9.89
	23.72	30.13
General Reserve		
As per last Balance Sheet	762.05	566.14
Add : Transfer from Profit & Loss Account	197.02	186.02
Add/Less : Adjustment during the year	30.17	9.89
	989.24	762.05
Surplus in Profit & Loss Account		
	1,484.42	1,305.83
As per last Balance Sheet	1305.83	1140.17
Profit/(Loss) after Tax During the Year	1319.55	1246.83
	2625.38	2387.00
APPROPRIATION		
Reserve for Foreign Exchange Transaction	—	—
Transfer to General Reserve	197.02	186.02
Transfer to CSR Reserve	23.76	25.69
Interim Dividend	—	—
Proposed Dividend on Equity Shares	791.74	748.10
Corporate Dividend Tax	128.44	121.36
	1140.96	1081.17
Miscellaneous Expenditure		
(to the extent not written off)		
Preliminary Expenses	—	—
Pre-Operational Expenses	—	—
	—	—
Total :	2497.38	2098.01

NOTE TO BALANCE SHEET AS AT 31ST MARCH, 2012

Note – 2A

SHIFTING & REHABILITATION FUND

	As at 31.3.2012 (in Cr.)	As at 31.3.2011 (in Cr.)
Opening Balance	—	—
Add : Interest from Investment of the fund	—	—
Add : Contribution Received	—	—
Less : Amount utilised	—	—
	—	—
Closing Balance	—	—

Note – 3

LONG TERM BORROWING

	As at 31.3.2012 (in Cr.)	As at 31.3.2011 (in Cr.)
Term Loan		
IBRD	41.76	42.62
JBIC	45.78	48.29
Export Development Corp., Canada	—	—
Liebherr France S.A., France	—	—
Loan From Coal India Limited		
	87.54	90.91
Total (A+B)	87.54	90.91
CLASSIFICATION 1		
Secured	—	—
Unsecured	87.54	90.91
CLASSIFICATION 2		
Loan taken under Guarantee		
Particulars of Loan	Amount in Crores	Nature of Guarantee
IBRD	48.62	Guaranted by CIL
JBIC	55.70	Guaranted by CIL
Note : (1)	Loan from World Bank outstanding as on 31.03.2012 in foreign currency is as follows :	
	IBRD – USD 9436532.68	
	JBIC – JPY 881546923	
(2)	These loans are repayable in 30 bi-annual (Half Yearly) instalments as per the terms of loan agreement of these banks with Coal India Ltd.	
(3)	Total unsecured loan as on 31.03.2012 was as follows:	
	As at 31.03.12	(in Cr.)
	As at 31.03.11	As at 31.03.11
IBRD	48.62	48.32
JBIC (JEXIM)	55.70	56.60
	104.32	104.92

Out of above an amount of 16.78 Cr. (Previous year 14.01 Cr.) have been classified as "Other Current Liabilities" and disclosed in Note 8.

NOTE TO BALANCE SHEET AS AT 31ST MARCH, 2012

Note – 4

OTHER LONG TERM LIABILITIES

	As at 31.3.2012 (in Cr.)	As at 31.3.2011 (in Cr.)
Trade Payable*		
Security Deposits	3.26	1.12
Others (Specify Nature)	—	—
Total	3.26	1.12

CLASSIFICATION

Secured	—	—
Unsecured	3.26	1.12

Note : (1) Amount outstanding in foreign currency is NIL.

(2) *Deferred credit for more than 12 months on payment allowed directly by the supplier is NIL.

Note – 5

LONG TERM PROVISIONS

	As at 31.3.2012 (in Cr.)	As at 31.3.2011 (in Cr.)
For Employee Benefits		
– Gratuity	547.34	693.09
– Leave Encashment	311.51	216.50
– Other Employee Benefits	—	—
For Foreign Exchange Transactions (Marked to Market)	—	—
OBR Adjustment Account	1,065.24	876.66
Accumulated Reserve for future OBR	1343.30	1,064.82
Less : Advance Stripping	278.06	188.16
Mine Closure	197.79	92.65
For Others	—	—
TOTAL	2,121.88	1878.90

NOTE TO BALANCE SHEET AS AT 31ST MARCH, 2012

Note – 6

SHORT TERM BORROWING

	<u>As at 31.3.2012 (in Cr.)</u>	<u>As at 31.3.2011 (in Cr.)</u>
Loan from Bank	—	—
Loans Repayable on Demand		
Balance with Coal India Limited & other Subsidiaries of Coal India Limited	—	—
Overdraft against Pledge of Term Deposit	—	—
Other Loans and Advances :		
Deferred Credits	—	—
TOTAL	—	—
CLASSIFICATION 1		
Secured	—	NA
Unsecured	—	NA

CLASSIFICATION 2

Loan Guaranteed by Directors and Others :

<u>Particulars of Loan</u>	<u>Amount in Crores</u>	<u>Nature of Guarantee</u>
NIL	NIL	NA
NIL	NIL	NA

Note : (1) Amount outstanding in foreign currency is NIL.

(2) Period and amount of continuing default as on the balance sheet date in repayment of loans and interest is NIL.

Note – 7

TRADE PAYABLE

	<u>As at 31.3.2012 (in Cr.)</u>	<u>As at 31.3.2011 (in Cr.)</u>
Sundry Creditors for Revenue Stores Supplies	74.39	59.88
	74.39	59.88
TOTAL	74.39	59.88

NOTE TO BALANCE SHEET AS AT 31ST MARCH, 2012

Note – 8

OTHER CURRENT LIABILITIES

	<u>As at 31.3.2012 (in Cr.)</u>	<u>As at 31.3.2011 (in Cr.)</u>
Current Maturities of Long Term Borrowings		
Term Loan From IBRD	6.86	5.70
Term Loan From JBIC	9.92	8.31
Term Loan From Export Development Corp., Canada	—	—
Term Loan From Liebherr France S.A., France	—	—
Loan From Coal India Limited	—	—
Surplus Fund from Coal India	—	—
Current Account with Subsidiaries For Capital	71.97	61.40
For Expenses :		
Salary Wages & Allowances	592.33	269.13
Power & Fuel	64.58	51.62
Others	422.96	306.14
	1079.87	626.89
Statutory Dues :		
Sales Tax	—	—
Sales Tax/VAT	7.56	14.91
Provident Fund & Pension Fund	151.66	129.04
Central Excise Duty	3.15	0.81
Royalty & Cess on Coal	130.50	128.62
Stowing Excise Duty	10.58	10.11
Clean Energy Cess	42.15	16.76
Others Statutory Levies	23.32	45.55
	368.92	345.80
Income Tax Deducted at Source	40.79	53.94
Security Deposit	63.37	61.17
Earnest Money	49.76	44.99
Advance & Deposit from customers/others	456.94	336.54
Interest Accrued and due on Borrowings	—	—
Interest Accrued but not due on Borrowings	—	—
Cess Equilisation Account	—	—
Current Account with IICM	—	—
Unpaid Dividend*	—	—
Ex-Owner Account	—	—
Advance Deposit other Pre-Nationalisation.	—	—
Others Liabilities	426.66	303.50
Total	2575.06	1848.24
Note : (1)	Loan from World Bank outstanding as on 31.03.2012 in foreign currency is as follows :	
	IBRD - USD 9436532.68	
	JBIC - JPY 881546923	
(2)	These loans are repayable in 30 bi-annual (Half Yearly) installments as per the terms of loan agreement of these banks with Coal India Ltd.	
(3)	Total unsecured loan as on 31.03.2012 was as follows :	
	<u>As at 31.03.12</u>	<u>As at 31.03.11</u>
IBRD	48.62	48.32
JBIC(JEXIM)	55.70	56.60
Total	104.32	104.92

Out of above an amount of 100.35 Cr. (Previous year 90.91 Cr.) have been classified as “ Long Term Borrowing” and shown under Note 3

Note : 2 No amount is due for payment to Investor Education and Protection Fund.

NOTE TO BALANCE SHEET AS AT 31ST MARCH, 2012

Note – 9

SHORT TERM PROVISIONS

	As at 31.3.2012 (in Cr.)	As at 31.3.2011 (in Cr.)
For employee Benefits		
- Gratuity	242.04	198.16
- Leave Encashment	40.91	25.68
- PPLB	98.17	76.18
- PRP	266.96	203.86
- Other Employee Benefits	—	0.03
For Proposed Dividend	791.74	748.10
For Corporate Dividend Tax	128.44	121.36
Provision for Income Tax	669.05	601.49
Less : Advance Income Tax/Tax Deducted at source		
For Excise Duty on Closing Stock of Coal	132.28	91.34
For Others	—	—
	<hr/>	<hr/>
Total	2369.59	2066.20
	<hr/>	<hr/>

NOTE TO BALANCE SHEET AS AT 31ST MARCH, 2012

Note - 10A

FIXED ASSETS

(in Cr.)

PARTICULARS	GROSS BLOCK				DEPRECIATION				IMPAIRMENT LOSS				Total Depreciation/ Impairment Loss	CARRYING VALUE	
	As on 1.4.2011	Addition During the Year	Adj./Sales/ Transfer During the Year	As on 31.03.12	As on 1.4.2011	Addition During the Year	Adj./Sales/ Transfer During the Year	As on 31.03.12	As on 1.4.2011	Addition During the Year	Adj./Sales/ Transfer the Year	As on 31.03.12 During the Year		As on 31.03.12	As on 31.03.2011
TANGIBLE ASSETS :															
LAND :															
(a) Freehold	16.56	0.07	0.03	16.66	—	—	—	—	—	—	—	—	16.66	16.56	
(b) Leasehold	511.74	1.98	(0.03)	513.69	315.54	8.74	(5.62)	318.66	—	—	—	—	195.03	196.20	
Building/Water Supply/ Road & Culverts	379.76	6.06	15.33	401.15	238.03	7.27	0.06	245.36	—	—	—	—	155.79	141.73	
Plant & Equipment	2823.03	271.87	(112.61)	2982.29	1934.02	170.73	(119.38)	1985.37	—	—	—	—	996.92	889.01	
Telecommunication	16.85	0.01	0.01	16.87	13.29	0.43	(0.01)	13.71	—	—	—	—	3.16	3.56	
Railway Siding	87.53	—	—	87.53	64.08	2.46	—	66.54	—	—	—	—	20.99	23.45	
Furniture & Fittings/Office Tools & Equipments/Electrical															
Fittings/Fire Arms	54.60	1.52	0.18	56.30	36.79	2.60	0.01	39.40	—	—	—	—	16.90	17.81	
Vehicle	30.55	—	0.02	30.57	25.99	0.48	(0.16)	26.31	—	—	—	—	4.26	4.56	
Air Craft															
Development	345.96	3.09	(0.42)	348.63	299.02	12.76	(0.87)	310.91	—	—	—	—	37.72	46.94	
Assets taken on Nationalisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
TOTAL	4266.58	284.60	(97.49)	4453.69	2926.76	205.47	(125.97)	3006.26	—	—	—	—	3006.26	1447.43	1339.82
Tangible Assets (As on 31.03.2011)	4315.79	107.23	(156.44)	4266.58	2866.01	214.47	(153.72)	2926.76	—	—	—	—	2926.76	1339.82	1449.79
INTANGIBLE ASSETS															
Software	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Developments	277.54	—	0.94	278.48	231.91	6.69	(0.03)	238.57	—	—	—	—	238.57	39.91	45.63
Prospecting & Boring	46.01	—	—	46.01	45.38	0.13	—	45.51	—	—	—	—	45.51	0.50	0.63
TOTAL	323.55	—	0.94	324.49	277.29	6.82	(0.03)	284.08	—	—	—	—	284.08	40.41	46.26
Intangible Assets (As on 31.03.2011)	304.88	19.32	(0.65)	323.55	276.80	2.85	(2.36)	277.29	—	—	—	—	277.29	46.26	28.08

NOTE TO BALANCE SHEET AS AT 31ST MARCH, 2012

Note - 10B

WORK-IN-PROGRESS

(in Cr.)

PARTICULARS	COST				PROVISION				IMPAIRMENT LOSS				Total Depreciation/ Impairment Loss	CARRYING VALUE	
	As on 1.4.2011	Addition During the Period	Adj./Sales/ Transfer During the Period	As on 31.03.12	As on 1.4.2011	Addition During the Period	Adj./Sales/ Transfer During the Period	As on 31.03.12	As on 1.4.2011	Addition During the Period	Adj./Sales/ Transfer During the Period	As on 31.03.12		As on 31.03.12	As on 31.03.2011
TANGIBLE ASSETS :															
Building/Water Supply/															
Road & Culvert	37.70	7.83	(15.39)	30.14	10.21	0.52	(0.61)	10.12	—	—	—	—	10.12	20.02	27.49
Plant & Equipment	55.35	13.81	(26.95)	42.21	13.03	0.80	(2.30)	11.53	—	—	—	—	11.53	30.68	42.32
Railway Siding	163.34	2.62	(99.20)	66.76	33.56	3.08	(0.82)	35.82	—	—	—	—	35.82	30.94	129.78
Development	74.16	5.72	(0.49)	79.39	24.42	0.56	1.15	26.13	—	—	—	—	26.13	53.26	49.74
Others	39.49	—	(39.49)	—	—	—	—	—	—	—	—	—	—	—	39.49
TOTAL	370.04	29.98	(181.52)	218.50	81.22	4.96	(2.58)	83.60	—	—	—	—	83.60	134.90	288.82
Tangible Assets (As on 31.03.2011)	330.23	55.61	(15.80)	370.04	51.94	28.03	1.25	81.22	—	—	—	—	81.22	288.82	278.29
Surveyed off Assets	46.39	6.34	(0.35)	52.38	—	—	—	—	—	—	—	—	—	52.38	46.39
Surveyed off Assets (As on 31.03.2011)	38.33	8.19	(0.13)	46.39	—	—	—	—	—	—	—	—	—	46.39	—
GRAND TOTAL	416.43	36.32	(181.87)	270.88	81.22	4.96	(2.58)	83.60	—	—	—	—	83.60	187.28	335.21
GRAND TOTAL (As on 31.03.2011)	368.56	63.80	(15.93)	416.43	51.94	28.03	1.25	81.22	—	—	—	—	81.22	335.21	278.29

NOTE TO BALANCE SHEET AS AT 31ST MARCH, 2012

Note - 10C

INTANGIBLE ASSETS UNDER DEVELOPMENT

(in Cr.)

PARTICULARS	COST				PROVISION				IMPAIRMENT LOSS				Total Depreciation/ Impairment Loss	CARRYING VALUE	
	As on 1.4.2011	Addition During the Period	Adj./Sales/ Transfer During the Period	As on 31.03.12	As on 1.4.2011	Addition During the Period	Adj./Sales/ Transfer During the Period	As on 31.03.12	As on 1.4.2011	Addition During the Period	Adj./Sales/ Transfer During the Period	As on 31.03.12		As on 31.03.12	As on 31.03.2011
INTANGIBLE ASSETS :															
Development	15.61	1.80	(5.62)	11.79	—	—	1.25	1.25	—	—	—	—	1.25	10.54	15.61
Prospecting & Boring	59.87	4.61	(0.94)	63.54	2.35	—	(0.14)	2.21	—	—	—	—	2.21	61.33	57.52
TOTAL	75.48	6.41	(6.56)	75.33	2.35	—	1.11	3.46	—	—	—	—	3.46	71.87	73.13
Intangible Assets (As on 31.03.2011)	67.48	18.59	(10.59)	75.48	2.72	—	(0.37)	2.35	—	—	—	—	2.35	73.13	64.76

NOTE TO BALANCE SHEET AS AT 31ST MARCH, 2012

Note – 11

NON-CURRENT INVESTMENT - Unquoted at Cost

(in Cr.)

	Number of Shares/bond/ securities Current Year/ Previous Year	Face Value per Shares/bonds/ security Current Year/ Previous Year	As at 31.03.12	As at 31.03.11
TRADE				
8.5% Tax Free Special Bonds (Fully Paid up) :				
(on securitisation of Sundry Debtors)				
<u>Major State-wise Break-up</u>				
UP	C.Y. 323600 (P.Y. 404500)	1000.00	24.27	32.36
Haryana	C.Y. 53320 (P.Y. 66650)	1000.00	4.00	5.34
Maharashtra	—	—		—
Madhya Pradesh	—	—		—
Gujarat	—	—		—
West Bengal	—	—		—
Others	—	—		—
Equity Shares in Joint Venture Companies (with name of Joint Ventures)	—	—		—
Equity Shares in Subsidiaries Companies (with name of Subsidiaries)	—	—		—
Others (in Co-operative shares)	—	—		—
NON-TRADE				
Total :			28.27	37.70

Aggregate of Quoted Investment
 Aggregate of Unquoted Investment
 Market Value of Quoted Investment
 Provision made for diminution in the value of Investment

Note : The current maturities of Non-current Investment is to be shown in current Investments.

NOTE TO BALANCE SHEET AS AT 31ST MARCH, 2012

Note – 12

LONG TERM LOANS & ADVANCES

	<u>As at 31.3.2012 (in Cr.)</u>	<u>As at 31.3.2011 (in Cr.)</u>
LOANS		
ADVANCES TO SUPPLIERS & CONTRACTORS		
For Capital		
Secured considered good		
Unsecured considered good	167.88	12.91
Doubtful	0.11	0.11
Less : Provision for Doubtful Loans and Advances	0.11	0.11
	167.88	12.91
For Revenue		
Secured considered good		
Unsecured considered good		
Doubtful		
Less : Provision for Doubtful Loans and Advances	—	—
	—	—
Security Deposits		
Secured considered good		
Unsecured considered good		
Doubtful		
Less : Provision for Doubtful Loans and Advances	—	—
	—	—
Deposit for P&T, Electricity etc.		
Secured considered good		
Unsecured considered good	0.54	0.54
Doubtful	0.14	0.14
Less : Provision for Doubtful Loans and Advances	0.14	0.14
	0.54	0.54
LOAN TO EMPLOYEES		
For House Building		
Secured considered good	2.72	3.60
Unsecured considered good		
Doubtful	—	—
Less : Provision for Doubtful Loans and Advances	—	—
	2.72	3.60
For Motor Car & Other Conveyance		
Secured considered good	0.02	0.05
Unsecured considered good		
Doubtful		
Less : Provision for Doubtful Loans and Advances		
	0.02	0.05
For Others		
Secured considered good		
Unsecured considered good		
Doubtful		
Less : Provision for Doubtful Loans & Advances	—	—
	171.16	17.10
Loan To Subsidiaries	—	—
Total	171.16	17.10

Note :

Due by the Companies in which directors of the company is also a director/member (with name of the Companies)

Due by the Parties in which the Director(s) of Company is/are interested

Closing Balance		Maximum Amount Due	
Current Period	Previous Period	Current Period	Previous Period
Nil	Nil	Nil	Nil
Nil	Nil	Nil	Nil

NOTE TO BALANCE SHEET AS AT 31ST MARCH, 2012

Note – 13

OTHER NON-CURRENT ASSETS

	<u>As at 31.3.2012 (in Cr.)</u>	<u>As at 31.3.2011 (in Cr.)</u>																
Long Term Trade Receivable																		
—Secured considered goods	—	—																
—Unsecured considered goods	—	—																
—Doubtful	—	—																
	—	—																
Less : Provision for bad and doubtful trade receivables	—	—																
	—	—																
Exploratory Drilling Work	—	—																
—Secured considered goods	—	—																
—Unsecured considered goods	—	—																
—Doubtful	—	—																
Less : Provision for bad and doubtful	—	—																
	—	—																
Others Receivables																		
—Secured considered goods	—	—																
—Unsecured considered goods	—	—																
—Doubtful	—	—																
Less : Provision for bad and doubtful Receivables	—	—																
	—	—																
Total	—	—																
Note																		
	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center; border-bottom: 1px solid black;">Closing Balance</th> <th colspan="2" style="text-align: center; border-bottom: 1px solid black;">Maximum Amount Due</th> </tr> <tr> <th style="text-align: center; border-bottom: 1px solid black;">Current Period</th> <th style="text-align: center; border-bottom: 1px solid black;">Previous Period</th> <th style="text-align: center; border-bottom: 1px solid black;">Current Period</th> <th style="text-align: center; border-bottom: 1px solid black;">Previous Period</th> </tr> </thead> <tbody> <tr> <td style="width: 50%;">Due by the Companies in which directors of the company is also a director/member (with name of the Companies)</td> <td style="text-align: center;">Nil</td> <td style="text-align: center;">Nil</td> <td style="text-align: center;">Nil</td> </tr> <tr> <td>Due by the Parties in which the Director(s) of Company is/are interested</td> <td style="text-align: center;">Nil</td> <td style="text-align: center;">Nil</td> <td style="text-align: center;">Nil</td> </tr> </tbody> </table>	Closing Balance		Maximum Amount Due		Current Period	Previous Period	Current Period	Previous Period	Due by the Companies in which directors of the company is also a director/member (with name of the Companies)	Nil	Nil	Nil	Due by the Parties in which the Director(s) of Company is/are interested	Nil	Nil	Nil	
Closing Balance		Maximum Amount Due																
Current Period	Previous Period	Current Period	Previous Period															
Due by the Companies in which directors of the company is also a director/member (with name of the Companies)	Nil	Nil	Nil															
Due by the Parties in which the Director(s) of Company is/are interested	Nil	Nil	Nil															

NOTE TO BALANCE SHEET AS AT 31ST MARCH, 2012

Note – 14

CURRENT INVESTMENTS - Quoted/Unquoted at Cost

(in Cr.)

	Number of Shares/Bond/ Securities Current Year/ Previous Year	Face Value per Shares/Bonds/ Security Current Year/ Previous Year	As at 31.03.12	As at 31.03.11
NON-TRADE				
Mutual Fund Investment (with name of mutual fund)	—	—	—	—
Trade				
8.5% Tax Free Special Bonds (Fully Paid up) : (on Securitisation of Sundry Debtors) Major State-wise Break-up				
UP	C.Y. 323600 (P.Y. 404500)	1000.00	8.09	8.09
Haryana	C.Y. 53320 (P.Y. 66650)	1000.00	1.33	1.33
Maharashtra	—	—		—
Madhya Pradesh	—	—		—
Gujarat	—	—		—
Tamilnadu	—	—		—
West Bengal	—	—		—
Others	—	—		—
Total			9.42	9.42

NOTE TO BALANCE SHEET AS AT 31ST MARCH, 2012

Note – 15 INVENTORIES

(Valuation as per Accounting Policy No. 7)

	As at 31.3.2012 (in Cr.)	As at 31.3.2011 (in Cr.)
Stock of Coal	1379.68	1292.31
Coal Under Development		
Less : Provision	—	—
A Stock of Coal (Net)	1379.68	1292.31
Stock of Stores & Spare Parts (at cost)	179.58	175.95
Stores-in-transit	5.41	3.81
Less : Provision	37.74	36.19
B Net Stock of Stores & Spare Parts (at cost)	147.25	143.57
Workshop Jobs :		
Work-in-progress and Finished Goods	1.85	2.96
Less : Provision	—	—
C Net Stock of Workshop Jobs	1.85	2.96
D Press :		
Work-in-progress and Finished Goods	1.06	0.81
E Stock of Medicine at Central Hospital	0.32	0.37
F Prospecting & Boring/Development Exp./Coal Blocks meant for Sale	1.72	6.97
Total (A to F)	1531.88	1446.99

NOTE TO BALANCE SHEET AS AT 31ST MARCH, 2012

Annexure to Note – 15

TABLE - A

(Qty. in Lakh Tonnes)

(Value in Cr.)

Reconciliation of closing stock of Raw Coal adopted in Account with Book stock as at the end of the Period :

	Overall Stock		Non-Vendable Stock		Vendable Stock	
	Qty.	Value	Qty.	Value	Qty.	Value
1. (A) Opening stock as on 01.04.11	164.92	1084.34	1.21	—	163.71	1084.34
(B) Adjustment in Opening Stock	—	—	—	—	—	—
2. Production for the year	480.04	7928.18	—	—	480.04	7928.18
3. Sub-Total (1+2)	644.96	9012.52	1.21	—	643.75	9012.52
4. Off-Take for the year						
(A) Outside Despatch	364.04	6611.80	—	—	364.04	6611.80
(B) Coal feed to Washeries	116.29	1208.21	—	—	116.29	1208.21
(C) Own Consumption	0.08	1.34	—	—	0.08	1.34
Total (4)	480.41	7821.35	—	—	480.41	7821.35
5. Derived Stock	164.55	1191.17	1.21	—	163.34	1191.17
6. Measured Stock	160.96	1168.05	1.17	—	159.79	1168.05
7. Difference (5-6)	3.59	23.12	0.04	—	3.55	23.12
8. Break-up of Difference						
(A) Excess Within 5%	0.24	1.40	—	—	0.24	1.40
(B) Shortage within 5%	3.83	24.52	0.04	—	3.79	24.52
(C) Excess beyond 5%	—	—	—	—	—	—
(D) Shortage beyond 5%	—	—	—	—	—	—
9. Closing stock adopted in A/c. (6-8A+8B)	164.55	1191.17	1.21	—	163.34	1191.17

TABLE - B Summary of Closing Stock of Coal

	Raw Coal		Washed/Deshaled Coal				Other Products		Total	
	Qty.	Value	Coking		Non-Coking		Qty.	Value	Qty.	Value
			Qty.	Value	Qty.	Value				
Opening Stock (Audited)	164.92	1084.34	1.60	35.87	2.16	23.99	11.52	148.11	180.20	1292.31
Less : Non-vendable Coal	1.21	—	—	—	—	—	—	—	1.21	—
Adjusted Opening Stock (Vendable)	163.71	1084.34	1.60	35.87	2.16	23.99	11.52	148.11	178.99	1292.31
Production	480.04	7928.18	13.34	671.33	76.41	1189.22	13.28	513.53	583.07	10302.26
Offtake										
(A) Outside Despatch	364.04	6611.80	13.73	677.31	76.96	1195.26	14.32	520.97	469.05	9005.34
(B) Coal feed to Washery	116.29	1208.21	—	—	—	—	—	—	116.29	1208.21
(C) Own Consumption	0.08	1.34	—	—	—	—	—	—	0.08	1.34
Closing Stock*	163.34	1191.17	1.21	29.89	1.61	17.95	10.48	140.67	176.64	1379.68
Less : Shortage	—	—	—	—	—	—	—	—	—	—
Closing Stock*	163.34	1191.17	1.21	29.89	1.61	17.95	10.48	140.67	176.64	1379.68

* Excluding non-vendable Stock.

NOTE TO BALANCE SHEET AS AT 31ST MARCH, 2012

Note – 16 TRADE RECEIVABLE

	<u>As at 31.3.2012 (in Cr.)</u>	<u>As at 31.3.2011 (in Cr.)</u>
Debts outstanding for a period exceeding six months from the due date		
Secured considered good		
Unsecured considered good	798.45	910.55
Doubtful	354.07	481.31
Less : Provision for bad & doubtful trade receivable	354.07	481.31
	798.45	910.55
Other Debts		
Secured considered good		
Unsecured considered good	280.21	31.09
Doubtful	39.02	38.99
Less : Provision for bad & doubtful trade receivable	39.02	38.99
	280.21	31.09
	1078.66	941.64

Note

	Closing Balance		Maximum Amount Due	
	Current Period	Previous Period	Current Period	Previous Period
Due by the Companies in which directors of the company is also a director/member (with name of the Companies)	Nil	Nil	Nil	Nil
Due by the Parties in which the Director(s) of Company is/are interested	Nil	Nil	Nil	Nil

NOTE TO BALANCE SHEET AS AT 31ST MARCH, 2012

Note – 17

CASH & CASH EQUIVALENTS

	<u>As at 31.3.2012 (in Cr.)</u>	<u>As at 31.3.2011 (in Cr.)</u>
Balance with Scheduled Banks		
—In Deposit Accounts with maturity upto 3 months	908.72	477.60
—In Current Accounts	89.99	139.54
—In Cash Credit Accounts	—	—
Balance with Non-Scheduled Banks		
In Account with Banks outside India		
Remittance-in transit	0.01	0.03
Cheques, Drafts and Stamps in hand	0.05	0.03
Cash on hand	2.26	16.50
Deposit with Scheduled Banks under Shifting and Rehabilitation Fund Scheme with maturity upto 3 months		
Other Bank Balances		
Balances with Scheduled Banks		
—In Deposit Accounts with maturity more than 3 months	2985.17	1949.07
Deposit with Scheduled Banks under Shifting and Rehabilitation Fund Scheme with maturity more than 3 months	—	—
Total	<u>3986.20</u>	<u>2582.77</u>
Maximum amount outstanding with Banks other than Scheduled Banks at any time during the year	—	—

Note :

1. Balances with Banks to the extent held as margin money or Security against the borrowings, guarantees, other commitments is NIL.
2. Repatriations restrictions in respect of Cash and Bank Balances is NIL.
3. Balance with Scheduled Bank – In Deposit Accounts includes NIL Cr. as on 31.03.2012 (Previous Year 0.57 Crs.) with maturity period of more than 12 months.
4. Balance in Escrow Account is NIL.

NOTE TO BALANCE SHEET AS AT 31ST MARCH, 2012

Note – 18

SHORT TERM LOANS & ADVANCES

	<u>As at 31.3.2012 (in Cr.)</u>	<u>As at 31.3.2011 (in Cr.)</u>
LOANS		
ADVANCES (Recoverable in cash or in kind or for value to be received)		
ADVANCE TO SUPPLIERS		
For Revenue		
Secured considered good	32.51	25.78
Unsecured considered good	0.73	3.98
Doubtful	0.73	3.98
Less : Provision for Doubtful Advances	—	—
	32.51	25.78
ADV PAYMENT OF STATUTORY DUES		
Sales Tax		
Secured considered good		
Unsecured considered good	44.88	59.53
Doubtful	—	—
Less : Provision for Bad and Doubtful Advances	—	—
	44.88	59.53
Advance Income Tax/Tax Deducted at Source	1062.70	951.85
Less : Provision for Income Tax		
Others		
Secured considered goods		
Unsecured considered goods	53.84	21.15
Doubtful	—	—
Less : Provision for Doubtful Advances	—	—
	53.84	21.15
	1161.42	1032.53
Advance to Employees		
Secured considered good	—	—
Unsecured considered good	81.33	7.75
Doubtful	—	—
Less : Provision for Doubtful Advances	—	—
	81.33	7.75
Current Account with Coal India Limited & other Subsidiaries of Coal India Limited	(51.18)	10.67
Loan Account with Subsidiaries		
Claims Receivables		
Secured considered good		
Unsecured considered good	22.68	20.69
Doubtful	5.06	5.06
Less : Provision for Bad and Doubtful claim receivables Advances	5.06	5.06
	22.68	20.69
Prepaid Expenses	0.37	0.53
	53.20	39.64
	1247.13	1097.95

NOTE TO BALANCE SHEET AS AT 31ST MARCH, 2012

Note – 18 (Continued) SHORT TERM LOANS & ADVANCES

Note :

	Closing Balance		Maximum Amount Due at any time During	
	Current Period	Previous Period	Current Period	Previous Period
Due by the Companies in which directors of the company is also a director/member (with name of the Companies)	Nil	Nil	Nil	Nil
Due by the Parties in which the Director(s) of Company is/are interested	Nil	Nil	Nil	Nil

Note – 19 OTHER CURRENT ASSETS

	As at 31.3.2012 (in Cr.)	As at 31.3.2011 (in Cr.)
Interest Accrued		
—Investment	1.80	2.20
—Deposit with Banks	99.81	61.33
—Others	—	—
Ex Owner's Account		
Other Advances	—	—
Less Provisions	5.98	7.24
DEPOSITS		
Deposit for Customs Duty, Port Charges etc.	0.53	0.20
Deposit with Coal India Limited	29.12	145.73
Deposit for Royalty, Cess & Sales Tax	122.57	120.71
Less Prov.	40.25	40.25
	82.32	80.46
Others		
Less : Provision		
Amount Receivable From Govt. of India for transactions on behalf of Ex-Coal Board		—
Less : Provisions		
Other Receivable	151.26	268.89
Less : Provision	3.94	3.94
	147.32	264.95
Total	366.88	562.11

NOTE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

Note – 20

REVENUE FROM OPERATIONS

	For the Year 31.3.2012 (in Cr.)	For the Year 31.3.2011 (in Cr.)
	<hr/>	<hr/>
Sales of Coal, Coke etc.	9005.34	7083.13
Less : Excise Duty	423.46	7.20
Less : Other Levies		
Royalty	691.85	616.21
Stowing Excise Duty	48.11	46.71
Central Sales Tax	130.01	104.13
Clean Energy Cess	236.47	179.29
State Sales Tax/VAT	149.11	87.89
Others Levies	—	—
	<hr/>	<hr/>
Total Levies	1679.01	1041.43
	<hr/>	<hr/>
Revenue From Operation (Net Sales)	7326.33	6041.70
	<hr/>	<hr/>

*Note : Sales includes Incentive from Customers

Note – 21

OTHER INCOME

	For the Year 31.3.2012 (in Cr.)	For the Year 31.3.2011 (in Cr.)
	<hr/>	<hr/>
Income From Long Term Investment (Trade)		
Dividend from joint Ventures	—	—
Interest from		
Government Securities (8.5% Tax Free Special Bonds)	3.80	4.61
Income From Current investments (Non-Trade)		
Dividend from Mutual Fund Investments	—	—
Dividend from Subsidiaries		
Income From Others		
From Deposit with Banks	293.31	139.66
From Loans and Advances to Employees	0.43	0.66
From Income Tax Refunds	0.31	10.34
From Coal India	2.11	9.50
Others		
Apex charges		
Subsidy for Sand Stowing & Protective Works	2.53	2.60
Profit on Sale of Assets	—	0.10
Recovery of Transportation & Loading Cost	203.89	173.57
Gain on Foreign exchange Transactions	—	—
Exchange Rate Variance		
Lease Rent	3.86	3.84
Liability Write Backs		
Guarantee Fees from Subsidiaries.		
Other non-operating Income	37.26	51.05
	<hr/>	<hr/>
TOTAL	547.50	395.93
	<hr/>	<hr/>

**NOTE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED
31ST MARCH, 2012****Note – 22****COST OF MATERIAL CONSUMED**

	For the Year 31.3.2012 (in Cr.)	For the Year 31.3.2011 (in Cr.)
Explosives	115.14	97.51
Timber	1.55	1.87
P O L	252.34	240.64
HEMM Spares	113.83	105.24
Other Consumable Stores & Spares	94.41	87.93
TOTAL	577.27	533.19

NOTE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

Note – 23

CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

	For the Year 31.3.2012 (in Cr.)	For the Year 31.3.2011 (in Cr.)
Closing Stock of Coal/Coke	1379.68	1292.31
Less : Deterioration of Coal/Coke	—	—
Total - (1)	1379.68	1292.31
Opening Stock of Coal/Coke	1292.31	1006.38
Less : Deterioration of Coal/Coke	—	—
Total - (2)	1292.31	1006.38
A. Change in Inventory of Closing Stock (2-1)	(87.37)	(285.93)
Closing Stock of Workshop made Finished Goods and WIP	1.85	2.97
Less : Provision	—	—
Total - (3)	1.85	2.97
Opening Stock of Workshop made Finished Goods and WIP	2.97	2.35
Less : Provision	—	—
Total - (4)	2.97	2.35
B. Change in Inventory of Closing Stock of Workshop (4 - 3)	1.12	(0.62)
Press Closing Job		
(i) Finished Goods	0.71	0.59
(ii) Work-in-Progress	0.35	0.22
Total - (5)	1.06	0.81
Less : Press Opening Job		
(i) Finished Goods	0.59	0.75
(ii) Work-in-Progress	0.22	0.57
Total - (6)	0.81	1.32
C. Change in Inventory of Closing Stock of Press		
Job made Finished Goods and WIP (6 - 5)	(0.25)	0.51
Closing Stock of Medicines (Central Hospital) (7)	0.32	0.37
Less : Opening Stock of Medicines (Central Hospital) (8)	0.37	0.60
D. Change in Inventory of Stock of Medicines at		
Central Hospitals (8 - 7)	0.05	0.23
Total Change in Inventory of Stock (A+B+C+D)	(86.45)	(285.81)

NOTE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

Note – 24

EMPLOYEE BENEFIT EXPENSES

	For the Year 31.3.2012 (in Cr.)	For the Year 31.3.2011 (in Cr.)
Salary, Wages, Allowances, Bonus & Benefits	2,425.02	1,961.45
Contribution to P.F. & Other Funds	245.80	264.06
Gratuity	481.61	238.63
Leave Encashment	167.69	83.94
VRS	9.57	10.91
Other Employee Benefits	67.37	40.42
TOTAL	3,397.06	2,599.41

Note – 25

WELFARE EXPENSES

	For the Year 31.3.2012 (in Cr.)	For the Year 31.3.2011 (in Cr.)
Medical Expenses	26.67	21.78
Medical Expenses for Retired employees	2.03	2.53
Grants to Schools & Institutions	13.99	11.13
Sports & Recreation	0.66	0.55
Canteen & Creche	0.21	0.16
Power-Township	39.87	27.66
Hire Charges of Bus, Ambulance etc.	3.70	3.24
CSR Expenses	15.52	9.69
Community Development	—	—
Environmental Expenses	3.06	2.29
Tree Plantation	1.20	0.27
Other Expenses	13.04	7.25
TOTAL	119.95	86.55

NOTE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

Note – 26

REPAIRS

	For the Year 31.3.2012 (in Cr.)	For the Year 31.3.2011 (in Cr.)
Building	72.54	70.35
Plant & Machinery	57.26	72.99
Others	6.89	6.25
TOTAL	136.69	149.59

Note – 27

CONTRACTUAL EXPENSES

	For the Year 31.3.2012 (in Cr.)	For the Year 31.3.2011 (in Cr.)
Transportation Charges :		
— Sand	1.15	1.39
— Coal & Coke	196.59	211.23
— Store & Others etc.	0.04	0.06
Wagon Loading	15.36	13.82
Hiring of P & M	0.07	0.43
Other Contractual Work	288.47	169.41
TOTAL	501.68	396.34

NOTE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

Note – 28 FINANCE COSTS

	For the Year 31.3.2012 (in Cr.)	For the Year 31.3.2011 (in Cr.)
INTEREST EXPENSE		
Deferred Payments	—	—
Bank Over Draft/Cash Credit	—	—
Interest on IBRD & JBIC Loan	1.54	1.63
CIL Fund Loan Interest	—	—
Interest to Subsidiaries	—	—
Others	0.31	7.33
TOTAL (A)	1.85	8.96
OTHER BORROWING COSTS		
Guarantee Fee on (IBRD & JBIC) Loan	1.73	1.57
Other Expenses / Bank Charges	—	—
TOTAL (B)	1.73	1.57
TOTAL (A + B)	3.58	10.53

NOTE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

Note – 29 PROVISIONS

	For the Year 31.3.2012 (in Cr.)	For the Year 31.3.2011 (in Cr.)
(A) PROVISION MADE FOR		
Doubtful Debts	104.30	66.28
Doubtful Advances & Claims	—	—
Foreign Exchange Transaction	—	—
Stores & Spares	1.55	0.05
Reclamation of Land/Mine Closure Expenses	105.13	47.39
Surveyed of Fixed Assets/Capital WIP	—	—
Others	40.94	91.45
	251.92	205.17
(B) PROVISION WRITTEN BACK		
Doubtful Debts	133.10	41.71
Doubtful Advances & Claims	—	1.14
Foreign Exchange Transaction	—	—
Stores & Spares	—	—
Reclamation of Land/Mine Closure Expenses	—	—
Surveyed of Fixed Assets/Capital WIP	—	—
Others	3.86	—
	136.96	42.85
	114.96	162.32

Note –30 WRITTEN OFF

	For the Year 31.3.2012 (in Cr.)	For the Year 31.3.2011 (in Cr.)
Doubtful Debts	109.35	38.02
Doubtful Advances	—	—
Others	—	—
	109.35	38.02

NOTE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

Note – 31 OTHER EXPENDITURE

	For the Year 31.3.2012 (in Cr.)	For the Year 31.3.2011 (in Cr.)
Travelling expenses		
—Domestic	19.00	22.81
—Foreign	0.33	0.69
Training Expenses	3.99	4.86
Telephone & Postage	1.22	1.26
Advertisement & Publicity	3.98	5.03
Freight Charges	0.47	1.52
Demurrage	6.64	6.49
Donation/Subscription	—	—
Security Expenses	79.27	58.98
Service Charges of CIL	24.01	26.21
Hire Charges	22.68	18.86
CMPDI Expenses	51.68	56.93
Legal Expenses	3.17	1.25
Bank Charges	0.51	0.50
Guest House Expenses	0.24	1.46
Consultancy Charges	1.25	0.09
Under Loading Charges	57.45	32.46
Loss on Sale/Discard/Surveyed of Assets	—	—
Auditor's Remuneration & Expenses		
—For Audit Fees	0.21	0.21
—For Taxation Matters	0.01	0.01
—For Company Law Matters		
—For Management Services		
—For Other Services	—	—
—For Reimbursement of Expenses	0.12	0.11
Rehabilitation Charges	28.58	27.72
Royalty & Cess	0.03	0.35
Central Excise Duty	—	—
Rent	0.76	0.67
Rates & Taxes	1.59	2.76
Insurance	0.60	0.47
Loss on Exchange Rate Variance	14.64	6.35
Lease Rent	—	—
Rescue/Safety Expenses	2.25	2.95
Dead Rent/Surface Rent	0.11	0.04
Siding Maintenance Charges	29.95	21.62
Land/Crops Compensation	0.12	0.24
Miscellaneous Expenses	58.07	31.58
TOTAL (A)	412.93	334.48

NOTE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

Note – 32 PRIOR PERIOD ADJUSTMENT

	For the Year 31.3.2012 (in Cr.)	For the Year 31.3.2011 (in Cr.)
(A) EXPENDITURE		
Sale of Coal & Coke	—	—
Stock of Coal & Coke	—	—
Other Income	—	—
Consumption of Stores & Spares	—	—
Employees Remuneration & Benefit	—	—
Power & Fuel	—	—
Welfare Expenses	—	—
Repairs	—	—
Contractual Expenses	—	0.09
Other Expenditure	—	0.73
Interest and other Financial Charges	—	16.38
Depreciation	—	—
	—	—
TOTAL (A)	—	17.20
(B) INCOME		
Sale of Coal & Coke	14.57	—
Stock of Coal & Coke	—	—
Other Income	—	0.09
Consumption of Stores & Spares	—	—
Employees Remuneration & Benefit	—	—
Power & Fuel	—	4.41
Welfare Expenses	—	—
Repairs	—	—
Contractual Expenses	—	—
Other Expenditure	20.67	2.62
Interest and other Financial Charges	1.66	—
Depreciation	3.59	—
	—	—
TOTAL (B)	40.49	7.12
	—	—
TOTAL (A-B)	(40.49)	10.08

NOTE - 33

SIGNIFICANT ACCOUNTING POLICY

1.0 BASIS FOR PREPARATION OF FINANCIAL STATEMENT

The financial statements are prepared under the historical cost convention on accrual basis, in accordance with the requirements of the Companies Act, 1956 and in compliance with the Accounting Standards referred to in Section 211(3C) except as otherwise stated elsewhere.

2.0 USE OF ESTIMATES:

The presentation of financial statements in conformity with the generally accepted Accounting Principles required making estimate and assumption that affect the reported amount of Assets and Liabilities on the date of financial statement and also the reported amount of revenues and expenses during the reporting period. Difference between the actual amount and the estimates are recognized in the period in which the results are known/ materialized.

3.0 REVENUES AND EXPENDITURES:

All Income and Expenditures having a material bearing on financial statements are recognized on the accrual basis and provision is made for all known losses and liabilities except in the following cases :

- 3.1 Liquidated damages, interest on delayed payment and escalation claims from customers are recognized on the basis of final settlement.
- 3.2 Insurance/Railway claims are accounted for on admission/final settlement.
- 3.3 Scraps are accounted for on realization.
- 3.4 Refund/adjustment of tax from Tax Authorities are accounted for on cash basis. Additional demand for income tax, Royalty, Cess , sales Tax, entry Tax etc. are accounted for after final order except as otherwise not recognized under AS-29. In appeals, payment made against additional demand are treated as advance claim.
- 3.5 Interest payable on account of income tax/ sales tax as demanded by tax authorities are accounted for in the year of payment. Similarly, interest receivable, if any, are accounted for in the year of receipt.
- 3.6 Demands/claims against the Company, which are not likely to materialize into actual liabilities, are regarded as Contingent Liabilities.

4.0 REVENUE RECOGNITION:

- 4.1 Revenue in respect of Coal Sale is recognized when the property in the goods with the risks and rewards of ownership are transferred to the buyer i.e. on the basis of D notes for dispatch by Rail and weighment cards in respect of road dispatches.
- 4.2 Sales of coal are net of Royalty, SED, CST/JST/JVAT and accepted deductions made by customers on account of quality of coal & shortage etc.
- 4.3 The revenue recognition is done where there is a reasonable certainty of collection. On the other hand revenue recognition is postponed in case of uncertainty as assessed by management.
- 4.4 Bonus claims on customers, as a result of Joint sampling, are accounted for in sales in the year of settlement irrespective of period of despatch.

5.0 FIXED ASSETS:

- 5.1 Land includes the cost of acquisition, compensation and cash rehabilitation expenses. Other expenditure incurred on acquisition of Land viz. resettlement cost, compensation in lieu of employment etc. are, however, treated as revenue expenditure.
- 5.2 Plant & Machinery include cost and expenses incurred for erection/ installation and other costs attributable to bring those assets, to working conditions for their intended use.
- 5.3 Capital Work-in-Progress includes the cost of the assets not put to use during the year.
- 5.4 Gross Block as well as depreciation on surveyed off P&M, Vehicles etc. are taken out of Fixed Assets and provision for depreciation respectively and the residual value at 5% of Book value are transferred to "Surveyed off assets for disposal" and the same is separately shown in the Note-10B . In case of premature survey off of assets the difference between the WDV and residual value of 5% is charged to Profit & Loss Account, as loss on surveyed off assets.
- 5.5 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 specially 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 construction, 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.
- 5.6 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 and in such cases the expenditures will be kept under Inventory till finalization of sale.

6. INVESTMENTS:

Investments are stated at cost.

7.0 INVENTORIES:

- 7.1 Book stock of coal/ coke is considered in the Accounts where the variance between book stock and measured stock is up to +/- 5% and in cases where the variance is beyond +/- 5% the measured stock is considered. Such stock are valued at Net realizable Value or cost whichever is lower.
- 7.2 Coking Slurry, middlings of washeries are valued at net realizable value. However Non Coking Slurry and Rejects are not valued.

- 7.3 Stock of stores & spare parts (including loose tools) at Central & Area stores are valued at weighted average cost. The year end inventory of stores & spare parts lying at collieries/ sub-stores/ consuming centers, which have been initially charged off, are valued at issue price of Area stores. Work-shop jobs i.e. manufactured items in progress are valued at cost.
- 7.4 Provisions are made at the rate of 100% for unserviceable, damaged and obsolete stores and 50% for stores & spare parts not moved for 5 years excepting insurance items.
- 7.5 Stock of stationery (other than lying at printing press), bricks, sand, medicine(except at Central Hospitals), and scraps are not considered in inventory.

8.0 DEPRECIATION

- 8.1 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.

- 8.2 Value of leasehold land is amortized over the lease period or the balance life of the project whichever is earlier.
- 8.3 Provision equivalent to the amount of depreciation is made against machinery/assets which could not be put to use for more than three years from the date of purchase/ acquisition after three years i.e. from the fourth year prospectively.
- 8.4 Prospecting, Boring and Development expenditure are amortized over 20 years from the year when the Mine is brought under Revenue or over the working life of the Project whichever is lower.
- 8.5 Individual Assets costing Rs. 5000/- or less are entirely depreciated in the year of acquisition. Assets attracting 100% depreciation, other than items costing Rs. 5,000/- are taken out from the Accounts after expiry of two years following the year in which these are fully depreciated.

9.0 EFFECT OF EXCHANGE FLUCTUATION

Balance of dues from/to overseas parties including foreign currency loans/ liabilities attributable to the acquisition of fixed assets at the end of the year are translated at the rate of exchange prevailing at year end date and the resultant net losses or net gains are charged to P&L Accounts.

10. BALANCE WITH COAL INDIA LIMITED (HOLDING COMPANY)

Amount due to Coal India Limited on account of loan is shown as Unsecured Loan. Amount due/ receivable arising out of the transaction of revenue nature under Current Account is shown as Current Liabilities/Current Assets/Short term deposit, as the case may be.

11.0 APEX OFFICE CHARGES AND INTEREST TO HOLDING COMPANY

- 11.1 Apex office charges by Holding Company is allocated to revenue mines on the basis of coal production.
- 11.2 Interest on loans from CIL is allocated to the units on the basis of Net Fixed Assets (excluding the Assets procured against specific loan) at the beginning of the year.

11.3 In terms of CIL's letter no. CGM (F)/126/07 dtd. 08.04.2004 an additional charge at the rate of Rs. 6/- per tonne of coal released towards rehabilitation fund for dealing with fire, shifting and stabilization of unstable areas has been accounted for on the basis of debit advice received from CIL.

12.0 OVERBURDEN REMOVAL(OBR) EXPENSES

12.1 For Opencast mines which have been brought to revenue and have rated capacity of 1 million tones or above, the 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. The net balance of advance stripping and ratio variance at the end of the year is shown as cost of removal of Overburden.

The reported quantity of overburden is considered in the Accounts where the variance between reported quantity and measured quantity is within the permissible limits detailed hereunder:

Annual Quantum of OBR of the mine	Permissible limits of variance (Whichever is less)	
	%age	Quantum (In Mill. Cu. Mtr.)
Less than 1 Mill. CUM	+/- 5%	0.03
Between 1 and 5 Mill. CUM	+/- 3%	0.20
More than 5 Mill. CUM	+/- 2%	NIL

If the variance between reported quantity and measured quantity is more than the above permissible limit, measured quantity will be considered in the Accounts.

13.0 IMPAIRMENT OF ASSETS

The Carrying amount of the assets, other than Inventories is reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated.

14.0 PRIOR PERIOD ADJUSTMENTS

Income/expenditure items relating to prior period (s) which do not exceed 5.00 lakh in each case are treated as income/expenditure for the Current Year.

15.0 GENERAL:

15.1 Retirement Benefits : Provisions for / contribution to retirement benefit schemes are made as follows:

- (a) Provident Fund on actual liability basis,
- (b) Gratuity based on Actuarial Valuation,
- (c) Leave Encashment Benefit on retirement on Actuarial Valuation Basis.
- (d) Superannuation/ Pension scheme on the basis of actual liability.

Securities by way of deposit in the form of Fixed Deposit Receipts, National Saving Certificates, Bank guarantee etc. received from the suppliers, contractors etc. are kept in Company's custody and are not accounted for.

Research and development Expenditure of revenue nature are charged to various natural revenue heads of accounts in the year the expenses are incurred. Expenses of capital nature are treated as fixed assets.

Taxation : Provision for Income Tax is made on the basis of estimated taxable income for the year. Deferred Tax is recognized, subject to consideration of prudence on timing differences, being the difference between taxable and accounting income/ expenditure that originate in one period and are capable of reversal in one or more subsequent period(s).

The Mandatory Accounting Standard on Segment Reporting(AS-17), Related Party Transactions(AS-18), Discontinuing operation(AS-24), Interim Financial Report(AS-25) and Financial Reporting of Interest(AS-27) in Joint Ventures are not applicable to Company.

NOTE - 34**ADDITIONAL NOTES ON ACCOUNTS**

1. The Balance Sheet and Statement of Profit & Loss as at and for the year 2011-12 has been prepared as per Revised Schedule-VI to the Companies Act, 1956. To comply with the above, various heads of accounts of Balance Sheet and Profit & Loss Account have been rearranged/ regrouped and accordingly previous years figures to the extent possible have been rearranged/ regrouped to make them comparable.

2. LONG TERM BORROWINGS :

Loans from IBRD and JBIC on account of Coal Sector Rehabilitation Project forming part of Long Term Borrowing (Ref. Note No.3), obtained through CIL are covered by guarantee of CIL and counter-guarantee by Govt. of India.

The amount of IBRD Loan and the amount of JBIC(JEXIM) loan have been revalued at the spot USD/INR Rate and JPY/INR rate respectively prevailing on 31.03.12. As a result, there is an adverse impact of 14.64 Cr. during the year 2011-12 which have been debited to P&L Account.

3. LONG TERM PROVISIONS :

3.1 Liabilities with regard to the Gratuity plan are determined by actuarial valuation at each Balance Sheet date using the projected unit credit method . The liability towards Incremental Gratuity for the year amounting to 337.25 Cr. (previous year 54.57 Cr.) has been provided on actuarial basis. The Company has contributed 540.91 Cr. towards ascertained liabilities in the current year as well as towards past service liability to the CCL Employees Group Gratuity Fund Trust managed by the Life Insurance Corporation of India (LIC). Out of this 4.91 Cr. has been adjusted by L.I.C as insurance premium towards death benefit scheme. Trustees administered contribution made to the Trust and contribution are invested with Employees Group Gratuity Cash Accumulation Scheme with Life Insurance Corporation of India. The following table sets out the gratuity plan and the amounts recognized in the Company's financial statements as at 31st March, 2012.

TABLE - 1**Showing Change in Present Value of Obligations – Disclosure Item 120 (c)**

	As at 31.03.2012 (Figs. in Crore)
Present value of obligation at beginning of year.	1301.48
Acquisition Adjustment	0.00
Interest cost	91.30
Past Service Cost	0.00
Current service cost	68.73
Curtailment cost	0.00
Settlement cost	0.00
Benefit paid	320.54
Actuarial gain/loss on obligations	497.76
Present value of obligation at end of the year	1638.73

TABLE - 2

Showing Changes in Fair Value of Plan Assets : Disclosure item 120(e)

	As at 31.03.2012 (Figs. in Crore)
Fair value of plan asset at beginning of year.	556.18
Acquisition Adjustment	0.00
Expected Return on plan Asset	44.50
Contributions	557.59
Benefits paid	320.54
Actuarial gain/loss on plan assets	11.62
Fair value of plan assets at end of year.	849.35

TABLE -3

Showing Funded Status : Disclosure Item 120(f)

	As at 31.03.2012 (Figs. in Crore)
Present value of obligation at end year	1638.73
Fair value of plan assets at end year	849.35
Funded Status	(-) 789.38
Unrecognized actuarial gain/loss at end of the year	0.00
Net Asset (Liability) recognized in Balance Sheet	(-) 789.38

TABLE -4

Showing Expense Recognized in Statement of Profit / Loss : Disclosure Item 120(g)

	As at 31.03.2012 (Figs. in Crore)
Current service cost	68.73
Past Service Cost	0.00
Interest cost	91.30
Expected Return on Plan Asset	44.50
Curtailment cost	0.00
Settlement cost	0.00
Actual gain/loss recognized in the year	486.14
Expenses recognized in statement of Profit/Loss	601.67

TABLE -7

Showing Actuarial Assumptions : Disclosure item 120(L)

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	6.25
Return on Asset	8.00
Remaining working life	11
Formula used	Projected unit credit method

TABLE -10

Showing Movement in the Liability Recognized in Balance Sheet : Disclosure Item 120(P)

	As at 31.03.2012 (Figs. in Crore)
Opening Net Liability	745.30
Expenses as above	601.67
Contribution	557.59
Closing Net Liability	789.38
Closing Fund/Provision at end of year	1638.73

In the case of Leave Encashment Benefit(EL/HPL) :

TABLE - 1

Showing Changes in Present Value of Obligations – Disclosure Item 120 (c)

	As at 31.03.2012 (Figs. in Crore)
Present value of obligation at beginning of year	242.18
Acquisition Adjustment	0.00
Interest Cost	17.08
Past Service Cost	0.00
Current Service Cost	35.85
Curtailment cost	0.00
Settlement Cost	0.00
Benefits paid	57.45
Actuarial gain/loss on obligations	114.76
Present value of obligation at the end of year	352.42

Disclosure item No. 120(e)

The Table-2 showing changes in Fair Value of Plan Assets: Not applicable as scheme is unfunded.

Disclosure item No. 120(f)

The Table-3 showing funded status: Not applicable as scheme is unfunded.

TABLE -4

Showing Expense Recognized in Statement of Profit / Loss : Disclosure Item 120(g)

	As at 31.03.2012 (Figs. in Crore)
Current Service Cost	35.85
Past Service Cost	0.00
Interest Cost	17.08
Expected Return on Plan Asset	0.00
Curtailment cost	0.00
Settlement Cost	0.00
Actuarial gain/loss recognized in the year	114.76
Expense Recognized in Statement of Profit/Loss	167.69

TABLE -7
Showing Actuarial Assumptions : Disclosure item 120 (I)

	As at 31.03.2012 (Figs. in Crore)
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	8.00000
Inflation Rate	6.25000
Return on Asset	0.00000
Remaining working life	11
Formula used	Projected unit credit method.

TABLE -10
Showing Movements in the Liability Recognized in Balance Sheet : Disclosure Item 120 (P)

	As at 31.03.2012 (Figs. in Crore)
Opening Net Liability	0.00
Expenses as above	167.69
Contributions	0.00
Closing Net Liability	167.69
Closing Fund/Provision at end of year	352.42

4. OTHER CURRENT LIABILITIES

- 4.1 The National Coal Wage Agreement-IX effective from 01.07.2011 has been signed on 31st January, 2012 for wage board employees. Financial impact of pay-revision of non-executives employees, excluding impact of actuarial liability is, 335.00 Cr. Apart from this, the impact of NCWA-IX on actuarial valuation of gratuity is 219.51 Cr. Total liability as on 31.03.2012 is 2099.38 Cr. based on valuation made by the Actuary, details of which are mentioned below, which includes the impact of 296.93 Cr. towards additional actuarial provision made for revision of pay and benefits over pre-revised salary & wages.

The Actuarial Liability As on 31.03.2012 :

(Figs. in Crore)

Head	Opening Actuarial Liability as on 01.04.11	Incremental Liability based on Pre-revised Salary	Additional Provision for Revision of Pay and Benefits	Closing Actuarial Liability as on 31.03.12
Gratuity	1301.48	117.74	219.51	1638.73
Earned Leave	192.92	61.61	33.06	287.59
Half Pay Leave	49.26	15.57	0.00	64.83
Life Cover Scheme	6.85	0.06	6.08	12.99
Settlement Allowance-Executives	1.00	0.33	0.00	1.33
Settlement Allowance Non-Executives	0.00	0.00	38.28	38.28
Gross Personal Accident	0.18	0.02	0.00	0.20
Leave Travel Concession	19.53	4.77	0.00	24.30
Medical Benefits	3.19	2.05	0.00	5.24
Compensation to Dependants in case of mine accidental death	24.10	1.79	0.00	25.89
Total	1598.51	203.94	296.93	2099.38

- 4.2 Provision for pension @ 3% of basic Pay+DA and provision for superannuation benefit @ 6.84% of basic Pay+DA has been made for executives w.e.f. 01.01.2007 as per Office Memorandum No. CIL/C-5A(vi)/005/35/1210 dtd. 02/07.05.2009 issued by Dir(P&IR), CIL, Kolkata. The liability for pension @ 3% and superannuation benefit @ 6.84% as on 31.03.2012 are 28.28 Cr and 64.08 Cr. respectively. A separate fund/ trust for the above purpose is still to be created by CIL.
- 4.3 By virtue of enactment of Cess and Other Taxes on Minerals (Validation) Act, 1992, the Company, in 1992-93, raised supplementary bills on customers up to 4th April, 1991 for 100.33 Cr. on account of Cess and sales tax thereon. The said amount has been included in statutory dues payable for Cess and sales tax under the head "Current liabilities and Provisions"(Note-8) with corresponding Debit in "Claims Receivable-Cess"(Note-19).
- 4.4 There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31.03.2012. This information as required to be disclosed under the MS & MED Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
- 5.1 Production of coal being a taxable event, Central Excise Duty has been considered as a manufacturing expense and an element of cost for inventory valuation and the value of inventory has been increased by 40.94 Cr. as on 31.03.2012 (Refer Note-23 of P&L Account). Since the liability for Excise Duty has been incurred but its collection is deferred, provision for un-paid liability has been made for the same amount based on notified price/ selling price of individual products (Refer Note-9 of Balance Sheet).

6. FIXED ASSETS

- 6.1 Land consists of free/ lease hold land and land acquired under Coal Bearing Acquisition Act, 1957. Cost of Notified land is capitalized on physical /constructive possession basis and completion of assessment by the competent authority. 41789 Ha. of land has been acquired under CBA(A&D) Act, 1957 comprising of 13474 Ha. of tenancy land, 16989 Ha. of Forest land and 11326 Ha. of Govt. land. Compensation has been assessed as 52.18 Cr. Out of this amounting to 32.41 Cr. has been paid. The balance amount is being paid by holding regular payment camps in different projects.
- 6.2 Provision of 1.36 Cr. has been made towards loss of assets and provision of 5.22 Cr. has been withdrawn being no longer required. Total provision amounting to 19.89 Cr. (Previous year 23.75 Cr.) as on 31.03.2012 has been retained which is considered adequate (Refer Note No.29).
- 6.3 The Assets and Liabilities of two hospitals taken over from Coal Mines Labour Welfare Organization in 1981 have not been reflected in the accounts pending determination of values thereof. The Assets and Liabilities of three Mines Rescue stations taken over during 1985-86 have not been reflected in the accounts pending determination of values thereof.

7. CAPITAL WORK-IN-PROGRESS

- 7.1 For machinery/assets, which could not be put to use for more than three years from the date of purchase/acquisition, provision equivalent to depreciation w.e.f. the fourth year from the date of purchase/acquisition has been made during the year amounting to 4.96 Cr. (previous year 28.03 Cr.). Total provision as on 31.03.2012 is 87.06 Cr. (Previous year 83.57 Cr. (Refer Note No. 10B & 10C) and provision for loss of assets made in earlier years has been retained.

8. DEFERRED TAX ASSETS

8.1 In compliance with AS-22, Deferred Tax Assets has been recognized for 9.35 Cr. for the year 2011-12 making a total net deferred tax asset for 502.51 Cr. as on 31.03.2012. The total deferred tax assets is 575.78 Cr. liable to reversal in one or more subsequent period(s), consists of Doubtful debts, Gratuity and Leave encashment on actuarial basis, provision for Loans & Advances, Obsolescence of stores and carry forward of expenditures of VRS and P&B etc. Similarly, the deferred tax liability, being the difference of WDV of fixed assets as per books and as per I.T. Rules, is 73.27 Cr.

9. LONG TERM LOANS & ADVANCES

9.1 90.61 Cr. was paid to M/s. Rites on 07.12.07 as deposit amount for construction of balance work of Piparwar Rly. Siding. Visualizing possibility for utilization of fund being very poor due to ground condition, the GM(P), RITES has remitted an amount of 104.29 Cr. as on 04.04.2012 which includes 31.06 Cr. being the gross amount of interest earned by M/s. RITES on the deposit amount for the above work. The same has been recognized in the books of CCL. Out of this amount, 7.63 Cr. has been adjusted against value of work executed by M/S RITES till 31.03.2012 and the balance amount of 23.43 Cr. has been accounted for as interest income of CCL.

10. INVENTORIES

10.1 Stock of coal, coke etc. has been measured by CIL Measurement Team. As per Accounting Policy of the Company Book Stock of Coal/Coke has been considered in the accounts as variance between Book Stock and Measured Stock is within +/- 5% . The net shortage 3.69 lakh tonne valuing 24.91 Cr. is ignored in the accounts as per Accounting Policy of the Company.

10.2 Pursuant to the Accounting Policy (Referred in para-7.4 of Note-33), provision of 1.55 Cr. (previous year 0.05 Cr.) has been made during the year for unserviceable/damaged/obsolete stores and also for Stores & Spares unmoved for 5 years. Total provision of 37.74 Cr. (Previous year 36.19 Cr.) as on 31.03.2012 is considered adequate.

11. TRADE RECEIVABLES**11.1 Movement of provision against Sundry Debtors :**

		(in Cr.)
	OB as on 01.04.2011	520.30
Add	: Provision made during the year	104.30
		<hr/> 624.60
Less	: Provision utilized for Bad Debts	109.34
	Provision withdrawn being no longer required	23.76
Less	: Provision utilized against quality etc. For the Previous Year	87.59
Less	: Provision transferred to other liability for Negative balance of customers	10.82
	CB as on 31.03.2012	<hr/> 393.09 <hr/>

11.2 Trade Receivables include 155.48 Cr. against which a provision of 84.90 Cr. has already been made. This amount is due from Bihar State Electricity Board (BSEB) for more than a decade. The Company has been pursuing the matter regularly with BSEB. Also the Chairperson, Coal India Ltd. and Additional Secretary to the Government of India, Ministry of Coal has sought the intervention of the Chief Secretary of the Government of Bihar, Patna for realization of outstanding against coal supplies vide letter No. CIL/CH/30/934 dtd. 9th March, 2012.

12. SHORT TERM LOANS & ADVANCES:

12.1 Advance to employees (Refer Note-18) includes 72.08 Cr. recoverable advance paid to executives against provision for P.R.P.(Performance Related Pay) appearing in Note No. 9.

The payment has been made as per Office Memorandum No. CIL/PRS/PRP/2010-11/73/G dtd. 15.11.2011 issued by GM(P), CIL.

13. GENERAL

13.1 Apex charges amounting to 24.01 Cr. (previous year 26.21Cr.) levied by the Holding Company @ 5 per tonne of coal produced towards rendering various services like procurement, marketing, Corporate Service etc. based on agreement entered into, have been accounted for.

13.2 IICM charge amounting to 2.40 Cr. (previous Year 2.38 Cr.) levied by the Holding Company @ 0.50 per tonne of coal produced, has been accounted for.

13.3 In terms of CIL's letter No. CGM(F)/126/07 dtd. 08.04.2004 a charge of 28.58 Cr. (Previous year 27.72 Cr.) levied by the Holding Company @ 6.00 per tonne of coal released during 2011-12 towards Rehabilitation fund for dealing with fire, shifting and stabilization of unstable areas have been accounted for.

13.4 Provision of 3.25 Cr. Made in earlier years has been withdrawn during the year being no longer required. Total provision as on 31.03.2012 for 50.43 Cr. Is considered adequate as against Opening Balance of 53.68 Cr.

13.5 In terms of lease agreement with M/s. Imperial Fastners Pvt. Limited , the Company has granted a right to occupy and use the assets of the Company. The cost of gross carrying amount at the beginning of the year is 80.19 Cr. The accumulated depreciation as at the end of the year 74.83 Cr.. Depreciation for the year is 2.89 Cr. The future minimum lease payment receivable in the aggregate during the period of lease is 55.20 Cr. The details of future lease payment receivables are as under:

	2011-12 (in Cr.)
(i) Upto one year	3.84
(ii) Later than one year and not later than five years	15.36
(iii) Later than five years	36.00
Total	55.20

13.6 Cash Credit Facility

The Company through its holding Company CIL entered into an agreement with the Consortium of bankers (having State Bank of India as the lead Bank) to avail Cash Credit facilities for an

aggregate sum of 55.00 Cr. and the said facilities shall be collaterally secured by creating hypothecation charge over the current assets comprising of Book Debts, Stock of Raw materials, Semi-finished and finished goods, Stores and Spares not relating to Plant & Machinery (Consumable Stores & Spares), both present and future jointly and severally in favour of the said Banks for a sum of 83.00 Cr. The extent of charge is 1.5 times the cash-credit limit of 55.00 Cr. The said facilities have not been availed by the Company during the year 2011-12.

13.7 The Company is primarily engaged in a single segment business of production and sale of coal hence information required as per AS-17 (Accounting Standard on Segment Reporting) has not been furnished.

13.8 Earning per share (EPS): The details of EPS computation is set out below :

	<u>2011-12</u>	<u>2010-11</u>
Profit available to Equity Share Holders (in Cr.)	1319.55	1246.83
Weighted average no. of Equity Shares	94,00,000	94,00,000
Basic earning per share	1403.78	1326.41

13.9 There was a dispute pending with arbitral tribunal under the Bi-lateral Investment Protection Treaty between White Industries Australia Limited ("White") and CIL regarding penalty payable to M/s. White Industries Limited for development of coal handling plant and coal preparation plant of Piparwar, Jharkhand .

The arbitral tribunal has pronounced the award on 30.11.2011 on the subject. As per arbitration award of the Tribunal an amount of 56.07 Cr. has been incurred/paid by CIL based on direction from Jt. Secy., Govt. of India, Ministry of Coal. Out of the above amount 53.59 Cr. has been accounted for as payment of penalty and the balance 2.48 Cr. as legal fees and expenses during the year 2011-12.

13.10 The imposition of Professional tax @ 0.5 % by Mines Board, Hazaribagh vide notification no. 1308 dated 29.05.2003 was held unconstitutional & ultravires by the Hon'ble High Court of Jharkhand vide its order dated 24.08.2006. The amount refundable from Mines Board, Hazaribagh on account of imposition of professional tax @ 0.5 % is 8,01, 15,474.84. CCL has vigorously pursued for refund of the said amount with various authorities of Jharkhand Government. As no reply has been received CCL will be filing a writ petition against Mines Board, Hazaribagh in the Jharkhand High Court, Ranchi.

13.11 In the year 1989, a quantity of 8,99,788 tons of coal was declared non-vendable and accordingly with the approval of the Board of Directors, the said quantity has been reduced / written off from the inventory. However the Govt. of Jharkhand demanded Royalty on this non-saleable coal of 8,99,788 tons. The Company contested the demand for payment of Royalty. However, the Company's appeal has been dismissed by the honorable High Court on technical grounds. It has now been decided to file an appeal before the division bench of the honorable High Court of Jharkhand by bringing on record evidences to show/ prove that the quantity of 8,99,788 tons consisted of shale, stones, mud and other extraneous materials. The disputed amount is 2.55 Cr. which has already been disclosed as Contingent Liability as on 31.03.2012.

14. CONTINGENT LIABILITIES/CAPITAL COMMITMENT

14.1 Description of Contingent Liabilities which have not been provided in the Accounts are as under:

Particulars	2011-12 (in Cr.)	2010-11 (in Cr.)	Payment under protest and shown under Loans & Advances (Note-19)	
			2011-12 (in Cr.)	2010-11 (in Cr.)
(a) Claims against the Company not acknowledged as debt	1192.95	990.30	0.00	0.00
(b) Sales Tax including ED Liability that may arise in respect of matters in appeal	580.42	560.72	92.70	92.70
(c) Royalty & Cess Liability that may arise in respect of matters in appeal	345.89	323.81	29.87	28.01
(d) Income Tax liability that may arise in respect of which the Company has preferred an appeal	362.19	318.49	289.16	212.97

Un-expired letter of credit as on 31.03.2012 is 2.14 Cr.(Previous year 2.05 Cr.)

14.2 Capital Commitment :

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advance) is 56.44 Cr. as on 31.03.2012 (Previous year- 32.59 Cr.).

15. DIRECTORS REMUNERATION (KEY MANAGEMENT PERSONNEL)

(in Cr.)

Particulars	Chairman/Managing Director		Functional Directors	
	2011-12	2010-11	2011-12	2010-11
Salary & Allowances (including Gratuity & leave encashment) and arrear arising out of revision of pay	0.20	0.23	0.42	0.46
Provident Fund	0.02	0.03	0.04	0.05
Perquisites	0.01	0.00	0.01	0.01
TOTAL	0.23	0.26	0.47	0.52

Note : Perquisites do not include value/charges for furniture rent and electric energy and use of Company's car which have been recovered as per rules of the Company and value of free medical facilities in Company's hospitals.

16. (A) Value of imported and indigenous stores, spare parts and components consumed :*(in Cr.)*

Particulars	2011-12	Percentage	2010-11	Percentage
Imported	12.50	2.17%	4.33	0.82%
Indigenous	564.77	97.83%	525.06	99.18%
TOTAL	577.27	100%	529.39	100%

(B) CIF Value of Imports :*(in Cr.)*

	<u>2011-12</u>	<u>2010-11</u>
Components & Spare Parts	7.40	4.42
Capital Goods	16.69	5.43
TOTAL	24.09	9.85

(C) Expenditure incurred in Foreign Currency on account of (As per debit advice of Holding Company) :*(in Cr.)*

	<u>2011-12</u>	<u>2010-11</u>
(i) Interest	1.54	1.62
(ii) Agency Commission	0.01	0.01
Total	1.55	1.63

17. From 01.01.2012 CIL switched over from UHV based grading system to GCV based system of billing . In this system pricing is fixed on GCV range of particular seam .

18. Figures have been expressed in "Crores" and rounded off to the nearest lakh.

Sd/-
C. V. N. Gangaram
Company Secretary

Sd/-
T. K. Sen
General Manager (Finance)

Sd/-
A. Chatterjee
Director (Finance)

Sd/-
Gopal Singh
Chairman-cum-Managing Director

Place : Delhi
Dated : 19.05.2012

Place : Ranchi
Dated : 21.05.2012

Signed for Identification
For **M/s V. K. Jindal & Co.**
Chartered Accountants
Sd/-
(Suresh Agarwal)
Partner
(M. no. 072534)
(Firm ICAI Reg. No. 001468 C)

CASH FLOW STATEMENT (INDIRECT METHOD) FOR THE YEAR 2011-12

(in Cr.)

Current Period**A. CASH FLOW FROM OPERATING ACTIVITIES**

Net Profit before Tax and extra-ordinary items		1911.97
Adjustment for :		
Depreciation	86.29	
Deferred Tax	(9.35)	
O.B.R. Adjustment	188.59	
Interest on Investment (Tax Free Bonds)	(3.80)	
Interest on Short Term Deposit	(293.31)	
Interest on Surplus Fund Parked with CIL	(2.11)	
Interest & Finance Charges	3.58	- 30.11
Operating Profit before working Capital Changes	—	1881.86
Adjustment for :		
Increase (-)/Decrease (+) in Inventories	- 84.89	
Increase (-)/Decrease (+) in Trade Receivable	- 137.02	
Increase (-)/Decrease (+) in Other Current Assets	195.23	
Increase (-)/Decrease (+) in Short Term Loans & Advances	- 149.18	
Decrease (-)/Increase (+) in Trade Payable	14.51	
Decrease (-)/Increase (+) in Other Current Liabilities	724.05	
Decrease (-)/Increase (+) in Other Long Term Liabilities	2.14	
Decrease (-)/Increase (+) in Short Term Provisions	- 616.79	
Decrease (-)/Increase (+) in Long Term Provisions	54.39	
Increase (-)/Decrease (+) in Long Term Loans & Advances	(154.06)	(151.62)
Cash Flow before Extra Ordinary items		1730.24
Prior Period Adjustment		(40.49)
Cash Flow from Operating Activities		1770.73
Tax Provision		650.69
Net Cash Flow from Operating Activities		1120.04

B CASH FLOW FROM INVESTING ACTIVITIES

Purchased/Acquisition of Fixed Assets (Net of Adjustment)	(38.86)	
Interest on Short Term Deposit	293.31	
Redemption of Tax Free Power Bonds	9.43	
Interest on Surplus Fund Parked with CIL	2.11	
Interest on Investment (Tax Free Bonds)	3.80	269.79

C CASH FLOW FROM FINANCING ACTIVITIES

World Bank Loan through CIL (Exchange Fluctuation)	14.64	
Repayment of World Bank Loan	- 15.24	
Interest & Finance Charges	- 3.58	- 4.18
Cash Flow from Extraordinary Items		17.78
Net Increase/Decrease in Cash and Cash Equivalent (A+B+C)		1403.43
Cash and Cash equivalent as on 01.04.2011 (Refer to Note of the Balance Sheet)		2582.77
Cash and Cash equivalent as on 31.03.2012 (Refer to Note of the Balance Sheet)		3986.20

Sd/-
C. V. N. Gangaram
Company Secretary

Sd/-
T. K. Sen
General Manager (Finance)

Sd/-
A. Chatterjee
Director (Finance)

Sd/-
Gopal Singh
Chairman-cum-Managing Director

Place : Delhi
Dated : 19.05.2012

Place : Ranchi
Dated : 21.05.2012

Signed for Identification
For **M/s V. K. Jindal & Co.**
Chartered Accountants
Sd/-
(Suresh Agarwal)
Partner
(M. no. 072534)
(Firm ICAI Reg. No. 001468 C)

V. K. Jindal & Co.
Chartered Accountants

Shri Gopal Complex (3rd Floor)
Court Roat, Ranchi-834001
Ph : 0651-2203307
Mobile : 9341140808
Fax : 0651-2203308

RANCHI-VARANASI-HAZARIBAGH-BHAGALPUR-DELHI-AHMEDABAD

E-mail : vkjindalandco@gmail.com

Annexure-VII TO CLAUSE - 41

Auditor's Report on Quarterly Rinancial Results and year to Date Results of the company Pursuant to the Clause-41 of the Listing Agreement

To

The Board of Directors,
Central Coalfields Limited,
Ranchi

We have audited the quarterly financial results of Central Coalfields Limited, Ranchi for the quarter ended 31.03.12 and the year to date results for the period 01.04.2011 to 31.03.12, attached herewith, being submitted by the company pursuant to the requirement of clasue-41 of the Listing Agreement except for the disclosures regarding "Public Shareholding" and "Promoter and Promoter Group Shareholding" which have been traced from disclosures made by the management and have not been audited by us. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial principles laid down in accounting Standard (AS) 25, Interim Financial reporting issued pursuant to the Companies (Accounting Standards) Rules, 2006 as per section 211 (3C) of the Companies Act, 1956 or by the Institute of Chartered Accountants of India and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amount disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion. In our opinion and to the best our information and according to the explanations given to us these quarterly financial results as well as the year to date results, subject to our Auditors' Report on even date attached.

- (i) are presented in accordance with the requirements of clause-41 of the Listing Agreement in this regard; and
- (ii) give a true and fair view of the net profit and other financial information for the quarter ended 31.03.12 as well as the year to date results for the period from 01.04.2011 to 31.03.2012.

Further, we also report that we have , on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholding in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

For V. K. Jindal & Co.
Chartered Accountants
Sd/-
(Suresh Agarwal)
Partner
Membership No. : 072534
ICAI Firm Reg. No. : 001468C

Place: Ranchi
Date : 21st May, 2012

ADDENDUM TO DIRECTORS' REPORT

(Under Section 217 (3) & 227 (2) of the Companies Act, 1956)

AUDITORS' REPORT

MANAGEMENT'S REPLY

To

The Members of Central Coalfields Limited

1. We have audited the attached Balance Sheet of Central Coalfields Limited as at 31st March 2012 and the Profit & Loss Accounts and also the Cash Flow statement for the year ended on that date annexed thereto, in which are incorporated the accounts of 9 Areas audited by respective Branch Auditors and 6 Areas/ Units audited by us. The reports of the Branch Auditors as submitted and forwarded to us have been appropriately dealt with in preparing this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on audit conducted by us as well as by the Branch Auditors for the respective area.
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 misstatements. An Audit includes examining, on a test basis, evidence supporting the amounts and disclosure 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

AUDITORS' REPORT**MANAGEMENT'S REPLY**

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| <p>3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in term's of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said order, to the extent applicable to the Company.</p> <p>4. Further to our comments in the annexure referred to in paragraph 3 above, we report that:</p> <p>4.1 The right, title and interest for land & mining, taken over from holding and its' subsidiary companies and others at the time of nationalisation are not supported by title deeds and not available for our verification, as such we are unable to comment on the same.</p> <p>4.2 In absence of thorough technical review of the position of obsolete / unserviceable stores and spares; which was last reviewed on 21.07.2001, we are unable to comment on the adequacy of the provision made in this respect.(Refer Point No. 10.2 of "Note - 34").</p> <p>4.3 Balances of Sundry Debtors, Loans and advances, deposits, claim receivables and sundry creditors have not been confirmed by the respective parties. Loans and Advances (including Security deposit & Earnest Money), Current Assets, Non Current Assets, Current Liabilities, Non Current Liabilities includes old unlinked balances also.</p> <p>4.4 Pending reconciliation and confirmation of debtors we are not in a position to comment upon the adequacy of the provision made for Bad & Doubtful Debts.</p> | <p>Lease of coal mines nationalized under Coal Mines(Nationalization) Act, 1973 were vested in Coal Mines Authority Limited by statutory order No. GSR/345-E dtd. 9th July,1973, New Delhi. Thus, individual title deeds are not available with the Company.</p> <p>The provision towards obsolescence is based on the following policy adopted by the management. The said policy is quoted below :</p> <p>"In respect of unserviceable, damaged and obsolete stores – 100% provision. In respect of stores & spares (except in insurance items) not moved for 5 years – 50% provision".</p> <p>The balances with major sundry debtors, claims receivables, sundry creditors are reconciled at regular intervals.</p> <p>The balances with major sundry debtors are reconciled at regular intervals. During the year letter for confirmation of balances were also issued to some of the major debtors.</p> |
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AUDITORS' REPORT**MANAGEMENT'S REPLY**

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| 4.5 | In absence of adequate information and confirmation from party, we are unable to express our opinion as to the adequacy of provision of Rs. 84.90 Crore made against outstanding dues of Rs. 155.48 Crore from BSEB which is more than ten years old. | Provision has been made on the basis of best judgement taking into consideration all the factors regarding the doubtful portion of the dues. BSEB is a State Electricity Board. Though these dues are old, yet it does not necessarily mean that these are unrecoverable as the customer(s) is a State Govt. Further, the matter has been taken up with Bihar State Govt. by CCL/CIL. |
| 4.6 | In absence of adequate information, we are unable to express our opinion as to the realisability or otherwise of claim for refund of Sales Tax, Professional Tax etc. amounting to Rs. 29.32 Crore since long. | The amount is due from Government and can not be considered as irrecoverable. Moreover, CCL is in continuous touch with the State Govt. for realisation of the same. |
| 4.7 | A provision of Rs. 40.25 Crore has been made upto 31.03.2012 against the deposits relating to cases under appeals for Royalty/ Cess and Sales Tax amounting to Rs. 122.57 Crore. The implication of the balance amount on profit, assets and liabilities could not be ascertained. | The individual cases against the balance amounts have been examined in terms of the liabilities as per AS-29 and found that no such liability has crystallized as on the Balance Sheet date. Hence, no further provision is required to be made at this stage. |
| 4.8 | No accountal has been made for Compensation receivable/payable in terms of FSA with the customers for the year 2011-12, the impact of which on the profit and debtors remained unascertained. | Compensation is receivable/payable under Fuel supply agreement on the basis of actual supply of coal vis-à-vis contracted annual quantity. Since the year 2011-12 has just been concluded, the exercise could not be completed to give effect in the accounts of 2011-12. Necessary accounting will be done in 2012-13. |
| 4.9 | No provision has been made for interest payable on unpaid service tax for the period from 01.01.2005 to 31.12.2007 amounting to Rs. 12.14 Crore. | In the absence of a demand the interest portion has not been provided, though the principal amount has already been provided. |
| 4.10 | The technical data are submitted by the management in respect of Advance Stripping, Coal Exposed, Overburden removal (OBR) , Average Ratio, Current Ratio, Ratio Variance etc. , in the matter of OBR Accounting. Since OBR calculation is a technical assessment, we are unable to express our opinion of the adequacy and correctness of the same. | Accounting for OBR is carried out in accordance with the Significant Accounting Policy (Para-12) of the Company. |

AUDITORS' REPORT**MANAGEMENT'S REPLY**

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| <p>4.11 We observed that at the time of consolidation of Central Ledger at the Headquarters a number of entries relating to different areas have been passed after completion of audit by the area auditors. The final position of Profit/Loss and Balance Sheet after such entries has not been certified by the respective Area Auditors.</p> | <p>The relevant journal entries has been passed at the headquarters at the time of consolidation. Hence the impact is automatically transferred to the respective areas.</p> |
| <p>4.12 Surveyed-off assets are retained in the books at net book value i.e. cost less depreciation without ensuring that whether the book value is less than the net realisable value which is not in accordance with AS -10 –“Accounting for Fixed Assets”.</p> | <p>In the absence of any such active market for this type of product, it is difficult to determine the NRV.</p> |
| <p>4.13 During the year the company has not carried out any exercise / evaluation of its assets to ascertain the impairment, if any. In absence of which the impact on the profit and the diminution in value of its assets remained unascertained which is not in accordance with AS -28 -“Impairment of Assets”.</p> | <p>In respect of loss making mines the development expenditure (including prospecting & boring expenditure) has already been charged off to the P&L A/C. Other assets like Heavy Earth Moving Machinery & Buildings etc. are capable of being used elsewhere. Hence, there is no further impact of impairment.</p> |
| <p>4.14 In absence of Expert legal opinion/latest position of cases/litigation against the company as referred in Point No. 14 of Note-34, we are unable to express our opinion on additional liability, if any, which are required to be provided under AS -29 lying un-provided / undisclosed.</p> | <p>The individual cases have been examined with reference to the conditions existing on the reporting date as well as the additional events after the Balance Sheet date. No such liabilities have crystallized under AS-29 on the Balance Sheet Date.</p> |
| <p>5 We further report that without considering the items mentioned in paragraph 4.1 to 4.8 and 4.10 to 4.14 above the effect of which could not be determined, had the observation made by us in paragraphs 4.9 above been considered the profit before tax for the year would have been Rs. 1958.10 Crore (as against reported figures of Rs. 1970.24 Crore) and Other Current Liabilities would have been Rs. 2587.20 Crore (as against reported figures of Rs. 2575.06 Crore).</p> | <p>No Comments.</p> |

AUDITORS' REPORT

MANAGEMENT'S REPLY

6. Subject to our observations contained in paragraphs 4 and 5 above, read together with " Significant Accounting Policies" in Note-33 and "Additional Notes on Accounts" in Note-34, we report that:
- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - (iv) Subject to paragraph 4.12 to 4.14, in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of The Companies Act, 1956.
 - (v) As explained to us and as per Notification No. GSR 829 (E) issued by Department of Company Affairs the provisions of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 are not applicable to a Government Company.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with

AUDITORS' REPORT

MANAGEMENT'S REPLY

the accounting principles generally accepted in India;

- (a) In the case of the Balance Sheet, of the State of Affairs of the Company as on 31st March, 2012.
- (b) In the case of Profit & Loss Account, of the Profit for the year ended on that date, and
- (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For V. K. Jindal & Co.
Chartered Accountants

Sd/-
(Suresh Agarwal)
Partner
(Membership No.072534)
ICAI Firm Reg. No.:001468C

Place: Ranchi

Date: 21st May, 2012

AUDITORS' REPORT TO THE MEMBERS

(Referred in paragraph-3 of our report of even date)

AUDITORS' REPORT

MANAGEMENT'S REPLY

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| <p>1. (a) The Company has generally maintained records to show particulars of fixed assets including quantitative details and location.</p> <p>(b) Physical verification of fixed assets valuing Rs. 1 lakh & above has been conducted at reasonable interval except surveyed off Assets. As informed to us, no material discrepancies have been noticed on such verification wherever reconciliation has been carried out. In some areas/offices fixed assets, verified but not reconciled between fixed assets as per books and as per physical record, discrepancies are yet to be ascertained.</p> <p>(c) In our opinion, the Company has not disposed off substantial part of fixed assets during the year, which would affect the going concern status of the Company.</p> <p>2. (a) Stock of coal, coke etc. has been physically verified by way of volumetric measurement with reference to contour map at each mine by Coal Measurement Team of Coal India Limited(CIL) at the year end and by the CCL team at reasonable interval. The procedure of physical verification of coal, coke etc. appears to be reasonable and adequate in relation to the size of the Company and nature of its business.</p> <p>(b) Physical verification of major part of stock of Stores and Spare parts of Regional Stores has been done by outside agencies as on 31.12.2011. At areas discrepancies between physical stock and the book stock were not material and for which book adjustment has been made. The procedure of physical verification appears to be inadequate at North Karanpura, Rajhara, Piparwar, Kathara and Dhorri area considering the size of the area and nature</p> | <p>This is a statement of fact except the physical verification of surveyed off assets. The Physical verification of surveyed off assets is carried out at the time of survey off of the P&M as well as at the time of disposal through auction.</p> <p>No comments.</p> <p>No comments.</p> <p>The procedure of Physical Verification of Stores is uniform throughout the Company.</p> |
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AUDITORS' REPORT**MANAGEMENT'S REPLY**

of its business, coverage and frequency of physical verification need to be increased and reviewed and efforts should be made to make meaningful use of verification reports.

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| (c) | The company is maintaining proper records of inventory. Discrepancies found in physical verification compared to the book records in respect of coal, coke etc. which were within +/-5% have not been dealt with in the accounts; In terms of the Accounting Policy No. 7.1 of Note-33 of the company. In our opinion the value of coal, coke etc. should have been considered in the accounts as per physical measurement of stocks. The discrepancies observed as on 31.12.2011, during physical verification of stock of stores and spares have been properly dealt with in the books in view of details at para 2(b) above. | There is a Uniform Accounting Policy to deal with the case of discrepancy found on physical verification compared to book stock and it is being dealt in accordance with the Accounting Policy No. 7.1 of Note-33. |
| 3(a) | The Company has deposited surplus fund of 29.12 Crore with its holding Company Coal India Limited. | No Comments. |
| (b) | As per information and explanations given to us, the holding company has allowed interest @ 10.25% on surplus fund parked with holding company. Considering the relationship of holding company with its subsidiary company, we are unable to express our opinion. | No comments. |
| (c) | As per information and explanations given to us, the receipt of interest is regular. | This is a statement of fact. |
| (d) | The Company has not taken any loan during the year from parties listed u/s 301 of the Companies Act, 1956. | This is a statement of fact. |
| 4. | In our opinion, there are reasonable internal control system commensurate with the size of the company and nature of its business relating to purchase of inventory and fixed assets and for sale of goods and services subject to certain lapses in few cases, such | No comments. |

AUDITORS' REPORT**MANAGEMENT'S REPLY**

as long time lag between receipt of materials and recording of liabilities and/or adjustment with the advances, non maintenance of proper records for unexecuted orders and non receipt of goods, non/delayed account of such cases for which payments were made. As per our test checks and as reported by the Branch Auditors there is no serious continuing failure to correct major weakness in internal control system.

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| 5. | In respect of transactions covered under Section 301 of the Companies Act, 1956: | |
| (a) | According to the information and explanation given to us, in our opinion the Company has entered particulars of contracts or arrangements referred to in Section 301 of the Act in the register maintained under that Section. | No comments. |
| (b) | According to the information and explanation given to us, no transactions in pursuance of such contracts or arrangements have been made. | No comments. |
| 6. | The Company has not accepted deposits from the public within the meaning of Section 58A and 58 AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under. | No comments. |
| 7. | The company has an Internal Audit System and concurrent audit is being conducted monthly by outside agencies appointed by Coal India Limited for checking of wage records, certificate of annual production and system transaction. Further, store and spare audit as on 31.12.2011 is conducted by outside agencies appointed by the Company. In our opinion the compliance of the report of said audits by the Management needs improvement and regular follow up so as to make such audit more effective. | Presently, Audit Report for January to December i.e. the calendar year is made available. Thus, the statutory auditors have access to the internal audit report on a continuous basis. As far as the scope and coverage of transaction audit is concerned, the same is determined uniformly by the holding company i.e. Coal India Limited, for all the subsidiary Companies. |

AUDITORS' REPORT**MANAGEMENT'S REPLY**

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| 8. | As explained to us by the Management , the Central Government has prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for the products of the company and applicable from 1st day of April, 2011 vide notification no. GSR 430(E) dated 3rd June 2011. As informed to us, the cost records as maintained by the area broadly serve the purpose as envisage in the said notification. However, the cost records not made available to us for the purpose of our review. | No comments.
Cost records are maintained at respective areas. |
| 9. (a) | According to the information and explanations given by the company, undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax , Customs Duty, Excise Duty, Cess and other statutory dues are generally deposited regularly and no undisputed dues were outstanding as at 31st March,2012 for a period of more than six months from the date of becoming payable, except service tax amounting to 16.51 Crore in respect of different areas for the period from 01.01.2005 to 31.12.2007. As informed to us Investor Education and Protection Fund and Employees' State Insurance Act are not applicable to the Company. | No comments. |
| (b) | According to the information and explanations given by the company, there is no disputed dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess that have not been deposited on account of matters pending before appropriate authorities except the cases which are stated in Appendix-1 to the report. | In the case of disputed dues of sales tax, royalty, cess etc. advance payment is to be made to the authority as a pre-requisite for appeal. The same amount has been shown as Loans & Advances. Contingent Liabilities for the total amount disputed has been shown in the Notes on Accounts. |
| 10. | There is no accumulated losses of the Company at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by | No comments. |

AUDITORS' REPORT**MANAGEMENT'S REPLY**

our audit and in the immediately preceding financial year.

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| 11. | In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution , bank and bond holder. | No comments. |
| 12. | According to the information and explanation given to us the company has not granted any Loans & Advances on the basis of security by way of pledge of shares, debentures and other securities. | No comments. |
| 13. | In our opinion, the Company is not a chit fund or a Nidhi/Mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company. | No comments. |
| 14. | The company is not in the business of dealing in or trading in shares, securities, debentures and other investment. The company has maintained proper records of transactions and contracts in respect of power bonds allotted to the company by Power companies under tripartite agreement. All power bonds have been held by the company in its own name. | No comments. |
| 15. | The company has not given guarantees for loans taken by others. However, the company through its' holding company CIL entered into an agreement with State Bank of India consortium to avail cash credit facility and charge has been created against the Current Assets of the company amounting to 83.00 Crore in favour of State Bank of India and members of its consortium for a loan of 55.00 Crore. However, the said facilities have not been availed by the company during the year. | No comments. |
| 16. | According to the information and explanation given to us and on an overall examination of the Balance Sheet of the | No comments. |

AUDITORS' REPORT**MANAGEMENT'S REPLY**

Company, We are of the opinion that the term loans were applied for the purpose for which the loans were obtained.

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| 17. According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, We report that no funds raised on short-term basis have been used for long term investment of the Company. | No comments. |
| 18. According to information and explanation given to us, during the year the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s 301 of the Companies Act, 1956. | No comments. |
| 19. No debenture has been issued by the Company; hence creation of securities in respect of debenture issued does not arise. | No comments. |
| 20. The company has not raised any money by public issue during the year . | No comments. |
| 21. To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the course of our audit, that causes the financial statements to be materially misstated. | No comments. |

For V. K. Jindal & Co.
Chartered Accountants

Sd/-
(Suresh Agarwal)
Partner
(Membership No.072534)
ICAI Firm Reg. No.:001468C

Place: Ranchi

Date: 21st May, 2012

Appendix-1**DETAILS OF DISPUTED STATUTORY LIABILITIES AS ON 31.03.2012***Fig. in Crore*

Tax Type	No. of Case	Name of Court	Period	Disputed Amount
Royalty Cases	31	Certificate Office, Dhanbad, Ranchi, Bokaro, Hazaribagh	1984-85 to 2010-11	48.89
Royalty Cases	1	Dy. Commissioner, Ramgarh	2008-09	0.74
Royalty Cases	7	Commissioner, Hazaribagh	1996-97 to 2008-09	7.08
Royalty Cases	25	High Court, Jharkhand	1991-92 to 2010-11	196.42
Royalty Cases	6	Supreme Court, Delhi	1991-92 to 2005-06	92.76
Sales Tax Cases	192	Commercial Tax Officer, Ranchi, Hazaribagh, Tenughat, Ramgarh	1990-91 to 2007-08	110.45
Sales Tax Cases	199	JCCT (A), Hazaribagh	1989-90 to 2007-08	237.16
Sales Tax Cases	18	JCCT (A), Ranchi	1985-86 to 2008-09	4.02
Sales Tax Cases	71	Commissioner, Commercial Tax, Ranchi	1988-89 to 2007-08	185.87
Sales Tax Cases	59	Tribunal, Ranchi	1990-91 to 2005-06	23.68
Sales Tax Cases	1	High Court, Jharkhand	1996-97	1.93
Service Tax Cases	12	Commissioner, Ranchi	2004-05 to 2008-09	59.79
Electricity Duty Cases	121	JCCT (A), Hazaribagh	1992-93 to 2008-09	13.96
Electricity Duty Cases	5	Tribunal, Ranchi	1993-94 to 1997-98	0.17
Electricity Duty Cases	8	High Court, Jharkhand	1997-98 to 2004-05	3.18
Entry Tax Cases	1	Supreme Court, Delhi	2006-07	25.00
Income Tax Cases	1	Assessing Officer, Ranchi	2011-12	3.29
Income Tax Cases	5	CIT (Appeal), Ranchi	2004-05 to 2009-10	276.44
Income Tax Cases	15	CIT (Appeal), Jamshedpur	2005-06 to 2011-12	4.46
Income Tax Cases	1	CIT (Appeal), Ranchi	2005-06	53.31
Income Tax Cases	10	High Court, Jharkhand	1984-85 to 1994-95	24.70
	742	Total		1373.29