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Board of Directors

(As on 21st May, 2011)



Shri R. K. Saha
Chairman-cum-Managing Director

FUNCTIONAL DIRECTORS



Shri T. K. Nag



Shri A. Chatterjee

GOVERNMENT NOMINEES



Shri R. K. Mahajan
Jt. Secy., MOC



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

INDEPENDENT DIRECTORS



Shri Gautam Basu



Shri S. K. Sarkar



Shri S. Chakrabarti



Shri Anand Kumar



Prof. K. V. Ramani

PERMANENT INVITEES



Shri R. S. Pandey
*Chief Operations Manager
East Central Railway*



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

COMPANY SECRETARY



Shri C.V.N. Gangaram

PRESENT MANAGEMENT

As on 21st May, 2011

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

CHAIRMAN-CUM-MANAGING DIRECTOR

Shri R. K. Saha

FUNCTIONAL DIRECTORS

Shri T.K. Nag : Director (Tech./Oprn.)

Shri A. Chatterjee : Director (Finance)

PART TIME DIRECTORS

Shri R. K. Mahajan : Jt. Secretary
Ministry of Coal,
Govt. of India, New Delhi

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

PART TIME NON-OFFICIAL DIRECTORS (INDEPENDENT DIRECTORS)

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

PERMANENT INVITEES

Shri R. S. Pandey, IRTS : Chief Operations Manager
East Central Railway, Hajipur (Bihar)

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

COMPANY SECRETARY :

Shri C.V.N.Gangaram

MANAGEMENT DURING 2010-2011

CHAIRMAN-CUM-MANAGING DIRECTOR

Shri R. K. Saha

FUNCTIONAL DIRECTORS

Shri T. K. Chand : Director (Personnel) (Up to 21.09.2010)

Shri T. K. Nag : Director (Tech./Oprn.)

Shri A. Chattejee : Director (Finance) (From 08.03.2010)

PART TIME DIRECTORS

Shri R. K. Mahajan : Jt. Secretary, Ministry of Coal,
Govt. of India, New Delhi

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

PART TIME NON-OFFICIAL DIRECTORS (INDEPENDENT DIRECTORS)

Shri M. K. Sinha : Up to 23.08.2010

Ms. Rama Rani Hota : Up to 23.08.2010

Dr. Kalyan Sen : Up to 23.08.2010

Shri Gautam Basu : W.e.f. 27.04.2010

Shri S. K. Sarkar : W.e.f. 27.04.2010

Shri S. Chakrabarti : W.e.f. 23.02.2011

Shri Anand Kumar, and : W.e.f. 23.02.2011

Prof. K. V. Ramani : W.e.f. 23.02.2011

PERMANENT INVITEES

Shri R. S. Pandey, IRTS : Chief Operations Manager,
East Central Railway, Hajipur (Bihar) (From 03.07.2008)

Shri N. N. Sinha, IAS : Secretary, Mines & Geology Deptt.
Govt. of Jharkhand, Ranchi
(From 04.09.2009 to 03.04.2011)

Shri A. K. Sarkar, IAS : Addl. Chief Secretary, Mines & Geology Deptt.
Govt. of Jharkhand (From 03.04.2011)

COMPANY SECRETARY

Shri C.V.N. Gangaram

BANKERS

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

STATUTORY AUDITORS

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

BRANCH AUDITORS

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

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

M/s. K. C. Sarkar & Co.
Ranchi.

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

REGISTERED OFFICE

Darbhangra House
Ranchi 834 029
(Jharkhand)

NOTICE

Ref. No. : Secy.3(4)/55/2011/612

Dated : 17.05.2011

FIFTY FIFTH ANNUAL GENERAL MEETING

Notice is hereby given to all Shareholders of Central Coalfields Limited that the Fifty Fifth Annual General Meeting of the Company will be held on Saturday, the 21st day of May, 2011 at 10.30 AM at Darbhanga House, Ranchi to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and Profit & Loss Account for the year ended on that date together with the Reports of the Statutory Auditors, Comptroller & Auditor General of India and the Board of Directors of the Company thereon.
2. To declare dividend on Equity Shares for the financial year ended 31st March, 2011 as proposed by the Board.
3. To re-appoint Shri R.K.Mahajan, Joint Secretary, Ministry of Coal, Govt. of India, as a Part-time Director of the Company as per the provisions of Article 34 (iii) of the Articles of Association of the Company.
4. To re-appoint Shri R. Mohan Das, Director (P&IR), Coal India Limited as a Part-time Director of the Company as per the provisions of Article 34 (iii) of the Articles of Association of the Company.

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

Registered Office : Darbhanga House
Ranchi - 834029
(Jharkhand)

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

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

MEMBERS

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

Shri N. C. Jha
Chairman,
Coal India Limited,
10, Netaji Subhas Road,
Kolkata- 700 001

Shri Ranjan Kumar Saha
Chairman-cum-Managing Director,
Central Coalfields Limited,
Darbhanga House,
Ranchi – 834 029

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

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

OPERATIONAL STATISTICS

Year Ending 31st March	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
1. (a) Production of Raw Coal : (Million Tonnes)										
Underground	1.27	1.47	1.56	1.83	1.96	2.31	2.66	2.75	2.76	2.74
Opencast	46.25	45.61	41.68	42.32	39.36	38.20	34.73	34.58	34.22	31.07
TOTAL	47.52	47.08	43.24	44.15	41.32	40.51	37.39	37.33	36.98	33.81
(b) Overburden Removal : (Million Cu.Mts.)	62.52	56.05	55.63	55.22	45.90	49.97	46.68	48.10	46.64	46.41
2. Off take (Raw Coal) (Million Tonnes)										
Steel	4.95	4.31	4.37	4.14	4.85	5.49	5.82	5.44	5.10	4.80
Power	30.76	28.89	29.80	29.25	25.29	27.29	25.35	26.35	27.13	24.59
Cement	0.22	0.08	0.05	0.07	0.05	0.05	0.05	0.07	0.00	0.01
Fertilizer	0.94	0.83	0.88	0.59	0.75	0.60	0.60	0.90	0.93	1.02
Colliery Consumption	0.01	0.01	0.02	0.02	0.04	0.06	0.09	0.19	0.22	0.25
Others	9.50	9.79	8.55	7.53	7.12	5.37	3.98	3.15	3.42	2.60
TOTAL	46.38	43.91	43.67	41.60	38.10	38.86	35.89	36.10	36.80	33.27
3. Average Manpower	53171	55305	57681	60209	62905	65536	68335	71100	73664	76405
4. Productivity :										
(A) Average per Man per Year (Tonnes)	893.72	851.28	749.65	733.28	656.86	618.14	547.16	525.04	502.01	442.51
(B) Output per manshift (OMS) :										
(i) Underground (Tonnes)	0.34	0.35	0.36	0.39	0.40	0.43	0.47	0.47	0.46	0.44
(ii) Opencast (Tonnes)	5.45	5.24	4.65	4.66	4.02	4.12	3.75	3.75	3.68	3.23
(iii) Overall (Tonnes)	3.88	3.66	3.27	3.22	2.81	2.75	2.51	2.48	2.43	2.13
5. Information — As per Cost Report :										
(i) Earning per Manshift (₹)	1615.93	1445.82	1616.43	1099.19	868.48	781.13	774.22	659.51	605.87	584.02
(ii) Avg. Cost of Production of Net Saleable Coal (₹ P.T.)	844.65	802.07	914.03	696.70	630.71	600.00	644.03	608.20	571.29	609.83
(iii) Avg. Sale Value of Production of Net Saleable Coal (₹ P.T.)	1072.82	1021.59	977.45	868.97	807.04	798.25	768.30	667.41	632.46	594.88

FINANCIAL POSITION

(₹ in lakh)

Year Ending 31st March	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
(A) What is owned										
Gross Fixed Assets	463652.85	465900.25	448490.81	437863.79	419881.08	403692.50	381103.31	376939.05	370378.33	365463.55
Less Depreciation	320405.06	314281.44	303800.93	298292.52	278372.96	269641.86	246728.25	236702.28	221109.47	203999.50
(1) Net Fixed Assets	143247.79	151618.81	144689.88	139571.27	141508.12	134050.64	134375.06	140236.77	149268.86	161464.05
(2) Capital Work -in -Prog	36195.44	34304.70	31135.31	32338.15	26707.89	27174.13	43635.33	32321.85	21550.23	19430.11
(3) Misc expenditure (others)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1680.16	2832.06
(4) Investment	4711.52	5653.82	6596.12	7538.42	8480.72	9423.02	9423.02	9423.02	0.02	0.02
(5) Deferred Tax Assets	49315.75	50727.97	56499.53	34356.89	21405.78	16619.36	12972.16	0.00	0.00	0.00
(6) Current Assets:										
(i) (a) Inventory of coal, coke etc.	129231.21	100637.81	80626.38	85803.88	68268.19	57881.77	44268.74	33505.73	25986.34	27151.21
(b) Inventory of stores & Spares etc.	14356.30	15478.88	14199.42	12987.48	12793.06	13518.08	14517.65	14635.70	14870.14	15273.48
(c) Other Inventories	1111.93	1600.84	1980.52	326.58	302.26	184.70	1799.90	1942.71	1755.30	1592.21
(ii) Sundry Debtors	94164.02	51244.83	74526.48	54130.98	47217.31	61106.59	65984.02	64922.68	66868.30	62846.16
(iii) Cash & Bank Balances	258276.90	260700.75	181588.39	111546.67	33408.78	23482.02	18411.43	11155.59	16552.79	11906.16
(iv) Loans & Advances (incl. Other C/Assets & Adj)	166829.20	136980.64	274092.26	223695.97	207696.63	188181.52	79648.42	25372.79	20390.35	19608.77
(v) O.B.R. Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5609.81	13756.29
Total Current Assets (5)	663969.56	566643.75	627013.45	488491.56	369686.23	344354.68	224630.16	151535.20	152033.03	152134.28
(7) Less Current Liab & Prov. (Excl. intt Acct. but not Due)	583146.78	531679.68	621854.11	471391.32	340848.12	309780.55	229529.00	147861.20	135481.78	185111.31
Net Current Assets (6-7)	80822.78	34964.07	5159.34	17100.24	28838.11	34574.13	-4898.84	3674.00	16551.25	-32977.03
TOTAL (A)	314293.28	277269.37	244080.18	230904.97	226940.62	221841.28	195506.73	185655.64	189050.52	150749.21
(B) What is owed :										
(1) Govt Loan/CIL	0.00	0.00	15727.44	30727.44	45727.44	75727.44	90727.44	105727.44	131366.35	119472.01
(2) Interest Accrued but not Due	0.00	0.00	0.00	0.00	0.00	0.00	0.00	172.99	224.51	305.30
(3) Term Loan (F.intt & Banks)	10492.50	11205.41	13670.14	11560.33	12585.36	13866.32	15142.66	23980.09	35270.33	46748.90
(4) Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SUB TOTAL (1 TO 4)	10492.50	11205.41	29397.58	42287.77	58312.80	89593.76	105870.10	129880.52	166861.19	166526.21
(5) Bank Borrowings (incl. Bank O.D. & Others)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	498.63
TOTAL (B)	10492.50	11205.41	29397.58	42287.77	58312.80	89593.76	105870.10	129880.52	166861.19	167024.84
Net Worth (A-B)	303800.78	266063.96	214682.60	188617.20	168627.82	132247.52	89636.63	55775.12	22189.33	-16275.63
Represented by										
(1) Equity Capital (incl. pending allotment)	94000.00	94000.00	94000.00	94000.00	94000.00	94000.00	94000.00	94000.00	94000.00	94000.00
(2) Reserves	79217.87	58046.80	40554.00	32580.00	22228.00	11650.00	0.00	0.00	0.00	0.00
(3) Profit/Loss(+)/(-)	130582.91	114017.16	80128.60	62037.20	52399.82	26597.52	-4363.37	-38224.88	-71810.67	-110275.63
(4) Misc. Expenditure (D/Liab.)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Worth (1 to 4)	303800.78	266063.96	214682.60	188617.20	168627.82	132247.52	89636.63	55775.12	22189.33	-16275.63
Capital Employed	224070.57	186582.88	149849.22	156671.51	170346.23	168624.77	129476.22	143737.78	165595.60	128181.72

INCOME AND EXPENDITURE STATEMENT

(₹ in lakh)

Year Ending 31st March	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
(A) Earned From										
Gross Sales	708313.08	629192.03	597837.36	506054.49	450640.99	451290.55	404373.49	348852.20	333440.55	274284.54
Less Coal from Development Mines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less Levies (Royalties, Cess etc.)	104143.12	80369.61	76748.58	69760.12	60568.38	60289.85	55161.80	53273.50	47888.28	38106.02
(1) Net Sales	604169.96	548822.42	521088.78	436294.37	390072.61	391000.70	349211.69	295578.70	285552.27	236178.52
(2) Accretion\Decretion in Stock	28132.54	16243.95	-6993.82	13657.74	7269.90	13762.05	10910.82	5411.65	-287.16	4337.24
(3) Coal Issued For Other Purposes (including washery)	121867.16	109313.21	103844.53	107800.14	105972.03	102938.85	103702.98	91154.88	84847.93	77029.43
(4) Other Revenue Receipts										
CMPDIL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others	52470.45	50585.90	46457.60	36553.39	41848.03	26012.33	22139.49	24414.21	23038.90	20567.83
(Afttr Trans & Other Recov & Contrs)										
Coal Price Regulation Accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL(A) (1to 4)	806640.11	724965.48	664397.09	594305.64	545162.57	533713.93	485964.98	416559.44	393151.94	338113.02
(B) Paid to\Provided for										
Employees' Remu & Benefits (Gross -Rev)	257625.05	236002.64	262128.61	179989.52	145116.06	131185.86	170694.50	135013.00	115340.93	119016.49
Less Trans to Oth Rev Heads	6869.20	4466.92	4641.27	3340.80	3073.18	2487.61	2426.12	1964.16	1910.92	1858.60
(1) Net Salary & Wages (Excl'd V.R.S Payment)	250755.85	231535.72	257487.34	176648.72	142042.88	128698.25	168268.38	133048.84	113430.01	117157.89
(2) V.R.S Payment (Net of Grant Received)	1091.00	1340.27	1440.66	2443.42	3082.26	3593.84	3577.20	5325.55	4266.18	5228.58
(3) Social Overheads (incl'd LLTC & Dom Coal)	23360.43	20292.92	19300.53	16527.31	14360.09	11977.50	11645.39	11546.92	10654.60	11317.66
Less : Social Overheads Dep & intt	585.64	640.94	748.95	642.29	769.94	743.29	817.77	891.25	977.49	1141.63
Social Overheads (Excl'd. Dep & Int)	22774.79	19651.98	18551.58	15885.02	13590.15	11234.21	10827.62	10655.67	9677.11	10176.03
(4) Stores & Spares (Gross-Rev)	53322.23	50717.83	48491.42	48834.51	42417.96	44107.38	42354.04	39346.21	35968.93	33662.30
Less: Trans to oth. Rev. Heads	383.47	420.70	511.42	679.20	749.34	649.89	887.03	807.55	888.75	902.18
Stores & Spares (Net)	52938.76	50297.13	47980.00	48155.31	41668.62	43457.49	41467.01	38538.66	35080.18	32760.12
(5) (i) Power & Fuel	20674.27	26689.97	25628.66	22595.23	22651.97	21952.80	21151.64	20110.88	19798.73	19624.33
(ii) Coal issued for other purposes (including washery)	121375.89	105315.47	102017.24	103772.84	102489.02	104293.66	103242.22	87499.38	84008.54	75093.29
(6) Contractors (Trans. & Repairs)	60856.25	48850.94	49277.63	43891.84	38097.30	37076.98	31927.87	28881.77	29917.18	26525.71
(7) (a) Misc. Expenses	38843.40	33608.73	37535.06	28045.58	18355.66	24951.43	16255.91	12369.63	10092.16	12802.90
(b) Provisions/Write-off	18097.91	13206.49	18593.48	9190.90	5209.21	9748.06	9515.44	2420.92	7332.38	11231.07
(8) Interest (incl'd. S/O P.P & Waiver)	895.50	1738.80	4351.05	6425.70	8918.16	9798.43	10961.70	11990.18	13289.77	15990.08
(9) Depreciation (incl'd. S/O & P.P.)	21086.79	20805.21	19207.92	23863.87	19488.79	32573.48	19223.46	19200.59	20855.28	21173.94
(10) O.B.R. Adjustment	10062.66	18502.34	7198.27	10356.62	26383.39	2179.12	5921.83	12740.03	8146.48	2637.76
(11) Financial Charges	157.39	185.84	330.60	174.32	202.10	235.99	265.83	440.29	680.59	873.11
(12) Prior Period Adj. (excl. int. & dep)	1007.97	-68.42	-1582.79	-668.24	952.67	-12577.82	-422.58	-3701.39	-1887.61	-2330.22
TOTAL (B)	620618.43	571660.47	588016.70	490781.13	443132.18	417215.92	442183.53	379521.00	354686.98	348944.59
Profit\Loss for the Year (A-B)	186021.68	153305.01	76380.39	103524.51	102030.39	116498.01	43781.45	37038.44	38464.96	-10831.57
Fringe Benefit Tax	0.00	0.00	1189.12	1050.51	911.48	752.02	0.00	0.00	0.00	0.00
Provision for Income Tax	60149.39	50659.06	48341.00	46122.51	40931.45	44566.10	22892.10	3452.65	0.00	-322.54
Provision for Deferred Tax	1412.22	5771.56	22142.64	6206.47	4786.42	3647.20	7097.05	0.00	0.00	0.00
Provision for I.Tax (for earlier year)	-73.58	295.52	0.00	0.00	0.00	1010.70	0.00	0.00	0.00	0.00
Withdrawal of Excess prov of Dividend Tax	-149.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trans to General Reserve	18602.00	15331.00	7974.00	10352.00	10578.00	11650.00	0.00	0.00	0.00	0.00
Trans to Reserve for CSR	2569.07	2161.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend (Including Dividend Tax)	86946.05	45197.51	22927.51	29275.66	28593.58	33226.90	0.00	0.00	0.00	0.00
Cumulative Profit/Loss b/f from Prev. Year	114017.16	80128.60	62037.20	39106.90	26597.52	-4363.37	-32349.77	-71810.67	-110275.63	-99121.52
Cumulative Profit/Loss trans to Balance Sheet	130582.91	114017.16	80128.60	62037.20	52399.82	26597.52	-4363.37	-38224.88	-71810.67	-110275.63

IMPORTANT FINANCIAL INFORMATION & RELATIVE RATIOS

(A) FINANCIAL INFORMATION

(₹ in lakh)

Year Ending 31st March	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
(A) Related to Assets & Liabilities :										
(1) Shareholders' Fund :										
(a) Equity	94000.00	94000.00	94000.00	94000.00	94000.00	94000.00	94000.00	94000.00	94000.00	94000.00
(b) Reserve & Surplus	79217.87	58046.80	40554.00	32580.00	22228.00	11650.00	0.00	0.00	0.00	0.00
(c) Profit/Loss (+)/(-)	130582.91	114017.16	80128.60	62037.20	52399.82	26597.52	-4363.37	-38224.88	-71810.67	-110275.63
(d) Deferred Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Worth	303800.78	266063.96	214682.60	188617.20	168627.82	132247.52	89636.63	55775.12	22189.33	-16275.63
(2) Loan	10492.50	11205.41	29397.58	42287.77	58312.80	89593.76	105870.10	129880.52	166861.19	166526.21
(3) Capital Employed	224070.57	186582.88	149849.22	156671.51	170346.23	168624.77	129476.22	143737.78	165595.60	128181.72
(4) (i) Net Fixed Assets	143247.79	151618.81	144689.88	139571.27	141508.12	134050.64	134375.06	140236.77	149268.86	161464.05
(ii) Current Assets	663969.56	566643.75	627013.45	488491.56	369686.23	344354.68	224630.16	151535.20	152033.03	152134.28
(iii) Net Current Assets (W/C)	80822.78	34964.07	5159.34	17100.24	28838.11	34574.13	-4898.84	3674.00	16551.25	-32977.03
(5) Current Liabilities										
(Excl. intt. accrued & due)	583146.78	531679.68	621854.11	471391.32	340848.12	309780.55	229529.00	147861.20	135481.78	185111.31
(6) (a) Sundry Debtors (Net)	94164.02	51244.83	74526.48	54130.98	47217.31	61106.59	65984.02	64922.68	66868.30	62846.16
(b) Cash & Bank	258276.90	260700.75	181588.39	111546.67	33408.78	23482.02	18411.43	11155.59	16552.79	11906.16
(7) Closing Stock of :										
(a) Stores & Spares (Net)	14356.30	15478.88	14199.42	12987.48	12793.06	13518.08	14517.65	14635.70	14870.14	15273.48
(b) Coal & Cokes etc. (Net)	129231.21	100637.81	80626.38	85803.88	68268.19	57881.77	44268.74	33505.73	25986.34	27151.21
(c) Other Inventories (Net)	1111.93	1600.84	1980.52	326.58	302.26	184.70	1799.90	1942.71	1755.30	1592.21
(8) Average Stock of Stores & Spares (Net)	15097.12	14839.15	13593.45	12890.27	13155.57	14017.87	14576.68	14752.92	15071.81	16387.56
(B) Related to Profit/Loss :										
(1) (a) Gross Margin	208003.97	175849.02	99939.36	133814.08	130437.34	158869.92	73966.61	68229.21	72610.01	26332.45
(b) Gross Profit	186917.18	155043.81	80731.44	109950.21	110948.55	126296.44	54743.15	49028.62	51754.73	5158.51
(c) Net Profit (Before Tax & Invest Allowance etc.)	186021.68	153305.01	76380.39	103524.51	102030.39	116498.01	43781.45	37038.44	38464.96	-10831.57
(2) (a) Gross Sales	708313.08	629192.03	597837.36	506054.49	450640.99	451290.55	404373.49	348852.20	333440.55	274284.54
(b) Net Sales (after levies & Dev. etc.)	604169.96	548822.42	521088.78	436294.37	390072.61	391000.70	349211.69	295578.70	285552.27	236178.52
(c) Paid/Payable Amount of Royalty, Cess etc.	104143.12	80369.61	76748.58	69760.12	60568.38	60289.85	55161.80	53273.50	47888.28	38106.02
(d) Avg. Net Sales per Month	50347.50	45735.20	43424.07	36357.86	32506.05	32583.39	29100.97	24631.56	23796.02	19681.54
(3) Cost of Goods Sold (Sales-Profit)	418148.28	395517.41	444708.39	332769.86	288042.22	274502.69	305430.24	258540.26	247087.31	247010.09
(4) (a) Total Expenditure (Excl. Recov. & others)	620618.43	571660.47	588016.70	490781.13	443132.18	417215.92	442183.53	379521.00	354686.98	348944.59
(b) Salary & Wages (Gross Rev. only)	257625.05	236002.64	262128.61	179989.52	145116.06	131185.86	170694.50	135013.00	115340.93	119016.49
(c) Stores & Spares (Gross Rev. only)	53322.23	50717.83	48491.42	48834.51	42417.96	44107.38	42354.04	39346.21	35968.93	33662.30
(d) Power & Fuel	20674.27	26689.97	25628.66	22595.23	22651.97	21952.80	21151.64	20110.88	19798.73	19624.33
(e) Int. & Depreciations (Gross rev. only)	21982.29	22544.01	23558.97	30289.57	28406.95	42371.91	30185.16	31190.77	34145.05	37164.02
(5) Avg. Consump. of Stores & Spares (Gross) per month	4443.52	4226.49	4040.95	4069.54	3534.83	3675.62	3529.50	3278.85	2997.41	2805.19
(6) (a) Avg. Manpower Employed during the year	53171	55305	57681	60209	62905	65536	68335	71100	73664	76405
(b) Social Overhead (incl. LTC/LLTC)	23360.43	20292.92	19300.53	16527.31	14360.09	11977.50	11645.39	11546.92	10654.60	11317.66
(c) Social O.H. expnd./employees (₹ '000)	43.93	36.69	33.46	27.45	22.83	18.28	17.04	16.24	14.46	14.81
(7) (a) Value Added	558748.33	488140.19	440578.19	379326.60	333270.84	339809.50	298247.67	243701.16	231915.77	189864.35
(b) Value Added per employee (₹ '000)	1050.85	882.63	763.83	630.02	529.80	518.51	436.45	342.76	314.83	248.50

IMPORTANT FINANCIAL INFORMATION & RELATIVE RATIOS

(B) FINANCIAL RATIOS/PERCENTAGES

Year Ending 31st March	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
(A) PROFITABILITY RATIO :										
(1) As % Net Sales :										
(a) Gross Margin	34.43	32.04	19.18	30.67	33.44	40.63	21.18	23.08	25.43	11.15
(b) Gross Profit	30.94	28.25	15.49	25.20	28.44	32.30	15.68	16.59	18.12	2.18
(c) Net Profit	30.79	27.93	14.66	23.73	26.16	29.79	12.54	12.53	13.47	-4.59
(2) As % Total Expenditure										
(a) Salaries & Wages (Gross Rev.)	41.51	41.28	44.58	36.67	32.75	31.44	38.60	35.57	32.52	34.11
(b) Stores & Spares (Gross-Rev.)	8.59	8.87	8.25	9.95	9.57	10.57	9.58	10.37	10.14	9.65
(c) Power & Fuel	3.33	4.67	4.36	4.60	5.11	5.26	4.78	5.30	5.58	5.62
(d) Interest & Depreciation (Gross-Rev.)	3.54	3.94	4.01	6.17	6.41	10.16	6.83	8.22	9.63	10.65
(3) As % Capital Employed										
(a) Gross Margin	92.83	94.25	66.69	85.41	76.57	94.22	57.13	47.47	43.85	20.54
(b) Gross Profit	83.42	83.10	53.88	70.18	65.13	74.90	42.28	34.11	31.25	4.02
(c) Net Profit	83.02	82.16	50.97	66.08	59.90	69.09	33.81	25.77	23.23	-8.45
(4) Operating Ratio (Sales-Profit/Sales)	0.69	0.72	0.85	0.76	0.74	0.70	0.87	0.87	0.87	1.05
(B) LIQUIDITY RATIO :										
(1) Current Ratio (Current Asset/Current Liability)	1.14	1.07	1.01	1.04	1.08	1.11	0.98	1.02	1.12	0.82
(2) Quick Ratio (Quick Asset/Current Liability)	0.60	0.59	0.41	0.35	0.24	0.27	0.37	0.51	0.62	0.40
(3) Working Capital as % of										
(a) Capital Employed	36.07	18.74	3.44	10.91	16.93	20.50	-3.78	2.56	9.99	-25.73
(b) Net Fixed Assets	56.42	23.06	3.57	12.25	20.38	25.79	-3.65	2.62	11.09	-20.42
(C) TURNOVER RATIO										
(1) Capital Turnover Ratio (Net Sales/Capital Employed)	2.70	2.94	3.48	2.78	2.29	2.32	2.70	2.06	1.72	1.84
(2) Working Capital Turnover Ratio (Net Sales/Working Capital)	7.48	15.70	101.00	25.51	13.53	11.31	-71.28	80.45	17.25	-7.16
(3) Sundry Debtors as no. of months										
(a) Gross Sales	1.60	0.98	1.50	1.28	1.26	1.62	1.96	2.23	2.41	2.75
(b) Net Sales	1.87	1.12	1.72	1.49	1.45	1.88	2.27	2.64	2.81	3.19
(4) As Ratio of Net Sales										
(a) Sundry Debtors	0.16	0.09	0.14	0.12	0.12	0.16	0.19	0.22	0.23	0.27
(b) Coal Stocks	0.21	0.18	0.15	0.20	0.18	0.15	0.13	0.11	0.09	0.11
(5) Stock of Stores & Spares										
(a) Avg. Stock/Annual Consumption	0.28	0.29	0.28	0.26	0.31	0.32	0.34	0.37	0.42	0.49
(b) Closing Stock as no. of months consp.	3.23	3.66	3.51	3.19	3.62	3.68	4.11	4.46	4.96	5.44
(D) STRUCTURAL RATIO										
(1) Debt : Equity	0.11	0.12	0.31	0.45	0.62	0.95	1.13	1.38	1.78	1.77
(2) Debt : Net Worth	0.03	0.04	0.14	0.22	0.35	0.68	1.18	2.33	7.52	-10.23
(3) Net Worth : Equity	3.23	2.83	2.28	2.01	1.79	1.41	0.95	0.59	0.24	-0.17
(4) Net Fixed Assets : Net Worth	0.47	0.57	0.67	0.74	0.84	1.01	1.50	2.51	6.73	-9.92

DIRECTORS' REPORT

To

The Shareholders,
Central Coalfields Limited

Members,

I on behalf of the Board of Directors have great pleasure in presenting to you the 55th Annual Report of your Company along with the Audited Accounts for the year ended 31st March, 2011. The Audited Statements of Accounts, report of the Statutory Auditors and Management's reply thereon as well as comments of the Comptroller & Auditor General of India on the audited Accounts are annexed to this report.

1. PRODUCTION

The table below shows the Production and Productivity Figures achieved by your Company during the year 2010-11 as compared to the actual of 2009-10.

Particulars	2010-11		2009-10 Actual	%age Growth over last year
	Target	Actual		
Production				
From OC (MT)	48.340	46.250	45.612	1.40
From UG (MT)	1.660	1.270	1.471	(-)13.61
TOTAL (MT)	50.000	47.520	47.083	0.93
OBR (MM³)	60.000	62.520	56.048	11.54
Composite				
Production(MM ³)	90.792	91.979	85.100	12.44
Washed Coal (Coking)				
Production(MT)	2.000	1.452	1.392	4.363
Dispatch (MT)		1.390	1.376	1.74
Washed Coal (Non-Coking)				
Production(MT)	7.320	8.062	7.424	8.60
Dispatch (MT)		8.060	7.348	9.66
Productivity (OMS-Te)				
OC	5.150	5.450	5.240	4.01
UG	0.420	0.340	0.350	(-)2.85
OVERALL	3.760	3.880	3.660	6.01

2. WASHERY PERFORMANCE

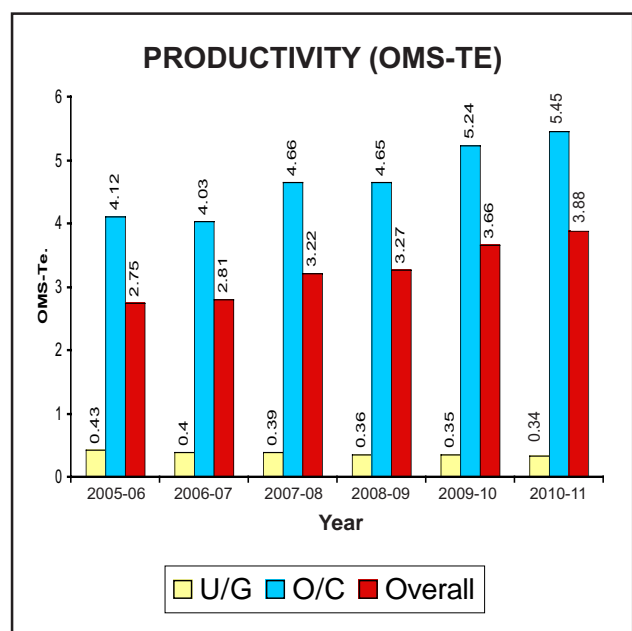
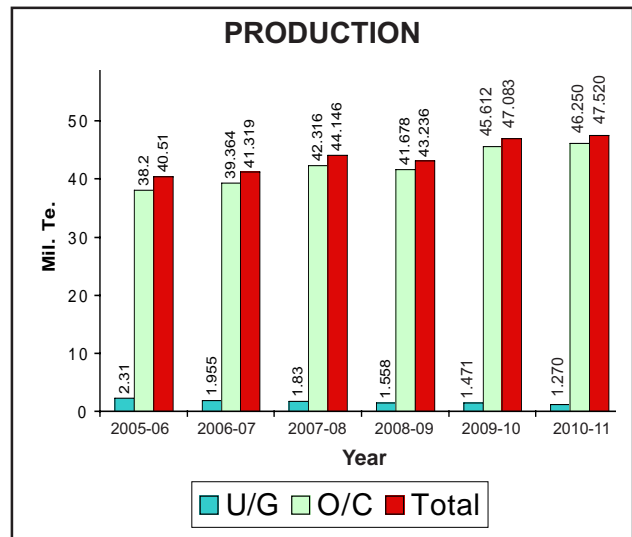
Your Company is in the business of washing Coking Coal as well as Non-Coking Coal. There are four Coking Coal Washeries and three

Washeries for washing / beneficiation of Non-Coking Coal.

The Washeries have contributed ₹483.63 Crore towards overall profit during the year 2010-11 compared to ₹400.32 Crore in 2009-10, registering a positive growth of 20.81%.

COKING COAL WASHERIES

Washed Coking Coal production during 2010-11 has been 14.528 lakh tonne against 13.92215 lakh tonne during 2009-10, registering a positive growth of 4.37%.



Coking Coal Washery have contributed a profit of ₹251.75 Crore during 2010-11 against ₹200.456 Crore during 2009-10 registering a positive growth of 25.59%.

Since Kathara Washery was having major break down in Gyrotory Crusher, 3.23456 lakh tonne of Raw Coking Coal was supplied to SAIL-ISP Chasnalla during 2010-11. The equivalent clean coal at 46.2% yield comes to 1.494 lakh tonne. Thus total Clean Coal Production from Coking Coal Washeries of your Company may be taken as 16.022 (14.528 + 1.494) lakh tonne against last year's figure of 14.767 (13.922 + 0.845) lakh tonne registering an overall positive growth of 8.5%.

Washery-wise production and yield during 2010-11 vis-à-vis the previous year are given below:

Washery	Prodn. (in lakh tonnes)		Yield%	
	2010-11	2009-10	2010-11	2009-10
Kathara	1.430	1.38	38.42	32.96
Sawang	2.079	2.34	44.05	45.25
Rajrappa	5.707	5.62	49.60	50.90
Kedla	5.312	4.58	46.19	45.26
Total	14.528	13.92	46.20	45.61
Equivalent Clean Coal production for Raw Coking Coal diverted to SAIL-ISP	1.494	0.845	46.20	45.00
Grand Total	16.022	14.77	46.20	45.57

NON-COKING COAL WASHERIES :

The Washed Non-Coking Coal production during 2010-11 has been 80.628 lakh tonne against 74.24 lakh tonne during 2009-10, registering a positive growth of 8.60%.

Non-coking Coal Washeries have contributed a profit of ₹231.88 Crore during 2010-11 against ₹199.86 Crore during 2009-10, registering a positive growth of 16.02%.

The Washery-wise production and yield during 2010-11 vis-à-vis the previous year is given below:

Washery	Prodn. (in lakh tonnes)		Yield%	
	2010-11	2009-10	2010-11	2009-10
Piparwar	71.764	63.91	88.10	87.65
Kargali	5.345	7.11	86.99	83.12
Gidi	3.519	3.22	59.33	59.90
Total	80.628	74.24	86.20	85.49

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

1. Ashok Washery (10.0 MTY)

- (i) Tender finalized.
- (ii) Terms of Reference (TOR) cleared.
- (iii) Letter of Intent (LOI) is under preparation.

2. Karo Washery (2.5 MTY)

- (i) Site has been finalized.
- (ii) Forest clearance from Forest Department (Govt. of Jharkhand) is awaited for soil testing.

3. Konar (3.5 MTY)

- (i) Site has been finalized.
- (ii) Soil testing work is in progress.

4. New Piparwar Washery (3.5 MTY)

- (i) Site has been finalized.
- (ii) TEFR has been approved by CCL Board in its 376th meeting held on 03.04.11 for a total cost of ₹121.5071 Crore.

5. Dhori Washery (2.5 MTY)

- (i) Land has been cleared from Forest Department (Govt. of Jharkhand).
- (ii) Terms of Reference (TOR) has been cleared.
- (iii) Tender Specification Document (TSD) has been prepared by CMPDI, the same is under scrutiny by CCL.

3. OFFTAKE :

The total off-take during 2010-11 was 46.228 million tonnes. The mode-wise details of off-take compared to that of previous year are given below :

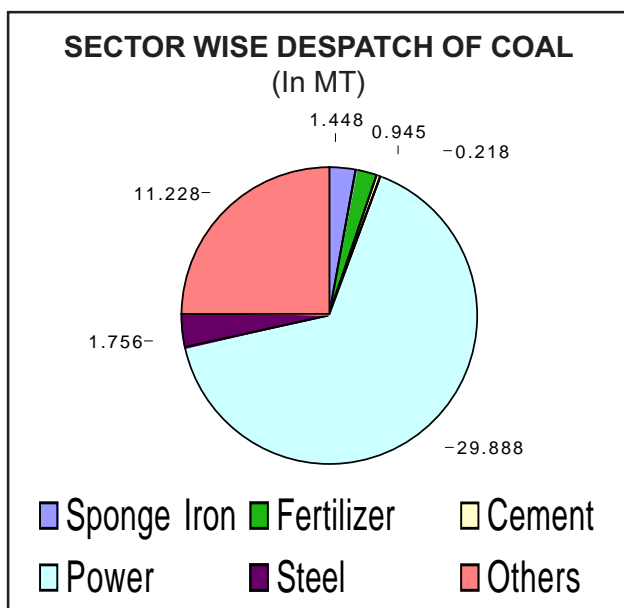
(Fig. In Million Tonnes)

Mode	2010-11	2009-10
Rail	22.315	21.818
Road	11.709	10.657
Internal Transfer	12.194	11.799
Colliery Consumption	0.010	0.011
Total Off-Take	46.228	44.285

The sector wise dispatches of coal and its different by-products during the year 2010-11 are given below:

(Figs. in Million Tonnes)

Sector	Raw Coal	Clean Coal	Non-Coking washed coal	Washed coal power	Slurry	Rejects	Total
STEEL	0.358	1.398	-	-	-	-	1.756
POWER	21.592	-	8.026	0.076	-	0.194	29.888
CEMENT	0.218	-	-	-	-	-	0.218
FERTILIZER	0.945	-	-	-	-	-	0.945
SPONGE IRON	1.448	-	-	-	-	-	1.448
OTHERS	9.463	-	0.034	0.889	0.430	0.412	11.228
TOTAL	34.024	1.398	8.060	0.965	0.430	0.606	



4. COAL STOCK

The stock of Raw Coal(*) as on 31.03.2011 stood at 16.37 Million Tonnes as against 16.41 Million Tonnes as on 31.03.2010.

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

5. TURNOVER AND SALES REALIZATION

During the year under reference the gross sales turnover of the Company was ₹7083.13 Crore and the sales realization was ₹6873.75 Crore . The Sector wise position of Debtors (Gross) as on 31 March 2011 is given below :

(Figs. in Rs. Crore)

SECTOR	As on 31.03.2011	As on 31.03.2010
POWER	1091.74	671.42
STEEL	365.01	245.47
OTHERS	5.19	(-) 183.36
TOTAL	1461.94	733.53

6. POPULATION AND PERFORMANCE OF HEMM

The population of HEMM in Mechanized Opencast Mines of CCL as on 31.03.2011 and 31.03.2010 are given below:

HEMM	POPULATION AS ON	
	31.03.11	31.03.10
Shovel	121	122
Dumper	540	624
Dozer	175	176
Drill	106	114

The performance of HEMM in terms of Availability and Utilization percentage against CMPDIL norms during the year 2010-11 vis-à-vis 2009-10 is given as under:

HEMM	% Availability			% Utilization		
	Norms	Actual 2010-11	Actual 2009-10	Norms	Actual 2010-11	Actual 2009-10
Shovel	80	72	74	58	41	46
Dumper	67	64	65	50	37	36
Dozer	70	64	62	45	23	26
Drill	78	78	80	40	28	27

7. SYSTEM CAPACITY UTILISATION

System Capacity for 2010-11 assessed as on 01.04.10 (MM ³)	Achievement of Production by OC Mines (2010-11)			% Capacity Utilisation	
	Coal (MT)	OBR (MM ³)	Composite (MM ³)	2010-11	2009-10
95.77	46.248	62.522	91.979	96.0	92.8

8. WAGON LOADING

The coalfield wise wagon loading position for the year 2010-11 is given below:

RAILWAY FIELDS	(Fig. in FWW/Day)	
	2010-11	2009-10
South Karanpura	612	596
North Karanpura	2115	1969
Sub Total Karanpura	2727	2565
Jharia	614	686
Total E.C.Railways	3341	3251
Giridih	44	63
Total Eastern Railways	44	63
Adra	162	91
Total S.E. Railways	162	91
TOTAL CCL	3547	3406

9. SIZING AND CRUSHING OF COAL

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

Besides the above, as on 31st Mar'2011 there are 25 nos. of Feeder Breakers at different Projects for crushing of ROM coal to (-) 200 mm size. During 2010-11, 4 nos. of Feeder breakers of 0.5 Million Tonne per Annum capacity each at B&K Area (one no.), Urimari Pit head (two nos.), Piparwar (one no.), have been installed and likely to be commissioned soon. The list is as follows:

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

In view of the increased coal production target, it is also proposed to install & commission Feeder Breakers in the following Area/locations during 2011-12 to achieve 100 % crushing of coal :

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

During 2010-11 about 24.021 million tonne of coal was crushed through CHPs, Feeder Breakers, Inpit Crusher & Surface Miner.

10. PERFORMANCE OF WEIGH BRIDGES

Sincere efforts have been made to ensure 100 % weighment of coal before despatch. Thirty six rail weighbridges were fully functional to weigh the coal despatched by rail in the year 2010-11. These thirty six Rail weighbridges also include seven stand by rail weighbridges located at Ray, Mcluskiganj, Jarangdih, RCM, Tarmi, Chainpur and N.R. sidings respectively. The total percentage of coal weighed by rail weighbridges during this period was 99.06 %. Also to meet the enhanced dispatch target four new 100 Te Rail weighbridges at Gidi-Washery, Dakra, KD(H) & Tori sidings are being or have been installed. To ensure correct weighment for the satisfaction of consumers and Railways, regular Fitter Incharge Outdoor (FIO) testing of Rail weighbridges had been carried out in presence of authorized representative of Weights & Measurement Deptt., Govt. of Jharkhand. The Rail Weigh Bridge of Tori Siding is under process with the Railways for obtaining permission for commercial operation. One more new 100Te Rail weighbridge at Saunda

Siding is under installation. Three nos. of Rail weigh bridges of 100 T capacity are being procured for Amlo Project, Kargali Washery & Giridih.

At present, for weighment of coal despatched by road, there are 68 Road weighbridges, having capacity from 30 Te to 50 Te. All the weighbridges which have capacity less than 50 Te are under upgradation. 25 nos. of new 50 Te Electronic Road weighbridges have been procured. Out of which 5 nos. have been installed and commissioned – at Amlo(Dhori) – 1 no., Kathara (W) (CCWD) – 1 no., Jarangdih (Kathara) – 2 nos., Giridih (B&K) – 1 no. Apart from these, 2 nos. have been installed at Piparwar Area, testing of these are due. Further, 5 nos. are in installation process at Dhori, Kuju & B&K Area. The remaining road weighbridges will also be installed and commissioned during the financial year 2011-12.

11. CONSUMER SATISFACTION

The satisfaction of consumers in respect of quantity, quality and size of coal supplies is one of the prime objectives of your Company. CCL has an effective Quality Management Team with well-trained officials and adequate infrastructure, like sampling arrangements, well-equipped coal analysis laboratory, etc. at HQs. as well as in all Areas. Automatic Bomb Calorimeters have been installed at HQ Lab and at relevant Laboratories in the Areas. Effective training has been imparted to the concerned personnel, so as to cater to the future requirement of change over from present Useful Heat Value (UHV) system of coal grading to Gross Calorific Value (GCV) system of grading. Further, effective measures were taken for achieving better “Consumer Satisfaction” through delivery of sized coal of proper quality and quantity. Your Company has adopted the system of Joint Sampling/ Joint Analysis of rakes as per provisions of FSA executed by Power Houses under NCDP to ensure consumers’ satisfaction. Almost 100% sized coal was dispatched to the consumers. Necessary measures have been taken to redress consumers’ grievances.

12. POWER SUPPLY MANAGEMENT

Power is being supplied to CCL through three sources i.e. DVC, JSEB & Captive Power

Plants. However, the main source of power supply is DVC which is having a contract demand agreement for 105.5 MVA in the year 2010-11. The Contract Demand of JSEB at present is 15.12 MVA. Apart from these there are 3 Captive Power Plants at Giddi (10 MW), Rajrappa (10MW) & Kathara (2x 10 MW). Giddi & Rajrappa Captive Power Plants are being run by EIPL (DLF), whereas Kathara is operated by IFPL. The share of power supplied from DVC is 73.84 %, JSEB 9.39% whereas CPP caters to 16.77 % of the total power requirement of CCL. Kuju area which is on JSEB will be shortly shifted over to DVC with contract demand of 8 MVA. After shifting over power supply of Kuju from the present JSEB to DVC feeder, the total CCL mines will be on DVC supply except Rajhara which is on JSEB with a contract demand 1.3 MVA. On switching over to DVC supply the power availability will improve. The two DLF captive plants are supplying power to Argada & Rajrappa areas respectively. The CPP at Kathara supplies power to Kathara Area & also partially caters to the need of B & K Area. Besides above, colonies, hospitals, water supply, workshop, etc. located at Ranchi are receiving power from JSEB with a contract demand of 4.8 MVA. Further, to improve the power supply to Central Repair Shop Barkakana, action has been initiated to switch over to DVC from JSEB.

Energy Conservation & Audit:

Energy is the basic input for any country for keeping the wheels of its economy moving. It is needless to emphasize that energy is the prime mover of the development process. Fossils fuel, the main and most convenient source of energy i.e., coal, oil and natural gas, are fast depleting and would be available only for a limited period. Thus, commercial energy would continue to be scarce. It is becoming a vital issue day by day, not only because of the tremendous gap between demand and supply of energy but more importantly, due to the concern for fast depletion of the known non-renewable sources of energy worldwide. In the world of competitive economy, energy plays a very crucial role in the country’s social & economic development. The progress of human society without energy is inconceivable. Considering that energy options are limited at

present, all efforts have been made in your Company for using energy more efficiently and judiciously.

Conservation is only possible by creating awareness at all levels and adopting conservation measures. Thus for creating awareness, energy conservation meetings were organized amongst the employees during the year 2010-11.

All efforts have been made to improve specific consumption of Power, HSD & Lubricant which are the basic input for production purpose. There has been improvement in specific consumption of Power during the year 2010-11. However, there is a marginal increase in specific consumption of HSD & Lubricant, though absolute consumption is less. The main reason is increase in haul road length as well as depth of the mines. The following table depicts the Specific Energy Consumption values for the year 2010-11, with respect to the year 2009-10:

Specific Consumption*		2010-2011	2009-2010
POWER	kWh/CuM	5.645	6.129
HSD	Ltrs./CuM	0.935	0.910
Lubricant	Ltrs./CuM	0.043	0.035

* The computation of specific power consumption also includes the power consumed in service units of the Areas and composite product of UGs & OCPs. The computation of specific consumption of POL is only for opencast projects of the Company.

Tentative benchmarking for HSD of 14 Open Cast Mines of CCL have been carried out by CMPDIL. Detailed reports on HSD consumption audit and bench-marking of Jharkhand, Kathara, Ashoka & Birsa opencast mines have also been carried out by CMPDIL. Specific consumption of HSD for all the 14 Opencast mines is being monitored every month and performance is being placed in CMDs meet for review.

13. COMMUNICATION ARRANGEMENT AND INFORMATION SYSTEM

A. Underground Communication :

Installation and commissioning of seven U.G. telecom systems(Auto cum Manual Communication Systems) were completed successfully at Kuju, Pindra, Topa, Sarubera(Kuju Area), Jarangdih(Kathara Area), Khasmahal Ph-II(B&K Area), Dhori

Khas(Dhori Area). These systems are working perfectly.

B. Revival & Repair of PLC System at Piparwar Project :

The repair and revival of three PLC Sub Stations that are vital in production / productivity of prestigious Piparwar Project were planned and a work order has been placed on the authorized system integrator of OEM for execution of the job in the first/ second quarter of 2011-12. The repair and revival shall ensure trouble free working of CHP/ CPP of Piparwar.

C. Environmental Tele Monitoring System:

A System for online monitoring of environmental parameters for Swang UG Mine is being implemented for the first time in CCL. Tendering for the System is being dealt by CMC Deptt. of your Company. The System monitors critical parameters of the Mine like CH₄, CO, Temperature/ Humidity etc.

D. Mobile Closed User Group Network :

Close user group network of mobile phones along with FCT's and PRI connectivity for CCL EPABX is under process of procurement. This System shall provide faster and seamless communication between CCL Head Quarter and Areas/ Units of CCL.

E. E. WAN/ LAN Networks :

System design and implementation of Wide Area Network (WAN) in CCL connecting all Area Offices, Regional Stores, Rail & Road Weigh Bridges, Central Hospitals, Mines Rescue Station (MRS) has been planned by E&T Deptt. of your Company. The System, to be implemented in 2011-12 shall bring faster information exchange between CCL HQ and Areas/ Units.

F. R&D Projects :

1. Indigenously developed Intrinsically safe PLC based Integrated Control and monitoring System for Conveyors and other equipment of UG Mines has been

developed by RDCIS(SAIL) and installed in Churi UG Mine, NK Area for field trial.

2. A trapped Miner location System Through The Earth (TTE) has been installed by M/s. Adcept in association with CMPDIL in Central Saunda UG Mine of Barka sayal Area. This project is very much useful in case of Mine disaster.

14. SAFETY

As CCL is committed to provide safe working environment to all its workers, safety is being given utmost importance consistently. A planned and Pro-active approach towards safety in mines as well as in allied operations like workshops has gone a long way to ensure the safety of men, material and machines.

Every incident ranging from "Near misses" to Fatal are enquired into and the recommendations to prevent recurrence are circulated. To ensure our preparedness to deal with crisis, Crisis Management and Safety Awareness programme has been successfully conducted at Hazaribagh, N.K and Kathara Area.

Underground Mines :

One of the major causes of Fatal/ Serious accidents in underground coal mines had been fall of roof and side. Accordingly, thrust was given to the support of "Green Roof" with steel supports, i.e. Steel cogs, Pit props, roof bolts, W-straps, etc. The culture of "No work other than support work after blasting" has been introduced. Inspection of the face, equipments and their required maintenance are carried out. Check survey was done in all the mines having potential danger of inundation. Isolation/ Sectionalisation work of Underground Mine has been taken on priority to prevent any incident of fire/ explosion. SCSR (5000 Nos.) have been procured for use in UG mines to ensure the safe escape of persons in case of any emergency. 20 nos. of Mechanised Roof Bolting Machines have been procured and distributed among U/G mines for roof bolting to avoid bed separation. LED cap lamps have been put in use on trial basis in Saunda D U/G mine which are lighter in weight and are having better illumination. Crisis Management & Safety

awareness Programmes have been successfully conducted in areas to deal with any crisis. Emergency organization plan for every underground mine with marking of escape route were formulated and displayed at the mine entrances to make all the workers aware of the same. Mock rehearsal/drill was also done to keep the workers prepared. Lighting of U/G mines has been improved. U/G mines where depillaring is done in conjunction with sand, subsidy claim is made from CCDA.

Opencast mines:

Training has been imparted regularly to HEMM operators/ maintenance crews for the operation and maintenance of HEMM and operation of Fire fighting equipments. Traffic Rule in Hindi has been prepared and circulated to all areas. Safe code of practices for HEMM in opencast mine was prepared in Hindi and has been circulated in all mines for implementation. Special Drive is organized on maintenance practices in workshop. Emergency organization to deal with fire in OCP and HEMM was made during the year. Lighting in OC mines has been improved.

Scientific Study :

- Pressure Quantity Survey by IT BHU, ISM, IIT Kharagpur and CIMFR is to be done for all U/G Mines of CCL.
- To control Seam Fire, study has been carried out by CIMFR to deal scientifically.
- Gas Survey and Rock Mass Rating (RMR) determination is being done at VII and VIII seam of Kuju Colliery.
- Determination of RMR of 5th district of lower Bachra Seam & E-2, E-3 and E-4 panel of upper Bachra Seam of Churi Colliery have been done.
- Determination of RMR of I-seam (sector-I) of Argada Colliery has been done.
- Gas survey for determination of Degree of Gassiness of I seam (sector-I) of Argada Colliery has been done.

Annual Safety Week:

Annual Safety Week 2010 was observed from 17th to 23rd January 2011. During the week, special emphasis was laid on wide publicity of safety rules, regulation and practices. Final day function was held at Dhori Area on 6th March, 2011. The function was presided over by Shri R K Saha, CMD CCL. Shri Satish Puri, Director General of Mines safety was the Chief Guest on the occasion. Best performers for Special Safety Drives, Trade Test and Annual Safety Week were awarded prizes during the function.



CMD, CCL addressing Final Day Celebration of 53rd Annual Mines Safety Week at Dhori Area

Special Safety Drive:

1. Roof Support and Anchorage Testing of Roof Bolts.
2. Monsoon Preparation & Dust suppression Drive.
3. Haul Road Traffic Rules and Safety of Contractor's Worker in OC Mines.
4. Workshop, Safe practices of Maintenance Crew, Safety Features of HEMM especially those related to fire.
5. Special Safety Drive for maintenance of statutory records reports and registers.
6. Drive on mine ventilation and sectionalisation/ isolation stoppings.
7. Programme on Safety Awareness, Crisis Management & Mock Drill have been successfully organized in Areas.

Area Level Safety Committee Inspection :

Area Level safety Committee inspection, consisting of two members of Tripartite committee members, GM, all HOD of Area, PO , Manager, other concerned officials, Safety Officer of the Project and nodal officer of that area from HQ, has been introduced to inspect one mine of the area every fortnight.

V. T .Centres :

Special efforts to renovate area VT centers and providing adequate modern aid/ tools for training have been made.

Procurement of Survey Instruments :

- 6 nos. of Survey Instruments 'Total Stations' have been procured and provided in the mines and 15 nos. are in the process of procurement.
- 11 nos. of Modern Theodolite have been provided to UG mines. 4 nos. of additional Modern Theodolite are under procurement.

Training of Workman Inspector and Structure:

Training of Workman Inspector and Structured training of Supervisors has been imparted to improve the Safety standard in the Mines.

National Safety Awards :

For exemplary performance in prevention of Accidents in mines, National Safety Awards have been awarded by Ministry of Labour & Employment to the following Mines of CCL for the year 2008 & 2009 :

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

Best Performance by CCL in All India Rescue Competition 2010 :

The competition was organized by ECL, MRS, Sitarampur from 24th to 26th February 2011. Total 22 teams participated in the competition and the performance of CCL is given below:

- Overall 4th Best in India.
- Second best in Rescue Work.
- Second best in Member.

Implementation of Recommendation of 10th Safety Conference :

1. Roof Bolting Machine:

Additional 19 Roof Bolting Machines have been procured & issued to different U/G Mines for use.

2. Man Locator:

Man Locator has been installed at Churi U/G of NK Area.

3. Survey Instruments:

6 nos. of Total Stations have been procured and provided in the mines and 15 nos. are in the process of procurement. 11 nos. of Modern Theodolite have been provided to UG mines. Additional 4 nos. are under procurement.

4. SCSR:

Self Contained Self Rescuer (5000 nos.) have been procured for use in emergency in U/G mines.

5. LED Cap Lamps:

LED Cap Lamps having better illumination and light-weight have been procured.

6. Training of Trade Union Leaders:

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

7. Employment:

68 Mining Sirdars have been recruited from outside. 148 Overman and 40 Surveyors are in the process of recruitment.

Tripartite/ Bipartite meeting in area and HQ:

Area	Area level Tripartite/Bipartite Safety Committee Meeting
Barka-Sayal	November 2010
Argada	July 2010
Kuju	August 2010
Hazaribag	June 2010 & December 2010
B&K	November 2010, December 2010
Dhori	November 2010, December 2010
Kathara	June 2010 ,December 2010
Rajrappa	November 2010 , December 2010
N.K	October 2010, November 2010
Piparwar	January 2010, December 2010
Rajahra	November 2010
CCL HQ.	May 2010 , December 2010



Tripartite Meeting at CCL HQ in progress

Accident statistics pertaining to CCL Mines for the Year 2010 - 2011 compared to Year 2009-10 :

Details	2010-11	2009-10
Fatal accidents	8	6
Fatalities	10	6
Serious accident	12	10
Serious injuries	12	10

Place-wise classification of Accident:

Fatal:	2010-11	2009-10
Underground	2(3)	1(1)
Opencast	5(6)	3(3)
Aboveground	1(1)	2(2)
Total	8(10)	6(6)
Serious:		
Underground	2(2)	2(2)
Opencast	9(9)	6(6)
Aboveground	1(1)	2(2)
Total	12(12)	10(10)

Rate of Accident:

	2010-11	2009-10
Overall		
Fatality rate per million cub. Meter*	0.10	0.07
Fatality rate per 3 lakh man shift	0.28	0.16
Serious Injury rate per million cub. Meter*	0.12	0.11
Serious Injury rate per 3 lakh man shift	0.34	0.26
Under Ground		
Fatality rate per million cub. Meter*	4.50	0.97
Fatality rate per 3 lakh man shift	0.32	0.07
Serious Injury rate per million cub. Meter*	1.12	1.94
Serious Injury rate per 3 lakh man shift	0.08	0.14
Open Cast		
Fatality rate per million cub. Meter*	0.18	0.16
Fatality rate per 3 lakh man shift	0.26	0.21
Serious Injury rate per million cub. Meter*	0.34	0.25
Serious Injury rate per 3 lakh man shift	0.47	0.33

* The reporting of Fatality rate has been changed vide ref. no. CIL/S&R/Accident statistics/2010/1461 dtd. 03/08/2010.

Cause wise breakup of Fatal and Serious Accident :

Cause	2010-11		2009-10	
	Fatal	Serious	Fatal	Serious
Roof /side fall	1(2)	1(1)	–	1(1)
Haulage/conveyor	–	2(2)	1(1)	1(1)
Winding	–	–	–	–
Explosive/Blasting	–	1(1)	–	–
Electricity	1(1)	1(1)	–	–
Other Machinery/ Shovel	–	1(1)	2(2)	1(1)
Fall of Person	–	1(1)	–	1(1)
Fall of Object	1(1)	–	–	–
Dumper & Truck	4(5)	4(4)	2(2)	5(5)
Misc.UG/Water in rush	1(1)	–	–	–
Misc. OC	–	1(1)	–	1(1)
Misc. Surface	–	–	1(1)	–
Total	8(10)	12(12)	6(6)	10(10)

Area-wise breakup of Accident :

Area	2010-11		2009-10	
	Fatal	Serious	Fatal	Serious
Barka-Sayal	1(2)	1(1)	–	4(4)
Argada	–	2(2)	1(1)	1(1)
Kuju	2(2)	1(1)	–	2(2)
Hazaribag	–	–	1(1)	1(1)
B&K	1(1)	2(2)	–	–
Dhori	2(3)	–	1(1)	–
Kathara	1(1)	2(2)	2(2)	1(1)
Rajrappa	–	–	–	–
N.K	–	3(3)	–	1(1)
Piparwar	1(1)	–	1(1)	–
Rajahra	–	1(1)	–	–
Total:	8(10)	12(12)	6 (6)	10 (10)

Note:

- (i) Figures outside bracket indicate accidents whereas the same in the brackets denote fatalities and injuries.
- (ii) Figures for 2010-11 and 2009-10 are subject to reconciliation with DGMS.

15. PERSONNEL MANAGEMENT AND INDUSTRIAL RELATIONS

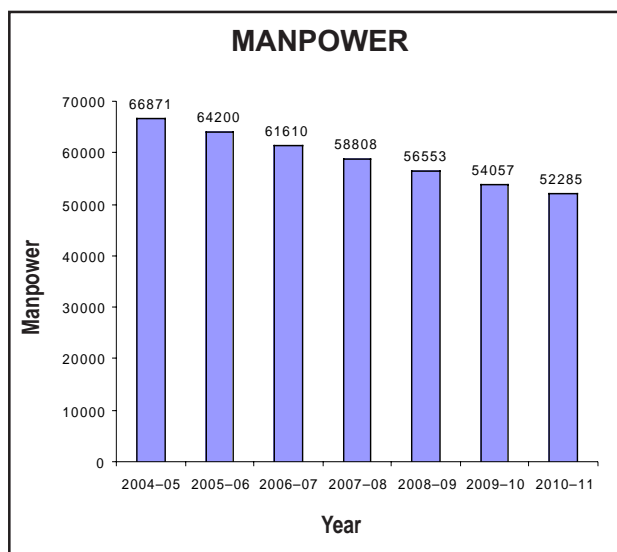
The manpower strength of the company as on 31.03.2011 was 52,285 as against 54,057 on 31.03.2010. The category wise break up of manpower strength as on 31.03.2011 vis-à-vis 31.03.2010 is given below :

Category	31.3.2011	31.3.2010
Executive	2549	2239
Supervisory	3353	3801
Highly Skilled/ Skilled	16237	16875
Semi Skilled / Unskilled (TR)	16523	16964
Semi Skilled / Unskilled (PR)	8294	8856
Ministerial Staff	4308	4680
Others	1021	642
Total	52285	54057

Hence during the year 2010-11 the overall reduction in manpower was to the tune of 1772, while the number of employees in the Company came down by 3303 during the year under reference, 1531 employees were added to the existing manpower. The aforesaid reduction and addition has been under the following heads :

REDUCTION :

Manpower Reduction under the head	No. of Employees
Retirement / Superannuation	2671
VRS (Golden Hand Shake)	73
Death	415
Termination / Dismissal	54
Resignation	04
Inter Company Transfer	77
Medically Unfit	9
Total Reduction	3303

**ADDITION :**

Manpower Addition under the head	No. of Employees
Appointment under 9.3.0	1028
Appointment under 9.4.0	20
Appointment under Dependent of deceased executives	04
Appointment under Land Loser's Scheme	134
Inter Company Transfer	130
Reinstatement	03
Fresh Recruitment	81
Award Case	131
Total	1531

At the beginning of the year 2010-11, 521 cases relating to labour and industrial disputes were pending before different courts, authorities and industrial tribunals. While 193 cases of labour and industrial disputes were added, 46 cases were disposed off during the year. Thus 668 cases in total, remained pending as on 31.03.2011.

The industrial Relations scenario was peaceful and harmonious throughout the year (2010-11), due to sincere effort and approach in handling and resolving the workmen's disputes and grievances. There were regular bipartite meetings held with the representatives of different trade unions at unit, Area and Corporate level. Industrial Relation Machinery (IRM) consisting of JCC at company level, ACC at Area level and UCC at Unit level have sorted out major collective bargaining issues through discussions and this has created a lot of goodwill amongst the workers.

With a view to maintaining harmonious industrial relation as well as to serve the society as a responsible Corporate citizen, your Company has approved a total of 1114 cases of compassionate appointments under Para 9.3.0 to dependents during 2010-11. Apart from this, 35 nos. of employees were selected to the post of Mining Sirdar. In summary, the manpower profile of your Company has been accessible to poor and marginalized section of the society.

16. HUMAN RESOURCE DEVELOPMENT

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



In-pit Crusher at Piparwar Mine of CCL

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

I. Technical Training :

It is to provide required training for technology being used in your Company and any other technology being conceived at the corporate level for which preparedness is necessary to meet current shortage of skilled manpower and also to prepare statutory personnel for meeting statutory obligation through training. To analyze and project requirement of personnel in critical and non critical

categories as well as to prepare them so that capital and technology input to the project through capacity and new equipment or enrichment in the production process through particular systems in technology could provide appropriate return to the investment

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

1. **Basic Course** : Appropriate to technology, equipment and system.
2. **Refresher Course** : Once in three years to those who have already gone through basic course or are already working in specific skill area.
3. **Specialized Course** : In case of change in technology, in equipment configuration and capacity and improvement in the system of production, suitable input is given to all the new entrants to the critical skilled areas and have to go through basic courses, while immediate action being taken to conduct refresher courses for those who are occupying skilled position. Basic training is conducted in the company's technical training centers either within the company or in any other company where the facility exists. Refresher training is also conducted either on the site or in the training centers of the company. There are around 11 Vocational Training Centers to take care of statutory obligation. Basic and Refresher training are imparted in all these training centers.

II. Management Training :

Executives at each level and at the time of assuming the charge at the new position i.e. entry to the higher level, a need based training is imparted at the Management Training Centre for the level from E 1 to E 6 and at the apex training centre, Indian Institute of Coal Management, Ranchi, for higher level, i.e. from E7 to E9 level executives.

III. Transformation Training :

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

IV. General Development Training :

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

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

(A) IN COMPANY TRAINING :

Sl. No.	Name of the Institute	No. of Persons Trained			
		Executives	Supervisors	Workers	Total
1	Management Training Centre, Darbhanga House, Ranchi(MTC)	557	143	81	781
2	Bhurkunda Technical Training Institute, Bhurkunda(BTTI)	3	118	373	494
3	Central Excavation Training Institute, Barkakana(CETI)	7	6	241	254
4	Security Training Institute, Gandhinagar, Ranchi (STI)	—	—	249	249
5	Institute of Occupational Health & Hygiene Gandhinagar, Ranchi	33	178	32	243
TOTAL		600	445	976	2021

(B) TRAINING OUTSIDE COMPANY

Sl. No.	Type of Training	No. of Persons Trained			Total
		Executives	Supervisors	Workers	
1.	External Training (in India)	365	10	28	403
2.	Foreign Training	18	—	—	18
3.	Training at IICM	381	—	—	381
Total		764	10	28	802

ACHIEVEMENTS:

- 374 employees were trained in computer, as a part of the Computer Literacy Drive. Some of them have also been trained in advanced programs.
- 199 fresh inductees employed in 9.3.0 / 9.4.0 were given orientation training as security guard at STI, Gandhinagar & 30 inductees were trained as HEMM helper at CETI, Barkakana respectively.
- 114 employees were given coaching to appear in statutory exam, conducted by DGMS, such as Gas Testing, Mining Sirdar, Over man, Second Class & First Class Mines Manager Competency Certificate.
- 298 employees attended Seminars/ Workshops at different training Institutes of the company.
- 36 workers selected from internal manpower resources are undergoing 3 years transformational Mining Sirdar training at BTTI, Bhurkunda to meet the Statuary manpower shortage.
- 70 workers were given transformational training at CETI, Barkakana as Dozer/ Shovel Operator to meet the HEMM operator shortage.
- 428 students from outside Mining Institute completed their PDPT/VT courses during the year.
- 776 students from different Institutions/ Colleges doing Engineering/MBA/BBA/ MCA/BCA etc. were provided On-the-Job practical training.

9. 202 SC & 264 ST employees were suitably trained in different training institutes of the company.
10. 15 executives have been trained in Project Management.
11. 5 Medical Professionals have been trained in occupational health and Safety.
12. A special drive for paperless working culture has been initiated through all the institutes of the company.

17. WELFARE AND COMMUNITY DEVELOPMENT

The welfare of employees is another major thrust area of your Company. During 2010–11, concerted efforts have been made to improve the quality of life at working places as well as at the living places of the employees.

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

I. Housing : As on 31.03.2011, the number of permanent houses stood at 60,398 serving manpower of 52,285

II. Water Supply : Through operation of different Water Supply Schemes, 16.46 MGD water was supplied to 3.24 lakh beneficiaries. The water supply status during the year under reference is noted below :

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

III. Medical Facilities: There are 2 Central hospitals, 7 Regional hospitals, 10 Colliery Hospitals, 63 Dispensaries, 111 Ambulances and 261 Doctors and 609 Para Medical in your company, there are 892 beds in different hospitals with a bed to employee ratio of 1:58. The Central Hospitals at Ranchi and Naisarai are equipped with some of the latest Medical

facilities. Efforts are being made to improve the quality of existing medical services in your Company.

Moreover, Mobile ambulance vans fully equipped with doctors, para medical staff and medicines have been regularly visiting villages for rural health check-up. During the year under reference, 335 different Diagnostic and Health camps were organized under the Community Health Programme, through which 52309 people got benefited.

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

The preventive aspects of disease mitigation are also an important service, which your Company extends in a proactive manner through holding of awareness camps. Your Company has decided to hold different types of camps in the medical units as well as in nearby villages surrounding the mines under the aegis of the Community Development Programme where curative as well as preventive health service and education is rendered free of cost.

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

1. **Periodical Medical Examination –** Periodical Medical Examination (PME) Programme is a preventive measure and is undertaken for detection of diseases at an early stage. This programme is mandatory for all employees whereby an employee undergoes Clinical, Radiological & Pathological examination once in every 5 years. The PME centers are equipped with Audiometers to detect deafness and Spirometers to detect Lung Diseases. Under Periodical Medical Examination, 9549 employees were examined.



CVO, CCL distributing spectacles to the beneficiaries under "Operation Jyoti" programme



Beneficiaries of Lupung Toli (adopted village of CCL) under "Operation Jyoti" programme

2. Your company has implemented two unique CSR schemes: "Operation Jyoti and Girl Child Promotion". The beneficiaries for Operation Jyoti is as under :

<u>Name of the Programme</u>	<u>Beneficiary</u>
Operation Jyoti	10461

3. As per MOU with Coal India, under CSR activities, CSR Dispensary and Mobile Medical Van were to be started. Total number of 14 CSR dispensaries have already started functioning and total number of patients seen in these dispensaries are 3700. Nine Mobile Medical Vans are already in operation in different areas of your Company and the beneficiaries are 24624.
4. Patient Satisfaction Index (PSI) was introduced as a measure of Performance Indicator Monitoring System (PIMS) and Quality Level Service System (QLSS). It is being done on a quarterly basis and based on the result of the survey, remedial measures have been taken to improve the relevant indicator.
5. Training of doctors and Para Medical Staff are being done on a regular basis. Total number of Doctors trained both In-Company and Outside is 138 and the number of Paramedicals trained is 160.

One of the main objectives of the Management of your company is to make Medical Plan a strategic role in the overall HRD policy of

the Company for attracting and retaining employees as well as taking the society in and around the command areas on board.

18. SPORTS & GAMES

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

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

19. COMMUNITY DEVELOPMENT INCLUDING TRIBAL WELFARE

ACHIEVEMENT OF CSR AGAINST MOU TARGET 2010-11

<u>Performance Parameter</u>	<u>MOU Target 2010-11</u>	<u>Achievement 2010-11</u>	<u>Percentage/ Performance rating</u>
Adoption of backward village and its development as a model village	02	03	Excellent
Health and Sanitation {No. of Beneficiaries}	42000	114235	Excellent

HIGHLIGHTS OF CD/CSR WORKS DURING THE YEAR 2010-11

Adoption & Development of Model Village :



Medical Camp at Lupung Toli (adopted village)



Hand Pump at Lupung Toli (adopted village)

Under Adoption and Development of model Village programme of CCL, CSR Scheme CCL has adopted two (2) nos. of villages in the nearby vicinities of Ranchi and one village named Zarri, the native place of PVC Albert Ekka in the district of Gumla, for their overall development. 24 Nos. of medical camps at the nearby villages of Ranchi, 12 at each village have been organized where around 2644 Nos. of villagers have been medically examined and are distributed with medicines amounting to ₹2 Lacs free of cost. For overall development of these villages four (4) nos. of hand pumps have been installed, a PCC road of length 800 meter is on the verge of completion, a community centre has been constructed in one of the villages, a 600 feet drain has been constructed and 2 no. of toilets for Boys & Girls have been constructed in one of the villages. Construction of School Buildings & Community Centres are in progress.

Adoption of Blind Girl Child :

11 nos. of visually challenged girl students of Brajkishore Netrahin Balaika Vidyalaya have been adopted for their education and health care. An amount of ₹2.60 lacs has been provided to the school initially for two years out of which ₹1.30 lacs has already been paid for the said purpose.



Children of adopted Blind School performing cultural programme for visiting CCL team

Promotion of Girl Child:

05 Nos. of girl students of St. Anthony School, Jarangdih belonging to BPL families have been adopted for their education and health care. An amount of ₹ 1.20 lac has been provided to the school initially for two years for the said purpose. During 2010-11, ₹60,000 has been provided to the school for the said purpose. Apart from it, under this programme health check up of girl child has been conducted during the year, the detail of which is furnished below:

Name of Programme	Beneficiary
Girl child promotion programme	1856

Promotion of Education :

Specific emphasis is being given for providing quality Education facilities among the children in CCL Command Areas in nearby villages. During the year 2010-11 infrastructural help has been provided to Seventy Eight (78) rural Schools in the Command Areas of your Company.

CENTRAL COALFIELDS LIMITED



School children of Nagri High School, Kanke, in front of School building constructed by CCL

Drinking Water:

For provision of supply of drinking water 84 Nos. of work has been done in the form of installation of hand pumps, digging of wells, ponds, bore hole etc. giving benefit to people of 105 villages.



Inauguration of Community Hall at Sonakhap village, Kanke, Ranchi by CMD, CCL

Infrastructure :

- **ROADS:** Construction/ repair of 34 Nos. of rural roads have been done during the year 2010-11.



Under "Caring and Sharing" programme – a visit to Deaf and Dumb School by CCL

- **SCHOOL BUILDING:** Construction and Repairing works have been done in Seventy Eight (78) Rural Schools.
- **COMMUNITY CENTRES:** 39 Nos. of community centres have been constructed/repared during the year.

Under Caring and Sharing programme, a CCL CSR Scheme, different institutions and schools for physically and visually challenged, differently abled persons and Old Age Homes have been frequently visited and facilitated accordingly by a team of CCL Management during the year 2010-11 providing moral support. Apart from it 12 nos. of Medical Camps were organized in which 1060 persons have been benefited.



Distribution of blankets by CCL, among people belonging to poorer section

An amount of ₹ 10.98 Crore has been spent for 725 numbers of CD/CSR Works which excludes ₹ 11.68 Crore spent on schools extending education to more than 50,000 students.

20. CAPITAL EXPENDITURE ON SOCIAL OVERHEAD ASSETS TILL 31.03.2011

Till 31.03.2011, the cumulative amount spent by your Company towards social overhead assets is ₹ 354.66 Crore, details of which are tabulated below

(₹ in Cr.)

Sl. No.	Particulars	2010-11	2009-10
(i)	Building	267.70	261.30
(ii)	Plant & Machinery	54.26	54.08
(iii)	Furniture & Fittings	15.96	15.72
(iv)	Vehicles	6.82	6.89
(v)	Developments	9.92	9.79
Total:		354.66	347.78

21. FINANCIAL PERFORMANCE

(₹ in Cr.)

The financial results of your Company during 2010-11 as compared to 2009-10 are as under:

Sl. No.	Particulars	2010-11	2009-10
(i)	Gross profit before Depreciation and Interest	2084.26	1751.40
(ii)	Depreciation	205.01	202.02
(iii)	Interest	8.96	17.39
(iv)	Net profit before prior period adjustment	1870.29	1531.99
(v)	Adjustment pertaining to Prior period (Cr.)	10.08	-1.06
(vi)	Net profit after prior period adjustment	1860.21	1533.05
(vii)	Provision for Income Tax	601.49	506.59
(viii)	Income tax for earlier year	-2.23	2.95
(ix)	Provision for Deferred Tax (Cr)	14.12	57.72
(x)	Net Profit after Tax	1246.83	965.79

The Board of Directors of your Company has recommended a dividend of ₹795.85 (Previous Year ₹410.98) per Equity Share on 94,00,000 Equity Shares of ₹1000/- each amounting to ₹748.10 Cr. (Previous Year ₹386.32 Cr.).

22. CAPITAL EXPENDITURE

The capital expenditure during the year 2010-11 has been ₹200.76 Cr. compared to ₹321.31 Cr. in the previous year. The headwise details of capital expenditure during the year 2010-11 vis-à-vis 2009-10 are detailed below:

Sl.No.	Heads of expenditure	2010-11	2009-10
(i)	Land	4.81	50.52
(ii)	Building	1.52	0.75
(iii)	Plant & Machinery	112.09	197.80
(iv)	Furniture & Fittings	1.55	6.49
(v)	Railway Siding	0.00	0.00
(vi)	Vehicles	1.74	0.68
(vii)	Prospecting & Boring	0.00	0.00
(viii)	Other Developments	4.84	8.38
(ix)	Capital work in progress	74.21	56.69
TOTAL		200.76	321.31

23. CONTRIBUTION TO EXCHEQUER

The contribution to the State/Central Exchequer during the year 2010-11 vis-à-vis 2009-10 is detailed below :

Sl. No.	Particulars	2010-11	2009-10
(i)	Royalty on Coal	613.28	583.36
(ii)	Sales Tax /VAT	180.89	197.62
(iii)	Stowing Excise Duty	45.56	39.84
(iv)	Income Tax	627.08	600.79
(v)	Dividend Tax	64.16	33.30
(vi)	Service Tax	3.08	10.98
(vii)	Clean Energy Cess	163.36	0.00
(viii)	Central Excise on Coal	6.42	0.00
TOTAL		1703.83	1465.89

24. CAPITAL STRUCTURE

During the year under report, the Authorised Share Capital and the Paid-up Share Capital of your Company remained unchanged viz. ₹1100.00 Cr. and ₹940.00 Cr. respectively. The net worth of the Company as on 31 March 2011 is ₹3038.01Crore compared to ₹2660.64 Cr. as on 31 March 2010.

25. LOAN

During the year, your Company has repaid installments of IBRD and JBIC loan to the tune of ₹5.35 Cr. and ₹8.13 Cr. respectively. Moreover, outstanding loan amount has decreased by ₹6.35 Cr. due to unfavourable foreign exchange rate fluctuation. Thus the total outstanding loan amount has decreased to ₹104.92 Cr. at the year-end against previous year's outstanding balance of ₹112.05 Cr.

26. STATUS OF PROJECT IMPLEMENTATION

Till 31.3.2011 a total number of 63 mining projects including three Advance Action Proposals with ultimate capacity of 139.86 MTY and 26 Non-mining projects each costing ₹2.00 Cr and above, were sanctioned by different competent authorities. Out of these projects, 50 Projects (30 mining & 20 non-mining) have already been

completed. The remaining 30 mining ongoing projects (excluding 3 advance Action proposals viz. Amrapali OCP, Pachra Integrated OC & Koed Manatu OC) having an aggregate ultimate capacity of 77.14 million tonnes per annum at a sanctioned capital cost of ₹4760.81 Crs. and six Non-Mining Projects at a sanctioned capital cost of ₹113.42 Cr., (including DRD AAP) are at various stages of implementation. Category wise details are tabulated below :

Projects	Total No. of Projects (Incl. Compl. Proj.)	Capital Outlay (₹ Crs.)	Ultimate Capacity (MTY)(Coal)
ABOVE ₹ 150 CRORE			
MINING	11	4112.31	59.56
NON-MINING	1	130.41	-
₹ 50 CRS. TO ₹ 150 CRS.			
MINING	11	1054.23	21.66
NON-MINING	2	161.34	-
₹ 20 CRS. TO ₹ 50 CRS.			
MINING	6	204.32	4.55
NON-MINING	1	48.78	-
₹ 2 CRS. TO ₹ 20 CRS.			
MINING	32	480.77	17.09
NON-MINING	22	178.70	-
ADV. ACTION	3	154.58	37.0
MINING	63	6006.21	139.86
NON-MINING	26	519.23	-
GRAND TOTAL	89	6525.46	139.86

Details of 50 completed projects are as under:

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

Implementation status of 36 ongoing projects (excluding AAP) costing ₹ 2 Cr. and above:

Projects	Number			Sanc. Capital (₹ Cr.)			Ultimate Capacity (MTY) (Coal)
	Min.	Non-Min.	Total	Min.	Non-Min.	Total	
Above							
₹ 150 Cr.	9	-	9	3633.31	-	3633.31	53.31
Between							
₹ 50 Cr to ₹ 150 Cr.	9	-	9	910.02	-	910.02	18.41
Between							
₹ 20 Cr to ₹ 50 Cr.	2	1	3	82.32	48.78	131.10	1.80
Between							
₹ 2 Cr to ₹ 20 Cr.	10	5	15	135.16	64.64	199.80	3.62
Sub-Total	30	6	36	4733.63	113.42	4847.05	77.14

Out of 13 mining delayed Projects, two are yet to start, namely Hurlong UG & Tisri UG. The remaining 11 Projects are delayed due to:

- (a) Land Acquisition : 5
- (b) Adverse Geo-mining condition : 4
- (c) Change/Finalisation of Technology & others : 2

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

Following 15 mining projects have been commissioned/ approved during XI Plan period. The total capacity of these projects is 66.52 MTY. Amrapali OCP has been recommended by ESC, CIL to put up before CIL Board for approval after Forestry Clearance and pre bid meeting for equipment configuration. Forestry Clearance has been obtained and the proposal will be put up before CIL Board after pre bid meeting.

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

4.	Parej East UGP	0.51	147.44	Approved from CCL Board on 27.05.08	Approved by CCL Board on 27.05.08. (As per revised delegation of power of CCL Board)
5.	Rohini Expn	2.0	105.67	Approved from CCL Board on 29.09.08	Approved from CCL Board on 29.09.08. Project is under implementation.
6.	Amrapali OCP	12.00	713.75 (Nov'09)	Feb'2003 from CIL Board	Draft PR was placed in ESC of CIL Board on 04.03.2010 and was deliberated. Minutes of ESC stated : (1) Status of implementation of approved advance action proposal to be submitted. (2) Progressive & final mine closure plan should be prepared & submitted. (3) Pre Bid meeting for equipment configuration.
7.	Tapin OCP	2.5	264.68	Approved from CCL Board on 23.08.08	Approved from CCL Board on 23.08.08. Project is under implementation.
8.	Karma OCP	1.0	162.46	Approved from CCL Board on 04.06.09	Approved from CCL Board on 04.06.09. Project is under implementation.
9.	Urimari Expn	2.0	143.57	Approved from CCL Board on 21.01.09	Approved from CCL Board on 21.01.09. Project is under implementation.
10.	Govindpur Ph-II OC	1.2	142.11	Approved from CCL Board on 23.12.09	Approved from CCL Board on 23.12.09. Project is under implementation.
11.	Rajrappa (RPR/RCE) OC	3.0	510.85	Approved from CCL Board on 23.12.09	Approved from CCL Board on 23.12.09. Project is under implementation.
12.	North Urimari OCP	3.0	179.87	May'2004 from CCL Board	Approved by CCL Board on 07.12.07. (As per revised delegation of power of CCL Board)
13.	Tetariakhad OC	2.0	78.06	Approved from CCL Board on 21.01.09	Approved from CCL Board on 21.01.09. Project is under implementation.
14.	Amlu OC	2.5	56.32	Approved from CCL Board in March'09	Approved from CCL Board in March'09. Project is under implementation.
16.	Churi Benti UGP	0.81	163.51	Approved by CCL Board in April,2007.	Approved from CIL Board on 27.08.07. Project is under implementation.

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

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

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

(Fig. in MT)

GROUP	2010-11 (Actual)	BE (2011-12)
Existing Mines & Completed Projects	18.21	18.50
On Going Projects	29.31	32.50
New Projects/Future Projects	—	—
TOTAL	47.52	51.00

27. ENVIRONMENT MANAGEMENT

1. No. of Projects for which Environmental Clearance Received: 05, viz. Amlu (EPR) (Nominal Capacity 2.5/Peak Capacity 3.0) MTPA, Tarmi (EPR) (Nominal Capacity 2.5/Peak Capacity 3.0) MTPA, Khas Mahal (EPR) (Nominal Capacity 0.7/Peak Capacity 1.5) MTPA, Karma OCP (Nominal Capacity 1.0 /Peak Capacity 1.2) MTPA, Govindpur Phase-II OCP (Nominal Capacity 1.2/Peak Capacity 1.5) MTPA.

2. No. of Projects for which Form-I has been submitted to MoEF: 02, viz. KDH Extension OCP (Nominal Capacity 4.5/Peak Capacity 5.0) MTPA, Pichri OCP (Peak Capacity 1.5 MTPA) .

3. No. of Projects for which TOR has been approved by MoEF: 03, viz. Tetariakhar OCP revised (Nominal Capacity 2.0)

MTPA, Piparwar Mangardaha UGP (Nominal Capacity 1.38/Peak Capacity 1.587) MTPA, KDH Extension OCP (Nominal Capacity 4.5/Peak Capacity 5.0) MTPA.

4. No. of Projects for which EMP has been prepared : 05, viz. Urimari OCP (Nominal Capacity 2.0/Peak Capacity 2.5) MTPA, Karma OCP (Nominal Capacity 1.0/Peak Capacity 1.5) MTPA, Govindpur Phase-II OCP (Nominal Capacity 1.2/Peak Capacity 1.5) MTPA, Ashoka Washery (Peak Capacity 10.00) MTPA, Churi-Benti UGP (Nominal Capacity 0.81/Peak Capacity 0.93) MTPA.

5. No. of Projects for which Public hearing has been held : 01, viz. Govindpur Phase-II OCP.

B. Afforestation:

Afforestation has been done in your Company in Giridih area wherein 1,00,000 trees were planted in 40 Ha of land and the expenditure incurred was ₹35.50 lakh. The plantation has been done through State Forest Department. Further plantation could not be done as the State Govt. could not take up the plantation work in OB dumps during the year. However, from the year 2011 the State Govt. has agreed to carry out plantation work through State Forest Department.



Plantation at Backfilled Areas of CCL's Mining Site

C. Other environment related activities :

- i. Regular air, water and noise monitoring at all the mines have been done through CMPDI on quarterly basis for the full year. A total of about 2260 samples are analyzed annually.
- ii. The large producing mines are being monitored for land reclamation by Remote Sensing techniques through CMPDI. The mines like Piparwar and Ashoka are being monitored and it can be seen from the analysis that the reclamation/afforestation area has increased. The mines being monitored are Ashoka, Piparwar, KDH and Rajrappa OCPs.
- iii. Your Company has undertaken filling of abandoned mine voids in B&K, Argada and Rajrappa areas by fly ash from BTPS, CTPS, DLF, HINDALCO etc.
- iv. The closed water recirculation system has stopped the effluent discharge from the washeries. Besides these arrangements, water sprinkling in coal transfer points, good housekeeping and plantation, etc. are being done in the washeries for overall improvement.
- v. Pollution control is being done through development of effluent treatment plants / oil grease traps at Birsa and KDH.
- vi. Rain Water Harvesting facilities have been created in KDH OCP, Piparwar Office, Ashoka OCP, Dhori, etc.

D. ISO Certification:

During the year 2010-11 your Company has got ISO 14001:2004 Environmental Management



Rain Water Harvesting at Piparwar OCP

System certification and ISO 9001:2008 QMS certification for 4 more Mines namely Amlo OCP, Kalyani OCP, Rajrappa OCP & Jharkhand OCP.

At present, in total, 12 mines and one washery are having ISO 14001:2004 Environmental Management System and ISO 9001: 2008 QMS certification. Your Company is underway for obtaining certification for more mines having more than 1 MTPA total production capacity. The Company has also taken action for getting all its coal washeries accredited with ISO 9001: 2008 & ISO 14001: 2004 certification.

E. Forest Land Clearances

During the year 2010-11, five Projects got Stage II forestry clearance namely New Kargali (Dhori) washery (12.06 Ha), Amrapali OCP (531.64 Ha), Churi UGP(312.75 Ha), Magadh OCP (96.72 Ha) and Tori Railway Siding(0.65 Ha).

The 'In principle approval' i.e Stage I clearance for diversion of forest land in respect of three projects has been received. These projects are Khasmahal Phase –II OCP(26.94 Ha), Piparwar Railway Siding (29.5 Ha) and approach road to Karma OCP (3.160 Ha).

The clearance under Scheduled Tribe and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 has been received in

respect of Magadh OCP (96.72Ha), Amrapali OCP(531.64 Ha) and Tapin North OCP(213.52 Ha).

28. LAND ACQUISITION STATUS:

Under LA Act, 1894: Acquisition of 15.95 acres of land in village Topa and 264.33 acres of land in village Ara has been taken over from the State Government. Proceedings for 38.33 acres of tenancy land in village Ara have been completed and payment is under progress. Possession is likely to be obtained shortly.

A fresh proposal for 57.92 acre of land for Topa project has been initiated and submitted for notification under Sec.4(1) of LA Act.

Under CBA (A&D) Act 1957: During the year following proposals have been initiated for acquisition of fresh land under the above Act.

Koed manatu OCP(NK)	3100.46 acres
Pachra Integrated OCP(NK)	3696.00 acres
Kaitha Block (Rajrappa)	1330.48 acres
Raham Gonda (NK)	8984.91 acres
Masilaung (Magadh &Amarpali)	16.25 acres

Payment of Compensation: During the year under reference, for land and other interest acquired earlier under the provision of CBA (A&D) Act, 1957, compensation amounting to ₹61.78 lakhs has been disbursed/deposited in Tribunal. 8 payment camps were held in different Areas for payment of compensation.

During the year, an amount of ₹54.35 lakhs has been sanctioned by the competent authorities for payment of compensation of land and other interests as per CBA (A&D) Act, 1957 involving about 76.72 acre of tenancy and converted tenancy land.

₹244 lakhs have been sanctioned by competent authorities for rehabilitation and resettlement benefits including lump sum grant in different projects.

Following important proposals have been sanctioned by competent authority :

- Sanction of a Sum of ₹11206421/- against one time lump-sum grant for 86 no. of PAFs and 105 no. of houses in Gobindpur and Lambadhaura Area of Dakra project.
- Sanction of compensation amounting to ₹10535723 /- against houses and one time lump sum grant for 53 nos. of PAFs in village Bishrampur of NK Area.

Employment: During the year 2010-11, 107 fresh employments have been provided to land losers or their nominees in different Areas/units enabling the Company to take 214 acre of land in physical possession.

Rehabilitation & Re-settlement: 183 families were rehabilitated in different Projects.

Allotment of coal blocks to different captive users and their transfer: In pursuance of direction of MOC, Ganeshpur coal block measuring about 530 acres of land have been transferred to M/s. TATA STEEL Limited and conveyance deed for the same have been signed on 01.09.2010. Mineral rights of same have been surrendered to the State Government.

Further transfer process of Rajhara North (Central and Eastern), Lalgarh and Macherkunda coal blocks are in progress.

29. RAILWAY SIDING:

There are 25 (twenty five) no. of full rake sidings under operation, having a total daily loading capacity of 4220 (FWW).

New Sidings under Construction :

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

Status of Construction of Piparwar Siding:

Out of 30.5 Km total length, the formation work in nearly 23.50 Km length and track linking in 12 Km length have been completed. For completing the balance work, CCL has engaged M/s. RITES Ltd. at an awarded cost of ₹90.61 Crore – on deposit term basis. The work is in progress.

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

- (B) **CONSTRUCTION OF TORI-SHIVPUR-HAZARIBAGH RAILWAY LINE UNDER CCDA :** The Tori-Shivpur-Hazaribagh new BG rail line of 93.28 Km is under execution by EC Railway, Patna, including land acquisition, etc. The present estimated cost of this work is ₹600.58 Crore. It is 100% funded under CCDAC.

STATUS: The work has been taken up in two phases:

- | | |
|--------------------------|----------|
| (1) Tori-Shivpur | 42.65 KM |
| (2) Shivpur – Hazaribagh | 50.63 KM |

The revised proposal of EC Railway has been re-submitted through Govt. of Jharkhand to MoEF, New Delhi on 05.02.2011 for their re-consideration towards granting Forestry Clearance to Tori-Shivpur-Hazaribagh Rail Line. Earlier Forestry Clearance proposal of this line was rejected by MoEF on 31.08.2010. The up-to-date expenditure incurred is ₹46.4088 Crores.

The scheduled date of completion is 31.12.2012.

30. GEOLOGICAL SERVICES**A. Drilling:**

Against the target of 1.0 lakh meters, total 1.05 lakh meters of drilling has been done during the financial year 2010-11, achieving a productivity level of more than 1250 meters per drill per month with 7 operating drills from 2 base drilling camps Topa and Lapanga. This includes the drilling of blast holes for mining services, large diameter boreholes for dewatering & tube wells for potable water and non-coring boreholes for exploration purposes.

B. Project Documentations and Related works

(i) On Geology: During the year 2010-11 the following activities have been completed. Majority of them being related to production support mining services and for future mining activities :

1. Study on possibility of integration of projects including blocks of Jharkhand, Laiyo, Kedla, Gose, Gose-east of WBCF.
2. Study of alternative site location for proposed STPP of NTPC in NKCF in association with CMPDI.
3. Preparation of land cover/land use plans of different areas showing forest cover for site selection of new washeries.
4. Preparation of plans for support to different activities related to L&R, Civil, Environment, Washery and Areas to meet the requirement of solution to various issues.
5. Updation of coal resource data in CCL command Area, Mineable coal reserves of existing operating mines as on 01-04-2010, based on data provided by CMPDI in association with MECL and GSI.

6. In association with CMPDI finalization of blocks of CCL command area for upcoming projects related to new technologies UCG (Underground Coal Gasification) and CMM (Coal Mine Methane).

7. Preparation of plans by integration of toposheet maps for projects to mark the buffer zones for environment division.

8. Technical evaluation of the proposals for outsourcing of patches e.g. Amlo, Topa OCP, Parej East Extension, Pindra, Pipradih etc. in CCL Command Area for different activities of production.

9. Geological study of areas in CCL command area for demarcation of non coal bearing areas for finalization of location for Civil Structures, railway siding etc.

10. Geological study for reserve assessment of potentiality for outsourcing patch in Chalkari of EBCF.

11. Study of Geological plans of GSI and MECL for finalization of block boundary of Burhakhap block of Ramgarh coalfield.

12. Organised training program on Minex software for Geology and Mining modules of the software.

13. Evaluation of tender for pilot project on underground coal gassification in Kaitha block, Ramgarh Coalfield.

14. Association with finalization of conveyance deed for captive bocks Ganeshpur and Seregaha.

15. Study and providing solutions to issues of bock boundaries of blocks allocated to different parties.

(ii) On Washery: Association with the work related to finalization of the location of

proposed washeries in different projects. Hydro Geological study in association with CMPDIL for water requirement in proposed washeries.

(iii) On Captive Mine Blocks:

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

(iv) Others:

1. Updation of mineable coal reserves as on 01/04/10 of existing operating mines of CCL.
2. Exploration programme of CMPDIL in CIL blocks during 2010-11.

C. Hydrogeology:

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

D. Specialised services and computerization work :

Two major projects have been completed by the Geology Department funded by CIL R&D on GIS based Interactive Geo-mining model of SKCF and NKCF in collaboration with IIT Kharagpur, BIT Mesra, CMPDIL, MECL and Jadavpur University. Final report incorporates the findings of all results from different agencies.

The department maintains all the basic data including borehole and map data,

processed outputs and documents. The result of R&D projects has been presented in MGMI seminar.

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

The Geology department is associated with new upcoming projects of UCG & CMM in association with CMPDI. Technical evaluation of tenders for UCG projects in Kaitha block is under process.

E. Coal Reserves:

The Geological Reserves as compiled & computed by Geological Survey of India as on 01/04/2010 in Proved, Indicated and Inferred categories together within the CCL Command Area amounting to 40.759 billion tonnes (up to a depth of 1200 mtrs.). The details of coal reserves are as under:

(fig. in billion tonnes)

Type of Coal	Proved	Indicated	Inferred	Total
Coking	7.550	8.972	1.661	18.183
Non Coking	12.485	6.886	3.205	22.576
Total	20.035	15.858	4.866	40.759

F. Right To Information

With the advent of RTI Act-2005, HoD(Geology) has been given additional responsibility as PIO, CCL to furnish information of ever growing public requests for seeking information on varied subjects and functions of your Company.

Under the RTI Act-2005, the details of applications dealt during the year 2010-11 are given as under :

1.	No. of applications received	:	1250
2.	No. of applications disposed	:	1063
3.	No. of applications under process	:	18
4.	No. of applications transferred under para 6(3) of RTI Act	:	165
5.	No. of applications rejected	:	04

31. COMPUTERISATION & IT ENABLED SERVICES

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

- **Office Automation :**

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

- **CCL Website :**

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

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

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

- **IT Infrastructural Development :**

A massive IT infrastructural development is in the pipeline to support installation and implementation of ERP package being planned at CIL level. It will enhance the automation of dataflow, integrity and Security of information and smoothening of some of the important business processes which include Mine Production System, Mining Execution System, Document Management, Financial Accounting System, etc. of your Company to a great extent.

32. SECURITY MANAGEMENT

The Security Department of CCL has mitigated the risk involved in production and dispatch of coal despite naxal activities in various command areas thus playing its given role in achieving of overall target of the Company. There were kidnapping events including two security staff of CCL in the month of Dec. 2010, by undesirable elements but effective liaison with State/ District administration, call given beyond the duty by executives and supervisors in field areas ensured protection of Company's assets, men and material.

The Company has expedited infrastructure development work for CISF by providing family and bachelor accomodation, construction of security related barracks and magazines at B&K, Dhori, NK Dakra and Piparwar Areas. 402 family quarters will be constructed in B&K and Dhori Area for CISF in financial year 2011-12. Medical facilities for dependents of CISF personnel were also approved by Board. Induction of new weapons and equipments to CISF deployed in Dhori, B&K Area, NK Area and Piparwar have given them more teeth to protect your Company's assets. An amount of approx. ₹ 1.5 Crores has been approved for the purchase of modern defence equipments and communication gadgets for CISF thus giving them an advantage while operating in naxal infested areas.

Your Company has approved deployment of 1400 nos. of Security Guards for strengthening existing Security Manpower. The deployment of DGR security agencies ex- servicemen sponsored by Ministry of Defence, in various CCL Command areas has made up deficiencies of security guards. There has been a remarkable reduction in theft related incidents wherever DGR sponsored security agencies are deployed.

The new induction in security and passing out of 15 batches from Security Training Institute at Ranchi have increased the number of young departmental security guards to 550 . Their work has been appreciated by one and all in field areas.

Modern Gadgetary in the form of I P Cameras, CCTV, under vehicle surveillance systems, and improved perimeter defence system is being planned for all important installations in the field areas which will further contain/control pilferage of coal and other assets.

All areas and CCL HQ are monitoring illegal mining in their areas of responsibility and sharing the inputs at highest level committee created by State administration, Regular dozing of illegal pits and monitoring of FIRs/ Cases have led to reduction in illegal mining incidents.

Instruction of gate management system by security at CCL HQs. Darbhanga House premises, has led to increase in discipline and punctuality among the employees, thus enhancing overall efficiency.

33. ACTIVITIES AND ACHIEVEMENTS OF VIGILANCE DEPARTMENT

The Vigilance Department is an integral organ of the Company, manned by 19 Executives and 23 Non-executives and headed by a Chief Vigilance Officer. This Department has been rendering its services effectively in creating a conducive environment for achievement of organizational goals and objectives. A brief overview of important activities and achievements of the Vigilance Department on preventive, investigation and punitive fronts during the year 2010-11 is given below:

1. **Investigation :** During the year 2010-11, 14 new Regular Investigation cases were taken up and action in respect of 36 RI cases were completed after carrying out exhaustive investigation. Besides above, 551 complaints, received by the Department were scrutinized and suitable action was initiated during this fiscal.

2. **Punitive Actions:** 12 disciplinary proceedings arising out of Vigilance investigations were fully completed during the year resulting in imposition of major penalty in 8 cases involving 18 persons and minor penalty in 4 cases involving 8 persons.

In addition to above, 16 disciplinary proceedings arising out of Vigilance investigations were partly completed during this fiscal resulting in imposition of major penalty in 15 cases involving 26 persons and minor penalty in 1 case involving 2 persons.

3. **Preventive:** During the year 2010-11, 23 Surprise Inspections were conducted by the Vigilance teams in various units of CCL leading to institution of 04 cases of Regular Investigation. On the basis of irregularities observed in the prevailing system during the course of investigations and Surprise checks conducted by CCL Vigilance in this fiscal, following measures were recommended to the competent authority for system improvement:

1. During course of vigilance investigation into a case for finalization of E&M contractual work, certain irregularities / deviations were observed such as measurement were not recorded in the prescribed MB at the time of measurement, reasonability of awarded rate was not deliberated properly in the TCR, delay in issuance of work order after the fund concurrence and non-involvement of Foreman/Supervisor in signing of MB and processing of bills. Dir.(T/O) was advised to issue necessary guidelines to prevent the occurrence of such type of irregularities in future.
2. During course of vigilance surprise check of diesel dispensing unit it was found that the guidelines circulated by the Company were not being fully complied at one DDU. Dir.(T)/Opn. was suggested to take appropriate remedial measures in the instant case, so that the same irregularities do not occur.
3. Preventive measures were suggested to the Quality Management Department regarding scope of improvement in the quality of coal being fed to / dispatched from one of the sidings on the basis of lapses observed during the course of one surprise check.
4. Some lapses observed in system of attendance keeping at one of the sidings of Barka-Sayal Area, were brought to the notice of D(P), CCL for issuance of appropriate circular/guidelines for ensuring a uniform and proper up keep of attendance register at the various attendance points.
5. Certain preventive measures were suggested to regulate the deployment of Company's dozer in the patches of the mines earmarked for contractual mining.

6. While conducting intensive technical examination by Vigilance on procurement of Engg. Wire Ropes in CCL, certain system improvements measures were suggested for future procurement proposals regarding modification in techno-commercial terms, proper assessment of requirement of material to be purchased, proper system to record the out come of discussion with the top management in the file to avoid scope for ambiguity in future and taking proper care by the user Department at the time of finalization of the technical specification, to be undertaken .
7. Guidelines for adoption of “Uniform complaint Handling Policy” as desired in CVC Circular No 15/7/09 dated 1.7.2009 has been issued vide No CMD/CCL/Vig/2010/360 dated 24.07.10. Large nos. of complaints are being received from different Departments/ Areas by the Vigilance Department.
8. System improvement has been suggested for issuance of proper guidelines to regulate the conduct of payment of wages to the contractual workers and CMPF deduction thereon.
9. During course of vigilance investigation into the case of irregularities in purchase of Gum Boots, system’s improvement has been suggested for maintaining clarity in defining the list of centralized items and maintenance of separate cardex for full size and half size Gum Boots.
10. In course of vigilance investigation in to the case of wrongful rejection of offer against tender related to PVC belting, remedial steps have been suggested for maintaining transparency and better record keeping related to modification in format of comparative statement, making schedule of keeping files/ records in safe custody, designation of custodian of the file, convening the TC meeting regarding its date and time to other TC members by dealing officer, issuance of guidelines for finalization of tender within bid validity period, signing the documents of the tender by legally authorized person of the bidder and issuance of guidelines regarding implementation of clause 6.5.1 of Purchase Manual.
11. While conducting intensive technical examination by Vigilance on procurement of spares for repair of NTA 855C-300C engines at your Company, certain system improvement measures were suggested for future procurement proposal regarding evolving a well defined policy, which will govern the co-existence of all possible modes of purchases in a proper transparent manner, deciding the suitability of an authorized dealer of an OEM for taking part in LTEs, making a schedule for keeping the various records in safe custody for a minimum period depending on the importance of the records and keeping an index register year-wise in which all important details of different procurement should be maintained.
12. During course of vigilance investigation into the case of finalization of an E&M contract, system’s improvement has been suggested for recording the measurement in prescribed Measurement Book, Reasonability of awarded rate to be deliberated properly in the TCR, timely issuance of work order after concurrence of fund and involvement of Foreman/ Supervisor in signing of MB and processing of bills.

13. In course of vigilance investigation into a transportation case certain system improvement have been suggested on formulating a uniform guideline regarding methodology for measurement of route distance required to finalize a transport contract.
14. In course of vigilance investigation regarding unauthorized occupation of company's quarter, Director (P) has been requested to take action for vacation of unauthorized occupation of quarters in the areas of CCL.
15. In course of a vigilance investigation regarding fire at Coal Stock, it has been suggested that measures be taken up for quick liquidation of coal stock to ward-off the danger of spontaneous heating and possible deterioration in the quality of stacked coal.
16. In course of vigilance investigation into the construction of light vehicle repair shed it was observed that the said construction was done as per PR available in the project which was not an approved one. The matter has been brought to the notice of D(T/O) for wide circulation so that this type of oversight does not occur while undertaking construction of a capital nature.
17. While investigating a case of irregularity in tender proceedings of MM Department at HQ., following serious lacunae were detected.
 - (a) The TC had accepted the offer of one of the firm even when it was not fulfilling the eligibility criteria.
 - (b) Deficient work order was issued from MM Department, which was not carrying any time limit for submission of security deposit.
- (c) Change was made in the existing standard eligibility criteria which had the approval of CMD.

It was advised to take remedial action on the above indicated lacunae in order to eliminate recurrence of such type of irregularities / deviations in future.
18. During the course of a Vigilance Investigation relating to alleged irregularities into the award of work in one of the Areas, certain lacunae in the prevailing system of volume estimation for quantum of outsourcing work, framing a proposal, preparation of tender documents and initiation of a note sheet for a specific purpose was observed. D(T/O) was advised to take certain system improvement on the lacuna and to issue appropriate guideline/ circular in the matter.
19. While investigating a case of theft of diesel at a Colliery of CCL, following lacunae were detected which are listed below:
 - (a) Overwriting in the numerical ledger for maintaining the records of the book stock of diesel was found and the same was not regularly signed by the Store Personnel.
 - (b) Key of the panel for controlling flow of the diesel through flow meter was found in the possession of the POL issuer, which was found to be improper. The said key is a very important item and should always be in the safe custody of Depot Officer or other higher official.
 - (c) Flouting of directives of the D(T/O) conveyed vide Circular dated 19.1.2004 in as much as the authorized person did not examine, analyse and review

the differences in the issue of diesel as per flow meter and dip reading on daily basis and did not report the same to competent authority.

- (d) Dip readings were not being properly maintained at Diesel Dispensing Unit (DDU) and the person authorized to sign documents related with the affairs of Diesel Dispensing Unit (DDU) went on refusing to sign the same in disregard to the repeated administrative instructions of the competent officials.

D(T/O) was advised to take appropriate action as deemed fit in the matter.

20. While investigating a case of RCC pavement of a road in one of the Areas following System improvement suggestions were made:
- i. Price of bidder should be sealed in a single envelope for getting signature of all the bidders and TC members and file is to be kept in safe custody till its opening.
 - ii. Action is required to be taken for improving quality awareness/ establishing quality control infrastructure at Head Quarter level in the interest of quality assurance in Civil Engineering works.
 - iii. TC should deliberate the reasonability of rates with specific mention of analyzed rate / last awarded rates etc. in clear terms, justifying their reasonability.
21. In course of a vigilance investigation in case of "Procurement of AAA Conductor," it has been suggested that before placing the final order for

procurement of a Capital item the current site condition / ground realities needs to be updated so that procured material doesn't remain idle for a long time.

22. In course of a vigilance investigation in case of "Road Sale in CCL," modification to the present guidelines applicable for road sale has been suggested to stop the unfair practices in Road Sales Centers during dying hours of validity.
23. In course of a vigilance investigation in case of "Lifting cum balance Certificate for Road Sale at Rohini Project", following system improvement have been suggested :
- i. Suitable guidelines regarding proper official procedure to be followed in maintenance of note sheets (in this case replacement of notesheets was found).
 - ii. Suitable remedial action/ issuance of guideline for preparation of realistic road sale offer, commensurate with the available stock.

4. Observance of Vigilance Awareness Week : In line with the Central Vigilance Commission's directive, the Vigilance Awareness Period was observed with much fervor and enthusiasm in all units, Areas and Headquarters from 25.10.2010 to 1.11.2010. The week started with taking of pledge by all the employees. The pledge ceremony at HQ was also attended by the CMD, CVO, D(T)Oprn. and D(F), CCL. The observance of Vigilance Awareness Week in the Areas commenced with the PLEDGE taken by the employees on 25th October 2010 at 11.00 AM. The PLEDGE was administered by the highest functionary present i.e Chief General Manager/ General Manager.

- i. Banners and posters containing thought-provoking slogans were displayed in all the units/ offices.

- ii. Vigilance Department ran a special campaign during the week to create awareness among the employees as well as public. To include the importance of good values and ethics in the minds of school children, one Essay competition on the topic "Corruption is the bane of any Civil Society" was also organized in all the schools being funded/ helped by CCL at the Area level.
- iii. Vigilance Deptt. organized a number of workshops and seminars during Vigilance Awareness Week. The highlights of above workshops and seminars are noted below:
- (a) One seminar on "Procurement procedure and Common Irregularities in handling of tenders of Purchase Deptt." was organized on 28.10.2010 at Vichar Manch Darbhanga House, Ranchi wherein large number of executives & non executives including CMD, CVO, Director(Tech) Oprn. and Director(F), CCL participated. Shri S D Narang, Director, (ST) DGS&D, New Delhi delivered the key note address. Shri Narang deliberated in details about common irregularities in Purchase Contracts.
- (b) On 28.10.2010 a "Compendium of Circulars" compiled by Vigilance Department was released by Shri T Ramachandran, CTE, CVC, New Delhi. Sri Ramachandran also addressed the gathering on corruption related issues on 28.10.2010.
- (c) On 28.10.2010 yet another lecture on "Different case studies done by CBI and common irregular practices prevalent among Govt. Servant" was deliberated in detail by Shri RC Choudhary, SP, CBI, AHD, Ranchi at Vichar Manch, Darbhanga House, Ranchi wherein executives and non-executives of CCL including Director(F) and CVO, CCL took active part.
- (d) On 29.10.2010 one workshop was organized at Kaju Area in which executives of Civil, MM, E&M, Mining and Personnel discipline had actively participated. Workshop was based on "Common Irregularities in Civil & Purchase contracts and filing of Property Return" wherein Shri Y P Singh, Chief Manager (C)/Vig., Shri V S Singh, Sr. Manager (MM)/Vig., Shri P R Kumar, Manager (X)/Vig. and Shri R R Sharma, Manager(P)/Vig. addressed the gathering about common irregularities pertaining to Tendering and execution in Civil/MM/Property Return submission in detail.
- (e) On 30th October 2010 a lecture on "Departmental Inquiries and Role of Presenting Officer & Inquiring Authority" was organized at Vichar Manch Darbhanga House, Ranchi wherein large number of executives & non executives including CMD, CVO, Director (Tech) Oprn and Director (F), CCL took part. Sri Surjeet Singh, Director, CVC, New Delhi delivered the key note address. Shri Singh deliberated in detail about role of Presenting Officer, Inquiring Authority as well as Disciplinary Authority.
- (f) In the final session a valedictory speech summing up all the

above programmes was made by the CVO, CCL. She focused on the importance of preventive vigilance in curbing corruption and made a request to the participants to be transparent while making recommendation on any proposal or while dealing with any file. In this occasion suggestions were also invited from the employees/officers, regarding improvement in the "Compendium of Circulars" which was released on 28.10.2010.

5. Other Special Achievements:

(1) **E-Tendering with reverse bidding-**

In compliance with the instruction of CVC regarding leveraging of Technology to curb corruption, e-tendering with reverse bidding has been introduced with effect from April, 2010. Your Company is the first and only Subsidiary of Coal India Limited which has adopted reverse bidding through e-tendering for all transportation contracts. Till date around 60 numbers of NITs have been floated/ invited through e-tendering through reverse bidding systems relating to transportation work which has resulted substantial savings.

(2) **E-Procurement** – In compliance with the directive of CVC, e-procurement has been introduced w.e.f April, 2010. In twenty cases, procurement action has been initiated through e-procurement mode up to Feb. 2011, The portal of Service Provider is being used for e-tendering/ e-procurement in order to make process of award of various contracts more transparent.

(3) **E-Payment** - After rigorous follow-up and interaction e-payment has been introduced and fully implemented at

all Areas of CCL. Approximately 95.69% payment has been made through e-payment mode in HQ as well as Areas. This is a very efficient tool which has put a check on ulterior motives of persons/personnel involved in the system of making payment to different vendors.

(4) **Extent of IT usage and the e-governance** – In compliance with the directive of CVC pertaining to leveraging of Technology most of the

NITs, Tender Documents, CIL Purchase & Contract Management Manuals, Certified Standing Orders, CDA Rules, CIL Executive Leave Rules, TA/DA Rules, LTC Rules, Coal Mines regulation 1957, RTI Act 2005, IER 1956 and other important notifications & information have been made available on the Company web site. Apart from above, following information has also been uploaded on the Co. web-site :

- Details of bill status of HQ.
- Information regarding coal dispatch.
- List of Coal Customers.
- Information/ Guidelines regarding e-auction, Forward e-auction & Modified Forward e-auction.
- Delegation of Power in respect of Board Level executives, Area CGM/GM and different HODs/ executives.
- Global Seniority of Executives.
- Details of Appellate Authority & PIO/ APIO.
- Company Residential Quarter Occupancy Status.
- Information/ notices regarding employment.

- Annual Report for the year 2006-07, 2007-08, 2008-09 & 2009-10 respectively.
 - Details of Safety Policy and status of the Company.
 - Vendor wise coal lifting details and refund details.
 - Bio-Data of executives.
 - Category Wise Manpower.
 - Grievance Redressal System.
 - CVC Circulars.
 - Inventory of Critical Items and non-moving items in various stores along with LPP.
 - List of DGMS approved items.
 - List of Centralised Items.
 - Vigilance Activities
 - Details of pending/ refunded EMDs and SDs in respect of Civil and E&M Department, HQ.
 - Grade wise pricing of Coal.
 - Statement pertaining to coal sale refund payment to various parties.
 - Sale order wise coal lifting data in respect of FSA Consumers.
 - Compendium of Circulars of Vigilance Department
- (5) Structured Meeting of CVO with CEO - In compliance with the instruction of CVC, Structured Meeting of CVO with CEO is being organized regularly and during the year 2010 four structured Meetings were held wherein various important issues like E-Tendering, E-Procurement, E-Payment, Linking of all the Regional Stores with Central Stores and CCL, HQ., Preparation and adoption of E&M Manual, Uploading of information on Co. web-site and Establishing Quality Control Cell of Civil Engineering Department were deliberated and various instructions were issued to the concerned Departments for implementation of certain decisions of above meetings.
- (6) In order to propagate concept of preventive vigilance down the line and enhance the knowledge of employees Vigilance Department of your Company had organized a series of workshop and seminars in addition to Vigilance Awareness Week 2010. The highlights of certain workshops and seminars are noted below:
- a. One day seminar was organised on 10.05.2010 on Common irregularities found in Tendering / Procurement process. Delivering the keynote address, the CVO, NCL Sri B. Pradhan, IOFS, emphasized that tendering is a vital function of all coal companies for transportation of coal, civil work, procurement of materials etc. The above seminars was attended by around 300 employees. The CMD, DT(O) and CVO, were also present. There was a healthy interactive session, wherein many officials dealing with tenders, had raised their doubts which were cleared by the CVOs of NCL & CCL.
 - b. As a step towards training the Vigilance Officers in qualitative investigative skills a workshop was organized on "Techniques of Investigation" on 12.10.2010. Shri Sandeep Raj, Jt. Commissioner, Income Tax conducted the workshop which was attended by CVO and all officers of Vigilance Department.

- c. A lecture cum informative seminar on "Bid Rigging & Competition" was organized on 21.2.2011 at Vichar Manch Darbhanga House, Ranchi wherein large number of executives & non executives, including CMD and CVO participated. Sri Manoj Pandey, IRS, Addl. Director General, Competition Commission of India (CCI), New Delhi delivered the key note address. Several indicative features giving indication about Bid Rigging in a bidding process and vital techniques to evaluate the said indicative was discussed at length. The salient features of Competition Commission were also explained with detailed case studies. Issues relating to cartel formation were also discussed. Emphasis was also laid on open and transparent system of tendering.

34. CORPORATE GOVERNANCE

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

importance on reliable financial information, integrity, transparency, empowerment and compliance with the laws in letter and spirit.

A report on Corporate Governance is placed at Annexure-I and a Certification from Auditors regarding compliance with the conditions of Corporate Governance by your Company for the year ended 31st March 2011 is also placed at Annexure-II to this report.

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

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

As per the provisions of the General Circular No. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs, Government of India, New Delhi and subsequent letter No. CIL:XI(D):04032:2011:2255 dated 8th March, 2011, the Annual Accounts should be made available at HQ for providing information to the shareholders of CIL on demand.

Accordingly, the Annual Accounts of the Company and the related detailed information have been made available for the shareholders of the Holding and Subsidiary Companies seeking such information at any point of time. The Annual Accounts of CIL have also been kept for inspection by any Shareholder in the Head Office.

36. BOARD OF DIRECTORS:

During the year 2010-11, your Directors held 10(ten) Board Meetings. Your Company had the following Directors on the Board including Non-official Part-time Directors and Permanent Invitees, as on 15.05.2010 i.e. the date of the 54th Annual General Meeting :

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

Non-official Part-time Directors :

- 1 Dr. Kalyan Sen,
- 2 Ms. Rama Rani Hota, and
- 3 Shri M.K. Sinha,
- 4 Shri Gautam Basu,
- 5 Shri S.K. Sarkar.

Permanent Invitees:

- 1 Shri R.S. Pandey, IRTS, COM, E/C Rly.
- 2 Shri N. N. Sinha, IAS, Secretary (Mines & Geology), Govt. of Jharkhand.

After the AGM held on 15-05-2010, 3 Non-Official Part-Time Directors viz. Dr. Kalyan Sen, Ms. Rama Rani Hota & Shri M.K. Sinha completed their tenure of 3 years on 23.08.2010 as intimated vide letter No. 21/35/2005-ASO dated 20th May, 2010, and accordingly, ceased to be Directors on CCL Board.

Subsequently, Shri T.K. Chand, Director (Personnel) was elevated to the post of Director (Commercial), RINL, as intimated vide letter no. 1(5)2009-VSP dated 20.09.10, and ceased to be the Director on CCL Board w.e.f. 21.09.2010.

Further, Shri S. Chakrabarti, former CMD, ECL, Shri Anand Kumar, Ex. Chairman, Indian Oil Technology Ltd. and Professor K.V.Ramani, IIM, Ahmedabad have been appointed as Non-official Part Time Directors, as conveyed by the MoC vide letter No. 21/32/2007-ASO dt. 23/02/2011.

Shri A.K.Sarkar, I.A.S., Addl. Chief Secretary, Deptt. of Mines & Geology, Govt. of Jharkhand, has been appointed as Permanent Invitee on the CCL Board of Directors w.e.f. 04/04/2011, vice Shri N.N. Sinha, I.A.S., as conveyed by Dy. Secretary to the Govt. of Jharkhand, vide letter dtd. 04/04/2011.

Accordingly, your Company has the following Directors including five Non-official Part-Time Directors on the Board as on 21-05-2011 i.e. the date of the 55th Annual General Meeting:

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

Non-official Part-time Directors :

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

Permanent Invitees:

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

37. DIRECTORS' RESPONSIBILITY STATEMENT:

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

That in the preparation of the Accounts for the financial year ended 31st March 2011, the Uniform Accounting Policy approved by CIL, the Holding Company, has been followed. The said uniform Accounting Policy has been drawn in

compliance with the Accounting Standards issued by the ICAI subject to a few deviations from Accounting Standards which are not material in nature;

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

That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

That the Directors have prepared the Annual Accounts for the financial year ended 31st March 2011 on a 'going concern' basis.

38. AUDITORS OF THE COMPANY

Under Section 619(2) of the Companies Act, 1956 the following Chartered Accountants Firms were appointed by the Comptroller and Auditor General of India for auditing the Financial Accounts of your Company for the year 2010-11:

Statutory Auditors:

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

Branch Auditors:

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

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

M/s. K. C. Sarkar & Co.,
408 B Shivam Aptt., Near AG Office,
Ranchi

Office of the Comptroller and Auditor General of India will be moved for the appointment of Statutory Auditor/Branch Auditors for the year 2011-12 under Section 619(2) of the Companies Act, 1956.

39. AUDIT COMMITTEE OF DIRECTORS

With the approval of the Board of Directors, CCL, at its 376th meeting held on 03/04/2011, re-constitution of Audit Committee of Directors has been made as detailed below:

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

With a provision that in the absence of Shri S.K. Sarkar, Chairman, of the Audit Committee, Shri Gautam Basu, Non-official part-time Director will act as Chairman of the Audit Committee.

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

The Company Secretary is also the Secretary to the Audit Committee.

During the year ended 31st March, 2011, 9 meetings of Audit Committee were held on 27.04.10, 11.05.10, 19.06.10, 30.07.10, 1.10.10, 02.11.10, 27.11.10, 13.01.11 and 05.02.11.

40. ACKNOWLEDGEMENT

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

Your Directors convey their thanks to all the employees of the Company for their whole-hearted co-operation and devotion to duty.

Your Directors are fully confident that the employees of all ranks would continue to strive hard to improve the performance of the Company in the coming years. Your Directors also acknowledge, with thanks, the assistance and guidance rendered by the Statutory Auditors, Tax Auditors, the Comptroller & Auditor General of India and the Registrar of Companies, Bihar & Jharkhand.

41. ADDENDA:

The following papers are annexed hereto for your consideration:

- (1) Addendum to the Directors' Report pursuant to Section 217 of the Companies Act, 1956 giving:
 - (a) particulars of employees who were in receipt of remuneration ₹ 60,00,000/- per annum/ ₹ 5,00,000/- per month or more, if employed for the year or part thereof.

(b) details of foreign exchange earning & outgo.

(c) details about research and development activities of the Company.

- (2) Comments of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956.
- (3) Review of the Accounts of the Company for the year ended 31st March 2011 by the Comptroller & Auditor General of India.
- (4) Addendum to the Director's Report under Section 217(3) and 227(2) of the Company's Act, 1956 stating Statutory Auditor's Report and Management's reply thereon.

For & on behalf of the Board of Directors

Sd/-

(R. K. Saha)

Chairman-cum-Managing Director

REPORT ON CORPORATE GOVERNANCE

1. PHILOSOPHY

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

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

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

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

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

2. BOARD OF DIRECTORS

The Board of Directors of your Company as on 31st March, 2011 comprised of 10 Directors, viz. 3 Functional Directors (including CMD), two part-time Directors, 5 Non-official Part-time Directors (Independent Directors) and two Permanent Invitees to the Board.

During the financial year ended March 31st, 2011, 10(Ten) number of Board meetings were held on 02.04.10, 11.05.10, 19.06.10, 30.07.10, 19.08.10, 01.10.10, 2.11.10, 27.11.10, 21.01.11, 05.02.11. Thus, the maximum time gap between two consecutive Board meetings was not more than three calendar months.

CENTRAL COALFIELDS LIMITED

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

Sl.No	Name & Designation	Category	Board meetings		No. of other Directorships	Membership in other committees of Board	
			Held during the tenure	Attended		Audit Committee	Empowered Sub Committee
1.	Shri R.K. Saha, Chairman-cum-Managing Director	Functional Director	10	10	Nil	Special Invitee	Chairman
2.	Shri T.K. Chand, Director (Personnel)*	Functional Director	5	5	Nil	—	—
3.	Shri T.K. Nag Director (Tech./Oprn.)	Functional Director	10	10	Nil	—	Member
4.	Shri A. Chatterjee Director (Finance)	Functional Director	10	10	Nil	Special Invitee	Member
5.	Shri R. K. Mahajan Joint Secretary, MoC Govt. of India	Part-time Director	10	10	MCL	Member	Member
6.	Shri R. Mohan Das Director (P&IR), CIL	Part-Time Director	10	9	(i) CIL (ii) WCL	Member	—
7.	Dr. Kalyan Sen**	Non-Official Part-Time Director	5	5	Indian Mining Consulting Pvt. Ltd. Kolkata	Member	—
8.	Ms. Rama Rani Hota**\$	Non-Official Part-Time Director	5	4	Nil	Chairman	—
9.	Shri M. K. Sinha **	Non-Official Part-Time Director	5	4	(i) MP Monnet Mining Co. Pvt. Ltd. (ii) Monnet Ispat & Energy Ltd. (iii) M/s Clean Coal Ltd. Enterprises Pvt. Ltd.	Member	Member
10.	Shri Gautam Basu***	Non-Official Part Time Director	9	9	Hindustan Photo Films Ltd.	Member	Member
11.	Shri S. K. Sarkar***\$\$	Non-Official Part Time Director	9	7	(i) The Associated Chambers of Commerce and Industry of India (ASSOCHAM) (ii) PHD Chamber of Commerce and Industry of India (PHDCCI) (iii) DESFAB Export India Private Limited	Chairman	Member
12.	Prof. K. V. Ramani#	Non-Official Part Time Director	—	—	Nil	Member	—
13.	Shri Anand Kumar#	Non-Official Part Time Director	—	—	Solar Industries, Petrotech Society	Member	—

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14. Shri S. Chakrabarti #	Non-Official Part Time Director	—	—	Nil	—	Member
15. Shri R. S. Pandey COM, EC Rlys.	Permanent Invitee	10	9	Not Applicable	Special Invitee	Special Invitee
16. Shri N. N. Sinha, IAS, Secy., Mines & Geology, Govt. of Jharkhand	Permanent Invitee	10	6	Not Applicable	—	—
17. Shri A. K. Sarkar, \$\$\$ Addl. Chief Secretary, Mines & Geology, Govt. of Jharkhand	Permanent Invitee	—	—	Not Applicable	—	—

* Ceased to be Director w.e.f. 21.09.2010.

** Ceased to be Director w.e.f. 23.08.2010.

*** Appointed as Non-official Part Time Director on 27.04.2010.

Appointed as Non-official Part Time Director on 23.02.2011.

\$ Appointed as Advisor on the Board of Vedanta Aluminium Limited w.e.f. 28.04.2010.

\$\$\$ Details of Disclosure in respect of Shri S. K. Sarkar, Non-official part time Director.

Membership (involving more than 2% of the paid up share Capital of the Company)	DESFAB EXPORTS INDIA PRIVATE LIMITED (CIN:U74899DL1995PTC 067144)
Name of Firms in which the Director or his relatives is/are partners: (with names of partners of such firms)	B.N. MISRA & Co. S-29, MAITRI VIHAR, PHASE-II, CHANDRASEKHAR PUR, BHUBNESHWAR-75/02

\$\$\$ Shri A.K. Sarkar, IAS, Addl. Chief Secretary, Deptt. Of Forest & Environment, has taken over the additional charge of Deptt. Of Mines & Geology w.e.f 04/04/2011 (F/N).

SCHEDULE FOR REMUNERATION OF CMD AND OTHER DIRECTORS FOR THE YEAR 2010-11

A. Functional Directors:

Name	Relationship with other Director	Business relationship with the company	Salary & Allow.	Arrear due to revision of Pay	HRA	Leave Encashment	Ex-Gratia	CMPF Cont.	Med. Expenses	LTC	LLTC	Gratuity	Total
Shri R.K. Saha	Nil	Chairman-cum-Managing Director	1670838.86	555345.28	0.00	101120.40	0.00	271643.00	0.00	0.00	0.00	0.00	2598947.54
Shri T.K. Chand	Nil	Director (Personnel)	727109.97	462932.71	0.00	0.00	0.00	159312.00	0.00	0.00	0.00	0.00	1349354.68
Shri T.K. Nag	Nil	Director (Technical)	1455837.79	401025.85	0.00	96404.10	0.00	225487.00	0.00	0.00	97961.00	0.00	2276715.74
Shri A. Chatterjee	Nil	Director (Finance)	1398359.23	0.00	105367.59	0.00	0.00	131235.00	3172.00	0.00	0.00	0.00	1638133.82
TOTAL			5252145.85	1419303.84	105367.59	197524.50	0.00	787677.00	3172.00	0.00	97961.00	0.00	7863151.78

Service contract

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

B. Part-time Directors:

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

C. Non-official Part Time Directors

No remuneration is being paid, except Sitting Fees for attending the Board/Committee meetings.

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

In compliance with the Principles of Corporate Governance, Empowered Sub-Committee of Directors for evaluation, appraisal & approval of projects, has been re-constituted with the approval of the Board of Directors into 365th meeting held on 26.02.2010 comprising the following :

1.	Chairman-cum-Managing Director, CCL	—	Chairman
2.	Joint Secretary, MoC	—	Member
3.	Shri M.K. Sinha (Non-official part-time Director)	—	Member
4.	Director (Technical/Oprn.), CCL	—	Member
5.	Director (Finance), CCL	—	Member
6.	Chief Operations Manager, EC Rly.	—	Special Invitee

Consequent upon completion of tenure of Shri M.K. Sinha, Non-Official Part-Time Director of CCL on 23.08.2010, the Board at its 369th meeting held on 29.07.10 approved re-constitution of the Empowered Sub-Committee of Directors w.e.f. 24.08.2010 by inducting Shri Gautam Basu, Non-Official Part-Time Director, as a member vice Shri M.K. Sinha.

Further, on appointment of Shri S. Chakrabarti as Part-Time Non-Official Director on CCL Board, the Board at its 376th meeting held on 03.04.11, approved the re-constitution of the Empowered Sub-Committee of Directors for evaluation, appraisal & approval of projects, comprising the following Members

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

During the year ended 31st March,2011, 06 (six) meetings of ESCD were held on 11.05.10, 19.06.10, 19.08.10, 01.10.10, 27.11.10 & 05.02.11.

(ii) Audit Committee of Directors

The Board, at its 365th meeting held on 26.02.2010, reconstituted the Audit Committee of Directors comprising of the following :

- | | | |
|--|-----|----------|
| 1. Ms. Rama Rani Hota, Non-official part-time Director | ... | Chairman |
| 2. Dr. Kalyan Sen, Non-official part-time Director | ... | Member |
| 3. Shri R.K. Mahajan, Joint Secretary, MoC | ... | Member |
| 4. Shri R. Mohan Das, Director(P&IR), CIL | ... | Member |
| 5. Shri M.K. Sinha, Non-official part-time Director | ... | Member |
| 6. Shri R.S. Pandey, Non-official part-time Director | ... | Invitee |

Subsequently, on completion of tenure of 3 Non-Official Part-Time Directors of CCL, viz; Ms. Rama Rani Hota, Dr. Kalyan Sen & Shri M.K.Sinha, the Board at its 369th meeting held on 29.07.10 approved reconstitution of the Audit Committee of Directors w.e.f. 24.08.2010 comprising the following Members :

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

Keeping in view of the induction of 3 Part-Time Non-Official Directors on the CCL Board viz; Shri S. Chakrabarti, Shri Anand Kumar and Prof. K.V. Ramani and maintaining the ratio of 2:1 or 4:2 of Independent Directors to other Directors in the Audit Committee, as per the Guidelines of Corporate Governance, the Board at its 376th meeting held on 03.04.11, approved re-constitution of the Audit Committee comprising the following Members :

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

With provision that in absence of Shri S.K. Sarkar, Chairman, of the Audit Committee, Shri Gautam Basu, Non-official part-time Director will act as Chairman of the Audit Committee.

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

The terms of reference of Audit Committee inter-alia are to oversee the Company's financial reporting process, review of internal control system, adequacy of internal audit functions, etc. The Audit Committee periodically reviews reports of the Internal Auditors, interacts with the Statutory and Internal Auditors and also reviews the half yearly and annual financial statement before submission to the Board.

During the year ended 31st March, 2011, 09 (nine) meetings of Audit committee were held on 27.04.10, 11.05.10, 19.06.10, 30.07.10, 01.10.10, 02.11.10, 27.11.10, 13.01.11 and 05.02.11.

The Company Secretary is also the Secretary to the Audit Committee.

The details of attendance of Members at the Audit Committee Meetings of the Company held during the year 2010-11 are as under:

Name	Audit Committee Meeting		Remarks
	Held during the tenure	Attended	
Ms. Rama Rani Hota, Non-official Part-time Director*	4	4	Chairman of the Audit Committee
Shri R. K. Mahajan, Joint Secretary, MoC	9	9	Member
Dr. Kalyan Sen, Non-official Part-time Director*	4	4	Member
Shri M.K. Sinha, Non-official Part-time Director *	3	3	Member
Shri R. Mohan Das, Dir.(P&IR),CIL	9	5	Member
Shri R.S. Pandey, COM, EC Rlys.	9	5	Special Invitee
Shri Gautam Basu, Non Official Part-time Director	5	5	Member
Shri S. K. Sarkar, Non Official Part-time Director	5	5	Chairman
Prof. K. V. Ramani, Non Official Part-time Director	NIL	NIL	Member
Shri Anand Kumar, Non Official Part-time Director	NIL	NIL	Member

* Ceased to be Director and hence Chairman/Member of the Audit Committee w.e.f. 23.08.2010.

STATUTORY AUDITORS

Under Section 619(2) of the Companies Act, 1956 the following Chartered Accountants Firms were appointed by the Comptroller and Auditor General of India for auditing the Financial Accounts of your Company for the year 2010-11 :

Statutory Auditors:

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

Branch Auditors:

M/s. K. C. Tak & Co.
1, New Anantpur, Ranchi-834 002, Jharkhand

M/s. Lodha Patel Wadhwa & Co.
304, Shreelok Complex,
3rd Floor, 4-H.B. Road, Ranchi, Jharkhand

M/s. K. C. Sarkar & Co.
408 B Shivam Apartment
Near AG Office, Ranchi 834 002

ANNUAL GENERAL MEETING

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

Year	Date & Time	Location	Attendance	Special Resolution, if any
2007-08	5th July'08 At 10.30 AM	Darbhangra House Ranchi	1. Shri R. P. Ritolia Member & Chairman 2. Shri S. Chakraborty Rep. of CIL	Amendment in clauses 37 (b) (i), 37(b)(vi), 48 (7), 48(18)(ii), 48(25), 48(26) and 48(27) of Articles of Association of the Company and approval of Revised Delegation of Powers as approved by the Board at its 346th meeting held on 29.04.08 vide Item No. 4 (13).
2008-09	13th July'09 At 10.30 A.M.	Darbhangra House Ranchi	1. Shri R. K. Saha Member & Chairman 2. Shri P. V. Krishna Rep. of CIL	N I L
2009-10	15th May'10 At 10.30 AM	Darbhangra House, Ranchi	1. Shri R.K. Saha, Member & Chairman 2. Shri D.K. Ghosh, Rep. of CIL	N I L

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

4. DISCLOSURES:

Related Party Transactions

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

Code of Conduct for Directors and Senior Executives

A Code of Conduct for Directors and Senior Executives was placed before the Board of Directors of CCL in its 348th meeting held on 02.07.08 and has been uploaded on the website of CCL www.ccl.gov.in. An Acknowledgement of receipt of code of conduct and Affirmation regarding compliance with the same for the year ending March'2011 has been done.

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

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

Delegation of Power:

Delegation of Power of the Board of Directors and CMD, CCL was revised with the approval of the Board of Directors accorded in its 367th meeting held on 11.05.10. As per direction of CVC and CVO, CCL, Delegation of Powers have been uploaded on the websites of CCL : www.ccl.gov.in.

Accounting Treatment:

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

Risk Management

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

5. MEANS OF COMMUNICATION:

Annual Financial Performance are promptly uploaded in the Companies Website.

6. AUDIT QUALIFICATIONS:

It is always the Company's endeavour to present unqualified financial statements. Management Reply to the Statutory Auditors' observation on the Accounts of the Company for the year ended 31st March, 2011 are furnished as Annexure to Directors' Report. Comments of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 on the Accounts of Central Coalfields Limited for the year ended 31st March, 2011 is also enclosed.

7. TRAINING OF BOARD MEMBERS:

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

8. MECHANISM FOR EVALUATION OF PART-TIME DIRECTORS

The performance of Part-time Directors representing the Ministry of Coal & Coal India Limited (Holding Company), is evaluated as per the rules of their respective Departments. The Non-Official Part-time Directors are selected by Government of India for appointment as Board Members through Ministry of Coal and Department of Public Enterprises. Generally the appointment is made for a tenure of three years.

9. WHISTLE BLOWER POLICY:

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

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

10 INTEGRITY PACT:

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

11. COMPLIANCE BY THE COMPANY:

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

12. UN GLOBAL COMPACT:

Global Compact is a framework for businesses that are committed to aligning their operation and strategies with ten universally accepted principles in the area of human rights, labour, environment and anti-corruption. As the world's largest global corporate citizenship, the Global Compact is first and foremost concerned with exhibiting and building the social legitimacy of business and markets. Top companies of the world are members of UN Global Compact. Your Company had submitted a report on the Corporate Social Responsibility (CSR) activities to UN Global Compact to admit CCL as its member. Based on performance in CSR, UN Global Compact confirmed the membership of your Company. Since then your Company has stepped up its CSR activities with application of business excellence principles and making CSR a key business process. Your Company emphasizes on Triple Bottom Line i.e. People, planet and profit with "People" as its first principle. Some of the innovative CSR Schemes taken up by your Company are: Operation Joyti, Akshar Joyti, Girl Child Promotion, Model Village Development, etc. CSR activities of your Company have helped to cultivate goodwill of the people in the command areas, State Administration, Media and other stakeholders. Your Company has also received words of praise for its CSR activities from Parliamentary Committee on Labour, Global Compact Society of India, CAG Audit and EAC of MOEF. Sri R.K. Saha, CMD of your Company has been conferred with Vice-President position of Global Compact Society of India to promote corporate leadership in CSR in Eastern India region.

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

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

Annexure-IA**Profile of Directors**

Board of Directors of CCL consists of CMD, D(T-O), D(F),(D(P) & DT(P&P)- are Vacant), two Govt./CIL Nominee Directors & 05 Non-official Part Time Directors (Independent Directors) and two Permanent Invitees, Chief Operations Manager, EC Rly, Hajipur and Secretary, Mines & Geology, Govt. of Jharkhand, Ranchi.

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

SHRI RANJAN KUMAR SAHA

Shri Ranjan Kumar Saha is heading Central Coalfields Ltd. (CCL) as Chairman-cum-Managing Director (CMD) since 01.08.2008. Before taking over as CMD, CCL, Shri Saha had successfully shouldered varied higher responsibilities such as Director Technical (Operation) and Director Technical (Project & Planning) of CCL, CGM/Technical Secretary to Chairman, Coal India Limited (CIL), etc.

He is a Graduate from ISM, Dhanbad with 1st class Mines Manager Certificate of Competency. Sri Saha started his professional career as a Mining Engineer by joining Central Mine Planning & Design Institute Limited (CMPDIL) and has also worked in various CIL subsidiaries like BCCL, ECL and CIL Corporate office before joining as Director (Tech) CCL. While in CMPDIL, he underwent training in UK under 'Colombo Plan' in 1981 on "Operational Planning for Mechanized Longwall Faces". Besides, Shri Saha has represented high-powered business missions abroad and visited countries like USA, Germany, UK, Singapore and Poland. Shri Saha is considered instrumental in successful introduction of mechanization in underground mines of the subsidiary Companies of CIL. During his tenure in ECL from 1999 to 2005, he made significant contribution in turning around the Company (ECL), which registered maiden profit in 2005-06.

CCL got the status of Mini Ratna Category-I Company during his tenure as Director (Technical). As CMD, CCL he steered the Company to achieve the highest production level of 47.52 MT with a record profit of ₹ 1246.83 Crore (Net Profit After Tax) in FY 2010-11.

He has been associated with various professional bodies, viz, the President of MGMI (Apex Body), member of the Executive Board of SCOPE (Standing Conference on Public Enterprises) and also the Vice-president of the Eastern Region Chapter of United Nation Global Compact. He is also a member of Consultative Committee of East Central Railway. He has been conferred Fellowship of the World Academy of Productivity Science, Montreal for making significant contributions through promotion of productivity.



SHRI TAPAS KUMAR NAG

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

Shri T.K. Nag was instrumental in raising the production capacity from 18 MT to 26 MT at GEVRA Project under SECL in a span of 3 $\frac{1}{2}$ years. He introduced Surface Miner Technology as a result of which the capacity of running mining system improved. He has got around 20 years of experience in U/G mining. He was sent to Australia in 1992 and attended a 3 $\frac{1}{2}$ months course on Advance Under Ground Mining at WOLLONGONG UNIVERSITY in New South Wales and gained exposure on Roof Bolting Technology and Long Wall Mining. He has also visited Australia, Philippines for training & business. CCL coal production plan developed by Sri Nag has given a decisive push and production registered all time high of 47.52 MT in 2010-11. Due to his effort, after more than 10 years, a new mining project Purnadih in NK Area could be opened. His constant follow-up has helped in getting environmental clearance for some important Projects of CCL.



SHRI ABHIJIT CHATTERJEE

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

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



SHRI R. K. MAHAJAN

Shri R. K. Mahajan, IAS of 1987 Batch, Bihar Cadre, is a Member of CCL Board since 27.01.2010.

During his long tenure in Indian Administrative Service, he has served as D.M. of Katihar, Giridih, Begusarai and Samastipur etc.

He is on Central deputation since 2004. During this tenure on Central deputation, he has served as Executive Director, Ministry of Railways from 2007 to 2009 and presently working as Joint Secretary, Ministry of Coal from 2009 onwards.



SHRI R. MOHAN DAS

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

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

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



SHRI GUATAM BASU

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

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

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

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

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



SHRI S.K. SARKAR

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

Member, Secretarial Standards Board (SSB).

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

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

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

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

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

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

Consultant to Kookmin Bank, South Korea.

Led various International Delegations.



SHRI SMARAJIT CHAKRABARTI

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

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



SHRI ANAND KUMAR

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

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

During his career in the oil industry spanning over 36 years, in India and abroad, he headed oil refineries. He worked in diverse areas of oil refining operation, i.e. production, maintenance, inspection, project management, planning & execution of intergrated operations of refineries and pipelines, technology identification, its evaluation, selection, project execution and commissioning, etc. His other areas of specialization include change management, transformation and turnaround through his Company wide innovative leadership, human potential development and institution building.

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

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



PROF. K.V. RAMANI

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

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

Annexure-II

V. K. Jindal & Co.
Chartered Accountants

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

RANCHI-VARANASI-HAZARIBAGH-BHAGALPUR-DELHI-AHMEDABAD

To

The Members,
M/s. Central Coalfields Limited.

1. We have examined the compliance of conditions of Corporate Governance by Central Coalfields Limited for the year ended 31st March, 2011 although Clause 49 of the Listing Agreement is not applicable to the Company.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Place: Ranchi

Date : 17th May, 2011

ANNEXURES FORMING PART OF DIRECTORS' REPORT (For the Year Ended 31.3.2011)

Annexure-III

**INFORMATION AS PER SECTION 217 (2A) OF THE COMPANIES ACT, 1956
READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) AMENDMENT RULES, 2011**

LIST OF EMPLOYEES DRAWING ₹ 60.00* (Sixty Lakh Rupees) LAKH OR MORE DURING THE YEAR 2010-11*

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

EMPLOYEES WHO ARE IN RECEIPT OF REMUNERATION AT A RATE WHICH IN THE AGGREGATE WERE NOT LESS THAN ₹ 5.00* (Five Lakh Rupees) LAKH PER MONTH FOR PART OF THE YEAR 2010-11*

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

* Amended Vide notification number G.S.R. 289 (E) dated 31.03.2011, communicated vide No. 2/29/1998-CL.V dtd. 03.05.2011, by Assistant Director, Ministry of Corporate Affairs, under Sec. 217 of the Companies Act, 1956, applicable to all Director Reports, Approved by the Board of Director's on or after 01.04.2011.

FOREIGN EXCHANGE EARNING & OUTGO

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

Company is not engaged in export activities

- (ii) Total Foreign Exchange used and earned

(₹ in Lakh)

<i>Sl. No.</i>	<i>Description</i>	<i>2010-11</i>	<i>2009-10</i>
(A)	Foreign Exchange used		
1.	Interest	162.55	204.54
2.	Agency Commission	0.65	0.58
	Total	163.20	205.12

- (B) Foreign Exchange Earned**

No earning by the Company

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

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

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

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

The preparation of financial statements of Central Coalfields Limited, Ranchi for the year ended 31st March, 2011 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 17th May, 2011.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the financial statements of Central Coalfields Limited, Ranchi for the year ended 31st March, 2011. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comments upon or supplement to Statutory Auditors' Report under Section 619(4) of the Companies Act, 1956.

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

Sd/-
(S. K. Jaipuriyar)
Principal Director of Commercial Audit &
Ex-Officio MAB-II,
Kolkata - 20

Place : Kolkata

Dated : 18th May, 2011

**MINUTES OF THE 55th ANNUAL GENERAL MEETING OF
CENTRAL COALFIELDS LIMITED HELD IN THE REGISTERED OFFICE
AT DARBHANGA HOUSE, RANCHI ON 21st MAY, 2011**

PRESENT:

1. **Shri R.K. Saha** .. Member & Chairman
2. **Shri S. Chakraborty** .. Representative of CIL, a Corporate Member, and Proxy of Shri N.C. JHA, Member and Shri A.K. Sinha, Member.

SPECIAL INVITEE .. Shri A. Chatterjee, Director (Finance), CCL

IN ATTENDANCE:

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

Shri R.K. Saha, Chairman-cum-Managing Director, took the Chair. Being informed about the receipt of consent for Shorter Notice from all the members of the Company as per Article 22 and about the presence of quorum pursuant to Article 24 of the Articles of Association of the Company, the Chairman welcomed Shri S. Chakraborty, GM(F)/TS to D(F), CIL, representative of CIL, and called the meeting to order.

The Statement of Accounts for the year 2010-11, Reports of Statutory Auditors as well as of Comptroller & Auditor General of India thereon, Management's comments on those Reports, and Review of Accounts by the Comptroller & Auditor General of India along with Directors report to the members, as circulated, were taken as read.

ORDINARY BUSINESS:

1. ADOPTION OF ACCOUNTS:

Thereafter, Shri R.K. Saha, Chairman & Member of the Company proposed that the Audited Balance Sheet as on 31st March, 2011 and Profit & Loss Account for the year ended 31st March, 2011, Reports of Statutory Auditors as well as of Comptroller & Auditor General of India thereon, Management's comments on those Reports, and Review of Accounts by the Comptroller & Auditor General of India along with Directors' Report be received and adopted. The motion was seconded by Shri S. Chakraborty and after detailed discussion, the Accounts were adopted unanimously.

2. A proposal to declare an amount of ₹748.10 Crore as dividend on Equity Shares for the financial year ended 31st March, 2011 as recommended by the Board at its 377th meeting held on 17th May, 2011, was moved by the Chairman and was seconded by Shri S. Chakraborty. The resolution was adopted unanimously.

3. A proposal as per the provisions of Article 34(iii) of the Articles of Association of the Company for

re-appointment of Shri R.K. Mahajan, Joint Secretary, Ministry of Coal, Govt. of India, as a Part-time Director of the Company was moved by the Chairman and seconded by Shri S. Chakraborty. The resolution was adopted unanimously.

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

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

Sd/-

(C. V. N. Gangaram)

Company Secretary

Sd/-

(R. K. Saha)

Chairman-cum-Managing Director

BALANCE SHEET AS AT 31ST MARCH, 2011

	<u>Schedule</u>	<u>As at 31.3.2011 (₹ in Lakh)</u>	<u>As at 31.3.2010 (₹ in Lakh)</u>
I. SOURCES OF FUNDS :			
1. Share Holder's Funds :			
(a) Share Capital	A	94000.00	94000.00
(b) Reserves & Surplus	C	209800.78	172063.96
		<u>303800.78</u>	<u>266063.96</u>
2. Loan Funds :			
(a) Secured Loans		0.00	0.00
(b) Unsecured Loans	E	10492.50	11205.41
		<u>10492.50</u>	<u>11205.41</u>
TOTAL		<u>314293.28</u>	<u>277269.37</u>
II. APPLICATIONS OF FUNDS :			
1. Fixed Assets :			
(a) Gross Block	F	463652.85	465900.25
Less : Depreciation		320405.06	314281.44
Net Block		<u>143247.79</u>	<u>151618.81</u>
(b) Capital Work in Progress (Net)	G	36195.44	34304.70
		<u>179443.23</u>	<u>185923.51</u>
2. Investments	H	4711.52	5653.82
3. Deferred Tax Assets		49315.75	50727.97
4. Current Assets, Loans & Advances :			
(a) Inventories	I	144699.44	117717.53
(b) Debtors	J	94164.02	51244.83
(c) Cash & Bank Balances	K	258276.90	260700.75
(d) Loans & Advances	L	139580.02	120898.32
(e) Other Current Assets	M	27249.18	16082.32
Total Current Assets, Loans & Advances		<u>663969.56</u>	<u>566643.75</u>
Less : Current Liabilities & Provisions	N	583146.78	531679.68
Net Current Assets		<u>80822.78</u>	<u>34964.07</u>
TOTAL		<u>314293.28</u>	<u>277269.37</u>
SIGNIFICANT ACCOUNTING POLICY	P		
NOTES ON ACCOUNTS	Q		
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE	R		
CASH FLOW STATEMENT	S		

The schedules referred to above form an integral part of Accounts.

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

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

Sd/-
A. Chatterjee
Director (Finance)

Sd/-
R. K. Saha
Chairman-cum-Managing Director

Place : Ranchi
Dated : 17.05.2011

Place : Ranchi
Dated : 17.05.2011

In terms of our report of even date
For **M/s V. K. Jindal & Co.**
Chartered Accountants
Sd/-
(R. S. Agarwal)
Partner
(M. no. 076081)
(Firm ICAI Reg. No. 001468 C)

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH, 2011

	Schedule	FOR THE YEAR ENDED 31.3.2011 (₹ in Lakh)	FOR THE YEAR ENDED 31.3.2010 (₹ in Lakh)
INCOME :			
Sales	1	604169.96	548822.42
Coal issued for other purposes	2(A)	121867.16	109313.21
Accretion/Decretion in stock	3	28132.54	16243.95
Other Income	4	52470.45	50585.90
TOTAL INCOME		806640.11	724965.48
EXPENDITURE :			
Colliery consumption	2(B)	121375.89	105315.47
Consumption of Stores & Spares	5	52938.76	50297.13
Employees Remuneration & Benefits	6	251846.85	232875.99
Social Overhead	7	23360.43	20292.92
Power & Fuel	8	20674.27	26689.97
Repairs	9	21222.49	19574.04
Contractual Expenses	10	39633.76	29276.90
Miscellaneous Expenses	11	38843.40	33608.73
Overburden Removal Adjustment		10062.66	18502.34
TOTAL EXPENDITURE		579958.51	536433.49
GROSS OPERATING PROFIT			
Interest	12(A)	226681.60	188531.99
Financial Charges	12(B)	895.50	1738.80
Depreciation		157.39	185.84
Provisions	13(A)	20501.15	20202.27
Write-Off	13(B)	18097.91	12707.82
		0.00	498.67
PROFIT FOR THE YEAR		187029.65	153198.59
Prior Period Adjustment (Debit)	14	1007.97	-106.42
PROFIT BEFORE TAX		186021.68	153305.01
PROVISION FOR INCOME TAX		60149.39	50659.06
PROVISION FOR DEFERRED TAX		1412.22	5771.56
PROV. FOR I.T. FOR EARLIER YEAR		-73.58	295.52
WITHDRAWAL OF EXCESS PROV OF DIVIDEND TAX		-149.22	0.00
PROFIT AFTER TAX		124682.87	96578.87
APPROPRIATION			
General Reserve		18602.00	15331.00
C.S.R. Reserve		2569.07	2161.80
Proposed Dividend		74810.00	38632.00
Tax on Dividend		12136.05	6565.51
PROFIT UPTO THE PREVIOUS YEAR		114017.16	80128.60
BALANCE CARRIED TO BALANCE SHEET		130582.91	114017.16
SIGNIFICANT ACCOUNTING POLICY	P		
NOTES ON ACCOUNTS	Q		
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE	R		
CASH FLOW STATEMENT	S		

The schedules referred to above form an Integral part of Accounts

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

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

Sd/-
A. Chatterjee
Director (Finance)

Sd/-
R. K. Saha
Chairman-cum-Managing Director

Place : Ranchi
Dated : 17.05.2011

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

Place : Ranchi
Dated : 17.05.2011

Sd/-
(R. S. Agarwal)
Partner
(M. no. 076081)
(Firm ICAI Reg. No. 001468 C)

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2011

Schedule - A SHARE CAPITAL

		As at 31.3.2011 (₹ in Lakh)	As at 31.3.2010 (₹ in Lakh)
AUTHORISED :			
110,00,000 Equity shares (Previous year 110,00,000) of ₹ 1000 each.	110000.00	110000.00	110000.00
		110000.00	110000.00
ISSUED, SUBSCRIBED AND PAID UP			
9400000 Equity Shares (Previous year 9400000) of ₹ 1000 each fully paid in cash		94000.00	94000.00
		94000.00	94000.00
Note : The entire share capital is held by Coal India Limited, Holding Company and its nominees.			

Schedule -C RESERVES AND SURPLUS

		As at 31.3.2011 (₹ in Lakh)	As at 31.3.2010 (₹ in Lakh)
General Reserve :			
Opening Balance	56613.64		40554.00
Add : Transfer from Profit & Loss A/c	18602.00		15331.00
Add : Transfer from Reserve for CSR	989.61		728.64
	76205.25	76205.25	56613.64
Reserve for CSR :			
Opening Balance	1433.16		0.00
Add : Transfer from Profit & Loss A/c	2569.07		2161.80
Less : Transferred to General Reserve	989.61		728.64
	3012.62	3012.62	1433.16
Profit & Loss A/c			
Opening Balance	114017.16		80128.60
Add : Transfer from Profit & Loss A/c	16565.75		33888.56
	130582.91	130582.91	114017.16
TOTAL		209800.78	172063.96

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2011

Schedule - E

UNSECURED LOANS

		As at 31.3.2011 (₹ in Lakh)		As at 31.3.2010 (₹ in Lakh)
Loan from Holding Company	0.00		15727.44	
Less Repayment	0.00		15727.44	
	<u> </u>	0.00	<u> </u>	0.00
Foreign Loans : (Through CIL Holding Company)				
World Bank Loan (CSR)				
IBRD	4832.68		5424.88	
JBIC (JEXIM)	5659.82		5780.53	
	<u> </u>	10492.50	<u> </u>	11205.41
TOTAL		<u>10492.50</u>		<u>11205.41</u>

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2011

Schedule - F FIXED ASSETS

(₹ in Lakh)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost As at 1.4.2010	Addition During the Period	Adjustment for Disposal/Dis-carded Fixed Assets	Total Cost As at 31.3.2011	Depre-ciation As at 1.4.2010	Depre-ciation For the Period	Adjust-ment For dispo-sal/Dis-carded etc.	Total Depre-ciation upto 31.3.2011	Net Block As at 31.3.2011	Net Block As at 31.3.2010
(A) COMPLETED ASSETS :										
LAND - Freehold	1655.54	0.00	0.00	1655.54	0.00	0.00	0.00	0.00	1655.54	1655.54
Leasehold	49213.41	481.41	1479.15	51173.97	29814.48	1739.85	0.00	31554.33	19619.64	19398.93
BUILDINGS	37306.63	150.17	519.17	37975.97	23055.97	726.85	19.61	23802.43	14173.54	14250.66
ROADS AND CULVERTS	6775.72	2.17	0.00	6777.89	4448.30	168.93	-18.31	4598.92	2178.97	2327.42
RAILWAY SIDINGS	8753.06	0.00	0.00	8753.06	6098.65	309.67	0.00	6408.32	2344.74	2654.41
Plant & Machinery										
(a) HEMM	180260.50	10486.43	-14178.08	176568.85	111130.56	13548.80	-14901.43	109777.93	66790.92	69129.94
(b) Power Plant	9236.69	0.00	-2.50	9234.19	7903.37	387.00	-818.64	7471.73	1762.46	1333.32
(c) Others	75717.17	381.94	-1189.79	74909.32	61731.29	1339.02	-741.83	62328.48	12580.84	13985.88
TELECOMMUNICATION	1671.13	12.68	0.88	1684.69	1282.69	71.26	-24.79	1329.16	355.53	388.44
ELECTRICAL INSTALLATION	21110.26	326.97	153.69	21590.92	11891.60	817.78	1115.04	13824.42	7766.50	9218.66
FURNITURE AND OFFICE EQUIPMENT	5280.69	155.28	8.69	5444.66	3491.48	301.25	-126.79	3665.94	1778.72	1789.21
DEVELOPMENT :										
(i) PROSPECTING & BORING	4666.07	0.00	-65.00	4601.07	4526.34	14.27	-2.59	4538.02	63.05	139.73
(ii) MINES DEVELOPMENT	57464.65	484.37	-2376.37	55572.65	46308.39	2256.75	-71.05	48494.09	7078.56	11156.26
VEHICLES	2940.05	173.75	-58.85	3054.95	2586.27	50.24	-38.15	2598.36	456.59	353.78
FIRE ARMS	15.77	0.00	0.00	15.77	12.05	0.52	0.36	12.93	2.84	3.72
TOTAL(A)	462067.34	12655.17	-15709.01	459013.50	314281.44	21732.19	-15608.57	320405.06	138608.44	147785.90
(B) DISCARDED/ SURVEYED OFF ASSETS HELD FOR DISPOSAL										
	3832.91	819.43	-12.99	4639.35	0.00	0.00	0.00	0.00	4639.35	3832.91
TOTAL (A+B)	465900.25	13474.60	-15722.00	463652.85	314281.44	21732.19	-15608.57	320405.06	143247.79	151618.81
PREVIOUS YEAR	448490.81	27018.93	-9609.49	465900.25	303800.93	21115.00	-10634.49	314281.44	151618.81	

NOTE 1 :

(₹ in lakh)

	CURRENT YEAR	PREVIOUS YEAR
ALLOCATION OF DEPRECIATION :		
1. Profit and loss Account		
(a) 100% Deprn. on Coal Tub etc.	77.89	172.17
(b) 100% deprn. on Assets Costing below ₹ 5000.	3.49	2.50
(c) Others	20419.77	20027.60
Total (1)	20501.15	20202.27
2. Social overhead (Sch. 7)	585.64	640.94
3. Depreciation on Power (Sch. 8)	364.35	309.79
4. Prior Period depreciation (Sch.14)	0.00	-38.00
5. Depreciation Capitalised	281.05	0.00
6. Impairment Depreciation	0.00	0.00
TOTAL	21732.19	21115.00

NOTE 2 :

SOCIAL OVERHEAD ASSETS INCLUDED IN THE SCHEDULE ARE AS FOLLOWS :

(₹ in lakh)

	As At 31.3. 2011	As AT 31.3.2010
1. Buildings		
(a) Residential	18171.94	17702.16
(b) Hospital	1260.77	1260.62
(c) School	1124.39	1095.29
(d) Crech	7.37	7.37
(e) Others	2197.39	2193.63
2. Roads & Culverts	1728.13	1721.11
3. Water Supply	1805.10	1804.74
4. Plant & Machinery		
(a) Hospital	0.00	0.00
(b) Canteen	0.00	0.00
(c) Others	3621.36	3603.05
5. Furniture & Office Equip.		
(a) Hospital	1396.55	1373.07
(b) Residential	0.00	0.00
(c) School	152.24	152.24
(d) Canteen	0.00	0.00
(e) Others	47.25	47.25
6. Vehicles		
(a) Hospital	252.16	257.19
(b) Others	429.60	431.60
TOTAL	32194.25	31649.32

NOTE 3 :

(₹ in lakh)

	CURRENT YEAR	PREVIOUS YEAR
RECONCILIATION OF DEPREN. FUND :		
Opening Balance	314281.44	303800.93
Add Deprn. provided during the year	21732.19	21115.00
Add Adjustment of Deprn. on CWIP	0.00	0.00
TOTAL	336013.63	324915.93
Less Net outflow fund for Surveyed/Written off Assets (including adjustments)	-15608.57	-10634.49
Less Inflow fund : Inter Company	0.00	0.00
Less Transfer to Deprn. Fund	0.00	0.00
Closing Balance	320405.06	314281.44

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2011

Schedule - G CAPITAL WORK IN PROGRESS

(₹ in Lakh)

PARTICULARS	COST					PROVISION				NET ASSETS	
	Cost As at 1.4.2010	Addition During the Period	Adjustment for Disposal/ Discarded of Assets etc.	Transfer to completed Assets	Cost As At 31.3.2011	As On 1.4.2010	During the Period	Withdrawal/ Adjustment during the Year	Total As On 31.3.2011	Net Assets As on 31.3.2011	Net Assets As on 31.3.2010
Buildings	2688.79	613.05	0.00	-523.94	2777.90	261.77	13.57	0.00	275.34	2502.56	2427.02
Roads & Culverts	124.57	167.97	0.00	0.00	292.54	10.95	0.00	-8.82	2.13	290.41	113.62
Water Supply	979.04	8.91	11.29	-7.04	992.20	709.38	27.48	8.82	745.68	246.52	269.66
Railway Sidings	16332.11	0.00	1.31	0.00	16333.42	3026.51	329.36	0.00	3355.87	12977.55	13305.60
Plant & Machinery and Capital Stores in Stores	4586.41	812.88	-564.15	-987.72	3847.42	876.59	2.55	0.00	879.14	2968.28	3709.82
Other Plant and Coal Handling Plant under Installation	2295.42	70.67	163.91	-842.35	1687.65	368.37	55.99	0.00	424.36	1263.29	1927.05
Development :											
(i) Prospecting & Boring	5620.98	1427.08	-1059.58	-1.33	5987.15	147.18	0.00	87.39	234.57	5752.58	5473.80
(ii) Mines Development	3818.97	364.70	2674.42	0.00	6858.09	5.25	2373.86	0.00	2379.11	4478.98	3813.72
(iii) Others	3324.83	3956.00	-26.11	-1479.03	5775.69	60.42	0.00	0.00	60.42	5715.27	3264.41
TOTAL	39771.12	7421.26	1201.09	-3841.41	44552.06	5466.42	2802.81	87.39	8356.62	36195.44	34304.70
PREVIOUS YEAR	36254.34	5669.06	-105.43	-2046.85	39771.12	5119.03	431.81	-84.42	5466.42	34304.70	

NOTE 1 :

	As At 31.3.2011 (₹ in Lakh)	As At 31.3.2010 (₹ in Lakh)
SOCIAL OVERHEAD ASSETS INCLUDED IN THE SCHEDULE ARE AS FOLLOWS :		
(i) Buildings	2249.75	2121.88
(ii) Roads & Culverts	30.01	28.64
(iii) Water Supply	992.20	979.04
(iv) Others	0.00	0.00
TOTAL	3271.96	3129.56

NOTE 2 :

	FOR THE YEAR AMOUNT (₹ in Lakh)	AS ON 31.3.11 AMOUNT (₹ in Lakh)
Break-up of Provision		
(i) Provision for Unused Assets	2802.81	7078.62
(ii) Provision for Loss of Assets	0.00	1278.00
TOTAL	2802.81	8356.62

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2011

Schedule - H

INVESTMENTS (AT COST)

	AS AT 31.3.2011 (₹ in Lakh)	AS AT 31.3.2010 (₹ in Lakh)
Long term Investments (Unquoted)		
(i) Bonds :		
8.5% UP Tax Free Power Bonds	4045.00	4854.00
8.5% Haryana Tax Free Power Bonds	666.50	799.80
	4711.50	5653.80
(ii) Others :		
25 Fully paid "B" Class shares of ₹ 100 each in N.C.D.C. Saunda Employees Consumer Co-operative Stores Limited at cost.	0.02	0.02
TOTAL	4711.52	5653.82

Note : Tax Free Power Bonds were allotted to the company by UPSEB and HSEB for ₹ 8090 Lakh and ₹ 1333 Lakh respectively towards partial settlement of its coal sale outstanding dues as per scheme for "one time settlement of SEB dues" approved by GOI.

Schedule - I

INVENTORIES

	AS AT 31.3.2011 (₹ in Lakh)	AS AT 31.3.2010 (₹ in Lakh)
1. Stock of Stores and Spares	17594.53	18625.83
Less : Provision	3619.07	3614.01
Add	13975.46	15011.82
In- transit/under inspection	380.84	465.09
Stock Adjustment	0.00	1.97
	14356.30	15478.88
2. Stock of Coal		
Raw Coal		
Revenue Mines	108433.63	84904.85
Capital Mines	0.00	0.00
	108433.63	84904.85
Coke		
Soft Coke	0.72	0.69
Hard coke	64.43	62.05
	65.15	62.74
Washery Products		
Washed coal	5985.73	4440.61
Middlings/Slurry	14701.02	11186.09
	20686.75	15626.70
Magnetite	1.61	1.61
Coal tar and other By-products	44.07	41.91
	129231.21	100637.81
3. Workshop Jobs :	296.57	234.63
4. Press :		
Work in Progress/Finished goods	81.24	132.44
5. Medicines (Central Hospital)	37.20	59.80
6. Non-CIL Block	696.92	1173.97
TOTAL	144699.44	117717.53

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2011**Annexure To Schedule - I**

[(Qty. in Lakh tones) (value in lakh ₹)]

	<u>OVERALL STOCK</u>		<u>NON VENDABLE STOCK</u>		<u>VENDABLE STOCK</u>	
	Qty.	Value	Qty.	Value	Qty.	Value
1. (A) Opening Stock as on 01.04.10	165.31	84904.85	1.21	0.00	164.10	84904.85
2. Production for the year	475.21	524180.79	0.00	0.00	475.21	524180.79
3. Sub-Total (1+2)	640.52	609085.64	1.21	0.00	639.31	609085.64
4. Offtake for the year :						
(A) Outside Despatch	340.69	398900.23	0.00	0.00	340.69	398900.23
(B) Inter-Transfer	123.03	101622.13	0.00	0.00	123.03	101622.13
(C) Own consumption	0.11	129.65	0.00	0.00	0.11	129.65
Total (4)	463.83	500652.01	0.00	0.00	463.83	500652.01
5. Derived Stock	176.69	112984.16	1.21	0.00	175.48	112984.16
6. Measured Stock	161.58	106210.69	1.18	0.00	160.40	106210.69
7. Difference (5-6)	15.11	6773.47	0.03	0.00	15.08	6773.47
8. Break-up of Difference :						
(A) Excess within 5%	0.38	215.36	0.00	0.00	0.38	215.36
(B) Shortage within 5%	3.72	2438.30	0.03	0.00	3.69	2438.30
(C) Excess beyond 5%	0.00	0.00	0.00	0.00	0.00	0.00
(D) Shortage beyond 5%	11.76	4550.53	0.00	0.00	11.76	4550.53
9. Closing Stock adopted in A/c (6-8A+8B)	164.92	108433.63	1.21	0.00	163.71	108433.63

Reconciliation of Closing Stock adopted in Account with Book stock as at the end of the year.

Note : Closing stock of non-vendable coal includes 0.20 lakh tonnes mixed stock not physically measured due to water logging.

	<u>Qty.</u>	<u>Value</u>
Stock as per Books	164.92	108433.63
Less : Non-vendable stock including Mixed stock and stock on fire for which provision equivalent to the value has been made in the A/C, but quantity not adjusted in Book Stock as well as in Accounts	1.21	0.00
Stock as per Accounts after all provisions	163.71	108433.63

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2011

Schedule - J

SUNDRY DEBTORS

	AS AT 31.3.2011 (₹ in Lakh)	AS AT 31.3.2010 (₹ in Lakh)
Debts Outstanding for a period exceeding six months	139186.26	97589.19
Other Debts	7007.76	3228.64
	146194.02	100817.83
Less : Provision for doubtful debts	52030.00	49573.00
TOTAL	94164.02	51244.83
Classification :		
Secured and considered good	0.00	0.00
Unsecured and Considered good	94164.02	51244.83
Unsecured and considered doubtful	52030.00	49573.00

Schedule - K

CASH AND BANK

	AS AT 31.3.2011 (₹ in Lakh)	AS AT 31.3.2010 (₹ in Lakh)
Cash, Cheques and Drafts in hand (including Postal Orders and stamps in hand)	1653.15	1941.44
Remittance in transit	2.58	3.35
With scheduled Banks in :		
Current Account	13974.03	34818.40
Less Provision	20.39	20.39
	13953.64	34798.01
Deposit Account	907.63	604.81
Short Term Deposit with Banks	214000.00	155876.30
Short Term Deposit with Banks (CLTD)	27759.90	67476.84
TOTAL	258276.90	260700.75

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2011**Schedule - L****LOANS & ADVANCES**

	AS AT 31.3.2011 (₹ in Lakh)	AS AT 31.3.2010 (₹ in Lakh)
Advances recoverable in cash or in kind or for value to be received		
(i) Advance to suppliers :		
(a) For Capital items	1211.13	362.19
(b) For other Stores	2976.05	1838.80
	4187.18	2200.99
(ii) Advance to Contractors :		
(a) For Capital	90.51	425.81
(b) For others	3.73	3.73
	94.24	429.54
(iii) Advance to Employees :		
(a) For House Building	359.36	458.52
(b) For Motor Car & other conveyance	5.34	8.20
(c) For others	774.46	845.80
	1139.16	1312.52
(iv) Deposits :		
(a) P & T, Electricity etc.	64.52	41.52
(b) Royalty & Cess	2800.75	2503.36
(c) Sales Tax	9270.26	7880.32
(d) Income Tax	21297.37	0.00
(e) Others	6522.47	6669.44
	39955.37	17094.64
(v) Amount due from Central/State Govt. :		
(a) Subsidy	90.08	78.05
(b) Sales Tax	2090.79	2256.31
	2180.87	2334.36
(vi) Advance payment of Statutory Dues :		
(a) Sales Tax & Royalty	7978.78	5282.56
(b) Others	20.26	945.94
(c) Advance Income Tax	72352.04	83318.94
(d) Tax Deducted at Source	1535.44	1954.02
	81886.52	91501.46
(vii) Prepaid expenses	142.60	37.12
(viii) Current Account with Subsidiaries of Holding Company :		
(i) E.C.L.	-34.54	69.36
(ii) B.C.C.L.	5.33	246.18
(iii) W.C.L.	0.00	0.00
(iv) C.M.P.D.I.L.	178.00	211.14
(v) N.C. L.	1.90	139.66
(vi) S.E.C.L.	22.47	17.25
(vii) M.C.L.	7.34	33.24
	180.50	716.83
(ix) Surplus Fund with CIL (Holding Company)	14572.84	10020.32
	144339.28	125647.78
Less : Provisions for doubtful Advances	4759.26	4749.46
TOTAL	139580.02	120898.32
Classification :		
(a) Considered good and in respect of which the company is fully secured	364.70	466.72
(b) Considered good for which the company holds no security other than party's personal security	139215.32	120431.60
(c) Considered doubtful	4759.26	4749.46
Amount due by	<u>Directors</u>	<u>Officers</u>
During the year	0.00	0.00
Maximum amount due at any time	0.00	0.00

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2011

Schedule - M

OTHER CURRENT ASSETS

		AS AT 31.3.2011 (₹ in Lakh)		AS AT 31.3.2010 (₹ in Lakh)
(1) Claims receivables :				
(i) Railway	0.00		0.00	
(ii) Insurance	0.70		0.70	
(iii) Cess	10033.04		10033.04	
(iv) Coal Controller	294.24		289.77	
(v) Others	16785.96		4939.77	
		27113.94		15263.28
(2) Other Receivables :				
(i) Employees	723.74		1531.79	
(ii) Others (Accrued Interest on Bonds)	0.00		0.00	
		723.74		1531.79
		27837.68		16795.07
Less : Provision for Doubtful Claims receivables		588.50		712.75
TOTAL		27249.18		16082.32
Classification :				
(a) Considered good		27249.18		16082.32
(b) Considered doubtful		588.50		712.75

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2011**Schedule - N****CURRENT LIABILITIES AND PROVISIONS**

		AS AT 31.3.2011 (₹ in Lakh)	AS AT 31.3.2010 (₹ in Lakh)
(A) Current Liabilities :			
(i) Sundry Creditors for goods (Small Scale Industry) :			
(a) For Capital	0.00		0.00
(b) For Revenue	25.41		71.96
	<u>25.41</u>	25.41	<u>71.96</u>
(ii) Sundry Creditors for goods (Others) :			
(a) For Capital	3070.65		2513.82
(b) For Revenue	5962.39		6056.19
	<u>9033.04</u>	9033.04	<u>8570.01</u>
(iii) Expenses :			
Employees remuneration	23163.16		78886.38
Gratuity	89124.72		92572.64
Attendance Bonus	2042.58		2191.19
PPLB/PPLR	28003.43		11885.51
Unpaid Wages	306.37		1001.58
Leave Pay	24217.92		20461.11
Power & Fuel	5161.62		4339.56
Repairs	3386.41		2614.55
Mine Closure	9265.57		4526.27
Contractual Expenses :			
Capital	3069.51	3476.10	
Revenue	21223.01	19757.09	
	<u>24292.52</u>	<u>23233.19</u>	
		208964.30	241711.98
(iv) Statutory Dues :			
Sales Tax - Central	879.94		486.76
State	611.05		497.61
Royalty	1147.22		1889.62
Cess on Coal	11714.87		11714.87
Stowing Excise Duty	1011.28		859.71
Clean Energy Cess	1676.44		0.00
Central Excise Duty	9214.73		0.00
Tax deducted at source (I. Tax) :			
Employees	5180.13		894.90
Contractors	214.11		84.19
Govt. Grants (Environmental)	12.65		12.65
Life Cover Scheme	813.53		991.60
Provident Fund	5176.57		5400.42
	<u>37652.52</u>	<u>22832.33</u>	
(v) Current Account with CIL		-886.36	-1930.56
(vi) Interest Accrued but not Due		0.00	0.00
(vii) Advances and Deposits from :			
Customers	33641.13		31224.77
Contractors & Others	41077.77		39929.36
	<u>74718.90</u>	<u>71154.13</u>	
(viii) Employees' Pension Contribution		7727.43	5885.22
(ix) Accumulated Reserve for future OBR	106482.04		86090.38
Less : Advance Stripping	18816.30		8487.30
	<u>87665.74</u>	<u>77603.08</u>	
(x) Other Liabilities			
Capital (for Loss of Assets)	1098.18		1087.08
Revenue	10052.18		8837.88
	<u>11150.36</u>	<u>9924.96</u>	
TOTAL (A)		436051.34	435823.11
(B) Provisions :			
Provisions for Income Tax		60149.39	50659.06
Proposed Dividend (incl. Dividend Tax)		86946.05	45197.51
TOTAL (B)		147095.44	95856.57
TOTAL (A+B)		583146.78	531679.68

SCHEDULE TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Schedule - 1

SALES

	PRODUCTS						For the Year ended 31.3.11 (₹ in Lakh)	For the Year ended 31.3.10 (₹ in Lakh)
	Raw coal	Hard Coke	Soft Coke	Washed Coal	Washery Products	Bye-prod.		
Quantity (in Lakh Tonne)	340.69	0.00	0.00	94.52	14.28	9.14		
Gross Sale Value (A)	487916.74	0.00	0.00	190820.50	24836.04	4739.80	708313.08	629192.03
LESS : STATUTORY LEVIES								
(a) Royalty on coal							61620.93	58466.43
(b) Clean Energy Cess							17929.32	0.00
(c) Stowing Excise Duty							4671.20	4297.18
(d) Central Excise Duty							720.10	0.00
(e) Sales Tax :								
(i) Central							10413.27	9579.07
(ii) State							8788.30	8026.93
Total Levies (B)							104143.12	80369.61
Basic Value (A-B)							604169.96	548822.42
Less : Transfer to Development							0.00	0.00
NET VALUE							604169.96	548822.42
Previous yr. (Gross)	432751.83	0.00	0.00	166689.92	25310.15	4440.13	629192.03	

SCHEDULE TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Schedule - 2(A)

COAL ISSUED FOR OTHER PURPOSES

	Washed Coal	Hard Coke	Colliery/ Domestic Consumption	For the year Ended 31.3.11 (₹ in Lakh)	For the year Ended 31.3.10 (₹ inLakh)
Quantity (in Lakh Tonne)	128.84	0.00	0.11		
Basic Value	102070.91	0.00	129.65	102200.56	94203.08
Add : STATUTORY LEVIES					
(a) Royalty on coal	14577.00	0.00	8.36	14585.36	13926.44
(b) Clean Energy Cess	3790.86	0.00	0.00	3790.86	0.00
(c) Stowing Excise Duty	1277.47	0.00	0.00	1277.47	1183.69
(d) Other Levies	12.91	0.00	0.00	12.91	0.00
Total Levies	19658.24	0.00	8.36	19666.60	15110.13
Gross Value	121729.15	0.00	138.01	121867.16	109313.21
Previous Year (Gross)	109186.80	0.00	126.41	109313.21	

Schedule - 2 (B)

COLLIERY CONSUMPTION

	FOR THE YEAR ENDED 31.3.2011 (₹ in Lakh)	FOR THE YEAR ENDED 31.3.2010 (₹ in Lakh)
Hard Coke Making :		
Opening Stock	4.22	4.22
Add : Transferred to Hard Coke during the year	0.00	0.00
Less : Closing Stock	4.44	4.22
	-0.22	0.00
Washeries :		
Opening Stock	14338.40	10391.69
Add : Transferred to Washeries during the year :	121729.15	109186.80
Less : Closing Stock	14787.18	14338.40
	121280.37	105240.09
Workshop Consumption	95.74	75.38
Free issue to Employees	58.86	60.92
	121434.75	105376.39
Less:		
Transferred to Social Overhead	58.86	60.92
	121375.89	105315.47

Workshop Consumption includes ₹ 16.59 lakhs towards 110.19 MT of coal received from BCCL.

SCHEDULE TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Schedule - 3

ACCRETION/DECRETION IN STOCK

	FOR THE YEAR ENDED 31.3.2011 (₹ in Lakh)		FOR THE YEAR ENDED 31.3.2010 (₹ in Lakh)	
1. Stock of Coal/Coke etc.				
A. Closing Stock :				
(a) Raw Coal	108433.63		84904.85	
(b) Soft Coke	0.72		0.69	
(c) Hard Coke	64.43		62.05	
(d) Washed Coal	5985.73		4440.61	
(e) Middlings	14701.02		11186.09	
(f) Magnetite	1.61		1.61	
(g) Coal Tar	4.24		4.03	
(h) Other Bye-Products	39.83		37.88	
	129231.21		100637.81	
Less : Raw Coal at Washery	14787.18	14338.40		
Raw Coal at Coke Oven	4.44	4.22		
	14791.62	114439.59	14342.62	86295.19
TOTAL (A)		114439.59		86295.19
B. Opening Stock :				
(a) Raw Coal	84904.85		66105.57	
(b) Soft Coke	0.69		0.69	
(c) Hard Coke	62.05		62.39	
(d) Washed Coal	4440.61		3055.52	
(e) Middlings	11186.09		11297.37	
(f) Magnetite	1.61		1.61	
(g) Coal Tar	4.03		4.03	
(h) Other Bye-Products	37.88		99.20	
	100637.81		80626.38	
Less : Raw Coal at Washery	14338.40	10391.69		
Raw Coal at Coke Oven	4.22	4.22		
	14342.62	10395.91		70230.47
TOTAL (B)		86295.19		70230.47
NET TOTAL (A-B) OF 1		28144.40		16064.72

SCHEDULE TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Schedule - 3 (Contd.)

ACCRETION/DECRETION IN STOCK

		FOR THE YEAR ENDED 31.3.2011 (₹ in Lakh)	FOR THE YEAR ENDED 31.3.2010 (₹ in Lakh)
2.	Workshop Job		
(a)	Workshop Closing Job		
	(i) Finished Goods	171.54	137.55
	(ii) Work in progress	125.03	97.08
		296.57	234.63
(b)	Less : workshop Opening Job		
	(i) Finished Goods	137.55	79.47
	(ii) Work in Progress	97.08	80.38
		234.63	159.85
	NET TOTAL (a-b) of 2	61.94	74.78
3.	Press Job		
(a)	Press Closing Job		
	(i) Finished Goods	59.60	75.22
	(ii) Work in Progress	21.64	57.22
		81.24	132.44
(b)	Less : Press Opening Job		
	(i) Finished Goods	75.22	33.49
	(ii) Work in progress	57.22	28.08
		132.44	61.57
	NET TOTAL (a-b) of 3	-51.20	70.87
4.	Medicine (Central Hospital)		
	Closing Stock	37.20	59.80
	Less : Opening Stock	59.80	26.22
		-22.60	33.58
	TOTAL OF 4	-22.60	33.58
	GRAND TOTAL OF 1+2+3+4	28132.54	16243.95

SCHEDULE TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Schedule - 4

OTHER INCOME

	FOR THE YEAR ENDED 31.3.2011 (₹ in Lakh)	FOR THE YEAR ENDED 31.3.2010 (₹ in Lakh)
Stowing Subsidy	259.56	191.24
Value of Job Done :		
Work Shop	12974.79	11934.01
Press	337.15	325.25
	13311.94	12259.26
Interest Received :		
On Loans & Advances to Employees	65.85	127.55
On Bank Deposit	0.90	0.00
From Customers	0.00	0.00
On Short Term Deposit	13965.76	12776.54
On Tax Free Bonds	460.55	541.59
On Excess Payment of Corporate Tax	1033.85	2525.59
On Surplus Fund Parked with CIL	949.61	1402.73
Gratuity Fund with LIC	0.00	628.44
	16476.52	18002.44
Rent received from outsider	20.70	14.05
Recovery of transportation & Loading Cost	17357.21	12016.85
Lease Rent	384.00	384.00
VRS Grants	0.00	0.00
Profit on sale of Surveyed off assets	9.55	0.00
Exchange Fluctuation (Net)	0.00	1187.69
Tender Fees	39.94	37.37
Sale of Scrap	146.87	35.15
Liquidated Damages	1219.27	485.78
Penalty	49.00	31.54
Water Charges	3.62	2.95
Others	3192.27	5937.58
TOTAL	52470.45	50585.90

SCHEDULE TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Schedule -5

CONSUMPTION OF STORES AND SPARES

	FOR THE YEAR ENDED 31.3.2011 (₹ in Lakh)	FOR THE YEAR ENDED 31.3.2010 (₹ in Lakh)
Explosive	9751.31	9687.80
Timber	186.91	155.93
P.O.L.	24065.45	22207.72
Other Stores & Spares		
(a) HEMM	10523.78	11345.11
(b) Others	8794.78	7321.27
	19318.56	18666.38
SUB TOTAL	53322.23	50717.83
Less Transfer to		
(a) Social overhead	88.12	199.90
(b) Miscellaneous	290.15	208.70
(c) Power & Fuel	2.32	10.25
(d) Development	2.88	1.85
	383.47	420.70
TOTAL	52938.76	50297.13

SCHEDULE TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Schedule - 6

EMPLOYEE REMUNERATION AND BENEFITS

	FOR THE YEAR ENDED 31.3.2011 (₹ in Lakh)	FOR THE YEAR ENDED 31.3.2010 (₹ in Lakh)
Salaries & Wages	153185.55	140155.78
Provision for NCWA VIII	0.00	0.00
Provision for Executive Salary Revision	0.00	0.00
Overtime		
(a) Normal	2610.51	2354.04
(b) Sunday/Holiday Production	11682.42	10550.69
(c) Sunday/Holiday Maintenance	2173.72	2158.65
	16466.65	15063.38
Incentives and other Perks	713.41	1093.38
Leave encashment	8397.54	4133.31
Fallback wages	815.00	752.50
Contribution to PF	22603.34	17565.24
C.M. Bonus	7920.50	8366.74
Ex-gratia		
(a) PPLB - Non Executive	9489.70	5846.77
(b) PPLB - Executive	7657.00	6477.94
	17146.70	12324.71
LTC/LLTC	1691.68	1416.69
Pension	3804.55	4657.44
Gratuity	23875.73	28173.48
Workmen Compensation	670.52	1972.35
Deposit Link Insurance	1.96	61.59
Life Cover Scheme	331.92	266.05
Voluntary Retirement Scheme	1091.00	1340.27
Sub Total	258716.05	237342.91
Less transfer to		
(a) Social Overhead	6693.08	4300.67
(b) Power & Fuel	55.85	52.83
(c) Development	120.27	113.42
	6869.20	4466.92
TOTAL	251846.85	232875.99

SCHEDULE TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Schedule -7

SOCIAL OVERHEAD

	FOR THE YEAR ENDED 31.3.2011 (₹ in Lakh)	FOR THE YEAR ENDED 31.3.2010 (₹ in Lakh)
Salary, Wages & Allowances (From Schedule - 6)	6693.08	4300.67
Free issue of coal to Employees	58.86	60.92
Medical facilities		
(a) Medical re-imburement		
(i) Within the Company	999.07	806.92
(ii) Outside the Company	628.96	424.56
	1628.03	1231.48
(b) Medicine	389.43	510.84
(c) Diet expenses	81.45	61.32
(d) Medical Grants	0.00	0.00
	2098.91	1803.64
Grants to		
(a) School & Institutions	1112.35	1451.23
(b) Sports Recreation	54.97	42.51
	1167.32	1493.74
Canteen Upkeep	15.61	12.73
House Rent	1346.22	1337.25
Power (From Schedule 8)	2765.99	3194.62
Repairs & Maintenance (from Sch. 9)		
(a) Township	5860.59	4981.04
(b) Other Welfare Buildings	127.45	50.64
(c) Plant & Machinery	7.83	37.45
(d) Others	2.19	0.44
	5998.06	5069.57
Maintenance of vehicles		
(a) Petrol & Diesel (from Sch-5)	16.06	82.89
(b) Repairs (from Schedule-9)	4.53	7.88
(c) Road Tax	0.51	3.45
(d) Insurance	0.13	1.19
(e) Stores & Spares (from Sch-5)	18.69	0.00
	39.92	95.41
Consumption of Stores & Spares (from Sch-5)	53.37	117.02
Training Expenses		
(a) Within Company	242.74	118.32
(b) Outside Company	243.64	265.50
	486.38	383.82
Depreciation	585.64	640.94
Community Development	968.85	786.14
Environmental Expenditure		
(a) Tree Plantation	27.38	124.02
(b) Others	228.64	80.31
	256.02	204.33
Family Planning Expenses	8.35	1.74
Uniform/Stitching Charges	104.78	101.77
Hire Charges of Bus/ Ambulance/School Bus	324.20	193.51
Water Charges	156.38	172.94
Other Benefits	788.02	617.73
SUB TOTAL	23915.96	20588.49
Less : Recoveries:		
(a) House Rent	53.92	43.34
(b) Electricity	396.55	219.77
(c) Hospital Charges	77.42	25.50
(d) Water Charges	0.02	0.27
(e) School Bus	9.57	5.44
(f) Others	18.05	1.25
	555.53	295.57
TOTAL	23360.43	20292.92

SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Schedule - 8

POWER & FUEL

	FOR THE YEAR ENDED 31.3.2011 (₹ in Lakh)	FOR THE YEAR ENDED 31.3.2010 (₹ in Lakh)
Purchased	23017.74	29511.72
Power Generation		
Salaries, Wages & Allowances (From Sch-6)	55.85	52.83
Consumption of Stores (From Sch-5)	2.32	10.25
Repairs (From Sch-9)	0.00	0.00
Depreciation	364.35	309.79
	422.52	372.87
SUB TOTAL	23440.26	29884.59
Less : Transferred to		
(a) Social Overhead	2765.99	3194.62
(b) Development	0.00	0.00
	2765.99	3194.62
TOTAL	20674.27	26689.97

SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Schedule - 9

REPAIRS

	FOR THE YEAR ENDED 31.3.2011 (₹ in Lakh)	FOR THE YEAR ENDED 31.3.2010 (₹ in Lakh)
Factory & Office Building	982.01	787.44
Plant & Machinery		
(a) Outside Agency	7282.33	7573.70
(b) Workshop Job	12350.72	10741.81
	19633.05	18315.51
Office Equipment & Furniture	42.98	52.67
Vehicles	232.16	248.83
Others	6419.94	5348.57
Sub Total	27310.14	24753.02
Less : Transfer to		
Social overhead	6002.59	5095.98
Power & Fuel	0.00	0.00
Misc. Expenses	85.06	82.55
Development	0.00	0.45
	6087.65	5178.98
TOTAL	21222.49	19574.04

Schedule - 10

CONTRACTUAL EXPENSES

	FOR THE YEAR ENDED 31.3.2011 (₹ in Lakh)	FOR THE YEAR ENDED 31.3.2010 (₹ in Lakh)
Transport Charges :		
Sand	139.16	123.58
Coal	21123.44	18937.41
Stores	5.74	4.39
OBR	12984.43	5887.99
	34252.77	24953.37
Wagon Loading	1381.59	1092.25
Other Contractual Works	3999.40	3231.28
TOTAL	39633.76	29276.90

SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Schedule - 11

MISCELLANEOUS EXPENSES

	FOR THE YEAR ENDED 31.3.2011 (₹ in Lakh)	FOR THE YEAR ENDED 31.3.2010 (₹ in Lakh)
Travelling :		
(a) In country	2281.01	2222.58
(b) Outside Country	68.87	1.35
	2349.88	2223.93
Printing & stationery	502.27	534.07
Postage	10.16	21.64
Telephone	115.95	106.15
Advertisement & Publicity:		
(i) Advertisement for Tender	489.82	321.25
(ii) Publicity	12.79	9.83
Freight charges	151.67	124.79
Demurrage	649.45	983.22
Donation	0.00	0.00
Security Expenses	5898.47	5483.24
Hire Charges:		
(a) Computer	312.61	240.50
(b) Others	1573.56	1218.31
	1886.17	1458.81
Maintenance of Car & Jeeps :		
(i) Petrol & Diesel (From Sch-5)	229.75	208.70
(ii) Repairs (From Sch-9)	85.06	82.55
(iii) Stores & Spares (From Sch-5)	60.40	0.00
(iv) Road Tax	100.16	135.55
(v) Insurance	37.46	41.73
	512.83	468.53
Legal Expenses	124.86	86.00
Bank Charges	50.40	43.47
Guest House Expenses	145.81	32.58
Consultancy Charges	8.56	0.00
Underloading/Overloading Charges	3245.84	4701.17
Loss on Sale of Stores	0.00	0.14
Loss on Sale of Assets	0.00	0.99

SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Schedule - 11 (Contd.)

MISCELLANEOUS EXPENSES

	FOR THE YEAR ENDED 31.3.2011 (₹ in Lakh)	FOR THE YEAR ENDED 31.3.2010 (₹ in Lakh)
Auditors Remuneration :		
(a) Audit fees	20.84	11.91
(b) Travelling & out of pocket exp	11.02	4.76
	31.86	16.67
Internal audit expenses	36.96	53.84
Tax audit fee including out of pocket exp	1.10	1.73
Service Charges of CIL	2620.67	2601.15
Rehabilitation Charges	2772.60	2651.76
Mine Closure Expenses	4739.30	2272.13
Exchange Fluctuation (Net)	635.06	0.00
Royalty & Cess	34.92	3.12
Rates & Taxes	173.94	125.97
Rent	67.21	173.21
Surface Rent	2.69	1.31
Dead Rent	1.54	9.33
Insurance	9.55	24.98
Land & Crop Compensation	24.09	360.36
Siding Maintenance Charges	2162.14	2209.26
CMPDI Exp-Revenue	5693.18	4353.60
Wealth Tax	1.72	0.16
Others	3680.96	2150.95
SUB TOTAL	38844.42	33609.34
Less : Recoveries :		
(a) Guest House	1.02	0.61
TOTAL	38843.40	33608.73

SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Schedule - 12 (A)

INTEREST

	FOR THE YEAR ENDED 31.3.2011 (₹ in Lakh)	FOR THE YEAR ENDED 31.3.2010 (₹ in Lakh)
On Holding Company Loan	0.00	1397.37
On World Bank Loan	162.55	204.54
Interest on Income Tax Assessment	707.44	0.00
On Others	25.51	136.89
	895.50	1738.80
Less : Development	0.00	0.00
TOTAL	895.50	1738.80

Schedule - 12 (B)

FINANCIAL CHARGES

	FOR THE YEAR ENDED 31.3.2011 (₹ in Lakh)	FOR THE YEAR ENDED 31.3.2010 (₹ in Lakh)
Guarantee Fees (IBRD & JBIC)	157.39	185.84
TOTAL	157.39	185.84

SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Schedule - 13 (A)

PROVISIONS

	FOR THE YEAR ENDED 31.3.2011 (₹ in Lakh)		FOR THE YEAR ENDED 31.3.2010 (₹ in Lakh)
PROVISIONS FOR :			
Doubtful debts	6628.05		12348.83
Less : Earlier Provision written back	368.64		152.00
	6259.41		12196.83
Doubtful Advances & Claims Receivables	0.00		200.20
Less : Earlier Provision written back	114.44		580.59
	-114.44		-380.39
Loss/Obsolescence of Stores	5.05		454.77
Less : Earlier Provision written back	0.00		0.00
	5.05		454.77
Loss of assets	11.10		4.80
Less : Earlier Provision written back	0.00		0.00
	11.10		4.80
Unused Assets	2802.81		431.81
Central Excise Duty	9133.98		0.00
TOTAL	18097.91		12707.82

Schedule - 13 (B)

WRITE OFFS

	FOR THE YEAR ENDED 31.3.2011 (₹ in Lakh)		FOR THE YEAR ENDED 31.3.2010 (₹ in Lakh)
Bad Debts Written off	3802.41		3474.50
Less : Provision released	3802.41		2975.83
	0.00		498.67
TOTAL	0.00		498.67

SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Schedule - 14

PRIOR PERIOD ADJUSTMENTS

	FOR THE YEAR ENDED 31.3.2011 (₹ in Lakh)	FOR THE YEAR ENDED 31.3.2010 (₹ in Lakh)
DEBIT		
Interest	1638.50	0.00
Contractors Payment	8.63	-15.57
WB/Siding Charges	73.09	0.00
TOTAL (A)	1720.22	-15.57
CREDITS		
Depreciation	0.00	38.00
Power & Fuel	441.00	0.00
Contractors Payment	0.00	0.00
Royalty & Cess	39.04	0.00
Consumption of Stores & Spare Parts	0.00	11.82
Misc. Income	232.21	41.03
TOTAL (B)	712.25	90.85
DEBIT (A-B)	1007.97	-106.42

SCHEDULE - P

SIGNIFICANT ACCOUNTING POLICY

1.0 BASIS FOR PREPARATION OF FINANCIAL STATEMENT

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

2.0 USE OF ESTIMATES:

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

3.0 REVENUES AND EXPENDITURES:

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

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

4.0 REVENUE RECOGNITION:

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

4.4 Bonus claims on customers, as a result of Joint sampling, are accounted for in sales in the year of settlement irrespective of period of despatch.

5.0 FIXED ASSETS:

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

5.2 Plant & Machinery include cost and expenses incurred for erection/ installation and other costs attributable to bring those assets, to working conditions for their intended use.

5.3 Capital Work-in-Progress includes the advances paid to acquire fixed assets and the cost of the assets not put to use during the year.

5.4 Gross Block as well as depreciation on surveyed off P&M, Vehicles etc. are taken out of Fixed Assets and provision for depreciation respectively and the residual value at 5% of Book value are transferred to "Surveyed off assets for disposal" and the same is separately shown in the Fixed Assets Schedule (Sch-F) . In case of premature survey off of assets the difference between the WDV and residual value of 5% is charged to Profit & Loss Account, as loss on surveyed off assets.

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

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

Whichever event occurs first.

5.6 Prospecting & Boring and other Development Expenditure: The cost of exploration and other development expenditure incurred in one " Five Year" plan period will be kept in Capital Work-in- Progress till the end of subsequent two " Five Year" plan periods for formulation of projects before it is written off except in the case of Blocks identified for sale or proposed to be sold to outside agency and in such cases the expenditures will be kept under Inventory till finalization of sale.

6. INVESTMENTS:

Investments are stated at cost.

7.0 INVENTORIES:

7.1 Book stock of coal/ coke is considered in the Accounts where the variance between book stock and measured stock is up to +/- 5% and in cases where the variance is beyond +/- 5% the

measured stock is considered. Such stock are valued at Net realizable Value or cost whichever is lower

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

8.0 DEPRECIATION

- 8.1 Depreciation on Fixed Assets is provided on straight line method at the rates and manner specified in Schedule- XIV of the Companies Act, 1956 (as amended), except for telecommunication equipments. Depreciation on such equipments is charged over the technically estimated life, at higher rates, viz:- @ 15.83% p.a. and @ 10.55% p.a.

Further, depreciation on certain Equipments/HEMM is charged over the technically estimated life at higher rates viz. 11.88% ; 13.57% and 15.83% as applicable.

Depreciation on SDL and LHD (equipments) are charged @ 19% p.a. and @ 15.83% p.a. respectively.

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

9. EFFECT OF EXCHANGE FLUCTUATION

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

10. BALANCE WITH COAL INDIA LIMITED (HOLDING COMPANY)

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

11. APEX OFFICE CHARGES AND INTEREST TO HOLDING COMPANY

- 11.1 Apex office charges by Holding Company is allocated to revenue mines on the basis of coal production.
- 11.2 Interest on loans from CIL is allocated to the units on the basis of Net Fixed Assets(excluding the Assets procured against specific loan) at the beginning of the year.
- 11.3 In terms of CIL's letter No. CGM(F)/126/07 dtd. 08.04.2004 an additional charge at the rate of ₹ 6/- per tonne of coal released towards rehabilitation fund for dealing with fire, shifting and stabilization of unstable areas has been accounted for on the basis of debit advice received from CIL.

12. OVERBURDEN REMOVAL(OBR) EXPENSES

- 12.1 For Opencast mines which have been brought to revenue and have rated capacity of 1 million tones or above, the cost of OBR is charged on technically evaluated average ratio (Coal : OB) at each mine with due adjustment for advance stripping and ratio variance account. The net balance of advance stripping and ratio variance at the end of the year is shown as cost of removal of Overburden.

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

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

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

13. IMPAIRMENT OF ASSETS

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

14. PRIOR PERIOD ADJUSTMENTS

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

15. GENERAL:

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

(a) Provident Fund on actual liability basis,

- (b) Gratuity based on Actuarial Valuation,
 - (c) Leave Encashment Benefit on retirement on Actuarial Valuation Basis.
 - (d) Superannuation/ Pension scheme on the basis of actual liability.
- 15.2 Securities by way of deposit in the form of Fixed Deposit Receipts, National Saving Certificates, Bank guarantee etc. received from the suppliers, contractors etc. are kept in Company's custody and are not accounted for.
- 15.3 Research and development Expenditure of revenue nature are charged to various natural revenue heads of accounts in the year the expenses are incurred. Expenses of capital nature are treated as fixed assets.
- 15.4 Taxation: Provision for Income Tax is made on the basis of estimated taxable income for the year. Deferred Tax is recognized, subject to consideration of prudence on timing differences, being the difference between taxable and accounting income/ expenditure that originate in one period and are capable of reversal in one or more subsequent period(s).
- 15.5 The Mandatory Accounting Standard on Segment Reporting(AS-17), Related Party Transactions(AS-18), Discontinuing operation(AS-24), Interim Financial Report(AS-25) and Financial Reporting of Interest(AS-27) in Joint Ventures are not applicable to Company.

SCHEDULE - "Q"

NOTES ON ACCOUNTS

1. CONTINGENT LIABILITIES/CAPITAL COMMITMENT

1.1 Description of Contingent Liabilities which have not been provided in the Accounts (refer Para-15 of Sch-P) are as under:

Particulars	2010-11 (₹ in Lakh)	2009-10 (₹ in lakh)	Payment under protest and shown under Loans & Advances (Sch.-L)	
			2010-11 (₹ in lakh)	2009-10 (₹ in lakh)
(a) Claims against the Company not acknowledged as debt	99030.33	41153.63	0.00	0.00
(b) Sales Tax Liability that may arise in respect of matters in appeal	56071.67	43835.09	9270.26	7880.32
(c) Royalty & Cess Liability that may arise in respect of matters in appeal	32380.66	14321.87	2800.75	2503.36
(d) Income Tax liability that may arise in respect of which the Company has preferred an appeal	31849.31	18588.57	21297.37	23240.44

Un-expired letter of credit as on 31.03.2011 is ₹ 205.43 lakh (Previous year ₹ 710.28 lakh).

1.2 Capital Commitment

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advance) is ₹ 3258.74 lakh (previous year ₹ 5131.95 lakh).

2. Secured Loans

The Company through its holding Company CIL entered into an agreement with State Bank Consortium to avail Cash Credit facilities for an aggregate sum of ₹ 8300.00 lakh and the said facilities shall be collaterally secured by creating hypothecation charge over the current assets comprising of Book Debts, Stock of Raw materials, Semi-finished and finished goods, Stores and Spares not relating to Plant & Machinery (Consumable Stores & Spares), both present and future jointly and severally in favour of the said Banks for a sum of ₹ 8300.00 lakh. Moreover, the said facilities have not been availed by the Company during the year under review.

3. Unsecured Loans

Loans from IBRD and JBIC on account of Coal Sector Rehabilitation Project forming part of Unsecured Loan (Ref. Schedule-E), obtained through CIL are covered by guarantee of CIL and counter-guarantee by Govt. of India.

4. Fixed Assets

- 4.1 Land consists of free/ lease hold land and land acquired under Coal Bearing Acquisition Act, 1957.
- 4.2 Cost of Notified land is capitalized on physical /constructive possession basis and completion of assessment by the competent authority.
- 4.3 41789 Ha. of land has been acquired under CBA(A&D) Act, 1957 comprising of 13474 Ha. of tenancy land 16989 Ha. of Forest land and 11326 Ha. of Govt. land. Out of 13474 Ha. of

tenancy land, compensation has been assessed as ₹5063.71 Lakh. Out of this amounting to ₹3097.28 lakh has been paid. The balance amount is being paid by holding regular payment camps in different projects.

- 4.4 Fixed Assets include certain tangible assets in respect of closed project during the year or in earlier year(s) and have not been adjusted in the accounts pending review regarding further use of these assets.
- 4.5 Provision of ₹11.10 lakh (Previous year – ₹ NIL lakh) has been made towards loss of assets. Total provision amounting to ₹1098.18 lakh (Previous year – ₹1087.08 lakh) as on 31.03.2011 has been retained which is considered adequate (Refer Schedule-N).
- 4.6 Buildings include Electrical fittings, water supply arrangements, sanitary fittings.
- 4.7 The Assets and Liabilities of two hospitals taken over from Coal Mines Labour Welfare Organization in 1981 have not been reflected in the accounts pending determination of values thereof.
- 4.8 The Assets and Liabilities of three Mines Rescue stations taken over during 1985-86 have not been reflected in the accounts pending determination of values thereof.

5. Capital Work-in-Progress

- 5.1 For machinery/assets, which could not be put to use for more than three years from the date of purchase/acquisition, provision equivalent to depreciation w.e.f. the fourth year from the date of purchase/acquisition has been made during the year amounting to ₹2802.81 lakh (previous year ₹431.81 lakh). Total provision as on 31.03.2011 is ₹7078.62 lakh (Refer Schedule-G).
- 5.2 Provision of ₹ NIL lakh (Previous year ₹ NIL lakh) has been made towards the loss of capital expenditures. Total provision amounting to ₹1278.00 lakh (Previous year ₹1278.00 lakh) as on 31.03.2011 has been retained which is considered adequate (Refer Schedule-G).

6. INVENTORIES

- 6.1 The difference on reconciliation of numerical ledger with price ledger for the purpose of these accounts have been reflected in the consumption of stores and spares parts to the extent such reconciliation is completed during the year.
- 6.2 Pursuant to the Accounting Policy (Referred in para-7.4 of Sch-P), provision of ₹5.05 lakh (previous year ₹454.77 lakh) has been made during the year for unserviceable/damaged/obsolete stores and also for Stores & Spares unmoved for 5 years. Total provision of ₹3619.07 lakh (Previous year ₹3614.01 lakh) as on 31.03.2011 is considered adequate.
- 6.3 Physical stock has been adopted in the following cases over the book stock, because of difference being beyond 5%, pursuant to the Accounting Policy as referred in Para 7.1 of Sch-P.

Type of Coal	Name of the Project	Book Stock	Physical Stock	Difference Qty.	%age
Raw Coal	Sel. Dhori QR-1	1033281	604973	(-) 428308	(-) 41.45
Raw Coal	Amla	612636	301568	(-) 311068	(-) 50.78
Raw Coal	Sel. Dhori QR-3	858244	421363	(-) 436881	(-) 50.90
Total		2504161	1327904	(-) 1176257	

The matter of shortage of coal stock is under investigation by the Vigilance Department.

- 6.4 A provision of ₹210.00 lakh was made in the year 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. The said provision has been retained as on 31.03.2011 which is considered necessary.

7. SUNDRY DEBTORS

- 7.1 A provision of ₹6628.05 lakh (previous year ₹12348.83 lakh) has been made during the year against disputed dues on the basis of fair estimate. The total provision of ₹52030.00 lakh (after utilizing against Bad Debt written off ₹3802.41 lakh and withdrawal of excess provision made earlier periods for ₹368.64 lakh) as on 31.03.2011 is considered adequate.
- 7.2 Sundry debtors balances are subject to confirmation by the parties.

8. LOANS & ADVANCES AND OTHER CURRENT ASSETS

- 8.1 Sundry Debtors, Advances, Stores in Transit and Claims Receivable include some old items pending reconciliation/ review and adjustments to appropriate accounts.
- 8.2 Provision of ₹114.44 lakh has been withdrawn during the year as claim for refund of professional tax has been lodged with Hazaribagh Mines Board for refund of the same. Total provision of ₹5368.15 lakh (after write back of the excess provision of ₹114.44 lakh which had been made in earlier years) up to 31.03.11 is considered adequate (Refer Sch-K, L & M).

9. CURRENT LIABILITIES & PROVISIONS

- 9.1 By virtue of enactment of Cess and Other Taxes on Minerals (Validation) Act, 1992, the Company, in 1992-93, raised supplementary bills on customers up to 4th April, 1991 for ₹10033.04 lakh on account of cess and sales tax thereon. The said amount has been included in statutory dues payable for cess and sales tax under the head "Current liabilities and Provisions" (Sch-N) with corresponding Debit in "Claims Receivable-Cess" (Sch-M).
- 9.2 There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31.03.2011. This information as required to be disclosed under the MS & MED Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
- 9.3 Sundry creditors, other current liabilities includes some old items pending reconciliation and review and adjustments to appropriate accounts.

10. PROFIT AND LOSS ACCOUNT

- 10.1 The liability towards Incremental Gratuity for the year amounting to ₹5456.96 lakh (previous year ₹11731.64 lakh) has been provided on actuarial basis.
- 10.2 An amount of ₹3756.81 lakh has been provided in the accounts during the year towards leave encashment & HPL (Previous year ₹739.22 lakh) making a total provision of ₹24217.92 lakh. (Previous year ₹20461.11 lakh) on the basis of actuarial valuation.
- 10.3 Apex charges amounting to ₹2620.67 Lakh (previous year ₹2601.15 lakh) levied by the Holding Company @ ₹5 per tonne of coal produced towards rendering various services like procurement, marketing, Corporate Service etc. based on agreement entered into, have been accounted for.

- 10.4 IICM charge amounting to ₹237.61 lakh (Previous Year ₹235.40 lakh) levied by the Holding Company @ ₹0.50 per tonne of coal produced, has been accounted for.
- 10.5 In terms of CIL's letter No. CGM(F)/126/07 dtd. 08.04.2004 a charge of ₹2772.60 lakh (Previous year ₹2651.76 lakh) levied by the Holding Company @ ₹6.00 per tonne of coal released during 2010-11 towards Rehabilitation fund for dealing with fire, shifting and stabilization of unstable areas have been accounted for.

11. GENERAL

- 11.1 In terms of lease agreement with M/s. Imperial Fastners Pvt. Limited, the Company has granted a right to occupy and use the assets of the Company. The cost of gross carrying amount at the beginning of the year is ₹8019.06 lakh. The accumulated depreciation as at the end of the year ₹7194.25 lakh. Depreciation for the year is ₹289.59 lakh. The future minimum lease payment receivable in the aggregate during the period of lease is ₹5810.00 lakh. The details of future lease payment receivables are as under :

	2010-11 (₹ in lakh)
(i) Not later than one year	384.00
(ii) Later than one year and not later than five years	1152.00
(iii) Later than five years	4274.00
Total	5810.00

- 11.2 The Bonds received on securitization of dues from State Electricity Boards, from the State Government of Uttar Pradesh and Haryana are treated as long time investment and is valued at cost. During the year under audit an amount of ₹942.30 lakh has been redeemed.
- 11.3 In compliance with AS-22, Deferred Tax Assets has been derecognized for ₹1412.22 lakh for the year 2010-11 making a total net deferred tax asset for ₹49315.75 lakh as on 31.03.2011. The total deferred tax assets is ₹57900.10 lakh, liable to reversal in one or more subsequent period(s), consists of Doubtful debts, Gratuity and Leave encashment on actuarial basis, provision for Loans & Advances, Obsolescence of stores and carry forward of expenditures of VRS and P&B etc. Similarly, the deferred tax liability, being the difference of WDV of fixed assets as per books and as per I.T. Rules, is ₹8584.35 lakh.
- 11.4 The Carpet coal at colliery as measured by CIL Measurement Team is 1.57 lakh tonne which has been included in adopted stock of 163.71 tonne as on 31.03.11. The quantity of carpet coal is only 0.96% of the total quantity of coal at collieries, as adopted in the accounts of 2010-11. While valuing carpet coal, digging cost equivalent to loading cost is deducted from net realizable value of the coal in case the stock is valued at NRV.
- 11.5 During the year the provision for mine closure has been made based on ₹6.00 lakh per Ha. for Open Cast Mines and ₹1.00 lakh per Ha. for Underground mines on leasehold area. Total cost so arrived at has been amortized over balance life of mine in years for operating and existing mine. Due to the above, charge to P&L Account during the year is ₹4739.30 lakh after adjusting opening balance of provision (based on earlier basis of providing ₹0.75 lakh per Ha. each for technical and biological reclamation) amounting to ₹4526.27 lakh. The total provision for mine closure as on 31.03.2011 is ₹9265.57 lakh.
- 11.6 Liabilities with regard to the Gratuity plan are determined by actuarial valuation at each Balance Sheet date using the projected unit credit method. The Company has contributed towards the

ascertained liabilities in the current year an amount of ₹ 22591.94 lakh out of the past obligation and ₹ 5360.43 lakh for the current year making a total amount of ₹ 27487.96 lakh to the CCL Employees Group Gratuity Fund Trust (the Trust). Trustees administered contribution made to the Trust and contribution are invested with Employees Group Gratuity Cash Accumulation Scheme with Life Insurance Corporation of India. The following table sets out the gratuity plan and the amounts recognized in the Company's financial statements as at 31st March, 2011.

Disclosure Item 120 (c)	As at 31.03.2011 (Figs. in ₹ Lakh)
1. Change in benefit obligations :	
Projected benefit obligation, beginning of the year April, 2010	12469135893
Interest Cost	928785533
Current Service Cost	503765821
Benefits paid	1841877628
Actuarial gain/loss on obligations	(-)955022298
Present value of obligation at the end of the year	13014831917
2. Fair value of the plan assets : Disclosure item 120 (e) :	
Fair value of the plan assets beginning of the year April, 2011	3211871909
Contribution by Employer	2748796333
Benefits paid	813073347
Actuarial gain/loss on plan assets	157294108
Fair value of the plan assets at the end of the year (net of Claims Receivables)	4102359145
3. Amount recognized in the Balance Sheet : Disclosure item 120 (f) funded status :	
Present value of obligation as on 31.03.2011	13014831917
Fair value of plan assets as on 31.03.2011	4102359145
Net liability recognized in Balance Sheet	8912472772
4. Amount recognized in the Profit & Loss Account : Disclosure item 120 (g) :	
Current service cost	503765821
Interest cost	928785533
Actual gain/loss of plan assets	256949753
Net actuarial gain/loss recognised in this year	797728190
Total included in gratuity cost (refer Sch.-6)	1973329791
5. Principal actuarial assumption :	
Mortality table	LIC1 1994-96
Superannuation age	60 years
Salary Escalation	6.00 % p.a.
Inflation Rate	6.00 % p.a.
Discount Rate	8.50 % p.a.
Return on Asset	9.50 % p.a.
Formula used	Projected unit credit method
In the case of Leave Encashment Benefit (EL/HPL) Disclosure items 12(c):	As at 31.03.2011
Present value of obligation at the beginning of the year	2046111543
Interest Cost	154526474
Current Service Cost	448074992
Curtailment Cost	0.00
Settlement Cost	0.00

Benefits paid	464073046
Actuarial gain/loss on obligations	237152285
Present value of obligation at the end of the year	2421792248

Disclosure item No. 120(e)

The table showing changes in Fair Value of Plan Assets: Not applicable as the scheme is unfunded.

Disclosure item No. 120(f)

Table showing funded status : Not applicable as the scheme is unfunded.

11.7 As per Uniform Accounting Policies issued by CIL on 31.03.2011, the fund for the CSR should be allocated based on 5% of the retained earning of previous year subject to minimum of ₹ 5/- per tonne of coal production of previous year. The impact of ₹ 2569.07 lakh has been shown in the P&L Appropriation account under CSR Reserve in line with the recommendation of the Uniform Accounting Committee of CIL constituted for this purpose. An amount of ₹ 989.61 lakh has been transferred to General Reserve by corresponding charge to P&L Account.

11.8 Status of Income Tax Cases pending before various authorities :

(₹ in Lakh)

Assessment Year	Disputed Amount (₹ in Lakh)	Current Status
2002–03		The Assessing Officer disallowed various expenditure pertaining to AY 2002–03 amounting ₹ 30.93 Cr. and adjusted the same against carried forward business loss and thereby reduced the carried forward business loss by ₹ 30.93 Cr. CCL preferred appeal before CIT (A) against the above disallowance which is pending for hearing.
2004–05	875.14	Application has been made U/S 154 for rectification of unabsorbed depreciation and appeal has been preferred before CIT (A) for disallowance of HRA arrear provisions.
2005–06	5331.04	The second appeal filed before ITAT, Patna has been allowed and remanded to CIT (A) for reconsideration on the matter of one time payment of lease premium of ₹ 136.85 Cr. shown as capital WIP which was wrongly added back by AO.
2006–07	11101.10	Appeal pending before CIT (A), Ranchi. The amount of demand has already been adjusted by AO from the refundable amount of AY 2005–06 and 2006–07.
2006–07	36.33	Petition under Sec 154 has been given to AO for rectification of interest on fringe benefit tax.
2007–08	2970.66	Appeal pending before CIT (A), Ranchi. The amount of demand has already been adjusted by AO from the refundable amount of AY 2008–09.
2008–09	9034.74	Appeal pending before CIT (A), Ranchi. An amount of ₹ 986.85 lakh has already been adjusted by AO from the refundable amount of AY 2008–09.

Total amount retained by I.Tax department against all the above cases is ₹212.97 Cr.

The assessment procedures for the AY 2009-10 and 2010-11 has not yet been taken up by the department.

Against the disallowance of expenditures like Guest house exp., Stock valuation, arrear wages NCWA IV, arrear pension contribution etc amounting ₹67.20 Cr pertaining to AY 1984-85, 86-87, 87-88, 88-89, 89-90, 90-91, 91-92, 92-93, 93-94 and 94-95, CCL preferred appeal before ITAT, Patna and the cases were reversed in favour of CCL. The Income tax department filed the tax appeal before High Court against CCL. As it has been learnt the permission of COD is still awaited. The estimated tax impact of all the above cases is ₹24.69 Cr.

The amount related to the above disallowance has already been disclosed as contingent liabilities.

11.9 In the Finance Budget 2011, Central Excise Duty @ 5% has been levied on coal effective from the midnight of 28th February, 2011. In view of the said amendment coal cleared from the mines w.e.f. 1st March, 2011 would attract Central Excise Duty at the effective rate of 5.15%.

Production of coal being a taxable event, Central Excise Duty has been considered as a manufacturing expense and an element of cost for inventory valuation and the value of inventory has been increased by ₹9133.98 lakh as on 31.03.2011 (Refer Sch-3 of P&L Account). Since the liability for Excise Duty has been incurred but its collection is deferred, provision for un-paid liability has been made for the same amount based on notified price/ selling price of individual products (Refer Sch-13 of P&L Account).

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

	<u>2010-11</u>	<u>2009-10</u>
Profit available to Equity Share Holders (₹ in lakh)	124682.87	96578.87
Weighted average no. of Equity Shares	94,00,000	94,00,000
Basic earning per share	₹ 1326.41	₹ 1027.43

12. EFFECT OF EXCHANGE FLUCTUATION:

12.1 The closing balance of IBRD Loan and the closing balance of JBIC(JEXIM) loan have been revalued at the spot USD/INR Rate and JPY/INR rate respectively prevailing on 31.03.11. As a result, there is an adverse impact of ₹635.06 lakh which have been debited to P&L Account.

13. DIRECTORS REMUNERATION (KEY MANAGEMENT PERSONNEL)

(₹ in lakh)

Particulars	Chairman/Managing Director		Functional Directors	
	2010-11	2009-10	2010-11	2009-10
Salary & Allowances (including Gratuity & leave encashment)	23.27	14.43	46.47	28.60
Provident Fund	2.72	1.55	5.16	3.10
Perquisites	0.00	0.00	1.01	3.81

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

14. INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS 4C AND 4D OF PART-II OF SCHEDULE VI TO THE COMPANIES ACT, 1956

(a) Licenced Capacity, Installed Capacity and Actual Production :

(Fig. in lakh tonne)

Class of Goods	Licenced Capacity		Installed Capacity		Actual Production	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Coal	NA	NA	NA	NA	475.21	470.83
Washed Coal:						
(a) Coking	48.10	48.10	48.10	48.10	14.53	13.92
(b) Non Coking	86.40	86.40	86.40	86.40	80.63	74.24
Slurry (Coking)/ Washed Coal						
Power	NA	NA	NA	NA	13.88	14.72
Hard Coke	NA	NA	NA	NA	0.00	0.00
Soft Coke	NA	NA	NA	NA	0.00	0.00
Total					584.25	573.71

(i) Licensed Capacity registered with appropriate authorities. No industrial license is required for production of these goods.

(ii) Installed Capacity has been certified by Company's Technical Expert.

(b) Particulars in respect of Outside Despatch :

*(Value ₹ in lakh)
(Quantity tonnes in lakh)*

Class of Goods	2010-11		2009-10	
	Quantity	Value	Quantity	Value
Coal	340.69	487916.74	324.80	432751.83
Washed Coal				
(a) Coking	13.92	66813.76	13.76	62947.06
(b) Non-Coking	80.60	124006.74	73.48	103742.86
* Middlings/Slurry/Washed Coal Power	13.29	24836.04	15.26	25310.15
Hard Coke	0.00	0.00	0.00	0.00
Soft Coke	0.00	0.00	0.00	0.00
Bye-Products	9.14	4739.80	8.72	4440.13
Total	457.64	708313.08	436.02	629192.03

Note:-

1. Outside despatch of washed coal non-coking includes 2300 Te coking coal slurry and 1350 Te non coking coal slurry dispatched as clean coal.
2. Outside despatch of 99187 MT of Non-Coking Slurry is not included in the quantity of Middlings/Slurry/WCP.
3. Outside despatch of middlings/slurry/washed coal power does not include 2300 Te coking coal slurry dispatched as clean coal.

(c) Particulars in respect of finished stocks :*(Value ₹ in lakh)
(Quantity tonnes in lakh)*

Class of Goods	2010-11		2009-10	
	Quantity	Value	Quantity	Value
(I) Opening Stock :				
Coal	164.10	84904.85	132.32	66105.57
Washed Coal				
(a) Coking	0.98	2154.77	0.82	1770.01
(b) Non-Coking	2.09	2285.84	1.33	1285.51
Middlings/Slurry (coking)/Washed Coal Power	10.87	11186.09	11.41	11297.37
Hard Coke	0.017	62.05	0.017	62.39
Soft Coke	0.0004	0.69	0.0004	0.69
Bye-Products	0.06	41.91	0.06	103.23
Magnetite	0.003	1.61	0.003	1.61
Total	178.1204	100637.80	145.9604	80626.38

*(Value ₹ in lakh)
(Quantity tonnes in lakh)*

Class of Goods	2010-11		2009-10	
	Quantity	Value	Quantity	Value
(II) Closing Stock				
Coal	163.71	108433.63	164.10	84904.85
Washed Coal :				
(a) Coking	1.60	3586.94	0.98	2154.77
(b) Non-Coking	2.16	2398.79	2.09	2285.84
Middlings/Slurry/(coking)/Washed Coal Power	11.44	14701.02	10.87	11186.09
Hard Coke	0.017	64.43	0.017	62.05
Soft Coke	0.0004	0.72	0.0004	0.69
Bye-Products	0.06	44.07	0.06	41.91
Magnetite	0.003	1.61	0.003	1.61
Total	178.9904	129231.21	178.1204	100637.80

Washed Coal excludes contaminated coal of 83795 tonnes (Previous year 83795 tonnes).

(d) Details of coal consumed in Washeries, Coke Ovens and Soft Coke Making :*(Value ₹ in lakh)
(Quantity tonnes in lakh)*

Class of Goods	<u>2010-11</u>		<u>2009-10</u>	
	Quantity	Value	Quantity	Value
Washeries	123.03	121284.41	114.14	105240.09
Coke Oven	0.00	0.00	0.00	0.00
Soft Coke	0.00	0.00	0.00	0.00
Total	123.03	121284.41	114.14	105240.09

(e) Value of imported and indigenous stores, spare parts and components consumed :*(₹ in lakh)*

Particulars	2010-11	Percentage	2009-10	Percentage
Imported	432.96	0.82%	978.16	1.94%
Indigenous	52505.80	99.18%	49318.97	98.06%
TOTAL	52938.76	100%	50297.13	100%

(f) CIF Value of Imports :*(₹ in lakh)*

	<u>2010-11</u>	<u>2009-10</u>
Components & Spare Parts	441.73	839.09
Capital Goods	543.41	NIL
TOTAL	985.14	839.09

(g) Expenditure incurred in Foreign Currency on account of (As per debit advice of Holding Company) :*(₹ in Lakh)*

	<u>2010-11</u>	<u>2009-10</u>
(i) Interest	162.55	204.54
(ii) Agency Commission	0.65	0.58
Total	163.20	205.12

15. During the year various heads of account of Balance Sheet and Profit & Loss Account have been rearranged /regrouped and accordingly previous year's figures to the extent possible have been rearranged/ regrouped to make them comparable.
16. Figures have been expressed in "Lakh" and rounded off to the nearest thousand.

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

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

Sd/-
A. Chatterjee
Director (Finance)

Sd/-
R. K. Saha
Chairman-cum-Managing Director

Place : Ranchi
Dated : 17.05.2011

Place : Ranchi
Dated : 17.05.2011

In terms of our report of even date
For **M/s V. K. Jindal & Co.**
Chartered Accountants
Sd/-
(R. S. Agarwal)
Partner
(M. no. 076081)
(Firm ICAI Reg. No. 001468 C)

SCHEDULE - R**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. REGISTRATION DETAILS :**

Registration No.	:	581
State Code	:	34
State	:	Jharkhand
Balance Sheet Date	:	31.03.2011

II. CAPITAL RAISED DURING THE YEAR (Amount ₹ in lakh):

Public Issue	:	NIL
Right Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount ₹ in lakh) :

Total Liabilities	:	897440.06
Total Assets	:	897440.06

Sources of Funds :

Paid-up Capital	:	94000.00
Reserve & Surplus	:	209800.78
Secured Loan	:	0.00
Unsecured Loans	:	10492.50

Application of Funds:

Net Fixed Assets	:	179443.23
Investments	:	4711.52
Deferred Tax Assets (Net)	:	49315.75
Net Current Assets	:	80822.78
Misc. expenditure	:	0.00
Accumulated Loss	:	0.00

IV. PERFORMANCE OF COMPANY (Amount ₹ in lakh) :

Turnover (Net)	:	604169.96
Total Expenditure (Net)	:	418148.28
Profit/Loss before Tax	:	186021.68
Profit /Loss after Tax	:	124682.87
Earning per Share (in ₹) (on par value of ₹ 1000 per share)	:	1326.41
Dividend Rate %	:	79.59

V. GENERIC NAMES OF PRINCIPAL PRODUCTS OF COMPANY :

Item Code No. (ITC Code)	:	270112.00	Product Description	:	BITUMINOUS COAL
Item Code No. (ITC Code)	:	270119.01	Product Description	:	COKING COAL
Item Code No. (ITC Code)	:	270400.03	Product Description	:	HARD COKE

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

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

Sd/-
A. Chatterjee
Director (Finance)

Sd/-
R. K. Saha
Chairman-cum-Managing Director

Place : Ranchi
Dated : 17.05.2011

In terms of our report of even date

For **M/s V. K. Jindal & Co.**
Chartered Accountants

Place : Ranchi
Dated : 17.05.2011

Sd/-
(R. S. Agarwal)
Partner
(M. no. 076081)
(Firm ICAI Reg. No. 001468 C)

SCHEDULE - S**CASH FLOW STATEMENT (INDIRECT METHOD) FOR THE YEAR 2010-11**

(₹ in Lakh)

	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and extra-ordinary items	187029.65	153198.59
Adjustment for :		
Depreciation	6123.62	10480.51
Deferred Tax	1412.22	5771.56
O.B.R. Adjustment	10062.66	18502.34
Interest on Investment (Tax Free Bonds)	-460.55	-541.59
Interest on Short Term Deposit	-13965.76	-12776.54
Interest on Surplus Fund Parked with CIL	-949.61	-1402.73
Interest & Finance Charges	1052.89	1924.64
	<u>3275.47</u>	<u>21958.19</u>
Operating Profit before working Capital Changes	190305.12	175156.78
Adjustment for :		
Increase (-)/Decrease (+) in Loans & Advances	-18681.70	141372.16
Increase (-)/Decrease (+) in Debtors	-42919.19	23281.65
Increase (-)/Decrease (+) in Inventories	-26981.91	-20911.21
Increase (-)/Decrease (+) in Other Current Asset	-11166.86	-4260.54
Decrease (-)/Increase (+) in Current Liabilities	-45541.61	-147308.77
	<u>-145291.27</u>	<u>-7826.71</u>
Cash Flow before Extra Ordinary items	45013.85	167330.07
Prior Period Adjustment	-1007.97	106.42
Cash Flow from Operating Activities	44005.88	167436.49
Tax Provision	-61338.81	-63291.65
Net Cash Flow from Operating Activities	-17332.93	104144.84

B CASH FLOW FROM INVESTING ACTIVITIES

Purchased/Acquisition of Fixed Assets (Net of Adjustment)	356.66		-20578.83	
Interest on Short Term Deposit	13965.76		12776.54	
Redemption of Tax Free Power Bonds	942.30		942.30	
Interest on Surplus Fund Parked with CIL	949.61		1402.73	
Interest on Investment (Tax Free Bonds)	460.55		541.59	
		16674.88		-4915.67

C CASH FLOW FROM FINANCING ACTIVITIES

World Bank Loan through CIL (Exchange Fluctuation)	635.06		-1187.69	
Repayment of World Bank Loan	-1347.97		-1277.04	
Repayment of CIL Loan	0.00		-15727.44	
Interest & Finance Charges	-1052.89		-1924.64	
		-1765.80		-20116.81

**Net Increase/Decrease in Cash and Cash Equivalent
(A+B+C)****-2423.85****79112.36**

Cash and Cash equivalent as on 01.04.2010 (Refer to Sch. K of the Balance Sheet)	260700.75		181588.39	
Cash and Cash equivalent as on 31.03.2011 (Refer to Sch. K of the Balance Sheet)	258276.90		260700.75	

-2423.85**79112.36**

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

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

Sd/-
A. Chatterjee
Director (Finance)

Sd/-
R. K. Saha
Chairman-cum-Managing Director

Place : Ranchi
Dated : 17.05.2011

Place : Ranchi
Dated : 17.05.2011

In terms of our report of even date

For **M/s V. K. Jindal & Co.**
Chartered Accountants

Sd/-
(R. S. Agarwal)
Partner

(M. no. 076081)
(Firm ICAI Reg. No. 001468 C)

ADDENDUM TO DIRECTORS' REPORT

(Under Section 217 (3) & 227 (2) of the Companies Act, 1956)

AUDITORS' REPORT

MANAGEMENT'S REPLY

To

The Members of Central Coalfields Limited

1. We have audited the attached Balance Sheet of Central Coalfields Limited as at 31st March 2011 and the Profit & Loss Accounts and also the Cash Flow statement for the year ended on that date annexed thereto, in which are incorporated the accounts of 9 Areas audited by respective Branch Auditors and 6 Areas/ Units audited by us. The report of the Branch Auditors as submitted and forwarded to us have been appropriately dealt with in preparing this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on audit conducted by us as well as by the Branch Auditors for the respective area.
2. We conducted our Audit in accordance with Auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An Audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in term's of Sub-Section (4A) of Section 227 of the

AUDITORS' REPORT**MANAGEMENT'S REPLY**

Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said order, to the extent applicable to the Company.

4. Further to our comments in annexure referred to in paragraph 3 above, we report that:

4.1 The right, title and interest for land & mining, taken over from holding and its' subsidiary companies and others at the time of nationalisation are not supported by title deeds and not available for our verification, as such we are unable to comment on the same.

Lease of coal mines nationalized under Coal Mines(Nationalization) Act, 1973 were vested in Coal Mines Authority Limited by statutory order No. GSR/345-E dtd. 9th July,1973, New Delhi. Thus, individual title deeds are not available with the Company.

4.2 Capital Work-in-Progress includes both tangible and intangible assets including Advances and payments for Railway Siding ₹ 9052.32 lacs that have been appearing since long. In absence of information about present status, we are unable to verify the same.

Out of ₹ 9052.32 lakh, ₹ 8660.98 lakh pertaining to advance given to M/s RITES for completion of balance work of Piparwar Rly. Siding. The scheduled date of completion is 07.09.2011. Balance amount relates to advance given to E.C. Rly. Matter will be taken up with E.C. Rly. For early submission of bill by them.

4.3 In absence of thorough technical review of the position of obsolete / unserviceable stores and spares; which was last reviewed on 21.07.2001, we are unable to comment on the adequacy of the provision made in this respect. (Refer Point No. 6.2 of "Schedule-Q")

The provision towards obsolescence is based on the following policy adopted by the management. The said policy is quoted below :

"In respect of unserviceable, damaged and obsolete stores – 100% provision.

In respect of stores & spares (except in insurance items) not moved for 5 years – 50% provision)".

4.4 Balances of Sundry debtors, Loans and Advances, deposits, claim receivables and sundry creditors have not been confirmed by the respective parties.

The balances with major sundry debtors, claims receivables, sundry creditors are reconciled at regular intervals.

4.5 In absence of adequate information and confirmation from party, we are unable to express our opinion as to the adequacy of provision of ₹ 8490.00 lacs made against on outstanding dues of ₹ 15548.00 lacs

Provision has been made on the basis of best judgement taking into consideration all the factors regarding the doubtful portion of the dues. BSEB is a State Electricity Board. Though these dues are old, yet it does not necessarily mean that these

AUDITORS' REPORT**MANAGEMENT'S REPLY**

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| <p>from BSEB which is more than ten years old.</p> | <p>are unrecoverable as the customer(s) is a State Govt. Further, the matter has been taken up with Bihar State Govt. by CCL.</p> |
| <p>4.6 In absence of adequate information, we are unable to express our opinion as to the realisability or otherwise of claim for refund of Sales Tax, Professional Tax etc. amounting to ₹ 2090.78 lacs since long.</p> | <p>The amount is due from Government and can not be considered as irrecoverable. Moreover, CCL is in continuous touch with the State Govt. for realisation of the same.</p> |
| <p>4.7 A provision of ₹ 4025.04 lacs has been made upto 31.03.2011 against the deposits relating to cases under appeals for Royalty/Cess and Sales Tax amounting to ₹ 12071.01 lacs. The implication of the balance amount on profit, assets and liabilities could not be ascertained.</p> | <p>The individual cases against the balance amounts have been examined in terms of the liabilities as per AS-29 and found that no such liability has crystallized as on the Balance Sheet date. Hence, no further provision is required to be made at this stage.</p> |
| <p>4.8 We observed that at the time of consolidation of Central Ledger at the Headquarters a number of entries relating to different areas have been passed after completion of audit by the area auditors. The final position of Profit/Loss and Balance Sheet after such entries has not been certified by the respective Area Auditors.</p> | <p>The relevant journal entries has been passed at the headquarters at the time of consolidation. Hence the impact is automatically transferred to the respective areas.</p> |
| <p>4.9 Due to non-availability / verification of some schedules of current assets and current liabilities in some Areas we are unable to comment about impact of the same; if any, on the accounts.</p> | <p>Noted.</p> |
| <p>4.10 An abnormal shortage of 11,76,257.00 MT being 46.9% found in physical verification of Raw Coal at SDQ-1,SDQ-3 and Amlu project of Dhorri Area valued at cost price of ₹ 4550.53 lacs (NRV value of ₹ 11553.50 lacs) is adjusted with the value of closing stock of Raw Coal pursuant to Accounting Policy No. 7.1 of the Company. In our opinion, pending investigation, it should have been dealt separately in the books of accounts.</p> | <p>Difference between book stock and measured stock being more than 5%, the measured stock has been considered in the accounts, which is in accordance with Uniform Accounting Policy of the Company (Para 7.1 of Sch-P).</p> |

AUDITORS' REPORT**MANAGEMENT'S REPLY**

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| 4.11 No accountal has been made for Performance Incentive and Compensation received/payable respectively for the year 2010-11, the impact of which on the profit and debtors remained unascertained. | Performance incentive is receivable/payable under Fuel supply agreement on the basis of actual supply of coal vis-à-vis contracted annual quantity. Since the year 2010-11 has just been concluded, the exercise could not be completed to give effect in the accounts of 2010-11. Necessary accounting will be done in 2011-12. |
| 4.12 Surveyed-off assets are retained in the books at net book value i.e. cost less depreciation without ensuring that whether the book value is less than the net realisable value which is not in accordance with AS-10 – “Accounting for Fixed Assets”. | In the absence of any such active market for this type of product, it is difficult to determine the NRV. |
| 4.13 During the year the Company has not carried out any exercise/ evaluation of its assets to ascertain the impairment, if any. In absence of which the impact on the profit and the diminution in value of its assets remained unascertained which is not in accordance with AS-28- “Impairment of Assets” | In respect of loss making mines the development expenditure (including prospecting & boring expenditure) has already been charged off to the P&L A/C. Other assets like Heavy Earth Moving Machinery & Buildings etc. are capable of being used elsewhere. Hence, there is no further impact of impairment. |
| 4.14 In absence of Expert legal opinion/ latest position of cases/ litigation against the Company as referred in Note No. 1 of Schedule-Q , we are unable to express our opinion on additional liability, if any, which are required to be provided under AS-29 lying un-provided/ undisclosed. | The individual cases have been examined with reference to the conditions existing on the reporting date as well as the additional events after the Balance Sheet date. No such liabilities have crystallized under AS-29 on the Balance Sheet Date. |
| 4.15 No provision has been made for interest payable on unpaid service tax for the period from 01.01.2005 to 31.12.2007 amounting to ₹ 2483.43 lacs. | In the absence of a demand the interest portion has not been provided, though the principal amount has already been provided. |
| 5 We further that without considering the items mentioned in paragraph 4.1 to 4.14 above the effect of which could not be determined, had the observation made by us in paragraph 4.15 above been considered the profit before tax for the year would have been ₹ 183538.25 lacs (as | No Comments. |

AUDITORS' REPORT**MANAGEMENT'S REPLY**

against reported figures of ₹ 186021.68 lacs) and Current Liabilities & Provision would have been ₹ 5856030.21 lacs (as against reported figures of ₹ 583146.78 lacs)

- 6 Subject to our observations contained in paragraphs 4 and 5 above read together with " Significant Accounting Policies" in Schedule-P and " Notes on Accounts" in Schedule-Q, we report that:
- (i) We have obtained all the information explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - (iv) Subject to paragraph 4.12 to 4.14, in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-Section(3C) of Section 211 of The Companies Act, 1956.
 - (v) As explained to us and as per Notification No. GSR 829(E) issued by Department of Company Affairs the provisions of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 are not applicable to a Government Company.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in

AUDITORS' REPORT

MANAGEMENT'S REPLY

conformity with the accounting principles generally accepted in India;

- (a) In the case of the Balance Sheet, of the State of Affairs of the Company as on 31st March, 2011.
- (b) In the case of Profit & Loss Account, of the Profit for the year ended on that date, and
- (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For V. K. Jindal & Co.
Chartered Accountants

Sd/-
(R.S. Agarwal)
Partner
(Membership No.076081)
ICAI Firm Reg. No.:001468C

Place: Ranchi

Date: 17th May, 2011

AUDITORS' REPORT TO THE MEMBERS

(As referred in paragraph-3 of our report of even date)

AUDITORS' REPORT

MANAGEMENT'S REPLY

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| <p>1. In respect of its fixed assets:</p> <p>(a) The Company has generally maintained records to show particulars of fixed assets including quantitative details and location.</p> <p>(b) Physical verification of major fixed assets have been conducted at reasonable interval except verification of surveyed off Assets. Discrepancies observed during the course of physical verification stated not to be material have been adjusted.</p> <p>(c) In our opinion, the Company has not disposed off substantial part of fixed assets during the year, which would affect the going concern status of the Company.</p> <p>2. In respect of its inventories:</p> <p>(a) Stock of coal, coke etc. has been physically verified by way of volumetric measurement with reference to contour map at each mine, by Coal Measurement Team of CIL at the year-end and by the CCL team at reasonable interval. The procedure of physical verification of coal, coke etc. appears to be reasonable and adequate in relation to the size of the Company and nature of its business.</p> <p>(b) Physical verification of major part of stock of Stores and Spare parts of Regional Stores has been done by the management / outside agencies as on 31.03.2011. At areas discrepancies between physical stock and the book stock were not material and for which book adjustment has been made. The procedure of physical verification appears to be inadequate at North Karanpura, Rajhara, Piparwar, Kathara and Dhori area considering the size of the area and nature of its business, coverage and frequency of physical verification need to</p> | <p>This is a statement of fact except the physical verification of surveyed off assets. The Physical verification of surveyed off assets is carried out at the time of survey off of the P&M as well as at the time of disposal through auction.</p> <p>No comments.</p> <p>No comments.</p> <p>Necessary action is being taken to obtain the audit report in time. The procedure of Physical Verification of Stores is uniform throughout the Company.</p> |
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AUDITORS' REPORT**MANAGEMENT'S REPLY**

be increased and reviewed and efforts should be made to make meaningful use of verification reports.

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| (c) | The company is maintaining proper records of inventory. Discrepancies found on physical verification compared to the book records in respect of Coal, Coke etc. which were within +/- 5% have not been dealt with in the accounts; in terms of the Accounting Policy No.7.1 of Schedule-P of the company. During the year an abnormal shortage of 11.76 lacs MT of Raw Coal was noticed at Dhori area which is more than 5% and the same has been adjusted with value of stock. The discrepancies observed, if any, during physical verification of stock of stores and spares have been properly dealt with in the books in view of details at para 2(b) above. In our opinion the value of coal, coke etc. should have been considered in the accounts as per physical measurement of stocks. | There is a Uniform Accounting Policy to deal with the case of discrepancy found on physical verification compared to book stock and it is being dealt in accordance with the Accounting Policy No. 7.1 of Sch-P. |
| 3(a) | The Company has deposited surplus fund of ₹ 14572.84 lakh with its holding Company Coal India Limited. | No Comments. |
| (b) | As per information and explanations given to us, the holding company has allowed interest @ 7.23% on surplus fund parked with holding company. Considering the relationship of holding company with its subsidiary company, we are unable to express our opinion. | No comments. |
| (c) | As per information and explanations given to us, the receipt of interest is regular. | This is a statement of fact. |
| (d) | The Company has taken loan during the year from parties listed u/s 301 of the Companies Act, 1956. | The Company has not taken any loan during the year 2010-11. The old outstanding balance of loan has been finally repaid during 2009-10. Loan outstanding as on 31.03.2011 in respect of CIL is NIL. |
| 4. | In our opinion, there are reasonable internal control system commensurate with the size | No comments. |

AUDITORS' REPORT**MANAGEMENT'S REPLY**

of the company and nature of its business relating to purchase of inventory and fixed assets and for sale of goods and services subject to certain lapses, such as long time lag between receipt of materials and recording of liabilities and/or adjustment with the advances, non maintenance of proper records for unexecuted orders and non receipt of goods ,or non/delayed accountal of such cases for which payments were made, non maintenance of inward bill register at the basic operational unit etc. As per our test checks and as reported by the Branch Auditors there is no serious continuing failure to correct major weakness in internal control system.

5. In respect of transactions covered under Section 301 of the Companies Act, 1956 :

(a) According to the information and explanation given to us, in our opinion the Company has entered particulars of contracts or arrangements referred to in Section 301 of the Act in the register maintained under that Section.

No comments.

(b) According to the information and explanation given to us, no transactions in pursuance of such contracts or arrangements have been made.

No comments.

6. The Company has not accepted deposits from the public within the meaning of Section 58A and 58 AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.

No comments.

7. The Company has an Internal Audit System. Reports of Internal Auditors pertaining to the financial year under audit were not available in some area for our or Branch auditors' reference. Further, the Coverage of Internal Audit is for the calendar year and not for whole Financial Year. The internal audit, in

Presently, Audit Report for January to December i.e. the calendar year is made available. Thus, the statutory auditors have access to the internal audit report on a continuous basis. As far as the scope and coverage of transaction audit is concerned, the same is determined uniformly by the holding company i.e. Coal India Limited, for

AUDITORS' REPORT**MANAGEMENT'S REPLY**

our opinion, leaves scope for improvement in widening scope and coverage of audit specially transaction audit to make it commensurate with the size and operations of the company, regular follow up actions and disposal of internal audit comments by the management.

all the subsidiary Companies.

8. As explained to us by the Management, the Central Government has not prescribed maintenance of Cost records under section 209(1)(d) of the Companies Act, 1956 for the products of the Company.

No comments.

9(a) According to the information and explanations given by the Company, undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues are generally deposited regularly and no undisputed dues were outstanding as at 31st March, 2011 for a period of more than six months from the date of becoming payable, except service tax amounting to ₹ 3920.24 lacs in respect of different areas for the period from 01.01.2005 to 31.12.2007. As informed to us Investor Education and Protection Fund and Employees' State Insurance Act are not applicable to the Company.

No comments.

9(b) According to the information and explanations given by the Company, there is no disputed dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise, Cess that have not been deposited on account of matters pending before appropriate authorities except the cases which are stated in Appendix –1 to the report.

In the case of disputed dues of sales tax, royalty, cess etc. advance payment is to be made to the authority as a pre-requisite for appeal. The same amount has been shown as Loans & Advances. Contingent Liabilities for the total amount disputed has been shown in the Notes on Accounts.

10. There is no accumulated loss of the Company at the end of the financial year and has not incurred any cash losses during

No comments.

AUDITORS' REPORT**MANAGEMENT'S REPLY**

the financial year covered by our audit or in the immediately preceding financial year.

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| 11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders. | No comments. |
| 12. The Company has not granted any Loans & Advances on the basis of security by way of pledge of shares, debentures and other securities. | No comments. |
| 13. In our opinion, the Company is not a chit fund or a Nidhi/Mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company. | No comments. |
| 14. The Company has not done any transactions for trading in Shares, securities, debentures and other investments. The Company has maintained proper records of transactions and contracts in respect of power bonds allotted to the company by Power companies under tripartite agreement. All power bonds have been held by the Company in its own name. | No comments. |
| 15. The Company has not given guarantees for loans taken by others. However, The company through its' holding company CIL entered into an agreement with State Bank of India consortium to avail cash credit facility and charge has been created against the Current Assets of the Company amounting to ₹ 8300.00 lacs in favour of State Bank of India and members of its consortium for a loan of ₹ 8300.00 lacs. However, the said facilities have not been availed by the company during the year. | No comments. |

AUDITORS' REPORT

MANAGEMENT'S REPLY

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|---|--------------|
| 16. According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, We are of the opinion that the term loans were applied for the purpose for which the loans were obtained. | No comments. |
| 17. According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, We report that no funds raised on short-term basis have been used for long term investment by the Company. | No comments. |
| 18. During the year the Company has not made any preferential allotment of shares. | No comments. |
| 19. No debenture has been issued by the Company; hence creation of securities in respect of debenture issued does not arise. | No comments. |
| 20. The company is not a listed Company; therefore raising of money by public issue does not arise. | No comments. |
| 21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit, that causes the financial statements to be materially misstated. | No comments. |

For V. K. Jindal & Co.
Chartered Accountants

Sd/-
(R.S. Agarwal)
Partner
(Membership No.076081)
ICAI Firm Reg. No.:001468C

Place: Ranchi

Date: 17th May, 2011

Appendix-1**DETAILS OF DISPUTED STATUTORY LIABILITIES AS ON 31.03.2011***Fig. in Lakhs*

Tax Type	No. of Case	Name of Court	Period	Disputed Amount
Royalty Cases	33	Certificate Office, Dhanbad, Ranchi, Bokaro, Hazaribag	1984-85 to 2008-09	4897.45
Royalty Cases	1	Dy. Commissioner, Ramgarh	2008-09	74.25
Royalty Cases	7	Commissioner, Hazaribag	1996-97 to 2008-09	708.49
Royalty Cases	25	High Court, Jharkhand	1991-92 to 2010-11	18425.44
Royalty Cases	5	Supreme Court, Delhi	1991-92 to 2005-06	8275.03
Sales Tax Cases	192	Commercial Tax Officer, Ranchi, Hazaribag, Tenughat, Ramgarh	1990-91 to 2007-08	11044.61
Sales Tax Cases	196	JCCT (A), Hazaribag	1990-91 to 2007-08	22235.19
Sales Tax Cases	16	JCCT (A), Ranchi	1985-86 to 2001-02	369.44
Sales Tax Cases	69	Commissioner, Commercial Tax, Ranchi	1988-89 to 2006-07	18520.33
Sales Tax Cases	55	Tribunal, Ranchi	1990-91 to 2005-06	2039.43
Sales Tax Cases	1	High Court, Jharkhand	1996-97	192.85
Service Tax Cases	9	Commissioner, Ranchi	2004-05 to 2008-09	5037.23
Electricity Duty Cases	116	JCCT (A), Hazaribag	1992-93 to 2007-08	1335.39
Electricity Duty Cases	5	Tribunal, Ranchi	1993-94 to 1997-98	16.50
Electricity Duty Cases	8	High Court, Jharkhand	1997-98 to 2004-05	317.93
Entry Tax Cases	1	Supreme Court, Delhi	2006-07	2500.00
Income Tax Cases	2	Assessing Officer (U/s 154), Ranchi	2004-05 & 2006-07	911.47
Income Tax Cases	3	CIT (Appeal), Ranchi	2006-07 to 2008-09	23106.50
Income Tax Cases	9	CIT (Appeal), Jamshedpur	2005-06 to 2009-10	30.48
Income Tax Cases	1	CIT (Appeal), Ranchi	2005-06	5331.04
Income Tax Cases	10	High Court, Jharkhand	1984-85 to 1994-95	2469.83
	718	Total		127838.88