

COAL INDIA LIMITED
10, Netaji Subhas Road
Kolkata – 700 001

No. CIL:X1(D):04043: 2009: 921

Dated 16th July, 2009

Sub: Notice of the Thirty-fifth Annual General Meeting of Coal India Limited.

Enclosed please find herewith a notice of Thirty-fifth Annual General Meeting of Coal India Limited to be held on Tuesday, the 28th July, 2009 at 11-30 AM at 10, Netaji Subhas Road. Kolkata – 700 001.

You are requested to make it convenient to attend the meeting.

Yours faithfully,



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

Distribution

1. The Secretary to the Govt. of India, - For representative of the President of India
Ministry of Coal, New Delhi.
2. Shri Partha S. Bhattacharyya, Chairman
Coal India Limited, Kolkata
3. Dr. S. P. Seth, Special Secretary
Ministry of Coal, New Delhi.
4. Shri Sanjiv Mittal, Jt. Secretary & F.A.
Ministry of Coal , New Delhi
5. Shri A. K. Jyotishi, Director
Ministry of Coal, New Delhi
6. Shri S. Bhattacharya, Director (Finance)
Coal India Limited, Kolkata

Copy to:

1. Shri P. K. Banerji,
Chairman, Audit Committee, CIL]
] with request to
2. M/s. Mitra, Kundu & Basu, Chartered Accountants]
Statutory Auditors, CIL] kindly attend
1, Acharya Jagadish Chandra Bose Road, Kolkata– 700 020] the meeting
]

Notice

No. CIL:X1(D):04043:2009:

Dated 16th July, 2009

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

Notice is hereby given to all Shareholders of Coal India Limited that the Thirty-fifth Annual General Meeting of the Company will be held on Tuesday, the 28th July, 2009 at 11-30 AM at the Registered office of the Company at "Coal Bhawan", 10, Netaji Subhas Road, Kolkata to transact the following business.

ORIDNARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st march, 2009 and Profit and Loss Account for the year ended 31st March, 2009 together with the Reports of Statutory Auditor & Comptroller & Auditor General of India and Directors' Report.
2. To declare dividend on Equity Share Capital.
3. To appoint a Director in place of Dr. Rajiv Sharma, Addl. Secretary, MOC who retires in terms of Article 33(d)(iii) of the Articles of Association of the Company and is eligible for reappointment.
4. To appoint a Director in place of Shri Sanjiv Mittal, Jt. Secretary & F.A., MOC who retires in terms of Article 33(d)(iii) of the Articles of Association of the Company and is eligible for reappointment.

By order of the Board



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

Kolkata, the 16th July, 2009

Note:

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

COAL INDIA LIMITED

Minutes of the Thirty-fifth Annual General Meeting of Coal India Limited held on Tuesday, the 28th July, 2009 at 11-30 AM at the Registered Office of the Company at 'Coal Bhawan', 10, Netaji Subhas Road, Kolkata

MEMBERS PRESENT

Shri Partha S. Bhattacharyya, Chairman, CIL	-	Personally present
Shri S. Bhattacharya, Director (Finance), CIL	-	Personally present
Dr. S. P. Seth, Spl. Secretary, MOC	-	Represented by Proxy- Shri S.K.Dubey
Shri Sanjiv Mittal, Jt. Secretary & FA, MOC	-	Represented by Proxy- Shri S.K.Dubey
Shri A. K. Jyotishi, Director, MOC	-	Absent
Shri S.K.Dubey, Section Officer, MOC	-	Authorised representative of the President of India.

INVITEES PRESENT

Shri P.K.Banerji	-	Chairman, Audit Committee, CIL
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IN ATTENDANCE.

Dr. H. Sarkar	-	CGM(F)/ Company Secretary
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Shri Partha S. Bhattacharyya, Chairman took the Chair. He then welcomed the members to the Annual General meeting and called the meeting to order.

CGM(F)/Company Secretary read out the Notice convening the meeting.

With the consent of the Shareholders present, the Directors' Report for the year 2008-09 along with the addenda thereto were taken as read.

It was noted that the required quorum was present and the consents for holding the Annual General Meeting at shorter notice were received from all the members of Coal India Limited.

Thereafter, items were taken up as under:

ITEM NO. 1

Sub: To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2009 and Profit & Loss Account for the year ended 31st March, 2009 together with the Reports of Statutory Auditors, Comptroller and Auditor General of India and Directors' Report.

Shri Partha S. Bhattacharyya, Chairman proposed the following Resolutions as Ordinary Resolution which were seconded by Shri S. K. Dubey, Authorised Representative of the President of India.

“Resolved that the report of the Board of Directors of the Company for the year 2008-09 be and is hereby approved and adopted.”

“Resolved that the audited Profit & Loss Account of the Company for the year ended 31st March, 2009 together with the Schedules, Reports of Statutory Auditors & CAG of India and the management's reply to the observations made by the Statutory Auditors in their report on accounts be and are hereby approved and adopted.”

“Resolved that the audited Balance Sheet of the Company as on 31st March, 2009 be and is hereby approved and adopted.”

The Chairman put the above motions to the meeting and they were approved unanimously.

ITEM NO. 2

Sub: Declaration of dividend

Shri Partha S. Bhattacharyya, Chairman proposed the following Resolutions as ordinary Resolutions which were seconded by Shri S. K. Dubey, Authorised Representative of the President of India.

“ Resolved that on the recommendation of the Board of Directors of the Company, the payment of dividend of Rs. 1705.42 crores (Rupees one thousand seven hundred five crores and fifty two lakhs) only, out of the profit for the year 2008-09 to the Govt. of India and payment of appropriate tax as applicable thereon to the Income Tax Authority be and are hereby approved.”

The Chairman put the above motion to the meeting which was approved unanimously.

ITEM NO. 3 and 4

Sub: Appointment of Directors

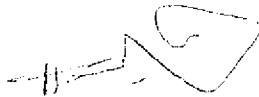
Shri S.K.Dubey, Authorised Representative of President of India, proposed the following resolutions as ordinary resolutions, which were seconded by Shri Partha S. Bhattacharyya, Chairman.

“Resolved that Dr. Rajiv Sharma, Addl. Secretary, MOC Part-time Official Director retiring in terms of Article 33(d)(iii) of the Articles of Association of the Company be and is hereby reappointed as Part-time official Director of the Company.”

“Resolved that Shri Sanjib Mittal, Jt. Secretary & FA, MOC Part-time Official Director retiring in terms of Article 33(d)(iii) of the Articles of Association of the Company be and is hereby reappointed as Part-time official Director of the Company.”

The Chairman put the above motions to the meeting and they were approved unanimously.

There being no other business to transact, the meeting ended with a vote of thanks to the Chair.



(DR. H. SARKAR)
CGM(F)/COMPANY SECRETARY



(PARTHA S. BHATTACHARYYA)
CHAIRMAN

Dated 28th July, 2009.
Kolkata.

DIRECTORS' REPORT

To
The Members,
Coal India Limited.

Ladies & Gentlemen,

On behalf of the Board of Directors, I have great pleasure in presenting to you, the Thirty-sixth Annual Report of Coal India Limited and Audited Accounts for the year ended 31st March, 2009 together with the reports of the Statutory Auditors and the Comptroller and Auditor General of India thereon.

During the year the company continued to have eight fully owned subsidiary companies viz. Eastern Coalfields Limited (ECL), Bharat Coking Coal Limited (BCCL), Central Coalfields Limited (CCL), Western Coalfields Limited (WCL), South Eastern Coalfields Limited (SECL), Northern Coalfields Limited (NCL), Mahanadi Coalfields Limited (MCL) and Central Mine Planning & Design Institute Limited (CMPDIL).

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

The year gone by has been one of the most challenging yet rewarding for Coal India Ltd. The steady performance of Coal India Limited over the years since inception and its contribution to the Country's growth and creation of National Wealth was amply recognized when the company was conferred with the "**Navratna Status**" in October 2008.

The performance of the company both in terms of physical as well as basic financial parameters have improved this fiscal over the previous year despite the unprecedented global economic melt down. In fact the year has been an year of consolidation and accelerated growth for Coal India Limited. The coal production for the year was 403.73 million tonnes against 379.46 million tonnes thereby registering a growth of 6.4% which was much higher than average 5.4% since beginning of Xth plan period till 2007-08. The off take grew by **6.96% to 401.46 mill tonnes** as against 375.33 million tonnes in the previous year. The gross turn over at **Rs.45796.59** crores against Rs.38865.70 crores in previous year accounted for a growth of **17.80%** even though coal prices were not revised during the year.

The sharp increase in input cost during the year was due to the pay revision for both Wage Board employees and Executives accounting for 52.98% of the total cost of production. Coal India Limited finalized the National Coal Wage Agreement (NCWA-VIII) in January, 2009 giving a 24% incremental benefit, the highest agreed so far. This not only helped avert a major strike call by the workers union which would have

certainly plunged the company into loss of production thereby affecting power generation and GDP growth already at a critical stage because of global economic melt down but also helped to lift the motivation for the employees which resulted in better industrial environment of the industry. The executive pay revision has also come into effect in line with the recommendations of the DPE, with a major financial impact on the bottom line of the company. These cost increase have not yet been neutralized through price adjustment. The increase in pay and wage revision by a staggering **Rs.8348.70** crores had the effect of bringing down the pre-tax profit from **Rs.14092.80** crores to **Rs.5744.10** crores.

As already mentioned the conferment of Navratna status to Coal India Limited has opened up new vistas as well as responsibilities and challenges for future. Now the Board of Coal India Limited is empowered to sanction all projects on its own, which will fasten the implementation of pending projects and thereby contributing energy security of the country in a more effective manner. Consequently CIL has taken up the challenge on itself to enhance the coal production to 435 million tonnes by 2009-10 i.e. a growth of 7.7%.

The global meltdown and its impact on Coal India:

- The recent global meltdown and the economic recession has not affected CIL in a major way since demand for coal from power producers and from other coal consuming industries continues to be high. This was mainly due to the country's accelerated programme of addition to power generation capacity being largely on course.
- On the contrary CIL is helping to mitigate affects of economic meltdown in India to some extent. By offering coal at a deep discount to international prices even, in the face of global economic meltdown, the company plays an extremely important strategic role in making the end user industry globally competitive.
- Some of the highlight of performance of the company are touched upon in the following paragraphs to illustrate the company's all round performance during the year:-

Environment management by CIL- Satellite Surveillance measures

- Coal India Limited during the year 2008-09 has introduced a Satellite Surveillance System for monitoring of land reclamation and afforestation of its major opencast mines. Starting with 35 large major opencast mines in phase-I the coverage will be extended in phases to all opencast mines. Consequently reports based on satellite data is being uploaded in the websites of CIL, CMPDIL and concerned coal companies. This is expected to bring substantial transparency in CIL's environmental management efforts.

- Coal India has already planted about 7 crores plants with a survival rate of over 85%. Thirty open cast mines of Coal India are in possession of ISO 14001 certification.
- The year 2009-10 has been declared as the year of “Environment Management” at CIL.

Welfare measures/ corporate social responsibility measures

- As a measure of responsibility for providing employee welfare, CIL has introduced a scheme for meeting the cost of education including hostel charges for children of workmen in select engineering colleges and Govt. Medical Colleges.
- Action has been initiated for setting up of mobile dispensaries and wellness clinic on a large scale. Similar proposal has also been initiated to introduce Telemedicine facilities in central hospitals and extend such facilities to the people residing in an around the coal mining areas.
- The company has for the benefit of the society at large undertaken activities viz.
 - i) adoption of villages / providing basic amenities such as clean water /sanitation/ roads etc.;
 - ii) setting up of CSR dispensaries in all the subsidiary companies;
 - iii) providing medical facilities to the villagers at their doorsteps in remote places using Mobile Medical vans;
 - iv) organizing health awareness programmes amongst others.

Venture abroad

During the year CIL successfully bagged two virgin coal blocks covering around 224 square kilometers viz. A1 and A2 blocks in coal bearing TETE province of Mozambique through competitive bidding process run by Govt. of Mozambique. The blocks will be taken up for exploration and development shortly after completion of necessary formalities. The coal which will be subsequently mined from these blocks will be imported to India to substantially augment the coal availability in the country

Transparency initiatives

As a part of clean and transparent measure of corporate governance as well as enhancing the speed of decision making CIL has sealed a pact with MSTC Limited to act as a independent service provider for CIL’s e-tendering and reverse auction services.

Fuel Supply Agreement

As a measure of ushering in an era of consumer-friendly commercial practices in coal marketing, Fuel Supply Agreements have been entered into with all major consumers.

R&R Policy

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

Other long term virgin initiatives

As a strategic expansion programme, CIL has undertaken activities for developing seven large underground mines, re-opening eighteen abandoned mines, developing 18 coal beneficiation plants (for providing washed coal to all non-pithead consumers) on Build Operate and Maintain basis.

2.0 FINANCIAL PERFORMANCE

2.1 Financial Results

A. The pre-tax profit of CIL and its subsidiary companies during the year 2008-09 is Rs. 5744.10 crores after taking into account the impact of pay revision for workmen w.e.f 01.07.2006 and executives from 01.01.2007. Financial impact of revision of wages of wage board employees and that of executives are Rs.10104.78 crores, out of which liability provided in the Accounts of 2007-08 was Rs. 1756.08 crores and the balance of Rs. 8348.70 crores has been provided in 2008-09. Out of the aforementioned financial impact of Rs.8348.70 crores, Rs. 3129.26 crores relates to actuarial liability for increased salary and increased ceiling of gratuity from Rs.3.50 lacs to Rs.10.00 lakhs. On a like-to-like comparison between 2007-08 and 2008-09 without the provision of pay revision of wage board employees and executives, growth in profit before tax is 34.29% over last year. Company-wise position of profit before tax without considering the impact of pay revision is stated below:-

Company	2008-09 Profit (+) / Loss (-)	2007-08 Profit (+) / Loss (-)
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ECL	(-) 255.98	(-) 638.72
BCCL	(+) 208.35	(+) 431.40
CCL	(+) 1759.25	(+) 1282.31
NCL	(+) 3619.50	(+) 2826.99
WCL	(+) 1787.55	(+) 1207.38
SECL	(+) 3356.62	(+) 2393.89
MCL	(+) 2945.78	(+) 2578.98
CMPDIL	(+) 127.19	(+) 26.50
CIL/NEC	(+) 3791.28	(+) 2666.69
Sub-Total	(+) 17339.54	(+) 12775.42
Less : Dividend from Subsidiaries	(-) 3329.74	(-) 2378.27
Total	(+) 14009.80 (+) (+) 8674.30	(+) 10397.15 (+) (+) 8674.30
Adjustment for deferred Revenue income	(+) 83.00	(+) 97.38
Overall Profit as per Consolidation of Accounts	(+) 14092.80 (+) (+) 8674.30	(+) 10494.53 (+) (+) 8674.30

B. Nevertheless, after considering the impact of pay revision retrospectively, CIL and its subsidiaries have achieved an aggregate pre-tax profit of Rs. 5744.10 crores in the year 2008-09 against a pre-tax profit of Rs 8738.46 crores in the year 2007-08. The financial impact of pay revision accounted for being Rs.8348.70 crores in 2008-09 as against Rs. 1756.08 crores in 2007-08.

Company-wise position with regard to profit(+) earned or loss (-) incurred during the year under review vis-à-vis in 2007-08 are given in the table appended below:-

Figures in crores

Company	2008-09 Profit (+) / Loss (-)	2007-08 Profit (+) / Loss (-)
ECL	(-) 2105.70	(-) 1026.66
BCCL	(-) 1376.99	(+) 97.05
CCL	(+) 763.80	(+) 1035.25
NCL	(+) 3131.01	(+) 2763.75
WCL	(+) 516.12	(+) 930.22
SECL	(+) 1817.93	(+) 2067.37

MCL	(+) 2580.25	(+) 2504.79
CMPDIL	(+) 6.74	(+) 5.00
CIL/NEC	(+) 3657.68	(+) 2642.58
Sub-Total	(+) 8990.84	(+) 11019.35
Less : Dividend from Subsidiaries	(-) 3329.74	(-) 2378.27
Total	(+) 5661.10 (+) (+) 8674.30	(+) 8641.08 (+) (+) 8674.30
Adjustment for deferred Revenue income (*)	(+) 83.00	(+) 97.38
Overall Profit as per Consolidation of Accounts	(+) 5744.10 (+) (+) 8674.30	(+) 8738.46 (+) (+) 8674.30

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

Highlights of performance

The highlights of performance of Coal India Limited including its Subsidiaries in the year 2008-09 compared to previous two years are shown in the table below:

	2008-09	2007-08	2006-07
Production (in million tonnes)	403.73	379.46	360.91
Off-take of Coal (in million tonnes)	401.46	375.33	351.14
Sales (Gross) (Rs./Crores)	45796.59	38865.70	35129.16
Gross Profit (Rs./Crores)	5900.60	8888.39	8687.38
Capital Employed (Rs./Crores)	16963.98	17108.20	16223.74
Net Worth (Rs./Crores)	19165.04	19342.36	17889.30
Profit before Tax (Rs./Crores)	5744.10	8738.46	8602.46
Profit after Tax (Rs./Crores)	2078.69	5243.27	5708.73
Gross Profit to Capital employed	34.66%	51.95%	53.55%
Profit before Tax to Net Worth	29.97%	45.18%	48.09%
Coal Stock (Net) (in terms of No. of months Net Sales)	0.78	0.88	0.88
Sundry Debtors (Net) (in terms of No. of months Gross Sales)	0.47	0.45	0.50

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

related corresponding figures shown above may be read with such deviation.

2.2 Dividend Income and Pay Outs:

Dividend income of CIL accounted for during the year under review, based on the recommendations from five profit making subsidiaries namely, CCL, NCL, WCL, SECL and MCL was Rs. 3329.74 crores as against dividend of Rs. 2378.27 crores in previous year, the Subsidiary-wise break-up of which are as under:

Name of the Subsidiary	Rs. in crores	
CCL	250.23 (244.40)	
NCL	1063.00 (776.59)	
WCL	259.34 (296.00)	
SECL	757.17 (510.78)	
MCL	1000.00 (550.50)	--
TOTAL	3329.74 (2378.27)	--

Figures in brackets are for previous year.

Your Directors recommended dividend payment of Rs.1705.42 crores @ Rs. 270/- per share on 63163644 Equity Shares of Rs. 1000/- each fully paid valued at Rs. 6316.36 crores and payment of tax as applicable thereon.

3. Coal Marketing

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

Due to implementation of New Coal Distribution Policy issued by GOI and better availability of coal, CIL posted a robust growth of almost 7% in off-take which touched 401.46 million tonnes during the year ended March, 2009 as against 375.33 million tonnes of previous year. Even compared to target, % meterialization has been as high as 99%. Sector wise target meterialization has also been fairly satisfactory as may be seen from details given below. In fact, power sector had received coal of 296.74 million tonnes which not only exceeded target but also was up by about 17 million tonnes over last year with a growth of 5.92%. Limited indigenous coking coal availability continued to stand as

an impediment in better dispatch of coal to integrated steel plants. Dispatch to other sectors suffered to some extent on account of priority given to power sector.

Sector-wise break-up of off-take for 2008-09 against target and last year's actual are given below:

(Figs. in million tonnes)

Sector	2008-09			2007-08	Growth over last year	
	Target	off-take	% Satn.	Actual	Abs.	%
Power (Util) Raw Coal*	292.93	296.74	101.30	280.15	16.59	5.92
Steel**	10.87	9.00	82.80	10.01	-1.01	-10.08
Cement	8.78	9.25	105.35	9.45	-0.20	-2.11
Fertilizer	2.54	2.43	95.67	2.47	-0.04	-1.62
Export	0.02	0.02	100.00	0.01	0.01	100.00
BRK/Others	89.12	83.29	93.45	72.48	10.81	14.91
Colliery Consumption	0.74	0.73	98.64	0.76	-0.03	-3.95
Total Off-take	405.00	401.46	99.13	375.33	26.13	6.96

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

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

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

Company-wise target vis-à-vis actual off-take for 2008-09 and 2007-08 are shown below:

(Figures in Million Tonnes)

Company	2008-09			2007-08	Growth over last year	
	Target	Achieved	% Achieved	Achieved	Absolute	%
ECL	31.00	28.26	91.16	25.44	2.82	11.08
BCCL	26.50	24.60	92.83	24.09	0.51	2.12
CCL	47.00	43.84	93.28	42.04	1.80	4.28
NCL	61.25	64.23	104.87	59.02	5.21	8.83
WCL	43.05	45.37	105.39	44.90	0.47	1.05
SECL	96.00	103.02	107.31	95.00	8.02	8.44
MCL	99.00	91.30	92.22	83.64	7.66	9.16
NEC	1.20	0.84	70.00	1.20	-0.36	-30.00
CIL as a whole	405.00	401.46	99.13	375.33	26.13	6.96

Excepting NEC, off-take in all other coal companies are on higher side compared

to last year. Less off-take in NEC is attributable to accident in mines and consequent suspension of production in all underground mines for a considerable period. It is also seen that NCL, WCL and SECL have outperformed their targeted off-take. In case of ECL and CCL, although, off-take are on lower side compared to target, same however has outstripped production resulting in depletion in stock. In case of BCCL, although there has been slippage in off-take against target, the off-take however has touched a new high since 2002-03. Overall off-take could have been even higher but for sporadic law & order problem at CCL affecting transportation of coal to sidings, unloading constraints at a few power plants, less availability of rakes from Railways particularly at Ib valley and Talcher fields and less placement of MGR blocks by Talcher STPS during peak production months.

3.2 Despatches of Coal and Coal Products by various modes

Despatches of coal and coal products during 2008-09 rose by 7.45% to 399.61 million tonnes from 371.90 million tonnes. Major increase continued to remain in road mode because of increased movement of coal by road to Private Washeries. Despatches of coal and coal products by various modes for the year 2008-09 and 2007-08 are given below:

(Figures in Million Tonnes)

Year	Rail	Road	MGR	Belt	Rope	Overall
2008-09	207.70	96.18	82.68	7.66	5.39	399.61
2007-08	204.84	72.87	81.02	7.36	5.81	371.90
Increase/Decrease	2.86	23.31	1.66	0.30	-0.42	27.71
Growth %	1.39	31.99	2.04	4.08	-7.22	7.45

3.3 Wagon Loading

Wagon loading went up to 22894 wagons per day in the year under report from 22417 wagons per day in 2007-08 resulting in a growth of 2.13%. Despite overall growth, loading in most of the Coal Companies have declined though marginally, compared to last year as may be seen from the figures given below. While in NEC, constraint, as already stated earlier, was the main factor for less loading, in case of WCL and SECL, more movement of coal by road to private washeries resulted in less loading. Further in SECL, dispatch of coal to NTPC Seepat through MGR in current year, instead of rail mode also depressed rail loading. While in case of CCL, frequent law and order problem and consequent less transportation contributed to less loading and in BCCL less availability of coking coal affected loading.

(Figures in FWWs/Day)

Company	2008-09			2007-08	Growth over last year	
	Target	Achieved	% Achieved	Achieved	Absolute	%age

ECL	1848	1737(695)	93.99	1627	110	6.76
BCCL	2684	2338(935)	87.11	2389	-51	-2.13
CCL	4081	3681(1472)	90.20	3717	-36	-0.97
NCL	1713	2143(857)	125.10	1792	351	19.59
WCL	2383	2406(962)	100.97	2489	-83	-3.33
SECL	4842	4694(1878)	96.94	4719	-25	-0.53
MCL	6355	5806(2323)	91.36	5563	243	4.37
NEC	110	89(36)	80.91	121	-32	-26.45
CIL	24016	22894(9158)	95.33	22417	477	2.13

Figures within () boxes per day.

3.4 Consumer satisfaction

- i) Coal India Ltd. and its subsidiaries are meeting the burgeoning demand of coal attuned to GDP and Industrial growth. Production level of 403.73 million tonnes in 2008-09 has been achieved, which is to go up to 435.0 million tonnes during 2009-10. The corresponding raw coal off-take is required to increase to 435.0 million tonnes from a level of 401.46 million tonnes. Even with inadequate infrastructure for faster coal evacuation, CIL has so far been able to fulfill its commitments as no thermal plant has ever suffered generation loss due to short supply of coal of desired quality. Thermal power plants account for 75% of total dispatch of coal of CIL.
- ii) CIL has adopted various measures to ensure supply of assured quality of coal to consumers. Quality Management starts right at the coalface so as to improve upon over all quality of coal dispatches. Attempts have also been made to improve upon crushing, handling, loading & transport system.
- iii) CIL has built up coal handling plants capacity of about 258 million tonnes per annum so as to maximise despatches of crushed/sized coal to the consumers. In addition, the washeries at BCCL, CCL, WCL & NCL have adequate crushing/sizing facilities to the tune of about 39.4 million tonnes in their system for generation of different washery products. Further, MCL has successfully introduced the system of size-reduction of coal to (-) 100 mm and other coal companies have also planned to crush/size coal to (-) 100 mm in phases.
- iv) However, complaints are received from various power houses mainly on account of supply of oversized coal and presence of extraneous materials leading to, as reported, various breakdowns in the unloading and coal handling system at the power stations end. The problem caused by such eventuality is of major concern for the power stations. The issue needs to be addressed for which it is

essential that an overall performance of 100% sizing be achieved during the current financial year i.e. 2009-10. The companies, which need to take action on priority, are ECL, BCCL, CCL, MCL and SECL where complaints are frequently received regarding oversized coal and extraneous materials.

- v) Measures like picking of shale/stone, selective mining by conventional mode as well as by surface miners, adopting proper blasting procedure/technique for reducing the possibility of admixture of coal with over-burden materials, improved fragmentation of coal, etc. are being taken for improving coal quality.
- vi) Surface Miners for selective mining at some of the mines have been deployed by CIL to improve quality of coal mined. Action is being taken for deployment of more surface miners in other mines where Geo-mining condition permits. Already 32 nos. of Surface Miners have been deployed in MCL, CCL & SECL at open cast mines and are working satisfactorily.
- vii) Joint sampling system is in vogue for major consuming sectors e.g. power (utilities as well as captive), steel, cement, sponge iron taking more than 90% coal of total production from coal companies. On overall basis, large consumers having annual quantity of 0.4 million tonnes or more and having FSA have been covered to the extent of 99.25% of total dispatches eligible for sampling. The achievement of grade conformity in respect of sampling and analysis has been to the tune of 91.1 % in respect of supplies to power sector during 2008-09. Consumers, covered under agreed sampling arrangement, are required to pay as per the analysed grade of coal. This system is working satisfactorily.
- viii) Electronic weighbridges with the facility of electronic printout have been installed at rail loading points to ensure that coal dispatches are made only after proper weighment. For this purpose, Coal Companies have installed 169 weighbridges in the Railway Sidings and 415 weighbridges for weighment of trucks. Coal Companies have also taken actions for installation of standby weighbridges to ensure 100% weighment.

During 2008-09, about 98.06 % of coal dispatches to powerhouses have been weighed as compared to about 98.41% during the year 2007-08. Sized coal dispatches to powerhouses during 2008-09 had been 98.28 % as compared to about 97.25% during the year 2007-08.

3.5 Steps Taken towards Liberal Marketing of Coal

New Policy on Distribution of Coal is under implementation. Status of different aspects covered under NCDP is as under :

- (i) The earlier classification of consumers into core and non-core sector has been done away with.
- (ii) Requirement of defence sector and railways are being met in full at notified prices as at present.
- (iii) While 100% of the normative requirement is being released to existing Power Utilities including Independent Power Producers (IPPs)/ Captive Power Plants (CPPs) and Fertilizer Sectors, 75% of the quantity as per normative requirement is being released to other sectors through FSA. In case of Power utilities, FSA for the existing consumers developed by business advisory M/S. CRISIL in consultation with CIL has been sent to SEBs for execution. Regular follow up is being made by coal companies. 5 SEBs namely GEB, KPCL, APGENCO, TINEB, MAHAJENCO and 1 IPP i.e. LANCO/AMARKANTAK have already executed FSA with coal companies. In case of other sectors, CIL developed 3 model FSAs for (i) Requirement between 4,200 tonne to 50,000 tonnes per annum (ii) Requirement between 50,000 tonne to 4,00,000 tonnes per annum and (iii) Requirement more than 4,00,000 tonne per annum. Out of 1223 linked units, 1168 units executed FSA for a quantity of 63.40 million tonnes.
- (iv) In case of Coking Coal to integrated Steel Plants, FSA model developed by CRISIL in consultation with CIL has been sent to SAIL for execution. Coal companies are making regular follow up.
- (v) For small and medium sector consumers, 8 million tonnes earmarked, had been distributed amongst various States/ Union Territories and same had been communicated for sending their nomination so that such nominated agency could draw coal through FSA for meeting the requirement of targeted consumers. Out of 35 States/Union Territories, 27 States sent their nomination, of which 16 States namely Assam, Chattisgarh, J&K, MP, Maharastra, Nagaland, Orissa, Punjab, Rajasthan, UP, Gujarat, Himachal Pradesh, Jharkhand and Karnataka, Sikkim and Uttarakhand executed FSA with concerned coal companies for an aggregate quantity of 3.10 Lac tonnes. 5(Five) State Govts./Union Territories, namely Delhi, Haryana & Chandigarh, Dadar Nagar Haveli & Andaman have informed that they do not have requirement of coal.
- (vi) Letter of Assurance for New Consumers covered by SLC(LT) i.e. (i) Power Utilities including IPPs, CPPs, Cement & Sponge Iron had been issued to 505 units cleared by SLC(LT) asking them to deposit commitment guarantee (CG) so that LOAs can be issued forthwith. Model LOAs developed for all the units

under SLC(LT) sector, specifies various milestones required to be achieved by the units in the specified time frame. No. of applicants deposited Commitment Bank Guarantee is 400 and quantity involved 122.39 million tonnes. No. of LOAs issued comes to 378. LOA holders are to execute FSA within 3 months of fulfillment of milestones stipulated in LOA.

- (vii) In case of consumers not covered by SLC(LT), the task has been given to Central Industrial Mining & Fuel Research, Dhanbad to develop the norms. They have already developed the norms and same is under process of finalization. Model LOAs for consumers not covered under SLC(LT) have also been developed by CIL which is also under process of finalization.
- (viii) A fresh scheme of E-Auction has been introduced with 2 types of E-Auction namely Spot E-Auction and Forward E-Auction. While spot E-Auction is almost similar to the old E-Auction scheme introduced earlier in which all buyers can participate for buying coal on month to month basis, in case of forward E-Auction, end-users would have the flexibility to bid for next 4 quarters at one go. Consumers can quote different quantity as well as different prices, varying from quarter to quarter. Traders would not be allowed to participate in the forward E-Auction process. While Spot E-Auction is already in operation since Nov' 07, Forward E-Auction is yet to start. In case of Forward E-Auction, CIL had planned to launch the scheme in May' 08. But the same could not take off due to poor registrations arising out of difficulties in implementing certain terms and conditions incorporated in the scheme. The problems faced have been taken care of and scheme with simplified registration requirements is being introduced shortly.

3.6 Stock of Coal, Coke, etc.

Net adjusted value of the pithead stock of coal and other products at the close of the year 2008-09 after provision for stock deterioration, etc. was Rs. 2514.98 crores which was equivalent to 0.78 months' value of net sales. The Company-wise position of stocks held on 31.3.2009 and 31.3.2008 are given below:

Company	Net value of stock as on 31.3.09	Net value of stock as on 31.3.08	(Rs. in Crores)	
			Stock in terms of No. of months Net sales	
			As on 31.3.09	As on 31.3.08
ECL	197.32	209.22	0.62	0.79
BCCL	600.97	483.52	2.12	1.96
CCL	806.26	858.04	1.86	2.36
NCL	46.30	75.65	0.08	0.17

WCL	204.11	231.38	0.43	0.57
SECL	237.48	252.10	0.34	0.42
MCL	405.03	262.16	0.90	0.72
CIL/NEC	17.51	9.17	0.74	0.47
Total	2514.98	2381.24	0.78	0.88

3.7 Coal Sales Dues

Net Coal Sales dues outstanding as on 31.3.2009 after providing of Rs.1430.65 crores (previous year Rs. 1191.04 crores) for bad and doubtful debts, was Rs. 1780.71 crores (previous year Rs. 1456.43 crores) which is equivalent to 0.47 months combined gross sales of CIL as a whole (previous year 0.45 months). Subsidiary-wise break up of coal sale dues outstanding as on 31.3.2009 as against 31.3.2008 are shown below:

Company	(Rs. in Crores)			
	Coal Sales dues As on 31.3.2009		Coal Sales dues As on 31.3.2008	
	Gross	Net	Gross	Net
ECL	506.33	338.11	450.26	269.84
BCCL	622.08	186.82	310.51	51.44
CCL	1148.79	745.26	847.68	541.31
NCL	78.98	73.73	57.08	51.83
WCL	363.51	191.52	325.46	126.02
SECL	413.71	198.61	439.04	276.41
MCL	67.17	46.64	206.67	139.58
CIL/NEC	10.79	0.02	10.77	0.00
Total:	3211.36	1780.71	2647.47	1456.43

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

During the year 2008-09, CIL and its Subsidiaries paid/adjusted Rs.7200.02 Crores (previous year Rs. 5999.28 crores) towards Royalty, Cess, Sales-tax and other levies as detailed below:

	(Figures in Rs./ Crores)	
	2008-09	2007-08
Royalty	4300.97	3602.23
Cess	1065.85	697.75
Sales-tax	1406.18	1287.64
Stowing Ex. Duty	390.10	375.00
Entry Tax	36.92	36.66
Total	7200.02	5999.28

4. Coal Production

4.1 Raw coal production

Production of raw coal during 2008-09 was 403.73 million tonnes as against 379.46 million tonnes produced in 2007-08. The company-wise production is given below:

(Figures in million tonnes) □

Company	Coking		Non-coking		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
ECL	0.04	0.04	28.09	24.02	28.13	24.06
BCCL	13.08	12.01	12.43	13.21	25.51	25.22
CCL	12.54	13.29	30.70	30.86	43.24	44.15
NCL	0.00	-	63.65	59.62	63.65	59.62
WCL	0.73	0.67	43.97	42.84	44.70	43.51
SECL	0.15	0.16	101.00	93.63	101.15	93.79
MCL	0.00	-	96.34	88.01	96.34	88.01
NEC	0.00	-	1.01	1.10	1.01	1.10
Total	26.54	26.17	377.19	353.29	403.73	379.46

4.2 Production from underground and open cast mines.

Coal production from underground mines in 2008-09 was 43.96 million tonnes as compared to 43.54 million tonnes produced in 2007-08. Production from open cast mines during 2008-09 was 89.1% of total coal production. Company-wise production is as under:

(Figures in Million tonnes)

Company	Underground production		Opencast production		Total production	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
ECL	8.39	8.32	19.74	15.74	28.13	24.06
BCCL	4.13	4.47	21.38	20.75	25.51	25.22
CCL	1.56	1.83	41.68	42.32	43.24	44.15
NCL	-	-	63.65	59.62	63.65	59.62
WCL	10.11	9.98	34.59	33.53	44.70	43.51
SECL	17.57	16.73	83.58	77.06	101.15	93.79
MCL	2.15	2.12	94.19	85.89	96.34	88.01
NEC	0.05	0.09	0.96	1.01	1.01	1.10
Total	43.96	43.54	359.77	335.92	403.73	379.46

4.3 Hard Coke and Washed Coal (Coking) Production

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

(Figures in lakh tonnes)

Company	Hard coke		Washed coal (Coking)	
	2008-09	2007-08	2008-09	2007-08
ECL	-	-	-	-
BCCL	0.003	0.14	16.05	16.62
CCL	-	-	17.09	18.38
NCL	-	-	-	-
WCL	-	-	3.66	3.31
SECL	-	-	-	-
MCL	-	-	-	-
NEC	-	-	-	-
Total	0.003	0.14	36.80	38.31

4.4 Overburden Removal

Overburden removed during 2008-09 was 645.13 million cubic metres as against 607.56 million cubic metres achieved in 2007-08, recording a growth of 6.2%. Company-wise details of overburden removal are shown below:

(Figures in Million Cu. Mtrs.)

Company	2008-09	2007-08
ECL	43.07	39.98
BCCL	53.60	50.61
CCL	55.63	55.21
NCL	202.75	186.25
WCL	126.66	113.89
SECL	107.00	100.64
MCL	51.84	54.56
NEC	4.58	6.42
Total	645.13	607.56

5. Population of Equipment

The population of major opencast equipment as on 1.4.2009 and 1.4.2008 along with their performance status in terms of availability and utilisation expressed as percentage of CMPDIL norms is tabulated below:

	No. of Equipment	Indicated as % of CMPDIL norms
--	------------------	--------------------------------

Equipment						
	As on 1.4.2009	As on 1.4.2008	Availability		Utilisation	
			2008-09	2007-08	2008-09	2007-08
Dragline	40	41	95	98	99	104
Shovel	703	687	92	90	84	83
Dumper	3293	3240	99	99	72	70
Dozer	1025	998	92	92	60	60
Drill	754	670	97	96	72	73

6 Capacity Utilisation

The overall capacity utilisation of CIL as a whole for the year 2008-09 has been 94.67%. It was 93.82% during 2007-08. Subsidiary-wise details in terms of percentage are as under:

Company	2008-09	2007-08
ECL	90.39	72.79
BCCL	95.43	91.42
CCL	86.26	95.70
NCL	91.58	94.89
WCL	113.40	100.50
SECL	100.64	102.14
MCL	85.02	93.14
NEC	50.38	45.16
CIL (overall)	94.67	93.82

7. Productivity: Output per Manshift (OMS)

Output per manshift (OMS) during 2008-09 improved to 4.09 Tonnes from 3.79 Tonnes of previous year. Company-wise position is given in the following table:

Company	(Figures in Tonnes)					
	U/G OMS		OC OMS		Overall OMS	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
ECL	0.46	0.43	6.42	5.04	1.33	1.07
BCCL	0.41	0.42	2.91	3.08	1.22	1.18
CCL	0.36	0.39	4.65	4.66	3.27	3.22
NCL	-	-	14.58	13.81	14.58	13.81

WCL	1.14	1.11	3.97	4.06	2.54	2.52
SECL	1.26	1.19	15.76	14.30	5.26	4.83
MCL	1.25	1.18	23.06	23.57	16.60	16.19
NEC	0.10	0.20	7.83	8.09	1.77	1.88
Total	0.76	0.73	8.95	8.60	4.09	3.79

8 Projects

8.1 PROJECT FORMULATION

During the year 2008-2009, preparation of project reports for new/expansion/re-organization mines for building of additional coal production capacity was carried out as per prioritization of coal producing subsidiary companies of Coal India Limited. Thrust was given for preparation of reports of XI Plan Projects.

In addition to above, the following jobs were also undertaken:

- Revision of project reports/ cost estimates
- Feasibility reports for coking/non-coking coal washeries
- Conceptual reports and customization of bid document for washeries
- Operational plans for large OC mines
- Environment Management Plan (EMP)
- Reports for dealing with fire
- Detailed design and drawings, NIT, tender scrutiny, etc.
- Mine capacity assessment of underground & opencast mines of CIL.
- Various technical studies relating to operation of opencast & underground mines.
- Performance analysis of HEMM operating in OC mines and intermediate technology using SDLs and LHDs in UG mines of CIL.
- Preparation of Global bid documents for deployment of Longwall and Continuous Miner technology in underground mines of CIL as well as for high speed incline drivage and shaft sinking.

During the year 2008-2009, expert consultancy services were also provided to subsidiary companies of Coal India Limited in the field of Environmental Management and Monitoring, Remote Sensing, Energy Audit (Diesel & Electricity), Benchmarking of Diesel & Electricity Consumption and Fixation of Diesel & Electricity Consumption Norms of Opencast and Underground mines,

Physico-mechanical tests on Rock and Coal Samples, Subsidence Studies, Strata Control, Non-Destructive Testing (NDT), Controlled Blasting & Vibration Studies and Explosive Utilization, Ventilation/Gas Survey of UG mines, Mining Electronics, Petrography and Cleat Study on coal samples, Coal Core Processing & Analysis, Washability tests, OBR Survey, Man riding system, etc.

During the year under review, CMPDIL has prepared 441 reports in all, which include 20 Geological Reports, 36 Project Reports/Revised Cost Estimates, 11 Operation Plans, 168 Other Reports and 206 Environment Management Plans (including 180 Form-I).

8.2 PROJECT IMPLEMENTATION

During the year 2008-09, 6 Projects, costing more than Rs 20 Crores, have been completed. The details are as below :

SL	Subsidiary	Name of Project	Date of Completion	Capacity Mty	Capital Rs. Crs
1	BCCL	DAHIBARI – BASANTIMATA OC	01.04.08	1.30	81.25
2	WCL	TAWA II UG	31.03.09	0.39	36.43
3	SECL	DUGGA OC	31.03.09	1.00	87.05
4	MCL	SAMLESWARI EXPN PH III, OC	31.03.09	2.00	87.95
5	MCL	HINGULA EXPN PH I	31.03.09	2.00	89.78
6	MCL	HINGULA EXPN PH II	31.03.09	4.00	35.67
		Total		10.39	418.13

4 Projects, costing more than Rs 20 Crores, have started contributing in the year 2008-09. The details are as below:

SL	Subsidiary	Name of Project	Date of Commissioning	Capacity Mty	Capital Rs. Crs
1	ECL	KOTTADIH OC AMALGM	FEB, 09	1.00	23.01
2	WCL	GHONSA RPR OC	JAN, 09	0.45	44.66
3	WCL	DURGAPUR DEEP EXTN OC	AUG, 08	2.00	42.98
4	WCL	INDER UG TO OC	MAR, 09	0.60	38.23
		Total		4.05	148.88

Status of Ongoing Projects:

Presently 124 Mining and 8 Non-Mining projects, each costing Rs 20 Crores and

above, are under implementation. Out of the 124 Mining projects, 109 projects are on-schedule and 15 are delayed. Out of the 8 Non-Mining projects, 4 projects are on-schedule and 4 are delayed due to various reasons as given below :-

Projects	Projects on schedule	Projects delayed	Total
Mining	109	15	124
Non Mining	4	4	8
Total	113	19	132

Reasons for delay :

a. Mining Projects :

SL	Reasons for delay	No. of projects
1	Adverse Geo-mining condition	3
2	Land acquisition	5
3	Miscellaneous	7
	TOTAL	15

b. Non-Mining Projects :

SL	Reasons for delay	No of projects
1	Land acquisition	3
2	R & R	1
	TOTAL	4

8.3 PROJECTS SANCTIONED (Costing Rs 20 Crores & above)

MINING PROJECTS

- a) During the period from 01/04/2008 to 31/03/2009, no project / Advance Action Proposal has been sanctioned by Govt.
- b) 5 projects have been sanctioned by CIL under its delegated powers, from 1/4/2008 to 31/03/ 2009. The details are as below :

Sl. No.	Company	Name of Project	Type	Sanc Capacity (Mty)	Sanc Capital (Rs. Crs.)
1	NEC/CIL	LEKHAPANI	OC	0.25	56.39
2	NEC/CIL	TIRAP	OC	0.60	49.71

3	ECL	BELBAID (DHASAL)	UG	0.48	69.11
4	ECL	JHANJRA 2 nd CM	UG	0.51	122.35
5	ECL	NARAINKURI	UG	0.54	149.89
		Total		2.38	447.45

- c) 32 projects have been sanctioned by subsidiary companies under their delegated powers, from 1/4/08 to 31/03/ 2009. The details are as below :

Sl. No	Company	Name of Project	Type	Sanc Capacity (Mty)	Sanc Capital (Rs. Crs.)
1	CCL	PURNADIH	OC	3.00	210.98
2	CCL	TETARIAKHAR	OC	2.00	78.60
3	CCL	TAPIN OC	OC	2.50	264.00
4	CCL	PAREJ EAST	UG	0.51	128.89
5	CCL	ROHINI EXPN	OC	2.00 (Incr 1.20)	105.67
6	CCL	MAGADH EXPN	OC	8.00 (Incr)	236.62
7	CCL	URIMARI EXTN	OC	2.00	143.57
8	CCL	AMLO EXPN	OC	2.50	35.54
9	NCL	DUDHICHUA EXPN	OC	5.00	215.31
10	WCL	DINESH	OC*	3.00	496.40
11	WCL	DHUPTALA	OC*	1.70	194.11
12	WCL	WAGHODA	UG	0.39	71.74
13	WCL	SHARDA	UG*	0.32	50.95
14	WCL	DHANKASA	UG*	1.00	152.86
15	WCL	PENGANGA	OC	3.00	377.45
16	WCL	BHAKRA	UG*	0.27	55.258
17	WCL	MAORI BLOCK WITH CM	UG*	0.90	67.49
18	WCL	JAMUNIA	UG*	0.72	127.52
19	WCL	CHINCHOLI	UG*	0.30	24.64
20	WCL	SAONER MINE I EXPN	UG	0.75	68.16
21	SECL	BATURA	OC	2.00	203.82
22	SECL	JAGANATHPUR (MAHAN III & IV)	OC	3.00	152.43
23	SECL	PELMA	OC	10.00	447.85
24	SECL	KARTALI	OC	2.50	139.78
25	SECL	CHURCHA RO	UG	1.35	462.354
26	SECL	BAROUD EXPN	OC	3.00	135.58
27	SECL	KUSMUNDA EXPN	OC	5.00	450.56

28	MCL	TALABIRA	OC	20.00	447.72
29	MCL	HBI (AUG)	UG	0.90	27.86
30	MCL	ANANTA EXTN	OC	3.00 (Incr)	308.89
31	MCL	HINGULA EXTN	OC	7.00	292.54
32	MCL	LAKHANPUR EXPN PH II	OC	5.00	116.54
		Total		94.61	6291.68

Approval of PR is Subject to finalization of FSA on Cost Plus basis.

NON-MINING PROJECTS

During the period from 01/04/2008 to 31/03/2009, 1 new project costing more than Rs 20 Crores has been sanctioned by Subsidiary Company.

Sl. No	Company	Name of Projects	Type	Sanc Capacity (Mty)	Sanc Capital (Rs. Crs.)
1	MCL	Coal transportation & Silo loading arrangement at NTPC bulb, Lingraj	-	13.00	119.50

8.4 RPR / RCE (Costing Rs 20 Crs & above)_ _

- a) During the period from 01/04/2008 to 31/03/2009, no RCE/RPR has been sanctioned by Govt.
- b) During the period from 01/04/2008 to 31/03/2009, 1 RCE / RPR has been sanctioned by CIL

Sl. No	Company	Name of Projects	Type	Sanc Capacity (Mty)	Sanc Capital (Rs. Crs.)
1	ECL	SARPI (AUG) RCE	UG	0.76	147.86

- c) During the period from 01/04/2008 to 31/03/2009, 2 RCE / RPRs costing more than Rs 20 Crores have been sanctioned by subsidiaries:

Sl. No	Company	Name of Projects	Type	Sanc Capacity (Mty)	Sanc Capital (Rs. Crs.)
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1	WCL	GHONSA RPR	OC	0.45	44.66
2	CCL	TARMI RPR	OC	1.00	56.32
		Total		1.45	100.98

9. Capital Expenditure

Overall capital expenditure during 2008-09 was Rs. 2507.17 crores as against Rs.2033.51 crores in previous year, subsidiary-wise details of which are given below:

(Figures in Rs./ Crores)

Company	2008-09		2007-08	
	(BE)	Actual	(BE)	Actual
ECL	400.00	191.88	298.29	161.79
BCCL	250.00	221.16	250.00	133.82
CCL	600.00	334.84	400.00	297.84
NCL	500.00	266.52	400.00	404.71
WCL	225.00	277.92	241.50	176.05
SECL	800.00	855.98	492.35	560.42
MCL	350.00	321.26	350.00	276.16
CMPDIL.	15.00	9.45	10.00	5.83
CIL/NEC/Other	74.70	28.16	30.00	16.89
Total	3214.70	2507.17	2472.14	2033.51

10. Capital Structure

The authorised share capital of the company as on 31.3.2009 was Rs. 8904.18 crores, distributed between Equity and Non-cumulative redeemable preference shares as under:

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

The paid-up equity capital as on 31.3.2009 was Rs. 6316.36 crores, all issued in favour of the Government of India, which includes Rs. 256.93 crores worth of Equity Shares issued towards value of land acquired.

Total investment by the Government of India in CIL and its subsidiaries as on 31.3.2009 was Rs. 6316.36 crores as against Rs. 6316.36 crores in the previous year as detailed below:

(Rs. in Crores)

	As on 31.3.2009	As on 31.3.2008
Share Capital - Equity	6316.36	6316.36
Loan (including Interest accrued & due)	0.00	0.00
Total	6316.36	6316.36

11. Borrowings

Aggregate borrowings of CIL (excluding repayment of Loan to GOI) as mentioned above has increased to Rs. 1980.54 Crores in 2008-09 from 1675.47 crores in 2007-08 as detailed below:

			(Rs. In crores)	
Particulars			2008-09	2007-08
Foreign Loans including deferred credits				
	<u>2008-09</u>	<u>2007-08</u>		
IBRD/JBIC	1786.62	1510.83	1969.43	1664.36
EDC Canada	170.28	137.26		
CME China	12.53	16.27		
Deferred Payments			11.11	11.11
Total			1980.54	1675.47

Increase in outstanding is mainly because of adverse fluctuation in foreign exchange rate at year end, although equivalent foreign currency of outstanding loan over previous year has reduced and the debt servicing has been duly met.

12. Foreign Collaboration

Coal India is looking for foreign collaboration with a view to

- Bringing in proven technologies and advanced management skills for running underground (UG) and opencast (OC) mines and coal preparation.
- Exploration and exploitation of Coal Bed Methane
- Locating overseas countries interested in joint venture in the field of coal mining with special thrust on coking coal mining.
- Exploring financial assistance for import of equipment and other investment needs of the coal industry in India.

Keeping the above objectives in view, discussions are being held from time to time with countries like United Kingdom, Russia, Germany, United States, China, France, Poland, Australia, Japan, South Africa, Belarus, Mozambique, France etc. to identify the areas of

mutual cooperation for India in general and Coal India Ltd. in particular.

The important areas identified include modern technologies for mass production in both UG and OC mining, dealing with fire and subsidence, mine safety, coal preparation, extraction of Coal Bed Methane, Coal Gasification, application of Geographical Information system, Satellite Surveillance, environmental control, overseas ventures in coal mining. Besides the above emphasis is being given to transfer of modern technologies, and training.

While CIL would endeavor to acquire suitable technology through international bidding on risk/gain sharing basis, bilateral cooperation may also be encouraged for locating availability of cost effective and latest technologies in the aforesaid areas, if the technology proves to be discernibly advantageous. CIL, therefore, has been following both these routes, in its subsidiary companies , albeit in varied measures.

Indo-Russia collaboration :

The 4th Meeting of the Indo-Russian Working Group on Metallurgy and Mines of the Indian-Russian Intergovernmental Commission for Trade, Economic, Scientific, Technical and Cultural Cooperation was held on 22-23rd October, 2008 at New Delhi.

- It was informed that the Russian side is interested in participating in tenders for design and construction of the existing coal mining enterprises in India.
- Indian side intimated that CIL's policy is to procure equipment, materials and spare parts through tendering process/global tendering. Amrapali and Magadh OC projects of CCL are proposed to be developed through outsourcing. Russia was requested to participate in the tendering process.
- Indian side requested Russian side to expedite response from Zarubezhugol Company in respect of Indian investment in the coal sector in Russia.
- Indian side informed that the issue of MoUs between CMPDIL and Giproskhaht, VNIMI and Skochinsky on various issues are under review /examination by CMPDIL.
- It was noted that Indian side will make official request for training of Indian specialists at the Russian Coal Mining enterprises with specific areas in which training is required.

- It was noted the need to take on board more projects and proposals in the context of the ambitious goals set for Indo-Russian Trade and Commerce and resolved to take further action towards achieving the same.

Indo-US Collaboration :

The meeting of the Indo-US Coal Working Group (CWG) was held on 1 April, 2008. Indian side made a detailed presentation on the activities of the working group and the status of previously identified activities under different thematic areas; including Coal Beneficiation, Fine Coal Recovery, Coal Mine Safety, Coal Bed Methane / Coal Mine Methane / Abandoned Mine Methane, Underground Coal Gasification, Highwall mining, alternative technologies for lignite mining, Coal Liquefaction etc. The following R&D project proposals, developed by CWG, have been finalized for CIL.

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

Regarding final approval and implementation procedures, the US agreed to identify potential signatories for the agreements. The new areas were identified by the CWG for possible cooperation are as follows:

- Underground Coal Gasification,
- Dry Coal Beneficiation,
- CBM / CMM,
- Coal Resource Characterization,
- Study for developing a model to increase usable quantum of energy from indigenously mined coal,
- Study on revival of selected abandoned mines in CIL companies.

It was also decided that both India and the US will exchange information on the identified areas of interest and continue to exchange of information on other areas of mutual interest aiming towards timely implementation of mutually agreed upon projects. Both the sides expressed their satisfaction on the progress of the working group

Indo-German Collaboration:

17th meeting of the Indo-German Working Group on Coal, constituted under the auspices

of the German-Indian Joint Commission for Industrial and Economic Cooperation, was held in Kolkata on 7th November, 2008. It was informed to the German side that India looks forward to accelerate growth in annual coal production from 456 MT during 2007-08 to 680 Million tonnes in 2011-12 with the use of latest equipments and technology. The need for higher rate of growth in coal production @ 9% or more would require technological up-gradation, which may be possible by adopting modern technology from the advanced countries like Germany.

- A presentation was made by Indian side on ‘**Coal Mining in India**’ and elaborated the present status, future goals and roadmap for the Indian coal industry. Indian side also intended to supplement coal production by acquiring coal mines abroad, augmentation of exploration capacity by outsourcing, future requirement of equipments, extraction of residual coal from closed/abandoned mines and mining of steep gradient coal seams and deep seated mines. Indian side welcomed German collaboration and joint venture proposals in all the above fields and elaborated on the possible areas, where German expertise/technology would be beneficial for the Indian coal mining industry.

The areas identified to strengthen the working group cooperation efforts are under:

- Developing technology, essential for deep shaft sinking for extraction of deep seated coal,
 - Technology for hard roof management in coal mines,
 - Establishing techniques to assess and extract Coal Bed Methane (CBM)/Coal Mine Methane (CMM),
 - Underground Coal Gasification (USG) for coal resources at greater depth/isolated deposits,
 - 3D Seismic Survey with Borehole Imaging System,
 - Ventilation Air Methane (VAM) – mitigation and utilization of Indian Mining scenario,
 - In seam seismic survey for underground coal mining operation,
 - Joint Venture for mining abroad with technological cooperation from Germany,
 - Cooperation in capacity building specially in UG mines.
-
- CIL has received a proposal through DEA & MOC concerning financial and technical assistance from Government of Federal Republic of Germany (FRG) under Indo-German Bi-lateral Development Cooperation programme for the projects to be implemented by PSUs. The proposal was forwarded to Subsidiary Companies and fields identified by CIL/Subsidiaries for financial and technical assistance are as follows:

- Power Support Longwall technology.
- Continuous Miner technology.
- Mechanised & Fast New Shaft sinking/Deepening-widening of existing shaft.
- Mechanised and Fast drift drivage.
- Coal Washeries.
- Fire control in Raniganj coalfield.
- Fire control in Jharia Coalfield.
- Exploration of deep seated deposit.
- Mine Safety aspects.

Indo-Polish Collaboration:

The 1st Session of the Polish-India Joint Commission on Economic Cooperation was held in New Delhi on 27th May 2008. This was the 1st Session held under the umbrella of the Agreement of Economic Cooperation signed by Poland and India on 19th May, 2006.

- India and Poland agreed that they are interested in bilateral cooperation in energy sectors including power generation, coal mining industry and oil and gas exploration. Polish agency for Energy Conservation (KAPE) is interested in cooperation with the respective Indian partner(s) in the field of exchange of information on:
 - Energy consumption in industry and construction in the context of global climate changes,
 - Working out new technological and market solutions for more effective use of renewable sources of energy, especially with respect to bio-fuels, wind and solar energy,
 - Nuclear energy, especially in the field of preparing and training the staff for this industry,
 - Clean Coal technology and Exchange of experiences and expertise on newest solutions for the supply of power to big cities / mega polis (including electric power and city transportation).
- Both India and Polish expressed their interest for final settlement of Moonidih mine issue.

Indo-Australia Collaboration:

The 6th meeting of the India-Australia JWG on Energy and Minerals was held in New

Delhi on 16-17th March, 2009. The working group discussed on recent trade and investment developments, implications of the global financial crisis on the resources and energy sectors, recent energy and mineral policy developments.

- The Joint Working Group also agreed to activities in 2009-11 under the five Actions Plans signed between Australia and India in November, 2008 viz Mining and Minerals, Coal, New and Renewable Energy, Power, Petroleum and natural Gas. The workshops hosted by concerned ministries on 16.03.2009 also produced constructive dialogues around the key themes of **Joint Action Plan**, signed between the MOC and Department of Resource Energy & Tourism, Govt of Australia on 05.11.2008, to promote bilateral trades & investments and increased research and technical collaboration in this resources & energy.
- A Joint Sub-group/Task Forced with Joint Secretary, MOC, as Chairperson was constituted by MOC for developing bilateral opportunities and continuity of all key areas enumerated in Joint Action Plan signed in November 2008.

Indo-Japan Collaboration:

The 3rd Indo-Japan Energy Dialogue (IJED) was held in Tokyo on 17th September, 2008 between the Dy. Chairman, Planning Commission, GOI and Minister, Ministry of Economy, Trade and Industry of Japan (METI). After the meeting both the Ministers signed a Joint Statement.

- The two Ministers agreed to promote technology transfer efforts to help reduce the ash content of coal used in India, including the implementation of a commercial scale model project for high efficiency coal preparation. The Ministers welcomed that the MoU concerning the Model Project for Highly Efficient Coal Preparation Technology would be signed by NEDO and its Indian counterpart. The Ministers agreed that the Working Group should discuss the possibility of developing a Feasibility Study on a similar project in other areas in the coal sector.
- Both the Ministers welcomed the Japanese proposal to study the renovation of coal-fired power plants in India, by dispatching experts to examine the condition of several facilities, providing advice for possible modifications and holding seminars to promote the benefits of energy efficiency improvement.
- The Meeting of Indo-Japan Working Group on Coal was held on 16.03.2009 at New

Delhi. In the meeting CIL made a presentation before Working Group highlighting the area of collaboration, as follows:

- Development of integrated underground communication system, Instrumentation for monitoring of mine gases, fires etc.,
- Detection of partings between adjoining waterlogged unapproachable workings,
- Rescue equipment and operation and Coking coal beneficiation.

Indo-South Africa Collaboration:

The first meeting of the Indo-South Africa Working Group was held on 29-30th July, 2008 at New Delhi. The discussions were held on following areas:

- Mechanisation of Bord and Pillar system of UG mining,
- Benefaction of coal
- Technology for conversion from coal into oil
- Hard Roof Management techniques
- Steep seam Bord & Pillar methods
- Technology for deep shaft sinking
- Development of CBM
- Underground Coal Gasification
- Cooperation in capacity building specially in UG mines
- High pressure water jet technology for extinguishing mine fires and excavation
- Identification of coal blocks to be worked jointly in Africa & India
- Improvement of Mine safety
- Allocation of a blocks to CIL for exploration and development on nomination basis
- Facilitate JV between CIL and Black Economic Empowerment (BEE) Coal Companies for exploration and development of coal mines/blocks in South Africa.

Asia Pacific Partnership:

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

- The Cleaner Fossil Energy Task Force of the Partnership is designed to build upon actions decided at Perth, Australia, in August 2007. Regular meetings of the

Partnership is being held to achieve the objectives.

- A two day CMTF Sustainable Development Workshop on “Mine Rehabilitation, Closure and Completion” was held at Kolkata from 18-19th April, 2008 followed by a mine visit by the international delegates. The APP member country “Australia” organized the workshop. It was facilitated by CIL on behalf of Ministry of Coal.
- 5th meeting of CMTF was held at Las Vegas, USA from 20-24 September 2008, where 3 new CMTF projects (i) 3D Seismic Survey with Acoustic Borehole Imaging System, (ii) In-seam Seismic Survey for UG coal mining operation, and (iii) Ventilation Air methane emission - Mitigation and utilization under Indian Mining scenario, were presented and were subsequently approved in PIC meeting.
- Review meeting to assess the status of implementation of 4 existing and 3 new CMTF projects was held at CMPDIL, Ranchi on 19.02.2009 and again on 04.05.2009.

Indo- Belarus Collaboration:

The 4th meeting of the India Belarus Inter Governmental Commission for Economic, Trade, Industrial, Scientific, Technical and Cultural Co-operation (hereafter “Commission”) was held in New Delhi on 17 & 18 November, 2008. Both the sides negotiated and discussed the issues of cooperation on the basis of mutual and equal interest and agreed on the following relating to CIL :

- MoU between M/s. Power Tools & appliances Co. Ltd. and the Belarusian Automobile Works (BELAZ). After the MoU, BELAZ has been re-launched in India with 15 mining trucks with full service support.
- MoU between M/s. G.S. Atwal & Co. India Pvt. Ltd. and M/s. BELAZ for import of heavy mining equipment. Post MoU, the BELAZ equipment were purchased for trial at Indian mines.
- MoU between M/s. Subron Construction and M/s. BELAZ. The two parties have agreed to provide turnkey mining solutions for projecting and excavation works.
- MoU between M/s. Dhansar Engineering Co. Pvt. Ltd. and M/s. BELAZ for import of heavy mining equipments.
- M/s. Adair Dutta and Co. (I) Pvt. Ltd. and M/s. Belarus Metallurgical Works (BMZ) for import of high grade carbon steel from BMZ

Indo- Mozambique Collaboration:

Memorandum of Understanding (MoU) for co-operation for development of coal mining in Mozambique exists between Govt. of India and Govt. of Mozambique.

- 2nd meeting of Indo-Mozambique Joint Working Group was held in New Delhi on 30th March 2009. In the meeting CIL made 2 presentations. The first one elaborated the core competence of CIL in the field of exploration, mine planning and mining, CIL's offer in the areas of Rehabilitation and Resettlement, Corporate Social Responsibility, Community Development etc. in Mozambique. The second presentation explained, in details, the progress in bilateral cooperation between two countries since the first JWG meeting held in Maputo in May 2006. The presentation also covered many aspects of cooperation including training to be offered to concerned people of Mozambique.
- The Mozambique delegation also visited NCL from 1st April to 3rd April 2009.
- CIL from took initiative to acquire coal concessions in Mozambique and has emerged as the successful bidder in the global tender process run by Govt. of Mozambique, to be awarded prospecting licenses for two coal concessions in Mozambique. CIL will shortly undertake the activities of exploration and formation of a company in Mozambique.
- Further, to promote Indian interest in Mozambique, Govt. of India is considering approval of sovereign fund for development of Apex Planning Organization (APO) and Apex Training Organization (ATO) to look after scientific mine planning in coal projects in Mozambique as well as train people in different aspects of coal mining.

Indo-French Cooperation:

The 1st meeting of the Indo-French Joint Working Group on Environment was held on 06.02.2009. Discussions were held on following potential areas for co-operation:

- Development of Air Quality Impact Prediction Model suitable for Indian Mines
- Development of mine water management & quality impact Model.
- Development of CO₂ emission prediction model
 - Demonstration Project for land use management & mine closure on sustainable basis.

13 WORLD BANK FINANCED PROJECTS FOR 2008-2009:

The net utilization of loan as disbursed by IBRD and JBIC is to the tune of USD

245.73 million and JPY 28,440.82 million respectively, for procurement of equipment and technical assistance under Coal Sector Rehabilitation Project (CSRP). The disbursement for funding of procurement by IBRD and JBIC was completed in December, 2003. As such, there was no drawal of loan since January, 2004. With the repayment of loan of USD 73.55 million to IBRD and JPY 11,315.98 million to JBIC till 2008-09, the total CSRP loan as on 31st March, 2009 stands at USD 172.18 million (equivalent to Rs. 885.86 Crores) on account of IBRD and JPY 17,124.84 million (equivalent to Rs. 900.76 Crores) on account of JBIC.

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

Master Plan for dealing with fire, subsidence & rehabilitation in the leasehold area of BCCL and ECL have been prepared by CMPDIL in 1999 and subsequently updated in 2004. MOC, in a review, has advised to modify the Master Plan on a total period of 10(ten) years instead of 20 years and that all the proposed stabilisation sites are to be considered for total resettlement. Accordingly, the Master Plan has been modified and CIL Board approved it in Feb' 07 and it was sent to MOC. Nodal agencies have already been formed by the concerned State Governments for the resettlement of people at Raniganj and Jharia. These are Asansol Durgapur Development Authority (ADDA) of West Bengal Government and Jharia Rehabilitation Development Authority (JRDA) of Jharkhand Government. □

The Resettlement & Rehabilitation package for the Raniganj Coalfield areas has been principally approved by Government of West Bengal in November, 2007. Jharkhand Government has also approved the R&R package for Jharkhand in July' 2008.

15 Environmental Management.

1 Environmental Impact Assessment/Environmental Management Plan

EIA/EMPs for all the new and expansion projects as per EIA Notification No. 1533 dated 14.9.2006 of MoEF are prepared for peak and normative capacities and environmental clearance is obtained. EIA/EMPs for mines requiring renewal of lease and falling under violations are also prepared for environmental clearance. EIA/EMPs on cluster basis for smaller and contiguous mines of ECL, BCCL and CCL are also prepared for environmental clearance. CMPDIL has prepared 180 nos. of Form-I and 26 nos. of EIA/EMPs. The total of 26 nos. of environmental clearances have also been obtained from MoEF for different projects of CIL.

2 Pollution Control Measures and their Efficacy

Measures are being taken to ensure that mining and coal beneficiation operations have minimum impact on air quality, water quality, noise level and soil quality, hydro-geology, land use pattern and socio-economic profile of the nearby population. The mitigation measures include dust suppression in mines through fixed and mobile water

sprinklers. Effluent treatment facilities for mine effluent, workshop effluent and CHP effluent like oil & grease traps, sedimentation ponds and facilities for storage of treated water and its reuse have been provided for all the major projects. Domestic waste water treatment facilities have also been provided to deal with the domestic effluent. The level of pollutants is being monitored on routine basis to ascertain the efficacy of the pollution control measures being taken in the projects. Remedial measures are being taken, if required, to keep the pollutant level within the limits prescribed by regulatory bodies.

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

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

3 ISO:14001 System

Actions have been initiated for implementation of ISO:14001 in CIL mines. A total of 29 open cast projects and 1 coal washery have got the certification.

4 Monitoring of Mines through Remote Sensing

Coal India Limited during the year 2008-09 has introduced a Satellite Surveillance System for monitoring of land reclamation and afforestation of its major opencast mines. Starting with 35 major opencast mines in phase-I the coverage will be extended to all opencast mines. Consequently reports based on satellite data is being uploaded in the websites of CIL, CMPDIL and concerned coal companies. This is expected to bring substantial transparency in CIL's environmental management efforts.

5 R & R Policy of CIL

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

6 Guidelines for Mine Closure

Action has been initiated for formulation of guidelines of mine closure.

7 Research & Development

The R&D projects in the emerging areas are continuously undertaken. One R&D project on development of emission factor for various coal mine machineries and operations has been successfully completed.

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

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

16.1 UNDP/Global Environment Facility (GEF) - GOI Project - Coalbed Methane Recovery and Commercial Utilisation.

A demonstration project named “Coalbed Methane Recovery and Commercial Utilisation” was taken up by the Government of India in collaboration with United Nations Development Programme (UNDP)/Global Environment Facility (GEF) at Moonidih and Sudamdih Mines of Bharat Coking Coal Limited in Jharia Coalfield under the S&T project of MOC. The project has been implemented jointly by Central Mine Planning & Design Institute Ltd. (CMPDIL) and Bharat Coking Coal Limited (BCCL) on behalf of the Ministry of Coal. The project successfully demonstrated the key objective of “Power generation” on 27th June’ 2008 at Moonidih on recovered coalbed methane gas from CBM well. The remaining activities are under implementation as Govt. of India S&T Project to achieve “demonstration of recovery of CMM gas by underground directional drilling and its utilization as compressed fuel in gas based engine trucks at Sudamdih by December’ 2009.

During the year 2008-09, following key activities were undertaken :

CBM Activities at Moonidih

- i) Two vertical wells have been drilled by CMPDIL drilling team with BCCL support team and thereafter, three potential coal seams in each well have been stimulated in association with ONGC. CBM gas is under recovery from two vertical wells (CBM04 & CBM10). Power generation from recovered gas through these wells was demonstrated at Moonidih by the installation of indigenous make gas based generators. Generated power is being supplied to DM (Bardubhi) and CPP Colony of Moonidih Project. Total 3,95,010 KWH power has been generated during the year 2008-09.
- ii) Regular drilling of 12¼” size in 3rd CBM well completed on 30th Jan’

2009 at a depth of 205m. 9⁵/₈" casing lowered down to the drilled depth after Geophysical logging and cementation job have been completed. The regular drilling of 8¹/₂ will be taken up.

CBM Activities at Sudamdih

- i) Long hole drilling Rig and Down Hole Motor have been commissioned in Seam XV at 300mH to drill 2⁷/₈" horizontal directional wells to drain the Methane Gas (CMM) through main well from various directional side wells in up dip side.
- ii) A tailor made Steering tool (Package-04B), designed for directional drilling in pre-defined drill paths in underground coal seams, was manufactured and supplied by M/S Russel Sub-Surface Systems Ltd. (RSS)/UK in June' 08. The Steering tool could not be commissioned and was sent back to M/S RSS-UK for repairing at their works in UK. UNIDO is pursuing for successful commissioning and commencement of underground drilling at an early date in association with international experts.
- iii) Gas Control and Compression unit has been procured and delivered at site.
- iv) The recovered gas (CMM/CBM) will be utilized for demonstration of the running of gas based engine mini trucks at Sudamdih.

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

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

1 Jharia CBM Block

The Govt. of Jharkhand granted Petroleum Exploration License (PEL) to the consortium in August, 2003 for Jharia CBM block.

CMPDIL has carried out deep slimhole drilling (depth range 1000m to 1400m) wherein parametric data was generated. A report based on this drilling

and other available drilling and gas related data has been prepared by CMPDIL and submitted to ONGC in Feb' 2008. This report has facilitated formulation of Development Plan by ONGC.

ONGC is carrying out exploratory/pilot well drilling as per Minimum Work Programme in this block to generate CBM specific data, which is scheduled to be completed by 27.04.09. The production of methane is envisaged to start from 2010.

ONGC has submitted a draft Development Plan of Parbatpur Sector (18 sq.km area) within Jharia CBM Block with a capital outlay of Rs.1679.55 Crore to Directorate General of Hydrocarbons (DGH) for approval of the Govt. which is necessary to proceed further for taking up envisaged Development and Production Phases.

The Participating Interest (PI) of CIL in Jharia CBM block is 10% with an option to increase it to 26% from Development Phase. An exercise on techno economic feasibility analysis and risk assessment for evolving a strategic business perception in regard of enhancement of CIL stake from 10% to 26% is being carried out at CMPDIL as well as CIL level on the Development Plan submitted by ONGC.

2 Raniganj CBM Block

The Govt. of West Bengal granted Petroleum Exploration License (PEL) for Raniganj CBM Block on 09.06.2004. The drilling of all the 8 slimholes has been completed by CMPDIL in Nov' 07 involving 7853.50m of drilling. A report based on slimhole drilling & other available data is under preparation. ONGC has completed drilling of exploratory well in the block and gas related tests are under progress.

16.3 CBM Related Studies under promotional Exploration during XI Plan.

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

During 2008-09, a total of 6 boreholes located in different coal/lignite fields were taken up for studies and samples collected for desorption and other tests. Three reports based on CBM related studies carried out during X Plan period were submitted.

16.4 Preparation of CBM Data Package for Directorate General of Hydrocarbons

(DGH)

CMPDIL has submitted the data dossiers comprising three volumes of Data Package and one volume of Information Docket for each of the 8 prospective CBM blocks to DGH in January' 09. The data dossiers have been submitted in hardbound volumes as well as in soft discs as web-enabled HTML documents.

These data dossiers will form part of the bid document of CBM Round-IV global bidding to be invited by Directorate General of Hydrocarbons on behalf of Ministry of Petroleum and Natural Gas.

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

Project proposals for assessment of CMM Potential related to large open cast mines in Moher Sub-Basin, Singrauli Coalfield and Korba Coalfield have been approved by NCL and SECL respectively. Bidding process for generation of CBM specified data through slimhole drilling in both the coalfields is under finalisation.

6 Coal Mine Methane (CMM) R&D Project

A CIL R&D Project titled 'Development of CMPDIL capacity for delineation of viable Coal Mine Methane (CMM)/Abandoned Mine Methane (AMM) blocks in the existing mining areas having partly de-stressed coal in virgin coal seams' is under progress since June' 07.

The prospective CMM areas in coalfields of ECL, BCCL and CCL have been identified. Collection and collation of available data/plans are in progress for the identified area.

The bids invited for engagement of national and international consultants, as envisaged in the approved project are under evaluation.

16.7 Establishment of CBM/CMM Clearing House in India.

An MOU was signed between ministry of Coal, Govt. of India and United States Environmental Protection Agency (USEPA) on 16th November' 06 for establishment of CBM/CMM Clearing House at CMPDIL, Ranchi on 17th Nov' 08 under the aegis of USEPA and Ministry of Coal.

The objectives of the clearing house are :

- Promote CBM/CMM industry in India.
- Public face of CBM/CMM industry in India.

- Initial point of contact for foreign and domestic investors.

The clearinghouse has been established with financial support from Coal India Ltd. on behalf of Ministry of Coal and USEPA.

a.	CIL	:	Rs. 2.77 Crore
b.	USEPA	:	Rs. 0.92 Crore

The website of the clearinghouse, <http://www.cmmclearinghouse.cmpdi.co.in> was also launched on 17th Nov' 2008.

8 CMTF Project on VAM

A Project titled “Ventilation Air Methane Emissions: Mitigation and Utilization Under Indian Mining Scenario” has been endorsed by CMTF and APP under Project No. CML-08-21 in October' 08. A detailed project proposal is under formulation.

17. DEVELOPMENT OF UNDERGROUND COAL GASIFICATION (UCG)

17.1 Generation of UCG specific additional data in Kasta Block, Raniganj Coalfield

CIL has entered into an MOU with ONGC to jointly pursue UCG projects. For selection of suitable block for pilot scale studies, Soviet consultants appointed by ONGC based on the data packages prepared by CMPDIL suggested for generation of additional data in Kasta Block for further studies.

As per requirement of Soviet consultant, generation of hydro-geological data has started in Kasta block in December, 2007 and exploratory drilling for generation of other additional data is to be taken up shortly.

2 Identification of Coal/Lignite Blocks for UCG

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

- 7 blocks (5 lignite & 2 Coal) have been identified for the development of UCG and communicated to MOC.
- Two coal blocks within CIL command area for development of UCG has also been identified and communicated to CIL in Oct' 08.

18. Geological Exploration & Drilling:

CMPDIL continued to carry out its coal exploration activities in 2008-09, mainly in CIL and Non-CIL/Captive Mining Blocks. Exploration in CIL blocks was taken up to cater the needs of project planning/production support of subsidiaries of CIL whereas exploration in Non-CIL/Captive mining blocks was taken up to facilitate allotment of coal blocks to prospective entrepreneurs for captive mining. During the year, efforts were made to enhance exploration capacity. Five additional drills were deployed for exploration, increasing total deployment of departmental drills to 52. It is proposed to deploy three additional drills as soon as the required manpower is provided by coal companies. Further action has also been taken for replacement of old drills as well as introduction of high-capacity hydrostatic and non-coring drills. Procurement action for high-capacity hydrostatic drills has been finalized and 2 drills are expected in 2009-10. Similarly, action has also been initiated for procurement of non-coring drills. To meet the increasing work load, recruitment of geologist & Engineers (Drilling) has been started by CIL by direct recruitment through campus interview and open examination. Shortage of non-executive staff is being met through transfers from other subsidiaries of CIL. To meet the capacity expansion through outsourcing, two phases of National tendering and one phase of Global Tendering were taken up and work involving 7.28 lakh metre of drilling in 18 blocks was awarded. For further expansion, CMPDIL has entered in an MOU with MECL to take up long term exploration programme of one lakh metre of exploratory drilling per annum.

1 Drilling Performance in 2008-09.

CMPDIL deployed its departmental resources for exploration of CIL/Non-CIL/Promotional blocks. Besides, four contractual agencies have been deployed for detailed drilling/exploration in 14 blocks. Resources of Directorate of Geology & Mining of State Govts of MP & Orissa were utilized mainly for nominal amount of production support drilling. With these efforts, CMPDIL was able to nearly double the deployment of drilling rigs by the end of 2008-09. Drilling under MOU with MECL will commence from 2009-10 onwards. CMPDIL has also carried out technical supervision of Promotional Exploration work undertaken by MECL in Coal Sector (CIL & SCCL areas) and monitored work of GSI for Promotional Exploration in Coal Sector (CIL area) on behalf of MOC.

In 2008-09, CMPDIL and its contractual agencies took up exploratory drilling in 79 blocks/mines spread over 23 coalfields. These coalfields are Raniganj (8 blocks/mines), Jharia (2), W.Bokaro (2), North Karanpura (2), South Karanpura (1), Ramgarh (1), Auranga (1), Tawa Valley/Pathakhera (2), Pench Kanhan (6), Kamptee (2), Nand-Bander (2), Wardha (7), Singrauli (3), Sohagpur (10), Mand Raigarh (7), Korba (6), Hasdeo-Arand (1), Bistrampur (2), Lakhanpur (1), Talcher (6), Ib Valley (3), Dilli-Joypore (1), and Makum (3 blocks). Out of 79

blocks/mines, 13 were Non-CIL/Captive Blocks, 2 Promotional Blocks and 64 CIL Blocks/mines. Departmental drills of CMPDIL took up exploration in 56 blocks/mines, contractual agencies selected through tendering started drilling in 14 blocks and State Govts. carried out production support drilling in 9 mine areas.

Under Promotional (regional) Exploration Programme, MECL has undertaken Promotional drilling in 13 blocks (Katol CF- 2 blocks, Sohagpur – 4 blocks, Mand Raigarh – 2 blocks, Makum – 1 block & Godavari Valley – 4 blocks) and GSI has undertaken 7 blocks for Promotional drilling (Talcher CF- 2 blocks, Ib Valley – 2 blocks, Sohagpur – 2 blocks & Tatapani Ramakola – 1 block) in Coal Sector.

The Overall performance of exploratory drilling in 2008-09 is given below :

Agency	Target 2008-09 BE (metre)	Performance of Exploratory Drilling During 2008-09			Achieved Prev. Year 2007-08 (metre)	Growth %
		Achieved (m)	% Achieved.	+/- (m)		
A. Detailed Drilling undertaken by CMPDI (incl. Promotional Drilling) *						
i) Departmental	2,09,400	2,28,178	109%	+18,778	2,01,850	13
ii) Outsourcing :						
State Govt.	5,000	8,340	167%	+3,340	6,280	33
Outsourcing in CIL Blocks	28,400	21,450	76%	-6,950	1,071	1903
Outsourcing in Non-CIL Blocks	17,200	14,393	84%	-2,807	0	-
Total A :	2,60,000	2,72,361	105%	+12,361	2,09,201	30
B. Promotional (regional) Drilling undertaken by MECL & GSI in Coal Sector :						
MECL	34,600	43,178	125%	+8,578	55,717	-23
GSI	9,000	15,573	173%	+6,573	11,473	36
Total A :	43,600	58,751	135%	+15,151	67,190	-13
Total A + B :	3,03,600	3,31,112	109%	+27,512	2,76,391	20

* In 2008-09, departmental drills have carried out 5646m of drilling in Promotional block (2992m in 2007-08), 1,62,596 m in CIL blocks and 59,936m in Non-CIL/Captive Mining Blocks. The DGM of State Govts. has taken up drilling in CIL blocks only.

In 2008-09, CMPDIL achieved its departmental and overall drilling targets by 109% & 105%, respectively. The performance of departmental drilling was better than previous year by 26,328 metre with 13% growth, recording average operational drills productivity of 397 metre/drill/month which is better than achieved in previous year i.e. 374 metre/drill/month. Achievement of outsourced drilling was less as local problems in a CIL block resulted in late start of work whereas drilling in 3 non-CIL blocks could not start in 08-09 due to non-availability of permission to explore in forest areas. MECL and GSI have also achieved 2008-09 BE Targets of Promotional drilling.

2 Geological Reports :

In 2008-09, a total of 20 Geological Reports were prepared on the basis of detailed exploration conducted in previous years. Out of it, 2 GRs were on Captive Mining blocks and remaining were CIL blocks. The Geological Reports prepared have brought 2.74 Billion Tonnes of coal resources under 'Proved' category besides estimating 0.25 Billion Tonnes of resources in 'Indicated' category. Under Promotional Exploration Programme, GSI and MECL have submitted nine Geological Reports on coal blocks, estimating 4.2 Billion Tonnes of coal resources, mainly in 'Indicated' Category, above specified thickness.

19. OUTSIDE – CIL CONSULTANCY SERVICES :

During the year 2008-09, 27 consultancy jobs were completed for 18 organisations outside CIL. Some of the major clients/organisations for whom jobs were completed are Steel Authority of India Ltd., Directorate General of Hydrocarbons, Tata Steel Ltd., Central Electricity Authority, Reliance Coal Resources Ltd. (Sasan Power Ltd.), IIFCO- Chhattisgarh Power Ltd., Neyveli Lignite Corporation Ltd., HINDALCO, Mahaguj Collieries Ltd., Orissa Mining Corporation, etc.

Presently, 15 outside CIL consultancy jobs are in hand for 11 organisations like Steel Authority of India Ltd., Tata Steel Ltd., National Thermal Power Corporation Ltd., Neyveli Lignite Corporation Ltd., Chhattisgarh State Electricity Board. National Aluminium Company Ltd., Reliance Coal Resources Ltd. (Sasan Power Ltd.), Damodar Valley Corporation, Manganese Ore (India) Ltd., Baitami West Coal Company Ltd., etc.

During 2008-09, 29 outside CIL consultancy jobs worth Rs. 10.77 Crores from 18 organisations were procured by CMPDIL.

20. Research and Development Projects.

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

The R&D activities in Coal sector is administered through an apex body namely, Standing Scientific Research Committee (SSRC) with Secretary (Coal) as its Chairman. The other members of this apex body include Chairman of CIL, CMDs of CMPDIL,

SCCL and NLC, Director of concerned CSIR laboratories, representatives of Department of S&T, Planning Commission and educational institutions, amongst others. The main functions of SSRC are to plan, programme, budget and oversee the implementations of research projects and seek application of the findings of the R&D work done.

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

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

Total no. of S&T projects taken up (till 31.3.2009)	-	359
Total no. of S&T projects completed (till 31.3.2009)	-	278

2 Physical performance

The status of Coal S&T Projects during 2008-09 is as under :

i)	Projects on-going as on 1.4.2008	34
ii)	Projects sanctioned by GOI during 2008-09	05
iii)	Projects completed during 2008-09	10
iv)	Project terminated/foreclosed during 2008-09	01
iv)	Projects on-going as on 1.4.2009	28

Following Coal S&T projects were completed during 2008-09:

- i) Studies on the advance detection of fires in coal mines with special reference to SCCL.
- ii) Application of high pressure water injection for hard roof management at Churcha West Colliery, SECL.
- iii) Development of an experimental subterranean robot (SR) for feasibility study of robotic application in underground coal mines.
- iv) Development of room temperature sensors for methane using carbon nanotubes and nanofibres.
- v) Development of user friendly models for design and operation of jigs and

heavy media cyclones for treatment of different coals.

- vi) Development of cheap, energy efficient by-product coke oven for production of hard coke for steel/ metallurgical use.
- vii) Direct sourcing of coal for value added chemicals.
- viii) Development of emission factors for various mining machineries and operations in opencast coal mines.
- ix) Enviromental impact of subsidence movements caused due to caving on ground water and forest cover in Godavari Valley Coalfields. □
- x) Enviromental clean up and remediation of coal mining overburden sites of Tirap Collieries.

3 Financial Status

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

(Rs. in Crores)

2007-08		2008-09	
RE	Actual	RE	Actual
12.86	12.48	10.00	10.52

20.4 CIL R&D Projects

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

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

So far, 41 projects have been taken up under the funds of CIL R&D Board, out of which 25 projects have been completed.

The status of CIL R&D Board Projects during 2008-09 was as follows:

i)	Projects on-going as on 1.4.2008	-	15
ii)	Projects Sanctioned during 2008-09	-	05
iii)	Projects completed during 2008-09	-	04
iv)	Projects on-going as on 1.4.2009	-	16

Following R&D projects were completed during 2008-09 :

- i) Introduction of shortfall technology for extraction of standing pillars with powered roof support in pillars of Passing seam of Balarampur UG project.
- ii) Interactive geo-mining and hydrogeological models for augmentation of coking coal and ground water resources at West Bokaro Coalfields.
- iii) Resource assessment and characterization study of non-coking coal for sponge iron industry.
- iv) Application of high precision satellite imaging and DGPS technology for on-line wide area subsidence monitoring study in Raniganj Area, ECL.

The disbursement of fund for R&D jobs during the year 2008-09 was Rs. 13.79 crores.

21. Telecommunication System

In order to bring about the co-ordinated changes in the business process and to harmonise different operations in the field of production, sales & marketing, human resources and management of operation, the revamping of telecom and IT system has been undertaken in CIL and subsidiary Companies.

The following actions have been undertaken by Telecom Division.

- i) Centralized mail messaging system along with proper Network security is already installed at CIL (HQ) and has become operational to provide official E-Mail facility to all the executives of CIL and Sr. Executive of Subsidiary Companies. Provisioning of High Speed Internet over LAN at CIL(HQ) & CIL(Mkt.) has already been made and up gradation of LAN with proper security and manageability is also completed.
- ii) The order has been placed for design, development and hosting of corporate web portal to substantially augment its image building endeavour and to bring it to a level commensurate with size and strategic importance of CIL. The portal will enable CIL to build a corporate brand image amongst all stake holders viz. customers, investors, business

partner, employees and the public at large. The web portal will conduct different business application in line with other Navaratna PSU and will be connected with CIL intranet.

- iii) State of the art IP based EPABX with support of convergent technology (using voice and data through same backbone) as a replacement of old Hotline exchange at Coal Bhawan and 15, Part Street office is under installation and expected to be commissioned shortly. Subsequently it will be extended to subsidiary companies and areas for convergent voice, video and data application.
- iv) Action has been taken for setting up managed wireless network in addition to the gigabit wired LAN at different Offices of CIL at Kolkata. On implementation of the wireless infrastructure it would be possible to access the network services i.e. Internet, Mail messaging as well as enterprise ERP server of CIL.
- v) M/s. Deloitte, the consultant of CIL, has submitted the report regarding IT policy and the scheme for a converged IT Network from Project/Mine up to CIL level with connectivity of public portal. Action has been taken for drawing communication scheme for extending voice and data connectivity in a integrated manner from Project, Mine, Regional stores, Workshops, etc. to Area office, Subsidiary (HQ), CIL(HQ) and Ministry of Coal.

22. Mines safety

22.1 Trend of fatal accidents & fatalities

CIL has always given the highest priority towards safety. In CIL, safety is considered as a part of its core production process and is embodied in the mission statement. CIL has also framed a distinct Safety Policy and formed multidisciplinary Internal Safety Organisation (ISO) in every subsidiary company and also at CIL(HQ).

Over the years, the safety performance in CIL has been significantly improved. This improvement documented statistically in several independent sources and attribute to the following reasons :

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

However, during the year 2008, there were 52 fatal accidents involving 64 fatalities in CIL mines, compared to 55 and 57 respectively in 2007. The number of fatalities in 2008 compared to 2007 was increased on account of two major mine

accidents involving five fatalities each, one at Ledo Colliery of NEC due to influx of hot materials from the depillared zone and other at Jayant OC Project of NCL due to slide of Dragline OB dump. The trend of fatal accidents and fatalities in the last five years in CIL is given in graph below :

22.2 Safety Statistics

A. Overall : Accident Statistics for CIL in 2008 compared to 2007 are given below:

Table –A

Sl. No.	Parameter	Year 2008	Year 2007
1	Numbers of fatal accidents	52	55
2	Numbers of fatalities	64	57
3	Numbers of serious accidents	337	326
4	Numbers of serious injuries	342	340
5	Fatality rate per m.te. of coal production	0.16	0.15
6	Fatality rate per 3 lakhs manshift deployed	0.21	0.18
7	Serious injury rate per m.te. of coal production	0.86	0.92
8	Serious injury rate per 3 lakhs manshift deployed	1.10	1.05

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

B. Company-wise break-up of Accidents:

The Company-wise fatal accidents, fatalities, serious accidents and serious injuries in 2008 compared to 2007 are also given below:

Table-B

Company	Fatal Accidents & Fatalities				Serious Accidents & Injuries			
	Accidents		Fatalities		Accidents		Serious Injuries	
	2008	2007	2008	2007	2008	2007	2008	2007
ECL	8	7	8	8	106	105	107	115
BCCL	9	10	9	10	91	66	91	66
CCL	4	7	4	8	10	16	10	16
NCL	6	5	10	5	25	10	26	10
WCL	10	12	12	12	40	60	41	61
SECL	9	10	10	10	60	60	60	63
MCL	4	4	4	4	4	9	4	9

NEC	2	0	7	0	1	0	3	0
CIL	52	55	64	57	337	326	342	340

Note: All figures are subject to reconciliation with DGMS.

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

The Company-wise Fatality & Serious Injury Rate in 2008 compared to 2007 are also give below:

Table-C

Company	FATALITY RATES				SERIOUS INJURY RATES			
	Per Million Tonne		Per 3 lakh Man-shifts		Per Million Tonne		Per 3 lakh Man-shifts	
	2008	2007	2008	2007	2008	2007	2008	2007
ECL	0.29	0.32	0.11	0.11	3.92	4.63	1.50	1.54
BCCL	0.35	0.42	0.18	0.19	3.56	2.77	1.79	1.25
CCL	0.09	0.19	0.10	0.20	0.22	0.37	0.26	0.40
NCL	0.16	0.09	0.71	0.36	0.41	0.18	1.85	0.72
WCL	0.27	0.28	0.20	0.21	0.92	1.40	0.70	1.05
SECL	0.10	0.11	0.15	0.15	0.60	0.68	0.92	0.95
MCL	0.04	0.05	0.27	0.28	0.04	0.11	0.27	0.63
NEC	7.19	0.00	2.97	0.00	3.08	0.00	1.27	0.00
CIL	0.16	0.15	0.20	0.18	0.86	0.92	1.08	1.05

Note: All figures are subject to reconciliation with DGMS

22.3 Activities for further improvement in Safety in mines undertaken in 2008.

For further enhancement of safety standard in its mining operations, CIL has pursued several measures in the year 2008 along with others on-going safety related activities/initiatives apart from compliance of statutory requirements for safety which are given below:

i) Disaster Prevention

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

a) Thrust on measures for prevention of inundation:

- Regular Check Surveys.

- Before monsoon, detailed Action Plan for preventive measures against inundation was prepared, implemented and monitored.
- Trial of Geo-physical Methods for Detection of waterlogged bodies/proving partings.
- Use of modern Survey Instrument like Total Station, etc.
- Digitization of Mine Plan for enhancing accuracy.

b) Explosion & Fire

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

ii) Strata Management

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

Main thrust areas are:

- Stress on underground mechanization so as to reduce the exposer of workers at the active faces.
- Resin bolting has been introduced in 40 nos. of mines.
- Mechanisation of Roof Drilling: - 148 numbers of mechanized roof drilling machines have already been provided and another 155 numbers are under procurement stage.
- Initiatives have been taken to develop device with appropriate audio-visual alarm to monitor the behaviour of overlying roof strata. One R&D project for development of indicators for monitoring impending load on roof in collaborating with IIT-Kharagpur is on progress.
- Several roof-monitoring devices have been developed at Area/Mine level workshop and tried to use it in underground mines particularly in SECL.
- Creating awareness through extensive training of support personnel, dressers and supervisors.

In addition to this the following measures were also taken:

iii) **Risk Assessment & Safety Management Plan:**

Risk Assessment has been completed in 430 mines and potential dangers associated in mining activities due to existing geo-mining conditions of the mine, method of mining being adopted for extraction of coal and from machineries being engaged for operations have been identified. Time-bound action programmes to eliminate or to reduce or to avoid the identified risks for each mine has been chalked out along with review mechanism. It is an on-going cyclical process.

iv) **Safety Audit:**

Safety Audit of the mines are being conducted in more meaningful way in two phases:

- a. 1st Phase: Deficiencies (i.e. unsafe conditions and unsafe acts) are being identified and remedial measures suggested or recommended.
- b. 2nd Phase: Review the status of implementation of the recommendations/suggestions of 1st phase are being done in 2nd phase and thereafter final report is submitted.

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

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

vii) **ISO Inspection**

Inspections by the Internal Safety Organisation (ISO) officials were intensified. This has been resulted positive impact in safety management.

viii) Thrust continued on Emergency preparedness through

- Preparation of Mine-specific Emergency Action Plans
- Demarcation of Escape Routes belowground as well as on plans.
- Conducting of Mock Rehearsals, monitoring failure points for further improvement.
- Initiative to introduce the Tracking system to locate the trapped miners in emergency by various technologies such as RFID.

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

23. Mines Rescue Services

A well-equipped Rescue Service Organisation staffed by rescue personnel trained in modern training galleries and equipped with modern rescue equipment is maintained by the subsidiary companies of CIL. At present, there are 6 Rescue Stations, 15 Rescue Room-with- Refresher- Training facilities and 18 Rescue Rooms. Company-wise details regarding Mine Rescue services of CIL have been posted at CIL web-site.

24. HUMAN RESOURCE DEVELOPMENT

24.1 Overall performance □

In all 33,365 employees have been trained during 2008-09, out of which 9,462 were executives, 8,407 were supervisors and 15,496 were workers. The performance included in-house training efforts, external training efforts and training abroad.

24.2 In-house Training

The corporate HRD plan for 2008-09 was developed within the framework of the Strategic HRD plan, by integrating efforts of HRD in all the subsidiary companies and considering capabilities of 26 training institutes situated at different locations in Coal India including IICM.

In order to formalize Strategic HRD plan, a comprehensive HRD training policy is being followed. The strategy arising out of HRD policy envisaged efforts in terms of inputs to technical training, management training, general development of workmen & supervisors and also transforming new employees for learning skills.

Total number of employees trained through in-house training during 2008-09.

Category		Employees trained
Executives	-	6664
Supervisor	-	8002
Workmen	-	15127
Total	-	29793

24.3 Training outside company

i) Within the Country.

In order to expose the employees in specialized fields to receive inter-organisational experience and also supplementing in-house training efforts, 3462 employees from eight subsidiary companies and CIL/HQ were trained under various training programmes conducted outside Company. The break-up of training efforts at different categories of employees is given below:

<u>□</u>	Category		Employees trained
	Executives	-	2688
	Supervisors	-	405
	Workmen	-	369
	Total		3462

In Project Management, 25 executives have been specially trained. Out of which 18 executives have passed CIPM and rest 7 executives have successfully completed the D-level course in project Management certification.

ii) Training abroad.

110 Executives were trained abroad during the year 2008-2009.

4 Special effort on HRD during 2008-09.

Coal India has a very important role towards the economy development of our country. The coal production has to be augmented consistently in the coming years to meet the growing demand of the nation. Due to substantial reduction of manpower particularly in the executive category on superannuation, Coal India will be facing an acute crisis in respect of its Human Resource Base. To tide over this situation, special attention is being given to strengthen the HRD divisions and its activities in a wider scale beyond organization/arrangement of training. Comprehensive plan, both at subsidiary level and corporate level, incorporating an effective training plan based on assessment of training needs is being made along with other required inputs needed for all round development of our precious Human Resource Base.

25. Manpower

25.1 The total manpower of the company including its subsidiaries as on 31.3.2009 is 412350 as against 426077 as on 31.3.2008. Company-wise position of manpower is as below :

□

Company	As on	Total
ECL	31.3.2009	90470
	31.3.2008	94943
BCCL	31.3.2009	76369
	31.3.2008	80051
CCL	31.3.2009	56553
	31.3.2008	58808
WCL	31.3.2009	62492
	31.3.2008	64160
SECL	31.3.2009	81434
	31.3.2008	82782
MCL	31.3.2009	20869
	31.3.2008	20786
NCL	31.3.2009	16450
	31.3.2008	16697
NEC	31.3.2009	2962
	31.3.2008	3072
CMPDI	31.3.2009	3065
	31.3.2008	3048
DCC	31.3.2009	620
	31.3.2008	641
CIL (HQ)	31.3.2009	1066
	31.3.2008	1089
CIL as a whole	31.3.2009	412350
	31.3.2008	426077

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

The representation of SC/ST employees in total manpower of CIL and its Subsidiary Companies as on 1.1.2009 and 1.1.2008 are given below :

As on	Total manpower	Scheduled Caste		Scheduled Tribe	
		Nos.	Percentage	Nos.	Percentage
1.1.2009	415488	90448	21.76	49026	11.79
1.1.2008	429507	95231	22.17	53065	12.35

3 WAGE NEGOTIATIONS

The Joint Bipartite Committee for the Coal Industry was constituted on 21.5.2007 to negotiate National Coal Wages Agreement-VIII in accordance with the DPE's guidelines in terms of letter No. 55011-01-2006-PRIW dated 28th February, 2007 and letter No. 55011-1-2006-PRIW dated 14.5.2007 of Director, Govt. of India, Ministry of Coal, New Delhi. The last wage agreement i.e. NCWA-VII, was made for a period of 5 years i.e., from 1.7.2001 to 30.6.2006 with 100% neutralization of DA with the approval of GOM.

The first meeting of JBCCI-VIII was held on 30th June' 07 at Kolkata. Interim relief @ 15% of basic wages as on 30.6.2006 was granted to the employees w.e.f. 1.7.2006. The negotiations concluded in the 9th meeting and the Memorandum of Agreement i.e. National Coal Wage Agreement- VIII was signed on 24.01.2009. The salient features of the agreement are illustrated below :-

1. The periodicity of NCWA-VIII shall be for Five Years with 100% DA neutralization w.e.f 01.07.2006 to 30.06.2011.
2. The Minimum Guaranteed Benefit @ 24% on total emoluments (Basic + DA + SDA + Attendance Bonus) as on 30.06.2006.
3. The Annual Increments shall be @ 3% on progressive basis.
4. An additional allowance viz. "Nurshing Allowance" @ Rs.200/- per month has been introduced in NCWA-VIII for the Nurshing Staff w.e.f 1.1.2009.
5. All other allowances viz (i) Washing Allowance (ii) Transport Subsidy (iii) Additional Transport Subsidy (iv) Conveyance reimbursement and (v) HRA for coalfield Areas i.e. other than urban areas will be increased by 50% of the existing rates prospectively i.e. w.e.f 1.1.2009.
6. The payment of HRA to the employees posted in urban areas will be at the rates as notified by the Govt. and shall be applicable from 1.1.2009 on the revised basic. The ceiling will be fixed as per existing practice.
7. The underground allowance will be payable @ 12.5% of the revised basic and for Assam Coalfields it will be @ 15% of revised basic. This will be payable w.e.f 1.1.2009.
8. The ceiling of gratuity will be enhanced to maximum of Rs.10 Lakhs w.e.f 1.1.2007.

9. Accumulation of E.L will be enhanced to 140 days against the existing provision of 120 days.
10. Accumulation of Sick Leave will be enhanced to 110 days against the existing provision of 100 days.
11. The existing provision of Casual leave as per clause 7.4.1 to 7.4.6 of NCWA-II will continue to be operative.
12. The National /Festival Holidays of 8 days as per existing provision will continue.
13. The Life Cover Scheme will be enhanced from Rs.40,000/- to Rs.60,000/- w.e.f. 1.1.2009.
14. The Ex-gratia in case of death/permanent total disablement will be enhanced from Rs.30,000/- to Rs.45,000/- w.e.f 01.01.2009.
15. “Service linked weightage” – An amount equivalent to one increment shall be payable to those non-executives on superannuation/death on or after 01.07.2006 during the period of NCWA-VIII so as to attract better terminal benefits. However, this will be personal to them and shall not be quoted as precedent for any anomaly rectification.
16. “Fuel Allowance” -The cost of one LPG Cylinder (14.5 KG) at Govt. rate will be reimbursed per month. The payment of CCA shall be withdrawn.

26. Industrial Relations and Employees’ Participation in Management

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

Strikes and Bundhs

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

□

Company	No. of strikes / Bundhs		No. of other Incidents.		Mandays lost		Production lost (in tonnes)	
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
ECL	0+2(BB)	1(IS)+2(BB)	83	91	1400	119254	500	50426
BCCL	0+0(IS)	1(IS)+0	46	03	0	5420	0	4321
CCL	0+0(IS)	1(IS)+2	48	55	0	35769	0	113893

WCL	1+0(IS)	1(IS)+1	10	00	18745	21166	83877	63033
SECL	1+0(IS)	1(IS)+1	1	02	3678	12662	11100	5890
NCL	0+0(IS)	1(IS)+0	44	27	0	1961	0	2420
MCL	0+0(IS)	1(IS)+0	25	75	0	0	0	0
NEC	0+0(IS)	1(IS)+0	0	0	0	0	0	0
CMPDIL	0+0(IS)	1(IS)+0	0	0	0	475	0	0
CIL	0	0(IS)+0	0	0	0	0	0	0
Total	2+2(BB)	1(IS)+3+2(BB)	257	253	23823	169707	95477	239983

- * IS = Industrial Strike, BB = Bangla Bundh.
- * Other incidents: Go-slow, Gherao/Assault/Demonstration/Obstruction for stoppage of work.
- * 1(one) Industrial Strike was called on 20.08.2008.
- * Two Bangla Bundh were called by political party on 5/6.06.2008 & 23/24.07.08

26.1 NEW INITIATIVE IN HRM

i) Manpower Planning :

With a view to equip CIL & its subsidiaries for delivering the results and attaining the status of a World Class Company, assessment of executive manpower requirement was made with provision for satisfactory career growth, succession plan and restoring the pyramidal structure.

Non-induction of executives at entry level since almost last 10 years had created vacuum at bottom level. Recruitment process started for Executives. System of Campus interview re-introduced and inductions made from IITs, NIITs, IIMs, XLRI, etc. Special Recruitment Drive for filling up the backlog vacancies in SC & ST posts was also taken up. While campus interview will be an ongoing process, direct recruitment of more than 2000 executives mostly at entry level and few at middle/senior level has been planned. Statutory posts lying vacant were filled up.

ii) Medi-care scheme

Post-retiral medical facilities for employees have been introduced. A medi-care scheme for retired executives and their spouses has been formulated and implemented. For superannuated non-executives, the OPD facilities have been extended to the workmen and their spouses in the Coal Companies Dispensaries/Hospitals.

iii) Employees welfare and social security

- a) Special relief/ex-gratia of Rs.5 Lakhs is paid to the direct dependent of an

employee who dies or becomes permanently disabled in any mine accident arising out of and in course of employment, which would be in addition to the amount payable under workmen's Compensation Act, 1923.

- b) An amount of Rs.10 Crores has been approved for opening of an Engineering College at Korba.

27. Employees' Welfare and Social Security Scheme :

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

- 1) 1st November, 2008 was observed as CIL Foundation Day in CIL and all subsidiaries. Awards for Production, Productivity and Safety were presented to workers of all the subsidiary companies at a Central Function held at Kolkata.

On this occasion, the CIL Corporate Geet was sung and CIL Flag unfurled all over the Mines and Areas of Subsidiaries and at CIL H/Q.

- 2) Meritorious wards of CIL employees were awarded Merit and General Scholarship. Special Cash Award and Merit Certificates were presented to the wards of the employees of CIL (HQ) and Desk Offices of the subsidiaries at Kolkata who secured 90% or more in aggregate in 10th and 12th Standard Examination conducted by the Boards.
- 3) As per announcement made by Hon'ble Minister of State of Coal on CIL Foundation Day i.e. on 1st November' 2008, Coal India Limited has introduced the scheme for providing financial assistance towards the cost of Tuition fees and Hostel charges to the meritorious dependent children of Wage Board employees who secure admission in Engineering in such Colleges viz. IITs, NITs, ISM, etc which are short-listed by CIL for conducting Campus Selection and in Govt Medical Colleges from the academic session 2009-10 onwards.
- 4) Coal India Limited has been associated with Kabiguru Industrial Training Centre (KGITC), Uttarnarayanpur, PO. Paruldanga, Dist.Birbhum as one of the stakeholder at equal cost sharing basis, the financial implication of which shall not exceed Rs.7.5 Crores. CIL has one nominee each in the Governing Body and in the Executive Committee of KGITC.
- 5) It has been decided to distribute Mementos of Silver Coins of the value equivalent to Rs.1000/- each to all employees of CIL and its subsidiaries as recognition to the hard work of the employees which has lead to the

conferment of “Navratna” status for Coal India Limited in October, 2008.

- 6) Coal India continues to give special emphasis for promotion of sports and cultural activities for the employees and their wards. Events in different sports disciplines were organized by CIL and its subsidiary companies. Inter colliery, inter area and Inter Company Sports and Cultural Meets were also held in the Subsidiary Coal Companies.
- 7) Coal India has decided to extend medical facilities available in its Hospitals/Dispensaries, to superannuated workmen and their spouses.
- 8) Wellness Clinics have been started in most of the hospitals of the subsidiaries to generate awareness among the patients suffering from lifestyle diseases like hypertension, diabetes & other chronic ailments about the root causes and preventive measures of lifestyle diseases and also to advise them about lifestyle modification that can sustain good health and happiness in life.
- 9) Mobile Medical Vans equipped with Doctors, Paramedicals and essential medicines are being sent to remote villages, where medical facilities are not available by the subsidiaries. A few Mobile Medical Vans are already deployed, and some more, as per requirement are in the process of hiring and will be deployed soon.
- 10) HIV/AIDS Awareness programmes are being held in all subsidiaries of Coal India Limited since 2004 regularly on monthly basis. At Coal India Limited, Kolkata the same is being held regularly from 2006. School Level awareness programmes are also being held at subsidiaries.

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

- 11) Basic amenities like Housing, Water Supply, Medical Care, etc. continued to be provided. Some Educational Institutions operating in and around coal companies were given assistance by way of grant-in-aid and infrastructure support as a part of Welfare and CSR activities.

Table below shows the position of basic amenities provided:

Sl. No.	Item	Available at the time of Nationalisation	Additions during 2008-09	Position as on 31.3.2009
1	Housing :			
	(a) Number of houses:	1,18,366	286	4,13,308

	(b) Overall housing satisfaction	21.07%	-	100 %
2	Water supply : (Population covered)	2,27,300	980	22,94,043
3	Educational Institutions:			
	a) No. of fully financed Project schools (KV,DAV & other schools)	-	-	61
	b) No. of Project schools given infrastructure only	-	-	26
	c) No. of Privately managed schools provided recurring grant	-	-	290
	d) Other Educational Institutions given grant/occasional help	-	81	288
	Total:	287	81	665
4	Medical facilities:			
	a) Ambulances	42	-	668
	b) Hospitals	49	-	85
	c) Hospital beds	1,482	-	5,835
	d) Dispensaries	197	-	424

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

28. Tree Plantation/Afforestation :

In order to provide better environment, Coal India Limited and its Subsidiary Companies have planted 19.55 Lakhs seedlings in the Coalfield Areas during 2008-09 under afforestation programme.

29. Progressive use of Hindi

Keeping with the spirit of the constitution, Management of Coal India Ltd. is committed to implement the provisions of the Official Languages Act, Rules and Regulations. For this, periodical meetings and reviews were regularly by the top officials. As a result of which it has been possible to speed up the pace of implementation of Rajbhasha during the year under review.

The works done during the year for implementation of Rajbhasha are appended below :

i) Hindi workshop/ Hindi Seminar :

With a view to create working atmosphere of Hindi, Hindi Workshops were organized regularly for the employees who have working knowledge of Hindi. During the year under review, sufficient number of persons were trained in such workshops. Apart from this, on 18.07.2008 a seminar cum-workshop was organized at Coal India (HQ), Kolkata where employees of CIL (HQ), Subsidiary companies and Regional Sales Offices participated. Topic of the workshop was (i) Quarterly Report – its importance & accuracy (ii) Questionnaire to be submitted before Parliamentary Committee on Official Language – its importance & accuracy.

ii) **Hindi Fortnight :**

Hindi fortnight, starting from 15.09.2008 was observed in all offices of Coal India. On the occasion of inauguration of Hindi Fortnight, the Chairman, Coal India Limited appealed to all employees of Coal India and its Subsidiaries to do most of their official work in Hindi, so that we can achieve the target for transacting the Official work of the Union in Hindi as prescribed in the annual programme 2008-09 issued by the Ministry of Home Affairs, Department of Official Language. During the fortnight various Hindi competitions/programmes viz. Hindi Noting-Drafting, Essay writing, Translation, Dictation, Hindi typing, Debate in Hindi, etc. were organized where large numbers of employees participated. The winners were honoured with Cash awards by the Director (P&IR). This brought collective awareness towards Rajbhasha, 'Hindi'.

iii) **Inspections :**

Inspection is a part of implementation. Representatives of Ministry of Coal as well as Coal India were inspected the different offices of Coal India Ltd. & its Subsidiary companies during the period under review. The shortcomings pointed out during inspection were corrected and concerned officials were encouraged to do more work in Hindi. Apart from these, a High Power Committee of Parliament on Rajbhasha inspected Regional Sales Office, Bangaluru on 27.11.2008 and Delhi Office on 12.04.2008.

iv) **Awards :**

Coal India was awarded "Rajbhasha Alankaran Shield" Samman for successful implementation of Official language Act, Rules & Regulations, by Bharatiya Bhasha Avam Sanskriti Kendra, Delhi on 29.05.2008 in Gangtok in its 13th All India Rajbhasha Conference.

In the half yearly meeting of "Kolkata Town Official Language Implementation Committee (PSUs)" held on 26.08.2008, Coal India has been awarded consolation prize in Corporate Offices Group for remarkable performance towards implementation of Rajbhasha Act, Rules, and Regulations and for considerable growth in Hindi correspondence.

v) **Helping Literature :**

With a view to use Hindi easily in the Official work, necessary helping literature were provided to the different departments. During the quarterly meeting of OLIC on 20.03.2009, the Director(P&IR), CIL has released a booklet named Standard Notings, the copies of which were distributed among all the departments for their regular use.

30. Vigilance.

30.1 Vigilance Set-up of CIL :

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

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

CVO, CIL apart from monitoring vigilance activities of various departments and offices under direct control of CIL and North Eastern Coalfields (NEC) also enquires into/monitors such cases referred by the CVC/MOC to CIL Vigilance. He also investigates specific complaints against officials of subsidiary coal companies specifically referred by Chairman, CIL to CIL Vigilance or on the basis of complaints or source information received directly at CIL Vigilance. Some co-ordination with the subsidiary coal companies is effected informally since CIL Vigilance Division has to liaise with institutions like CVC, MOC, CBI as also in view of the fact that CMD, CIL is the Appointing/Disciplinary/Appellate Authority in case of executive cadre employees and CVO, CIL is required to act as an advisor whenever CMD, CIL has to discharge his authority in one of the above mentioned capacity vis-à-vis a vigilance matter.

An interface therefore, is maintained with the Vigilance Division of the different subsidiary companies and their CMDs. It may be mentioned that formal CVO, CIL does not exercise superintendence or control over the CVOs or the vigilance set up in the different subsidiary companies.

One of the major tasks is to report the vigilance status of different officials when required by CIL management or MOC or CVC or PESB. In so far as cases of promotion are concerned, the vigilance status of the concerned required officials is sent to Personnel Division of CIL after collecting the same from the vigilance wings of the different subsidiary companies. Similarly, in case of selection, the vigilance status in respect of the

required employees is sent to the concerned authorities i.e. MOC/CVC after collecting the same from the different subsidiary companies. CIL Vigilance maintains the vigilance data in respect of only such employees who are/were posted in CIL/NEC/Regional Sales Offices.

30.2 Anti-corruption measures during the reporting year by CIL and its Subsidiaries.

Total number of Intensive Examination of works/contracts undertaken/conducted was 46. In addition, Surprise Inspection at work-sites were carried out by Subsidiary Vigilance units in 214 cases. Subsidiary-wise break-up of Intensive Examinations and Surprise Inspections conducted are shown in the Table below:

(a) Subsidiary-wise numbers of surprise inspections and intensive examination of works/contracts undertaken/conducted during the year 2008-09.

Name of the company	ECL	BCCL	CCL	WCL	SECL	NCL	CMPDL	MC L	CIL (HQ)	Total
Surprise inspection	20	15	43	54	23	26	11	22	NIL	214
Intensive examinations	03	01	12	-	08	05	05	12	NIL	46

Based on complaints received from various corners and from source information, 252 investigation cases were completed during the reporting year. Total number of Departmental Inquiries disposed during the year was 89 and number of persons against whom punitive actions were taken was 225. Number of investigation cases completed and punitive actions initiated/penalty imposed are shown in the statements below:

(b) Number of investigation completed during the year 2008-09

Name of the Company	ECL	BCCL	CCL	WCL	SECL	NCL	CMPDL	MC L	CIL (HQ)	Total
No.	49	04	50	26	06	77	01	26	13	252

(c) Number of Departmental inquiries disposed of and number of cases in which penalties imposed during the year.

□

Name of the company	ECL	BCC L	CCL	WCL	SECL	NCL	CMPDL	MC L	CIL (HQ)	Total

)	
No. of cases taken up for Disciplinary Action	Major	11	27	15	10	03	05	NIL	02	04	77
	Minor	03	11	05	08	05	11	01	05	Nil	49
No. of Departmental Inquiries completed.		15	16	23	04	03	11	Nil	16	01	89
No. of cases in which penalty imposed.	Major	07	04	14	04	01	03	Nil	07	Nil	40
	Minor	05	13	09	04	01	08	03	06	01	50

(d). Number of persons penalized.

Name of the company		ECL	BCC L	CCL	WC L	SECL	NC L	CMPDI L	MC L	CIL (HQ)	Total
No. of persons penalized.	Major	09	05	39	03	04	05	NIL	20	Nil	85
	Minor	05	37	21	10	02	18	09	37	01	140

(e). No. of Sanction For Prosecution under Prevention of Corruption Act, 1988.

Name of the company	ECL	BCCL	CC L	WC L	SECL	NCL	CMPDI L	MC L	TOTAL
No. of Sanctions	03	09	11	02	Nil	01	Nil	02	28

3 Special Achievements of CIL Vigilance Division

A. Weeding out irregular promotion / appointment in CIL.

- Detected serious irregularities in the matter of outsourcing and conducting of written examination for promotion of non-executives to executive grade in

Personnel & Admn. Discipline leading to major penalty proceeding against four persons including one executive now posted as Director (P) and others being the Chief Personnel manager, Chief Finance Manager & PM (Recruitment).

- Detection of case of favoured appointment in Legal Discipline during the period of erstwhile NCDC/CMAL in the year 1974 to a non-entitled candidate lacking in prescribed Law Degree and subsequently promoting him in CIL upto M2 grade.

B. Implementation of Integrity Pact Programme.

C. Exposing irregularities of Piparwar Washery of CCL through in-depth and intensive study.

D. Organizing Interactive Session amongst CVC, MOC, CIL and its subsidiaries to generate better understanding of Vigilance guidelines and transparent decision making process.

Interactive Session between senior members/officials of Central Vigilance Commission (CVC), Seniors officers of Ministry of Coal (MOC), CMDs and CVOs of CIL and its Subsidiary Companies, FDs of CIL and Subsidiaries of CIL located at Ranchi was organized at Indian Institute of Coal Management (IICM), Kanke Road, Ranchi on 17.07.2008 afternoon and on 18.07.2008 forenoon. The Interactive Session was organized with the objective of generating better understanding of vigilance procedures and guidelines and to seek an advice of the CVC to dispel nebulousness dogging certain issues.

The session commenced with the kindling of the lamp by the Hon'ble Vigilance Commissioner, CVC, Shri Sudhir Kumar.

Shri N.R.Banerjee, CVO, CIL explained the genesis of the interactive session. He hoped that the two day's interactive session would infuse a spirit of honesty and integrity and help foster a transparent image of CIL.

Chairman, CIL delivered the welcome address. He stated that among the Core Sector companies only the Mining Sector could meet the targeted growth mainly due to the performance of CIL which is indebted to the support extended by CVC for taking decision for procurement of vital material inputs particularly OTR tyres and explosives. Chairman, CIL pointed out that such support and guidance are needed at this hour and the new emerging role the Vigilance Department has to play in the coal companies.

Shri V.K.Gupta, Addl. Secretary, CVC expressed pleasure that even in the back drop of vigilance being looked upon with a little bit of skepticism, CIL has assembled the CVOs, the CEOs, the Vigilance Commissioner and the representative of the Ministry on the same platform to interact on various issues and resolve the operational problems.

Dr. S.P.Seth, Addl. Secretary, Ministry of Coal complimented CVO, CIL and

IICM, Ranchi for organizing the two days interactive session. He hoped that discussions of the two day interactive session would facilitate the decision making process of CIL to a great extent.

Shri Sudhir Kumar, Vigilance Commissioner, CVC narrated the role played by CVC towards enhancing the nation image as also helping the PSUs to carry on business in a transparent manner. He said that coal is a very important sector and the commercial activity related to coal is as old as human civilization. Thus CIL has a major role in national development and has the responsibility to carry forward not only the image of coal industry but also the whole country. He added that the elite class has to rise above all temptation and has to shoulder the responsibility to further the country's image and the national image. He reiterated that the CVC is a partner of PSUs and equal reciprocation from the PSUs will help foster the national image. He wished CIL to touch many more milestones in the coming days.

Thereafter, discussions were held on the various issues placed before the House by the CMDs of the Subsidiary Companies, FDs of CIL, CVO, CIL and CVOs of the subsidiary companies. The following matters were discussed:

1. Issues relating to execution of two contracts at the same time and same place for identical work on different rates (transport contract).
2. Issues relating to engagement of ESM companies for transporting of additional quantity of coal at the same project where already a transport contract is running on a different rate.
3. Issues relating to preservation of price bid of unsuccessful bidders.
4. Identification of vigilance/non-vigilance complaints by CVO and action thereon.
5. Issues relating to awareness of vigilance in administration.
6. Provision of snap bid with all technically approved vendor if the price of L1 is not reasonable to avoid delay in re-tendering.
7. Issues relating to preparation of draft charge-sheet by the CBI along with the SPs Report in regular departmental action when CBI is involved.
8. Guidance sought from CVC for issuing self-contained speaking and reasoned order by Disciplinary Authority when CVC differs with the tentative view of punishment/exoneration in DA cases.
9. Whether CVO of PSU can issue guideline/advice on Preventing Vigilance measures.
10. Posting of Vigilance Functionary in PSUs from other Government Sector PSUs.
11. Situation arising out of extreme hike in price of Raw Materials like Iron, Steel etc.
12. Issues related to difficulties in awarding Contracts in Coal/Sand Transportation Contract.
13. Issues relating to shortage of officers as a result of shifting of officers in Agreed List/ODI List to Non Sensitive Post.

14. Issues related to inclusion of Price Fall Clause in tenders for Transportation/Tipper Loading/Overburden Removal/Surface Miner Contract.
15. Consultation with CVC in matter of Complaints/Investigation involving officers within two levels below the Board.
16. Issues related to 'Cash & Carry' system.
17. Operationalizing the new 'Single Window Spot Sale Scheme'.
18. Withdrawal of IIT, Kharagpur Team and choice of ECIL for support maintenance on nomination basis.
19. Award of Contract/Order on Nomination basis
20. Issues relating to Multiple sourcing.
21. Application of Price Fall Clause.
22. Parallel channelising of information/reports from CVO, CIL & CVO, Subsidiaries to and from MOC/CVC.
23. Issues related to award of 'warning' or 'caution' to the charged officer(s) after the conclusion of the Disciplinary Proceedings.
24. Issues related to closure of RDA cases in respect of executives retired on superannuation.
25. Issues regarding selection of Officers who have been issued "WARNING" or "CAUTION" in Disciplinary cases.
26. Issues relating to interpretation of CVC Circular No. 12-02-1-CTE-6, dated 17.12.02 where consideration of seven years work experience as pre-qualification may be suitably addressed for increasing competition as also for consideration of annualized value instead of total estimated value for experience criteria in tenders.

30.4 VIGILANCE AWARENESS WEEK AT CIL (HQ)

Brief report on the observation of vigilance awareness week :

Chairman, CIL, D(F), CIL, CVO, CIL, HODs of CIL, Officers of CIL Vigilance and the representatives of the buyers association/buyers were present during Interactive Session.

In his address, on the commencement of the Interactive Session on 05.11.08, CVO, CIL pointed out that since formation of Central Vigilance Commission it has been laying emphasis on building of a culture of efficiency and transparency in public spending, to raise awareness among users of the service provided by the departments/organizations, of the initiatives taken for improvement of the systems and procedures and of the avenues available of the user citizen for redressal of grievances.

In this connection he drew attention to Public Interest Disclosure and Protection of Informers (PIDPI) Resolution, 2004 under which the complaints can approach the Commission directly as "Whistle Blowers". The Commission remains committed to protecting the safety and identity of the "Whistle Blowers" and urge more such persons to

come forward in order to expose corruption in Public life, taking advantage of the PIDPI Resolution, 2004. CVO, CIL stated that in any organization a few powerful and corrupt people hold to ransom the entire organization. The majority remains silent observers and this offers an open area for the tiny corrupt minority to carry on wrongful and unethical business practices and inculcate a culture of opaqueness. It is high time that strong and dedicated initiatives are taken from within the company or outside to prevent such practices.

CVO, CIL concluded his address with the hope that someone or the other will break out of the mould and take the first step for himself by lodging a PIDPI to CVC which may be a small step for the individual but will result in a great leap for the organization towards scripting a new chapter of functioning with integrity and transparency.

Thereafter, CVO, CIL flagged off the commencement of the Interactive Sessions. The Buyer Sellers (Coal) 'Interactive Session' was followed by the Session on 'Redressal of grievances related to Vigilance (Personnel)' angle of the employees.

Buyers/representatives of Buyers Association were present during the Buyer Seller (Coal) Interactive Session. The management was represented by Shri J.Goyal, CGM (S&M), CIL and Shri H.K.Vaidya, CGM(S&M), CIL. Various points were raised by the representatives of the buyers. During the interaction, detailed deliberations were made on various points. In respect of grievances of the Buyers which were prima facie found genuine, it was assured that their grievances will be appropriately redressed.

In the Interactive Session – II on “ Redressal of grievances related to Vigilance (Personnel) angle of the employees”, some employees put forward their grievances. GM(P), CIL and other executives of Pers. Deptt. present in the session heard and responded the representations made by the aggrieved employees.

On 06.11.2008, a meeting with the Independent External Monitors was organized with a view to improving the process of implementation of Integrity Pact and to make it more effective to render increased transparency. Chairman, CIL, Director (F), CIL, CVO, CIL and ten IEM's were present amongst others in the session which deliberated on various issues.

30.5 PREVENTIVE VIGILANCE (CIL VIGILANCE DIVISION)

- **SYSTEM IMPROVEMENT STUDIES**

- A. Issuance of Circular in respect of Formulation of Agreement.**

While investigating a complaint, it was observed that 4 Nos old buses and one tipper engine were handed over to Sharda Yatayat Parivahan Samity on consideration of a payment to be made for Rs.4,37,000/- as per Agreement dated 18.09.06 in Pench Area, WCL, for transportation of workers within WCL mines. The Road Taxes and Insurance

for the buses for the period beyond 1997 was to be paid by the Samity.

In view of lacunae in the Agreement without naming the Executing Authority for follow up action, the Samity defaulted in monthly installment after paying Rs.1,27,834/- only.

No approval of WCL Board was taken for handing over the buses and officials responsible for such violations were superannuated.

Further, the lacunae in the defaulted Agreement with the Samity were analyzed by CIL Vigilance to cover Preventive aspects. They may be briefed as under.

- (i) There is no clear mention of Authority responsible for proper execution of the Agreement.
- (ii) The buses were handed over to the Samity prior to the signing of the Agreement.
- (iii) The Agreement was not vetted by the Legal Department.

CIL Vigilance brought the issues to the notice of WCL Vigilance and after obtaining approval from CMD, WCL, A Circular on Preventive measures in this regard was issued by CVO, WCL on 23.06.08. In the Circular dated 23.06.08, it was advised that in future while executing any Agreement following 2(two) points should be ensured.

1. The Agreement bears the name of executing authorities of the Agreement.
2. The agreement is vetted by Legal Department.

B. Diversion of quantity to Ananta OCP and Samleswari OCP by diversion/ shifting of quantity awarded to the contractors who were working at Lingaraj OCP and Belpahar OCP.

In the 77th meeting of the Board of Directors of MCL on 15-09-2005 at Bhubaneswar it was confirmed that a quantity of 9 Lakh M³ to be executed by deploying surface miner from Belpahar OCP of Lakhanpur Area is to be diverted to Samleswari OCP at Ib Valley Area of MCL under the existing terms and conditions of NIT no.333, dated 01-07-2005. It was also confirmed in the same meeting of the Board of Directors that a similar quantity of 9 Lakhs M³ to be executed by deploying surface miner from Lingaraj OCP of Lingaraj Area to Ananta OCP of Jagannath Area of MCL as per existing terms and conditions of NIT – 329, dated 13-07-2005. A question was raised by Director (Finance), CIL and JS&FA, Ministry of Coal who were members of the Board of Directors of MCL, regarding the validity of such transfer of quantity of surface miner from one OCP to another OCP against the project report provisions of those projects. The matter was raised in the interactive session between CIL and its subsidiaries, Ministry of Coal and CVC held on 19-07-2007 at IICM, Ranchi.

CVC's views were as below :

“ CVC was of the view that if stipulation towards shifting of the surface miner from one Project/Area to another Project/Area was incorporated in the NIT, then resorting to the same should not attract objection from the vigilance angle. However, the reasons/circumstances for such shifting of the equipment should be explained and recording along with proper documentation.”

Secretary, Govt. of India, Ministry of Coal vide his D.O. letter no.13034/10/2005-Vig dated 16-11-2007 addressed to Chairman, CIL, Kolkata desired that the matter may be considered in the CIL Board to frame a proper policy guidelines in conformity with CVC guidelines so that the same can be followed by all subsidiaries of CIL.

The matter was referred to CIL Vigilance by Chairman, CIL. The entire issue was studied by CIL Vigilance and observed/feared that if such diversion of quantity is resorted to indiscriminately, then there is a possibility that such provision in the NIT can be misused to favour somebody. CIL Vigilance proposed for constitution of a committee for framing guidelines on the matter regarding how much quantity can be diverted; under which circumstances and for what period such diversion of quantity can be made. Accordingly, a committee consisting of the following has been constituted by CGM/TS to Chairman, CIL vide office order no CH:TS: 36(A):194, dated 12.06.2008 to formulate the required policy guidelines:

1. Director (Technical), MCL, Sambalpur.
2. Chief Vigilance Officer, MCL, Sambalpur.
3. CGM(CP), CIL, Kolkata – Convener of the Committee.
4. GM(F), CIL, Kolkata.

Above action has been taken to eliminate such possibility of favouritism as a system improvement measure.

C. Revision of the norm for specific diesel consumption of HEMM

The norms for specific diesel consumption of HEMM, which is being considered as a guideline in all the subsidiaries of CIL, are based on recommendations made by “Kapila Committee” way back in 1987. Thereafter, various Heavy Earthmoving Machineries like 120Te and 170Te Dumper, Diesel Hydraulic Shovel (more than 10 CUM Bucket), etc., have been introduced. Besides, as a result of technological developments, considerable changes have taken place in the technical features of the Models prevalent during the study of “Kapila Committee”.

CIL Vigilance studied the matter and observed that norms fixed by the “Kapila Committee” excludes various high capacity equipments which were not in use during that

period. Moreover, the norms, so fixed for other machines, do not commensurate with the improved design features introduced subsequently in the said machines.

CIL Vigilance also felt that with the introduction of electrically controlled fuel efficient engines, Dumpers with electrically driven wheel motors, etc., there has to be reduction in the consumption of diesel.

A proposal for constituting a committee for examining the matter was sent to Chairman, CIL on 31.03.2008. The matter was discussed in the 19th meeting of the CMDs held on 03.05.2008 and **it was felt prudent that the norms of specific diesel consumption be reviewed. It was conveyed in the meeting that CMPDIL has already undertaken the job of benchmarking and energy audit for specific diesel consumption in some of the opencast mines.** It was also decided that initially projects with certain composite capacity (Coal+O.B) in different Subsidiaries will be covered under benchmarking at the earliest. Chairman, CIL desired that whatever such benchmarking has already been done, the actual diesel consumption should be compared with the benchmark on monthly basis and put up to CMDs meet regularly.

D. Amendment in rules regarding assessment of age :

An investigation was made in a case of employment of Smt. Terasai Bai on compassionate ground, whose husband late Hetram, Dresser, Malga Colliery, SECL died in harness on 29.12.2003. Since the appointee was neither matriculate/ non-matriculate but educated/ nor ex-serviceman, the matter was referred to the Area Medical Officer for ascertaining medical fitness and determination of her age. The medical examination report in the prescribed Form 'O' certified the date of birth of Smt. Terasai Bai as 01.04.1967 and accordingly she was found fit for employment. The employment proposal was initiated from the colliery level. Subsequently, it transpired that the age of Smt. Terasai Bai was initially mentioned as 28 years in the service sheet dated 28.08.87 of her late husband and was later tampered and manipulated to appear as 20 years. Tampering the age of Smt. Terasai Bai was found in the LTC Option Form submitted by her late husband. The case file was dealt by CIL Vigilance during examination of appeal preferred by the delinquent officers against the penalty orders issued by the D.A.

In order to avoid any such occurrence in future the approval of Chairman has been communicated to initiate action to amend Rules forthwith requiring examination of "Service Sheet"/"LTC Option Form" of the deceased employee to be made mandatory, before Form-O is sent to colliery medical officer for assessment of age of the dependent (neither matriculate/nor ex-servicemen), who opted for employment on compassionate ground. In this regard a letter No. CIL/VIG/VD-51(CH)/594 dated 06.08.2008 addressed to Director (P&IR), CIL has been sent for compliance.

E. Higher quantity of coal supplied to Power House than the billed quantity :

In a case of Departmental Inquiry of CCL, it was observed by the Inquiring Authority that there was a discrepancy in billed quantity and challan quantity of coal supplied to power house. The quantity supplied to Powerhouse was on higher side than the billed quantity. In this regard CCL, Vigilance was advised to conduct in depth full fledged investigation along with fixing up of responsibility of those found involved in supply of excess coal.

CMD, CCL was requested vide letter No. CIL/VIG/CCL/VD-54(CH)/AK/1284 dated 27.01.09 to get surprise checks conducted at periodic intervals in all such units of CCL through which coal is supplied to power houses to find out/assess the state of affairs and evolve suitable measures to ensure that a foolproof system is pressed in operation resulting in no excess supply of coal to power houses in future.

CMD of all subsidiaries has also been requested to frame suitable guidelines for their company, if not already exist, to ensure supply of billed quantity of coal to power houses and to conduct periodic surprise checks to ensure implementation of such guidelines by their Vigilance Establishment.

F. Imposition of Penalty to Transport contractor in case of failure in targeted quantity of coal :

In a case of Departmental Inquiry of CCL, it was observed that the Project authorities failed to impose penalty on the transport contractor for short transportation of coal causing monetary loss to the company apart from the short fall in meeting the targeted quantity set for the company. Although the Agreement Clause entered between the transport contractor and the authorized representative of CCL envisaged deduction of penalty from the contractor's bill/security deposit in case of failure on the part of the transporting contractor to transport the targeted quantity of coal the same was not implemented properly.

To prevent such occurrences in future, letter has been issued by CVO, CIL to CMD, CCL vide letter No. CIL/VIG/CCL/VD-263 (CH)/BKD/1414 dt.10.03.2009 with a copy to Chairman, CIL and CVO, CCL. It has been requested to frame suitable, fool-proof guidelines for strict implementation of penalty clause in cases where the contractors fail to fulfill/meet the target settled in the contract.

It has been advised to CMD, CCL to instruct Vigilance Division to conduct periodic monitoring of all such high value contracts entered into by CCL with particular reference to implementation of penalty clause and identify deviation, if any, from the accepted norms and fix-up responsibility for the same.

G. Hiring of Vehicles :

In the matter related to hiring of vehicle, suggestion has been communicated to Chairman, CIL for adopting system of hiring of vehicle at par with the existing rule of Government of West Bengal.

31. Particulars of Employees.

None of the employees received remuneration in the year 2008-09 in excess of limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with the companies (particulars of employees) Rules, 1975 as amended.

32. Board of Directors

Shri Partha S. Bhattacharyya, appointed as Chairman w.e.f. 1.10.2006, continued during the year under report. Shri K Ranganath, as Director (Marketing), CIL was on the Board up to 22.05.2008. Shri S. Bhattacharyya, as Director (Finance), Shri N. C. Jha, as Director (Technical) and R. Mohan Das, as Director (P&IR) were on the Board through out the year. Dr A K Sarkar, as Director (Marketing), CIL was inducted on the Board w.e.f. 17.03.2009.

Dr. S. P. Seth, Addl. Secretary, MOC was on the Board as part-time official Director upto 23.12.2008. Dr. Rajiv Sharma, Addl. Secretary, MOC was inducted on the Board as part-time official Director w.e.f 23.12.2008. Shri Sanjiv Mittal, Jt. Secretary and Financial Adviser, MOC continued as part-time official Director on the Board during the year. Shri Vivek Sahai, Adviser (Traffic Transportation), Railway Board, Shri D.C. Garg, CMD, Western Coalfields Limited and Shri A.K. Singh, CMD, Central Mine & Design Institute Limited were on the Board upto 20.08.2008.

Shri P. K. Banerji, Shri Arvind Pande, Shri S. Murari and Prof. S. K. Barua continued as non-official Part-time Directors on the Board during the year.

Shri Vivek Sahai, HAG/IRTS Adviser (Traffic Transportation), Railway Board, Shri D.C. Garg, CMD, Western Coalfields Limited and Shri A.K. Singh, CMD, Central Mine & Design Institute Limited were appointed as Permanent Invitees to the Board w.e.f 21.08.2008.

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

In terms of Articles 33(d)(iii) of the Articles of Association of the Company, all the Directors excepting the Chairman, whole-time Directors and part-time non-official Directors shall retire at the ensuing Annual General meeting and they are eligible for reappointment.

The Board of Directors held in all 7 (Seven) meetings during the year 2008-09.

33 Directors' Responsibility Statement

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

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

34 Accounts of the Subsidiaries

The copies of Accounts of the Subsidiary Companies for the year 2008-09 are attached in Vol.- II with the Annual Report and Accounts of the Company in compliance with requirement of Sec. 212 of the Companies Act, 1956.

35 B.I.F.R and BRPSE Status

35.1 Eastern Coalfields Limited (ECL) □

As on 31st March, 1997, accumulated loss of the company exceeded its networth by Rs. 251.20 crores, hence Company was referred to BIFR during October, 1997 in terms of Sec. 15(1) of SICA. BIFR registered ECL's case as Case No. 501/98. Due to financial restructuring done by CIL as on 31st March, 1998, by converting unsecured loan of Rs. 1179.45 crores into equity, the networth became positive by Rs. 423.96 crores as on that date and the company came out of BIFR. Since the company continued to incur losses year after year, the networth of the company again became negative as on 31st March, 1999 by Rs. 10.90 crores and hence the company was again referred to BIFR during November, 1999. Company's case was registered as Case No. 501/2000.

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

and appointed State Bank of India as Operating Agency under section 17(3) of the SICA to formulate the Rehabilitation Scheme. After detailed deliberation with the stakeholders, Revised Draft Rehabilitation Scheme of ECL dated 31st January, 2004 was prepared. This was discussed in the Joint Meeting held on 3rd March, 2004. In the Joint Meeting all the Stakeholders supported the scheme. As per discussion held in the Joint Meeting, Operating Agency prepared a fully tied up Draft Rehabilitation Scheme of ECL (March' 2004) and submitted the same to BIFR. As per the scheme, the networth of the Company was slated to become positive by 2008-09. BIFR hearing was held on 21st September, 2004. BIFR sanctioned the Rehabilitation Scheme of ECL (March, 2004) on 2nd November, 2004 for implementation. The scheme was examined by the office of the Controller General of Accounts. They had also recommended the scheme for the revival of the company.

Coal price was enhanced from 16th June, 2004. National Coal Wage Agreement - VII (NCWA-VII) was signed between the operating Trade Unions, Coal India Limited and its subsidiary companies for a period of five years from 1st July, 2001 on 15th July, 2005. The impact of enhanced sale value as well as NCWA-VII (Other than Interim Relief @ 15% of basic) was not considered in the financial projection of the BIFR sanctioned Rehabilitation Scheme. Due to implementation of NCWA-VII, as well as the enhancement of sales price and delay in implementation of projects the scheme was revised as per the advice of BRPSE. As per the revised scheme, the networth of the company was slated to become positive by 2009-10. The Revised Scheme was heard by the Board for Reconstruction of Public Enterprises (BRPSE) on 29th August, 2005. They had recommended the scheme subject to ECL achieving the physical and financial parameters. The recommendations of BRPSE was also heard by the Committee of Secretaries under the Chairmanship of Cabinet Secretary on 13th January, 2006. They had also recommended the scheme for the revival of the company. Cabinet Committee on Economic Affairs had approved the BRPSE recommended Revival Plan of ECL on 5th October, 2006.

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

35.2 Bharat Coking Coal Limited (BCCL)

(A) BIFR status

BCCL was first registered as sick Company vide Registration No. 504/95 dated 18.12.95 as its net worth was negative after completion of Accounts for the year 1994-95.

At its first hearing held on 15.2.96, BIFR appointed Shri S. Krishnanmurthy as special Director on BCCL Board till 26.5.2003.

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

After completion of Accounts for the year 1999-2000, the net worth of the Company became negative and after making reference to BIFR, BCCL was once again registered as Sick Company vide Registration No. 502/2001. In its first hearing held on 3.4.2002, BIFR dismissed the reference as time barred and non-maintainable. BCCL made an appeal vide no. 92/2002 dated 7.5.2002 to AAIFR under section 25 of SICA, challenging the order.

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

□

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

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

As per instruction of Ministry of Coal, BCCL submitted its Rehabilitation Scheme in prescribed format to BRPSE in April, 2005 suitably modifying the Revival Plan

submitted to BIFR on 12.4.04. Considering the present scenario, taking into account the financial implication arising out of finalisation of NCWA-VII and incorporating the suggestion of Dy. CGA, a modified Rehabilitation Scheme has been finalised and presented.

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

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

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

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

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

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

As per advice of Under Secretary to the Government of India, MOC vide reference No. 1301/4/2024-CA-II Vol.-II, dated 20.2.2008, a PPT presentation on the

revival Proposal of BCCL was made before the Board during 56th meeting of the Board for Reconstruction of Public Sector Enterprises (BRPSE) at New Delhi on 22.2.2008.

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

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

C. Present Status of BIFR :

Last BIFR hearing was held on 18.05.2009. BIFR at its hearing held on 18.05.2009 directed to submit Revised Scheme/Proposal for Revival of BCCL. Accordingly, Revised Revival Plan of BCCL has been submitted to Bench Officer-II of BIFR vide no BCCL:SR.ES:CMD:F-BIFR:09/660, dated 04.06.2009. BIFR is yet to approve the Same.

36. Acknowledgement:

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

37. Addenda

The following are annexed.

- i) The comments and review of the Comptroller and Auditor General of India.
- ii) Replies to the observations made by the Statutory Auditors on the Accounts for the year ended 31st March, 2009.
- iii) Statement pursuant to Sec. 212(i) (e) of the Companies Act, 1956.

For and on behalf of the Board of Directors

Sd/-
Partha S. Bhattacharyya
Chairman

Kolkata, the dated 27th July, 2009.

AUDITORS' REPORT
To The Shareholders Of Coal India Limited

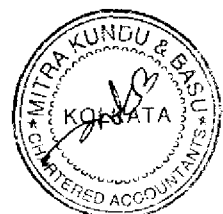
We have audited the attached Balance Sheet of COAL INDIA LIMITED as at 31st. March, 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose as annexure, a statement on the matters specified in the paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
- (iii) The Balance Sheet, Profit & Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of accounts.
- (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement read with significant Accounting Policy and Notes to Accounts as referred in Schedule – M comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies act, 1956.
- (v) As per Notification No. GSR 829 (E) dated 21-10-2003, provisions of clause (g) of sub-section (1) to Section 274 is not applicable to the company.



(vi) Subject to :


- (a) *Non provision for investments in, loans to and other receivables from two subsidiaries - namely, Bharat Coking Coal Limited and Eastern Coalfields Limited aggregating to Rs. 4,77,268.76 Lakhs and Rs. 5,91,021.75 Lakhs respectively as they have been declared sick under the Sick Industrial Companies (Special Provision) Act, 1985 and were referred to BIFR.*
- (b) *As referred in item no. 13.13 of Notes to Accounts – Schedule – M, the provision against back filling is not based on any technical evaluation.*
- (c) *As referred in item no. 9.5 of Notes to Accounts – Schedule – M, we relied upon the actuary's certificate for disclosure of funded liability only. The actuarial liability against V.R.S (non-executives) and exgratia in lieu of employment on death in harness for employees has not been provided in the accounts. We are unable to quantify the impact in the accounts.*
- (d) *As refer in item no. 9.7 of Notes to Accounts – Schedule – M, the information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA) have not been made. In absence of non-identification of such units we are unable to quantify the impact, if any, in the accounts.*

In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read with the Notes in Schedule – M give the information required by the Companies Act, 1956 (as amended) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of Balance Sheet of the state of affairs of the Company as at 31st. March, 2009;
- (b) in the case of Profit & loss Account of the profit for the year ended on that date; and
- (c) in the Cash Flow Statement of the Cash Flows for the year ended on that date.

Place : Kolkata
Dated : The 19th June , 2009

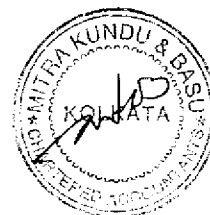
For Mitra Kundu & Basu
Chartered Accountants


(S. Das)
Partner
Membership No : 051391



Annexure to The Auditors' Report

- 1 (a) The Company has maintained records showing full particulars including quantitative details and situation of Fixed Assets. However, certain details as purchase order reference; date of commissioning etc. are absent there. Records for the current year's purchases/ sales are not incorporated in full. Reconciliation of the said Register with General Ledger is under progress.
- (b) Fixed Assets located at North Eastern Coalfields, the production unit of the company, has been physically verified by the management periodically in phased manner and no material discrepancies have been noticed as confirmed by the Management. Other fixed assets located elsewhere remains unverified.
- (c.) No substantial part of fixed assets has been disposed off during the year, which has bearing on the going concern assumption.
- 2.(a) Physical verification of Inventory has been conducted at reasonable intervals during the year by the management, except for inventories kept at stockyard of Regional Sales Offices.
- (b) In our opinion, the procedures of physical verification of Inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The Company has maintained proper records of Inventory. No material discrepancies were noticed on physical verification.
- 3.(a) According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clause 4 (III) (b) to (d) of the Order are not applicable.
- (b) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clause 4 (III) (f) to (g) of the Order are not applicable.
4. On the basis of checks carried out during the course of audit and as per explanations given to us, we are of the opinion that there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of Inventory and Fixed Assets and for the Sale of goods and services. During the course of our audit no major weakness in internal control has been noticed except for certain advance / receivable accounts where details/ schedules are absent for a long time and the adjustments made thereagainst are basically effected on adhoc basis leading to the emergence of credit balances often.



5. In our opinion and according to the information and explanations given to us, there are no contracts and arrangements as referred to in section 301 of the Companies Act, 1956, particulars of which need to be entered into a register maintained under section 301 of the said Act. Accordingly, clause 4 (V) (b) of the Order is not applicable.
6. The Directives issued by the Reserve Bank of India and the provisions of section 58 A or any other relevant provisions of the Companies Act, 1956 and the rules framed there under have been complied with in respect of deposits accepted from the public.
7. The Company has an Internal Audit system, the coverage whereof needs to be widened.
8. The maintenance of cost records has not been prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956. for the Company.
- 9.(a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other Statutory dues with the appropriate authorities except in certain instances where the delays were noticed.
- (b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty, Cess and Other Statutory dues which have not been deposited on account of any dispute. except for the following:
- | Particulars of Disputed
<u>Liability</u> | Amount
<u>Rs. In Lakhs</u> | Forum where Dispute
<u>is Pending</u> |
|---|-------------------------------|--|
| Municipal Tax | 619.20 | Kolkata Municipal Corpn./
Tribunal |
10. The Company does not have any accumulated losses and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to Financial Institutions or Banks.
12. According to information and explanations given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society.
14. The Company is not in the business of dealing or trading in shares. The Company has investments in shares of its wholly owned subsidiaries only and maintained proper records of transactions and contracts in respect thereof and timely entries have been made therein. The Company, in its own name, has held all these shares.

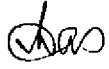


15. In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by its subsidiaries from banks and financial institutions are not prima facie prejudicial to the interest of the Company.
16. Based on information and explanations given to us by the management, no term loan has been applied for during the year. However, the term loans availed by the company in earlier years have been utilized for the purposes for which the said loan has been taken.
17. On the basis of our overall examination of the Cash Flow Statement, the funds raised on short-term basis have not been used for long-term Investment
18. During the year under audit the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debenture during current or earlier year (s).
20. The Company has not raised any money by way of Public Issue during the year.
21. Based upon the audit procedures performed and on the basis of information and explanations provided by the management, we report that no fraud, on or by the Company has been noticed or reported during the year.

Place : Kolkata

Dated : The 19th June, 2009

For Mitra Kundu & Basu
Chartered Accountants


(S. Das)
Partner

Membership No. 051391

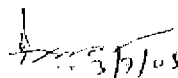


COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF NORTHERN COALFIELDS LTD. FOR THE YEAR ENDED 31 MARCH 2009

The preparation of financial statements of Northern Coalfields Limited for the year ended 31 March 2009 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 17.06.09.

I, on the 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 Northern Coalfields Limited for the year ended 31 March 2009. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors report under section 619(4) of the Companies Act, 1956.

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



(Dr. Smita S Chaudhri)

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

Kolkata
Dated: 03.07.09

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF NORTHERN COALFIELDS LTD. FOR THE YEAR ENDED 31 MARCH 2009

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


(Dr. Smita S Chaudhri)

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

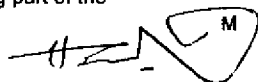
Kolkata
Dated: 03.07.09



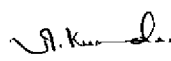
(Rs. in '00,000)

	Schedule	As at		As at
		31-Mar-09		31-Mar-08
I SOURCES OF FUND				
A Shareholders' Fund				
a) Share Capital	A	631636.44		631636.44
b) Reserves & Surplus	B	1284870.33		1302600.80
B Shifting and Rehabilitation Fund	C	122384.28		94587.79
C Loan Fund				
a) Secured	D	18046.21	22470.63	
b) Unsecured	E	<u>196801.65</u>	<u>165920.26</u>	188390.89
D Minority Interest		189.72		
Total		2253928.63		2217215.92
II APPLICATION OF FUND				
A Fixed Assets	F			
a) Gross Block		3325612.75	3162479.10	
Less : Depreciation		2179150.97	2077212.46	
Less : Impairment		44296.02	41064.66	
Less : Other Provisions		41.51	40.41	1044161.57
b) Capital Work-in-Progress		182229.87		159095.64
c) Surveyed Off Assets		9719.22		8411.67
B Investment	G	150517.95		171790.15
C Deferred Tax Assets (Net) (Ref Note 16.9 Sch M Part B)		92676.53		78007.54
D Current Assets, Loans & Advances				
Inventories	H	368288.48	338396.44	
Sundry Debtors	I	182614.47	165705.81	
Cash & Bank Balances	J	2969500.91	2096147.99	
Loans & Advances	K	<u>1189185.61</u>	<u>1030428.66</u>	
		4709589.47	3630678.90	
Less: Current Liabilities & Provisions	L	<u>3992931.03</u>	<u>2874929.55</u>	755749.35
Miscellaneous Expenditure		2.37		
Total		2253928.63		2217215.92

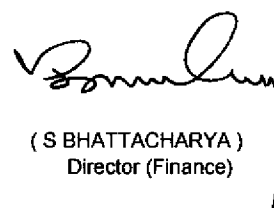
Accounting Policies and Notes on
Accounts are forming part of the
Accounts


(H Sarkar)

CGM (F) / Company Secretary

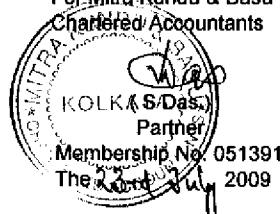

(A Kundu)

Chief General Manager (F)


(S BHATTACHARYA)
Director (Finance)

Date : 23.03.09.
Place : Kolkata

As per our report annexed
For Mitra Kundu & Basu
Chartered Accountants

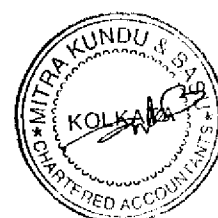


COAL INDIA LIMITED
PROFIT & LOSS ACCOUNT (CONSOLIDATED)
For the year ended 31st March 2009



(Rs. in '00,000)

	Schedule No	For the Year ended on 31-03-09	For the Year ended on 31-03-08
<u>INCOME</u>			
Sales	1	3878883.04	3263386.00
Coal Issued for other Purposes	2(a)	202198.08	197454.22
Accretion in Stock	3	13360.71	24419.52
Other Income	4	511964.70	376410.03
Total		4606406.53	3861669.77
<u>EXPENDITURE</u>			
Internal Consumption of Coal	2(b)	199215.29	195086.06
Consumption of Storers & Spares	5	486130.06	437855.54
Employees Remuneration & Benefits	6	1974208.50	1263515.90
Power & Fuel	7	159505.24	159369.96
Social Overhead	8	188512.24	162285.69
Repairs	9	78606.06	70969.22
Contractual Expenses	10	333985.44	263325.75
Miscellaneous Expenses	11	192851.85	148734.72
Interest	12	15649.67	14993.30
Overburden Removal Adjsjment		217718.56	156403.30
Finance Charges/Commitment Charges	13	2238.25	1935.59
Depreciation		166292.94	152994.53
Impairment		2797.41	3070.22
Provision/Write-off	14	17599.72	23200.87
Total		4035311.23	3053740.65
PROFIT FOR THE YEAR		571095.30	807929.12
Prior Period Adjustment	15	2771.79	11112.79
Extra Ordinary Item		543.30	54804.15
PROFIT BEFORE TAX		574410.39	873846.06
Provision for Income Tax		368611.17	361922.93
Provision for Deferred Tax (written back)		(10323.36)	(24883.88)
Provision for Income Tax for earlier year		4602.97	7646.09
Excess Prov for Income Tax written back (earlier period)		(1418.69)	-3.30
Fringe Benefit Tax		5069.13	4837.01
PROFIT AFTER TAX		207869.17	524327.21
Profit (Loss) brought forward from previous year		534980.32	477443.83
Add: Transfer from Bond Redemption Reserve		3.40	0.00
Less: Transitional Provision for Employee Benefits		0.00	(68776.09)
Less : Waiver of Past Accrued Interest		0.00	(49290.15)
		<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
		534983.72	359377.59
PROFIT / (LOSS) AVAILABLE FOR APPROPRIATION		742852.89	883704.80
(Carried Down)			



COAL INDIA LIMITED
PROFIT & LOSS ACCOUNT (CONSOLIDATED)
For the year ended 31st March 2009




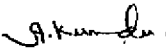
(Rs. In '00,000)

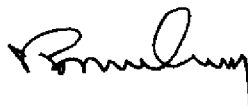
	Schedule No	For the Year ended on 31-03-09	For the Year ended on 31-03-08
PROFIT / (LOSS) AVAILABLE FOR APPROPRIATION (Brought Down)		742852.89	883704.80
APPROPRIATION			
Reserve for Foreign Exchange Transaction		698.81	673.89
Transfer to General Reserve (Incl. Bond Redemption Reserve)		93391.91	88974.37
Proposed Dividend on Preference Shares			
Proposed Dividend on Equity Shares			
Interim Dividend		170542.00	170542.00
• Tax on Dividend		54935.73	88534.22
BALANCE CARRIED TO BALANCE SHEET		423284.44	534980.32
Basic and Diluted Earnings per share (in Rupees)		327.99	827.79

Statement on Significant Accounting Policies M

The Schedules referred to above
form an integral part of Accounts



(H Sarkar)
CGM (F) / Company Secretary


(A Kundu)
Chief General Manager (F)


(S BHATTACHARYA)
Director (Finance)

Date :
Place : Kolkata

As per our report annexed
For Mitra Kundu & Basu
Chartered Accountants


(S Das)
Partner
Membership No. 051391
The 28/ 2009

SCHEDULE TO BALANCE SHEET (CONTD.) CONSOLIDATED

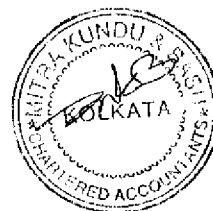


SCHEDULE - A

SHARE CAPITAL

(Rs. In '00,000)

	As at <u>31-Mar-09</u>	As at <u>31-Mar-08</u>
<u>Authorised</u>		
(i) 9041800 Non-cumulative 10% Redeemable Preference Shares of Rs.1000/- each	90418.00	90418.00
(ii) 8,00,00,000 Equity Shares of Rs.1000/- each	800000.00	800000.00
	890418.00	890418.00
<u>Issued, Subscribed and Paid-up</u>		
(i) 6,05,94,305 Equity Shares of Rs.1000/- each fully paid in cash	605943.05	605943.05
(ii) 25,69,339 Equity Shares of Rs.1000/- each allotted as fully paid up for consideration received other than cash	25693.39	25693.39
	631636.44	631636.44



SCHEDULE TO BALANCE SHEET (CONTD.) CONSOLIDATED



SCHEDULE - B

RESERVES & SURPLUS

	(Rs. In '00,000)	
	As at	As at
	<u>31-Mar-09</u>	<u>31-Mar-08</u>
RESERVES :		
Capital Reserve	1517.91	1639.81
Capital Redemption Reserve	180836.00	180836.00
Bond Redemption Reserve	0.00	3.40
Reserve for Foreign exchange Translation	11868.96	11170.15
General Reserve	667363.02	573971.12
	861585.89	767620.48
SURPLUS :		
Balance Carried Forward	423284.44	534980.32
	423284.44	534980.32
Total :	1284870.33	1302600.80



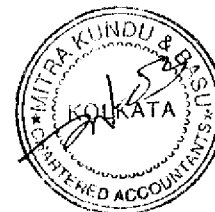
SCHEDULE TO BALANCE SHEET (CONTD.) CONSOLIDATED



SCHEDULE - C

SHIFTING & REHABILITATION FUND

	As at 31-Mar-09	As at 31-Mar-08	(Rs. In '00,000)
Opening Balance as on 01.04.2008	94587.79	68807.75	
Add: Interest from Investment of the fund (Net of TDS)	7619.23	6305.24	
Add: Contribution from Subsidiaries	<u>20851.26</u>	<u>123058.28</u>	94587.79
Less : Transferred to Subsidiary		674.00	
Closing Balance as on 31.03.2009	122384.28	19474.80	94587.79



SCHEDULE TO BALANCE SHEET (CONTD.) CONSOLIDATED

SCHEDULE - D



SECURED LOAN

(Rs. In '00,000)

**As at
31-Mar-09**

**As at
31-Mar-08**

LOAN FROM SCHEDULED BANKS

Deferred Credits	1252.55	1627.47
Overdraft against Pledge of Term Deposit	16793.66	20843.16
Total :	18046.21	22470.63



SCHEDULE TO BALANCE SHEET (CONTD.) CONSOLIDATED



SCHEDULE - E

UNSECURED LOAN

	(Rs. In '00,000)	
	As at	As at
	<u>31-Mar-09</u>	<u>31-Mar-08</u>
Deferred Credits		
Export Development Corp., Canada	17028.41	13726.27
Liebherr France S.A., France	1110.75	1110.71
Loan From IBRD & JBIC	178662.49	151083.28
IBRD - USD 1721.78 lakhs (USD 1862.03 lakhs)	88585.83	74686.10
JBIC - JPY 171248.40 lacs (JPY 189618.22 lakhs)	90076.66	76397.18
Total	196801.65	165920.26



SCHEDULE TO BALANCE SHEET (CONTD.) CONSOLIDATED

SCHEDULE - F
FIXED ASSETS

FIXED ASSETS

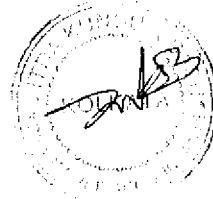
Particulars	Cost				Depreciation				Impairment Loss				Total Depreciation/ Impairment Loss	Net Block	
	As on 01.04.08	Addition during the year	Adj/Sales Transfer 2008-09	Total as on 31.03.09	As on 01.04.08	Addition during the year	Adj/Sales Transfer 2008-09	Total as on 31.03.09	As on 01.04.08	Addition during the year	Adj/Sales Transfer 2008-09	Total as on 31.03.09		as on 31.03.09	as on 31.03.08
Land															
(a) Freehold	29413.89	2026.45	(115.32)	31325.02	10275.56	488.77	(62.53)	10701.80					10701.80	20823.22	19138.33
(b) Leasehold	163401.91	24020.05	(755.82)	186666.14	63611.85	8395.28	(119.00)	71898.13					71898.13	114778.01	99790.06
Building/Water Supply Road & Culvert	381268.04	5924.69	(751.40)	386441.33	123217.22	8172.49	(134.24)	131255.47	176.39	26.21		202.80	131458.07	254983.26	257874.43
Plant & Machinery / Stores / CHP	2001020.37	186020.40	(71315.32)	2115725.45	1473108.26	132679.74	(67072.71)	1538715.29	7888.13	1024.17		8892.30	1547607.59	568117.86	620043.98
Furniture & Fittings/ Office Equipments / Electrical Installation/ Fire Arms/ Tools & Equipment	72321.17	2265.98	(278.17)	74308.98	47817.01	2795.97	(304.53)	50308.45	5.79			5.79	50314.24	23994.74	24499.37
Railway Siding	39943.72	763.76	(134.22)	40573.26	23035.02	1438.83		24471.85					24471.85	16101.41	16908.70
Vehicles	24818.03	396.28	(647.48)	24566.83	21721.54	547.22	(536.61)	21732.15		4.28		4.28	21736.43	2830.40	3096.49
Aircraft	1665.38	329.46		1994.84	1310.13	79.00		1389.13	155.34			155.34	1544.47	450.37	199.91
Telecommunications	6189.99	133.15	(5.10)	6318.04	5023.04	227.25	(19.23)	5231.06	0.06			0.06	5231.12	1086.92	1166.89
Development	396854.27	16680.26	(4212.74)	409321.79	272598.86	15508.40	(1678.86)	286428.60	29713.75	1761.45		31475.20	317903.80	91417.99	94541.66
Prospecting & Boring	44326.30	2615.06	(57.43)	46883.93	34238.94	1333.63	(29.67)	35542.90	3145.20	415.25		3560.45	39103.35	7780.58	8942.16
Assets Taken on Nationalisation	1256.03	364.94	(133.83)	1487.14	1255.03	364.94	(133.83)	1486.14					1486.14	1.00	1.00
Sub-total	3162479.10	241540.48	(78406.83)	3325812.75	2077212.46	172029.52	(70091.01)	2179150.97	41064.66	3231.36		44296.02	2223446.99	1102166.76	1044201.98
Less : Other Provisions														(41.51)	(40.41)
	3162479.10	241540.48	(78406.83)	3325812.75	2077212.46	172029.52	(70091.01)	2179150.97	41064.66	3231.36		44296.02	2223446.99	1102124.25	1044161.57
Surveyed off Assets	27198.83	3795.55	(1222.37)	29772.01	18787.16	1294.81	(28.18)	20052.79					20052.79	9719.22	8411.67
Capital WIP	175608.18	100945.36	(76377.89)	200175.65	15751.49	697.13	(8.52)	16440.10	761.05	744.63		1505.68	17945.78	182229.87	159096.64
Total less other Prov.	3365286.11	346281.39	(156007.09)	3555660.41	2111751.11	174021.46	(70128.71)	2215843.86	41828.71	3975.99		46801.70	2261446.56	1294073.34	1211668.88
Previous Year															
Fixed Assets	3005620.72	192239.37	(35380.99)	3162479.10	1951244.22	163110.29	(37142.05)	2077212.46	37766.85	3497.86	(200.05)	41064.66	2118277.12	1044201.98	1018609.65
Less : Other Provisions														(40.41)	(49.31)
Total														1044161.57	1018560.34
Capital WIP	148039.65	113284.46	(83715.93)	175608.18	14824.72	1168.52	(241.85)	15751.49	756.63	4.42		761.05	18512.54	159096.64	130458.30
Surveyed off Assets	4126.55	21733.56	1338.72	27198.83	1068.25	15478.81	2240.10	18787.16					18787.16	8411.67	3058.30



SCHEDULE - G

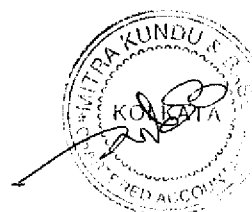
INVESTMENTS

		(Rs. In '00,000)	
		As at	As at
		<u>31-Mar-09</u>	<u>31-Mar-08</u>
A	<u>8.5% Tax Free RBI Power Bonds includes :</u> (on securitisation of Sundry Debtors)	150509.93	171782.13
	UP	23381.40	26721.60
	Haryana	933.10	1066.40
	Maharashtra	40688.25	46360.15
	Madhya Pradesh	52959.25	60436.35
	Gujarat	24603.60	28118.40
	West Bengal	7921.20	9052.80
	Others	23.13	26.43
B	Non-Trade (Shares in Co-operative Shares)	8.02	8.02
C	Total (A+B) :	150517.95	171790.15



SCHEDULE - H**INVENTORIES**

(As Valued and Certified by the Management)	(Rs. In '00,000)	
	As at 31-Mar-09	As at 31-Mar-08
Stock of Stores & Spare Parts (at cost)	119217.62	108718.52
Less : Provision	(22444.23)	(23123.97)
Sub-Total	96773.39	85594.55
Stores -in -transit	8716.66	5292.25
Stock Adjustment	61.27	49.61
Coal Block meant for Sale	2787.39	
Sub-Total	11565.32	5341.86
Net Stock of Stores & Spare Parts (at cost)	108338.71	90936.41
Net Stock of Coal in Revenue Mines	251498.16	238124.28
Stock of Medicine at Central Hospital	67.89	53.23
Work-in-progress and Finished Goods	7359.32	9163.38
<u>Press :</u>		
Work-in-Progress/Finished Goods	61.57	119.14
Prospecting & Boring Exp. Non-CIL blocks	748.60	
Development Exp. Non-CIL blocks	214.23	
Total :	368288.48	338396.44



SCHEDULE TO BALANCE SHEET (CONTD.) CONSOLIDATED

SCHEDULE - I



SUNDRY DEBTORS

	(Rs. In '00,000)	
	As at	As at
	<u>31-Mar-09</u>	<u>31-Mar-08</u>
Debts outstanding for a period exceeding 6 months	166256.56	160862.29
Other Debts	159799.88	124261.33
	326056.44	285123.62
Less : Provision for doubtful debts	(143441.97)	(119417.81)
Total	182614.47	165705.81
Classification :		
Considered Good	182614.47	165705.81
Considered Doubtfull	143441.97	119417.81
	<u>326056.44</u>	<u>285123.62</u>



SCHEDULE - J**CASH & BANK BALANCES**

	(Rs. In '00,000)	
	As at	As at
	<u>31-Mar-09</u>	<u>31-Mar-08</u>
Cash, Cheques, Drafts, Stamps etc. in hand	7569.63	16394.35
Remittance - in transit	467.38	172.31
In Current Account with Scheduled Banks	105014.20	77410.63
In Cash Credit Account with Scheduled Banks	19908.59	13527.44
In Deposit Account with Scheduled Banks	2836541.11	1988643.26
Total	2969500.91	2096147.99



SCHEDULE - K**LOANS & ADVANCES**

	(Rs. In '00,000)	
	As at 31-Mar-09	As at 31-Mar-08
Loans & Advances (Unsecured) (Advance Receivable in Cash or in kind or for value to be received)		
ADVANCE TO SUPPLIERS		
For Capital	19602.91	17006.49
For Others	11637.29	9944.94
	31240.20	26951.43
ADVANCE TO CONTRACTORS		
For Capital	1720.50	1149.49
For Others	6603.05	5966.76
	8323.55	7116.25
Advance to SPV	50.00	50.00
L&A-BEML	9738.96	
ADVANCE TO EMPLOYEES		
For House Building	4789.38	5715.69
For Motor Car and Other Conveyance	44.93	79.09
For Others	7685.56	7250.49
	12519.87	13045.27
DEPOSITS		
For Customs Duty, Port Charges etc.	83.85	82.54
For P&T, Electricity etc.	4817.86	4409.95
For Others	18668.42	16113.22
	23570.13	20605.71
ADV PAYMENT OF OTHER STATUTORY DUES		
Sales Tax	12936.40	5271.76
Royalty	58.50	9376.65
Adv. Payment of I.T. Corporate/I.T. Refundable	895547.42	764336.38
Income Tax Deducted at source from income	25888.07	16395.82
Others	6314.25	4805.16
	940744.64	800185.77
Short Term Loan to Body Corporate	150.00	150.00
Other Receivables	58333.86	48264.55
Ex-Coal Board	312.43	307.41
Exploratory Drilling Work at ECL etc.	5007.67	4446.24
Other Advances	14996.90	30237.54
Claims Receivable	56640.39	55237.94
Interest Accrued (Receivables)	45500.04	36628.65
Prepaid Expenses	1540.06	1368.13
	182481.35	176640.46
TOTAL	1208668.70	1044594.89
Less : Provision for Doubtful Advances	(19483.09)	(14166.23)
TOTAL	1189185.61	1030428.66
CLASSIFICATION		
Considered Good	1189185.61	1030428.66
Considered Doubtful	19483.09	14166.23



SCHEDULE - I**CURRENT LIABILITIES & PROVISIONS**

	(Rs. In '00,000)	
	As at <u>31-Mar-09</u>	As at <u>31-Mar-08</u>
(A) CURRENT LIABILITIES		
SUNDRY CREDITORS :		
Liability Against Coal Block	1566.63	2569.83
For Capital Goods	38200.35	29504.54
For Revenue Goods	46189.32	37997.92
For S.S.I. Units (Coal)	668.95	499.25
	86625.25	70571.54
EMPLOYEES REMUNERATIONS :		
Salaries & Wages	135137.19	105647.48
Attendance Bonus	9616.04	9723.91
PPLB/PPLR	34301.49	25795.27
Unpaid Wages	3021.16	2585.52
VRS	172.01	12.55
Gratuity	42384.72	20771.49
Leave Encashment etc.	1131.24	383.18
Life Cover scheme	686.48	682.26
Provident Fund	26044.50	18949.39
Employees Pension Contribution (incl. interest)	8869.68	7584.83
Others	1035.23	1387.50
	262399.74	193523.38
FOR EXPENSES :		
Power & Fuel	32627.23	31389.26
Contractual Expenses	75261.45	64323.74
Repairs	9782.83	7778.80
CISF Expenses	5578.05	973.36
Audit Fee & Expenses	56.74	62.14
Others	68412.15	58378.72
	191718.45	162906.02
STATUTORY DUES :		
Sales Tax	10109.09	10105.76
Royalty on Coal	28718.17	28108.30
Cess on Coal	14885.63	17919.24
Water Rates	1302.81	1360.97
Stowing Excise Duty	9749.51	9275.74
Professional Tax	12.72	20.16
Deposit Link Insurance	168.84	145.94
Other Statutory Levies	42226.49	49638.39
	107173.26	116574.50
Due to GOI on Account of Ex-Owners	160.93	160.93
Interest Accrued but not due on Loan	1170.21	1625.02
TAX DEDUCTED AT SOURCE (INCOME TAX) :		
Employees	2386.63	2597.06
Contractors	1762.58	1675.58
Others	12105.54	12182.68
	16254.75	16455.32
Advance & Deposit from customers / others	344993.49	250650.78
Others Liabilities	146809.48	152575.09
Grants Unutilised	6753.84	8243.94
O.B.R. A/c	896013.40	677717.29
Current A/c with IICM	12132.75	10942.11
	1406702.96	1100129.21
TOTAL (A)	2072205.55	1661945.92



SCHEDULE - L**CURRENT LIABILITIES & PROVISIONS**

	(Rs. In '00,000)	
	As at	As at
	31-Mar-09	31-Mar-08
(B) PROVISIONS		
For Income Tax	660140.36	536394.65
Actuarial Gratuity	613948.48	382880.07
Leave Encashment	131941.20	67849.44
Prov. for Pay Revision Executive & Non-Executive	449347.79	175607.75
Other Employee Benefits	31010.59	12504.87
For Foreign Exchange Transactions (Marked to Market)	1913.00	2330.00
(Marked to Market)		
Cost of Stowing Lag	615.41	506.81
Land Reclamation	31406.73	34778.65
Disputed Claims	401.92	
Provision for Rehab/Resettlement of Land Oustees		87.07
For Loss of Assets		44.32
TOTAL (B)	1920725.48	1212983.63
TOTAL (A+B)	3992931.03	2874929.55



SCHEDULE – M

A. SIGNIFICANT ACCOUNTING POLICIES

1.0 ACCOUNTING CONVENTION

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

2.0 BASIS OF ACCOUNTING

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

3.0 SUBSIDIES / GRANTS FROM GOVERNMENT

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

3.2 Subsidies / Grants on Revenue Account are credited to Profit & Loss Account under the head Other Receipts and the relevant expenses are debited to the respective heads.

4.0 FIXED ASSETS:

4.1 Land:

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

4.2 Plant & Machinery:

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

4.3 Railway Sidings:

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

4.4 Development:

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

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

- Whichever event occurs first.

4.5 Prospecting & Boring and other Development Expenditure:

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

5.0 INVESTMENTS:

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

6.0 INVENTORIES:

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

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

6.2 Stock of stores and spare parts at Central & Area Stores are valued at cost calculated on the basis of weighted average method. The year-end inventory of stores and spare parts lying at collieries / sub-stores / consuming centres, initially charged off, are valued at issue price of Area Stores, Cost/estimated cost. Workshop jobs including work-in-progress are valued at cost.



6.2.1 Stores & Spares

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

6.2.2 Stores & Spare Parts include loose tools.

6.2.3 Provisions are made at the rate of 100% for unserviceable, damaged and obsolete stores and at the rate of 50% for stores & spares not moved for 5 years.

6.3 Stock of stationery (other than lying at printing press), bricks, sand, medicine (except at Central Hospitals), aircraft spares and scraps are not considered in inventory.

7.0 DEPRECIATION

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

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

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

Further, depreciation on certain Equipments / HEMM is charged over the technically estimated life at higher rates viz. 11.88%, 13.57% and 15.83% as applicable. Depreciation on the assets added /disposed off during the year is provided on pro-rata basis with reference to the month of addition/ disposal.

Furthermore, SDL is considered having a life of 5 years or stipulated 16500 working hours whichever is later and LHD is consider having a life of 6 years or stipulated 21500 working hours, whichever is later; based on which depreciation is considered suitably.

Depreciation after major overhauling of Helicopter is charged @ 6.33% p.a., based on its expected year of life / flying hours.

Depreciation on the assets added / disposed off during the year is provided on pro-rata basis with reference to month of addition / disposal, except on those assets attracting 100% depreciation p.a. (SLM basis), which are fully depreciated in the year of their addition.

7.2 Value of land acquired under Coal Bearing area (Acquisition & Development) Act, 1957 is amortised on the basis of the balance life of the project. Value of leasehold land is



amortised on the basis of lease period or balance life of the project whichever is earlier.

- 7.3 Prospecting, Boring and Development expenditure are amortised from the year when the mine is brought under revenue, in 20 years or working life of the project whichever is less.

8.0 IMPAIRMENT OF ASSETS

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

9.0 FOREIGN CURRENCY TRANSACTIONS

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

10.0 RETIREMENT BENEFITS

- a) Defined contribution Plans :

The company makes contributions towards Provident Fund and Pension Fund to a defined contribution retirement benefit plan for qualifying employees. The Provident Fund and Pension fund are operated by the Coal Mines Provident Fund (CMPF) Authorities. As per rules of these schemes, the company is required to contribute a specified percentage of pay roll cost to the CMPF authorities to fund the benefits.

- b) Defined Benefit Plans :

The year-end liability on account of gratuity and leave encashment is provided on actuarial valuation basis by applying projected unit credit method. Further the company has created a Trust with respect to establishment of Funded Group Gratuity (cash accumulation) Scheme through Life Insurance Corporation of India. Contribution is made to the said fund based on actuarial valuation.

- c) Other employee Benefits :



Further year-end liability of certain other employee benefits viz. benefits on account of LTA/LTC; Life Cover Scheme, Group Personal Accident Insurance Scheme, Settlement Allowance, Retired Executive Medical Benefit Scheme and compensation to dependants of deceased in mine accidents etc. are also valued on actuarial basis by applying projected unit credit method.

11.0 RECOGNITION OF INCOME AND EXPENDITURE

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

12.0 BORROWING COST

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

13.0 TAXATION:

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

14.0 PROVISION:

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

15.0 CONTINGENT LIABILITY:

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

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



Notes.

16.0 PRIOR PERIOD ADJUSTMENT

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

17.0 OVERBURDEN REMOVAL (OBR) EXPENSES:

In opencast mines with rated capacity of 1 million tones and above, the cost of OBR is charged on average ratio (Coal : OB) at each mine with due adjustment for advance stripping and ratio variance account after the mines are brought to revenue. Net of balance of advance stripping and ratio variance at the end of the year is shown as Deferred Revenue Expenditure or Current Liabilities as the case may be.

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	
	%	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%	-





SCHEDULE – M
B. NOTES ON ACCOUNTS

1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

2 PRINCIPLES OF CONSOLIDATION

- 2.1 The consolidated financial statements relate to Coal India Limited and its wholly owned subsidiary companies, namely, Eastern Coalfields Limited (ECL), Bharat Coking Coal Limited (BCCL), Central Coalfields Limited (CCL), Northern Coalfields Limited (NCL), Western Coalfields Limited (WCL), South Eastern Coalfields Limited (SECL), Mahanadi Coalfields Limited (MCL) and Central Mine planning & Design Institute Limited (CMPDIL). The financial statements of MCL has been consolidated with its two subsidiary companies – M/s, MNH Shakti Limited and M/s, MJSJ Coal Limited. The financial statements of the company and its subsidiary companies are combined on a line-by-line basis adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standards – 21 “ Consolidated Financial Statements” issued by the Institute of Chartered accountants of India.
- 2.2 Significant Accounting Policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated position of the companies. Recognizing this purpose, the Company has disclosed only such Policies and Notes from individual financial statements, which fairly present the needed disclosure.

3 FIXED ASSETS

- 3.1 The assets and liabilities taken over from Coal Mines Labour Welfare Organisation and Coal Mines Rescue Organisation, for which no quantitative details are available, have not been incorporated in the accounts pending determination of value thereof.
- 3.2 The transfer formalities from the Holding Company and other subsidiaries have not been completed and consequently some documents continue to be held in the name of the Holding Company and other subsidiaries.



- 3.3 Land acquired under Coal Bearing Areas (Acquisition and Development) Act, 1957 and Land Acquisition Act, 1984 is accounted for on payment basis and the same is shown as Leasehold land.
- 3.4 Land includes certain land taken on possession by the company for which legal formalities in respect of title deeds are pending.
- 3.5 The assets taken over on nationalisation by Bharat Coking Coal Limited amounting to Rs. 1145.81 lakhs being gross value of assets including land valuing Rs.88.30 lakhs (quantitative and value-wise details of which are not available) on which depreciation has been fully provided for in the Accounts except land.
- 3.6 41959.32 Ha of land at Central Coalfields Ltd has been acquired under CBA (A&D) Act, 1957. Out of this, approximately 13644.32 Ha. is tenancy land and rest is forest and GMK land. Out of 13644.32 Ha. of tenancy land compensation has been assessed for 6578.32 Ha. for an amount of Rs.3253 lacs. Out of this an amount of Rs.3087 lakhs has been paid and the balance is being paid by holding regular payment camps in different projects.
- 3.7 In respect of Chandrapur area of Western Coalfields Limited, till date the ownership of land valued at Rs. 2324.66 lakhs has not been vested with the Area, the amount paid is kept in advance account and shown in Capital Commitments. Similarly, in Kanhan area an amount of Rs. 132.71 lakhs paid to forest department for acquisition of land for Kothideo OC patch , is kept in Advance account as the final clearance from the forest department is pending and hence the ownership of land has not vested with the Area.
- 3.8 DFD Plant and CBE Plant at Western Coalfields Limited continue to remain inoperative during the year. CBE Plant stands closed since 28.04.03 and DFD Plant since 1994. Leasehold Land of DFD Plant is being amortised over the lease period of 30 years. Plant & Machinery of CBE Plant excepting hospital equipments has been disposed of by auction through MSTC. All the other assets of both these plants are carried in the books at a residual value of 5% of their cost.
- 3.9 Discarded/Surveyed off assets of Western Coalfields Ltd.and Mahanadi Coalfields Limited amounting to Rs.2265.79 lakhs (Rs. 1851.36 lakhs) valued at residual 5%, have not been physically verified. Against which there is a provision of Rs.645.93 lakhs (Rs.457.62 lakhs).
- 3.10 In Central Coalfields Limited, provision of Rs.18.26 lakhs (Rs.618.92 lakhs) has been made during the year for unserviceable/damaged/obsolete stores and also for Stores & Spares unremoved for five years. The provision of Rs.3159.24 lakhs (Rs. 4086.47 lakhs) after withdrawal of excess provision of Rs.945.49 lakhs as on 31.03.2009 is considered adequate.
- 3.11 Fixed assets comprising of Plant & Machinery of Rs.218.99 lakhs related to building and



other assets of Rs.1625.37 lakhs, both at book value (WDV) as on 31.03.95 have been let to the Indian Institute of Coal Management, a registered society under Societies Registration Act 1860, under cancellable operating lease agreement. Addition to these assets from letting out to 31-03-2009 are Rs.370.35 lakhs on value of plant & machinery and Rs.381.41 lakhs on value of building and other assets. The cumulative provision for depreciation upto 31.03.2008 stood at Rs.1084.45 lakhs (including depreciation charged for the current year of Rs.69.25 lakhs). The net WDV of the leased assets as per book as on 31-03-2008 is Rs.1638.83 lakhs.

3.12 As per lease agreement dated 31st March 1993 executed with Dishergarh Power Supply Company Ltd., Eastern Coalfields Limited leased out 2X10MW Chinakuri Thermal Power station including land, building, plant & machinery etc. The lease agreement is for 20 years from the commencement of lease w.e.f. 01-04-1991. The gross value of Power Plant, Building and other assets is Rs. 4024.00 lakhs (Rs.4024.00 lakhs); Rs.1019.64 lakhs (Rs.1019.64 lakhs) and Rs.772.61 lakhs (Rs.772.61 lakhs) respectively. The cumulative depreciation upto 31.03.09 against the abovementioned assets is Rs. 3806.84 Lakhs (Rs. 3700.47lakhs); Rs.575.60 Lakhs (Rs.544.35 lakhs) and Rs. 612.72 Lakhs (Rs.584.67 lakhs) respectively.

3.13 The lease rental for the year Rs.350 lakhs (Rs.350 lakhs) has been received.

3.14 In terms of license agreement dated 19th day of March 2001 executed with M/s Appollo Hospital Enterprise Ltd. Chennai, South Eastern Coalfields Ltd has granted a right to occupy and use the fully constructed main hospital building measuring 2,97,099.74 sq. ft. and the residential quarters measuring 55,333 sq. ft. with super structures on the land such as sub station building, sewerage treatment plant and pump house. The cost of the gross assets is Rs.3132.21 lakhs (Rs.3132.21 lakhs) against which cumulative depreciation is Rs. 550.84 lakhs (Rs. 494.84 lakhs). The license agreement provides for a lease period of 30 years from the effective date of commencement of lease i.e. November 2001. The future minimum lease payments in the aggregate during the period of lease are Rs.3249.53 lakhs (Rs. 3585.42 lakhs)

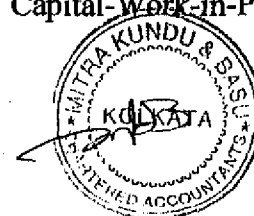
The lease rental payable is accounted for as per agreement. During the year Rs.237.00 Lakhs (Rs. 249.00 lakhs) has been accounted for against the said lease rent.

3.15 Pending receipt of option from the land oustees, on account of resettlement compensation payable; based on past experience, Rs.377.49 lakh have been capitalized, by Northern Coalfields Limited, as the cost of leasehold land, on an estimated basis.

4. CAPITAL-WORK-IN-PROGRESS

4.1 Provision has been made on Plant & Machinery which have not been put to use for more than three years and on incomplete civil jobs lying for more than four years at the rates of depreciation which would have been otherwise applicable to such items.

4.2 "Prospecting & Boring" and also Development shown under Capital-Work-in-Progress



mostly relates to jobs awaiting completion.

5. DEVELOPMENT EXPENDITURE

Expenditure relating to projects yet to be sanctioned or construction yet to be taken up has been carried forward under "Prospecting & Boring under construction". Development expenditure of South Eastern Coalfields Limited has been shown in the accounts after deduction of Rs. 1154.79 lakhs (Rs.925.19 lakhs) being sale of coal from development mines and Rs.57.36 lakhs (Rs. 32.33 lakhs) being closing stock of coal at development mines.

6. INVENTORY

- 6.1 Coal of 471361 MT mixed with matti etc. is non-vendable and has been taken at NIL value by Eastern Coalfields Ltd.
- 6.2 Shortage of coal at Rajmahal OCP of 19.54 lakhs ton including fired stock valued at Rs.6385.73 lakhs was accounted for by Eastern Coalfields Limited in accounts of 2007-08 for which enquiry is in progress.
- 6.3 Inventories of Bharat Coking Coal Ltd do not include 0.91 lakhs tones of slurry stock flown out of Washery premises and lying on land not belonging to the company (Dugda Washery 0.54 lakh tones and Barora Washery 0.37 lakh tones).
- 6.4 A provision of Rs.210.00 lakhs was made in the accounts of 2006-07 pending investigation of shortage/difference in the closing stock of raw coal as on 31.03.07 in between the Kathara colliery and Kathara washery under Central Coalfields Limited. The said provision has been retained as on 31.03.2009 as considered necessary.
- 6.5 Some blocks at Western Coalfields Limited are held for sale. In conformity with As-2 expenses on Agarzari block of Chandrapur Area falling in this category amounting to Rs.99.11 lakhs have been transferred to Inventory schedule and for similar reasons, in Nagpur Area an amount of Rs.403.01 lakhs has been transferred to Inventory from Capital Work-in-progress.

Similarly, prospecting, boring and development expenditure of Mahanadi Coalfields Limited on allotted non-CIL blocks meant for sale amounting to Rs.1054.51 lakhs has been shown as Inventories at cost.

7.0 SUNDRY DEBTORS

- 7.1 At Western Coalfields Limited, Ministry of Power, Government of India, had advised Madhya Pradesh Power Generation Corporation Ltd. to securitise outstanding principal and interest upto 30-09-2001 of Rs.17194.00 lakhs and Rs. 2199.00 lakhs respectively.



MPGCL has securitised Rs.12391 lakhs in 2003 leaving Rs.7002 lakhs as un-securitised.

- 7.2 In Western Coalfields Ltd. The Government of Madhya Pradesh by Gazette Notification dated 30.09.2005 imposed a new tax under "Madhya Pradesh Gramin Avsanrachana Tatha Sadak Vikas Adhiniyam, 2005". This adhiniyam provides for charging of tax @ 5% on annual value w.e.f. 30.09.2005. Some consumers as well as WCL moved the Hon'ble High Court of Madhya Pradesh, Jabalpur and obtained interim relief. As per the interim order dated 15.02.2006, the Hon'ble High Court, Jabalpur had directed the Company not to deposit this tax to the State Government but to keep it in a fixed deposit. The matter was later dismissed by the Jabalpur High Court in favour of the MP Government. WCL has filed a Writ before the hon'ble Supreme Court and the matter is still sub judice. Total amount due as per bills raised is Rs.13484.48 lacs (P.Y. Rs.10838.21 lacs). An amount of Rs.435.71 Lacs collected from coal consumers towards Sales/Entry Tax on Gramin Tax has not been deposited due to dispute regarding Gramin Tax.

SAIL has not made payment of this tax, totaling Rs.1917 lacs upto 31.03.2009, to the Company but consented to abide by decision of hon'ble Supreme Court. For other consumers the Company has received upto 31.03.2009 an amount of Rs.1688 lacs on this a/c. which is shown under Advances and Deposits from Customers. An amount of Rs. 319 lacs against the receipt of Rs.319 lacs on account of MP Tax during the year 2008-09 is deposited in fixed deposit as on 31.03.2009. Interest on such fixed deposits is treated as liability by WCL. The case is now pending in the hon'ble Supreme Court of India.

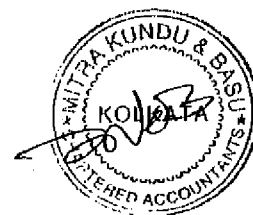
- 7.3 Sundry debtors balances are subject to confirmation by the parties.

8.0 LOANS AND ADVANCES

- 8.1 Out of Rs.492.16 lakhs deposited with SEC Railway by Mahandai Coalfields Limited for railway overbridge, Rs.333.94 lakhs has been adjusted till date as asset not belonging to company. The balance of Rs. 158.22 lakhs (Rs. 167.16 lakhs) is to be adjusted on receipt of final utilisation certificate from SEC railway.
- 8.2 An amount of Rs.3335.94 lakhs has been deposited by Mahanadi Coalfields Limited with East Coast Railways for renovation of railway tracks as depository work in Jagannath area. The utilization report thereof upto 31.03.2009 has not been submitted by railways. On the basis of estimation given by the company's the executive department, Rs. 783.47 lakhs has been charged to revenue giving corresponding credit to liability.

An amount of Rs.880.81 lakhs is paid to SEC Railway as advance for line electrification for Hingula area.

- 8.3 The debit balance in tax deducted at source of Rs.1469.85 lakhs (Rs. 1318.03 lakhs) under the head Loans & Advances of Eastern Coalfields Limited represent income tax deducted for several years but remaining un refunded.



- 8.4 The expenditure incurred for carrying out exploratory drilling in blocks under Eastern Coalfields Ltd. command area by CMPDIL as per the approved Annual Action Plan of Coal India Limited and its subsidiaries, in view of critically weak financial position of Eastern Coalfields Limited, now under BIFR, shall initially be borne by Coal India Limited and accounted for suitably in holding company's books for recovery thereof only when mining activities in that block is projectised and implemented. Such expenses on exploratory drilling in blocks under command area of Eastern Coalfields Limited is to be funded by holding company and awaiting adjustments shall continue to reflect in holding company's book for 5 years since they were incurred and accounted for thereafter if remains unresolved / unadjusted for want of projectisation of mining activities, such unadjusted amounts shall be written off in the books of holding company.
- The total amount on this account as on 31-03-09 stood at Rs. 5007.67 lakhs including current year addition of Rs.1236.94 lakhs. However, as an abundant precaution it has been fully provided.
- Further, considering the expiry of five years from the date of incurring and accounting of such expenses an amount of Rs. 675.51 lacs (Rs.950.86lakhs), for which full provision exists on the date has been written off.
- 8.5 Notices were served on Western Coalfields Limited during 2007-08 on HQ, Umrer & Nagpur Areas raising demands of income tax on 'deemed perks' for rental accommodation provided to employees for the period 2004-05 to 2006-07. The company filed appeals before the CIT (Appeals), Nagpur who insisted on payment of the demand with interest in order to admit the appeals. Accordingly, the company has paid the demand of Rs. 338.84 lakhs during 2007-08 on account of HQ, Umrer & Nagpur Areas. The same has been booked under Advances Recoverable from Employees. A total of 75 appeals were filed and the same were disposed off in favour of the company. However, the income tax department filed writ before the Bombay High Court, Nagpur Bench which is pending for want of COD permission to the department.
- 8.6 Loans and Advance includes Rs.342.99 lakhs (Rs.342.99 lakhs) paid by Mahanadi Coalfields Limited to GRIDCO/OPTCL for construction of 220KV overhead line and 3/20 MVA 220 KVA sub-station at Garjanbahal.
- 8.7 Advance payment for Sales tax of Rs.3710.46 lakhs (Rs. 2591.57 lakhs) by Northern Coalfields Limited includes Sales Tax and Entry Tax paid under protest of Rs.2437.90 lakhs (Rs.2116.53 lakhs), which pertains to the cases under appeal.
- 8.8 Loans and Advances include an amount of (USD 2.6544 million) Rs.1358.74 lakhs, being 15% advance against supply of Plant & Machinery to W.J. Area of Bharat Coking Coal Limited valuing USD 17.692 million by M/s, Zhenzhou Coal Mining Machinery (Group) Co.Ltd . China. Advance is supported by bank guarantee.
- 8.9 Year-end provision of Eastern Coalfields Limited includes Rs.275.84 lakhs (Rs.275.84



lakhs) and net un-linked debit and credit balances of advance to suppliers and Sundry Creditors appearing prior to March 1985 has been adjusted / written off as approved in 228th meeting of Board of Directors of ECL held on 22nd June 2009.

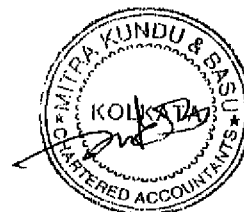
- 8.10 In Eastern Coalfields Limited, amount of Rs. 1585.78 lakhs (Rs. 1588.86 lakhs) for net un-reconciled advance to suppliers, contractors, employees with the corresponding liabilities appearing in the accounts after 31st March,1985.

9.0 CASH AND BANK BALANCE

It includes Rs.116.12 lakhs (including OREEP Tax), out of which Rs.96.60 lakhs represent amount received by Mahanadi Coalfields Limited from Hon'ble Supreme Court of India towards corpus fund of trust and the balance of Rs. 19.52 lakhs being interest thereon. As per directives of the court, the interest income is to be utilised for welfare of employees. The trust is yet to be formed. It also includes Rs.20.00 lakh deposits with SBI, Mahanadi Coal Complex earmarked for corpus fund of Utkal Rangamanch Trust, interest income of which is disbursed to the trust.

10. CURRENT LIABILITIES

- 10.1 Advance from customers includes cess on coal which includes principal of Rs.840.27 lakhs (net of payments) and interest of Rs. 947.11 (net of payments) against receipt from Government of Orissa in the year 2005-06 by Mahanadi Coalfields Limited as per directive of Hon'ble Supreme Court judgement dated 31-07-2001. The company has provided interest of Rs.100.83 lakhs (Rs.100.84 lakhs) calculated at the rate of 12% for the unpaid principal amount of cess liability as the money is refundable to the customers. The total liability becomes Rs.2142.88 lakhs (Rs.2042.05 lakhs) as at 31-03-2009. The company has not identified the customers / parties to whom the refund is to be made. Finalisation of modalities for refunding the same to the customers/ parties is yet to be done.
- 10.2 The Current Liabilities and Provision includes Rs. 746.73 lakhs (Rs.800.30 lakhs) on account of provision taken towards stowing and stabilization of unstable workings of Deulbera colliery under Mahanadi Coalfields Limited. This provision is in addition to the current year expenditure (other than expenditure on Salaries & Wages) of Rs. 53.57 lakhs (Rs.144.11 lakhs) against comprehensive scheme of Rs.944.41 lakhs (Rs.944.41 lakhs) (excluding Salaries & Wages). As the stabilization of unstable workings of Deulbera colliery through sand stowing is being carried out by existing departmental manpower, Salaries and Wages for Rs.1643.53 lakhs (Rs.1643.53 lakhs) being part of the scheme has not been provided for.
- 10.3 In the process of making payment of cess by Eastern Coalfields Limited on the annual value of coal bearing land based on average production of preceding two years valuing at a rate prevailing on 31-03-2008 and realization made from customers on the value of despatches of coal there remains a balance accumulating to Rs.91797.42 lakhs (Rs. 86227.44 lakhs), which has been shown in Cess Equalisation Account under Current



Liabilities and Provision. There is an additional demand of Rs. 26003 lakhs (Rs. 26003 lakhs) arising out of the assessment made upto 2001-02 which has been shown as Contingent Liability.

- 10.4 Bazaar fees collected by Bharat Coking Coal Limited on sale of coal/coke as per Gazettee Notification no.34 at 18th January 2006 but the same has not been deposited to the appropriate authority as the matter is subjudice at Jharkahnd High Court under case no 6507 of 2006.
- 10.5 Interest receivable / payable is not accounted for as revised agreement in respect of price of rejects and power tariff with DLF is not yet finalized at Bharat Coking Coal Ltd. The matter is also pending before an arbitrator. However, interest due to delay in payment to DLF has been provisionally determined as Rs. 830.76 lakhs upto financial year 2008-09.
- 10.6 Singrauli Municipal Authority has claimed license and composite fees for construction of building of Rs. 986.62 lakhs (Rs.986.62 lakhs) from Northern Coalfields Limited and the same is not provided for in the accounts. However, Rs.600.00 lakhs has been deposited under protest.
- 10.7 From Northern Coalfields Ltd, Government of Madhya Pradeash has claimed Land Revenue Premium for an amount of Rs. 6213.04 lakhs (6213.04 lakhs) against which an amount of Rs. 300.00 lakhs has been deposited under protest.
- 10.8 SSADA cess on sale of coal has not been collected from a few parties by Northern Coalfields Limited after the stay obtained by the respective parties from Hon'ble High Court, Allahabad. The amount not collected on this account amounts to Rs. 399.07 lakhs (Rs. 339.26 lakhs) upto 31.03.2009.
- 10.9 Central excise department had been issuing show cause notice over the years with regard to CWS, Tadali of Western Coalfields Limited, considering the workshop as under Factories Act instead of Mines Act where eligibility exists for exemption. In this regard an appeal pending before the Hon'ble Supreme Court of India (CA no 8403-04/2003) has been decided in favour of the company. The balance refund of Rs.53.47 lakhs is pending clearance of CESTAT though necessary COD permission has been obtained and the appeals before CESTAT revived during the year.
- 10.10 By virtue of enactment of Cess and Other Taxes on mineral Validation Act,1992, Central Coalfields Limited and Western Coalfields Limited raised supplementary bills on customers upto 04.04.91. An amount of Rs.10328.70 lakhs (Rs.10328.70 lakhs) has been shown as liability for cess on royalty under the head 'Current Liabilities & Provisions'. In view of the judgement of Hon'ble High Court, Patna, Ranchi, Bench in writ petition no. CWJC/1280 of 1992, cess is not payable. However, a special leave petition is pending in Supreme Court against it.
- 10.11 The Government of Madhya Pradesh had passed 'Madhay Pradesh Gramin Avsanrachna Tatha Sadak Vikash Adhiniyam 2005' which provided for charging of Gramin Tax @5%



on annual value of acquired coal bearing land / mineral land from financial year 2005-06 onwards. This tax has been duly collected by Western Coalfields Limited from coal customers. Some of the consumers had moved the Madhya Pradesh High Court at Jabalpur and as per the hon'ble High Court of Jabalpur's interim order dated 15.02.2006, the company was directed not to deposit this tax to state government but to keep it in the Fixed Deposit. Pending final decision of the court, the company has not deposited this 5% Gramin tax but kept them in FDs at HQ. The amount so billed under this head till 31.03.2009 is Rs.13484.48 lakhs (Rs.10838.21 lakhs).

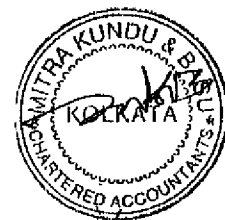
- 10.12 Northern Coalfields Ltd has received a demand notice of Rs.272.45 lakh from the Service Tax Authority regarding transportation of coal by road for the period 01.01.2005 to 30.09.2006 in respect of MP projects of NCL. As per legal opinion obtained, no service tax is payable on account of transportation of coal and as such an appeal has been filed against the above order. However, the company has deposited Rs.687.67 lakhs (Rs 505.81 lakhs) for the period from 01.01.05 to 31.03.09 under protest.
- 10.13 The Company has billed Rs.27680.67 Lakhs upto 31.03.2009 to customers towards MP Gramin Adhosanrachana Tatha Sadak Vikas Upkar levied by Madhya Pradesh Government. The levy of cess by the Madhya Pradesh Government has been challenged before the H'onble Supreme Court by way of Special Leave petition and hence the amount has not been paid to Madhya Pradesh Government.

The validity of MP Sadak Vikash Upkar has been challenged in the Court of law by certain customers in SECL and the case is subjudice. However SECL is recovering the tax and kept in books of Accounts as a liabilities and the amount has been invested in interest bearing CLTD w.e.f. April 2009.

The liability towards interest payment by SECL for the period from 9.12.2005 to 31.03.2009 is not clear. Hence no provision is made in books however if any adverse decision comes then company may have to incur liability of interest which is unascertained as on date.

The Company has also billed Rs.30489.95 Lakhs upto 31.03.2009 on customers towards Chhatisgarh (Adhosanrachana Vikas Evem Paryavaran) Upkar levied by Chhatisgarh Government. The H'onble High Court in its interim order Dt. 26.10.07 has permitted the Chhatisgarh Government to collect the Taxes from the company subject to final result of the writ petition and the company has deposited an amount of Rs.29596.39 Lakhs upto 31.03.2009.

The Company has billed Rs. 2883.06 Lakhs upto 31.03.2009 on customers towards Terminal Tax levied by Madhya Pradesh Government. The levy of this Cess by the Madhya Pradesh Government has been challenged in the H'onble High Court of Jabalpur. As per Interim Order of the Court Rs.929.66 Lakhs has been deposited.



11.0 FOREIGN CURRENCY LOAN

- 11.1 The foreign currency loans drawn from IBRD and JBIC banks on account of Coal Sector Rehabilitation Project to be implemented in various subsidiaries has been shown under the head Unsecured Loan.

In terms of agreement with IBRD and JBIC banks, Coal India Ltd has entered into back to back loan agreements with its participating subsidiaries and loans including effect of exchange rate variation thereon have been shown in the accounts.

Borrowing and other costs (including exchange difference) in respect of foreign currency loans obtained for subsidiaries have been recovered from the respective subsidiary companies. The company has entered into swap transactions against a portion of above stated borrowing and interest thereon. Gains/ losses arising out of swap transactions (except gain/loss on principal only swap which are being recovered from the respective subsidiary companies) are being carried as Reserve for foreign currency transactions. Net result of the said swap transactions will be recovered from/paid to subsidiary companies upon completion of repayment of foreign currency loans.

- 11.2 The overall Marked to Market position of the existing hedge transactions (net of the positive values) as on 31.03.2009 stood at Rs.1676.00 lakhs (negative). However, the negative Marked to Market valuation of outstanding position involving six individual Foreign Exchange transactions as on 31.03.2009 before netting up with transactions having positive values stood at Rs.1913.00 lakhs (Rs. 2330.00 lakhs).

Further, the Accounting Standard – 30 on Financial Instruments : Recognition and Measurement issued by Institute of Chartered Accountants of India (ICAI) has been issued with recommendatory implementation from 01-04-2009 and mandatory from 01-04-2011. However, following the announcement of ICAI on accounting for derivatives the value of negative marked to market position of foreign exchange transactions amounting to Rs. 2330.00 lakhs had been provided for in the Accounts of 2007-08. Considering the negative Marked to Market as on 31-03-2009, the provision so created as aforesaid has been suitably adjusted.

- 11.3 The carrying cost of the fixed assets and corresponding stores consumption in World Bank aided projects have been adjusted to the extent of foreign exchange fluctuations in case of loans from World Bank except in case of Central Coalfields Limited where the adverse impact of Rs.3257.21 lacs has been debited to Profit & Loss account.

12 PROFIT & LOSS ACCOUNT

- 12.1 Total claim of Rs. 4766.84 lakhs was lodged with the Director of Electricity, Govt. of West Bengal, in support of relief/concession required for revival of ECL according to BIFR's sanctioned scheme vide its letter no. 40/PA/PR.Secy./IRPE dated 30.08.2005. During the year Rs.608.54 lakhs (Rs.1516.55 lakhs) has been received and recovery of the balance amount of Rs.2641.75 lakhs (Rs.3250.28 lakhs) are in process.

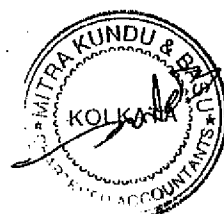


12.2 The National Coal Wage Agreement (NCWA-VIII) effective from 01-07-2006 has been finalized in January 2009 for Wage Board employees. Further revision of pay for executives (effective from 01-01-2007) has been finalized in May 2009. Summarized position of financial impact of Pay Revision excluding gratuity impact for employees who retired during the period from 01.01.2007 to 31.03.2009 and the impact of actuarial liability (shown in para 12.9) is given below:-

	Rs. Lakhs
Impact of Pay Revision	<u>653845.81</u>
Interim Relief (IR) paid during 2008-09	204498.02
Closing Liability as on 31.03.2009	449347.79
Liability provided in 2008-09	411577.97
Net impact of Pay Revision considered in 2008-09	478238.06
(Opening Liability as on 31.03.2008	175607.75)

Apart from the above, impact of gratuity for revision of salary & wages to be paid to the employees who retired during the period 01.01.07 to 31.03.09 works out to Rs.43706.05 lakhs.

- 12.3 Actuarial liability as on 31.03.2009 towards gratuity, earned leave encashment and half-pay leave encashment includes the effect of salaries and wage revision of executives and wage board employees over pre-revised salaries and wages, on the above benefits by Rs.268178.61 lakhs, Rs. 21719.50 Lakhs and Rs. 7813.35 Lakhs respectively.
- 12.4 The year-end liability of certain other employee benefits like Life Cover Scheme, Settlement Allowance, Gross Personal Accident Insurance Scheme, Leave Travel Concession, Medical Benefits for Retired Executives, Compensation to dependants incase of mine accidental death are valued on actuarial basis.
- 12.5 Except Central Coalfields Limited, the liabilities for two new employee benefits viz. Retired Executives Medical Benefit Scheme and Compensation to Dependants of deceased in mines accident have been valued on actuarial basis from the current year. The cost based on such actuarial valuation as at 31-03-09 has been adjusted in the income statement of the current year.
- 12.6 Due to such valuation on actuarial of these two employee benefit schemes the profit of the company reduced by Rs. 15214.52 Lakhs i.e. Rs. 454.66 lakhs on account of medical benefit for retired executives and Rs. 14759.86 on account of Compensation payable to Dependants of deceased in mines accident.
- 12.7 Liability for some employee benefits viz., VRS for non-executives, Ex-gratia in lieu of employment on death in harness for employees, etc have not been valued on actuarial basis.



- 12.9 Total liability as on 31.03.2009 based on valuation made by the Actuary, details of which are mentioned below, is Rs. 988342.63 lakhs , which includes the impact of Rs. 312925.98 lakhs towards additional actuarial provision made for revision of Pay and benefits over pre-revised Salary and Wages.

The actuarial liability as on 31.03.2009

Head	Closing Actuarial Liability as on 01.04.08	Incremental liability based on pre-revised salary	Additional provision for revision of Pay & benefits	Closing Actuarial Liability as on 31.03.09
Gratuity	508018.20	49194.03	268178.61	825390.84
Earned Leave	54403.55	26991.46	21719.50	103114.51
Half Pay Leave	13445.88	7567.46	7813.35	28826.69
Life Cover Scheme	3846.63	2107.81	0.00	5954.44
Settlement Allowance	268.47	46.95	0.00	315.42
Gross Personal Accident Insurance Scheme	118.43	6.24	0.00	124.67
Leave Travel Concession	8271.34	1130.20	0.00	9401.54
Medical Benefits	0.00	0.00	454.66	454.66
Compensation to dependants incase of mine accidental death	0.00	0.00	14759.86	14759.86
Total	588372.50	87044.15	312925.98	988342.63

- 12.9 Summary of actuarial assumptions are as under :-

Formula Used	Projected Unit Credit Method
Interest Rate	8%
Inflation Rate	6.50%
Mortality Rate	LICI 1994/96
Attrition Rate	1%

13 INVESTMENT IN EASTERN COALFIELDS LIMITED AND BHARAT COKING COAL LIMITED

- 13.1 Investment of the Company, in share capital of Bharat Coking Coal Limited and Eastern Coalfields Limited which are long term in nature amounted to Rs. 211800.00 lakhs and Rs.221845.00 lakhs respectively as on 31-03-2009. Eastern Coalfields Ltd and Bharat Coking Coal Limited have become sick and are referred to BIFR under Sick Industrial Companies (Special Provisions) Act,1985. Plans for restructuring / revival of Eastern Coalfields Limited and Bharat Coking Coal Limited are in an advanced stage. Scheme recommending restructuring/revival of Eastern Coalfields Limited has been formulated by Operating Agency and is under consideration of BIFR. In case of Bharat Coking Coal



Limited, the plan for restructuring/revival has been formulated and has been reviewed by an external agency.

The same has since been approved by the CIL Board and is under consideration of the competent authority. Once the revival schemes are finalised and implemented the financial position of these Companies will substantially improve which will turn them into viable Companies. In view of the above the decline in the value of investments, if any, is temporary in nature, and hence, are valued at cost. On the same analogy i.e. these subsidiaries on the above stated grounds will turn into viable companies; no provision on the loans outstanding from these subsidiaries are considered.

14 EFFECT OF CHANGES IN ACCOUNTING POLICY

- 14.1 The useful life of LHD and SDL have been reviewed during the year. Consequently, depreciation rates of those categories have been revised, resulting in additional charge of depreciation of Rs.5200.61 lakh and profit for the year is lower to that extent.
- 14.2 Due to change in policy of the company for capitalization of land, the cash compensation expenses and resettlement expenses incurred during the year has been capitalized. Hence, the profit for the year has been increased to the extent of Rs.247.62 lakh.
- 14.3 Due to change in the method to determine the value of closing stock of coal on full absorption cost basis (normal capacity), the current year's profit is decreased by Rs.316.56 lakhs.

15 DISCONTINUING OPERATION

15.1 CBE Plant, Bhandra – Western Coalfields Limited:

The plant used to manufacture Nitro-Glycerine based permitted explosives used in the underground mines of the company. Consequent upon decision of the Government of India to discontinue / ban production of NG-based explosives in the country and its adoption by the Board of Ordinance Factories of India, the joint venture partner of the plant, the plant was closed on and from 28-04-03.

Coal India Limited had given its approval for disposal of the plant and the company in its 197th Board meeting held on 19-04-2006 had approved the disposal of plant & machinery by tendering /e-auction and accordingly the plant & machineries along with related stores & spares have been disposed of during the year by auction through MSTC. The net block of assets pending disposal is Rs.11.84 lakhs. The liability towards overheads after closure of the Plant till 31-03-2009 for maintenance and upkeep of the Plant is Rs.39.56 lakhs.

The revenue expenses incurred during the current year is Rs. 0.01 (Rs.2.69 lakhs). Since,



the plant works on no-profit-no-loss basis, all expenses are passed on to the Areas. Hence, there is no question of profit/loss. There is a net cash outflow attributable to operating, investing and financing of discontinuance to the tune of Rs.0.01 lakhs (Rs. 0.23 lakhs).

15.2 DFD Plant , Hinganghat, Western Coalfields Limited:

The plant used to manufacture Coal Briquettes from raw coal for domestic fuel purposes. Consequent upon non-viability of the plant as per the decision of the Board, the plant was closed in 1994.

The disposal of the plant is under process and the exact date of completion of discontinuance is not determinable as of now. The net block of assets pending disposal is Rs.2.64 lakhs and the liability towards Municipal Taxes is Rs.2.42 lakhs. The company has applied for the waiver of taxes to the authority. The revenue expenses incurred during the year is Rs. 0.52 lakhs (Rs. 1.10 lakhs). Since, the Plant is inoperative for the past 10 years and the final disposal of the plant is yet to be done, there is no question of profit/loss. There is no cash outflow attributable to operating, investing and financing of discontinuance.

16. GENERAL

16.1 Amount Rs. 31406.73 Lakhs (Rs. 34778.65 Lakhs) has been provided in the accounts with the "Report of the Committee on Methodology to be adopted in connection with the provision for back filling and other necessary jobs to meet environmental requirements whether covered under EMP or not", an amount equivalent to Rs.75,000/- per hectare each for technical and biological reclamation of the area excavated at the end of the year less the pro-rata area, which are not required to be backfilled.

16.2 The applicability of the Micro, Small and Medium Enterprises Development Act,2006 (MSMEDA, 2006) to the Company for the purpose of disclosure and other requirements are being examined, pending which, the disclosure required under MSMEDA,2006 has not been made.

16.3 Bharat Coking Coal Limited has received JAP, SSRC and R&D Grant upto 31.03.2009 for Rs. 2922.48 lakhs, Rs. 7705.88 lakhs and Rs. 175.00 lakhs respectively and total expenditure incurred against these are as follows:-

	(Rs. In Lakhs)		
	<u>JAP Scheme</u>	<u>SSRC Scheme</u>	<u>R & D</u>
Capital	422.01	3182.19	50.21
Revenue	331.79	540.77	38.88

16.4 As per significant Accounting Policy for opencast mine with a rated capacity of 1 million tons or above, OBR accounting is to be done. However, it has not been followed in case of Amlo project of Central Coalfields Limited since inception i.e. during the last 22 years.



16.5 There is an un-reconciled difference of Rs.19.39 lakhs as on 31.03.2009 against the bank balance of Western Coalfields Limited as per books with that of bank statement of state Bank of India, Kingsway branch, Nagpur. The records are under re-verification to reconcile the same.

16.6 **Earnings Per Share:**

Sl no	Earning per Share particulars	As at 31 st March 2009	As at 31 st March 2008
i)	Profit after Taxation (Rs Lakhs)	210509.19	524246.18
ii)	Add/(less) adjustment for Reserve for Foreign Exchange (Rs Lakhs)	698.81	1384.77
iii)	Net profit after tax attributable to Equity shareholders (Rs. Lakhs)	207170.36	522861.41
iv)	Weighted average no. of shares outstanding during the year	63163644	63163644
v)	Basic and Dilated Earning per Share in Rupees (face value Rs.in'000/ share)	327.99	827.97

16.7 **Directors' Remuneration :**

(Rupees Lakhs)

Particulars	2008-09	2007-08
Salary & Allowances	521.74	347.64
Perquisites & Others	80.64	68.48
Total	602.38	416.12

16.8 **Deffered Tax Assets / Liabilities**

Deferred Tax Assets and Liability are being offset as they relate to Taxes on income levied by the same governing tax laws; Deferred Tax Asset / Liability as at 31st March 2009 and as at 31st March 2008 is given below:-

Particulars	As at 31.03.2009	As at 31.03.2008
Deferred Tax Liability		
Related to Fixed Assets	55311.01	55969.04
Related to Development Expenses	7045.64	7973.08
Related to others	305.91	305.91
Total	62662.56	64248.03
Deferred Tax Assets		
Provision for doubtful debts, claims etc	43029.44	38079.08
Disallowance u/s 43B of IT Act,1961	21145.65	13015.15
Employees Retirement / Bonus / VRS	82072.09	73565.07
Others	9091.92	17596.27
Total	155339.10	142255.56
Deferred Tax Assets (Net)	92676.53	78007.54



17. FINANCIAL REPORTING OF INTEREST IN JOINT VENTURE

17.1 As per directives from the Ministry of Coal, the company has entered into a Joint Venture Agreement (JVA) on 30.06.2007 with Neyveli Lignite Corporation Limited and Hindalco Industries, with the main objective to carry out coal mining activity jointly at Talabira II and III coal blocks as a single mine for deployment of optimum technology and conservation of coal. The expenditure incurred in this regard is booked under the head Prospecting and Boring in the books of IB Valley Area.

17.2 Further as per the directives from the Ministry of Coal, the company has entered into another Joint Venture Agreement on 12.11.07 with JSW Steel Ltd, JSW Energy Ltd, Jindal Stainless Ltd and Shyam DRI Power Ltd for coal mining activity jointly at Utkal-

A and Gopalprasad (West). The expenditure in these projects so far incurred by the company has been booked under the head Prospecting & Boring in the books of Hingula Area. Pending identification of the expenditure in detail, these have not been transferred to the respective Joint Venture Companies.

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

As per agreement, CIL would invest Rs.1000 crores in the SPV. The registration of company for the purpose of SPV is at an advanced stage, and till 31.03.2009 CIL has paid a sum of Rs.50.00 lakhs towards its share for initial expenses (pre-incorporation). Pending the finalisation of formation of the company for the SPV, the initial contribution in the SPV has been shown as investment in SPV in the Loans and Advance Schedule.

17.4 On incorporation of subsidiaries on the basis of joint venture agreement as per directives from the Ministry of Coal, Mahanadi Coalfields Ltd has deposited money / transferred debits for capital and other expenditure.

The position of investment and other current account as at 31.03.2009 is as under :-

Name of Subsidiary	Stake in Subsidiary	Date of incorporation	Address	Minority Interest as per Consolidated Accounts as on 31.03.2009
1)MNH Shakti Ltd	70%	16.07.2008	Anand Vihar, Burla	Rs. 27.00 lakhs
2)MJSJ Coal Ltd	60%	13.08.2008	House no 42, 1 st Floor, Anand Nagar, Hakim Para, Angul	Rs.162.72 lakhs
Total				Rs.189.72 lakhs




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

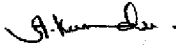
18. CONTINGENT LIABILITIES / CAPITAL COMMITMENTS


- 18.1 The amount remaining to be executed on capital account not provided for is Rs. 97136.61 lakhs (Rs. 162506.97 lakhs)
- 18.2 Claims against the company not acknowledged as debt are Rs.795616.74 lakhs (Rs. 663765.50 lakhs).
- 18.3 Outstanding letters of credit amounted to Rs.52964.59 lakhs (Rs. 4245.45 lakhs)
- 18.4 The company had given counter guarantee to Government of India for loans obtained from JBIC & IBRD banks and on lent to its subsidiaries, outstanding balance of which stood at Rs.90076.66 lakhs and Rs.88585.83 lakhs respectively.

Further, the company has also given guarantee for loans obtained by subsidiaries the outstanding balance of which as on 31.03.2009 stood at Rs. 17028.41 lakhs (Rs.13726.27 lakhs).

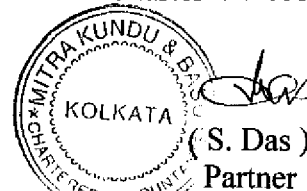
- 18.5 Outstanding Deferred Payment Guarantee issued by Banks amounted to Rs.1385.77 Lakhs (Rs. 1860.71 lakhs)


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


(A Kundu)
Chief General Manager (F)


(S. Bhattacharya)
Director (Finance)

As per our Report annexed
For Mitra Kundu & Basu
Chartered Accountants



Membership No.051391
The July 2008

Dated July 2008
Place : Kolkata

**AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS
OF COAL INDIA LIMITED FOR THE YEAR ENDED ON 31st MARCH 2009**

1. We have examined the attached consolidated Balance sheet of Coal India Limited as at 31st March 2009, and also the consolidated Profit & Loss Account and the consolidated Cash Flow statement for the year ended on that date annexed thereto.

The consolidated financial statements are the responsibility of the management of Coal India Limited and have been prepared by the management on the basis of separate financial statements and other financial information regarding component. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with the generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in 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. We believe that our audit provides a reasonable basis of our opinion.

3. We did not audit the financial statements of the following subsidiaries. These financial statements and other financial informations have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of other auditors. The total assets (WDV) including Capital Work-in-Progress and Expenditure During Construction as at 31st March 2009 and the total revenue for the year ended on that date in respect of these subsidiaries are as under:-

(Rs. In Lakhs)

Subsidiary	Assets	Revenue
Eastern Coalfields Ltd	127351.48	410379.78
Bharat Coking Coal Ltd	122479.03	496469.72
Central Coalfields Ltd	175825.19	664397.09
Northern Coalfields Ltd	217811.31	735642.19
Western Coalfields Ltd	158899.30	626121.09
South Eastern Coalfields Ltd	302704.86	946669.21
Mahanadi Coalfields Ltd	172602.52	657678.36
CMPDI Ltd	6721.15	33276.88



4. We report that the consolidated financial statements have been prepared by the management of Coal India Limited in accordance with the requirements of Accounting Standard -21 " Consolidated Financial Statements" issued by the Institute of Chartered accountants of India.
5. Based on our audit and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements read with Notes in Schedule - M give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the consolidated balance sheet, of the state of affairs of Coal India Limited as at 31st March, 2009;
- (b) in the case of the consolidated profit & loss account, of the profit for the year ended on that date; and
- (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For Mitra Kundu & Basu
Chartered Accountants



Dated The 2009
Place : Kolkata